

**Attention ASX Company Announcements Platform.
Lodgement of Open Briefing.**



Newcrest Mining Limited
Level 9
600 St Kilda Road
Melbourne VIC 3004

Date of Lodgement : 17-Dec-2002

Title : Open Briefing. Newcrest Mining. CEO on Outlook

corporatefile.com.au

The Newcrest Mining Limited Board granted approval for the Telfer project a few weeks ago subject to financing. At what stage is the financing and when do you expect completion?

CEO Tony Palmer

We have been very pleased with the whole financing package for the Telfer project including the equity placement in September.

With respect to the debt funding several bank commitments have been received and this will continue to the point where it is expected final documentation will be completed in January.

corporatefile.com.au

Are all elements of the Telfer technical study now complete?

CEO Tony Palmer

Yes, the study is complete with respect to design and implementation however, there are always refinements that can be made to this sort of project study. The main point is that the work approved by the board in June, which was for a \$66 million upgrade of the infrastructure, road access and camp, is underway. We'll be prepared to swing into construction through the wet season.

corporatefile.com.au

Can you detail the capital expenditure required for Telfer, the phasing of the project and the expectation for production and costs in the first five years?

CEO Tony Palmer

Planned capex for Phase 1 is \$975 million and for Phase 2, which relates to the underground development, is \$215 million.

The production and costs of the project were detailed in the release to the market regarding the Telfer go-ahead and in the first year we would be expecting to produce around 1 million ounces of gold and 50,000 tonnes of copper at a cash cost around A\$150 per ounce.

In year two, the costs are slightly higher at A\$180 per ounce and thereafter they oscillate in the range of \$230 to \$260 per ounce.

corporatefile.com.au

You're investing a large amount of capital at Telfer. What financial returns do you expect? What are the main project risks and how much room for error is there while still achieving an adequate return on investment?

CEO Tony Palmer

We're very comfortable with the projected financial returns of the Telfer project even though the capital required was slightly higher than anticipated. When we announced the details at the AGM, the market was unsure as to why the project capex was high. What needed explanation was that the project had been expanded to some degree, although the size of the scope improvement can't at this stage be quantified.

The upside in the scope relates mainly to extensions to the mineralisation in the underground mine on the west flank and in the stockwork below the proposed sub-level cave.

corporatefile.com.au

The impact of Newcrest's hedge book in recent years has meant that lower operating costs were not translated through to an acceptable profit result. Can you update us on the progress in simplifying Newcrest's hedge book?

CEO Tony Palmer

We're reviewing the hedge book and aim to improve it when the opportunities arise. We'll detail these to the market when appropriate.

corporatefile.com.au

What hedging strategy will you adopt in the future, for example in protecting capital projects such as Telfer?

CEO Tony Palmer

The Telfer debt requirements are the motivation behind putting some modest hedging in place. We need to ensure we have adequate funds in all circumstances to repay this debt and the hedging is designed as a risk minimisation step only.

Our hedging policy allows us to use simple products such as flat forwards to protect up to 50 percent of production and we can use puts to protect the downside if required.

corporatefile.com.au

The Cadia Hill improvement programme has been operating for some time. When can we expect to see improvements translated into production and operating costs?

CEO Tony Palmer

The programme is a continuing one, relating to all elements of mine operation, processing and maintenance, and has led to significant improvement in costs in many parts of the operation. We'd expect the costs at Cadia Hill to continue to trend lower, but from quarter to quarter the headline figure will be also impacted by the copper grade and the copper price, which clearly affects by-product credits. On a fundamental basis however, the business is in better shape than it was a year ago.

corporatefile.com.au

To what extent can the results of the Cadia improvement programme and the Ridgeway experience at Telfer Deeps be used at both the Telfer open pit and underground?

CEO Tony Palmer

The Telfer project is essentially a replica of both the Cadia Hill mine and Ridgeway underground and because of our operating experience in the Cadia Valley, a lot of risk is taken out of both the construction and the operation of Telfer. We have very good communication among our operations and certainly the improvements made at Cadia will be given strong emphasis during the implementation of the mining phase at Telfer. We'd also expect some of our experienced operating people from Cadia to take up positions at Telfer, giving some consistency to the operational improvements throughout Newcrest.

corporatefile.com.au

At Ridgeway last quarter the grade was lower than expected. However the costs were still low at A\$75 per ounce. Can you elaborate on the grade profile and reconciliation and your expectation for cash costs?

