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NEWMONT GOLD COMPANY'S FIVE-YEAR BUSINESS PLAN

'With the largest reserves in North America, Newmont Gold in 1988 will become the largest gold producer on the continent.'

Presented by

T. PETER PHILIP
President, Newmont Gold Company

September 1987

Each year, Newmont Gold Company develops a new business plan, called a "Five-Year Plan." Every new five-year plan, thus far, has been different from the one produced the year before, which is quite natural. In general, we try and base our new plan on new information coming in from drill results, from operations, and other sources. Since 1984, each new business plan has been more aggressive than the previous year's.

We have the largest gold reserves in North America. And our problem is how to maximize the return from these reserves.

Recently, market pressures have forced us to become less conservative and much more aggressive than was the case before. Therefore, we developed the "I Plans," as they are known. We developed five different "I" plans, one of which was a mere extension of our previous five-year plan.

In the end, the Board of Directors approved the most aggressive of these plans, and it is called the "I-One Plan." This plan runs from 1988 to 1992.

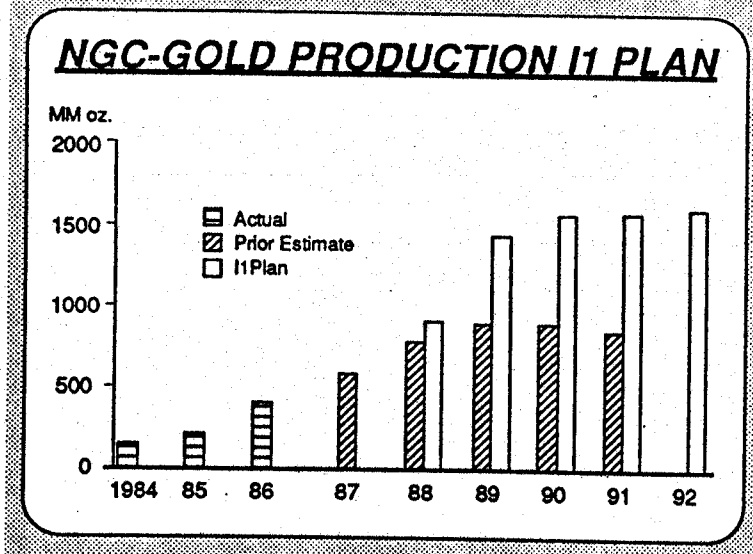


Fig. 1

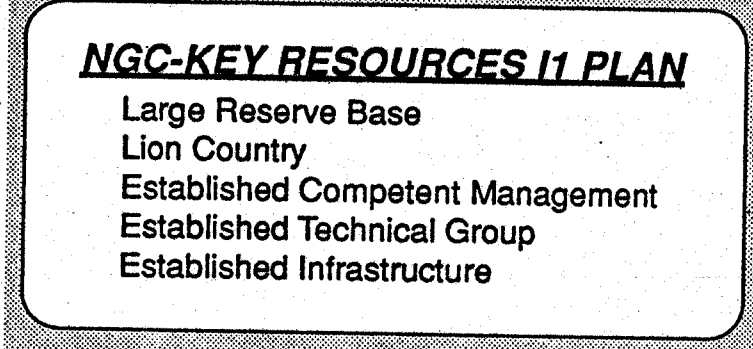


Fig. 2

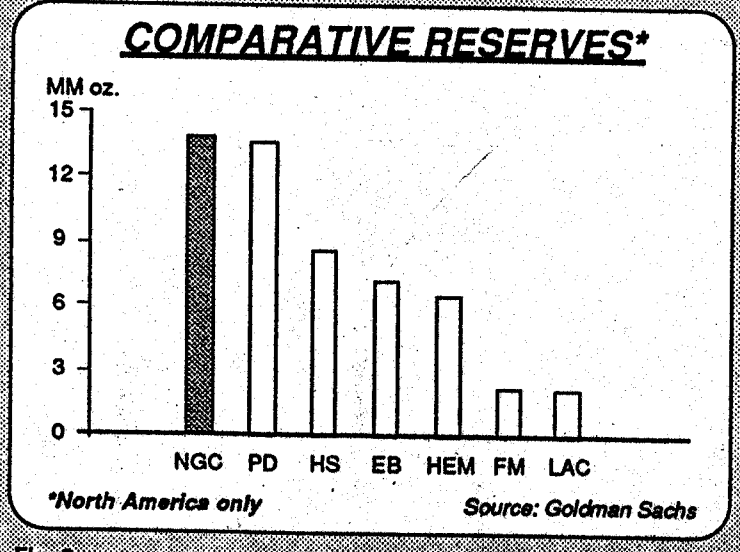


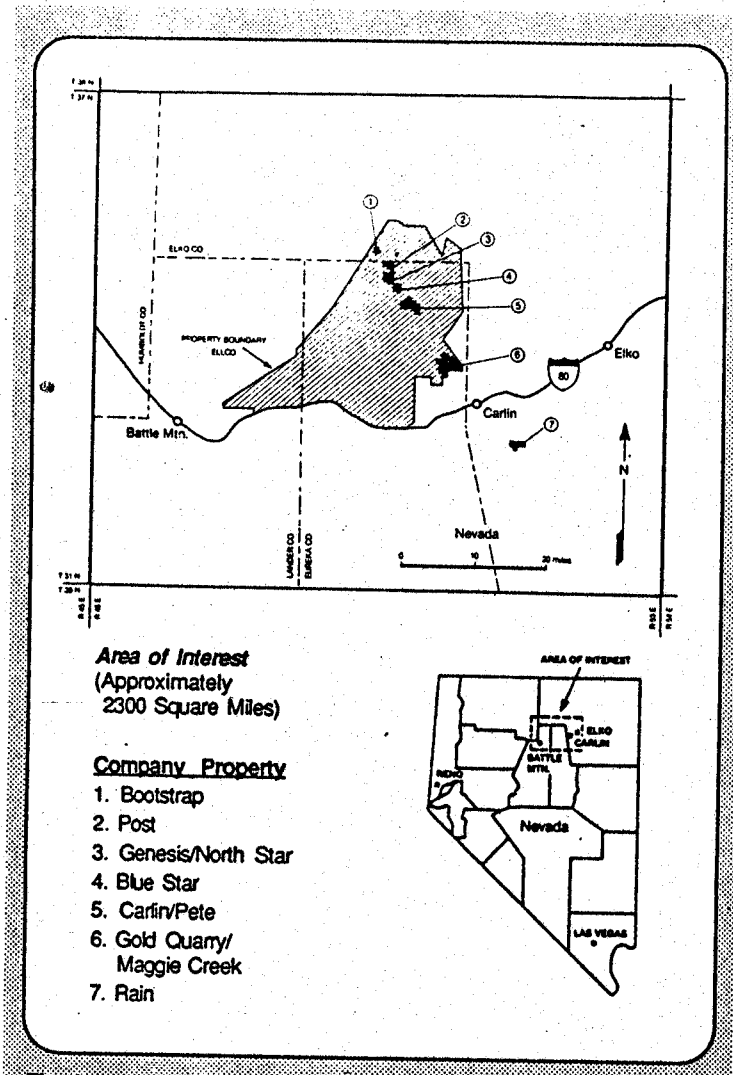
Fig. 3

The first illustration (Fig. 1) that I want to refer to is gold production. The horizontal lines give the actual production of the years 1984 to 1986; the diagonal lines give the estimated production which was part of our previous five-year plan, developed at the end of last year and showing what we anticipated we would produce to the year 1991. And in white, we have the new forecasts based upon the I-One Plan.

Production in 1987 is going to be nearly four times as much as that in 1984. What we are now saying is that we will increase from about 585,000 ounces in the year 1987 to approximately 1.6 million ounces by the year 1990. Thus we will continue with the growth rate that we have had thus far. The production that is being forecast in those latter years is made possible by the large reserves that we have in the Carlin Trend.

