

NEWCREST



Market Release

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Telfer Trebles Newcrest's Gold Mining Inventory

Newcrest Mining Limited advises that resource studies for the Telfer Project have been completed, resulting in an upgraded Mineral Resource estimate of approximately 26.2 million ounces of gold for the project. As a result the Telfer Feasibility Study will now be based upon a project planning inventory of 19 million ounces of gold and 740,000 tonnes of copper metal.

The combination of Newcrest's current 10.4Moz reserves and the 19.0Moz Telfer project planning inventory trebles the Company's total gold mining inventory to approximately 29 million ounces. Total group Mineral Resources have increased to approximately 50 million ounces of gold.

This significant increase in the gold and copper inventory places Newcrest among the top global gold companies in respect of comparable mineable gold. This will position Newcrest as a future leader in low cost gold production.

The Telfer Mineral Resource has been finalised after approximately 140km of drilling and extensive bulk sampling and is reported using a gold price of A\$450/oz. This conservative gold price assumption highlights the quality of the Telfer and group gold resources.

The Telfer Feasibility Study remains on target for completion in the September quarter 2002 and will refine elements of the project planning inventory enabling it to be translated to an Ore Reserve reported using the JORC Code. As part of the study significant preliminary engineering work and pre-ordering of long lead-time capital items are expected to be undertaken prior to September.

The Telfer Mineral Resource released today establishes the Telfer district as the second largest goldfield in Australia behind Kalgoorlie and will further enhance the Telfer Project outcomes.

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Newcrest also advises that re-estimation of the Company's resources and reserves is in progress after the Board approved the use of a A\$500/oz gold price for future estimates. The use of a A\$500/oz gold price remains conservative on a global basis, particularly in comparison with the North American gold industry which

typically uses US\$300–325/oz gold. The results of this re-estimation are expected to be released during the next quarter.

The above information regarding Telfer is derived from the Competent Person's Statement which is attached.

TELFER PROJECT PLANNING INVENTORY

A potential large scale mining project has been identified based upon ongoing work as part of the Telfer Project Feasibility Study. A project planning inventory (Table 1) has been prepared based upon the March 2002 Mineral Resource. This incorporates realistic mining, metallurgical, economic, infrastructure, environmental and social parameters. The parameters that have been used are consistent with industry standards and incorporate values that are typical of similar sized operations.

The Feasibility Study is in the process of defining the optimum project for development. The project planning inventory in Table 1 represents the outcomes of a likely case based upon sensitivity studies including those on gold and copper grade completed as part of the ongoing Telfer Project Feasibility Study and represents the outcome that is most likely to be achieved over the life of the project.

The parameters for use within the Telfer Project Feasibility Study are yet to be finalised and as a consequence the project planning inventory has not been reported in accordance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves (The JORC Code). The process of finalisation of the Telfer Project Feasibility Study will result in refinements to the final parameters used to define the project planning inventory which will ultimately translate into an Ore Reserve.

Telfer Open Pit

The Telfer Project Feasibility Study has identified a potential open pit mining operation that would use conventional bulk mining methods. Studies have found that practical mining rates of between 10Mtpa to 15Mtpa are feasible. Pit optimisations are controlled by the location of reef structures. The project planning inventory is constrained within an optimisation shell generated at a A\$450 per ounce gold price and a copper price of A\$1.20 per pound. The Open Pit project planning inventories are defined using cut-off grades determined by the profit algorithm approach. The profit algorithm is a calculation of revenue net of processing costs including transport and realisation.

The project planning inventory is based on mining areas of bulk stockwork mineralisation and areas of waste on 12 metre benches using standard large scale mining equipment. Definition is maintained around the mineralisation and waste contacts by mining the 12 metre bench in two lifts. The higher-grade reef material is mined more selectively using appropriately scaled standard mining equipment. Loading productivities are estimated for all modes of mining and detailed haul cycles were developed to determine productivities, fleet numbers and mine operating and capital costs.

The pit wall slopes are based upon geotechnical models developed from a combination of geotechnical drilling, logging of exposures in the open pit and previous experience. Open Pit designs have been audited by geotechnical consultants.

An extensive program of metallurgical testwork has been undertaken. This has shown that both open pit and underground material can be treated through the same treatment plant.

The processing costs used in developing the project planning inventories are based upon a flow sheet that assumes all ores are sequentially floated, producing an auriferous copper concentrate for sale, followed by a pyrite concentrate which is leached to recover additional gold. The metallurgical recoveries used for gold and copper are developed on the basis of this same flow sheet. Variations to the sequential flotation regime continue to be evaluated for the range of ore types encountered. These variations



include a bulk flotation technique and a copper only flotation technique, similar to the Cadia Hill and Ridgeway treatment process.

