UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K/A

(Amendment No. 1)

FOR ANNUAL AND TRANSITION REPORTS

PURSUANT TO SECTIONS 13 OR 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

(Mark One)

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

For the Fiscal Year Ended December 31, 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	
(Address of Principal Executive Offices)	**(Zip Code)**

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

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

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, $1.60 par value	New York Stock Exchange

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

None

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

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

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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of June 30, 2003: $11,747,114,016. There were

400,563,988 shares of common stock outstanding (and 42,252,191 exchangeable shares exchangeable into Newmont Mining Corporation common stock on a one-for-one basis) on March 2, 2004.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Registrant s definitive Proxy Statement submitted to the Registrant s stockholders in connection with our 2004 Annual Stockholders Meeting to be held on April 28, 2004, are incorporated by reference into Part III of this report.

Table of Contents

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A (this Amendment) amends the Annual Report on Form 10-K for the year ended December 31, 2003 filed on March 15, 2004 (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 32, 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 9A, 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.

Table of Contents

TABLE OF CONTENTS

Table of Contents

This document (including information incorporated herein by reference) contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which involve a degree of risk and uncertainty due to various factors affecting Newmont Mining Corporation and our affiliates and subsidiaries. For a discussion of some of these factors, see the discussion in Item 1A, Risk Factors, of this report.

ITEM 7. MANAGEMENT S DISCUSSION AND ANALYSIS OF CONSOLIDATED FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Restatements

As further described in Note 32 to the Consolidated Financial Statements, Newmont has determined that certain adjustments are required to restate the Statements of Consolidated Cash Flows for the years ended December 31, 2003 and 2002. The Company has determined that it incorrectly classified the impact of foreign currency exchange rate changes among *Net cash provided by operating activities* and *Effect of exchange rate changes on cash* in the Statements of Consolidated Cash Flows and, therefore, a restatement is required to classify the impact of foreign currency exchange rate changes to the proper line items. In addition, for the year ended December 31, 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 $50.3 million, decreased *Net cash used in investing activities* by $4.7 million and increased *Effect of exchange rate changes on cash* by $45.6 million for the year ended December 31, 2003. The restatements decreased *Net cash provided by operating activities* by $14.5 million and increased *Effect of exchange rate changes on cash* by $14.5 million for the year ended December 31, 2002. The restatements had no effect on the Statements of Consolidated Operations and Comprehensive Income (Loss), the Consolidated Balance Sheets or the Statements of Consolidated Changes in Stockholders Equity at or for the years ended December 31, 2003 and 2002.

The following discussion provides information that management believes is relevant to an assessment and understanding of the consolidated financial condition and results of operations of Newmont Mining Corporation and its subsidiaries (collectively, Newmont or the Company). References to A$ refer to Australian currency, CDN$ to Canadian currency, CHF to Swiss currency, NZD$ to New Zealand currency and U.S or $ to United States currency.

This discussion addresses matters we consider important for an understanding of our financial condition and results of operations as of and for the three years ended December 31, 2003, as well as our future results. It consists of the following subsections:

Overview, which provides a brief summary of our consolidated results and financial position and the primary factors affecting those results, as well as a summary of our expectations for 2004;

Accounting Changes, which provides a discussion of recent changes to our accounting policies that have affected how we account for reclamation and remediation costs and for depreciation, depletion and amortization of property, plant and mine development;

Restructuring and Acquisitions, which provide information regarding our 2002 restructuring and our 2002 and 2003 acquisitions;

Critical Accounting Policies, which provides an analysis of the accounting policies we consider critical because of their effect on the reported amounts of assets, liabilities, income and/or expenses in our consolidated financial statements and because they require difficult, subjective or complex judgments by our management;

Consolidated Financial Results, which includes a discussion of our consolidated financial results for the last three years;

Table of Contents

Results of Operations, which sets forth an analysis of the operating results for the last three years of Newmont s gold operations, the Base Metals Segment engaged in copper and zinc production, the Exploration Segment and the Merchant Banking Segment;

Recent Accounting Pronouncements, which summarizes recently published authoritative accounting guidance, how it might apply to us and how it might affect our future results; and

Liquidity and Capital Resources, which contains a discussion of our cash flows and liquidity, investing activities and financing activities, contractual obligations and off-balance sheet arrangements.

