ASX Appendix 4D & Financial Report

For the half year ended 31 December 2020

NEWCREST
MINING LIMITED

ASX Appendix 4D and Financial Report

Newcrest Mining Limited and Controlled Entities

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Newcrest Mining Limited
ASX Code: NCM

Reporting period: **Half Year ended 31 December 2020**
Corresponding period: Half Year ended 31 December 2019

	6 months 31 Dec 20 US$ millions	6 months 31 Dec 19 US$ millions	Percentage increase/ (decrease)
Revenue	2,172	1,790	21%
Net profit attributable to members of the parent entity ('Statutory Profit')	553	236	134%

Dividend Information	6 months ended 31 Dec 20 Amount per share US cents	6 months ended 31 Dec 20 Amount franked per share US cents
Interim dividend	15	15
Record date for determining entitlement to interim dividend		19 February 2021
Date interim dividend payable		25 March 2021

The Directors have determined to pay an interim dividend for the half year ended 31 December 2020 of US 15 cents per share, which will be fully franked.

The Dividend Reinvestment Plan ('DRP') remains available and will be offered to shareholders at a price determined by the volume weighted average price of shares traded on the ASX over the period 23 February to 1 March 2021. No discount applies to the DRP. Shareholders have until 5pm AEDT on 22 February 2021 to change their DRP election for the interim dividend.

Net Tangible Assets	31 Dec 20 US$	31 Dec 19 US$
Net tangible assets per share	11.73	9.96

Review of Results
Refer to the Management Discussion and Analysis ('MD&A') on page 5 for the review of the results. This Half Year Financial Report should be read in conjunction with the most recent annual financial report.

Review Report
This Half Year Financial Report has been subject to review by the Company's external auditor.

The Directors present their report together with the consolidated financial statements of the Newcrest Mining Limited Group, comprising of Newcrest Mining Limited ('the Company') and its controlled entities ('Newcrest' or 'the Group'), for the half year ended 31 December 2020.

Directors

The Directors of Newcrest Mining Limited during the half year ended 31 December 2020 and up to the date of this report are set out below. All Directors held their position as a Director throughout the entire half year and up to the date of this report unless otherwise stated.

Peter Hay	Non-Executive Director and Non-Executive Chairman
Sandeep Biswas	Managing Director and Chief Executive Officer
Gerard Bond	Finance Director and Chief Financial Officer
Philip Aiken AM	Non-Executive Director
Roger Higgins	Non-Executive Director
Sally-Anne Layman	Non-Executive Director (appointed on 1 October 2020)
Xiaoling Liu	Non-Executive Director (resigned on 11 November 2020)
Vickki McFadden	Non-Executive Director
Peter Tomsett	Non-Executive Director

Principal Activities

The principal activities of the Group during the period were exploration, mine development, mine operations and the sale of gold and gold/copper concentrate. There were no significant changes in those activities during the period.

Consolidated Result

The profit after tax attributable to Newcrest shareholders ('Statutory Profit') for the half year ended 31 December 2020 was US$553 million (31 December 2019: US$236 million).

Refer to the Management Discussion and Analysis ('MD&A') on page 5 for a review of the result and operations. The MD&A forms part of this Directors' Report. The financial information in the MD&A includes non-IFRS financial information. Explanations and reconciliations of non-IFRS financial information to the financial statements are included in Section 6 of the MD&A.

Dividends

During the half year, the Company paid a final dividend for the year ended 30 June 2020 of US 17.5 cents per share, which was fully franked. The dividend was paid on 25 September 2020. The total amount of the dividend was US$143 million. Participation in the dividend reinvestment plan reduced the cash amount paid to US$132 million.

Subsequent Events - Dividends

Subsequent to the reporting period, the Directors have determined to pay an interim dividend for the half year ended 31 December 2020 of US 15 cents per share, which will be fully franked. The dividend will be paid on 25 March 2021. The total amount of the dividend is US$122 million. This dividend has not been provided for in the 31 December 2020 financial statements.

Rounding of Amounts

Newcrest Mining Limited is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the Directors' Report and the Financial Report are rounded to the nearest million dollars except where otherwise indicated.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under the *Corporations Act 2001* is set out on the following page.

Signed in accordance with a resolution of the Directors

Peter Hay	Sandeep Biswas
Chairman	Managing Director and Chief Executive Officer

11 February 2021
Melbourne

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Auditor's Independence Declaration to the Directors of Newcrest Mining Limited

As lead auditor for the review of the half year financial report of Newcrest Mining Limited for the half year ended 31 December 2020, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Newcrest Mining Limited and the entities it controlled during the financial period.

Ernst & Young

Trent van Veen
Partner

11 February 2021

To assist readers to better understand the financial performance of the underlying operating assets of Newcrest, the financial information in this Management Discussion and Analysis includes non-IFRS financial information. Explanations and reconciliations of non-IFRS information to the financial statements are set out in Section 6.

Unless otherwise stated, all financial data presented in this Management Discussion and Analysis is quoted in US$ and the prior period represents the 6 months ended 31 December 2019.

Section 1 Endnotes are located at the end of the section.

1. SUMMARY OF RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020[1,2]

Key points

- Statutory profit[3] of $553 million, 134% higher than the prior period
- Underlying profit[4] of $553 million, 98% higher than the prior period
- All-In Sustaining Cost ("AISC")[4,5] of $974 per ounce, 11% higher than the prior period
- All-In Sustaining Cost margin[4,6] of $842 per ounce, 48% higher than the prior period
- Cash flow from operating activities of $992 million, 121% higher than the prior period
- Record December half-year free cash flow[4] of $439 million
- Gold production of 1.04 million ounces[5], 2% lower than the prior period
- Copper production of 69.3 thousand tonnes, 11% higher than the prior period
- Initial Inferred Mineral Resource estimate for Havieron of 3.4 million ounces of gold and 160 thousand tonnes of copper[7,8,9]
- Completion of Lihir Mine Optimisation Study[10] resulting in deferral of the seepage barrier and associated costs by 18 months and improved grade presentation projected for the next few years
- Improvements in operating and blending practices along with plant modifications to manage argillic ores at Lihir, expected to improve production outcomes in future years
- Strong balance sheet, with net debt of $330 million, leverage ratio of 0.1 times and a gearing ratio of 3.3% as at 31 December 2020
- Earnings per share 121% higher than the prior period
- New dividend policy increases the target % of free cash flow to be paid in dividends to 30-60%. Interim dividend announced of US$ 15 cents per share, fully franked, is 100% higher than prior year interim dividend.

	Endnote	UoM	For the 6 months ended 31 December			
			2020	2019	Change	Change %
Group production- gold	5	oz	1,038,566	1,062,751	(24,185)	(2%)
- copper		t	69,320	62,468	6,852	11%
Revenue		US$m	2,172	1,790	382	21%
EBITDA	4	US$m	1,146	756	390	52%
EBIT	4	US$m	826	459	367	80%
Statutory profit	3	US$m	553	236	317	134%
Underlying profit	4	US$m	553	280	273	98%
Cash flow from operating activities		US$m	992	448	544	121%
Free cash flow*	4	US$m	439	(729)	1,168	160%
EBITDA margin	4	%	52.8	42.2	10.6	25%
EBIT margin	4	%	38.0	25.6	12.4	48%
All-In Sustaining Cost	4,5,14	US$/oz	974	877	97	11%
All-In Sustaining margin	4,6	US$/oz	842	569	273	48%
Realised gold price	15	US$/oz	1,826	1,446	380	26%

	Endnote	UoM	For the 6 months ended 31 December 2020	2019	Change	Change %
Realised copper price	15	US$/lb	3.12	2.66	0.46	17%
Average exchange rate		AUD:USD	0.7225	0.6846	0.0379	6%
Average exchange rate		PGK:USD	0.2862	0.2940	(0.0078)	(3%)
Average exchange rate		CAD:USD	0.7585	0.7575	0.0010	0%
Closing exchange rate		AUD:USD	0.7702	0.7006	0.0696	10%
Earnings per share (basic)		US$ cents	67.7	30.7	37.0	121%
Earnings per share (diluted)		US$ cents	67.5	30.6	36.9	121%
Dividends paid per share		US$ cents	17.5	14.5	3.0	21%

* Free cash flow in the prior period includes the payment for the acquisition of Red Chris (70% ownership) of $774 million[16], and further investments in Lundin Gold of $61 million.

	Endnote	UoM	As at 31 December 2020	As at 30 June 2020	Change	Change %
Cash and cash equivalents		US$m	1,744	1,451	293	20%
Net debt		US$m	330	624	(294)	(47%)
Net debt to EBITDA	4	times	0.1	0.3	(0.2)	(67%)
Gearing		%	3.3	6.8	(3.5)	(51%)
Total equity		US$m	9,619	8,613	1,006	12%

Half year results

Newcrest continued to safely operate its existing assets, with an industry-leading[17] Total Recordable Injury Frequency Rate (TRIFR) of 2.2 per million hours worked and more than five years free of fatalities or life-changing injuries.

To date, the impact of COVID-19 on Newcrest's operations, workforce and local community health has been minimal following adherence to a comprehensive program of preventative actions and extensive collaboration with governments, partner organisations and local communities. The cost of managing COVID-19 related risks was estimated to be $30-40 million for the 2021 financial year, however this is now expected to be in the order of $60-70 million for the year due to intensification of actions taken and planned in order to minimise risk and ensure business continuity at a time of strong gold prices.

Newcrest's gold production of 1.04 million ounces[5] was 2% lower than the prior period, reflecting the divestment of Gosowong, the expected decline in grade at Cadia, lower grade at Lihir and lower recoveries at Telfer and Lihir. This decrease in gold production was partially offset by record high mill throughput at Cadia for a six month period, the inclusion of 61,146 ounces[5] of gold production attributable to Newcrest's 32% interest in Lundin Gold Inc. which owns the Fruta del Norte mine (commissioned in February 2020), six months of Red Chris production compared to four and a half months in the prior period, coupled with higher grade and recoveries and increased mill throughput from Telfer.

Copper production of 69.3 thousand tonnes was 11% higher than the prior period, primarily driven by higher mill throughput at Cadia and six months of production from Red Chris, partially offset by lower copper production at Telfer primarily due to lower grade.

Statutory and Underlying profit were both $553 million in the current period.

Underlying profit was $273 million higher than the prior period driven by higher realised gold and copper prices, higher copper production at Cadia, a positive fair value adjustment recognised on Newcrest's investment in the Fruta del Norte finance facilities, and a full six months of improved Red Chris performance. These benefits were partially offset by increased income tax expense as a result of the Company's improved profitability in the current period, lower gold sales driven by lower production, the unfavourable impact on operating costs for the Australian operations from the strengthening of the Australian dollar against the US dollar, higher price-linked costs such as royalties, additional costs associated with COVID-19 precautionary measures and a higher depreciation expense.

The average realised gold price in the current period of $1,826 per ounce was 26% higher than the prior period and the average realised copper price of $3.12 per pound was 17% higher than the prior period.

Newcrest's AISC of $974 per ounce[5] was 11% higher than the prior period. The increase in AISC per ounce reflects lower production and resulting sales, higher sustaining capital expenditure, the unfavourable impact of the strengthening of the Australian dollar on operating costs, additional costs associated with COVID-19 precautionary measures, a full six months of costs at Red Chris, higher realisation and royalty costs with higher gold prices realised in the current period, and increased production stripping at Red Chris. These higher costs were partially offset by a higher realised copper price, increased copper sales volumes at Cadia and Red Chris, the divestment of Gosowong high cost ounces, and a favourable contribution from Newcrest's 32% interest in Lundin Gold Inc. which owns the Fruta del Norte mine. Cadia achieved a record low six month AISC of $54 per ounce in the current period.

Notwithstanding a higher AISC per ounce, Newcrest's AISC margin per ounce increased by 48% from the prior period as a result of a higher realised gold price.

Cashflow from operating activities of $992 million was $544 million higher than the prior period. This increase reflects the benefit of higher gold and copper prices, increased copper sales volumes, favourable working capital movements and lower income tax payments, partially offset by lower gold sales volumes and the unfavourable impact on costs from a stronger Australian dollar in the current period.

Free cash flow of $439 million represents the highest published December half-year free cash flow for the Company.

The prior period free cash flow includes the payment for the acquisition of Red Chris (70% ownership) of $774 million[16] and an additional investment in Lundin Gold of $61 million (increasing Newcrest's equity ownership to 32%). Adjusting the prior period to exclude M&A-related activity, the current period 'Free cash flow before M&A activity' is $334 million or 315% higher than the prior period, with higher operating cash flows only partially offset by increased investment in major capital projects at Cadia and Lihir, higher sustaining capital, increased production stripping at Red Chris and Lihir, and a higher level of total exploration expenditure (primarily drilling at Havieron and exploration activity at Red Chris).

On 9 October 2020 the Newcrest Board approved two projects to move to the execution phase, being Stage 2 of the Cadia Expansion Project and the Lihir Front End Recovery Project. Stage 2 of the Cadia Expansion Project is expected to increase plant capacity from 33 million tonnes per annum to 35 million tonnes per annum, enabling an increase in gold and copper recoveries, an increase in production and a reduction in unit costs. The Lihir Front End Recovery Project is expected to deliver additional future production through an improvement in life of mine gold recoveries.

On 13 October 2020, to support Newcrest's growth strategy in the Americas Newcrest successfully listed on the Toronto Stock Exchange, increasing its exposure to the large North American capital pool.

On 10 December 2020 Newcrest also reported an Initial Inferred Mineral Resource estimate at the Havieron Project, a high-grade deposit located approximately 45km east of Newcrest's Telfer mine, which has the potential to extend the operational life of Telfer. Subsequently, on 13 January 2021 the Newcrest Board approved A$146 million (on a 100% basis) for the construction of the box cut, exploration decline and associated surface infrastructure for the Havieron Project, following receipt of the necessary regulatory approvals to commence these construction activities.

Capital structure

Newcrest's net debt as at 31 December 2020 was $330 million. This comprises $2,013 million of capital market debt and lease liabilities of $61 million, less $1,744 million of cash holdings.

At 31 December 2020, Newcrest had liquidity coverage of $3,744 million, comprising $1,744 million of cash and $2,000 million in committed undrawn bilateral bank debt facilities with maturity periods ranging from 2021 to 2023.

Newcrest's financial objectives are to meet all financial obligations, maintain a strong balance sheet to withstand cash flow volatility, be able to invest capital in value-creating opportunities, and to provide returns to shareholders. Newcrest looks to maintain a conservative level of balance sheet leverage.

Newcrest's financial policy metrics and its performance against them are as follows:

Metric	Policy 'looks to'	As at 31 December 2020	As at 30 June 2020
Credit rating (S&P/Moody's)	Investment grade	BBB/Baa2	BBB/Baa2
Leverage ratio (Net debt to EBITDA)	Less than 2.0 times	0.1	0.3
Gearing ratio	Below 25%	3.3%	6.8%
Cash and committed undrawn bank facilities	At least $1.5bn, of which ~1/3 is in the form of cash	$3.74bn ($1.74bn cash)	$3.45bn ($1.45bn cash)

Telfer gold hedging

No new hedging in relation to Telfer was undertaken in the current period.

The total outstanding volume and prices of gold hedged for future years at Telfer and in total for Newcrest is:

Financial Year Ending	Gold Ounces Hedged	Average Price A$/oz
30 June 2021 (January to June 2021)	111,434	1,874
30 June 2022	204,615	1,902
30 June 2023	137,919	1,942
Total	**453,968**	**1,907**

Telfer is a large scale, low grade mine and its profitability and cash flow are both very sensitive to the realised Australian dollar gold price. Hedging instruments in the form of Australian dollar gold forward contracts were put in place in 2016 to 2018 to secure margins on a portion of future planned production to June 2023, to support investment in cutbacks and mine development.

