

# FY20 Half Year Results

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# Disclaimer

## Forward Looking Statements

This presentation includes forward looking statements. Forward looking statements can generally be identified by the use of words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, “outlook” and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs. The Company continues to distinguish between outlook and guidance. Guidance statements relate to the current financial year. Outlook statements relate to years subsequent to the current financial year.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to differ materially from statements in this presentation. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company’s good faith assumptions as to the financial, market, regulatory and other relevant environments that will exist and affect the Company’s business and operations in the future. The Company does not give any assurance that the assumptions will prove to be correct. There may be other factors that could cause actual results or events not to be as anticipated, and many events are beyond the reasonable control of the Company. Readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Except as required by applicable laws or regulations, the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in assumptions on which any such statement is based.

## Non-IFRS Financial Information

Newcrest results are reported under International Financial Reporting Standards (IFRS) including EBIT and EBITDA. This presentation also includes non-IFRS information including Underlying profit (profit after tax before significant items attributable to owners of the parent company), All-In Sustaining Cost (determined in accordance with the updated World Gold Council Guidance Note on Non-GAAP Metrics which was released in November 2018), AISC Margin (realised gold price less AISC per ounce sold (where expressed as USD), or realised gold price less AISC per ounce sold divided by realised gold price (where expressed as a %)), Interest Coverage Ratio (EBITDA/Interest payable for the relevant period), Free cash flow (cash flow from operating activities less cash flow related to investing activities), EBITDA margin (EBITDA expressed as a percentage of revenue) and EBIT margin (EBIT expressed as a percentage of revenue). These measures are used internally by Management to assess the performance of the business and make decisions on the allocation of resources and are included in this presentation to provide greater understanding of the underlying performance of Newcrest’s operations. The non-IFRS information has not been subject to audit or review by Newcrest’s external auditor and should be used in addition to IFRS information.

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## Competent Person’s Statement

The information in this presentation that relates to Mineral Resources or Ore Reserves has been extracted from the release titled “Annual Mineral Resources and Ore Reserves Statement – 31 December 2019” dated 13 February 2020 (the original release). Newcrest confirms that it is not aware of any new information or data that materially affects the information included in the original release and, in the case of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the original release continue to apply and have not materially changed. Newcrest confirms that the form and context in which the competent person’s findings are presented have not been materially modified from the original release.

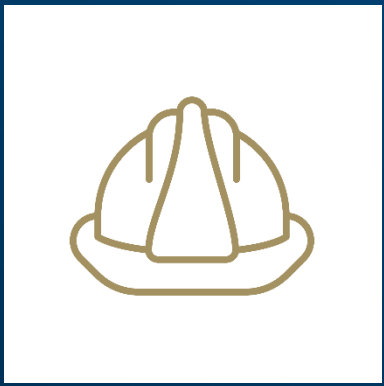
The information in this presentation that relates to Exploration Results at Red Chris has been extracted from the release titled “Quarterly Exploration Report” dated 30 January 2020 (the Red Chris release). Newcrest confirms that it is not aware of any new information or data that materially affects the information included in the Red Chris release and that all material assumptions and technical parameters underpinning the estimates in the Red Chris release continue to apply and have not materially changed. Newcrest confirms that the form and context in which the competent person’s findings are presented have not been materially modified from the Red Chris release.



# Newcrest Mining Limited



Safety &  
Sustainability



HY20 Results

Financials



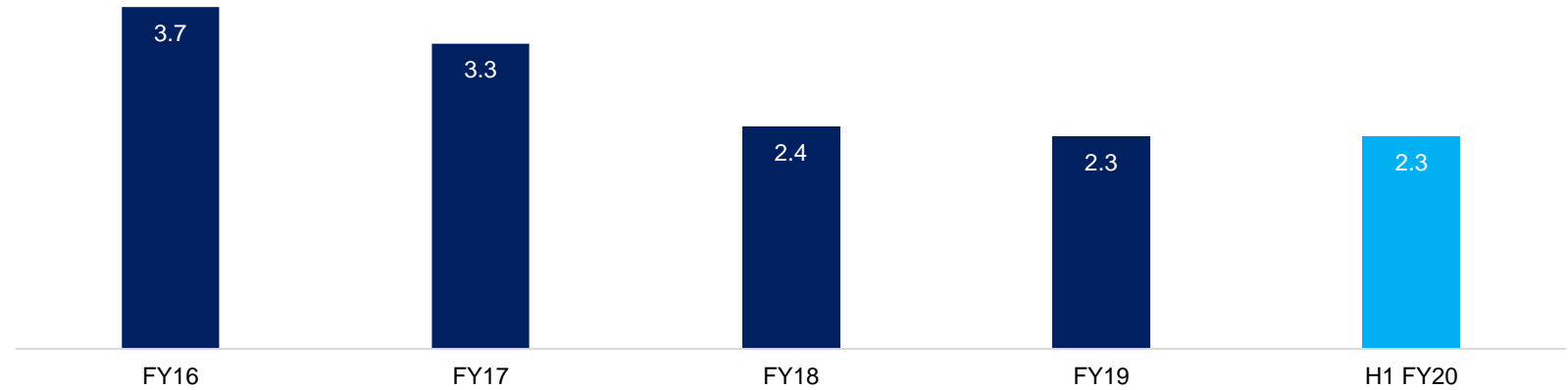
The unique  
multi-decade  
gold-copper  
miner

Summary



# Continued Focus on Safety<sup>1</sup>

## Total Recordable Injury Frequency Rate (per million hours worked)



### Safety Transformation

Red Chris integration is progressing well but injury rates are much higher than Newcrest average

### Zero Fatalities

~4.5 years fatality free

### TRIFR improvements at most operations

Cadia

4.3 ↓ 12%

Telfer

4.3 ↓ 49%

Lihir

0.5 ↓ 29%

Gosowong

1.8 ↑ 260%

Newcrest released its initial Red Chris TRIFR results for the half year (16.9) following acquisition on 15 August 2019.

<sup>1</sup> TRIFR – Total Recordable Injury Frequency Rate (per million hours worked).

# Implementing NewSafe at Red Chris



90% of site and contractor leaders at Red Chris have completed the Leadership component of NewSafe

# Sustainability targets



## **Greenhouse gas (GHG) intensity target**

A 30% reduction in GHG emissions per tonne of ore treated by 2030 against the 2018 baseline



## **Shadow carbon price**

Acquisitions and key capital investment decisions to include carbon price scenarios between \$25 and \$50 a tonne of CO<sub>2</sub>-e in sensitivity analysis, for jurisdictions where there is no regulated carbon price



## **Task Force on Climate-related Financial Disclosures framework**

Newcrest to take a phased approach to reporting against the TCFD framework



## **Water stewardship**

Operations to take a catchment-based approach to managing water risks



## **Biodiversity**

New projects to strive to achieve no net loss of biodiversity values



## **World Gold Council Responsible Gold Mining Principles**

Newcrest to operate in line with the Responsible Gold Mining Principles

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Summary





## Half Year Highlights

Gold production  
1.1moz

AISC \$880/oz

Investing in the  
future

Acquired 70%  
Red Chris

Significant  
mineralisation at  
Havieron

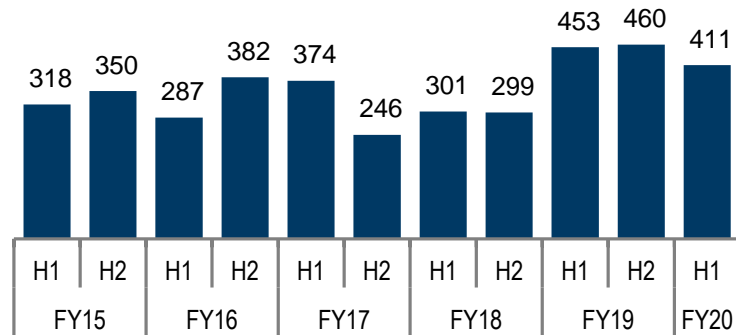
Underlying Profit  
\$280m

Interim dividend  
US 7.5 cents per  
share, fully franked

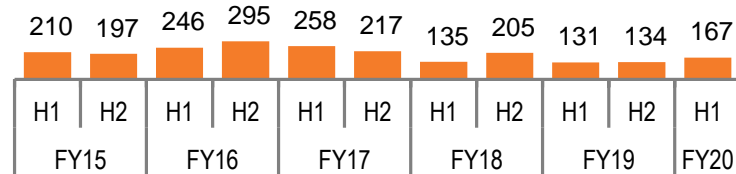
Cadia mill  
expanding to  
between 33 &  
35mtpa