CEO Tony Palmer

The grade has improved as expected during the current December quarter as management of the operation is optimised and we expect this trend to continue. The work we have done to date on the ore-body demonstrates the geological model is fine. Our early forecast was for production over 350,000 ounces for the 2003 fiscal year and costs less than A\$100 per ounce. We're confident we can still achieve that.

corporatefile.com.au

How's the sub-level caving performing at Ridgeway and is the overall operation meeting expectations?

CEO Tony Palmer

The sub-level cave is performing above expectation and we've had no issues at all relating to the caving of the material at Ridgeway. The sub-level cave has propagated to surface and there's been an early call for dewatering in the mine as the water table was reached earlier than anticipated. These are all positives and we expect no further issues of any consequence in this area.

corporatefile.com.au

Recently Newcrest reported some significant drill intersections beneath the current Ridgeway reserve. Can you discuss these results and the strategic issues surrounding the future developments in the Cadia Valley?

CEO Tony Palmer

We'd always anticipated drilling under the Ridgeway orebody soon after commencement of the operation and we've done that with considerable success, as reported for the last quarter, when 13 out of 15 drill holes intersected ore grade mineralisation. We'll continue drilling with the expectation of delineating further resources for the Ridgeway orebody and this, combined with our improved Cadia Hill/Cadia Quarry operation, gives the field a strong future.

The development concept for Cadia Far East and Cadia East needs to be considered as part of a longer-term strategy. There are clear indications that the very large system that makes up the Cadia Valley could be in operation for many more years to come. Studies continue on the decline potential across to Cadia Far East but we need to assess whether this is the best operational option, in terms of our long-term strategic requirement, or the best use of capital in the short term. The drill results under Ridgeway are certainly making us think carefully about the decline.

corporatefile.com.au

During the last two quarters, Newcrest has reported intersections of long intervals of anomalous gold and copper at Junction Reefs Joint Venture (Newcrest earning 51 percent), including 732 metres at 0.17 grams per tonne gold and 0.13 percent copper. Junction Reefs is adjacent to your Cadia region prospects. Can you explain the significance of these results and the plans you have at Junction Reefs?

CEO Tony Palmer

The results indicate it's very early in our understanding of the system however, the intersection is of such a scale and copper grade it confirms the Cadia discovery corridor continues. There's much more work to be done in the area but the early encouragement means we'll continue our expenditure in the region.

corporatefile.com.au

Is there any resolution in sight for the Toguraci (Indonesia, Newcrest 82.5 percent) permitting issue?

CEO Tony Palmer

Permitting, which involves negotiations between the forestry and mining departments of Indonesia, is a drawn out and bureaucratic process, so Toguraci appears still to be some way off getting into production. We had expected the permit much earlier however each stage of the process at the government level has taken much longer than anticipated. Once we get the permit, we can expect to be in production within five to six months and it will be high grade and low cost. There's also the possibility of doing this mine underground, which could help on the permitting.

corporatefile.com.au

Cracow (Queensland, Newcrest 70 percent) contains a resource of 810,000 ounces at a grade of greater than 10 grams per tonne. What start-up schedule and project parameters do you forecast?

CEO Tony Palmer

The Indigenous Land Use Agreement (ILUA) has recently been signed and we now have to wait for a mining lease to be granted. The joint venture can proceed and commence the decline prior to the mining lease grant however, we are undecided whether to commence immediately or delay this for a period of time. Once decline construction has commenced, we'd expect first limited production within 15 months and full production nine months after that.

corporatefile.com.au

Finally, can you outline the key achievements in the past year, whether you've met your objectives and what you expect to be the key drivers for Newcrest in the next year?

CEO Tony Palmer

Clearly the big achievements for the year has been the construction and commissioning of Ridgeway on time and within budget, and its successful maiden operating performance. In the first 6 months the operation has presented us with a number of expansion options and this is how good projects tend to perform. The other strong achievement has been the quantification of the 18.4 million ounce reserve and 28.2 million ounce resource at Telfer and the excellent work the project team has done in getting the feasibility study complete over the past 12 months.

Looking forward, we have a raft of projects that can either come on stream or travel well down the path to development. Clearly the drivers in the coming year will be how well we bed down the expansion of the Ridgeway project to 5 million tonnes per annum and how we perform in the early stages of the Telfer construction. These two projects are crucial to our long-term financial outcomes, and therefore the returns to shareholders, so much effort must be made to get them right. We're very focussed on doing that and expect to be able to report progress in the new year.

corporatefile.com.au

Thank you Tony

For previous Newcrest Open Briefings visit www.corporatefile.com.au

For further information on Newcrest Mining Limited visit www.newcrest.com.au