Our key resources make it possible to adopt an aggressive plan of this nature (Fig. 2). First of all, we must talk about the large reserve base, which I will come back to it later in much more detail. Secondly, we are in "lion country." Where we are is probably one of the most exciting and prospective areas in the world today. Thirdly, we have an established and competent management, on site, in Nevada. Under them, we have a highly motivated established technical group. As a matter of interest, we have nearly 30 metallurgical engineers at Newmont Gold in Carlin. Furthermore, we now have an established infrastructure, something we didn't have a few years ago. Even if we had the reserves a few years ago, we would not have been able to contemplate a plan like this, without the infrastructure that since has been developed.

Figure 3 is a comparative survey of reserves which Goldman Sachs prepared. It applies to North America only. Listed are: Newmont Gold Company; the Placer-Dome merger that recently took place, where three mines have merged together; Homestake, Echo Bay, Hemlo, Freeport-McMoran and LAC. It will be noted that Newmont Gold Company, by a small margin, has more reserves than any other grouping there. That is, 14 million ounces in the proven and probable category compared to Placer-Dome running about 13.8, Homestake about 8 million, and the others all less than that.



Area of Interest
(Approximately
2300 Square Miles)

Company Property
1. Bootstrap
2. Post
3. Genesis/North Star
4. Blue Star
5. Carlin/Pete
6. Gold Quarry/
   Maggie Creek
7. Rain

Fig. 4

In Figure 4, there is a string of little black patches running from the top, center, to the bottom, right. This is known as the Carlin Trend. It starts off with our Bootstrap mine in the far north and runs down to our Rain orebody in the far south. This trend is where most of the gold has been discovered thus far. But we don't believe that that is the only place where gold will be discovered. I draw your attention to Battle Mountain on the left side of the map.

The area that has been hatched is the TS Ranch, which is owned by the Elko Land and Livestock Company, which is in turn wholly-owned by Newmont Mining Corporation. The black patches are those areas of ground which belong to the Newmont Gold Company itself. And within the extreme black borders around the map, we have a 2,300 square mile area wherein if any gold deposit is discovered, Newmont Mining Corporation will pass that orebody on to Newmont Gold Company in return for a royalty.

The hatched area covers about 400 square miles. Within it, there is a checker-board of federal ground on which the mineral rights are also generally controlled by ourselves. Here and there, within this area, there are pieces of ground which others have claim to. For example, the Gold Strike area of American Barrick is located next to our Post deposit, Number 2 in the map. And further south, there is an area which is controlled by Nerco. But in general, the rest of it, to a large extent, is controlled by the Newmont Gold Company or by Newmont Mining Corporation.

NGC - GEOLOGIC RESOURCES - MM OZ.

	Proven/Probable	Possible	Total
Rain Area	1.2	0.5	1.7
South Area	8.5	3.1	11.6
North Area	4.3	2.5	6.7
Totals	14.0	6.0	20.0

Fig. 5

NGC - GEOLOGIC RESOURCES BY TYPE

	Mill Grade	Leach Grade	Refractory
Rain (MM oz.)	1.0	0.4	0.3
South Area (MM oz.)	4.1	4.5	3.0
North Area (MM oz.)	2.7	1.9	2.1
Totals	7.8	6.8	5.4
Tons ore (MM)	80	222	70
Grade (oz./ton)	0.10	0.03	0.08

Fig. 6

Newmont Gold's geologic resources are broken down into three main areas (Fig. 5): the Rain area, what is called the south area, and the north area. The geologic resources are broken down into two categories of proven/probable and possible.

In the Rain area, we have 1.2 million ounces of gold under the proven/probable category, and in the possible category we have .5 million ounces, for a total of 1.7 million ounces.

The south area has by far the greatest amount of gold. This is in the vicinity of Gold Quarry and there we have 8.5 million ounces in the proven/probable category, 3.1 million of possible, for a total of 11.6 million ounces.

In the northern area, which encompasses places like Bootstrap, Capstone, Post, and Genesis, we have 4.3 million ounces of gold in proven/probable category; 2.5 million in possible, for a total of 6.7 million ounces.