The current period included 105,205 ounces of Telfer gold sales hedged at an average price of A$1,853 per ounce, representing a net revenue loss of $59 million for the current period. At 31 December 2020, based on gold forward curves, the unrealised mark-to-market loss on these hedges was $192 million.

Approximately 89% of Newcrest's sales in the period were unhedged and therefore benefitting from the strong gold prices in the period.

Newcrest's decision in the prior period to cease its program of hedging the impacts of copper and gold price movements during the quotational period resulted in a net fair value gain in other income in the current period of $91 million, driven by the increase in gold and copper prices in the current period. Refer Section 2.4. This amount offsets the losses associated with Telfer gold hedges in the current period.

Dividend

Having regard to Newcrest's strong balance sheet, with minimal near term debt obligations and with financial policy metrics all very comfortably within targets, as well as its high free cash flow generation during a period of high gold prices, the Newcrest Board has approved the following revised Dividend Policy:

> Newcrest looks to pay ordinary dividends that are sustainable over time having regard to its cash flow generation, its reinvestment options in the business and external growth opportunities, its financial policy metrics and its balance sheet strength.
>
> Newcrest targets a total annual dividend payout of 30-60% of free cash flow generated for the financial year, with the annual total dividends being at least US$ 15 cents per share on a full year basis.
>
> The declaration of any future dividend remains at the discretion of the Newcrest Board, having regard to circumstances prevailing at that time.

Having regard to the abovementioned considerations, the Newcrest Board has determined that an interim fully franked dividend of US$ 15 cents per share will be paid on Thursday, 25 March 2021.

The record date for entitlement is Friday, 19 February 2021.

The financial impact of the interim dividend amounting to $122 million has not been recognised in the Consolidated Financial Statements for the half year. The Company's Dividend Reinvestment Plan remains in place.

Guidance[18,19,20]

Group gold and copper production guidance for FY21 remains unchanged.

Group gold production is expected to be towards the upper end of the guidance range, subject to market and operating conditions and assuming no material COVID-19 related interruptions. This reflects an expectation that Cadia's and Telfer's full year gold production will be towards the upper end of their respective gold production guidance ranges, Lihir's gold production will be around the mid-point of its guidance range and Red Chris gold production will be around the bottom end of its guidance range.

Group AISC expenditure guidance for FY21 is expected to be around the top end of the original guidance range, assuming spot copper prices of $3.50 per pound and an AUD:USD exchange rate of 0.77, reflecting the higher gold production volumes at Telfer and Cadia, the impact of a higher Australian dollar on operating costs and sustaining capital, and the higher than originally expected costs associated with COVID-19 risk management measures (now expected to be in the order of $60-70 million up from the $30-40 million anticipated at the start of the financial year).

Production guidance for the 12 months ending 30 June 2021[18,20]

Cadia	- gold	koz	680 – 760
	- copper	kt	95 – 105
Lihir	- gold	koz	720 – 820
Telfer	- gold	koz	360 – 420
	- copper	kt	10 – 20
Red Chris	- gold	koz	45 – 55
	- copper	kt	25 – 30
Fruta del Norte[(a)]	- gold	koz	95 – 110
Group production	**- gold**	koz	**1,950 – 2,150**
	- copper	kt	**135 – 155**

Cost, capital, exploration and depreciation guidance for the 12 months ending 30 June 2021[18,19,20]

US$m	Cadia	Lihir	Telfer	Red Chris	Fruta del Norte[(a)]	Havieron	Other[(b)]	Group
All-In Sustaining Cost expenditure [(c)]	50 – 130	940 – 990	510 – 570	80 – 115	81 – 85		130 – 140	1,800 – 1,950
Capital expenditure								
- Production stripping [(c)]	-	135 - 150	-	35 – 55			-	170 – 200
- Sustaining capital [(c)]	90 - 100	80 – 90	50 – 55	65 – 75			25 – 30	310 - 350
- Major projects (non-sustaining)	380 - 420	130 – 180	-	30 – 40		35 - 45	5	580 – 690
Total Capital expenditure	**470 – 520**	**345 - 420**	**50 - 55**	**130 - 170**		**35 - 45**	**25 - 35**	**1,060 - 1,240**
Exploration expenditure								**115 – 125**
Depreciation and amortisation (including depreciation of production stripping)								**610 - 650**

(a) The Fruta del Norte guidance represents Newcrest's 32% interest in the annualised production and AISC for Fruta del Norte based on Lundin Gold's market release on 5 July 2020. This release estimated gold production for the second half of calendar year 2020 to be in the range of 150koz to 170koz at an AISC of $770/oz to $850/oz
(b) Other includes $5 million of major project expenditure (non-sustaining) in relation to Wafi-Golpu
(c) Production stripping and sustaining capital shown above are included in AISC expenditure

Review of Operations[20]

For the 6 months ended 31 December 2020

	UoM	Cadia	Lihir	Telfer	Goso-wong[21]	Red Chris[22]	Fruta del Norte[5]	Other	Group
Operating									
Production									
Gold	koz	391	378	185	-	24	61	-	1,039
Copper	kt	52	-	5	-	13	-	-	69
Silver	koz	319	18	52	-	57	-	-	445
Sales									
Gold	koz	389	381	173	-	24	51	-	1,019
Copper	kt	51	-	4	-	13	-	-	68
Silver	koz	313	18	52	-	57	-	-	440
Financial									
Revenue	US$m	1,048	718	283	-	123	-	-	2,172
EBITDA[4]	US$m	767	325	12	-	39	-	3	1,146
EBIT[4]	US$m	669	187	(32)	-	10	-	(8)	826
Net assets	US$m	3,129	4,169	(32)	-	931	-	1,422	9,619
Operating cash flow	US$m	808	325	27	-	57	-	(225)	992
Investing cash flow	US$m	(248)	(145)	(29)	-	(80)	-	(51)	(553)
Free cash flow*	US$m	560	180	(2)	-	(23)	-	(276)	439
AISC[4,5]	US$m	21	516	290	-	72	39	54	992
	US$/oz	54	1,352	1,676	-	2,961	778	-	974
AISC Margin[4,6]	US$/oz	1,772	474	150	-	(1,135)		-	842

* Free cash flow for 'Other' includes an inflow from other investing activities of $20 million (comprising net receipts from Fruta del Norte finance facilities of $14 million[23], proceeds from the sale of property, plant and equipment of $7 million, and $1 million relating to further investments in Lundin Gold), income tax paid of $137 million, net interest paid of $25 million, exploration expenditure of $49 million, corporate costs of $45 million, other capital expenditure of $18 million, and net working capital inflows of $22 million.

For the 6 months ended 31 December 2019

	UoM	Cadia	Lihir	Telfer	Goso-wong[21]	Red Chris[22]	Fruta del Norte[5]	Other	Group
Operating									
Production									
Gold	koz	411	381	182	76	11	-	-	1,063
Copper	kt	45	-	7	-	10	-	-	62
Silver	koz	271	14	59	82	43	-	-	471
Sales									
Gold	koz	399	363	185	78	10	-	-	1,035
Copper	kt	44	-	7	-	9	-	-	60
Silver	koz	265	14	59	87	29	-	-	455
Financial									
Revenue	US$m	810	538	261	117	64	-	-	1,790
EBITDA[4]	US$m	571	202	21	31	12	-	(81)	756
EBIT[4]	US$m	497	73	(24)	6	(4)	-	(89)	459
Net assets	US$m	2,549	4,295	(5)	112	864	-	(117)	7,698
Operating cash flow	US$m	576	184	15	20	(2)	-	(345)	448
Investing cash flow	US$m	(117)	(100)	(37)	(12)	(23)	-	(888)	(1,177)
Free cash flow*	US$m	459	84	(22)	8	(25)	-	(1,233)	(729)
AISC[4,5,14]	US$m	66	419	256	99	23	-	44	907
	US$/oz	167	1,154	1,380	1,261	2,323	-	-	877
AISC Margin[4,6,14]	US$/oz	1,279	292	66	185	(877)	-	-	569

* Free cash flow for 'Other' includes other investing activities of $835 million (comprising the acquisition of a 70% interest in Red Chris of $774 million[16], and further investments in Lundin Gold of $61 million), income tax paid of $219 million, net interest paid of $44 million, exploration expenditure of $39 million, corporate costs of $43 million, other capital expenditure of $13 million, and net working capital outflows of $40 million.

Endnotes

[1] All figures in this document relate to businesses of the Newcrest Mining Limited Group ('Newcrest' or 'the Group') for the 6 months ended 31 December 2020 ('current period') compared with the 6 months ended 31 December 2019 ('prior period'), except where otherwise stated. All references to 'the Company' are to Newcrest Mining Limited.

[2] Technical and scientific information: The technical and scientific information contained in this document relating to Wafi-Golpu and Lihir was reviewed and approved by Craig Jones, Newcrest's Chief Operating Officer PNG, FAusIMM and a Qualified Person as defined in National Instrument 43- 101 – Standards of Disclosure for Mineral Projects (NI 43-101). The technical and scientific information contained in this document relating to Cadia was reviewed and approved by Philip Stephenson, Newcrest's Chief Operating Officer Australia and Americas, FAusIMM and a Qualified Person as defined in NI 43-101.

[3] Statutory profit is profit after tax attributable to owners of the Company.

[4] Newcrest's results are reported under International Financial Reporting Standards ("IFRS"). This document includes certain non-IFRS financial information within the meaning of ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information' published by ASIC and within the meaning of Canadian Securities Administrators Staff Notice 52-306 – Non-GAAP Financial Measures. Such information includes:

- 'Underlying profit' (profit or loss after tax before significant items attributable to owners of the Company);
- 'EBITDA' (earnings before interest, tax, depreciation and amortisation, and significant items);
- 'EBIT' (earnings before interest, tax and significant items);
- 'EBITDA Margin' (EBITDA expressed as a percentage of revenue);
- 'EBIT Margin' (EBIT expressed as a percentage of revenue);
- 'Net debt to EBITDA' (calculated as net debt divided by EBITDA for the preceding 12 months);
- 'Free cash flow' (calculated as cash flow from operating activities less cash flow related to investing activities. Free cash flow for each operating site is calculated as Free cash flow before interest, tax and intercompany transactions);
- 'Free Cash Flow before M&A activity' (being 'Free Cash Flow' excluding acquisitions, investments in associates and divestments);
- 'AISC' (All-In Sustaining Cost) and 'AIC' (All-In Cost) as per the updated World Gold Council Guidance Note on Non-GAAP Metrics released November 2018. AISC will vary from period to period as a result of various factors including production performance, timing of sales and the level of sustaining capital and the relative contribution of each asset; and
- AISC Margin reflects the average realised gold price less the AISC per ounce sold.

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 document to provide greater understanding of the underlying financial 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. Such non-IFRS financial information/non-GAAP financial measures do not have a standardised meaning prescribed by IFRS and may be calculated differently by other companies. Although Newcrest believes these non-IFRS/non-GAAP financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information/non-GAAP financial measures included in this document. When reviewing business performance, this non-IFRS information should be used in addition to, and not as a replacement of, measures prepared in accordance with IFRS, available on Newcrest's website and the ASX and SEDAR platforms. Refer to Section 6 for a reconciliation of non-IFRS measures to the most appropriate IFRS measure.

[5] Group production and AISC includes Newcrest's 32% attributable share of Fruta del Norte (commercial production commenced in the March 2020 quarter) through its 32% equity interest in Lundin Gold Inc.

- Gold production in the current period includes 61,146 ounces relating to Newcrest's 32% attributable share of the 191,080 ounces reported by Lundin Gold Inc. for the six month period ended 31 December 2020; and
- Group AISC in the current period includes an estimated reduction of $10 per ounce, which represents 19,891 ounces of Newcrest's 32% attributable share of the 62,160 ounces sold at $728 per ounce as reported by Lundin Gold Inc. for the September 2020 quarter plus an estimate for the December 2020 quarter based on the 30,986 ounces relating to Newcrest's 32% attributable share of the 96,830 ounces reported by Lundin Gold Inc. for the December 2020 quarter at the mid-point of Newcrest's FY21 guidance ($810 per ounce).

Refer to Section 6.6 for further details.

[6] Newcrest's AISC margin for the current period has been determined by deducting the All-In Sustaining Cost attributable to Newcrest's operations of $984 per ounce from Newcrest's realised gold price of $1,826 per ounce. Refer to Section 6.6 for further details.

[7] The Inferred Mineral Resource estimate is presented on a 100% basis. As announced on 30 November 2020, Newcrest has now met the Stage 3 expenditure requirement (US$45 million) and is entitled to earn an additional 20% joint venture interest in addition to its existing 40% interest, resulting in an overall joint venture interest of 60% (Greatland Gold 40%).

[8] The information in this document that relates to Mineral Resources, Exploration Targets, Exploration Results, and related scientific and technical information for Havieron has been extracted from the release titled "Initial Inferred Mineral Resource estimate for Havieron of 3.4Moz of gold and 160Kt of copper" dated 10 December 2020 which is available to view at www.asx.com.au under the code "NCM" (the original release) and on Newcrest's SEDAR profile. Newcrest confirms that it is not aware of any new information or data that materially affects the information included in the original release and 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 persons' findings are presented have not been materially modified from the original release.

[9] 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 2001 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 is in accordance with the 2012 Edition of 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. Newcrest is also subject to certain Canadian disclosure requirements and standards, as a result of its secondary listing on the Toronto Stock Exchange (TSX), including the requirements of National Instrument 43-101 (NI 43-101). Investors should note that it is a requirement of Canadian securities law that the reporting of Mineral Reserves and Mineral Resources in Canada and the disclosure of scientific and technical information concerning a mineral project on a property material to Newcrest comply with NI 43-101. Newcrest's material properties are currently Cadia, Lihir and Wafi-Golpu.

[10] The Lihir Mine Optimisation Study has been prepared to a Pre-Feasibility Study level with the objective that its findings are subject to an accuracy range of +25%. The findings in the study and the implementation of the Lihir Mine Optimisation Study are subject to all the 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.

[11] The estimate is based on the utilisation of 100% of the Lihir Ore Reserves, being 22moz Probable and Proven Resources as at 31 December 2020, but subject to depletion for the period since 1 January 2021. The information in this document that relates to Lihir Ore Reserves has been extracted from the release titled "Annual Mineral Resources and Ore Reserves Statement – 31 December 2020" dated 11 February 2021 which is available to view at www.asx.com.au and on Newcrest's SEDAR profile under the code "NCM" (the Annual MR&OR release). Newcrest confirms that it is not aware of any new information or data that materially affects the information included in the Annual MR&OR release and that all material assumptions and technical parameters underpinning the estimates in the Annual MR&OR release continue to apply and have not materially changed. Newcrest confirms that the form and context in which the competent persons' findings are presented have not been materially modified from the Annual MR&OR release.

[12] The estimate of an additional ~400-600koz of contained gold in FY23-25 is subject to the successful completion of the Phase 14A Pre-Feasibility Study and assumes the successful conversion of ~20Mt of existing Indicated Mineral Resource to Probable Ore Reserves. The estimate represents the difference between the indicative mine plan base case (inclusive of the outcomes of the Lihir Mine Optimisation Study) and any potential uplift that Phase 14A could provide as a result of the replacement of ~11Mt of low grade ore feed with higher grade during this period. The estimate of ~20Mt of Indicated Mineral Resource underpinning the estimate of ~400-600koz of contained gold has been prepared based on an annualised ~15 mtpa mill feed rate, expit TMM range of 41-63 mtpa, from which 6-12 mtpa is allocated to Phase 14A, mill recovery of 75% - 82%, inter-ramp slope design of approximately 79 degrees in the upper argillic rock benches supported by long cables with mesh and shotcrete to enable safe steepening of the existing unsupported slopes of 20-35 degrees, and the lower unsupported benches at historical 62 degree slopes. The estimate of ~20Mt of Indicated Mineral Resource has been prepared in accordance with the requirements in Appendix 5A of the ASX Listing Rules by a Competent Person. For further information as to the total Indicated Mineral Resources for Lihir of which the 20Mt of Indicated Mineral Resources is part, see the release titled "Annual Mineral Resources and Ore Reserves Statement – 31 December 2020" which is available to view at www.asx.com.au under the code "NCM" and on Newcrest's SEDAR profile.