This item should be read in conjunction with our consolidated financial statements and the notes thereto included in this annual report.

Overview

Newmont s original predecessor corporation was incorporated in 1921. Newmont is the world s largest gold producer and is the only gold company included in the S&P 500 Index. We are also engaged in the exploration for and acquisition of gold properties and are the world s largest private sector precious metals royalty owner. We have mining operations in the United States, Australia, Peru, Indonesia, Canada, Uzbekistan, Turkey, Bolivia, New Zealand and Mexico. We have an advanced development project in Ghana, which is expected to become our next core operating district. During the last few years we have expanded our global footprint through our exploration efforts and through the acquisition of operating and development assets. We believe that Newmont is positioned to remain a gold industry leader capable of achieving further profitable growth as we discover and develop new projects.

Newmont faces key risks associated with our business. One of the most significant risks is the fluctuation in the price of gold and other metals, which is affected by numerous factors beyond our control. Other challenges we face are production cost increases and potential social and environmental issues. Operating costs at our operations are subject to great variation from one year to the next due to a number of factors, such as changing ore grades, metallurgy and revisions to mine plans in response to the physical shape and location of the ore bodies. At foreign locations, such costs are also influenced by currency fluctuations that may affect our U.S. dollar operating costs. In addition, we must continually replace gold reserves depleted by production. Depleted reserves must be replaced by expanding known ore bodies or by locating new deposits in order to maintain production levels over the long term.

Our financial results for 2003 improved compared to 2002 and 2001, largely due to increased margins related to the higher gold prices received during the year. The Company strengthened its balance sheet by raising approximately $1.0 billion through an equity offering in November, by substantially eliminating the Australian gold hedge books and by reducing outstanding debt. Newmont had worldwide gold reserves of 91.3 million equity ounces as of December 31, 2003, reflecting a 5% increase over the 86.9 million equity ounces as of December 31, 2002, despite Newmont s sale during 2003 of certain non-core operations with reserves of 4.2 million equity ounces.

Table of Contents

Summary of Consolidated Financial and Operating Performance

The table below highlights key financial and operating results:

	Years ended December 31,		
	2003	**2002**	**2001**
Net income (loss) applicable to common shares (in millions)	$ 475.7	$ 154.3	$ (54.1)
Net income (loss) per share, basic	$ 1.16	$ 0.42	$ (0.28)
Revenues (in millions)	$ 3,214.1	$ 2,657.9	$ 1,666.7
Equity gold sales (in thousands of ounces)	7,383.6	7,631.7	5,466.1
Average price received per ounce of gold	$ 366	$ 313	$ 271
Total cash costs ($/ounce)(1)	$ 203	$ 189	$ 184
Total production costs ($/ounce)(1)	$ 266	$ 250	$ 237

(1) Total cash costs and total production costs are non-GAAP measures of performance that we use to determine the cash generating capacities of our mining operations and to monitor the performance of our mining operations. For a reconciliation of *Costs applicable to sales* to total cash costs and total production costs per ounce (unaudited), see Item 2, Properties, above.

Consolidated Financial Performance

Primarily as a result of the factors discussed below, our net income applicable to common shares increased to $475.7 million ($1.16 per share, basic) for the year ended December 31, 2003, an increase of 208% compared with net income applicable to common shares of $154.3 million ($0.42 per share, basic) for the year ended December 31, 2002. In 2001, we incurred a net loss of $54.1 million ($0.28 per share, basic). Newmont s revenues of $3.2 billion in 2003 grew 21% from $2.7 billion in 2002, which in turn increased $1.0 billion, or 59%, from 2001. Higher revenues and net income in 2003 and 2002, as compared to 2001, were a direct result of higher production resulting from the acquisitions of Normandy and Franco-Nevada in early 2002, and increased margins on gold sales resulting from higher average realized gold prices.

