Newcrest – Lihir Gold

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**Disclaimer**

**Forward Looking Statements**

These materials include forward looking statements. Forward looking statements inherently involve subjective judgement and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside of the control of, and may be unknown to, the company. Actual results and developments may vary materially from those expressed in these materials. The types of uncertainties which are relevant to the company may include, but are not limited to, commodity prices, political uncertainty, changes to the regulatory framework which applies to the business of the company and general economic conditions. Given these uncertainties, readers are cautioned not to place undue reliance on such forward looking statements.

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**Ore Reserves and Mineral Resources Reporting Requirements**

As an Australian company with securities listed on the Australian Securities Exchange (“ASX”), Newcrest is subject to Australian disclosure requirements and standards, including the requirements of the Corporations Act and the ASX. Investors should note that it is a requirement of the ASX listing rules that the reporting of Ore Reserves and Mineral Resources in Australia comply with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the “JORC Code”) and that Newcrest’s Ore Reserve and Mineral Resource estimates comply with the “JORC Code”.

**Competent Persons Statement**

The information in this presentation that relates to Exploration Results is based on information compiled by Colin Moorhead, EGM Minerals for Newcrest Mining Limited who is a Fellow of The Australasian Institute of Mining and Metallurgy, and a full-time employee of Newcrest Mining Limited. Mr Moorhead has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “JORC Code”. Mr Moorhead consents to the inclusion in this presentation of the matters based on this information in the form and context in which they appear.

**Exploration Target**

The potential quantity and grade related to Exploration Targets in this report is conceptual in nature as there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.
Newcrest

4th largest global gold producer by market capitalisation

Predominately SE Asia/Pacific gold focus

12th largest ASX listed company (A$27.5 Billion)

Largest POMSoX listed company

FY11 - Gold production – 2.7Moz and Copper production of 75,600t

Proven ability to find, build and operate world class gold and copper mines

Strong balance sheet and technical mining capability
World Class Asset Portfolio

10 operating mines in 4 countries
Gold Inventory

Reserves - 2010
47.3 MILLION OUNCES

- CVO: 54%
- Gosowong: 52%
- Telfer: 2%
- Morobe: 5%
- Lihir: 5%
- Namosi: 5%
- Other: 6%

Reserves - 2011 Post LGL Merger
77.7 MILLION OUNCES

- CVO: 39%
- Gosowong: 38%
- Telfer: 8%
- Morobe: 4%
- Lihir: 4%
- Namosi: 4%
- Other: 11%

Reserves - 2011
80.0 MILLION OUNCES

- CVO: 39%
- Gosowong: 38%
- Telfer: 8%
- Morobe: 4%
- Lihir: 4%
- Namosi: 4%
- Other: 11%

Resources - 2010
83.6 MILLION OUNCES

- CVO: 54%
- Gosowong: 52%
- Telfer: 2%
- Morobe: 5%
- Lihir: 5%
- Namosi: 5%
- Other: 6%

Resources - 2011 Post LGL Merger
135.8 MILLION OUNCES

- CVO: 39%
- Gosowong: 38%
- Telfer: 8%
- Morobe: 4%
- Lihir: 4%
- Namosi: 4%
- Other: 11%

Resources - 2011
147.5 MILLION OUNCES

- CVO: 39%
- Gosowong: 38%
- Telfer: 8%
- Morobe: 4%
- Lihir: 4%
- Namosi: 4%
- Other: 11%

Reserve estimates are based on Newcrest's production interest. For details refer to the Newcrest Annual Statement of Mineral Resources and Ore Reserves. Reserves based on US$850/oz & Resources based on US$900/oz.
Financial Results Summary

**Sales Revenue Growth + 46%**

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<th>FY11</th>
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**Record Profit**

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**Cash Flow from Operations + 33%**

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<th>FY10</th>
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**Strong Profit Margins Maintained**

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<th>FY10</th>
<th>FY11</th>
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<tbody>
<tr>
<td>%</td>
<td>52</td>
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*Underlying Profit* | *Statutory Profit*
Strong Balance Sheet

- **Low gearing**
  - currently 4% at 30 June 2011
  - gearing of around 15% acceptable (BBB+ profile)

- **Strong unhedged cashflow**
  - dividends increased 500% over last 3 years
  - dividends evaluated each six months: cash v capital commitment

- **Access to liquidity**
  - as at 30 June 2011 US$500 million facility undrawn
  - 8 banks, equal commitments

- **Well placed to fund growth opportunities**
Gold Production: Target of 4 Million Ounces in FY16

- 50% increase in Gold production over 5 years

- Large resource, low-cost assets best growth opportunities
- 5 year growth primarily from Cadia and Lihir
- Wafi-Golpu to underpin growth beyond 4Moz

