

Seismic event in the region of Cadia operation

Event

At approximately 2.30am on Friday 14 April 2017 a large seismic event occurred in the region of the Cadia operation, 25km south of the city of Orange, New South Wales.

No injuries were sustained and in accordance with standard operating procedure, all personnel working in the Cadia East underground mine moved to refuge chambers or safe areas.

Newcrest's geotechnical engineers inspected the mine accesses and certified those areas as safe prior to the movement of personnel to surface. All our people were safely transferred to the surface and mining operations temporarily suspended.

Surface operations were not adversely affected and have continued uninterrupted.

Managing Director and Chief Executive Officer, Sandeep Biswas, said "The safety of our people involved in the assessment of damage and remediation activity is paramount, as is the safety of our workforce generally, as we decide when and how mining operations recommence."

Newcrest has commenced an investigation into the event, supported by several independent parties.

Assessment of impact

An assessment of the damage caused by the seismic event is in progress. The preliminary assessment is that there has been no major damage to the mine and associated infrastructure in the areas inspected. The assessment of Panel Cave 1 ("PC1") has not been fully completed and the final mine assessment remains subject to further verification.

Newcrest has been working with the New South Wales Mining Inspectorate who has approved access to the mine for the purpose of re-establishing critical services, conducting inspections and undertaking engineering assessments of existing ground support and other key infrastructure. Where damage to ground support has been observed, rehabilitation of these areas has also been approved by the Inspectorate. This rehabilitation work has commenced.

The initial assessment of ground support within the Panel Cave 2 ("PC2") extraction level and crusher chambers is that the level of damage appears to be minimal. Ongoing work is still required to confirm the integrity of the visually-intact ground support.

PC1 appears to have sustained some damage to the access ways. A cautious approach is being taken to assess any damage to the PC1 extraction level by using a remote-operated camera prior to personnel being permitted into that area. This work is expected to occur over the course of the next few days.

Assessment of fixed plant infrastructure such as crushers and the conveyor system is still ongoing. However, early indications are that minimal damage has been sustained to the PC2 crushers, conveyor system and transfer stations. The PC1 crusher station is still being assessed.

From a services perspective, power has been re-established to around 90% of the mine, the mine de-watering system has been re-started, the mine communication system is fully functional, and the mine ventilation system is presently working at capacity.

Forward work plan for mining operations

The mine is currently subject to a Prohibition Notice from the New South Wales Mining Inspectorate. The forward work plan prior to returning to safe mining operations includes:

- cleaning up the access drives and extraction level of PC2;
- completion of the assessment of damage to the extraction level of PC1;
- testing of all critical mine infrastructure and the materials handling system;
- rehabilitation of any necessary damaged ground-support; and
- finalisation of a recommencement management plan and approval of it by the Inspectorate.

It is too early to be definitive as to how long the abovementioned work will take.

Newcrest acknowledges the strong and proactive engagement of the New South Wales Mining Inspectorate to date and will continue to work closely with the Inspectorate to ensure that the mine is deemed safe before mining operations recommence.

Surface operations

The seismic event did not adversely impact surface operations. Since the seismic event the plant has been processing Cadia East stockpile material, which is expected to be fully consumed during the course of today.

There are substantial low grade stockpiles that the plant will commence processing once the Cadia East stockpile material is consumed.

Guidance

Cadia is not expected to meet its production guidance for the 2017 financial year. It is too early to be definitive about the impact on the Group's production guidance for the 2017 financial year.

Once plans for recommencement of mining operations are finalised an updated guidance range for the 2017 financial year will be provided.

The preliminary assessment is that the seismic event is not anticipated to significantly impact Cadia's production beyond the 2017 financial year.

Safety

All activity to date and all future assessment, evaluation and re-start activity will have the safety of our people as our first priority. Mine operations will only recommence when it has been assessed as safe to do so.

"I am thankful that all our people are safe. There is an enormous amount of work underway to safely bring the mine back online," said Mr Biswas.

For further information please contact

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