

Edgar Filing: NORMANDY MINING LTD - Form 425

NORMANDY MINING LTD
Form 425
December 10, 2001

Filed by Newmont Mining Corporation
Pursuant to Rule 425 under the Securities Act of 1933
and deemed filed pursuant to Rule 14a-12
of the Securities Exchange Act of 1934

Subject Company: Normandy Mining Limited
Commission File No. 132-00965

December 10, 2001

NEWMONT + NORMANDY + FRANCO-NEVADA =

THE NEW GOLD STANDARD FOR THE 21ST CENTURY

[NEWMONT MINING CORPORATION LOGO]
[FRANCO-NEVADA MINING CORPORATION LTD. LOGO]
[NORMANDY MINING LIMITED LOGO]

THE BEST PRICE
THE BEST VALUE

FOR NORMANDY SHAREHOLDERS

[NEWMONT MINING CORPORATION LOGO]
[FRANCO-NEVADA MINING CORPORATION LTD. LOGO]
[NORMANDY MINING LIMITED LOGO]

NORMANDY SHAREHOLDERS RECEIVE:
THE BEST PRICE

AngloGold	Newmont
A\$1.65	A\$1.90
A\$0.20 Cash	A\$0.40 Cash
A\$1.45 Stock	A\$1.50 Stock

Note: Based on closing share prices as of 7 December 2001

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[NORMANDY MINING LIMITED LOGO]

NORMANDY SHAREHOLDERS RECEIVE:
STOCK WITH SUPERIOR PERFORMANCE

Shareholder returns = total share price appreciation + dividends (assumes reinvestment of dividends)

One year shareholder returns(1)		Annualised shareholder returns over the last three years (1)	
11.7%	(6.3%)	13.8%	4.1%
----- Newmont	----- AngloGold	----- Newmont	----- AngloGold

(1) Source: Factset; data for the period ending 31 August 2001 (prior to AngloGold's original offer for Normandy)

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[NORMANDY MINING LIMITED LOGO]

NEWMONT PROVIDES:
A STRONG COMMITMENT TO THE AUSTRALASIAN REGION

- o Newmont has a strong presence in Australasia
 - Newmont interests in Pajingo, Batu Hijau and Lihir Gold
- o Normandy provides platform for future growth
- o Regional operations managed from Australia
- o Commitment to maintaining an Australian shareholder base and ASX listing

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- Trading on ASX to be actively promoted with CHESSE Depository Interests

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NORMANDY SHAREHOLDERS RECEIVE:
TRANSACTION CERTAINTY

- o Newmont bid to be recommended by Normandy Board, subject to fiduciary duties
- o 19.99% of Normandy shares committed by Franco-Nevada
- o Newmont bidder's statement to be lodged within a week
- o Targeted to complete by mid-February

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CREATING SIGNIFICANT VALUE FOR SHAREHOLDERS

- o #1 in reserves
- o #1 in gold production
- o #1 in leverage to gold
- o #1 in trading liquidity
- o #1 in EBITDA
- o Balance sheet strength and financial flexibility
- o Low cash costs
- o Balanced political risk
- o Management strength
- o North American stock
- o "No hedging" philosophy



THE NEW GOLD
STANDARD FOR
THE 21ST
CENTURY

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[NORMANDY MINING LIMITED LOGO]

...WITH THE INDUSTRY'S MOST ATTRACTIVE ASSET PORTFOLIO

[World map marked to show the following combined gold interests:

Core Operations:

Midas, Nevada
Carlin, Nevada
Phoenix, Nevada
Lone Tree, Nevada
Twin Creek, Nevada
Yanacocha
Tanami
Yandal
Kalgoorlie
Batu Hijau

Strategic Operations:

Yamfo-Sefwi
Akim
Zarafshan
Martabe
Martha
Pajingo/Vera-Nancy

Others:

New Britannia
Musslewhite
Holloway
Golden Giant
Mesquite
La Herradura
Kori Kollo
La Coipa
Crixas
Paracatu
Ovacik
Minahasa
Boddington
Australian Magnesium Corporation]

Major District Reserve Base:

Nevada	34mm oz.
Yanacocha	19mm oz.
Western Australia	14mm oz.