The grand total that we are looking at is 20 million ounces of resources in all categories, of which 14 million are in the proven and probable category.

It is important to note that the gold in the other six million ounces that we have classified as possible resources, has been identified from drill holes, together with geological inference. None of it is purely by inference alone. In other words, we have not assumed that we will make any new discoveries in that area as far as this tabulation is concerned. This is in spite of the fact that in the I-One Plan, we are doubling the budget as far as the exploration group is concerned. We will move from about $6 million expenditure in this year to an average, over the next five years, of about $14 million per year. If we're going to take the gold out faster we have to replace it faster and, therefore, we have to spend more money on exploration and development.

The same geologic resources can be broken down into mill-grade ore, leach-grade ore, and refractory mill-grade ore for these same areas (Fig. 6).

Thus, the Rain area has 1 million ounces in mill-grade ore, about .4 million ounces in leach-grade ore and about .3 million ounces in refractory ore. The south area, 4.1 mill, 4.5 leach, and 3.0 refractory; and the north area, 2.7 mill, 1.9 leach, and 2.1 refractory, for a total of 7.8 million ounces of mill-grade ore; leach-grade ore 6.8 million ounces, and refractory ore containing about 5.4 million ounces.

The tons of ore that we have to mine and treat amount to 80 million tons of mill-grade ore, 222 million tons of leach-grade ore and 70 million tons of refractory ore. Dividing ounces into the tons, grade of the mill-grade ore averages about .10 ounces per ton; the leach-grade ore, .03 ounces per ton; and the refractory ore about .08 ounces per ton. The total

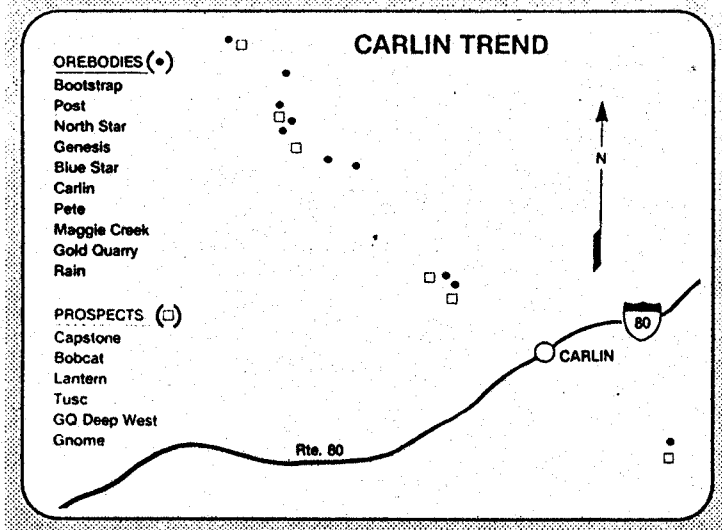


Fig. 7

NGC EXPLORATION POTENTIAL

Deep Orebodies - Barrick
Hidden Orebodies - Gnome
Orebody Extensions - Maggie Creek
Untested NMC Land Area
Surrounding Exploration Areas

Fig. 8

tonnage that will have to be treated through our metallurgical facilities amounts to about 370 million tons of ore.

Another map of the area (Fig. 7) indicates the orebodies and prospects in the Carlin Trend. It is the same map as above, except that orebodies are indicated with dots, and prospects announced earlier this year with squares. These points extend from Bootstrap in the north, down to Rain in the south. There are 10 orebodies listed and six prospects.

There is enormous exploration potential (Fig. 8) in the Carlin area which has not yet been tapped. Apart from our own knowledge of the area and the large area we still have to drill, we have had other indications which prove the exploration potential. For example, deep orebodies -- which we have not attempted to target at this stage -- have been discovered by American Barrick. American Barrick's deeper orebodies have had a lot of publicity recently, and they are a fine discovery. This deep ore is underneath the Post oxide orebody shared by Newmont Gold and American Barrick, which has to be mined before the underground, deeper sulfidized orebody can be mined. Nevertheless, it is an indicator to us that when we have completed searching for the more profitable orebodies that are oxidized and close to the surface, and can be mined by open-pit methods, there is probably a lot of potential for deeper orebodies in the Carlin Trend, which is largely controlled by Newmont.