[13] Per tonne of ore treated and compared to a baseline of FY18 emissions. Subject to market and operating conditions in respect of Cadia and the Rye Park Wind Farm.

[14] AISC reported in the prior period has been restated to reflect adjustments applied to Red Chris following the completion of acquisition and prior period year end processes.

[15] Realised metal prices are the US dollar spot prices at the time of sale per unit of metal sold (net of Telfer gold production hedges), excluding deductions related to treatment and refining costs and the impact of price related finalisations for metals in concentrate. The realised price has been calculated using sales ounces generated by Newcrest's operations only (i.e. excluding Fruta del Norte).

[16] The $774 million payment represents the cash consideration based on estimated debt and working capital balance as at 31 December 2019. The debt (assumed equipment loans and other interest-bearing liabilities) and working capital balances were subject to adjustment under the Asset Purchase Agreement 'APA' which was finalised in the second half of the 2020 financial year. The final cash consideration paid for the 70% interest in the Red Chris mine was $769 million.

[17] Injury rates are top quartile when compared to International Council on Mining & Metals members in 2019

[18] Disclaimer: This document includes forward looking statements and forward looking information within the meaning of securities laws of applicable jurisdictions. 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 estimated reserves and resources, certain plans, strategies, aspirations and objectives of management, anticipated production, study or construction dates, expected costs, cash flow or production outputs and anticipated productive lives of projects and mines. 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.

These forward looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance, and achievements to differ materially from any future results, performance or achievements, or industry results, expressed or implied by these forward looking statements. 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. For further information as to the risks which may impact on the Company's results and performance, please see the risk factors included in the Annual Information Form dated 13 October 2020 lodged with ASX and SEDAR.

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, particularly in the current economic climate with the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic. Forward looking statements in this document 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.

[19] The original guidance stated assumes weighted average copper price of $2.70 per pound, AUD:USD exchange rate of 0.68 and CAD:USD exchange rate of 0.74 for FY21. Guidance for the full year has been evaluated assuming for the remainder of FY21 a weighted average copper price of $3.50 per pound, AUD:USD exchange rate of 0.77 and CAD:USD exchange rate of 0.77.

[20] All data relating to operations is shown at 100%, with the exception of Red Chris which is shown at 70% and Fruta del Norte which is shown at 32%. Prior to divestment, Newcrest owned 75% of Gosowong through its holding in PT Nusa Halmahera Minerals, an incorporated joint venture.

[21] Newcrest finalised the sale of its 75% interest in Gosowong on 4 March 2020 ('divestment date'). Production and financial outcomes for the prior period represent Newcrest's period of ownership to the divestment date.

[22] Newcrest acquired its 70% interest in the Red Chris mine and became the operator on 15 August 2019 'acquisition date'. Production and financial outcomes for the prior period represent Newcrest's period of ownership from the acquisition date.

[23] As announced on 30 April 2020, Newcrest acquired the gold prepay and stream facilities and an offtake agreement in respect of Lundin Gold Inc's Fruta del Norte mine for $460 million. In the current period, Newcrest received net pre-tax cash flows of $35 million from these financing facilities (refer to Note 12(b)(i) of the consolidated financial statements). This is reflected within the cash flow statement as $21 million in operating cash flow (interest payments received) and $14 million in investing cash flow (primarily principal repayments received).

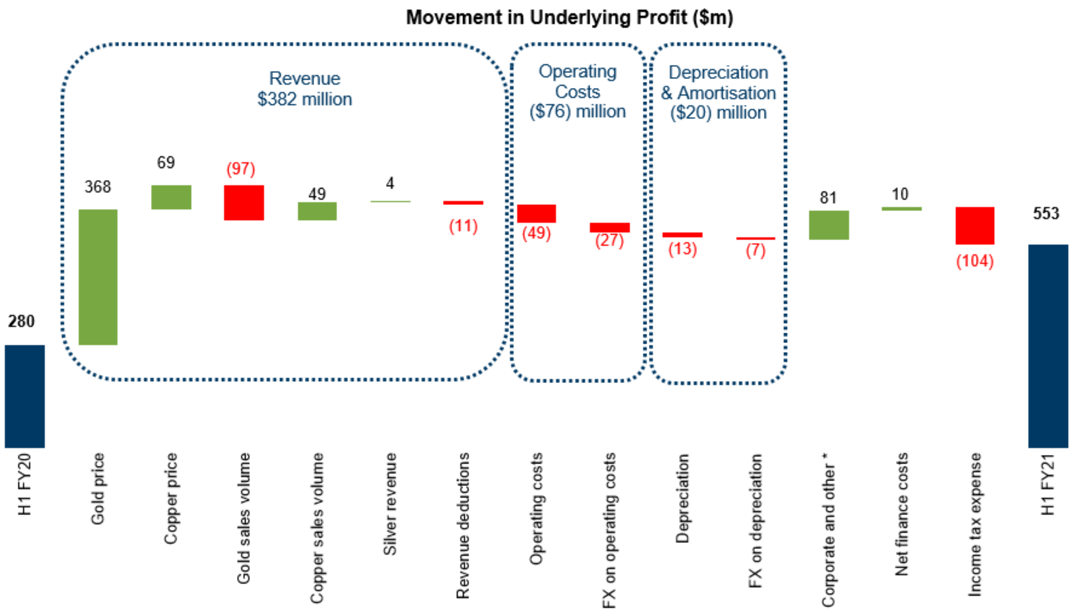
2. DISCUSSION AND ANALYSIS OF OPERATIONS AND THE INCOME STATEMENT

2.1. Profit overview

Statutory profit was $553 million, $317 million (or 134%) higher than the prior period.

Underlying profit of $553 million was $273 million (or 98%) higher than the prior period primarily driven by higher realised gold and copper prices, higher copper production at Cadia, a positive fair value adjustment recognised on Newcrest's investment in the Fruta del Norte finance facilities, and a full six months of improved Red Chris performance. These benefits were partially offset by increased income tax expense as a result of the Company's improved profitability in the current period, lower gold sales driven by lower production, the unfavourable impact on operating costs for the Australian operations from the strengthening of the Australian dollar against the US dollar, higher price-linked costs such as royalties, additional costs associated with COVID-19 precautionary measures and a higher depreciation expense.

	For the 6 months ended 31 December			
US$m	2020	2019	Change	Change%
Gold revenue	1,768	1,497	271	18%
Copper revenue	469	351	118	34%
Silver revenue	12	8	4	50%
Less: treatment and refining deductions	(77)	(66)	(11)	(17%)
Total revenue	**2,172**	**1,790**	**382**	**21%**
Operating costs	(1,029)	(953)	(76)	(8%)
Depreciation and amortisation	(309)	(289)	(20)	(7%)
Total cost of sales	**(1,338)**	**(1,242)**	**(96)**	**(8%)**
Corporate administration expenses	(62)	(57)	(5)	(9%)
Exploration expenses	(36)	(37)	1	3%
Share of profit/(losses) of associates	4	(16)	20	125%
Other income	86	21	65	310%
Net finance costs	(40)	(50)	10	20%
Income tax expense	(233)	(129)	(104)	(81%)
Underlying profit	**553**	**280**	**273**	**98%**



*Corporate and other includes Corporate administration expenses, Exploration expenses, Share of profit/(losses) of associates and Other income (refer to Section 2.4 for detail).

2.2. Revenue

Total sales revenue for the current period of $2,172 million included deductions for treatment and refining costs of $77 million. Excluding the deductions, total gross sales revenue increased by $393 million (or 21%) compared to the prior period. Newcrest's sales revenue continues to be predominantly attributable to gold, being 80% of total net sales revenue in the current period (83% in the prior period).

US$m

Total gross revenue for 6 months ended 31 December 2019		**1,856**
Changes in revenues from volume:		
Gold	(97)	
Copper	49	
Silver	-	
Total volume impact		**(48)**
Change in revenue from price:		
Gold	368	
Copper	69	
Silver	4	
Total price impact		**441**
Total gross revenue for 6 months ended 31 December 2020		**2,249**
Less: treatment and refining deductions		(77)
Total net revenue for 6 months ended 31 December 2020		**2,172**

Gold revenue in the current period of $1,745 million included deductions for gold treatment and refining costs of $23 million. Excluding these deductions, total gold revenue increased by 18% compared to the prior period, driven by a 26% increase in the realised gold price ($1,826 per ounce in the current period compared to $1,446 per ounce in the prior period), higher sales volumes from Lihir and six months of gold production from Red Chris (prior period represents production from acquisition date of 15 August 2019). This was partially offset by lower gold sales volumes from Cadia and Telfer and the divestment of Gosowong in March 2020.

Copper revenue in the current period of $417 million included deductions for copper treatment and refining costs of $52 million. Excluding these deductions, total copper revenue increased by 34% compared to the prior period, driven by a 17% increase in the realised copper price ($3.12 per pound in the current period compared to $2.66 per pound in the prior period) and higher levels of copper production and sales from Cadia and Red Chris. This was partially offset by lower production and sales volumes from Telfer.

Silver revenue in the current period of $10 million included deductions for silver treatment and refining costs of $2 million.

2.3. Cost of sales

US$m	For the 6 months ended 31 December 2020	2019	Change	Change %
Site production costs	924	911	13	1%
Royalties	67	57	10	18%
Treatment and realisation	23	21	2	10%
Inventory movements	15	(36)	51	142%
Operating costs	**1,029**	**953**	**76**	**8%**
Depreciation and amortisation	309	289	20	7%
Cost of sales	**1,338**	**1,242**	**96**	**8%**

Cost of sales of $1,338 million was $96 million (or 8%) higher than the prior period.

Site production costs of $924 million were $13 million higher than the prior period primarily due to the unfavourable impact on operating costs from the stronger Australian dollar against the US dollar, six months of operating costs in the current period from Red Chris compared to four and a half months in the prior period, and increased mining and milling activity at continuing operations. These drivers of higher site production costs were largely offset by the reduction in costs associated with the divestment of Gosowong in March 2020.

The increase in royalties primarily reflects an increase in gold revenues driven by a higher realised gold price.

Inventory movements in the current period reflect a drawdown of stockpile inventory at Lihir, Cadia, and Red Chris with mill throughput exceeding mine production in the current period.

Depreciation expense was higher than the prior period reflecting an increase in gold equivalent ounces produced at Cadia and Red Chris, and the unfavourable impact at Cadia and Telfer of a stronger Australian dollar against the US dollar.

As the Company is a US dollar reporting entity, cost of sales will vary in accordance with the movements in the operating currencies where those costs are not denominated in US dollars.

The table below shows indicative currency exposures on operating costs by site for the current period:

	USD	AUD	PGK	CAD
Cadia	15%	85%	-	-
Telfer	15%	85%	-	-
Lihir	30%	35%	35%	-
Red Chris	20%	-	-	80%
Group*	**20%**	**60%**	**15%**	**5%**

* The Group number also includes the impact of currency exposures on corporate administration expenses and exploration expenditure.

2.4. Corporate, Exploration and Other items

US$m	For the 6 months ended 31 December 2020	2019	Change	Change %
Corporate administration expenses	(62)	(57)	(5)	(9%)
Exploration expenses	(36)	(37)	1	3%
Share of profit/(losses) of associates	4	(16)	20	125%
Other income	86	21	65	310%
Corporate, Exploration and Other items	**(8)**	**(89)**	**81**	**91%**

Corporate administration expenses of $62 million in the current period comprised corporate costs of $45 million, depreciation of $11 million and equity-settled share-based payments of $6 million. Corporate administration expenses were $5 million (or 9%) higher than the prior period primarily due to a stronger Australian dollar increasing AUD denominated costs.

Exploration expenditure of $36 million was expensed in the current period, broadly in line with the prior period, driven by a greater proportion of capitalised exploration expenditure primarily relating to Havieron.

The share of profit of associates of $4 million represents Newcrest's share of profit or losses incurred by its equity accounted associates, comprising Lundin Gold, SolGold, Azucar Minerals and Antipa Minerals.

Other income of $86 million comprised:

	For the 6 months ended 31 December			
US$m	2020	2019	Change	Change %
Net fair value gain on gold derivatives	24	4	20	500%
Net fair value gain on copper derivatives	67	13	54	415%
Net foreign exchange loss	(76)	-	(76)	-
Net fair value gain on Fruta del Norte finance facilities	76	-	76	-
Other items gain/(loss)	(5)	4	(9)	(225%)
Other income	**86**	**21**	**65**	**310%**

In the prior period, Newcrest ceased its program of hedging the copper and gold price movement impacts during the quotational period. Newcrest is exposed to changes in commodity prices during the quotational period for the sale of concentrate. The measurement of fair value for Newcrest's outstanding concentrate debtors is recognised as a net fair value gain in other income driven by the increase in gold and copper prices in the current period.

The net foreign exchange loss in the current period primarily relates to the restatement of US dollar denominated cash and foreign denominated financial assets (including concentrate debtors) and liabilities held by the Group's Australian and Canadian subsidiaries.

The current period also includes a favourable movement of $76 million in the net fair value of Newcrest's investment in the Fruta del Norte finance facilities, primarily driven by the increase in the gold price assumptions used in the fair value calculations.

2.5. Net finance costs

Net finance costs of $40 million were $10 million (or 20%) lower than the prior period due to the interest income in relation to Fruta del Norte finance facilities in the current period and the Company's long term debt funding being achieved at coupons lower than the prior period average. This was partially offset by lower interest rates received on cash holdings over the current period.

	For the 6 months ended 31 December			
US$m	2020	2019	Change	Change %
Interest on cash holdings	3	9	(6)	(67%)
Interest on Fruta del Norte facilities	12	-	12	-
Finance income	**15**	**9**	**6**	**67%**
Interest on loans	(44)	(47)	3	6%
Interest on leases	(1)	(1)	-	0%
Facility fees and other costs	(7)	(7)	-	0%
Discount unwind provisions	(3)	(4)	1	25%
Finance costs	**(55)**	**(59)**	**4**	**7%**
Net finance costs	**(40)**	**(50)**	**10**	**20%**

2.6. Income tax

Income tax on Statutory and Underlying profit was $233 million, resulting in an effective tax rate of 30% which is consistent with the Australian company tax rate of 30%.

2.7. Significant items

There were no significant items reported in the current period.

In the prior period, significant items totalling a net expense of $44 million (after non-controlling interests) were recognised in relation to the write-down of tax assets and property, plant and equipment following the classification of Gosowong as 'held for sale' prior to the divestment on 4 March 2020.

	For the 6 months ended 31 December 2019		
US$m	**Pre-Tax**	**Tax**	**After-Tax**
Items by nature			
Write-down of Gosowong tax assets	-	37	37
Write-down of property, plant and equipment at Gosowong	20	-	20
Total	**20**	**37**	**57**
Attributable to:			
Non-controlling interest			13
Owners of the parent (Newcrest)			44
Total			**57**

3. DISCUSSION AND ANALYSIS OF CASH FLOW

Free cash flow was $439 million for the current period.