## Cadia

Gold Production (koz)



AISC (\$/oz)

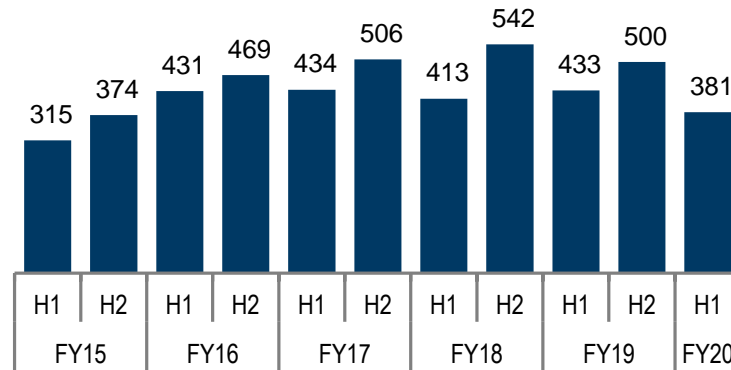


# Lower grades from open pit mining sequence

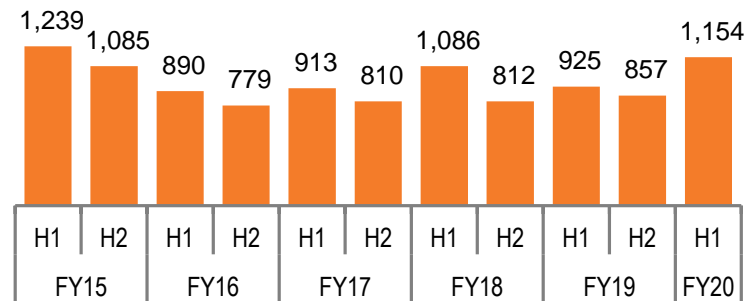
Biannual shut strategy to improve full plant utilisation opportunities

## Lihir

Gold Production (koz)



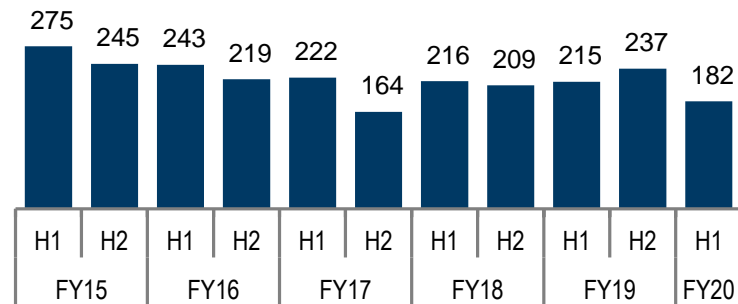
AISC (\$/oz)



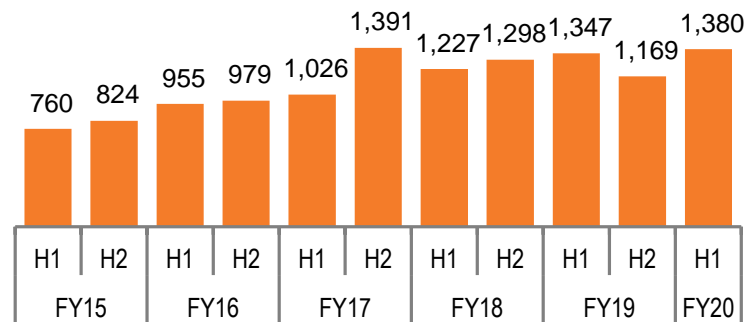
Challenging site but focused on improving performance and costs

## Telfer

Gold Production (koz)



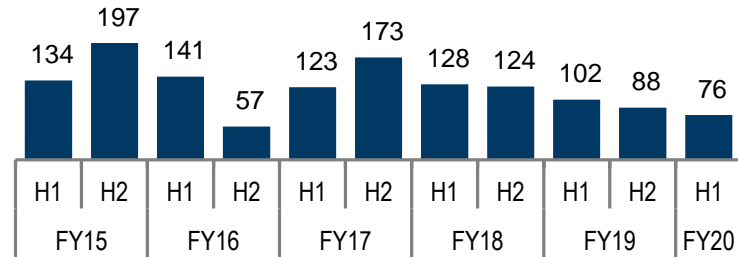
AISC (\$/oz)



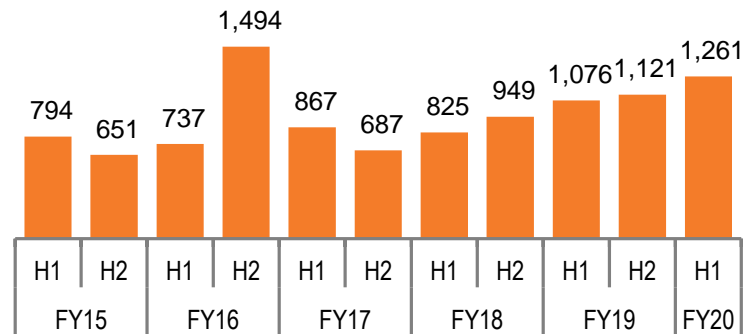
Declining  
head grade  
impacted  
production

## Gosowong

Gold Production (koz)



AISC (\$/oz)



# Newcrest agrees to divest Gosowong for \$90m

## Newcrest to sell 100% of its interest in Gosowong

Economic ownership from 31  
December 2019 transfers to the new  
owner post satisfaction of conditions  
precedent

## Gosowong divestment - \$90m

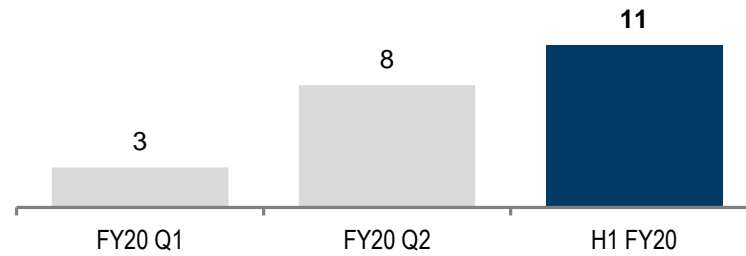
- \$5m cash deposit paid on execution of the sale and purchase agreement
- \$55m cash payable on transaction completion
- \$30m deferred cash payable 18 months after completion



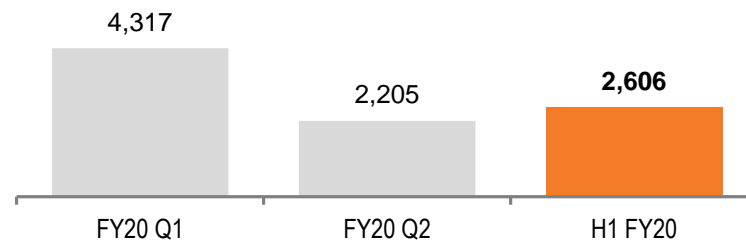
Red Chris  
integration  
progressing to  
plan

## Red Chris

Gold Production (koz)



AISC (\$/oz)