During 2003 and 2002, the weakening U.S. dollar and other factors helped strengthen gold prices and as a result, our average realized gold price increased significantly from $271 per ounce in 2001, to $313 per ounce in 2002 and to $366 in 2003. At December 31, 2003, we assumed a long-term gold price of $360 per ounce for purposes of impairment testing of goodwill and the carrying value of long-lived assets, compared to an assumed gold price of $320 per ounce at December 31, 2002. The increase in the assumed gold price for impairment testing in 2003 reflects the Company s improved view of long-term gold prices based on the improvement in gold market fundamentals.

The average realized gold price increases over the last few years were partially offset by higher total production costs per ounce. During the past three years, Newmont has seen significant increases in the cost of fuel, power and other bulk consumables. In addition, our production costs were affected by the increase in foreign currency exchange rates in relation to the U.S. dollar. While a weaker U.S. dollar generally benefits the gold price, which is quoted in U.S. dollars, it also results in higher costs quoted in U.S. dollars at certain of our foreign operations. Since the Company s acquisition of Normandy, the Australian dollar/U.S. dollar exchange rate has had the greatest impact on costs. We experienced an appreciation of 17% in the average Australian dollar/U.S. dollar exchange rate between 2003 and 2002.

Our equity gold sales in 2003 of 7.4 million ounces were slightly lower than the 7.6 million ounces in 2002 because of the Company s divestiture of non-core equity investments. Equity gold sales in 2002 were approximately 40% higher than the 5.5 million ounces sold in 2001, as a result of the Normandy and Franco-Nevada acquisitions.

Table of Contents

In addition, our financial and operating results for the year ended December 31, 2003 were impacted by the following significant items:

Our 2003 results reflect the full-year impact of our acquisitions of Normandy and Franco-Nevada;

we recognized a net $83.2 million gain on investments in 2003 primarily relating to a gain on the exchange of certain securities;

we recognized net gains relating to Newmont Yandal Operations Pty Ltd (NYOL) of $114.0 million as the result of the extinguishment of NYOL s debt, and $106.5 million as a result of the extinguishment of NYOL gold hedge contracts;

we incurred losses in 2003 of $119.5 million relating to Australian Magnesium Corporation, and a $30.0 million charge relating to a Newmont guarantee of a loan to QMC Finance Pty Ltd;

we recognized foreign currency gains of $97.0 million;

we spent significantly higher amounts on exploration, research and development; and

income tax expense was $206.9 million in 2003, compared to $19.9 million in 2002. The 2003 increase in tax expense was primarily attributable to significantly higher pre-tax income.

Equity Accounted Investment

Our results of operations and financial condition also include non-consolidated or equity accounted affiliates, the most significant of which is P.T. Newmont Nusa Tenggara, which owns the Batu Hijau mine in Indonesia. Equity income from Batu Hijau was $82.9 million for 2003 compared to $42.1 million in 2002. The increase in equity income at Batu Hijau over prior years primarily resulted from higher copper prices, increased gold by-product credits and lower smelting and refining costs.

Newmont expects to consolidate Batu Hijau effective January 1, 2004, following the adoption of FASB Interpretation No. 46R (FIN 46R). We expect this will have a material impact on our consolidated operating and financial results reported in the future.

Liquidity

During 2003, Newmont s balance sheet strengthened significantly, primarily from the equity offering completed in November, from positive operating cash flows and from the sale of non-core assets. The Company s financial position at December 31, 2003 and 2002 was as follows:

At December 31,

	2003	2002
	(in millions)	
Long-term debt (including current portion)	$ 1,077.5	$ 1,816.6
Total stockholders equity	$ 7,384.9	$ 5,419.2
Cash and cash equivalents	$ 1,314.0	$ 401.7

During 2003, our debt and liquidity positions were affected by several events. We made net repayments of long-term debt of $669.3 million, primarily reflecting early debt extinguishments. In November 2003, we completed an offering of 25 million shares of common stock, which raised gross proceeds of approximately $1.0 billion. As a result of the proceeds received from the offering, our cash and cash equivalents and stockholders equity both increased significantly. We also received $224.6 million from the sale of marketable securities of Kinross, $180.0 million from the sale of shares of TVX Newmont Americas and $162.5 million from the issuance of common stock on the exercise of Franco-Nevada Class B warrants. Earnings of $146.0 million were distributed to the minority partners of Yanacocha during 2003. In addition, during 2003 we spent $176.3 million buying back gold derivative instruments, almost completely eliminating the portfolio of gold commodity derivative instruments obtained as part of the acquisition of Normandy.

