



Market Release

Newcrest Mining Limited

9 April 2010

Newcrest Board approves Cadia East Development

The Newcrest Board of Directors today approved the development of the Cadia East gold and copper deposit near Orange in central western New South Wales. This follows receipt of NSW Government planning approval in January 2010 and the subsequent completion of other regulatory requirements in relation to the proposed development.

The Cadia East orebody is one of the world's largest gold deposits, comprising a Mineral Resource¹ of 2,347Mt containing 33.2Moz of gold and 6.59Mt of copper, along with a current Ore Reserve¹ of 18.7Moz of gold and 3.16Mt of copper. It will underpin production from the Cadia Valley for at least the next 30 years.

The project is based on the construction of an underground mine adjacent to the existing Cadia Hill open pit mine, and an expansion of the existing Cadia Valley processing plant capacity from 24mtpa to 26mtpa. It will be Australia's largest underground mine and one of the largest underground mines in the world.

The project will enable production from Cadia Valley Operations to increase to a range of 700 to 800 koz of gold and 75 to in excess of 100kt of Copper per year over the first 10 years.

The project will mean significant ongoing direct and indirect employment for the Orange region. At the peak of construction, a workforce of approximately 1,300 will be required.

The project will also underpin Newcrest's strategy to remain a low cost gold producer, with production costs well within the lowest quartile of global cash costs. The Cadia East cash cost over the first 10 years of production will be below A\$100 per ounce with a total production cost of less than A\$250 per ounce.²

The estimated capital cost of the project is A\$1.91 billion. It will comprise underground mine development which includes a new underground crushing and ore handling system, modifications to the existing processing plant and further development of bulk underground mining technologies including the application of automated remote loaders.

The project is expected to be funded from internal cash flows with the majority of the capital expenditure to be incurred by the end of the 2012 calendar year. Construction will commence immediately with first production expected in the second half of 2012. Commissioning and appreciable production levels will be occurring during the 2013 calendar year.

Newcrest CEO, Ian Smith, said that this investment will enhance Newcrest's portfolio of long life, low cost assets and is a key part of Newcrest's organic growth strategy to increase annual production by at least 40% to 2.3Moz by financial year 2014.

In relation to the proposed combination with Lihir Gold Limited, announced just prior to Easter, Mr Smith said the Cadia East development demonstrates the strength of Newcrest's organic growth pipeline and the growth options available to the company – whether or not the Lihir proposal proceeds.

¹ Refer to the Newcrest 2009 Mineral Resources and Ore Reserves statement on the Newcrest website at www.newcrest.com.au

² Both these costs are after by product credits that conservatively allow for a drop in the copper price to US\$2.00 / lb from 2016 with an exchange rate of US\$/A\$0.75

“As we have said from the beginning, the proposed combination of Newcrest and Lihir has a great deal of logic and is compelling – but not vital,” said Mr Smith.

“Newcrest shareholders – and potentially existing Lihir shareholders also – will benefit from an increase in the underlying long term value of this company as we continue to generate and implement high quality projects such as Cadia East.”

Newcrest Mining Limited is Australia’s largest gold miner and third largest mining company. One of the top 10 gold mining companies in the world, Newcrest has seven operating mines in Australia, Indonesia and Papua New Guinea. With a market capitalisation of nearly A\$17 billion, Newcrest is a Top 20 company listed on the Australian Securities Exchange.

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