# Red Chris First stage transformation on track

## **Stage 1 - Apply Newcrest's Edge transformation approach**

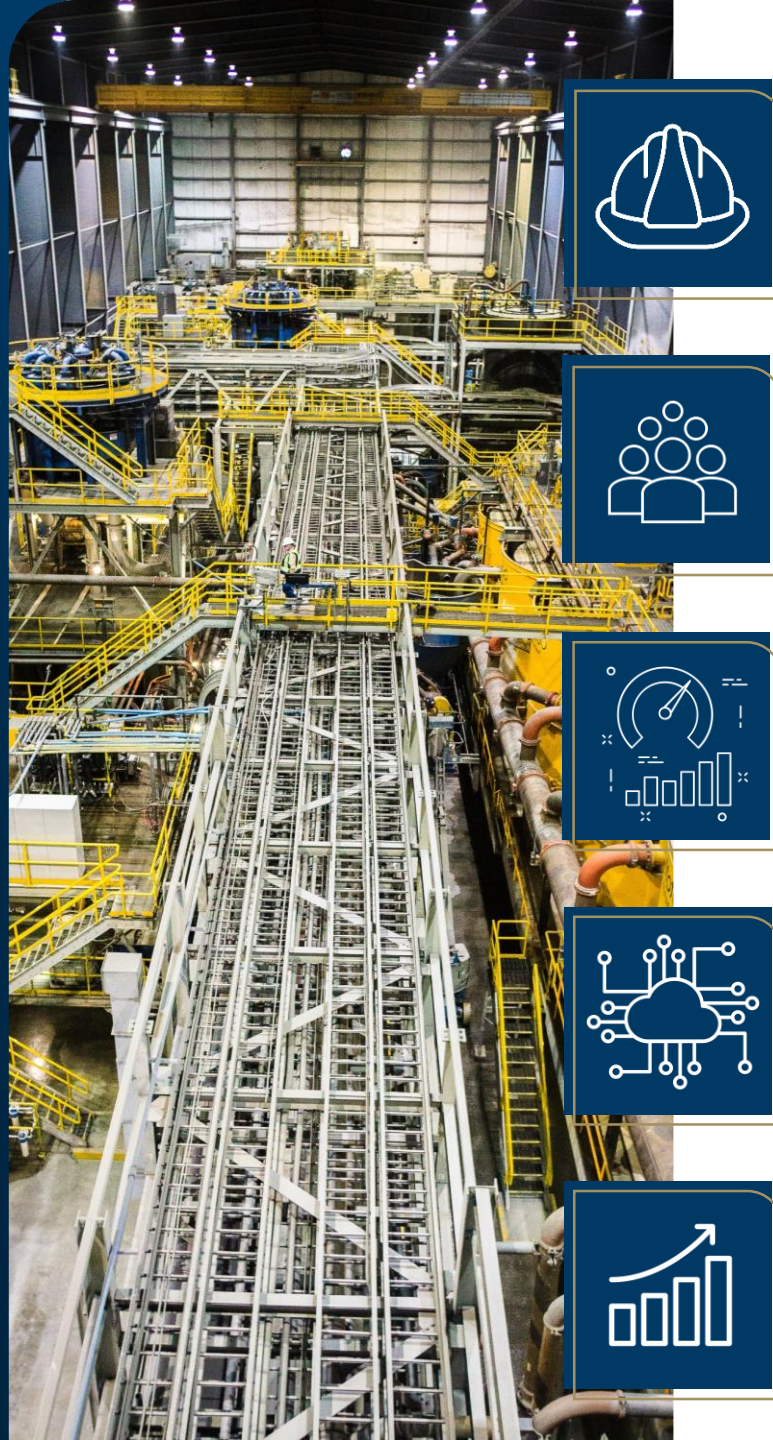
- Process plant optimisation
- Mine optimisation
- Supply chain cost reduction
- Extensional resource and exploration drilling program

## **Stage 2 - Apply Newcrest's industry leading technology**

- Block caving
- Coarse ore flotation
- Mass sensing and sorting
- Deep underground brownfield and greenfield exploration



# Achievements in the first 150 days at Red Chris



## Safety & Sustainability

NewSafe rollout in full swing  
Emergency and first aid capability significantly upgraded



## People

Camp upgrade commenced  
Mobile equipment workshop upgrade design commenced



## Operating Performance

Tailings Impoundment Area lifts completed  
Pit waste stripping optimisation study completed  
Fleet Management System and Pit WiFi selected



## Technology & Innovation

First concentric launders installed in rougher circuit  
Cleaner column concept study completed  
'Stacked' cell pilot completed



## Profitable Growth

17,500 meters drilled in 130 days  
Block cave concept study commenced and on schedule

Safety &  
Sustainability



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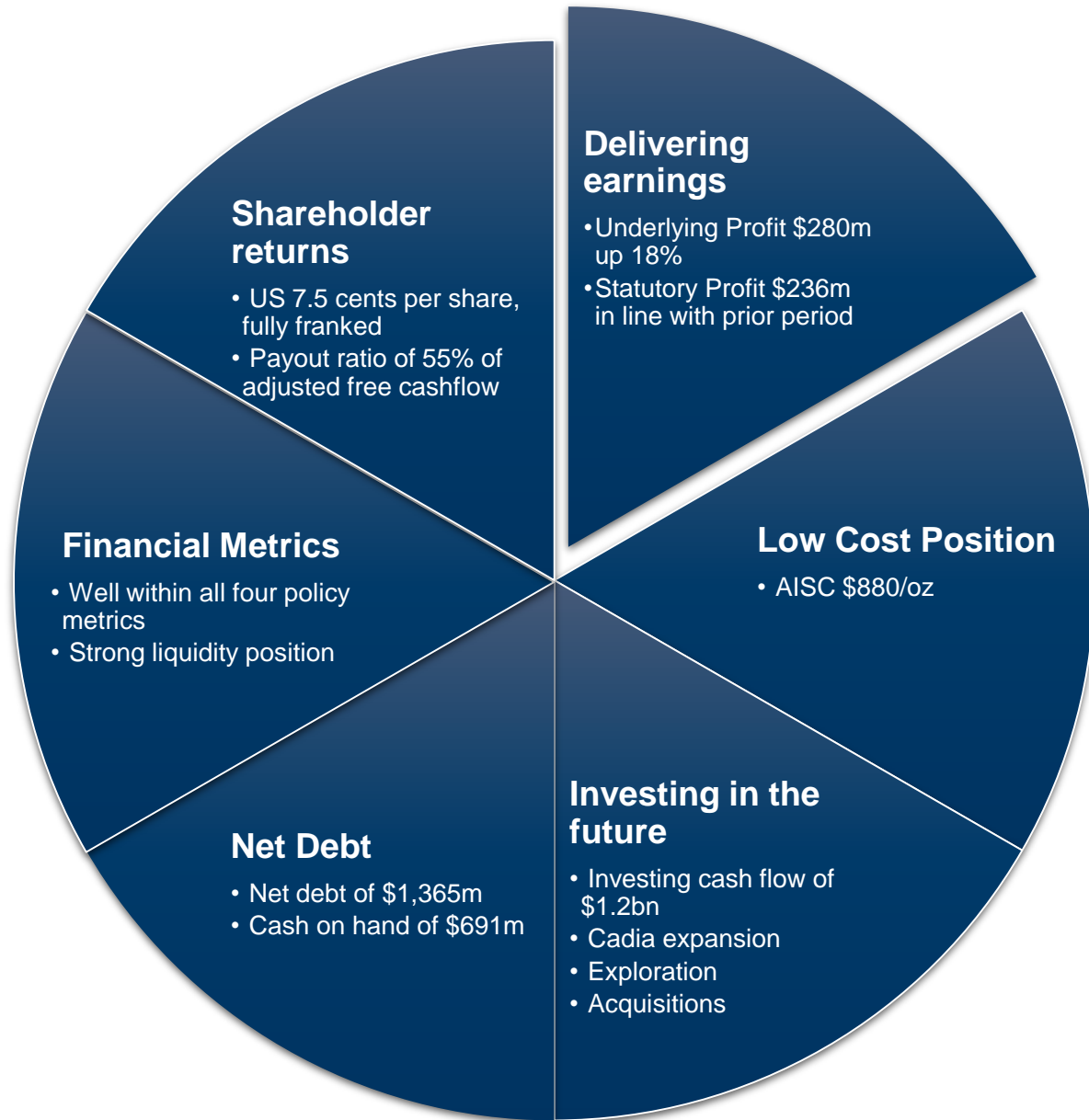


The unique  
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gold-copper  
miner