Table of Contents

Looking Forward

Certain key factors that have affected our financial and operating results in the past will affect our future financial and operating results. These include, but are not limited to the following:

- Gold prices, and to a lesser extent, copper prices;

- Given the increase in reserves and the progress made on development projects, production is anticipated to range between 7.0 million and 7.5 million equity ounces per year through 2006. Newmont is currently developing its next generation of lower cost mines. We anticipate that our Ahafo advanced development project in Ghana, West Africa, will generate steady-state annual gold sales of approximately 500,000 ounces commencing in 2006, with higher production in the initial years. We expect to make an investment decision on the Akyem project, also in Ghana, by the end of 2004. In Nevada, the Leeville underground project is approximately 42% complete with annual gold production of approximately 500,000 ounces expected to commence at the end of 2005, while annual production from the Phoenix development project, anticipated to begin operating in 2006, is expected to be between 400,000 to 450,000 ounces of gold and 18 to 20 million pounds of copper;

- Changes in foreign currency exchange rates in relation to the U.S. dollar will continue to affect our future profitability and cash flow. Fluctuations in 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. Historically, such fluctuations have not had a material impact on the Company s revenue since gold is sold throughout the world principally in U.S. dollars. The Company s total cash costs are most significantly impacted by variations in the Australian dollar/U.S. dollar exchange rate. However, variations in the Australian dollar/U.S. dollar exchange rate historically have 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;

- Capital expenditures in 2003 were $501.4 million. We expect to increase capital expenditures in 2004 to between $700 million and $750 million, including costs related to the Ahafo project in Ghana and the Leeville and Phoenix projects in Nevada; and

- Due to the strengthening of the gold market, and consistent with our exploration growth strategy, we expect 2004 exploration, research and development expenditures will total between $140 million and $150 million.

Accounting Changes

Reclamation and Remediation (Asset Retirement Obligations)

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 a uniform methodology for accounting for estimated reclamation and abandonment costs. Newmont adopted SFAS No. 143 as required on January 1, 2003. See Note 14 to the Consolidated Financial Statements for complete disclosure of the impact of adopting SFAS 143.

5

Table of Contents

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 2003 and the pro forma effect for 2002 as if the change had been in effect for that period (in thousands, except per share data):

	Year ended December 31,		
(Decrease) increase to income	**2003 Impact**	**2002 (pro forma)**	**2001 (pro forma)**
Costs applicable to sales (exclusive of depreciation, depletion and amortization shown separately below)			
Gold	$ 21,597	$ 10,548	$ 9,779
Base metals	358		
Depreciation, depletion and amortization	(13,607)	(13,228)	(11,359)
Income tax (expense) benefit	(2,922)	938	553
Minority interest	(4,567)	1,938	1,451
Equity income of affiliate	(1,309)	36	(1,656)
(Decrease) increase to income before cumulative effect of a change in accounting principle	$ (450)	$ 232	$ (1,232)
(Decrease) increase to income before cumulative effect of a change in accounting principle per common share, basic and diluted	$ 0.00	$ 0.00	$ 0.00

The table below presents pro forma income (loss) and income (loss) per common share before cumulative effect of a change in accounting principle for years ended December 31, 2002 and 2001 as if the Company had adopted the SFAS No. 143 as of January 1, of each year (in thousands, except per share data):

