



# Market Release

## Newcrest Mining

21 May 2014



## Australia's largest underground mine opened by NSW Premier

The Premier of NSW, The Hon. Mike Baird MP, today officially opened the Cadia East Gold Mine, located at Newcrest's Cadia Valley Operations, 25 kilometres from Orange in central western NSW.

Cadia East has been developed as a large underground panel cave gold mine, the first of its type in Australia and when it reaches full capacity will be the largest metalliferous underground mine in Australia and one of the largest in the world.

Newcrest has invested approximately \$2 billion to develop the first Cadia East panel cave ('Panel Cave 1'), associated infrastructure and complete a major expansion of Cadia's processing plant capacity from 24 to 26 million tonnes per annum. Commercial production from Panel Cave 1 commenced in January 2013. The development of the second panel cave ('Panel Cave 2') is ongoing with the recent commissioning of the Panel Cave 2 underground west crusher completed ahead of schedule.

The development of Cadia East sees the continuation of a 20 year history of exploration and mining development by Newcrest in the Cadia Valley. The first mine was the Cadia Hill open pit which operated for 14 years before being placed on care and maintenance in 2012, followed by the Ridgeway underground mine which is still producing.

Newcrest Managing Director and Chief Executive Officer, Greg Robinson, said the official opening marked a significant milestone for Newcrest, the Cadia Valley Operations and the region.

"Cadia East is a large, long life asset and a cornerstone of our Company's strategy. It is one of the largest gold and copper deposits in the world, with 2.8 billion tonnes of ore estimated to contain 37 million ounces of gold and 7.5 million tonnes of copper. With an approved mine life of 21 years, Cadia East will deliver significant economic benefits to the local community, the workforce and suppliers, local, State and Federal governments, and of course Newcrest's shareholders for the long term," he said.

"We have worked hard over the past two and a half years to build a world class underground mining operation that not only supports the growth of Newcrest, but will provide lasting benefits to the local community.

"Through extensive planning and teamwork, we have built a highly efficient, low cost mine more than 1.2 kilometres under the surface. We have continued to utilise the latest technology and challenged ourselves to improve bulk underground mining methods along the way. Cadia East is at the forefront of innovation and is of international interest."

"This mine is a credit to our dedicated and skilled people and I am exceptionally proud of their success," Mr Robinson said.

Cadia Valley Operations General Manager, Tony McPaul, paid tribute to the contribution, understanding and support of the community and local stakeholders.

"The community in which we operate is fundamental to our ongoing success. We don't take their support for granted and we are committed to building on the strong relationships we have with them," Tony said.

Cadia East will ensure Cadia Valley Operations will continue to be a major contributor to the local economy, providing an average annual stimulus of approximately 1,900 direct and indirect jobs, \$1 billion in direct and indirect regional output or business turnover, more than \$550 million in direct and indirect regional value-add and over \$160 million in annual household income.

Panel Cave 2 remains in construction, with an investment this financial year of \$340-380 million and a target of achieving commercial production in the 2015 financial year.

Cadia East has produced more than 230,000 ounces of gold and 15,000 tonnes of copper to the end of March 2014 (inclusive of pre-commercial production) and Newcrest expects Cadia Valley Operation's overall production to be around 700,000 ounces of gold in the 2016 financial year and higher again in 2017.

Greg Robinson's speech at the Cadia East official opening is available on Newcrest's website [www.newcrest.com.au](http://www.newcrest.com.au)

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