Summary

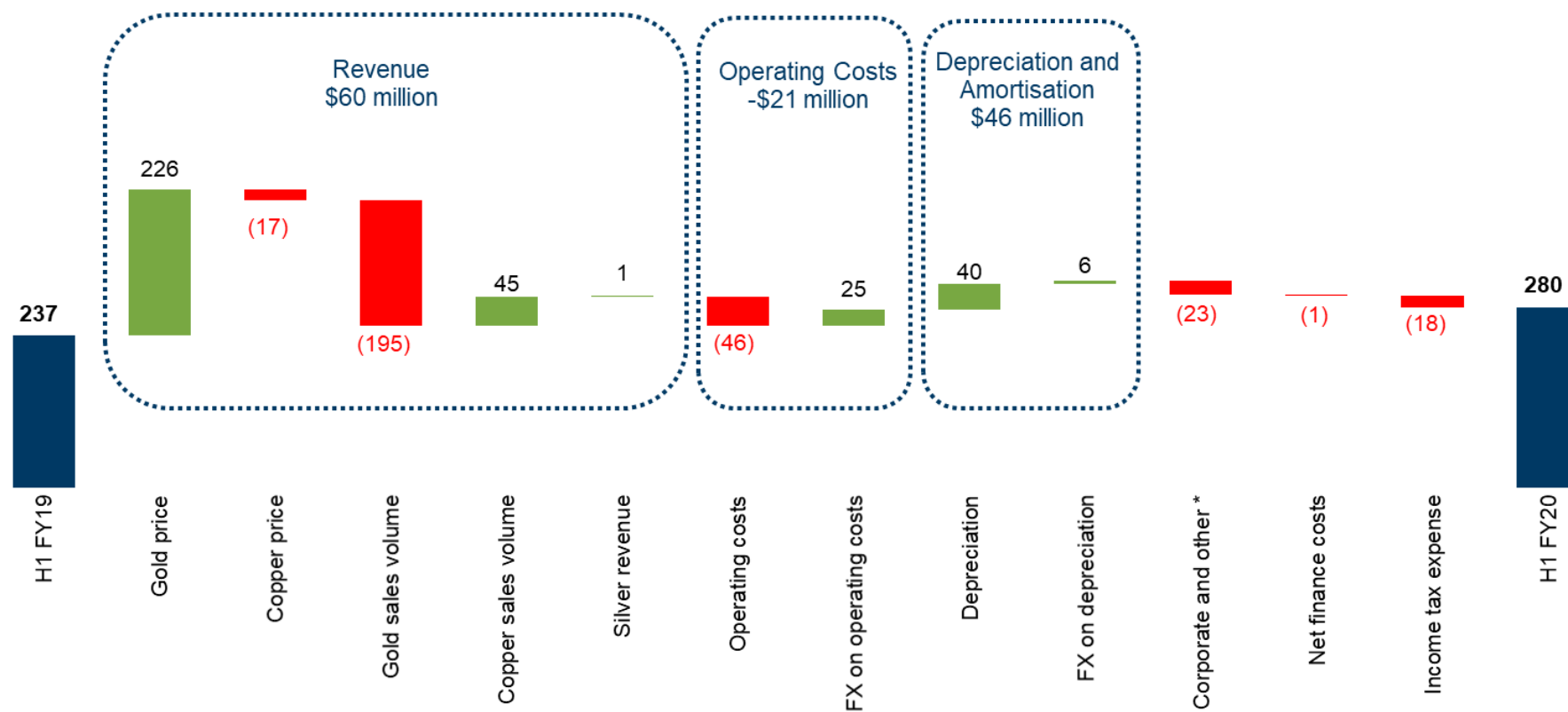


# Newcrest's financial results for first half



# Underlying Profit up 18% to \$280m

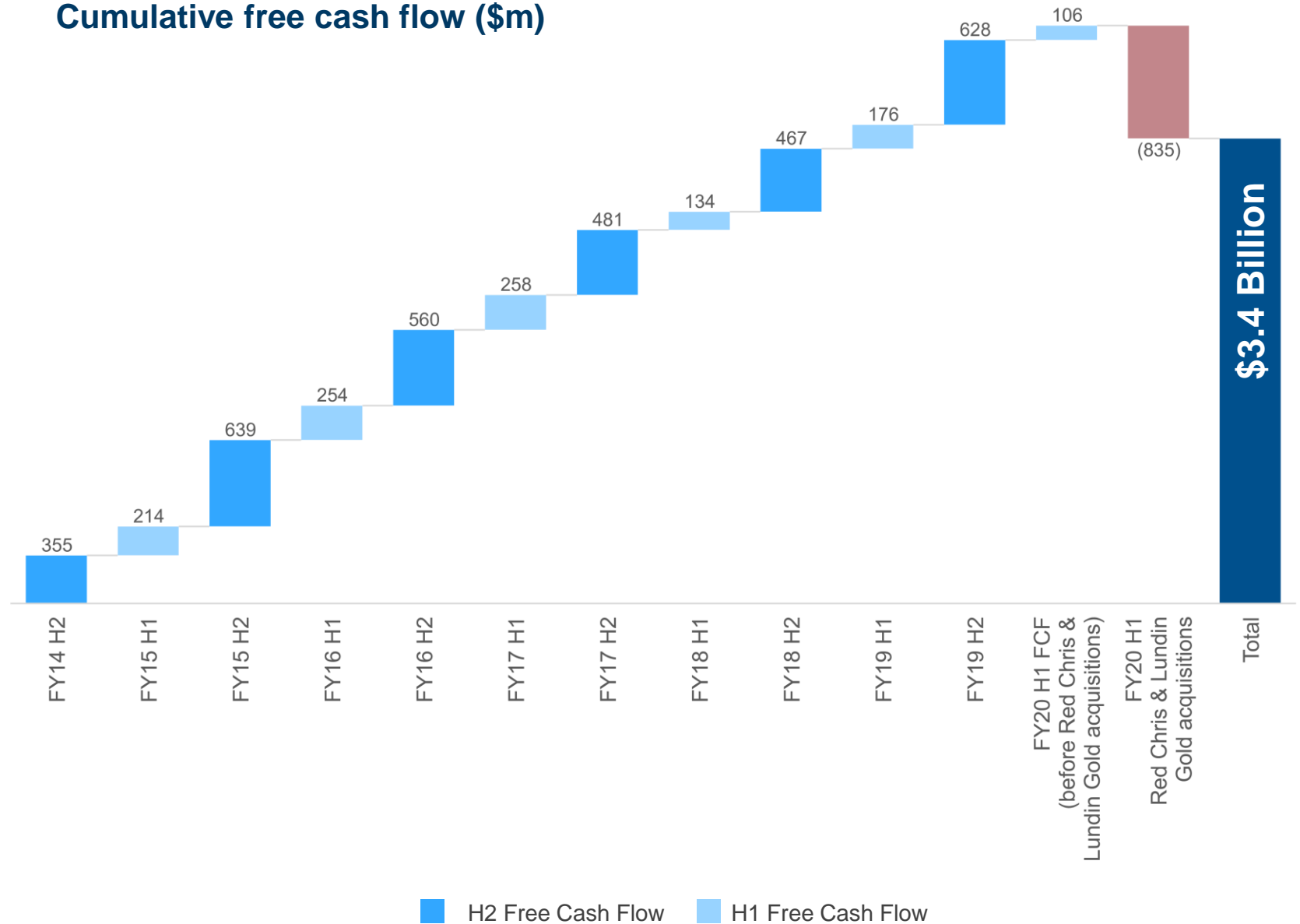
## Movement in Underlying Profit (\$m)



\* Corporate and other includes Corporate administration expenses, Exploration expenses, Other income and Share of losses of associates

