

## Cadia – Northern Tailings Dam

In the late afternoon of Friday 9 March 2018, a limited breakthrough of tailings material was identified at the Cadia northern tailings dam embankment.

This breakthrough has been contained within the southern tailings dam. Newcrest is monitoring the impact carefully and has observed no environmental damage. There were no injuries as a result of the event and Newcrest believes there is no ensuing threat to personal safety.

An area of the embankment slumped late Friday 9 March 2018 following the identification of cracks earlier in the day in the dam wall during a regular inspection. When such cracks were noticed the site team quickly engaged an independent geotechnical consultant to assist Newcrest's geotechnical engineers at Cadia with an inspection and preliminary assessment of the embankment.

As a precaution Newcrest stopped depositing tailings into both dams late in the day of 9 March 2018. To allow site management to focus on the evaluation of the event and remediation plans, Newcrest progressively suspended all mining and processing operations at Cadia, fully effective on 10 March 2018.

The area around the tailings dam has been secured, and a comprehensive geotechnical monitoring system has been implemented, involving radar and cameras, to allow real time assessment of ground movement of the dam wall. No further movement of the wall has been detected since Friday night.

The NSW regulators were immediately notified and Newcrest will work closely with them until the review is completed, supported by independent geotechnical consultants.

Since the breakthrough occurred on Friday, Newcrest has been actively engaging local landholders and residents downstream of the tailings facility, keeping them informed about the situation. This will continue.

The tailings material is a slurry of finely ground rock, water and a low level of benign processing reagents. Cadia uses a gravity circuit to recover gold, with the remaining gold and copper reporting to a concentrate which is exported to copper smelters. Cadia does not use a chemical reduction process to recover gold – that is, the gold extraction process does not involve the use of substances such as mercury, cyanide and arsenic.

The Cadia tailings dams have been regularly inspected, reviewed and monitored; and have been fully certified to industry standards by independent third parties.

Geotechnical analysis has commenced on possible repair options of the failure zone. Work has also commenced on multiple recovery scenarios including alternative tailings locations such as the old Cadia Hill open pit, which is already the subject of a prefeasibility study to assess suitability for tailings disposal.

Cadia is owned and operated by Newcrest. The operation is 25 kilometres from the city of Orange in central west New South Wales and is 250 kilometres west of Sydney.

Managing Director and Chief Executive Officer, Sandeep Biswas, said "The safety of our people and the community, together with the highest standards of environmental compliance, are paramount and remain our focus as we investigate this event and enact our forward work plan."

Whilst it is too early in the evaluation and recovery process for Newcrest to provide an indication of the extent to which FY18 production, capital and cost guidance will be impacted, this event will adversely impact guidance for FY18 given the contribution of Cadia to the overall outcomes of Newcrest. Further updates will be provided to the market when available.



*Photo of the Northern and Southern (forefront) Tailings Dams at Cadia*



*Aerial view of failure zone*

## For further information please contact

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