Thereafter, there are hidden orebodies, such as the one at Gnome, which we have discovered by accident. In the case of Gnome, we were drilling in the vicinity of Rain in order to locate a site for a new mill. That mill would have been placed above the Gnome orebody, (which is a payable orebody) had we not first attempted to drill it to make sure that there was no gold underneath it. And this is not the only such case that we have had in this district. There are other places where we have, through sterilization drilling, discovered additional ore.

Orebody extensions to those which are known already will continue to be discovered. For example, we have now come to the conclusion that the Maggie Creek orebody is an extension of the Gold Quarry Deep West. They are linked to each other. We will find more extensions of that type in the future.

Then there are the 400 square miles controlled by Newmont Mining Corporation. Only a small portion of that land, directly on the Carlin Trend, has actually been tested. The untested land area is considerable.

Quite outside the Newmont Mining Corporation land area, but within the 2,300 square-mile area of influence, there is a surrounding exploration area in which we are also very interested. The exploration potential on this area is extremely high. We're going to spend a lot of dollars on exploration to prove it up.

NGC - MINING PLAN

	1988	1989	1990	1991	1992
Tons Waste (MM)	57.4	54.9	52.4	49.9	49.1
Tons Ore (MM)	24.7	39.4	42.6	42.6	42.6
Totals	82.1	94.3	95.0	92.5	91.7
Tons/Day*	224,000	258,000	260,000	253,000	252,000

*1987 Mined Tons/Day = 112,000

Fig. 9

The next consideration is the mining plan (Fig. 9). The plan is broken up into five years, 1988 to 1992.

In 1988, we have 57.4 million tons of waste that has to be mined in order to recover 24.7 million tons of ore, for a total of 82.1 million tons mined that year. This represents a strip ratio, which is the ratio between waste and ore, of 2.3 to 1, which is the highest figure in the five years. It declines from there to the year 1992, where, for every 49 tons of waste there are 43 tons of ore, a ratio of 1.1 to 1.

The total ore that has to be mined also is listed in tons per day. It varies from a low of 224,000 tons per day to a high of 260,000 tons per day. That can be compared to the average tonnage mined per day, in this year, of 112,000 tons. We will approximately double our mining rate from the year 1987 to the year 1988.

NGC - MET. TREATMENT PLANTS

Present:	Mill No. 1
	Mill No. 2
	South Leach
Under Construction:	North Leach
	Rain Mill (No.3)
	Rain Leach
Additional:	Mill No. 4

Fig. 10

Turning to the metallurgical treatment plants (Fig. 10) that are required for the I-One Plan, we have Mill Number 1, which has been in operation for nearly 20 years; Mill Number 2, which went into production in 1985, in the vicinity of Gold Quarry, and the south leach, which is in the same vicinity. As a result of our previous five-year plan, we have under construction the northern leach, near Post, the Rain mill (or Mill Number 3 as it is also known) as well as the Rain leach in the far south.

In addition to this, as a result of the I-One Plan there will be a new mill called Mill Number 4, which will be placed in the far north in the vicinity of the Post orebody to treat ore from Post and Bootstrap, Capstone and mines in that vicinity.

NGC - RAIN MILL AND LEACH

Present:	Permitting Engineering Road Power
To Follow:	Construction
Operation:	August 1988

Fig. 11

At the Rain area (Fig. 11), where we will have a mill and a leach plant, we have completed all the permitting. The engineering has been completed, a six and a half mile road is complete, and we have negotiated for the electric power. Construction has started for both the mill and the leach, and we anticipate that the mill is going to be in operation from August 1988, and the leach operations somewhat earlier than that.