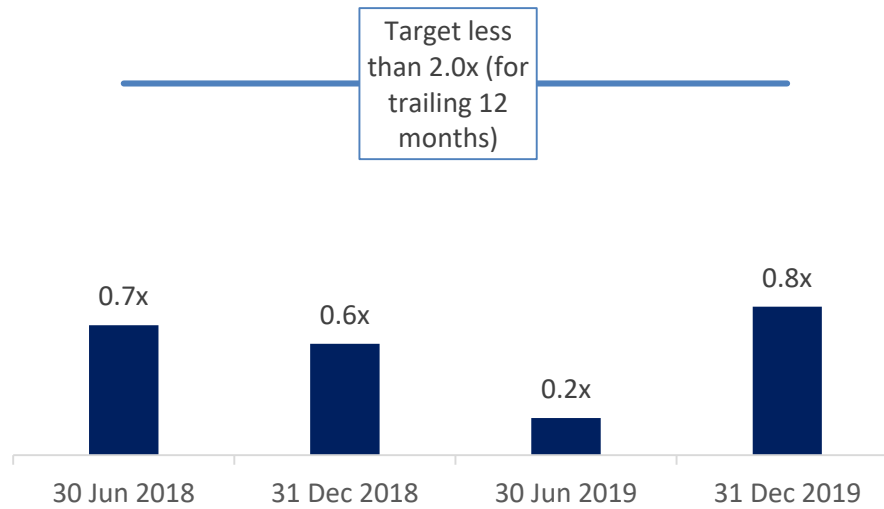
\$3.4bn of free cash flow generated since 1 January 2014

Cumulative free cash flow (\$m)

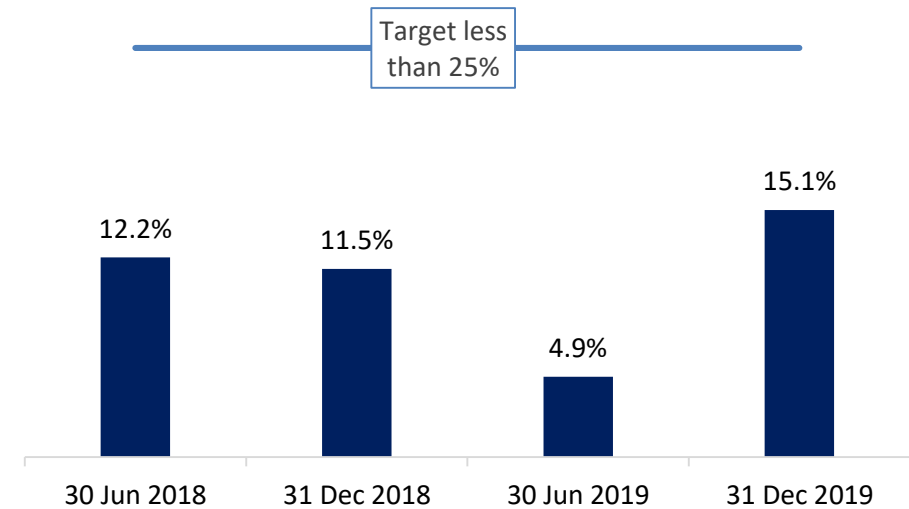


Comfortably within all four financial policy targets

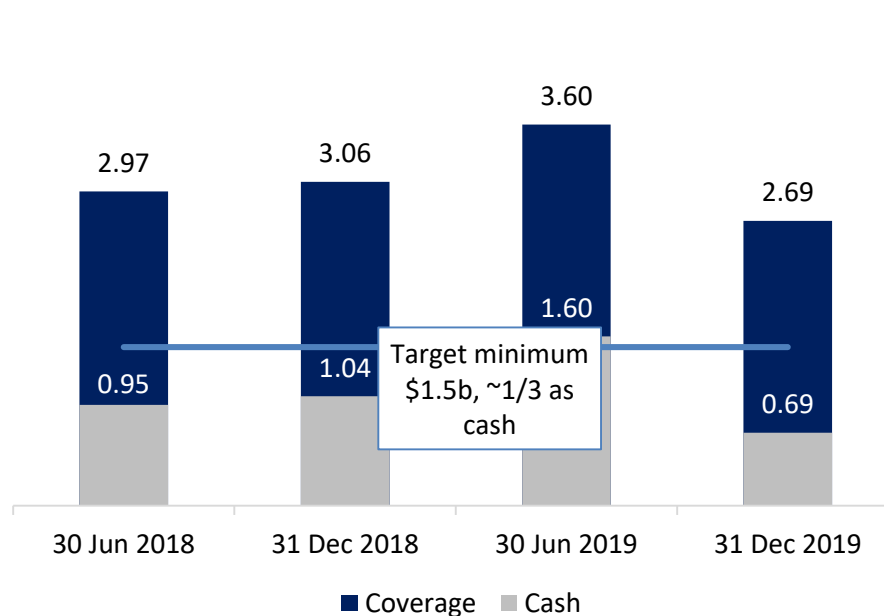
### Leverage Ratio (Net Debt / EBITDA)



### Gearing Ratio



### Coverage (\$bn)



### Investment Grade Credit Rating



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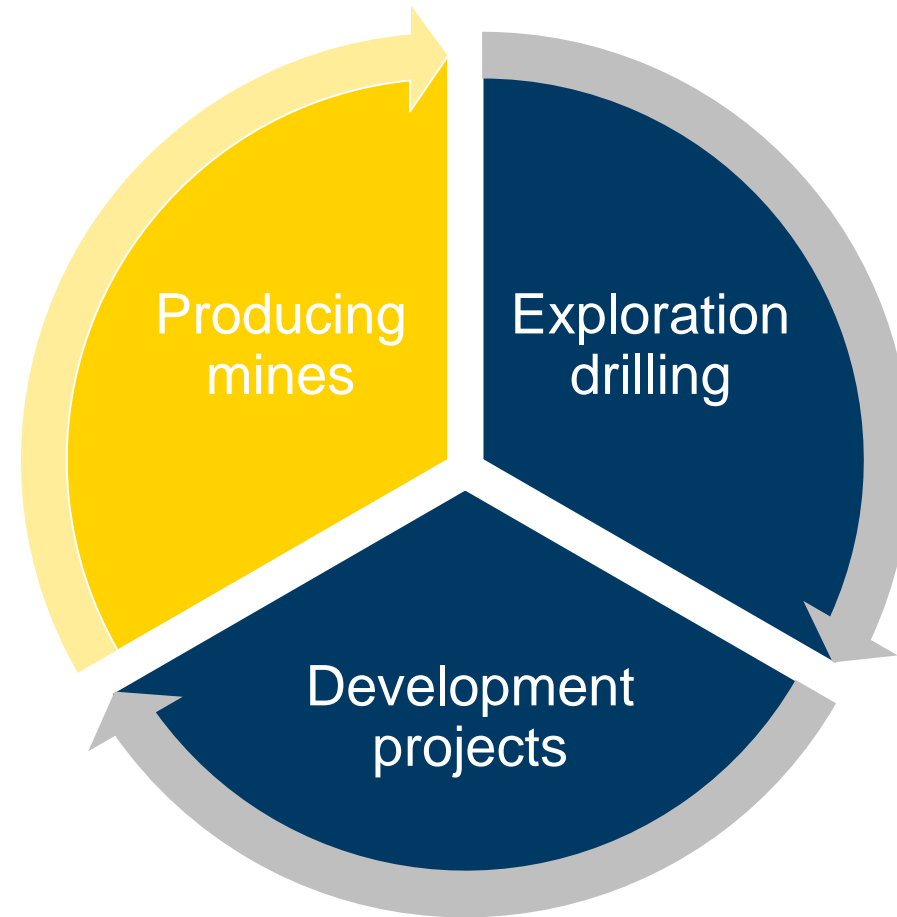


