



Market Release

Newcrest Mining Limited

28 March 2013

Production Update and Executive Changes

Production ramp-up of major projects in line with expectations

Newcrest advises that the production ramp-up of both Cadia East and Lihir Million Ounce Plant Upgrade ("MOPU") is progressing in line with expectations following the recent commissioning of both projects.

The Cadia East panel cave mine commenced commercial production on 1 January 2013 and ongoing drawbell development remains ahead of schedule. To date, 58 drawbells have been fired and a further 24 have been drilled and are ready to fire, which is ahead of the 75 drawbells planned to be opened by the end of June 2013. The primary underground crusher for panel cave 1 has operated at rates exceeding 1000tph and has been handed over to Operations this month, enabling higher material movement from Cadia East and higher grade feed to the Cadia plant. Development of panel cave 2 continues to plan, with the excavation of transfer stations and development of extraction drives currently the major activities.

At Lihir, the new MOPU plant was handed over to Operations in February 2013. All aspects of the planned ramp up have met or exceeded expectations. The MOPU project was a complex, multi-system expansion of the current processing facility. The major components of the new system (a 450 tonne-per-hour autoclave and a 70 tonne-per-hour oxygen plant) have performed well and have operated at full design capability. All other major systems - including crushing, conveying and grinding circuits - are also in full operation.

Lihir operating at reduced capacity and Gosowong ground conditions update

Notwithstanding the pleasing performance of the MOPU plant to date, the Lihir operation is currently running at reduced production capacity following a shutdown of autoclave 1, which is part of the original Lihir plant. A routine thermal scanning program has detected a hot spot on the outer shell of autoclave 1 and, following inspection, it has been confirmed that the internal brickwork is damaged.

Newcrest has taken the decision to undertake a complete and permanent repair to ensure the long term, reliable and safe performance of this autoclave. This approach is consistent with the Company's current program to refurbish the older parts of the Lihir plant to ensure high levels of reliability. It is currently anticipated this repair work will take between 5 to 7 weeks to complete.

The three other autoclaves at Lihir, and the rest of the processing plant, continue to operate to capacity.

The other key driver for Newcrest to achieve the previously articulated production guidance has been to regain access to the high grade ore in the Kencana mine at Gosowong. Whilst ground conditions have continued to be difficult and access to high grade face positions has been below our expectations, Newcrest is now mining from high grade face positions.

Gold production guidance lowered

Primarily as a result of the restricted production capacity at Lihir and continuing challenges with poor ground conditions at Gosowong, the Company has determined that the original guidance provided for financial year 2012/13 gold production is no longer achievable.

Newcrest has reduced financial year 2012/13 gold production guidance to 2.00 to 2.15 million ounces, the mid-point of which is around 10% below the original minimum guidance level.

Annual copper production guidance of 75,000 to 85,000 tonnes remains unchanged.

Full year site cost guidance remains unchanged.

Full year capital guidance remains unchanged.

The gold production outlook for the remainder of financial year 2012/13 reflects the following full year expectations:

- Lihir production in the range of 620 to 680 thousand ounces.
- Gosowong production in the range of 300 to 325 thousand ounces.
- Telfer was adversely impacted by the heavy rainfall in February 2013 associated with Cyclone Rusty but is still expected to reach its original guidance level.
- Cadia Valley and Bonikro are expected to deliver within their original guidance ranges.
- Hidden Valley production in the range of 80 to 90 thousand ounces.

Executive Changes

The accountabilities of Greg Jackson, Chief Operating Officer, have been changed to focus on special projects. Brett Fletcher, EGM Lihir, and Peter Smith, EGM Australia and Indonesian Operations, now report directly to the CEO.

Newcrest is pleased to announce the appointment of Mr Geoff Day as EGM Sustainability & External Affairs. He will succeed Stephen Creese, who – as previously announced - is retiring from his current role of EGM Corporate Affairs on 1 July 2013. Geoff will be accountable for the Community and External Affairs activities, as well as Health, Safety, Environment and Security.

Mr Day has worked in the minerals resources industry for more than 25 years and was most recently Managing Director and Chief Executive Officer of Kagara Limited. Prior to joining Kagara Limited in February 2011, he was Newcrest's Executive General Manager, Papua New Guinea and Indonesia.

Managing Director and Chief Executive Officer, Greg Robinson, commented: "We are very pleased to welcome Geoff back to Newcrest as he has a deep understanding of the industry, the Company and our values, our areas of operation and our people. He will quickly be able to assume effective accountability for this critical element of our business".

Mr Robinson acknowledged the significant contribution of Mr Stephen Creese, stating: "Stephen joined Newcrest in 2009 as General Counsel and Company Secretary and subsequently as EGM Corporate Affairs. He has consistently provided outstanding guidance to Management and the Board. Stephen has shared his considerable industry, commercial and legal expertise for the benefit of Newcrest and he has been a valuable member of the Newcrest Management team. On behalf of the Board I thank him for his enduring contribution and wish him all the best for his retirement from 1 July 2013".

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