Note: Gold production profile includes production from Cracow and Mt Rawdon
Growth Pipeline

Two major projects, two major studies
Newcrest in PNG

- In just under three years Newcrest has moved from an interested observer to the major mining house in PNG
  - Largest company on POMSoX
  - Strong confidence in PNG’s ongoing support of the resource sector
  - Newcrest prepared to make the long-term commitment

- Newcrest’s entry into PNG
  - Started with our Morobe Mining Joint Venture with Harmony Gold
  - Expanded to include the acquisition of Lihir Gold
  - Pre-feasibility of the potentially world class Wafi-Golpu

- Committed to exploration
  - in Morobe through the Morobe Mining Joint Venture
  - at Lihir
  - Manus Island JV with Triple Plate Junction plc, Golden Success Ltd, Pacrim Energy Ltd & Terenure Ltd

- Approximately 8,500 employees and contractors in PNG out of a total global workforce of around 16,000 – of the 8,500 approximately 7,800 are Papua New Guineans

- New Port Moresby office headed by Peter Aitsi
Newcrest PNG Operations

1.2B Kina contributed to the PNG economy in calendar 2010

- Royalty: 5%
- Employment: 4%
- National Govt. taxes, tax credit scheme & production levy: 11%
- Lihir Contractors: 27%
- PNG Contractors: 27%
- PNG Goods & Services: 18%
- Community Benefits: 8%
Portfolio Overview – PNG Operations

Lihir (Reserves 31Moz & Resources 56Moz gold)
- MOPU delivers production from 850koz to 1.2 - 1.3Moz per year
- Scope for further optimisation and extension of mine life

Hidden Valley (Reserves 1.9Moz & Resources 2.7Moz gold)
- Stabilise production around 300 koz pa
- Incremental growth
Lihir Gold
Lihir – Fast Facts

- Located on Niolam Island, New Ireland Province, 900km north of Port Moresby
- Volcanic sea mountain rising 600m above sea level, 22km long & 14.5km wide
- Ore body discovered in 1982 at Luise Caldera on east coast of island – all known deposits located here
- Exploration conducted 1983 to 1995; construction phase 1995 to 1997
- Production commenced May 1997 – over 9 Moz of gold produced since then
- Mine consists of single ore body with 3 linked open pits
- Lihir processes ~ 6 Mt ore annually
- Current ore reserves 31 Moz & measured resources 56 Moz
Newcrest Lihir Gold - Overview

- 900 km northeast of Port Moresby
- 1,700 km northeast of Cairns
- 3° south of equator
- New Ireland province
Newcrest Lihir Gold - Overview

Lihir Statistics
- 4800mm avg /year
- 19-35 celcius
- 22 km long
- 14.5 km wide
- Pop: 18 000
Lost Time Injury Frequency Rate (LTIFR)

Industry benchmark* = 1.8

- 12 million hours 2009
- 14 million hours 2010

Lost Time Injury Frequency Rate (LTIFR) (1 million hours)

Calender Years

Pathway to Zero Harm
Focus on Behaviour Based Safety
Sustainable Development and Community Liaison

- Build trust by delivering on commitments
- Proactively working with the community to meet their goals
- Align interests where possible
- Lihir Sustainable Development Plan
- Social Awareness Training
Environmental Management

- Originally permitted in 1996
- Re-permitted to PNG Environment Act 2000
- Comprehensive Management and Monitoring Plan
- ISO 14001 certification
- 20 years baseline data
- 14 years operating performance
- No significant incidents >5 years
Newcrest Lihir Gold - Employees

- 2,146 direct employees
  - 33% Lihirian employees
  - 90% PNG nationals

- Camp and Residential
  - 65% FIFO camp resident
  - 33% Lihirian local resident
  - 2% Townsite resident

- Rosters
  - FIFO 15/13 and 21/14 days
  - Residential 5/2 days
Our People - Training

- **Lihirian Trainees**
  - 270 trainees, 1 in 8 workforce

- **Training Programs**
  - Competency based and accredited, RTO’s
  - >90 workplace trainers

- **Training Centre**
  - PNG National Training Council accredited
  - 96 apprentices, 11 trades
  - 100% Lihirian, 23% Female
  - 2007 PNG Apprentice of the Year
People - Training and Development

- Graduate Development
  - 67 graduates
  - 6 Lihirian

- Tertiary Sponsorships
  - 47 students
  - 60% Lihirian/NIP

- Pre-vocation and Resource Centre

- Capacity Building
  - Public sector and other institutions
People - Camp Improvement Program

- **Accommodation**
  - 42 Person Blocks
  - Lakenbut (Camp 4)