	2002			2001	
	Income applicable to common shares before cumulative effect of a change in accounting principle	**Income per common share before cumulative effect of a change in accounting principle, basic**	**Income per common share before cumulative effect of a change in accounting principle, diluted**	**Net loss applicable to common shares**	**Net loss per common share, basic and diluted**
As reported	$ 146,622	$ 0.40	$ 0.39	$ (54,119)	$ (0.28)
Effects of SFAS No. 143 accounting method	232			(1,232)	
Pro forma	$ 146,854	$ 0.40	$ 0.39	$ (55,351)	$ (0.28)

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 in 2002 by $7.7 million, net of tax of $4.1 million, and increased net income per share by $0.02. The effect of the change in 2002 was to increase DD&A expense by $1.3 million and decrease net income by $0.8 million for the year. If the change had been in effect for 2001, the pro forma effect of the change would have reduced DD&A expense by $2.0 million in 2001, and would have decreased the net loss by $1.3 million for the same period, or $0.01 per common share, basic and diluted.

Restructuring

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

Acquisitions

Newmont NFM Limited Scheme of Arrangement

On April 2, 2003, the shareholders of Normandy NFM Limited (an Australian corporation trading at that time as Newmont NFM on the Australian Stock Exchange or ASX) voted to approve a 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 scheme became effective on April 14, 2003. Under the terms of the scheme, Newmont NFM shareholders could elect to receive 4.40 ASX listed Newmont Mining Corporation CHESS Depositary Interests (CDIs), with each CDI equivalent to 0.1 Newmont Mining Corporation share of common stock. As an alternative to receiving Newmont Mining Corporation CDIs, shareholders could sell their Newmont NFM shares back to Newmont NFM 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 shares of common stock 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 newly issued Newmont Mining Corporation shares was approximately $105 million, based on the average quoted value of the shares of common stock of $23.58 per share 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 equity securities, together with the cash consideration paid to those shareholders who elected to accept the buy-back offer of approximately $10 million (including transaction costs), resulted in 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 performed a purchase price allocation that gave rise to goodwill of $93.3 million arising from the acquired interest.

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 shares), 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 of Normandy. For accounting purposes, the effective date of the Normandy acquisition was the close of business on February 15, 2002, when Newmont received an 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 Consolidated 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.

Table of Contents

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 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 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. The acquisitions resulted in approximately $3.0 billion of goodwill primarily related to the merchant banking business, the Normandy global exploration programs and expertise, and expected synergies.

Battle Mountain Gold Company

On January 10, 2001, the Company completed the acquisition of Battle Mountain pursuant to an agreement and plan of acquisition, dated as of June 21, 2000, under which each share of common stock of Battle Mountain and each exchangeable share of Battle Mountain Canada Ltd. (a wholly-owned subsidiary of Battle Mountain) was converted into the right to receive 0.105 shares of common stock of Newmont, resulting in the issuance of approximately 24.1 million shares of common stock. The Company also exchanged 2.3 million shares of $3.25 convertible preferred stock for all outstanding shares of Battle Mountain $3.25 convertible preferred stock. In April 2002, Newmont announced the redemption of all issued and outstanding shares of its $3.25 convertible preferred stock as of May 15, 2002. The acquisition was accounted for as a pooling of interests, and as such, the Consolidated Financial Statements include Battle Mountain s financial data as if Battle Mountain had always been part of Newmont.

Critical Accounting Policies

Listed below are the accounting policies that the Company believes are critical to its financial statements due to the degree of uncertainty regarding the estimates or assumptions involved and the magnitude of the asset, liability, revenue or expense being reported**.**

Carrying Value of Goodwill

At December 31, 2003 and 2002, the carrying value of the Company s goodwill was approximately $3.0 billion. Such goodwill was assigned to the Company s Merchant Banking (approximately $1.6 billion) and