'Free cash flow before M&A activity' was $334 million (or 315%) higher than the prior period which included growth investments in:

- the acquisition of an interest in Red Chris for $774 million[16], and
- an additional $61 milion investment in Lundin Gold which increased Newcrest's ownership to 32%.

Strong operating cash flows were only partially offset by an increased investment in major capital projects at Cadia and Lihir, higher sustaining capital, increased production stripping at Red Chris and Lihir and a higher level of total exploration expenditure (primarily drilling at Havieron and exploration activity at Red Chris).

On 30 April 2020 Newcrest acquired the gold prepay and stream facilities and offtake agreement in respect of Lundin Gold's Fruta del Norte mine for $460 million. In the current period, Newcrest received net pre-tax cash flows of ~US$35 million from these financing facilities. This is reflected within the cash flow statement as $21 million in operating cash flow (interest payments received) and $14 million in investing cash flow (primarily principal repayments received).

	For the 6 months ended 31 December			
US$m	**2020**	**2019**	**Change**	**Change %**
Cash flow from operating activities	992	448	544	121%
Production stripping and sustaining capital expenditure	(264)	(186)	(78)	(42%)
Major capital expenditure	(251)	(104)	(147)	(141%)
Total capital expenditure	(515)	(290)	(225)	(78%)
Reclassification of capital leases	5	-	5	-
Exploration and evaluation expenditure	(63)	(52)	(11)	(21%)
Net receipts from Fruta del Norte finance facilities[23]	14	-	14	-
Proceeds from sale of property, plant and equipment	7	-	7	-
Free cash flow (before M&A activity)[4]	**440**	**106**	**334**	**315%**
Acquisition payment for a 70% interest of Red Chris	-	(774)	774	100%
Payments for investment in associates	(1)	(61)	60	98%
Free cash flow	**439**	**(729)**	**1,168**	**160%**

3.1. Cash at the end of the period

	For the 6 months ended 31 December			
US$m	**2020**	**2019**	**Change**	**Change %**
Cash flow from operating activities	992	448	544	121%
Cash flow related to investing activities	(553)	(1,177)	624	53%
Free cash flow	**439**	**(729)**	**1,168**	**160%**
Cash flow related to financing activities	(149)	(180)	31	17%
Net movement in cash	**290**	**(909)**	**1,199**	**132%**
Cash at the beginning of the period	1,451	1,600	(149)	(9%)
Effects of exchange rate changes on cash held	3	-	3	-
Cash at the end of the period	**1,744**	**691**	**1,053**	**152%**

3.2. Cash flow from operating activities

US$m	For the 6 months ended 31 December 2020	2019	Change	Change %
EBITDA[4]	1,146	756	390	52%
Add: Exploration expenditure written-off	36	37	(1)	(3%)
Add: Other non-cash items or non-operating items	20	1	19	1,900%
Sub-total	**1,202**	**794**	**408**	**51%**
*Working capital movements**				
Receivables	(13)	(12)	(1)	(8%)
Inventories	8	(26)	34	131%
Payables and provisions	(38)	(48)	10	21%
Other assets and liabilities	(5)	3	(8)	(267%)
Net working capital movements	**(48)**	**(83)**	**35**	**42%**
Net interest paid	(25)	(44)	19	43%
Income taxes paid	(137)	(219)	82	37%
Net cash inflow from operating activities	**992**	**448**	**544**	**121%**

* Includes adjustments for non-cash items.

Cash inflow from operating activities of $992 million was $544 million (or 121%) higher than the prior period. The increase reflects the benefit of higher gold and copper prices, increase copper sales volumes, favourable net working capital movements and lower income tax payments, partially offset by lower gold sales volumes and the unfavourable impact on costs from a stronger Australian dollar in the current period.

3.3. Cash flow from investing activities

US$m	For the 6 months ended 31 December 2020	2019	Change	Change %
Production stripping				
Telfer	-	18	(18)	(100%)
Lihir	57	43	14	33%
Red Chris	19	4	15	375%
Total production stripping	**76**	**65**	**11**	**17%**
Sustaining capital expenditure				
Cadia	48	43	5	12%
Telfer	28	12	16	133%
Lihir	59	35	24	69%
Gosowong	-	10	(10)	(100%)
Red Chris	44	15	29	193%
Corporate	9	6	3	50%
Total sustaining capital	**188**	**121**	**67**	**55%**
Major projects (non-sustaining)				
Cadia	206	74	132	178%
Telfer	-	1	(1)	(100%)
Lihir	29	22	7	32%
Red Chris	7	-	7	-
Wafi-Golpu	3	7	(4)	(57%)
Havieron	6	-	6	
Total major projects (non-sustaining) capital	**251**	**104**	**147**	**141%**
Total capital expenditure	**515**	**290**	**225**	**78%**
Reclassification of capital leases	(5)	-	(5)	-
M&A activity				
Acquisition payment for a 70% interest in the Red Chris mine[16]	-	774	(774)	(100%)
Payments for investments in associates	1	61	(60)	(98%)
Total M&A activity	**1**	**835**	**(834)**	**(100%)**
Net receipts from Fruta del Norte finance facilities[23]	(14)	-	(14)	-
Exploration and evaluation expenditure	63	52	11	21%
Proceeds from sale of property, plant and equipment	(7)	-	(7)	-
Net cash outflow from investing activities	**553**	**1,177**	**(624)**	**(53%)**

Cash outflow from investing activities of $553 million was $624 million (or 53%) lower than the prior period which included payments totalling $835 million for M&A growth investments.

Excluding the significant M&A growth investments in the prior period, cash outflow from investing activities in the current period was $210 million (or 61%) higher than the prior period due to higher capital expenditure and an increase in exploration activity.

Capital expenditure of $515 million in the current period comprised:

- Production stripping of $76 million, was $11 million higher than the prior period primarily due to an increase in production stripping activity at Lihir (Phase 15 and commencement of Phase 16) and increased stripping activity at Red Chris (Phase 5), partially offset by a decrease in stripping activities at Telfer following completion of West Dome capital stripping activities in the current period.
- Sustaining capital expenditure of $188 million, was $67 million higher than the prior period due to elevated levels of spend at Red Chris reflecting a full six months of spend and continued works to improve the site's future operational performance, execution of fixed plant maintenance capital activities and procurement of mining and fleet equipment at Lihir, execution of projects at Telfer and the impact of a stronger Australian dollar on Australian operations' capital expenditure. These drivers were partially offset by the divestment of Gosowong in March 2020.
- Major project, or non-sustaining, capital expenditure of $251 million was $147 million higher than the prior period. This investment underpins the future growth of Newcrest, with the main items being:
  - Cadia - increased spend associated with the Cadia Expansion Project (Stage 1), including the ramp up on PC2-3 development in the current period; the commencement of works in relation to Stage 2 of the Cadia Expansion Project; and the continuation of the Cadia Molybdenum Project;
  - Lihir - major projects in the period included the seepage barrier field trials as part of the feasibility study, the Front End Recovery project and High Voltage upgrade project;
  - Red Chris - spend associated with the block cave pre-feasibility study;
  - Havieron - spend associated with the pre-feasibility study and early works program; and
  - Wafi-Golpu - lower capital expenditure in the current period reflects a reduced work program which includes general maintenance of the site, community programs and environmental monitoring.

Exploration activity of $63 million was $11 million (or 21%) higher than the prior period, comprising the following:

	For the 6 months ended 31 December			
US$m	**2020**	**2019**	**Change**	**Change %**
Expenditure by nature				
Greenfield	46	36	10	28%
Brownfield	10	4	6	150%
Resource Definition	7	12	(5)	(42%)
Total	**63**	**52**	**11**	**21%**
Expenditure by region				
Australia	34	26	8	31%
Indonesia	-	2	(2)	(100%)
Papua New Guinea	1	1	-	0%
North America	22	15	7	47%
Latin America	6	8	(2)	(25%)
Total	**63**	**52**	**11**	**21%**

In the current period, Newcrest continued the search for new discoveries with greenfield exploration activity undertaken in Australia, Canada and USA. Activity has been focused in and around fertile gold/copper districts including the Paterson Province (Western Australia), Golden Triangle of British Columbia (Canada), Tanami (Northern Territory/Western Australia) and Jarbidge (Nevada).

The higher level of Greenfield expenditure was primarily due to additional drilling at the Havieron Project in Western Australia to support the delivery of Newcrest's Initial Inferred Mineral Resource estimate for the Project. Exploration expenditure was also higher in the North America region compared to the prior period with additional Brownfield exploration drilling at Red Chris. This was partially offset by lower Resource Definition costs at Telfer, primarily due to timing with infill drilling planned for the second half of the 2021 financial year, as well as the effect of the divestment of Gosowong in March 2020.

3.4. Cash flow from financing activities

	For the 6 months ended 31 December			
US$m	2020	2019	Change	Change %
Dividends paid to members of the parent entity	(132)	(102)	(30)	(29%)
Dividend paid to non-controlling interests	-	(23)	23	100%
Repayment of lease principal	(14)	(15)	1	7%
Repayment of other loans	(3)	(26)	23	88%
Payment for treasury shares	-	(14)	14	100%
Net cash inflow/(outflow) from financing activities	**(149)**	**(180)**	**31**	**17%**

Cash outflow from financing activities of $149 million, was $31 million lower than the prior period.

Financing activities of $149 million for the current period comprised:

- Dividends paid of $132 million to Newcrest shareholders, was $30 million or 29% higher than paid in the prior period;
- Repayment of $14 million of lease principal; and
- Repayment of $3 million of other loans assumed with the acquisition of Red Chris.

4. REVIEW OF OPERATIONS

4.1. Cadia

		For the 6 months ended 31 December			
Measure	UoM	2020	2019	Change	Change %
Operating					
Total ore mined	tonnes '000	14,547	15,024	(477)	(3%)
Total material mined	tonnes '000	14,995	15,024	(29)	(0%)
Total material milled	tonnes '000	15,948	13,809	2,139	15%
Gold head grade	grams/tonne	0.98	1.18	(0.20)	(17%)
Gold recovery	%	78.0	78.7	(0.7)	(1%)
Gold produced	ounces	390,592	411,452	(20,860)	(5%)
Copper produced	tonnes	51,972	45,423	6,549	14%
Silver produced	ounces	318,530	271,265	47,265	17%
Gold sales	ounces	389,329	398,648	(9,319)	(2%)
Copper sales	tonnes	51,073	44,170	6,903	16%
Silver sales	ounces	313,385	265,226	48,159	18%
Financial					
Revenue	US$m	1,048	810	238	29%
Cost of Sales (including depreciation)	US$m	379	313	66	21%
Depreciation	US$m	98	74	24	32%
EBITDA	US$m	767	571	196	34%
EBIT	US$m	669	497	172	35%
Operating cash flow	US$m	808	576	232	40%
Sustaining capital	US$m	48	43	5	12%
Non-sustaining capital	US$m	206	74	132	178%
Total capital expenditure	US$m	254	117	137	117%
Free cash flow	US$m	560	459	101	22%
All-In Sustaining Cost	US$m	21	66	(45)	(68%)
All-In Sustaining Cost	US$/oz	54	167	(113)	(68%)

Gold production of 390,592 ounces was 20,860 ounces (or 5%) lower than the prior period, driven by a 17% reduction in gold grade milled that was partially offset by a 15% increase in tonnes milled.

The mill processed 15.9 million tonnes of ore during the current period, the highest throughput on record for a six-month period. In the last three months of the current period, an annualised mill throughput rate of 32.7 million tonnes per annum was achieved. The increase in throughput rates reflects the successful realisation of a number of throughput improvement initiatives. The prior period was also characterised by the previously reported extended downtime of the Concentrator 1 SAG mill following the identification (through routine inspections) of a preventative maintenance opportunity.

The lower gold head grade is in line with expected grades for the current period.

The mine produced 14.5 million tonnes of ore in the current period, representing an annualised rate of approximately 29 million tonnes per annum and a 3% decrease from the prior period. This decrease in mined ore was primarily due to longer shutdown periods to incorporate expansion-related upgrades.

EBIT of $669 million was 35% higher than the prior period. This reflects the benefit of a 29% increase in revenue partially offset by a 21% increase in cost of sales (including depreciation). The increase in revenue was driven by a 26% higher realised gold price and 17% higher copper price. In addition, the value of the 16% higher copper sales volumes in the current period more than offset the 2% reduction in gold sales volumes.

Cost of sales (including depreciation) was 21% higher than the prior period primarily due to a stronger Australian dollar unfavourably impacting costs and increased milling activity.

AISC of $54 per ounce was 68% lower than the prior period and is Cadia's lowest reported AISC for a six-month period. This outcome is primarily driven by higher copper by-product credits reflecting an increased proportion of copper sales volumes compared to gold sales volumes, together with a higher realised copper price in the current period. This copper price and volume benefit was only partially offset by the higher operating costs as discussed previously and higher sustaining capital expenditure primarily due to the impact of a stronger Australian dollar in the current period.

Free cash flow of $560 million was 22% higher than the prior period. This reflects earnings (EBITDA) being 34% higher and a favourable movement in working capital, partially offset by a 117% increase in capital expenditure. The key drivers of increased capital expenditure in the current period are Stage 1 of the Cadia Expansion Project (primarily ramp-up of PC2-3 development), the commencement of works in relation to Stage 2 of the Cadia Expansion Project and the continuation of the Cadia Molybdenum Project.

Newcrest announced in December 2020 that it had entered into a 15 year renewable Power Purchase Agreement ("PPA") with Tilt Renewables Limited, the owner and developer of the Rye Park Wind Farm, to secure a significant portion of Cadia's future projected energy requirements. The PPA, together with the forecast decarbonisation of electricity generation in New South Wales, is expected to deliver a ~20% reduction in Newcrest's greenhouse gas emissions and is a significant step towards the achievement of Newcrest's targeted 30% reduction by 2030[13]. The PPA will act as a partial hedge against future electricity price increases and will provide Newcrest with access to largescale generation certificates which Newcrest intends to surrender to achieve a reduction in its greenhouse gas emissions. The Cadia PPA represents a derivative financial instrument with a fair value at 31 December 2020 of nil. The Group has designated this into a hedging relationship with fair value movements to be recognised in Other Comprehensive Income (OCI). Refer to Note 23(a) of the 30 June 2020 Financial Statements for the Group's Accounting policy on derivative financial instruments and hedging.

4.2. Lihir

		For the 6 months ended 31 December			
Measure	**UoM**	**2020**	**2019**	**Change**	**Change %**
Operating					
Total ore mined	tonnes '000	5,378	6,666	(1,288)	(19%)
Total material mined	tonnes '000	16,440	16,137	303	2%
Total material milled	tonnes '000	6,946	6,645	301	5%
Gold head grade	grams/tonne	2.30	2.38	(0.08)	(3%)
Gold recovery	%	73.4	75.1	(1.7)	(2%)
Gold produced	ounces	377,510	381,500	(3,990)	(1%)
Silver produced	ounces	18,126	14,441	3,685	26%
Gold sales	ounces	381,139	362,955	18,184	5%
Silver sales	ounces	18,126	14,441	3,685	26%
Financial					
Revenue	US$m	718	538	180	33%
Cost of Sales (including depreciation)	US$m	532	465	67	14%
Depreciation	US$m	138	129	9	7%
EBITDA	US$m	325	202	123	61%
EBIT	US$m	187	73	114	156%
Operating cash flow	US$m	325	184	141	77%
Production stripping	US$m	57	43	14	33%
Sustaining capital	US$m	59	35	24	69%
Non-sustaining capital	US$m	29	22	7	32%
Total capital expenditure	US$m	145	100	45	45%
Free cash flow	US$m	180	84	96	114%
All-In Sustaining Cost	US$m	516	419	97	23%
All-In Sustaining Cost	US$/oz	1,352	1,154	198	17%

Gold production of 377,510 ounces was 3,990 ounces (or 1%) lower than the prior period, primarily due to 3% lower head grade coupled with lower recovery rates, partially offset by higher mill throughput.