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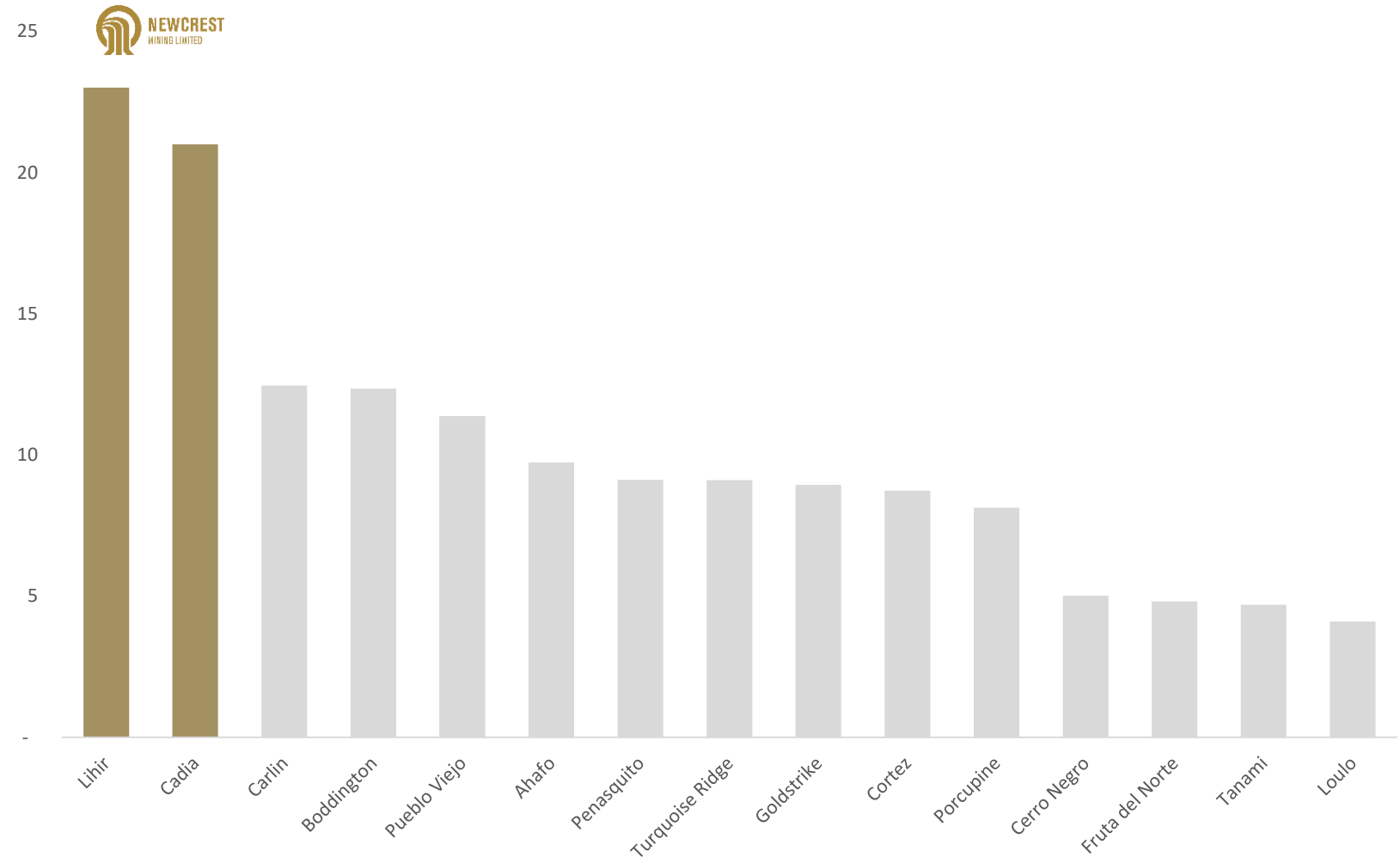
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Cadia and Lihir reserves greater than mines of major gold peers...

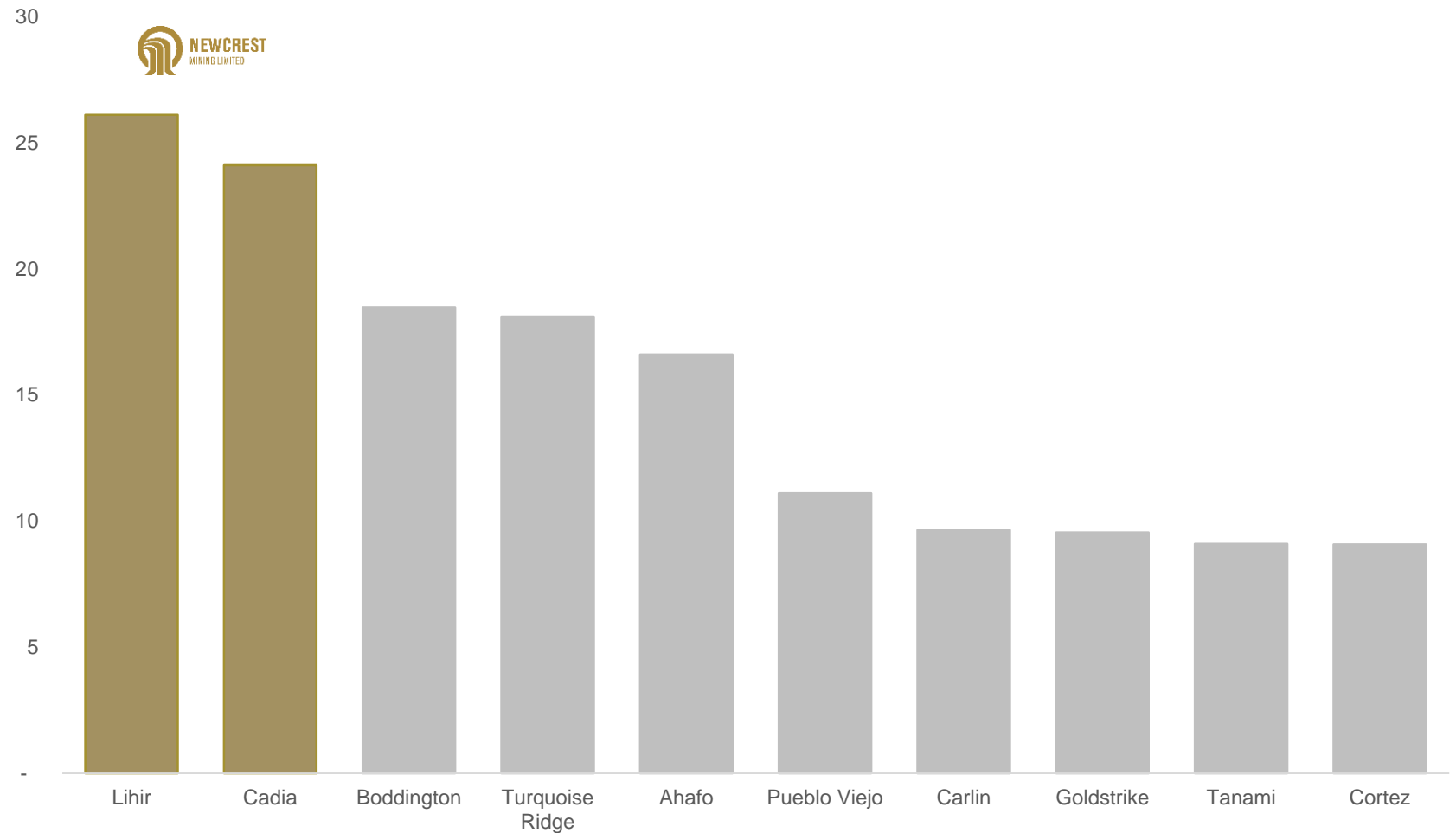
## Reserve base of operating assets<sup>1</sup> (moz)



<sup>1</sup> Based on producing assets held by Barrick, Newmont and Newcrest with an attributable reserve >4moz. Source: Company reports as at 5 February 2020. Reserves reflect proven and probable gold ore reserves (contained metal) as at 31 December 2018 (other than Newcrest's assets which is at 31 December 2019 and Newmont's Goldcorp assets which is at 30 June 2018).