NGC - MILL NO. 2

Present:	Treats 9,000 tpd; installing larger carbon handling plant
Planned:	Additional milling capacity to 12,300 tpd by October 1988 Additional refractory Ore mill for 4,000 tpd beginning 1990

Fig. 12

Farther north, we come to Mill Number 2 (Fig. 12) where we are presently treating 9,000 tons per day (the plant was designed for 7,500 tons per day). At present, we are installing a much larger carbon handling plant. We have planned to add milling capacity to bring the 9,000 tons to 12,300 tons per day, and this should be in operation by October, 1988. We have also planned to add a refractory ore treatment facility for at least 4,000 tons per day, which must go into production from the beginning of 1990.

NGC - SOUTH LEACH

Present:	Treated 5MM tons year-to-date produced 70,000 oz.
Approved Additions:	South side leach pad secondary crushing plant (10 MM tpy)
Planned:	Possible in-pit crushing plant

Fig. 13

At the southern leach (Fig. 13), in the same area as Mill Number 2, we have treated 5 million tons and have produced approximately 70,000 ounces this year.

Additions to this facility that have already been approved are a leach pad which will be extended further towards the south area, and we are adding a secondary crushing plant to treat approximately 10 million tons per year. That plant will have to be expanded in light of the I-One Plan.

We are also planning a possible in-pit crusher and conveyor plant which will have to stand on its own feet. It will have to be a better option than the trucking out of the pit, which is our present method of hauling the ore from the Gold Quarry mine.

NGC - MILL NO. 1

Present:	Treating 3,500 tpd including 600 tpd refractory
Approved Additions:	Expansion to 4,600 tpd October 1987 Installation of CIL plant

Fig. 14

At Mill Number 1, the mill that has been in operation for over 20 years (Fig. 14), we are presently treating 3,500 tons per day, which includes about 600 tons per day of refractory ore from the area in the north. We previously approved an expansion to 4,600 tons per day by the installation of a carbon in-leach plant and that is scheduled to go into production in October.

NGC - NORTHERN LEACH PLANT

Under Construction:	3 MM tpy
In Production:	Spring 1988
Planned:	Increase to 4.5 MM tpy (1988)
	Increase to 9 MM tpy (1989)

Fig. 15

In the northern area (Fig. 15) near the Post deposit, we have under construction a leach plant which was designed to treat 3 million tons per year. It is due to go into production in the Spring of 1988. Because of the additional leach-grade ore that we have discovered in that area, we will now increase that plant to handle 4.5 million tons next year, and 9 million tons per year thereafter.

NGC - MILL NO. 4

Planned for treatment of ore from "Far North"
To go into production in 1989
To treat oxide ore at 4,000 tpd
American Barrick?

Fig. 16

The new Mill Number 4 (Fig. 16) will treat ore from the far north area. It is planned to go into production in 1989, and will treat oxide ore at a rate of approximately 4,000 tons per day. We are, at present, in negotiation with American Barrick for joint mining and treatment of ore from the Post deposit, which we share. There has been agreement, in principle, between the two parties that we will jointly mine the Post orebody. The Post orebody (Fig. 17) on our side has about 1.2 million ounces of gold in the proven and probable category. The Post orebody on the American Barrick side has approximately the same quantity of gold, insofar as the oxide orebody is concerned. And it is divided by our property line, which runs right through the middle.

In addition to this, American Barrick has drilled what they are calling the "Deep Post." They have also drilled an underground deposit called the "Betze Deposit," which is not far from there.

NGC - AMERICAN BARRICK

Post orebody - NGC: 1.2 MM oz.
Post orebody - AB
Barrick Deep Post
Barrick Betze
NGC Deep Post (script)?
Joint Mining Venture
Joint Mill instead of Mill 4?

Fig. 17

We believe we have got not only a Deep Post but also possibly Deep Post Script orebody as a result of our knowledge of their drilling, since some of their deep drilling was actually done from our own property, with our permission of course.

It is, therefore, quite obvious that to maximize the return for both parties, a joint mining venture in the Post orebody would be the right way to go.