8

Exploration (approximately $1.1 billion) Segments and to various mine site reporting units (approximately $300 million in the aggregate). As further described in Note 3 to the Consolidated Financial Statements, this goodwill primarily arose in connection with the Company s February 15, 2002 acquisitions of Normandy and Franco-Nevada, and it primarily represents the excess of the aggregate purchase price over the fair value of the identifiable net assets of Normandy and Franco-Nevada. Such goodwill was assigned to reporting units in a reasonable, supportable and consistent manner based on independent valuations performed by Behre Dolbear and Company, Inc., an independent consulting and valuation firm (Behre Dolbear). The Company s approach to allocating goodwill was to identify those reporting units of the Company that the Company believed had contributed to such excess purchase price. The Company then engaged Behre Dolbear to perform valuations to measure the incremental increases in the fair values of such reporting units that were attributable to the acquisitions, and that were not already captured in the fair values assigned to such units identifiable net assets. In the case of the Merchant Banking and Exploration Segments, these valuations were based on each reporting unit s potential for future growth, and in the case of the mine site reporting units, the valuation was based on the synergies that were expected to be realized by each mine site reporting unit.

The Company evaluates, on at least an annual basis, the carrying amount of goodwill to determine whether current events and circumstances indicate that such carrying amount may no longer be recoverable. To accomplish this, the Company compares the fair values of its reporting units to their carrying amounts. If the carrying value of a reporting unit were to exceed its fair value at the time of the evaluation, the Company would perform the second step of an impairment test. In the second step, the Company would compare the implied fair value of the reporting unit s goodwill to its carrying amount and any shortfall would be charged to income. Assumptions underlying fair value estimates are subject to risks and uncertainties. Newmont performed its annual impairment tests of goodwill during the fourth quarter of 2003 and determined that goodwill was not impaired at December 31, 2003. To the extent the assumptions used in the Company s valuation models laid out below for such impairment tests are not achieved in the future, it is reasonably possible that the Company will record charges for impairment of goodwill in future periods. The specific application of the Company s goodwill impairment policy with respect to the Merchant Banking Segment, Exploration Segment and mine site reporting units are separately discussed below.

Merchant Banking Segment Goodwill

Purchase Price Allocation at February 15, 2002 and Impairment Testing at December 31, 2002. The assignment of goodwill to the Merchant Banking Segment was based on the assumption that, following the Franco-Nevada acquisition, the Merchant Banking Segment would continue to earn long-term investment returns consistent with the historical returns on capital earned by Franco-Nevada during the eleven years prior to the acquisition. It was further assumed that the Merchant Banking Segment, which is led by former senior executives of Franco-Nevada, would seek to earn such returns from various transactions such as mergers, acquisitions, joint ventures, investments in royalty interests, the disposal of interests in mining projects and other investing and financing related transactions. The amount of goodwill assigned to the Merchant Banking Segment as of the acquisition date was intended to represent the incremental increase in the value of the Merchant Banking Segment as a result of the acquisition, and was based on a discounted cash flow analysis that assumed (i) an initial investment of $300 million; (ii) additional annual investments of $50 million commencing in year two of a seven-year time horizon; (iii) an average long-term after-tax return of 37.3%; (iv) the immediate reinvestment of average annual returns; and (v) discount rates ranging from 8% to 9%. The assumed initial and additional investments were based on Franco-Nevada s historical asset base and investing experience, and management s judgment as to what investment levels could be expected to continue in the future. While the Company expected the actual investments of the Merchant Banking Segment to be made on a sporadic basis as investment opportunities presented themselves, the Company assumed an additional annual investment level of $50 million for valuation modeling purposes. The Company believed that the $50 million additional annual investment level assumed for modeling purposes was reasonable given the equivalent probability of investing more or less than that average amount in any given period based upon the timing of attractive investment opportunities. The February 15, 2002 valuation model assumed that the investments and related returns thereon would ultimately