...resulting in industry leading reserve lives

## Reserve life (years)

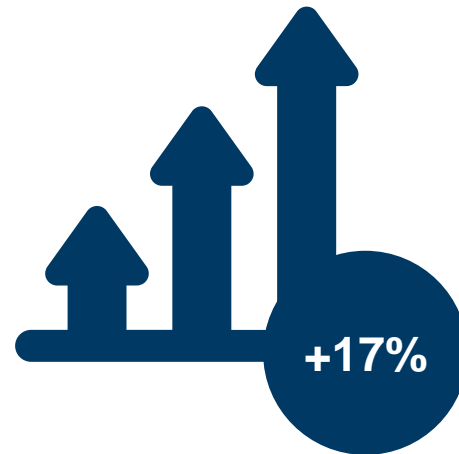


1 Based on producing assets held by Barrick, Newmont and Newcrest with an attributable reserve >4moz. Source: Company reports as at 5 February 2020. Reserves reflect proven and probable gold ore reserves (contained metal) as at 31 December 2018 (other than Newcrest's assets which is at 31 December 2019 and Newmont's Goldcorp assets which is at 30 June 2018). Reserve life is indicative and calculated as proven and probable gold reserves (contained metal) divided by gold production for the 12 months ended 31 December 2019 (except for Newmont which was 12 months ended 30 September 2019). The reserve life calculation does not take into account future gold production rates. Porcupine, Eleonore, Cerro Negro and Penequito have been excluded from the reserve life calculation as a full quarter production for the March 2019 quarter was not reported.

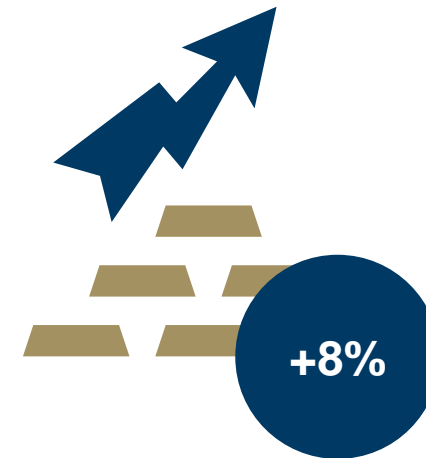
# Cadia to increase processing capacity

Execution of Stage 1 and Stage 2 of the Cadia Expansion FS could see<sup>1</sup>:

Increased throughput rate to 33-35mtpa



Increased LOM recovery to 80%



<sup>1</sup> Stage 1 of the Cadia Expansion Feasibility Study has been prepared with the objective that its findings are subject to an accuracy range of  $\pm 15\%$ . Stage 2 has been completed to a Pre-Feasibility Study level with its findings at an accuracy range of  $\pm 25\%$ . The findings in the Study and the implementation of the Cadia Expansion Project are subject to all necessary approvals, permits, internal and regulatory requirements and further works. The estimates are indicative only and are subject to market and operating conditions. They should not be construed as guidance.

# Increasing days without maintenance interruption<sup>1</sup>

Indicative previous shut schedule

Plant Area	July	August	September	October	November	December	January	February	March	April	May	June
TPS												
Jaw Crusher Common Conveyors												
Primary Crusher Common Conveyors												
FGO Mill												
HGO 1 Mill												
HGO 2 Mill												
CV007												
Flotation												
Autoclave 1												
Autoclave 2												
Autoclave 3												
Autoclave 4												
Oxygen Plant												
CCD Circuits												
NCA												
IPS												

Transition year

Indicative Biannual shut schedule<sup>1</sup>

Plant Area	July	August	September	October	November	December	January	February	March	April	May	June
TPS												
Jaw Crusher Common Conveyors												
Primary Crusher Common Conveyors												
FGO Mill												
HGO 1 Mill												
HGO 2 Mill												
CV007												
Flotation												
Autoclave 1												
Autoclave 2												
Autoclave 3												
Autoclave 4												
Oxygen Plant												
CCD Circuits												
NCA												
IPS												

Targeting an additional ~65 days of operation without interruption from planned major equipment maintenance



Unlock full processing capacity more often



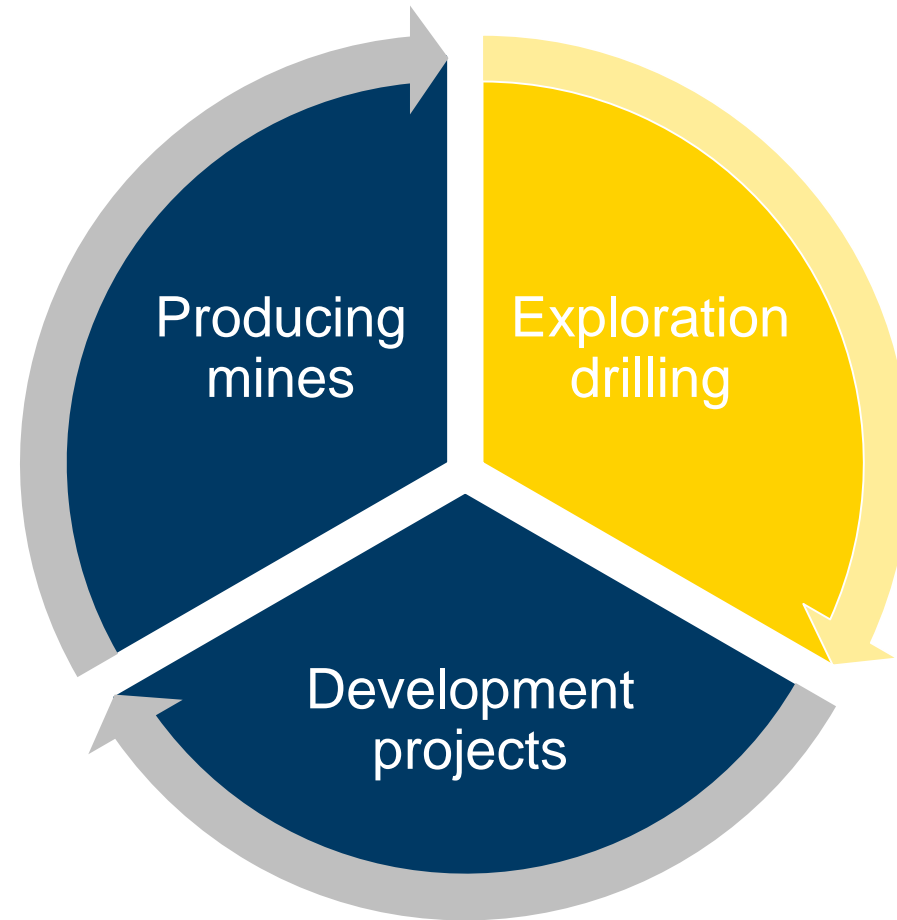
Improve uptime, stability and recovery



Improved maintenance work management

1. Indicative maintenance shut schedule for FY21 as of 13 February 2020. Subject to change.

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# Increased mineralisation at Havieron