Telfer Deeps

The Telfer Deeps Mineral Resource is amenable to a sublevel caving mining method. A range of sublevel cave mining outlines for Telfer Deeps is being evaluated. The outlines are based on breakeven boundaries for each production level after applying practical mining considerations. In arriving at the project planning inventory, the recovered tonnes and grade have been diluted in a manner consistent with industry practice for similar mining operations.

The breakeven boundaries are based on a gold price of A\$450 per ounce, a copper price of A\$1.20 per pound. Mining costs are commensurate with a mining rate of approximately 4Mtpa with underground crushing and haulage by shaft or conveyor, and co-treatment of the underground ore with the Telfer Open Pit material.

Table 1. Summary of Telfer project planning inventory in \$450/oz Au optimisation shell

	Tonnes (Mt)	Grade		Contained		Strip Ratio
		Au (g/t)	Cu (%)	Au (Moz)	Cu (Kt)	
Main Dome	280	1.4	0.18	12.6	480	4.0
West Dome	92	1.1	0.09	3.4	72	2.4
Telfer Deeps	32	3.0	0.56	3.1	180	-
TOTAL	400	1.5	0.19	19	740	3.6

Note: values rounded to two significant figures through the table. Tonnes, gold grade and gold metal are based on float and leach material. Copper grade and copper metal are based on float material only.

COMPETENT PERSON'S STATEMENT

MARCH 2002 MINERAL RESOURCE STATEMENT

An updated Mineral Resource has been completed for the Telfer Open Pit and Telfer Deeps gold and copper deposits. The Satellite and Stockpile Mineral Resource inventory has not changed since the June 2001 Mineral Resource Statement.

The March 2002 Telfer Mineral Resource Statement is provided in the following table.

	Measured					Indicated					Inferred				
	Tonnes (Mt)	Gold Grade (g/t)	In Situ Gold (Moz)	Copper Grade (%)	In Situ Copper (kt)	Tonnes (Mt)	Gold Grade (g/t)	In Situ Gold (Moz)	Copper Grade (%)	In Situ Copper (kt)	Tonnes (Mt)	Gold Grade (g/t)	In Situ Gold (Moz)	Copper Grade (%)	In Situ Copper (kt)
Open Pit	170	1.3	7.0	0.17	280	200	1.6	11	0.13	270	95	1.1	3.3	0.12	120
Under-ground						46	2.8	4.1	0.52	240	11	2.0	0.70	0.41	45
Satellites						0.75	4.2	0.10	0.06	0.45	1.7	2.6	0.14	0.08	1.4
Stockpiles						3.1	0.83	0.08	0.14	4.4					
Total	170	1.3	7.0	0.17	280	250	1.8	15	0.20	520	110	1.2	4.2	0.15	160

Note: rounding, conforming to the JORC Code, may cause some computational discrepancies.

The Telfer Mineral Resources have been the subject of a comprehensive internal and external audit process. Expert advice has been routinely obtained on all aspects of the resource estimation process.

Gold and copper mineralisation at Telfer is hosted within reef, stockwork and structure related domains within Proterozoic sediments. Mineralisation has been defined in Main Dome to a depth of 1.3km below the surface and in West Dome to a depth of 600m below surface. Both deposits remain open at depth and are subject to ongoing exploration. Gold mineralisation is generally constrained within vein or reef



material and occurs along crystal boundaries. Small nuggets of visible gold are common within vein and reef material. In the Telfer Open Pit, chalcocite and chalcopyrite are the dominant copper mineral species. Chalcopyrite is the dominant copper mineral species within the Telfer Deeps Mineral Resource.

Telfer Open Pit Mineral Resource

The top 150 metres of the gold and copper stockwork mineralisation within the Telfer Open Pit Mineral Resource has been sampled using reverse circulation percussion drilling (RC) on a nominal 25m by 25m drillhole grid spacing. The mineralisation beneath this drilling has been defined using diamond core drilling on a nominal 25m by 50m to 50m by 50m drillhole spacing. All RC cuttings and diamond core were logged and core was photographed. The typical length of RC and diamond samples is one metre down hole.

Drillhole collars, hole paths and diameters were routinely surveyed. Density was determined using down hole logging techniques and validated using Marcey and air pycnometer techniques.