- **New Mess**
  - Officially opened Oct 2010

- **Amenities**
  - Covered walkways
  - Sports field upgrade
  - TV and internet
The main mine consists of distinct production pits with Minifie and Lienetz pit currently in production and the Kapit pit in development.
The Mining Cycle

1. Drill and Blast
2. Load and Haul
3. Process Plant
4. Barge (waste)
5. Stockpile (ore)
Pit mining conditions include high rainfall, low cloud, steam venting, hot water/ground, sulphur gas and PGOA.
Newcrest Lihir Gold - Processing

Processing plant currently undergoing a million ounce upgrade project.
Processing - History and Background

- Process Plant commissioned 1997
  - nameplate capacity 2.8 Mt pa

- Elevated cut off grade strategy
  - High grade ore processed
  - Lower grade ore stockpiled

- Original plant design allowed for expansion
Gold is locked within pyrite

- Direct cyanidation - only 30% gold recovered
- Greater than 90% contained pyrite needs to be oxidised

Sherritt-Gordon whole ore pressure oxidation technology

- High temperature, high pressure process with addition of pure oxygen - 205°C, 2650 kPa
- Exothermic reaction (generates heat)
- Pyrite oxidises to ferrous sulphate
Processing - Background

- Flotation circuit commissioned 2007
- Allows processing of lower sulphur grade ore
- Ability to target optimum sulphur grades for autoclaves
- Additional milling capacity
- Improved operational flexibility
Focus on two areas

- **Removing Constraints**
  - Maximising utilisation of high capital items - Autoclaves & Oxygen Plants
  - Crushing Capacity / Pebble Crushers / CIL / Elution

- **Optimising Autoclaves**
  - Blending strategies
  - Heat recovery
  - Quench capacity
Processing
Increasing Autoclave Throughput

(Tonnes/op hr/autoclave)

Calender Years
Lihir – MOPU Project Overview

- MOPU – Million Ounce Plant Upgrade
  - Brownfields expansion on Lihir Island
  - Increase plant capacity to 12 million tonnes pa.
  - Increase gold output by 200-300k ounces pa.
  - Capital approximately A$1.3B (K3B)
  - Progress 47% complete
  - 3.5 million man hours expended to date on site
  - Schedule completion December 2012
Million Ounce Plant Upgrade (MOPU)

Oxygen (tph)

Pre 2007

2007 Flotation Expansion

MOPU

2

2

2

35

CIL

Autoclaves

Oxygen (tph)

70

72

10
Geothermal - Background

- 2001 - initial studies commenced
- 2003 - 6 MW “pilot” plant
- 2005/7 - 50 MW commissioned
- 2007 - Exploration and Options studies
- 2008 - Geothermal team resources strengthened
- 2009 - Power department restructured
- 2010 - Increased Resource Drilling (“big rig”)
Geothermal - Power Cycle

Geothermally Active

Steam Wells

Separators

Silencers

Steam

Electricity for Lihir Operations

50 MW Power station
(steam turbines & cooling tower)
Geothermal - Carbon Credits

- 50 MW geothermal power station
- PNG’s first large scale geothermal power project
- PNG’s first Clean Development Mechanism (CDM) accredited project
- Certified Emission Reductions (CER)
  - 10 year crediting period from 2006 to 2015
  - CO₂ emission reductions up to 250,000 tpa
Geothermal - Resource Drilling

Inferred Resource

Deep Upflow Zone

2,000 m

Measured Resource Zone

2,000 m

Probable Resource
Exploration
Exploration Activity – 41 Drill Rigs in Operation

SE ASIA - PACIFIC

- Tandai
- Gosowong
- Manus Island
- Wafi-Golpu
- Hidden Valley

INDONESIA

- Mt Kasi

PAPUA NEW GUINEA

- Lihir

WEST AFRICA

- Bonikro
- Telfer
- Cracow
- Mt Rawdon
- Cadia Valley

CÔTE D'IVOIRE

- Yamoussoukro
- Abidjan

AUSTRALIA

- Mt Kasi

DRILL RIGS IN OPERATION

- Mining Operation
- Advanced Project
- Exploration
- Emerging Project

NEWCREST MINING LIMITED
FY11 Exploration Expenditure by Region

- Total spend A$126M
  - 38% of total expenditure in PNG = K109.9M
  - Focus on near province opportunities
    - ~50% resource definition
    - ~25% brownfields exploration
  - Greenfield exploration in Cote d’Ivoire and the Morobe Province in PNG
• Mineralisation in drilling extends 500m east of the existing resource and remains open

• Early indication that further extension at Kapit NE likely

• Resource and Reserve update August 2011

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(2) Newcrest website, market release LGL Reserves, 29 October, 2009.
Luksave long komuniti – Aginas
Newcrest Lihir Gold – Questions?