Total	67mm oz.
	69% of reserves

LARGEST GLOBAL LAND POSITION = 244,000 SQ. KM

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NORMANDY SHAREHOLDERS RECEIVE:
A MORE BALANCED RISK PROFILE IN TERMS OF RESERVES...

[PIE CHARTS]

NEWMONT PF RESERVES (1)
(97 million oz.)

[AMERICAN FLAG/CANADIAN FLAG]	43%
South America	23%
[AUSTRALIAN FLAG]	18%
Other	16%

OVER 60% OF NEWMONT'S RESERVES WILL
BE IN COUNTRIES RATED AAA(3)
BY S&P

ANGLOGOLD PF RESERVES (2)
(94 million oz.)

[AMERICAN FLAG/CANADIAN FLAG]	10%
[AUSTRALIAN FLAG]	25%
Africa	58%
Other	7%

APPROXIMATELY 35% OF ANGLOGOLD'S
RESERVES WILL BE IN COUNTRIES RATED
AAA(3) BY S&P AND APPROXIMATELY 58%
WILL BE IN AFRICA

Source: Public filings

- (1) Includes reserves attributable to Normandy, Franco-Nevada and Franco-Nevada's share of Echo Bay
- (2) Includes reserves attributable to Normandy and pro forma for sale of Free State assets
- (3) S&P local currency credit rating

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...AND IN TERMS OF PRODUCTION

[PIE CHARTS]

NEWMONT (1) PF PRODUCTION
(8 million oz.)

[AMERICAN FLAG/CANADIAN FLAG]	46%
South America	16%
[AUSTRALIAN FLAG]	25%

ANGLOGOLD (2) PF PRODUCTION
(8 million oz.)

[AMERICAN FLAG/CANADIAN FLAG]	8%
[AUSTRALIAN FLAG]	32%
Africa	53%

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Other	13%	Other	7%
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OVER 70% OF NEWMONT'S PRODUCTION WILL BE IN COUNTRIES RATED AAA(3) BY S&P

APPROXIMATELY 40% OF ANGLOGOLD'S PRODUCTION WILL BE IN COUNTRIES RATED AAA(3) by S&P and approximately 53% will be in Africa

Source: Public filings

- (1) Includes production attributable to Normandy, Franco-Nevada and Franco-Nevada's share of Echo Bay
- (2) Includes production attributable to Normandy and pro forma for sale of Free State assets
- (3) S&P local currency credit rating

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NEWMONT WILL HAVE OUTSTANDING FINANCIAL FLEXIBILITY

- o The new Newmont's financial condition would be significantly stronger than the new AngloGold's
- o Newmont will continue to have superior capital market access:
 - NYSE primary listing
 - United States domicile
 - More diversified asset base
 - Investment grade rating
 - Not subject to exchange controls
- o Less than 4% of new Newmont's EBITDA will be from hedge gains vs. over 24% for new AngloGold

PRO FORMA FINANCIAL STATISTICS

[bar graph depicting the following information:

Net debt/net book cap:

Newmont PF(1)	23%
AngloGold PF(2)	33%

EBITDA:

Newmont PF(1)	\$938
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Hedge Gain(3)	\$34

Total	\$972
AngloGold PF(2)	\$690
Hedge Gain(3)	\$219

Total	\$909(4)]