Table of Contents

increase to a value of approximately $3.8 billion at the end of the seven-year period. Such value would have represented 34% of the Company s total assets at December 31, 2003. Asset growth of this magnitude is consistent with Franco-Nevada s historical experience. The 37.3% long-term after-tax return assumed for this analysis represented the average return on capital deployed by the merchant banking unit of Franco-Nevada during the eleven years prior to its acquisition by the Company. For purposes of this return calculation, the denominator excluded capital associated with Franco-Nevada s cash and gold bullion balances and the numerator excluded the interest income generated by such cash balances due to the fact that Franco-Nevada s cash and gold bullion balances did not represent amounts invested by Franco-Nevada s merchant banking unit. Throughout the eleven-year historical valuation period, Franco-Nevada s cash and gold bullion balances represented a significant portion of Franco-Nevada s total assets. Accordingly, if cash and gold bullion balances and interest income had been included, the calculated return would have been 15%, a significantly lower return than the 37.3% return that was in fact used to value the goodwill of the Merchant Banking Segment. In order to assess future returns in relation to the 37.3% return assumed for goodwill allocation purposes, the Company will track annualized returns on investments, on an individual and aggregate basis, based upon realized and unrealized value changes from inception of each investment.

The Company expects to fund investments as opportunities arise and, therefore, it is likely that investments in the Merchant Banking Segment will fall short of or exceed the February 15, 2002 valuation model s assumed annual investment level of $50 million in any given year. Under this valuation model, since revised and updated for purposes of impairment testing at December 31, 2003, as described below, to the extent that the Company were to have fallen short of the assumed annual additional investment of $50 million per year or otherwise were to have fallen short of the targeted portfolio value, the Company would have needed to achieve increases in its future investment levels, returns and/or other factors impacting the valuation sufficient to offset fully any such shortfalls in invested capital and returns thereon in order to replicate the value assigned to the Merchant Banking Segment goodwill on February 15, 2002. The Company would have needed to invest an average of approximately $82 million annually in years three through seven if the Company failed to make any new investments in year two assuming all other valuation assumptions were held constant. Similarly, to the extent that the Company failed to realize and reinvest investment returns that are at least equal to the 37.3% annual returns assumed for purposes of the February 15, 2002 valuation, the Company would have needed to achieve increases in future returns, investment levels and/or other factors impacting the valuation in order to replicate the value assigned to the Merchant Banking Segment goodwill on February 15, 2002. For example, if the Company had decreased its return assumption by one percentage point to 36.3% or by ten percentage points to 27.3% in the February 15, 2002 valuation, the $1.625 billion value assigned to the Merchant Banking Segment goodwill at February 15, 2002 would have decreased by approximately $96 million or $805 million, respectively, from the value determined in the February 15, 2002 valuation, assuming all other valuation assumptions were held constant. Moreover, as the expected period between the initial investment and the ultimate realization of a return by the Merchant Banking Segment is generally greater than one year, and given that the February 15, 2002 model assumes that returns are realized and reinvested on an annual basis, the Merchant Banking Segment will likely need to achieve returns in excess of the assumed 37.3% return in order to replicate the value assigned to the Merchant Banking Segment goodwill on February 15, 2002 assuming all other valuation assumptions are held constant. Changes to other valuation assumptions, such as the amount of the initial investment, discount rates, tax rates and the time horizon also would have impacted the value determined by the February 15, 2002 valuation. Although the Company believes that the February 15, 2002 valuation provided a reasonable and supportable basis for the allocation of goodwill to the Merchant Banking Segment, the Company recognizes that, due to the opportunistic nature of the Merchant Banking Segment s business, future returns and investment levels are not easily predicted. Accordingly, future results may vary significantly from the investments and returns assumed for purposes of this discounted cash flow analysis.

For purposes of performing its annual goodwill impairment test, the Company will perform an analysis to determine the fair value of the Merchant Banking Segment. The fair value derived from this valuation process, together with the fair value of the identifiable net assets of the Merchant Banking Segment, will be considered by the Company in the first step of its impairment test, which test requires the Company to compare the aggregate

Table of Contents

carrying value of the identifiable net assets and goodwill of the Merchant Banking Segment to the aggregate fair value of such identifiable net assets and goodwill. For every 10% reduction in the valuation of goodwill below the amount assigned to the Merchant Banking Segment at the acquisition date, the Company would expect to record a non-cash goodwill impairment charge of approximately $160 million.