The grades of gold, copper, cyanide soluble copper, sulphur and other minor elements were analysed using either in-house or commercial assay laboratories.

Systematic quality control was applied to all data produced, from the point of collection, through to validation when the data was stored in a comprehensive relational database. Sampling protocols were derived from both ore heterogeneity and geostatistical studies. In-house personnel and consultants have validated and audited all data.

Extensive geological, statistical and geostatistical analysis was undertaken to determine the suitability of the resource estimation techniques and to provide appropriate inputs to the geological interpretation process.

Stockwork mineralisation has been defined within an envelope based upon stockwork vein density, lithological contacts and a nominal 0.3g/t gold assay outline. Resource tonnage and grade has been estimated within this outline within litho-structural domains using block modelling techniques and ordinary kriging of gold, copper, cyanide soluble copper and sulphur grades. Block size has been set to suit a large scale bulk mining operation.

Reef mineralisation has been defined by sharp geological boundaries controlled by mineralogy. Grade estimation was based on similar methods to those used for the stockwork mineralisation.

The resource estimate and supporting data have been thoroughly tested by both surface and underground close spaced drilling and bulk sampling programs. These programs revealed a widespread undercall of gold and copper metal in the previous June 2001 Mineral Resource. This undercall results from a pervasive low-grade bias within RC and diamond drill hole data. This bias has been recognised in drillhole samples in reefs for some time but has only recently been quantified within stockwork mineralisation.

The March 2002 Mineral Resource has been calibrated to account for this grade bias. Reef estimates have been calibrated to underground production. Stockwork material has been calibrated relative to the outcomes of reconciliation with the close spaced drilling and bulk sample programs as reported in the December 2001 Quarterly Report.

Approximately 25% of the gold and copper metal in the total resource is due to stockwork calibrations and approximately 10% is due to reef calibrations. The calibrations applied to the March 2002 Mineral Resource have increased the magnitude of the total resource that is potentially economic within the resource constraint.

The addition of considerable close spaced drillhole data and the reconciliation with the bulk sample tests has precipitated a major reappraisal of the confidence assigned to the resource estimate. This has resulted in a considerably larger portion of the resource achieving a Measured or Indicated Resource classification compared to that in the June 2001 estimate.



The Open Pit Mineral Resource was defined using cut-off grades based upon the application of bulk open pit mining methods. The cut-off grades were determined using the profit algorithm approach. The profit algorithm is a calculation of revenue net of downstream processing costs including transport and realisation. Those areas that deliver a profit are reported in the Open Pit Mineral Resource estimate. The profit calculation is based on a gold price of A\$450 per ounce and a copper price of A\$1.20 per pound. The resource is constrained within an optimisation shell generated at a A\$650 per ounce gold price and a copper price of A\$1.20 per pound.

Telfer Deeps Mineral Resource

The Telfer Deeps Mineral Resource has been defined using 25 by 25m to 50 by 50m spaced diamond drilling data. Typical sample length for diamond samples is one metre down hole. Drillhole data were subjected to similar quality control and audits as described for the Open Pit data.

Reef mineralisation has been defined by geological boundaries depicted visually by mineralogy. Stockwork mineralisation has been defined within an envelope based upon stockwork vein density, lithological contacts and structural controls. Grade estimation is based on block modelling techniques and ordinary kriging of gold, copper, cyanide soluble copper and sulphur grades. Block size has been set to suit a large scale underground bulk mining operation.

The resource estimate and supporting data have been tested by underground bulk sampling programs as reported in the December 2001 Quarterly Report. Results to date from the latest bulk sampling (575 bulk sample) program continue to confirm the reported diamond drill undercall for gold and copper results. The March 2002 Mineral Resource has been calibrated to account for this grade bias. The calibrations contribute approximately 40% of the gold metal within the total resource.

The reconciliation of the bulk sample data has resulted in a reappraisal of the confidence assigned to the resource estimate. This has resulted in a considerably larger portion of the resource achieving Indicated Resource status compared to the June 2001 Mineral Resource.

The Telfer Deeps Mineral Resource is reported inside a 0.9g/t gold equivalent boundary and reflects the application of bulk underground mining methods using a gold price of A\$450 per ounce, copper price of A\$1.20 per pound and equivalence factor of 1% copper equals 0.9 g/t gold.

The information in this report that relates to Mineral Resources is based on information compiled by Graham Howard, who is a Member of The Australasian Institute of Mining and Metallurgy. Graham Howard is a full-time employee of the company. Graham Howard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 1999 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Graham Howard consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.