The question mark, however, is whether it also would be the right thing to treat the ore that arises from this joint mining venture through a jointly-owned mill, and other metallurgical treatment facilities. That's a more complex question. At this juncture we plan to build a fourth mill in the northern area unless our negotiations with American Barrick indicate that we should put the money into a joint mill for the benefits of economies of scale.

NGC - PLAN I1 - FINANCIAL DATA - $450/OZ. PRICE ASSUMPTION

	1988	1989	1990	1991	1992
Gold Prod. (MM oz.)	0.9	1.4	1.6	1.6	1.6
Cash Cost ($/oz.)	225	193	200	199	197
Operating Inc. (MM$)	206	369	392	396	404
Inc. Before Tax (MM$)	154	283	298	301	307
Cap. Exp.	233	101	44	13	13
Cash Flow	(87)	166	240	275	283

Fig. 21

In Fig. 21, we have the financial figures which result from the I-One plan. We are using an assumed price of $450 an ounce, and other assumptions insofar as tax and other items are concerned. The financial data cover the year 1988 to the year 1992.

The first line provides the planned gold production. Cash cost is the next line in dollars per ounce. 1988 has the highest cash cost of any year of the five years that we are looking at -- $225 per ounce. The reason for that is that we have a much higher stripping ratio in that year than any other year of the five-year plan. For the other years the cost runs at about $200 per ounce, which compares favorably with our present cost, which is about $192 per ounce.

The operating income from these figures, at the assumptions that we have used, will amount to $206 million in 1988, $369 million in 1989, and approximately $390 to $400 million in the next three years.

Income before federal taxes, in millions of dollars, is projected to amount to $154 million in 1988, $283 million in 1989, and about $300 million for the next three years.

Capital expenditures are scheduled to be at the rate of $233 million in the year 1988, $101 million in 1989, $44 million in 1990, and $13 million in 1991 and 1992. The cash flow which will result from this, amounts to a negative $87 million (after the expenditure of capital) in the year 1988 and positive thereafter at the rate of $166 million for 1989, $240 in 1990, $275 in 1991, and $283 in the year 1992.

Obviously, Newmont Gold will have a very healthy cash flow based on the assumptions outlined. We believe that we will reach our objectives in terms of production and in terms of cost. We cannot guarantee gold prices. But our sensitivity analysis has shown that we can break even at approximately $270 per ounce, which is well below the present price. We have not even attempted to adjust those numbers by raising cutoff grades. The forecasts are based on current cutoff grades, which are quite low.

We believe that we may be able to improve on some of these figures. We have not completed our detailed engineering. No doubt, our detailed engineering is going to show us ways that we can do things better than we have estimated at present.

NGC - CAPITAL EXPENDITURES ($ MILLIONS)

1987 - - - 1991 Estimated in 1986 Budgeting =	$153
Estimated Expenditures in 1987 =	$ 63
I1 Plan 1988 - - - 1992	
1987 Approved Carryforward	$ 67*
Mill No.2 Oxide Expenditures	16
Mill No.2 Refractory Expenditures	70
South Area Leach Expenditures	81**
Mill No.4	69
North Leach Expenditures	25
Mining Equipment	11
Other, Including Equipment Replacements	65
Total	$404

* Includes most of the Rain Project
** Includes an additional Leach Ore Crusher

Fig. 18

The capital expenditures for the I-One Plan total $404 million (Fig. 18). The previous 1986 budget estimated that between the years 1987 and 1991, we would have to spend $153 million. We had estimated that we would spend $63 million in 1987 on capital expenditures for expansions in the Carlin area. The new I-One Plan has changed some of these numbers. And from the amount of cash that has already been approved, there will be a carryforward of approximately $67 million, which includes most of the Rain project.

The Mill Number 2 expansion is anticipated to cost $16 million. In addition to the expansion for oxide treatment at Mill Number 2, we are also going to add another facility of 4,000 tons per day to treat refractory ore from that vicinity. We have budgeted $70 million for this.

The south area leach has to expand considerably from the present 8 million ton per year to treat in excess of 20 million tons per year. We have budgeted $81 million for that purpose.