Material mined was 2% higher than the prior period, driven by a change in the mix of ore mined (19% lower) and waste mined (14% higher) with the focus being on waste stripping in Phase 15 to enable access to Phase 15 ore. Ore mined from Phase 14 is expected to be completed towards the end of calendar year 2021.

Gold head grade was 3% lower than the prior period primarily due to a higher proportion of stockpile ore feed processed.

Gold recovery was 2% lower than the prior period reflecting the lower head grade, higher proportion of stockpile ore processed, and a higher milling rate requiring more feed directed to flotation reducing overall recovery rates in the current period.

Over the past six months Newcrest's understanding of the argillic ores has improved significantly. Further work has identified less argillic ores are present in Lihir's future ore feed than previously thought and through plant modifications and operational improvements the processing of these ores has improved.

Modifications have been made to conveyors and chutes and are largely complete and, coupled with improved blending control in the mine, ore handling from the crushers to the mills has improved.

Adjustments to the autoclave operational parameters and improvements in managing the viscosity of the autoclave feed has also seen autoclave operation improve, which in turn improves recovery.

Further work to upgrade trommel sprays in the mills in the coming March 2021 shutdown is planned to improve mill performance.

The Lihir Mine Optimisation Study, has confirmed that the level of argillic ore is not expected to be as high a proportion of ore feed in the future as previously thought and the level of argillic feed is expected to be less than 40% of mill feed which is the target for operational stability.

The Lihir Mine Optimisation Study ("LMOS") [10] has been completed, with key findings including:

- an expected improvement in grade presentation which has the potential to provide an additional ~1.4Moz of contained gold[11] being delivered to the mill between FY22–FY34
- the deferral of the Seepage Barrier project and its associated $470 million capital cost by 18 months
- the identification of the potential to safely steepen the pit wall angles in Phase 14, deploying civil engineering principles, with the potential to provide access to a further ~400-600koz of contained gold[12] to be delivered to the mill between FY23 and FY25. This is being progressed in a separate Pre-Feasibility Study that aims to be completed in the coming months
- together, the LMOS and Phase 14A PFS underpin an aspiration to transform Lihir into a 1Moz+ per annum producer for ~10-12 years from FY23, at mill throughput rates of around 15 mtpa

The LMOS study found, through further geotechnical analysis, that the eastern limits of Phases 16 and 17 could be moved further east by ~120m (i.e. the 'no seepage barrier' pit shell). This increased the amount of higher grade ore accessible prior to requiring the seepage barrier, allowing the capital expenditure associated with the seepage barrier to be deferred by 18 months.

The planned ex-pit mining rate has been increased by between 5-10 mtpa through a combination of additional equipment and mining efficiencies, improving the stripping rate and increasing the access to higher grade ore. The increased mining rate increases access to higher grade ore which improves the overall grade presentation to the mill by displacing lower grade ore and stockpile feed.

The resulting mine plan has a lower level of argillic ore mill feed, enabling the mill feed blend to be limited to 40% of total feed (which is targeted as the maximum for operational stability).

Together, these improvements have the potential to result in an additional ~1.4Moz of contained gold[11] being fed to the mill between FY22 and FY34.

In addition to the above, the LMOS identified the opportunity to safely increase pit wall angles in Phase 14 providing access to additional existing high-grade Indicated Mineral Resource. A Pre-Feasibility Study ('Phase 14A PFS') is well advanced and is expected to be completed in the coming months. The Phase 14A PFS is focused on extending the Phase 14 cutback and safely steepening the walls utilising civil engineering techniques to access existing Indicated Mineral Resources. These Resources would have otherwise been inaccessible through standard mining techniques.

The Phase 14A PFS work to date has identified approximately 20Mt at 2.4g/t Au (including 13Mt at 3g/t Au) of Indicated Mineral Resource that could be accessed and which could potentially increase the average mill feed grade between FY23 and FY25. Study work to date has estimated the potential to increase mill feed by ~400-600koz of contained gold[12] during that period, to be processed at current milling rates. Additionally, the cutback would provide a separate mining front, providing further flexibility for fresh competent ore feed.

Site field investigation is underway, including geotechnical drilling, and preparation for contractor mobilisation for trial works. The Phase 14A cutback is fully permitted and is within the existing mine lease. The conversion of some of the existing Indicated Mineral Resource to Probable Ore Reserves is expected to be completed in coming months following the completion of the Phase 14A PFS.

The application of steep wall engineering techniques is being further assessed for other cutbacks which could enable access to additional high grade mill feed and potentially further defer construction of the full Seepage Barrier.

EBIT of $187 million was 156% higher than the prior period resulting from increased revenue, driven by a higher realised gold price and higher sales volume, partially offset by higher cost of sales. Revenue was 33% higher than the prior period, with a 5% increase in gold sales coupled with a 26% higher realised gold price.

Cost of sales (including depreciation) was 14% higher than the prior period primarily due to 5% higher mill throughput, additional costs associated with COVID-19 precautionary measures, shut overruns and timing of major mobile fleet maintenance. This was partially offset by higher production stripping activity in the current period, resulting in a greater proportion of costs capitalised to the balance sheet.

AISC of $1,352 per ounce was 17% higher than the prior period notwithstanding the 5% increase in gold sales volumes, primarily reflecting higher operating costs and higher sustaining capital expenditure relating to fixed plant maintenance and the procurement of mining fleet and equipment in the current period.

Free cash flow of $180 million was 114% higher than the prior period. This reflects earnings (EBITDA) being 61% higher than the prior period, partially offset by a 45% increase in capital expenditure. The key drivers of increased capital expenditure in the current period are the Seepage Barrier feasibility study, the Front End Recovery and High Voltage upgrade projects, together with higher sustaining capital expenditure.

4.3. Telfer

		For the 6 months ended 31 December			
Measure	**UoM**	**2020**	**2019**	**Change**	**Change %**
Operating					
Total ore mined	tonnes '000	11,438	7,141	4,297	60%
Total material mined	tonnes '000	25,644	27,170	(1,526)	(6%)
Total material milled	tonnes '000	8,010	7,043	967	14%
Gold head grade	grams/tonne	0.90	0.91	(0.01)	(1%)
Gold recovery	%	77.0	85.1	(8.1)	(10%)
Gold produced	ounces	185,307	182,464	2,843	2%
Copper produced	tonnes	4,826	7,273	(2,447)	(34%)
Silver produced	ounces	51,653	59,256	(7,603)	(13%)
Gold sales	ounces	173,089	185,470	(12,381)	(7%)
Copper sales	tonnes	4,463	6,998	(2,535)	(36%)
Silver sales	ounces	51,653	59,256	(7,603)	(13%)
Financial					
Revenue	US$m	283	261	22	8%
Cost of Sales (including depreciation)	US$m	315	285	30	11%
Depreciation	US$m	44	45	(1)	(2%)
EBITDA	US$m	12	21	(9)	(43%)
EBIT	US$m	(32)	(24)	(8)	(33%)
Operating cash flow	US$m	27	15	12	80%
Production stripping	US$m	-	18	(18)	(100%)
Sustaining capital	US$m	28	12	16	133%
Non-sustaining capital	US$m	-	1	(1)	(100%)
Total capital expenditure	US$m	28	31	(3)	(10%)
Free cash flow	US$m	(2)	(22)	20	91%
All-In Sustaining Cost	US$m	290	256	34	13%
All-In Sustaining Cost	US$/oz	1,676	1,380	296	21%

Gold production of 185,307 ounces was 2,843 ounces (or 2%) higher than the prior period, due to higher mill throughput, partially offset by a lower recovery.

Ore mined was 60% higher than the prior period, driven by increased ore production from the open pit with completion of the West Dome capital waste stripping. This was partially offset by lower ore production from the underground, as more work was undertaken in the current period on the development of new underground mining areas for future ore production.

Mill throughput improved by 14% with higher plant utilisation. In the prior period, there was a deliberate operating strategy targeting reduced throughput in order to improve margin with higher grade feed. In the current period, the mill commenced transition back to an increased operational run time strategy with the increased availability of higher grade open pit ore feed.

Gold recovery was 10% lower than the prior period driven by a lower proportion of higher-grade underground ore feed processed and higher sulphur content of the ore from the open pit.

Copper production of 4,826 tonnes was 2,447 tonnes (or 34%) lower than the prior period, primarily due to lower copper grades with a lower proportion of higher grade underground ore feed processed in the current period.

EBIT of negative $32 million was 33% lower than the prior period due to increased cost of sales more than offsetting the higher revenue. Higher revenue was driven by higher realised gold and copper prices in the current period, partially offset by lower gold sales related to timing of shipments and lower copper sales in line with lower copper production. A portion of Telfer's gold sales were subject to price hedges which adversely impacted its revenue by $59 million in the current period, compared to $33 million in the prior period.

Cost of sales (including depreciation) was 11% higher than the prior period, due to a stronger Australian dollar unfavourably impacting costs, additional costs associated with COVID-19 precautionary measures and 14% higher mill throughput.

AISC of $1,676 per ounce was 21% higher than the prior period, driven by higher cost of sales, lower copper by-product credits with lower copper production, and increased sustaining capital expenditure outweighing the benefit of a higher realised copper price.

Key drivers of increased sustaining capital expenditure in the current period relate to tailings dam lift (TSF7) and new tailings dam construction (TSF8), pit dewatering, and a gas turbine overhaul.

Free cash flow of negative $2 million was 91% higher than the prior period due to higher realised gold and copper prices and a favourable movement in net working capital. This was partially offset by lower gold and copper sales volumes, higher sustaining capital, the impact of a stronger Australian dollar, and additional costs associated with COVID-19 precautionary measures.

Excluding the hedge losses, Telfer's free cash flow would have been positive $57 million.

4.4. Red Chris[22]

Measure	UoM	For the 6 months ended 31 December 2020	2019	Change	Change %
Operating					
Total ore mined	tonnes '000	2,092	3,565	(1,473)	(41%)
Total material mined	tonnes '000	10,975	6,827	4,148	61%
Total material milled	tonnes '000	3,474	2,754	720	26%
Gold head grade	grams/tonne	0.41	0.28	0.13	46%
Gold recovery	%	52.9	44.8	8.1	18%
Gold produced	ounces	24,012	11,294	12,718	113%
Copper produced	tonnes	12,521	9,773	2,748	28%
Silver produced	ounces	56,872	43,352	13,520	31%
Gold sales	ounces	24,475	9,789	14,686	150%
Copper sales	tonnes	12,714	8,679	4,035	46%
Silver sales	ounces	57,255	28,800	28,455	99%
Financial					
Revenue	US$m	123	64	59	92%
Cost of Sales (including depreciation)	US$m	112	68	44	65%
Depreciation	US$m	29	16	13	81%
EBITDA	US$m	39	12	27	225%
EBIT	US$m	10	(4)	14	350%
Operating cash flow	US$m	57	(2)	59	2,950%
Production stripping	US$m	19	4	15	375%
Sustaining capital	US$m	44	15	29	193%
Non-Sustaining capital	US$m	7	-	7	-
Total capital expenditure	US$m	70	19	51	268%
Free cash flow	US$m	(23)	(25)	2	8%
All-In Sustaining Cost[14]	US$m	72	23	49	213%
All-In Sustaining Cost[14]	US$/oz	2,961	2,323	638	27%

On 15 August 2019 Newcrest acquired a 70% interest in and operatorship of the Red Chris mine and surrounding tenements in British Columbia, Canada.

The production and financial outcomes above represent Newcrest's 70% ownership of the Red Chris mine, with the current period reflecting six months of ownership whilst the prior period reflects production and financial outcomes from 15 August 2019 to 31 December 2019.

Gold production of 24,012 ounces was approximately 60% higher than the prior period on a normalised basis, primarily driven by 46% higher gold grade and 18% higher gold recovery.

Total material mined was higher than the prior period, though was impacted by lower equipment utilisation due to precautionary COVID-19 management measures, unseasonal rainfall / snowy conditions requiring continuous road maintenance, and ongoing pit dewatering management.

Mill throughput was 26% higher than the prior period driven by six full months of activity and implementation of advanced process control (APC) providing stability in the primary grinding circuits while optimising equipment effectiveness. Although mill throughput was higher in the current period, high water saturation as a result of unseasonal rainfall caused material handling issues and impacted on the availability of ex-pit tonnes.

Gold head grade was 46% higher than the prior period primarily due to a higher proportion of mill feed from higher grade ore mined from Phase 4/5.

Recovery improved by 8.1% in the current period, driven by higher feed grade, the installation of donut launders in the flotation circuit, the introduction of short interval control, process control improvements and increased residence time in the circuit.

EBIT of $10 million was 300% higher than the prior period primarily driven by higher realised gold and copper prices together with six months of improved production performance. This was partially offset by higher site costs, with a full six months of costs, additional costs associated with COVID-19 precautionary measures and higher depreciation.

AISC of $2,961 per ounce was 27% higher than the prior period primarily due to a full six months of waste stripping and sustaining capital expenditure coupled with higher levels of sustaining capital activity, additional costs associated with COVID-19 precautionary measures and lower copper by-product credits reflecting a decrease in the proportion of copper sales volumes compared to gold sales volumes. This was partially offset by a higher realised copper price.

Free cash flow of negative $23 million was a marginal improvement on the prior period with higher realised gold and copper prices and improved production performance in the current period partly offset by higher operating costs and increased capital expenditure.

Capital expenditure was $51 million or 268% higher than the prior period. Key drivers of the increased capital expenditure in the current period are a full six months of expenditure, the higher levels of waste movement in Phase 5, sustaining capital to support operational improvement and tailings impoundment area projects, and non-sustaining capital primarily in relation to the block cave pre-feasibility study.

5. DISCUSSION AND ANALYSIS OF THE BALANCE SHEET

5.1. Net assets and total equity

Newcrest had net assets and total equity of $9,619 million as at 31 December 2020.

US$m	As at 31 December 2020	As at 30 June 2020	Change	Change %
Assets				
Cash and cash equivalents	1,744	1,451	293	20%
Trade and other receivables	313	305	8	3%
Inventories	1,574	1,573	1	0%
Other financial assets	632	546	86	16%
Current tax asset	16	1	15	1,500%
Property, plant and equipment	9,538	8,809	729	8%
Goodwill	18	17	1	6%
Other intangible assets	20	24	(4)	(17%)
Deferred tax assets	59	65	(6)	(9%)
Investment in associates	401	386	15	4%
Other assets	76	65	11	17%
Total assets	**14,391**	**13,242**	**1,149**	**9%**
Liabilities				
Trade and other payables	(531)	(520)	(11)	(2%)
Current tax liability	(19)	(23)	4	17%
Borrowings	(2,013)	(2,017)	4	0%
Lease liabilities	(61)	(58)	(3)	(5%)
Other financial liabilities	(192)	(274)	82	30%
Provisions	(657)	(623)	(34)	(5%)
Deferred tax liabilities	(1,299)	(1,114)	(185)	(17%)
Total liabilities	**(4,772)**	**(4,629)**	**(143)**	**(3%)**
Net assets	**9,619**	**8,613**	**1,006**	**12%**
Equity				
Equity attributable to owners of the parent	9,619	8,613	1,006	12%
Total equity	**9,619**	**8,613**	**1,006**	**12%**

5.2. Financial metrics

5.2.1. Net debt and gearing

Net debt (comprising total borrowings and lease liabilities less cash and cash equivalents) as at 31 December 2020 was $330 million (or 47%) lower than the prior period. All of Newcrest's borrowings are US dollar denominated.