Impairment Testing at December 31, 2003. The fair value of the equity portfolio at December 31, 2002 was approximately $310 million. During 2003, the Company did not make any substantial new capital additions to the equity portfolio but did sell a substantial proportion of its investment in Kinross, which represented the majority of value of the equity portfolio at the time of sale. As discussed below, the December 31, 2003 discounted cash flow analysis for the equity portfolio sub-segment of the Merchant Banking Segment assumed an initial equity portfolio of approximately $140 million (approximate fair value of equity portfolio at December 31, 2003) and capital infusions of $120 million annually for the next three fiscal years. The assumed capital infusions are necessary to bring the equity portfolio to a level necessary to support the carrying value of the Merchant Banking Segment. While the Company has both the ability and intention to meet these funding requirements, no assurance can be given that it will be successful in this regard.

At December 31, 2003, the $1.6 billion carrying value of the Merchant Banking Segment goodwill represented approximately 74% of the carrying value of the total assets of the Merchant Banking Segment. Based on a December 31, 2003 valuation of the Merchant Banking Segment prepared by an independent valuation firm, the Company concluded that the fair value of the Merchant Banking Segment was significantly in excess of its carrying value at December 31, 2003, and accordingly, that it was not necessary to perform the second step of the goodwill impairment test with respect to its Merchant Banking Segment. Although the Company considers both the February 15, 2002 and December 31, 2003 valuations to be reasonable and both were based on discounted cash flow models, the December 31, 2003 valuation incorporated assumptions and approaches that were designed to (i) take into account the evolving activities and objectives of the Merchant Banking Segment; (ii) recognize the reduced investment level of the equity portfolio; (iii) increase the sophistication of the financial model used to support the valuation of the Merchant Banking Segment; and (iv) value all the sub-segments of the Merchant Banking Segment, including the equity portfolio sub-segment, the royalty portfolio sub-segment, the portfolio management sub-segment, and the downstream gold refining sub-segment. As a result, certain of the assumptions underlying the December 31, 2003 valuation model are not directly comparable to the assumptions used in the February 15, 2002 valuation. The December 31, 2003 discounted cash flow analysis for the equity portfolio sub-segment of the Merchant Banking Segment assumed: (i) a discount rate of 9%; (ii) a time horizon of ten years; (iii) pre-tax returns on investment ranging from 35% starting in 2004 and gradually declining to 15% in 2011 through 2013; (iv) an initial equity portfolio investment of approximately $140 million; (v) capital infusions of $120 million annually for the next three fiscal years; and (vi) a terminal value of approximately $1.5 billion. The December 31, 2003 discounted cash flow analysis for the royalty portfolio sub-segment of the Merchant Banking Segment assumed: (i) a discount rate of 9%; (ii) a time horizon of ten years; (iii) an annual growth rate of 5% in the royalty portfolio; and (iv) a pre-tax rate of return on investment of 13%. The December 31, 2003 discounted cash flow analysis for the portfolio management sub-segment of the Merchant Banking Segment assumed: (i) a discount rate of 9%; (ii) a time horizon of ten years; and (iii) a pre-tax advisory fee of 5% on approximately $500 million of transactions and value-added activities in 2004, with the dollar amount of such transactions and activities increasing by 5% annually thereafter. The December 31, 2003 discounted cash flow analysis for the downstream gold refining sub-segment of the Merchant Banking Segment assumed: (i) a discount rate of 9%; (ii) a time horizon of ten years; and (iii) a pre-tax annual return on investments of $4.2 million. The December 31, 2003 discounted cash flow analysis assumed a combined terminal value for the royalty portfolio, portfolio management and downstream gold refining sub-segments of approximately $900 million.

Future Goodwill Valuations. For purposes of valuing the Merchant Banking Segment at future fiscal year ends, the Company expects that the valuation model will continue to be reevaluated and enhanced to acknowledge the evolving activities and objectives of the Merchant Banking Segment. The key drivers of such future valuations are expected to include (i) expected future long-term investment returns, adjusted for Company specific and market driven factors; (ii) expected economic value to be added by the Merchant Banking Segment

Table of Contents