**\$25m**

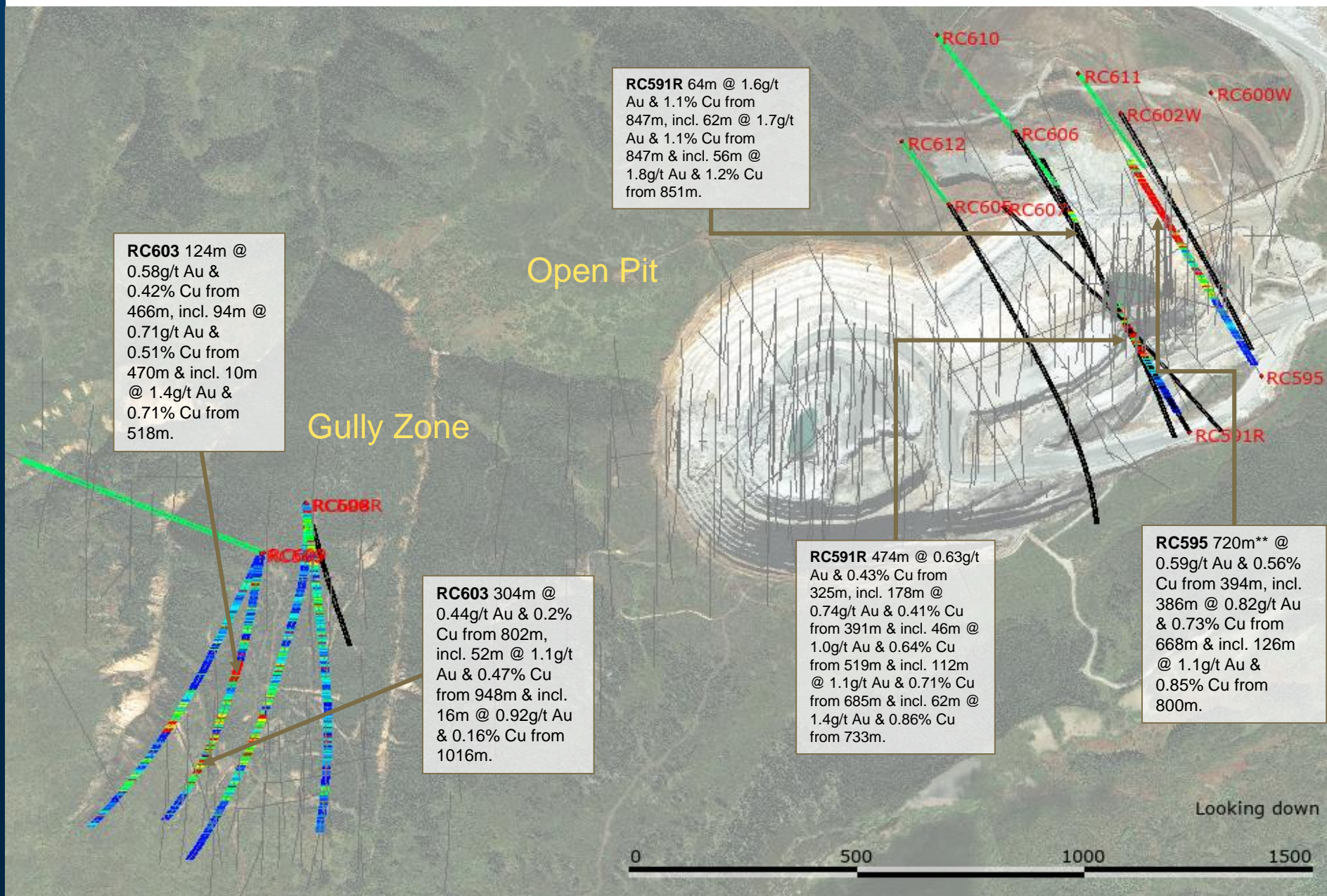
increase to the FY20 exploration  
expenditure guidance range due  
to increased drilling at Havieron



# Positive drill results at Red Chris

New higher grade area identified in Gully Zone

Mineralisation footprint expanded



**RC603** 124m @ 0.58g/t Au & 0.42% Cu from 466m, incl. 94m @ 0.71g/t Au & 0.51% Cu from 470m & incl. 10m @ 1.4g/t Au & 0.71% Cu from 518m.

**RC603** 304m @ 0.44g/t Au & 0.2% Cu from 802m, incl. 52m @ 1.1g/t Au & 0.47% Cu from 948m & incl. 16m @ 0.92g/t Au & 0.16% Cu from 1016m.

**RC591R** 64m @ 1.6g/t Au & 1.1% Cu from 847m, incl. 62m @ 1.7g/t Au & 1.1% Cu from 847m & incl. 56m @ 1.8g/t Au & 1.2% Cu from 851m.

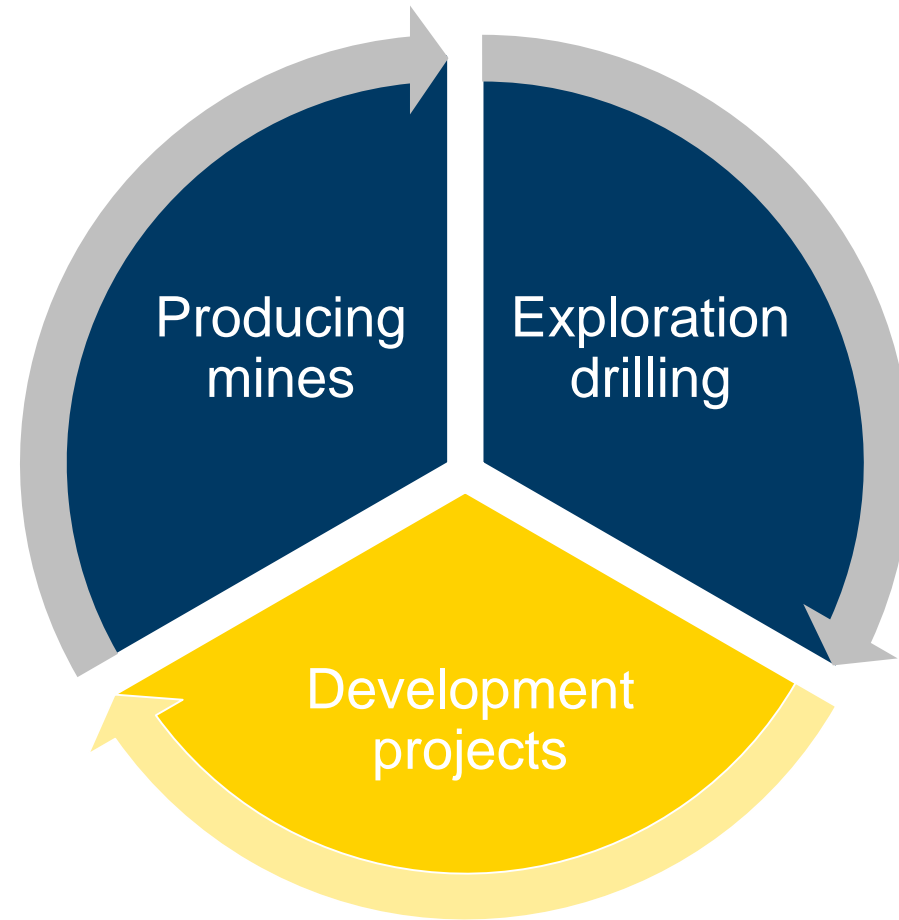
**RC591R** 474m @ 0.63g/t Au & 0.43% Cu from 325m, incl. 178m @ 0.74g/t Au & 0.41% Cu from 391m & incl. 46m @ 1.0g/t Au & 0.64% Cu from 519m & incl. 112m @ 1.1g/t Au & 0.71% Cu from 685m & incl. 62m @ 1.4g/t Au & 0.86% Cu from 733m.

**RC595** 720m\*\* @ 0.59g/t Au & 0.56% Cu from 394m, incl. 386m @ 0.82g/t Au & 0.73% Cu from 668m & incl. 126m @ 1.1g/t Au & 0.85% Cu from 800m.

The information in this slide that relates to exploration results at Red Chris has been extracted from the release titled "Quarterly Exploration Report" dated 30 January 2020.

— Complete      — In Progress

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# Injunction on Wafi-Golpu project lifted<sup>1</sup>



Multi-decade mine life

Highest grade undeveloped gold-copper project world-wide

Low cost production

Attractive return on investment expected

First production expected ~five years from permit

<sup>1</sup> Subject to all necessary permits, regulatory requirements and Board approval and further works.

Safety &  
Sustainability



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Summary



# What makes Newcrest different



Long  
reserve life



Low cost  
production



Do what  
we say



Organic growth  
options  
*(at Cadia, Lihir, Wafi  
Golpu & Red Chris)*



Strong exploration  
& technical  
capabilities



Financially robust



# Miner of choice™

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### Announcements

**2018/2019 Half Year Financial Results**  
14 February 2019

**Newcrest to divest Séguéla for \$30m**  
12 February 2019

**December 2018 Quarterly Report**  
30 January 2019

**Wafi-Golpu Memorandum of Understanding**

### Profile

Newcrest is one of the world's largest gold mining companies. We safely deliver superior returns to our stakeholders from finding, developing and operating gold and copper mines.

We are committed to maintaining a safe environment for our people, operating and developing mines sustainably in line with our environmental standards, and building lasting relationships with the communities in which we operate. Our vision is to be Miner of Choice for our people, shareholders, host communities, partners and suppliers.

### Share price

**AU\$25.44** as at 20/2/2019 18:59  
Open AU\$25.44 High AU\$25.44  
Close AU\$25.44 Low AU\$25.44  
Change ◆ \$0.00 / 0.00%,  
Volume 0

MacBook Air



Find out more:  
[www.newcrest.com.au](http://www.newcrest.com.au)



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