The gearing ratio (net debt as a proportion of net debt and total equity) as at 31 December 2020 was 3.3%. This is a decrease from 6.8% as at 30 June 2020, reflecting an increase in cash and cash equivalents.

Components of the movement in net debt and gearing are outlined in the table below.

US$m	As at 31 December 2020	As at 30 June 2020	Change	Change %
Corporate bonds - unsecured	2,030	2,030	-	0%
Other loans*	-	4	(4)	(100%)
Capitalised transaction costs on facilities	(17)	(17)	-	0%
Total borrowings	**2,013**	**2,017**	**(4)**	**(0%)**
Lease liabilities	61	58	3	5%
Total debt	2,074	**2,075**	(1)	(0%)
Less cash and cash equivalents	(1,744)	(1,451)	(293)	(20%)
Net debt	**330**	**624**	**(294)**	**(47%)**
Total equity	9,619	8,613	1,006	12%
Net debt and total equity	**9,949**	**9,237**	**712**	**8%**
Gearing (net debt / net debt and total equity)	**3.3%**	**6.8%**	**(3.5)**	**(51%)**

* Represents interest-bearing liabilities acquired as part of the Red Chris acquisition.

5.2.2. Leverage Ratio

Newcrest's net debt to EBITDA (leverage ratio) remains comfortably within the financial policy target of being less than 2.0 times EBITDA on a trailing 12 month basis. As at 31 December 2020 it had decreased to 0.1 times (compared to 0.3 times at 30 June 2020) due to lower net debt and higher earnings (EBITDA).

US$m	As at 31 December 2020	As at 30 June 2020	Change	Change %
Net debt	330	624	(294)	(47%)
EBITDA (trailing 12 months)*	2,225	1,835	390	21%
Net debt to EBITDA (times)	0.1	**0.3**	(0.2)	(56%)

* As at 31 December 2020, the period represents 1 January 2020 to 31 December 2020. As at 30 June 2020, the period represents 1 July 2019 to 30 June 2020.

5.2.3. Liquidity coverage

Newcrest had $3,744 million of cash and committed undrawn bank facilities as at 31 December 2020.

US$m	Facility utilised	Available liquidity	Facility limit
As at 31 December 2020			
Cash and cash equivalents	n/a	1,744	n/a
Bilateral bank debt facilities	-	2,000	2,000
Liquidity coverage	**-**	**3,744**	**2,000**
As at 30 June 2020			
Cash and cash equivalents	n/a	1,451	n/a
Bilateral bank debt facilities	-	2,000	2,000
Liquidity coverage	**-**	**3,451**	**2,000**

6. NON-IFRS FINANCIAL INFORMATION

Newcrest results are reported under International Financial Reporting Standards ('IFRS'). This document includes certain non-IFRS financial information within the meaning of ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information' published by ASIC and within the meaning of Canadian Securities Administrators Staff Notice 52-306 – Non-GAAP Financial Measures.

Such information includes: 'Underlying profit' (profit or loss after tax before significant items attributable to owners of the Company); 'EBITDA' (earnings before interest, tax, depreciation and amortisation, and significant items); EBIT (earnings before interest, tax and significant items); 'EBITDA Margin' (EBITDA expressed as a percentage of revenue); 'EBIT Margin' (EBIT expressed as a percentage of revenue); 'Net debt to EBITDA' (calculated as net debt divided by EBITDA for the preceding 12 months); 'Free Cash Flow' (calculated as cash flow from operating activities less cash flow related to investing activities, with Free Cash Flow for each operating site calculated as Free Cash Flow before interest, tax and intercompany transactions); 'Free Cash Flow before M&A activity' (being 'Free Cash Flow' excluding acquisitions, investments in associates and divestments); and 'AISC' (All-In Sustaining Cost) and 'AIC' (All-In Cost) as per updated World Gold Council Guidance Note on Non-GAAP Metrics released November 2018. AISC will vary from period to period as a result of various factors including production performance, timing of sales and the level of sustaining capital and the relative contribution of each asset. AISC Margin reflects the average realised gold price less the AISC per ounce sold.

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 report to provide greater understanding of the underlying financial 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. Such non-IFRS financial information/non-GAAP financial measures do not have a standardised meaning prescribed by IFRS and may be calculated differently by other companies. Although Newcrest believes these non-IFRS/non-GAAP financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information/non-GAAP financial measures included in this document. When reviewing business performance, this non-IFRS information should be used in addition to, and not as a replacement of, measures prepared in accordance with IFRS, available on Newcrest's website and the ASX and SEDAR platforms.

The non-IFRS measures do not have any standard definition under IFRS and may be calculated differently by other companies. The tables below reconcile these non-IFRS measures to the most appropriate IFRS measure, noting that:

- Sustaining and Major project (non-sustaining) capital are reconciled to investing cash flow in section 3.3;
- Free cash flow is reconciled to the cash flow statement in section 3.

6.1. Reconciliation of Statutory profit to Underlying profit

Underlying profit, EBIT and EBITDA is reported by Newcrest to provide greater understanding of the underlying business performance of its operations and the Group. These measures exclude significant items of income or expense which are, either individually or in aggregate, material to Newcrest or to the relevant business segment and are either outside the ordinary course of business or are part of the ordinary activities of the business but unusual due to their size and nature. Examples include gains/losses and other costs incurred for acquisitions and disposals of mining interests and asset impairment and write-down charges. Statutory profit and Underlying profit both represent profit after tax amounts attributable to Newcrest shareholders.

In the current period, Statutory profit was equal to Underlying profit.

Profit after tax attributable to Newcrest shareholders US$m	For the 6 months ended 31 December 2020 Before Tax and Non-controlling interest	Tax	Non-controlling interest	After tax and Non-controlling interest
Statutory profit	**786**	**(233)**	**-**	**553**
Total significant items	-	-	-	-
Underlying profit	**786**	**(233)**	**-**	**553**

Profit after tax attributable to Newcrest shareholders US$m	For the 6 months ended 31 December 2019 Before Tax and Non-controlling interest	Tax	Non-controlling interest	After tax and Non-controlling interest
Statutory profit	**389**	**(166)**	**13**	**236**
Write-down of Gosowong tax assets	-	37	(8)	29
Write-down of property, plant and equipment at Gosowong	20	-	(5)	15
Underlying profit	**409**	**(129)**	**-**	**280**

6.2. Reconciliation of Underlying profit to EBIT and EBITDA

US$m	For the 6 months ended 31 December 2020	2019
Underlying profit	**553**	**280**
Income tax expense	233	129
Net finance costs	40	50
EBIT	**826**	**459**
Depreciation and amortisation	320	297
EBITDA	**1,146**	**756**

6.3. Reconciliation of All-In Sustaining Cost and All-In Cost to cost of sales[14]

"All-In Sustaining Cost" and "All-In Cost" are non-IFRS measures which Newcrest has adopted since the guidance was released by the World Gold Council in June 2013.

The World Gold Council released an updated guidance note in November 2018, which Newcrest fully applied from 1 July 2019.

		For the 6 months ended 31 December			
		2020		2019	
	Reference	US$m	US$/oz	US$m	US$/oz
Gold sales (koz)		**968**		**1,035**	
Cost of sales	**6.3.1**	**1,338**	**1,384**	**1,242**	**1,200**
Depreciation and amortisation	6.3.2	(309)	(320)	(289)	(279)
By-product revenue	6.3.3	(427)	(442)	(311)	(300)
Gold concentrate treatment and refining deductions		23	23	18	17
Corporate costs	6.3.4	45	46	40	39
Sustaining exploration	6.3.7	4	4	8	8
Sustaining leases		12	12	14	14
Production stripping and underground mine development	6.3.5	74	76	58	56
Sustaining capital expenditure	6.3.6	185	192	120	116
Rehabilitation accretion and amortisation		8	9	7	6
All-In Sustaining Costs		**953**	**984**	**907**	**877**
Growth and development expenditure	6.3.4	6	6	10	9
Non-sustaining capital expenditure*	6.3.6	249	257	104	100
Non-sustaining exploration	6.3.7	59	61	44	43
Non-sustaining leases		1	2	-	-
All-In Cost		**1,268**	**1,310**	**1,065**	**1,029**

* Represents spend on major projects that are designed to increase the net present value of the mine and are not related to current production. Significant projects in the current period include PC2-3 development at Cadia, the Cadia Molybdenum Plant and the seepage barrier feasibility study, the front end recovery and High Voltage upgrade projects at Lihir.

6.3.1. Cost of sales

	For the 6 months ended 31 December	
US$m	2020	2019
Cost of sales as per Note 4(b) of the consolidated financial statements	**1,338**	**1,242**

6.3.2. Depreciation and amortisation

	For the 6 months ended 31 December	
US$m	2020	2019
Depreciation and amortisation per Note 4(b) of the consolidated financial statements	**309**	**289**

6.3.3. By-product revenue

US$m	For the 6 months ended 31 December 2020	2019
Copper concentrate sales revenue	469	351
Copper concentrate treatment and refining deductions	(52)	(48)
Total copper sales revenue per Note 4(a) of the consolidated financial statements	**417**	**303**
Silver sales revenue	12	8
Silver concentrate treatment and refining deductions	(2)	-
Total silver sales revenue per Note 4(a) of the consolidated financial statements	**10**	**8**
Total By-product revenue	**427**	**311**

6.3.4. Corporate costs

US$m	For the 6 months ended 31 December 2020	2019
Corporate administration expenses per Note 4(c) of the consolidated financial statements	62	57
Less: Corporate depreciation	(11)	(8)
Less: Growth and development expenditure	(6)	(9)
Total Corporate costs	**45**	**40**

6.3.5. Production stripping and underground mine development

US$m	For the 6 months ended 31 December 2020	2019
Underground mine development	(2)	(7)
Production stripping per the consolidated financial statements	76	65
Total production stripping and underground mine development	**74**	**58**

6.3.6. Capital expenditure

US$m	For the 6 months ended 31 December 2020	2019
Payments for property, plant and equipment, development and feasibility studies per consolidated financial statements	434	225
Total capital expenditure	**434**	**225**
Sustaining capital expenditure per 3.3 of the Management Discussion and Analysis	188	121
Non-sustaining capital expenditure per 3.3 of the Management Discussion and Analysis	251	104
Capitalised Leases per 3.3 of the Management Discussion and Analysis	(5)	-
Total capital expenditure	**434**	**225**
Total capital expenditure per 6.3 of the Management Discussion and Analysis	**434**	**225**

6.3.7. Exploration expenditure

US$m	For the 6 months ended 31 December 2020	2019
Exploration and evaluation expenditure per consolidated financial statements	**63**	**52**
Sustaining exploration (per 6.3 of the Management Discussion and Analysis)	4	10
Non-sustaining exploration (per 6.3 of the Management Discussion and Analysis)	59	42
Total exploration expenditure	**63**	**52**

6.4. Earnings per share

US$ cents	For the 6 months ended 31 December 2020	2019
Earnings per share (basic) per the consolidated financial statements	67.7	30.7
Earnings per share (diluted) per the consolidated financial statements	67.5	30.6

6.5. Dividends per share

US$m	For the 6 months ended 31 December 2020	2019
Total dividends paid per Note 8(a) of the consolidated financial statements	143	111
Total issued capital per Note 13(b) of the consolidated financial statements	816,556,534	768,843,214
Dividends paid per share	**17.5**	**14.5**

6.6. Reconciliation of Newcrest's Operational Performance including its 32% attributable share of Fruta del Norte through its 32% equity interest in Lundin Gold Inc

Gold Production	UoM	For the 6 months ended 31 December 2020	2019
Gold production – Newcrest operations	oz	977,421	1,062,751
Gold production – Fruta del Norte (32%)	oz	61,146	-
Gold production	**oz**	**1,038,567**	**1,062,751**

All-In Sustaining Cost	UoM	For the 6 months ended 31 December 2020	2019
All-In Sustaining Cost – Newcrest operations	$m	953	907
All-In Sustaining Cost – Fruta del Norte (32%)[5]	$m	39	-
All-In Sustaining Cost	**$m**	**992**	**907**
Gold ounces sold – Newcrest operations	oz	968,032	1,035,047
Gold ounces sold – Fruta del Norte (32%)[5]	oz	50,877	**-**
Total gold ounces sold	**oz**	**1,018,908**	**1,035,047**
All-In Sustaining Cost – Newcrest operations	$/oz	984	877
All-In Sustaining Cost – Fruta del Norte (32%)[5]	$/oz	778	**-**
All-In Sustaining Cost	**$/oz**	**974**	**877**

All-In Sustaining Cost margin	UoM	For the 6 months ended 31 December 2020	2019
Realised gold price	$/oz	1,826	1,446
All-In Sustaining Cost – Newcrest operations	$/oz	984	877
All-In Sustaining Cost margin	**$/oz**	**842**	**569**

Contents

	Note	31 Dec 20 US$m	31 Dec 19 US$m
Revenue	4(a)	2,172	1,790
Cost of sales	4(b)	(1,338)	(1,242)
Gross profit		**834**	**548**
Exploration expenses		(36)	(37)
Corporate administration expenses	4(c)	(62)	(57)
Other income/(expenses)	4(d)	86	21
Write-down of property, plant and equipment	5	-	(20)
Share of profit/(loss) of associates		4	(16)
Profit before interest and income tax		**826**	**439**
Finance income		15	9
Finance costs	4(e)	(55)	(59)
Net finance costs		(40)	(50)
Profit before income tax		**786**	**389**
Income tax expense	6	(233)	(166)
Profit after income tax		**553**	**223**
Profit after tax attributable to:			
Non-controlling interests		-	(13)
Owners of the parent		553	236
		553	**223**
Earnings per share (cents per share)			
Basic earnings per share		67.7	30.7
Diluted earnings per share		67.5	30.6

The above Statement should be read in conjunction with the accompanying notes.

	Note	31 Dec 20 US$m	31 Dec 19 US$m
Profit after income tax		**553**	**223**
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to the Income Statement			
Cash flow hedges			
Cash flow hedge (gains)/losses transferred to the Income Statement		65	36
Cash flow hedge gains/(losses) deferred in equity		22	(83)
Income tax (expense)/benefit		(26)	14
		61	**(33)**
Investments			
Share of other comprehensive income/(loss) of associates		2	(9)
		2	**(9)**
Foreign currency translation			
Exchange gains/(losses) on translation of foreign operations, net of hedges of foreign investments and tax		497	10
		497	**10**
Items that will not be reclassified to the Income Statement			
Investments			
Fair value gain/(loss) of equity instruments held at fair value through other comprehensive income ('FVOCI')		20	10
		20	**10**
Other comprehensive income/(loss) for the period, net of tax		**580**	**(22)**
Total comprehensive income for the period		**1,133**	**201**
Total comprehensive income attributable to:			
Non-controlling interests		-	(13)
Owners of the parent		1,133	214
		1,133	**201**

The above Statement should be read in conjunction with the accompanying notes.

	Note	31 Dec 20 US$m	30 Jun 20 US$m
Current assets			
Cash and cash equivalents	7(b)	1,744	1,451
Trade and other receivables		258	254
Inventories		605	549
Other financial assets		106	65
Current tax assets		16	1
Other assets		63	52
Total current assets		**2,792**	**2,372**
Non-current assets			
Trade and other receivables		55	51
Inventories		969	1,024
Other financial assets		526	481
Property, plant and equipment		9,538	8,809
Goodwill		18	17
Other intangible assets		20	24
Deferred tax assets		59	65
Investment in associates		401	386
Other assets		13	13
Total non-current assets		**11,599**	**10,870**
Total assets		**14,391**	**13,242**
Current liabilities			
Trade and other payables		531	520
Borrowings	10	-	4
Lease liabilities		26	26
Provisions		129	129
Current tax liability		19	23
Other financial liabilities		99	116
Total current liabilities		**804**	**818**
Non-current liabilities			
Borrowings	10	2,013	2,013
Lease liabilities		35	32
Provisions		528	494
Deferred tax liabilities		1,299	1,114
Other financial liabilities		93	158
Total non-current liabilities		**3,968**	**3,811**
Total liabilities		**4,772**	**4,629**
Net assets		**9,619**	**8,613**
Equity			
Issued capital	13	12,414	12,403
Accumulated losses		(2,760)	(3,170)
Reserves		(35)	(620)
Equity attributable to owners of the parent		**9,619**	**8,613**
Non-controlling interests		-	-
Total equity		**9,619**	**8,613**

The above Statement should be read in conjunction with the accompanying notes.