Source: Public filings

- (1) Reflects the sum of the LTM EBITDA of Newmont, Normandy, Franco-Nevada and Franco-Nevada's share of Echo Bay
- (2) Reflects the sum of the LTM EBITDA of AngloGold and Normandy. AngloGold pro forma for the anticipated receipt of US\$189 million in cash proceeds from the sale of Free State assets; assumes assets were sold at book value with no tax leakage; EBITDA figures in US dollar millions
- (3) Hedge gain = Last twelve months production multiplied by the result of last twelve months realised gold price less last twelve months average spot gold price.
- (4) AngloGold EBITDA includes estimated EBITDA for the Free State assets of approximately \$55 million

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NORMANDY SHAREHOLDERS RECEIVE:
 GREATLY ENHANCED TRADING LIQUIDITY

 Newmont is committed to maintaining an actively traded Australian listing for its shares

Average daily dollar volume traded by jurisdiction (1)
 US\$ in millions

	United States	Canada	Australia	South Africa	Total
NDY	\$0	\$0	\$7	\$0	\$7
AU PF (2)	\$8.2	\$0	\$7	\$7	\$23
NEM PF (3)	\$47.6	\$7	\$7	\$0	\$62

Source: Bloomberg; market data as of 7 December 2001

- (1) Average trading volume is based on six-month period ending 9 November 2001
- (2) Aggregate average daily US dollar volume is based on trading of Normandy

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- and AngloGold
- (3) Aggregate average daily US dollar volume is based on trading of Newmont, Normandy and Franco-Nevada

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OVERVIEW OF NEWMONT MINING CORPORATION

- o Newmont is the largest gold producer in both North and South America
 - Approximately US\$4.4 billion in market value of equity (1)
 - \$573 million LTM EBITDA (2)
- o Large and liquid
 - 66.3 million oz of gold reserves, 6.1 billion lbs of copper reserves
 - 5.4 million oz 2001E estimated production
 - Superior trading liquidity (\$48 million 6-month average dollar volume traded)
- o Leverage to gold price
 - "No hedging" philosophy
- o Low-cost producer
 - Reduced cash costs from \$220/oz in 1996 to \$180/oz for 2001E
- o Newmont has a proven track record of:
 - World-class, core assets
 - Exploration success
 - High-return projects

Source: Company fillings and company website

- (1) Market data as of 13 November 2001 (unaffected share price prior to initial announcement of Normandy and Franco-Nevada transactions)
- (2) LTM ended 30 September 2001

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OVERVIEW OF FRANCO-NEVADA

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- o Franco-Nevada is the leading precious minerals royalty company
 - US\$2.3 billion in market value(1)
 - Strongest balance sheet among precious mineral companies
 - o US\$547 million net cash position as of 30 September 2001
 - Superior financial performance
 - o 2001E EBITDA margin of 89%(2)
 - o 38% compound rate of return since inception (1983)

- o The company continues to deliver superior returns to investors through its high quality, high margin assets in politically secure countries
 - Recent value-enhancing deals include: Voisey's Bay, Midas-Normandy, Aber and Echo Bay

- o Franco-Nevada Co-CEOs own approximately 9.5% of the company
 - 3 year lock-up agreement

Source: Company filings and company website

(1) Market data as of 13 November 2001 (unaffected share price prior to initial announcement of Normandy and Franco-Nevada transactions)

(2) JPMorgan research as of 5 October 2001; includes interest income in EBITDA

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NORMANDY SHAREHOLDERS BECOME PART OF:
 THE NEW INDUSTRY LEADER...

[Graph]
 2001E production (MM oz.) v.
 Enterprise value (US\$ millions) (3)
 (Size of circles proportionate to reported gold reserves)

		2001E Production	Enterprise Value
Gold Fields	[Medium Circle]	3.7 MM oz.	2,075.7 million
Placer Dome	[Small Circle]	2.9 MM oz.	4,120 million
Anglo Gold(2)	[Medium Circle]	5.8 MM oz.	4,500.6 million
Barrick/Homestake	[Medium Circle]	6.1 MM oz.	8,469.7 million
Newmont PF(1)	[Large Circle]	8.2 MM oz.	9,800 million
Others	[random dots]	[