Mill Number 4 in the far north has been budgeted at $69 million. The increase in the northern leach area from 3 million tons to 9 million tons per year is going to take another $25 million. The additional mining equipment we have to purchase is $11 million. Other items such as, infrastructural, office changes, equipment replacement and others, add up to $65 million, for a total of $404 million for the five years.

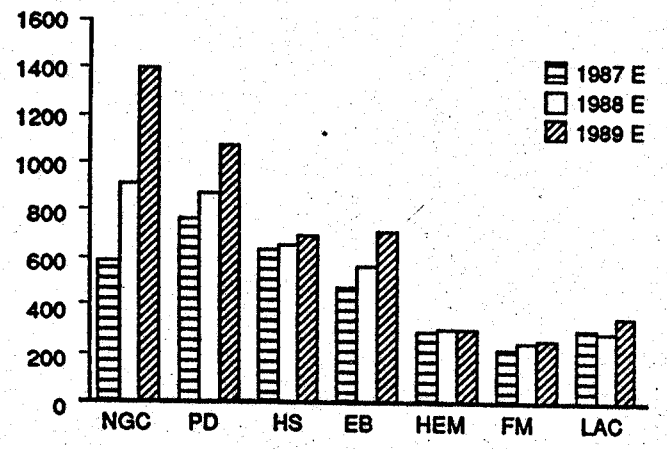
With most of these expansions we have not yet done detailed engineering, but have derived the capital expenditure estimates on the basis of factoring against installations that we have already carried out, and we have added sufficient contingency. The projects that we are talking about are not capital sensitive. We believe that we will be able to bring them in for the $404 million that we have allowed.

NGC - PLAN I1 - GOLD PRODUCTION

	1988	1989	1990	1991	1992
Ore Treated MM					
Mill 1	1.5	1.5	1.5	1.5	1.5
Mill 2	3.6	4.5	5.8	5.8	5.8
Mill 3	0.3	0.7	0.7	0.7	0.7
Mill 4	-	1.5	1.5	1.5	1.5
All Leach	19.3	31.2	33.1	33.1	33.1
Total	24.7	39.4	42.6	42.6	42.6
Gold Prod. MM oz.	0.9	1.4	1.6	1.6	1.6

Fig. 19

PRODUCTION IN NORTH AMERICA



Source: Goldman Sachs

Fig. 20

As seen in Fig. 19, for the years 1988 to 1992 we will treat the following tonnages of ore: Mill Number 1 will be constant at 1.5 million tons for each of the five years. Mill Number 2, the mill near Gold Quarry, will treat 3.6 million tons next year, and will then be expanded to treat 5.8 million tons from 1990 onwards. Since 1989 is the year in which this transition takes place, production will be between those two numbers, 4.5 million tons.

Mill Number 3 at Rain will not have a full year in 1988. It goes into production in August. It will have a full year from 1989 onwards, at a rate of .7 million tons per year.

Mill Number 4, in the far north of Newmont Gold property, goes into production at the beginning of 1989 at a production rate of 1.5 million tons per year.

While for illustration purposes we have grouped all our leach operations together, treatment at Rain will be about 1 million tons a year, that in the far north will be about 9 million tons per year (from the year 1989 onwards) and the balance will be in the southern leach. Those totals amount to 19 million tons in 1988, rising to 31 million in 1989 and 33 million tons per year thereafter.

The treatment of all this material will produce gold at the rate of 913,000 ounces in the year 1988, rising to 1.4 million in 1989, and 1.6 million thereafter.

Comparison of Newmont Gold's planned production with that of other companies (Fig. 20) can be estimated through 1989. The bars with horizontal lines are the estimates for 1987, the white bar is for 1988; and the bar with diagonal lines covers 1989. It will be noted that from the year 1988, Newmont Gold Company is the largest producer of gold in North America, including the Placer-Dome merged company. Homestake, Echo Bay, Hemlo, Freeport-McMoran and LAC are all less than that. By the year 1989, when we will reach 1.4 million ounces, Newmont Gold Company production will be considerably more than that of any of the other producers.