	Note	31 Dec 20 US$m	31 Dec 19 US$m
Cash flows from operating activities			
Profit before income tax		**786**	**389**
Adjustments for:			
Depreciation and amortisation	4(f)	320	297
Net finance costs		40	50
Net fair value gain on Fruta del Norte finance facilities	4(d)	(76)	-
Net foreign exchange loss		77	-
Write-down of property, plant and equipment	5	-	20
Exploration expenditure written off		36	37
Other non-cash items or non-operating items		19	1
Change in working capital	7(a)	(48)	(83)
Operating cash flows before interest and taxes		**1,154**	**711**
Interest received		25	10
Interest paid		(50)	(54)
Income tax paid		(137)	(219)
Net cash provided by operating activities		**992**	**448**
Cash flows from investing activities			
Payments for plant and equipment, development and feasibility		(434)	(225)
Production stripping expenditure		(76)	(65)
Exploration and evaluation expenditure		(63)	(52)
Net receipts from Fruta del Norte finance facilities		14	-
Proceeds from sale of property, plant and equipment		7	-
Payments for investments in associates		(1)	(61)
Payment for acquisition of Red Chris		-	(774)
Net cash used in investing activities		**(553)**	**(1,177)**
Cash flows from financing activities			
Payment for treasury shares	13	-	(14)
Repayment of lease principal		(14)	(15)
Repayment of other loans assumed from Red Chris		(3)	(26)
Dividends paid:			
• Members of the parent entity		(132)	(102)
• Non-controlling interests		-	(23)
Net cash used in financing activities		**(149)**	**(180)**
Net increase/(decrease) in cash and cash equivalents		**290**	**(909)**
Cash and cash equivalents at the beginning of the period		1,451	1,600
Effects of exchange rate changes on cash held		3	-
Cash and cash equivalents at the end of the period	7(b)	**1,744**	**691**

The above Statement should be read in conjunction with the accompanying notes.

	Attributable to Owners of the Parent							Non-controlling Interests	Total
	Issued Capital	FX Translation Reserve	Hedge Reserve	Equity Settlements Reserve	Other Reserves	Accu-mulated Losses	Total		
	US$m	US$m	US$m	US$m	US$m	US$m	US$m	US$m	US$m
Balance at 1 July 2020	**12,403**	**(575)**	**(192)**	**123**	**24**	**(3,170)**	**8,613**	**-**	**8,613**
Profit for the period	-	-	-	-	-	553	553	-	553
Other comprehensive income for the period	-	497	61	-	22	-	580	-	580
Total comprehensive income for the period	**-**	**497**	**61**	**-**	**22**	**553**	**1,133**	**-**	**1,133**
Transactions with owners in their capacity as owners									
Share-based payments	-	-	-	5	-	-	5	-	5
Shares purchased	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(143)	(143)	-	(143)
Shares issued – dividend reinvestment plan	11	-	-	-	-	-	11	-	11
Balance at 31 December 2020	**12,414**	**(78)**	**(131)**	**128**	**46**	**(2,760)**	**9,619**	**-**	**9,619**

The above Statement should be read in conjunction with the accompanying notes.

	Attributable to Owners of the Parent							Non-controlling Interests	Total
	Issued Capital	FX Translation Reserve	Hedge Reserve	Equity Settlements Reserve	Other Reserves	Accu-mulated Losses	Total		
	US$m	US$m	US$m	US$m	US$m	US$m	US$m	US$m	US$m
Balance at 1 July 2019	**11,641**	**(489)**	**(75)**	**112**	**26**	**(3,648)**	**7,567**	**64**	**7,631**
Profit for the period	-	-	-	-	-	236	236	(13)	223
Other comprehensive income/(loss) for the period	-	10	(33)	-	1	-	(22)	-	(22)
Total comprehensive income for the period	**-**	**10**	**(33)**	**-**	**1**	**236**	**214**	**(13)**	**201**
Transactions with owners in their capacity as owners									
Share-based payments	-	-	-	5	-	-	5	-	5
Shares purchased	(14)	-	-	-	-	-	(14)	-	(14)
Dividends	-	-	-	-	-	(111)	(111)	(23)	(134)
Shares issued – dividend reinvestment plan	9	-	-	-	-	-	9	-	9
Balance at 31 December 2019	**11,636**	**(479)**	**(108)**	**117**	**27**	**(3,523)**	**7,670**	**28**	**7,698**

The above Statement should be read in conjunction with the accompanying notes.

1. Corporate Information

Newcrest Mining Limited is a company limited by shares, domiciled and incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange ('ASX'), PNGX Markets Limited ('PNGX') and the Toronto Stock Exchange ('TSX'). The registered office of Newcrest Mining Limited is Level 8, 600 St Kilda Road, Melbourne, Victoria, 3004, Australia.

The nature of the operations and principal activities of Newcrest Mining Limited and its controlled entities ('the Group') are exploration, mine development, mine operations and the sale of gold and gold/copper concentrate.

The financial report of Newcrest Mining Limited for the half year ended 31 December 2020 was authorised for issue in accordance with a resolution of the Directors on 11 February 2021.

2. Basis of Preparation and Accounting Policies

(a) Basis of Preparation

This interim condensed consolidated financial report for the half year ended 31 December 2020 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This financial report also complies with IAS 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board.

The Half Year Financial Report does not include all notes of the type normally included within the Annual Financial Report and therefore cannot be expected to provide as full of an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

The Half Year Financial Report should be read in conjunction with the Annual Financial Report for the year ended 30 June 2020 and considered together with any public announcements made by Newcrest Mining Limited during the half year ended 31 December 2020 in accordance with the continuous disclosure obligations of the ASX listing rules.

The financial report has been prepared on a historical cost basis, except for metal concentrate receivables, other financial assets and other financial liabilities which have been measured at fair value.

The financial report has been presented in United States (US) dollars and all values are rounded to the nearest US$1,000,000 (US$m) unless otherwise stated.

(b) Significant Accounting Policies

The accounting policies, methods of computation and areas of critical accounting judgements, estimates and assumptions are the same as those adopted in the most recent annual financial statements for the year ended 30 June 2020.

3. Segment Information

The Group's operating segments are based on the internal management reports that are reviewed and used by the Group's Executive Committee in assessing performance. The operating segments represent the Group's operating mines and projects which are organised and managed according to their location and stage.

The Group's reportable operating segments are:

- Cadia, Australia
- Telfer, Australia
- Lihir, Papua New Guinea
- Red Chris JV (70% interest), Canada (1)
- Gosowong, Indonesia (2)
- Exploration and Projects (3)

(1) Newcrest acquired a 70% interest in the Red Chris JV on 15 August 2019.

(2) Newcrest divested its 75% share of Gosowong through its holding in PT Nusa Halmahera Minerals on 4 March 2020.

(3) Exploration and Projects mainly comprises projects in the exploration, evaluation and feasibility phase and includes Wafi-Golpu JV (50% interest) in PNG, Namosi JV (72.49% interest) in Fiji, O'Callaghans in Australia and Newcrest's global greenfields exploration portfolio. It also includes Havieron (40% interest, with Newcrest having met the Stage 3 expenditure requirement (US$45 million) under its farm-in agreement with Greatland Gold plc and being entitled to earn an additional 20% interest).

(a) Segment Results, Segment Assets and Segment Liabilities

The measurement of segment results is in line with the basis of information presented to the Group's Executive Committee for internal management reporting purposes. The performance of each segment is measured based on their Revenues, Costs, EBITDA and EBIT ('Segment Result').

Segment Revenue represents gold, copper and silver revenue, less related treatment and refining deductions. All segment revenue is from third parties.

EBITDA is earnings before interest, tax, depreciation, amortisation and significant items.

EBIT is earnings before interest, tax and significant items. The reconciliation of EBIT to profit before tax is shown in Note 3(b).

Capital Expenditure comprises payments for property, plant and equipment, production stripping expenditure, assets under construction, development and feasibility expenditure and information systems development.

Segment assets exclude intercompany receivables. Segment liabilities exclude intercompany payables.

The Group's investment in associates is included within the Corporate and Other segment. Associates comprise:

- Lundin Gold Inc, 32.0% interest (30 June 2020: 32.0% interest);
- SolGold Plc, 13.5% interest (30 June 2020: 13.6% interest);
- Azucar Minerals Ltd, 19.9% interest (30 June 2020: 19.9% interest); and
- Antipa Minerals Ltd, 9.7% interest (30 June 2020: 9.9% interest).

3 (a). Segment Information (continued)

31 December 2020	Cadia US$m	Telfer US$m	Lihir US$m	Red Chris US$m	Total Operations US$m	Exploration & Projects[2] US$m	Corporate & Other[3] US$m	Total Group US$m
Gold	736	268	718	46	1,768	-	-	1,768
Copper	354	30	-	85	469	-	-	469
Silver	9	1	-	2	12	-	-	12
Treatment and refining deductions	(51)	(16)	-	(10)	(77)	-	-	(77)
Total revenue	1,048	283	718	123	2,172	-	-	2,172
EBITDA	767	12	325	39	1,143	(36)	39	1,146
Depreciation and amortisation	(98)	(44)	(138)	(29)	(309)	-	(11)	(320)
EBIT (Segment result) [1]	**669**	**(32)**	**187**	**10**	**834**	**(36)**	**28**	**826**
Capital Expenditure	254	28	145	70	497	9	9	515
As at 31 December 2020								
Segment assets	3,970	280	5,535	1,061	10,846	638	2,907	14,391
Segment liabilities	(841)	(312)	(1,366)	(130)	(2,649)	(36)	(2,087)	(4,772)
Net assets	**3,129**	**(32)**	**4,169**	**931**	**8,197**	**602**	**820**	**9,619**

Notes:
(1) Refer to Note 3(b) for the reconciliation of segment result to profit before tax.
(2) Includes net assets attributable to Wafi-Golpu JV of US$476 million, Havieron of US$51 million and Namosi JV of US$25 million as at 31 December 2020.
(3) Includes investment in associates, Fruta del Norte (‘FdN’) finance facilities and eliminations.

3 (a). Segment Information (continued)

31 December 2019	Cadia US$m	Telfer US$m	Lihir US$m	Red Chris[(2)] US$m	Gosowong[(3)] US$m	Total Operations US$m	Exploration & Projects[(4)] US$m	Corporate & Other[(5)] US$m	Total Group US$m
Gold	590	238	538	15	116	1,497	-	-	1,497
Copper	258	41	-	52	-	351	-	-	351
Silver	5	1	-	1	1	8	-	-	8
Treatment and refining deductions	(43)	(19)	-	(4)	-	(66)	-	-	(66)
Total revenue	810	261	538	64	117	1,790	-	-	1,790
EBITDA	571	21	202	12	31	837	(37)	(44)	756
Depreciation and amortisation	(74)	(45)	(129)	(16)	(25)	(289)	-	(8)	(297)
EBIT (Segment result) [(1)]	**497**	**(24)**	**73**	**(4)**	**6**	**548**	**(37)**	**(52)**	**459**
Capital Expenditure	117	31	100	19	10	277	7	6	290
<u>As at 30 June 2020</u>									
Segment assets	3,392	264	5,554	961	-	10,171	594	2,477	13,242
Segment liabilities	(754)	(288)	(1,312)	(125)	-	(2,479)	(21)	(2,129)	(4,629)
Net assets	**2,638**	**(24)**	**4,242**	**836**	**-**	**7,692**	**573**	**348**	**8,613**

Notes:

(1) Refer to Note 3(b) for the reconciliation of segment result to profit before tax.
(2) In August 2019, the Group acquired a 70% interest in Red Chris.
(3) In March 2020, Gosowong was divested.
(4) Includes net assets attributable to Wafi-Golpu JV of US$477 million, Havieron of US$27 million and Namosi JV of US$25 million as at 30 June 2020.
(5) Includes investment in associates and eliminations. At 30 June 2020, Corporate & Other net assets includes FdN finance facilities.

3. Segment Information (continued)

(b) Reconciliation of EBIT (Segment Result) to Profit Before Tax

	Note	31 Dec 20 US$m	31 Dec 19 US$m
Segment Result		**826**	**459**
Finance income		15	9
Finance costs		(55)	(59)
Net finance costs		(40)	(50)
Significant items:			
Write-down of property, plant and equipment	5	-	(20)
Profit Before Tax		**786**	**389**

4. Income and Expenses

	31 Dec 20 US$m	31 Dec 19 US$m
Specific items		
Profit before income tax includes the following revenues, income and expenses whose disclosure is relevant in explaining the performance of the Group:		
(a) Revenue		
Gold - Bullion	911	807
Gold - Concentrate	857	690
Gold - Concentrate treatment and refining deductions	(23)	(18)
Total gold revenue	1,745	1,479
Copper - Concentrate	469	351
Copper - Concentrate treatment and refining deductions	(52)	(48)
Total copper revenue	417	303
Silver - Bullion	-	2
Silver - Concentrate	12	6
Silver - Concentrate treatment and refining deductions	(2)	-
Total silver revenue	10	8
Total revenue [1]	**2,172**	**1,790**

	31 Dec 20 US$m	31 Dec 19 US$m
(b) Cost of Sales		
Site production costs	924	911
Royalties	67	57
Realisation	23	21
Inventory movements	15	(36)
	1,029	953
Depreciation and amortisation	309	289
Total cost of sales	**1,338**	**1,242**

	31 Dec 20 US$m	31 Dec 19 US$m
(c) Corporate Administration Expenses		
Corporate costs	45	43
Corporate depreciation	11	8
Share-based payments	6	6
Total corporate administration expenses	**62**	**57**

	31 Dec 20 US$m	31 Dec 19 US$m
(d) Other Income/(Expenses)		
Net fair value gain/(loss) on gold and copper derivatives and fair value movements on concentrate receivables	91	17
Net foreign exchange gain/(loss)	(76)	-
Net fair value movement on Fruta del Norte finance facilities	76	-
Other	(5)	4
Total other income/(expenses)	**86**	**21**

[1] Total revenue for the period ended 31 December 2020 comprises of revenue from contracts with customers of US$2,231 million (2019: US$1,823 million) and gold hedge losses of US$59 million (2019: US$33 million).

4. Income and Expenses (continued)

		31 Dec 20 US$m	31 Dec 19 US$m
(e)	**Finance Costs**		
	Interest on loans	44	47
	Interest on leases	1	1
	Facility fees and other costs	7	7
		52	55
	Discount unwind on provisions	3	4
	Total finance costs	**55**	**59**
(f)	**Depreciation and Amortisation**		
	Included in:		
	Cost of sales depreciation	309	289
	Corporate depreciation	11	8
	Total depreciation and amortisation expense	**320**	**297**

5. Significant Items

	Pre-Tax US$m	Tax US$m	After tax US$m
Period ended 31 December 2020			
There were no significant items for the period ended 31 December 2020.			
Period ended 31 December 2019			
Write-down of property, plant and equipment [(1)]	20	-	20
Write-down of tax assets [(1)]	-	37	37
Total significant items	**20**	**37**	**57**
Attributable to:			
Non-controlling interest			13
Owners of the parent			44
			57

(1) In the prior period, represents a write-down of non-current assets at Gosowong, following the classification of Gosowong as held for sale.

6. Income Tax Expense

	31 Dec 20 US$m	31 Dec 19 US$m
Reconciliation of Prima Facie Income Tax Expense to Income Tax Expense per the Income Statement		
Accounting profit before tax	**786**	**389**
Income tax expense calculated at 30%	236	117
Adjustments on Significant items [(1)]:		
Write-down of property, plant and equipment	-	6
Write-down of tax assets	-	37
	-	43
Non-deductible exploration	4	4
Impact of tax rates applicable outside of Australia	(8)	-
Other items	1	2
Income tax expense per the Income Statement	**233**	**166**

(1) In the prior period, represents a write-down of non-current assets at Gosowong, following the classification of Gosowong as held for sale.

7. Notes to the Consolidated Statement of Cash Flows

	31 Dec 20 US$m	31 Dec 19 US$m
(a) Operating cash flows arising from changes in:		
Trade and other receivables	(13)	(12)
Inventories	8	(26)
Trade and other payables	(24)	(24)
Provisions	(14)	(24)
Other assets and liabilities	(5)	3
Change in working capital	**(48)**	**(83)**

	31 Dec 20 US$m	31 Dec 19 US$m
(b) Cash and cash equivalents		
Cash and cash equivalents	1,744	666
Cash held for sale [1]	-	25
Total cash and cash equivalents	**1,744**	**691**

[1] Represents cash and cash equivalents which were classified as held for sale as at 31 December 2019 relating to Gosowong.

8. Dividends

	31 Dec 20 US$m	31 Dec 19 US$m
(a) Dividends paid		
The following dividend was paid during the half year:		
Final ordinary dividend for the 2020 financial year:		
17.5 cents per share (fully franked), paid 25 September 2020	143	-
Final ordinary dividend for the 2019 financial year:		
14.5 cents per share (fully franked), paid 26 September 2019	-	111
	143	**111**

Participation in the dividend reinvestment plan reduced the cash amount paid to US$132 million (31 December 2019: $102 million).

(b) Dividend proposed and not recognised as a liability

Subsequent to the reporting period, the Directors have determined to pay an interim dividend for the half year ended 31 December 2020 of US 15 cents per share, which will be fully franked. The dividend will be paid on 25 March 2021. The total amount of the dividend is US$122 million.

9. Impairment of Non-Financial Assets

In accordance with the Group's accounting policies and processes, the Group evaluated each cash generating unit ('CGU') as at 31 December 2020 to determine whether there were any indications of impairment or impairment reversal. Where an indicator of impairment or impairment reversal exists, a formal estimate of the recoverable amount is performed.

During the period, the Group revised upwards its future gold price estimates, resulting in an impairment reversal indicator for the Lihir and Telfer CGUs. In this respect, detailed estimate of the recoverable amounts of both CGUs was undertaken. A range of valuation outcomes were assessed having regard to scenarios and sensitivity analysis conducted on a number of assumptions. As a result of this analysis, it was concluded that no impairment reversal was required as at 31 December 2020.

In relation to the impacts of the COVID-19 pandemic, Newcrest has been able to continue operating at all CGUs during the half year. Whilst there have been disruptions to the movement of workers to some assets and additional costs have been incurred in relation to risk management protocols at all sites, the Group has concluded that the COVID-19 impacts do not represent an indicator of impairment for any CGUs.

The Group reviewed a number of factors when considering the indicators of impairment or impairment reversal, including:

(i) Commodity price and exchange rate assumptions

Newcrest has increased its US dollar gold price estimates and increased its short to medium term US dollar copper prices. These changes were to align with observable market data, taking into account spot prices during the half year ended 31 December 2020 and Newcrest's analysis of observable market forecasts for future periods.

Newcrest has marginally changed exchange rates estimates for all future periods, reflecting spot prices during the half year ended 31 December 2020 and Newcrest's analysis of observable market forecasts for future periods.

The table below provides details of the changed assumptions as at 31 December 2020:

	As at 31 December 2020				
Assumptions	**FY2021**	**FY2022**	**FY2023**	**FY2024**	**Long term FY2025+**
Gold (US$ per ounce)	$1,800	$1,700	$1,600	$1,500	$1,400
Copper (US$ per pound)	$3.00	$3.00	$3.00	$3.00	$3.00
AUD:USD exchange rate	$0.72	$0.73	$0.74	$0.75	$0.75
CAD:USD exchange rate	$0.77	$0.77	$0.77	$0.77	$0.77
USD:PGK exchange rate	K3.50	K3.50	K3.50	K3.50	K3.50

	As at 30 June 2020				
Assumptions	**FY2021**	**FY2022**	**FY2023**	**FY2024**	**Long term FY2025+**
Gold (US$ per ounce)	$1,550	$1,500	$1,450	$1,400	$1,350
Copper (US$ per pound)	$2.35	$2.60	$2.70	$2.80	$3.00
AUD:USD exchange rate	$0.68	$0.70	$0.72	$0.72	$0.75
CAD:USD exchange rate	$0.74	$0.76	$0.77	$0.79	$0.79
USD:PGK exchange rate	K3.44	K3.44	K3.44	K3.44	K3.44

The increase in the gold price assumptions represents an indicator of impairment reversal for Telfer and Lihir.

9. Impairment of Non-Financial Assets (continued)

(ii) Discount rate assumptions

Newcrest's discount rates are unchanged from those applied at 30 June 2020. The discount rates (inclusive of country risk premium) used are Cadia and Telfer: 4.50%, Lihir: 6.00%, Red Chris: 4.50%.

(iii) Mineral resources and ore reserves

At 31 December 2020, the Group updated its Mineral Resource and Ore Reserve estimates, resulting in a net decrease in gold ore reserves of approximately 5% and a net decrease in gold measured and indicated mineral resources of approximately 4% compared to the estimates as at 31 December 2019. In addition to depletion, the updated estimate of ore reserves included minor changes at Telfer and Lihir due to updated input assumptions. Based on sensitivity analysis conducted on the value of the ore reserve reductions, it has been concluded that they do not represent an indicator of impairment.

(iv) Production activity and operating and capital costs

CGUs have been reviewed for changes to long term life of mine plan assumptions, relating to operating costs, capital costs and production activity. In addition, the current period operating and cost performances for each CGU has been compared to plan. The Group has conducted sensitivity analysis on these plan changes and current period performance and concluded that they do not represent an indicator of impairment or impairment reversal.

(v) Impact of judgements and estimates on valuation outcomes

It should be noted that significant judgements and assumptions are required in making estimates of a CGU's recoverable amount. This is particularly so in the assessment of long life assets. The projected cash flows used in recoverable amount valuations are subject to variability in key assumptions including, but not limited to, the forward profile and long-term level of gold, copper and metal prices; currency exchange rates; discount rates; production profiles; and operating and capital costs.

A change in one or more of the assumptions used in these estimates could result in a change in a CGU's recoverable amount as outlined in Note 12 of the Group's 30 June 2020 financial report.

10. Net Debt

	Note	31 Dec 20 US$m	30 Jun 20 US$m
Other loans	(a)	-	4
Total current borrowings		**-**	**4**
Corporate bonds	(b)	2,030	2,030
Less: capitalised transaction costs on facilities		(17)	(17)
Total non-current borrowings		**2,013**	**2,013**
Total borrowings		**2,013**	**2,017**
Lease liabilities (current)		26	26
Lease liabilities (non-current)		35	32
Total lease liabilities		**61**	**58**
Total debt		**2,074**	**2,075**
Cash and cash equivalents		(1,744)	(1,451)
Net debt		**330**	**624**

(a) Other loans

Other loans represent interest-bearing liabilities acquired as part of the Red Chris acquisition. This facility was fully repaid in November 2020.

(b) Corporate bonds

In each of November 2011 and October 2012, Newcrest issued US$1,000 million in US dollar corporate bonds (Notes). In May 2020, Newcrest issued a further US$1,150 million in US dollar Notes. All of the Notes were issued in accordance with Rule 144A and Regulation S of the Securities Act of the United States.

In May 2020 and June 2020, Newcrest repurchased all of the US$750 million of the November 2011 Notes due in November 2021 and US$370 million of the US$750 million Notes due in October 2022.

At the reporting date, the Notes consist of:

Maturity	Coupon Rate	31 Dec 20 US$m	30 Jun 20 US$m
October 2022	4.20%	380	380
May 2030	3.25%	650	650
November 2041	5.75%	500	500
May 2050	4.20%	500	500
		2,030	**2,030**

10. Net Debt (continued)

(c) Bilateral bank debt facilities

As at 31 December 2020, the Group had bilateral bank debt facilities of US$2,000 million (30 June 2020: US$2,000 million) with 13 banks (30 June 2020: 13 banks). These are committed unsecured revolving facilities, individually negotiated and documented with each bank but with similar terms and conditions.

The facilities are on normal terms and conditions and include certain financial covenants. Interest is based on LIBOR plus a margin, which varies amongst the lenders. As at 31 December 2020 and 30 June 2020 these facilities were undrawn.

The maturity date profile of these facilities is shown in the table below:

Facility Maturity (financial year ending)	31 Dec 20 US$m	30 Jun 20 US$m
June 2022	1,076	1,076
June 2024	924	924
	2,000	**2,000**

(d) Financing facilities

The Group has access to the following unsecured financing arrangements at the reporting date.

	Facility Utilised [(1)] US$m	Facility Unutilised US$m	Facility Limit US$m
31 December 2020			
Corporate bonds	2,030	-	2,030
Bilateral bank debt facilities	-	2,000	2,000
Other loans	-	-	-
	2,030	**2,000**	**4,030**
30 June 2020			
Corporate bonds	2,030	-	2,030
Bilateral bank debt facilities	-	2,000	2,000
Other loans [(2)]	4	-	4
	2,034	**2,000**	**4,034**

(1) As at 31 December 2020, the corporate bonds were at fixed interest rates. (30 June 2020: the corporate bonds were at fixed rates and the other loans at variable interest rates).

(2) Other loans represented interest-bearing liabilities acquired as part of the Red Chris acquisition. This facility was fully repaid in November 2020.

10. Net Debt (continued)

(e) Movement in debt

Movement in total debt during the half year was as follows:

Debt	31 Dec 20 US$m	30 Jun 20 US$m
Opening balance	2,075	1,995
Adjustment: Lease liabilities recognised as a result of adopting AASB16 Leases on 1 July 2019	-	53
Adjusted opening balance	**2,075**	**2,048**
Movements:		
Drawdown of bilateral bank debt facilities	-	600
Repayment of bilateral bank debt facilities	-	(600)
Issuance of corporate bonds	-	1,134
Redemption of corporate bonds	-	(1,120)
Business acquisition – Lease liabilities	-	10
Business acquisition – Other loans	-	46
Payment of lease principal	(14)	(27)
Payment of other loans	(4)	(42)
Non-cash movements [1]	17	26
Net movement	**(1)**	**27**
Closing balance	**2,074**	**2,075**

[1] Represents non-cash movements in lease liabilities (including additions, modifications and terminations), amortisation of transaction costs and foreign exchange movements during the period.

11. Gearing Ratio

The gearing ratio at the reporting date was as follows:

	Note	31 Dec 20 US$m	30 Jun 20 US$m
Net debt	10	330	624
Equity		9,619	8,613
Total capital (Net debt and equity)		**9,949**	**9,237**
Gearing ratio		**3.3%**	**6.8%**

The gearing ratio is calculated as net debt at the end of the reporting period divided by net debt plus equity.

12. Financial Instruments

(a) Financial Assets and Financial Liabilities

The following table discloses the carrying amounts of each class of financial assets and financial liabilities at balance date, classified between amortised cost, fair value through profit or loss and fair value through other comprehensive income ('OCI').

31 Dec 20	Amortised cost	Fair Value through profit or loss[1]	Fair Value through OCI [2]	Total
	US$m	US$m	US$m	US$m
Financial Assets				
Cash and cash equivalents	1,744	-	-	1,744
Trade and other receivables – current	70	188	-	258
Trade and other receivables – non-current	55	-	-	55
FdN finance facilities – current	-	101	-	101
FdN finance facilities – non-current	-	413	-	413
Other financial assets - current	-	-	5	5
Other financial assets – non-current	-	9	104	113
	1,869	**711**	**109**	**2,689**
Financial Liabilities				
Trade and other payables	531	-	-	531
Borrowings – non-current	2,013	-	-	2,013
Lease liabilities – current	26	-	-	26
Lease liabilities – non-current	35	-	-	35
Other financial liabilities – current	-	-	99	99
Other financial liabilities – non-current	-	-	93	93
	2,605	**-**	**192**	**2,797**

30 Jun 20	Amortised cost	Fair Value through profit or loss[1]	Fair Value through OCI [2]	Total
	US$m	US$m	US$m	US$m
Financial Assets				
Cash and cash equivalents	1,451	-	-	1,451
Trade and other receivables – current	60	194	-	254
Trade and other receivables – non-current	51	-	-	51
FdN finance facilities – current	-	65	-	65
FdN finance facilities – non-current	-	396	-	396
Other financial assets – non-current	-	9	76	85
	1,562	**664**	**76**	**2,302**
Financial Liabilities				
Trade and other payables	520	-	-	520
Borrowings - current	4	-	-	4
Borrowings – non-current	2,013	-	-	2,013
Lease liabilities – current	26	-	-	26
Lease liabilities – non-current	32	-	-	32
Other financial liabilities – current	-	-	116	116
Other financial liabilities – non-current	-	-	158	158
	2,595	**-**	**274**	**2,869**

(1) The Trade and other receivables in this classification relates to concentrate receivables.

(2) Relates to Telfer AUD gold hedges, fuel hedges and other equity investments.

12. Financial Instruments (continued)

(b) Fair Value Measurements recognised on the Statement of Financial Position

For financial assets and liabilities carried at fair value, the Group uses the following to categorise the fair value method used, as defined by IFRS 13 *Fair Value Measurement*.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). Valuation inputs include forward curves, discount curves and underlying spot and futures prices.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group's financial assets and liabilities which are measured at fair value on a recurring basis, are categorised as follows:

Financial assets and liabilities measured at fair value	Level 1	Level 2	Level 3	Total
	US$m	US$m	US$m	US$m
31 Dec 2020				
Concentrate receivables	-	188	-	188
FdN finance facilities (i)	-	-	514	514
Other financial assets	104	5	9	118
Telfer AUD gold hedges	-	(192)	-	(192)
	104	**1**	**523**	**628**
30 Jun 2020				
Concentrate receivables	-	194	-	194
FdN finance facilities (i)	-	-	461	461
Other financial assets	76	-	9	85
Telfer AUD gold hedges	-	(266)	-	(266)
Other financial liabilities	-	(8)	-	(8)
	76	**(80)**	**470**	**466**

(i) Fair value of FdN finance facilities

In April 2020, Newcrest acquired the gold prepay ('GPCA') and stream credit facilities ('SCFA') and an offtake agreement in respect of Lundin Gold Inc.'s ('Lundin') Fruta del Norte ('FdN') mine in Ecuador. Each of these financial instruments are classified as Level 3 as their valuation includes significant unobservable inputs. The following table summarises the fair value of these financial assets on an aggregated basis.

Movements in Fair Value	31 Dec 2020 US$m	30 Jun 2020 US$m
Opening balance	461	-
Acquisition value	-	460
Repayments during the period	(35)	(2)
Accrued interest	12	2
Fair value adjustments	76	1
Closing balance	**514**	**461**
Split between:		
Current	101	65
Non-current	413	396
	514	**461**

12. Financial Instruments (continued)

(b) Fair Value Measurements recognised on the Statement of Financial Position (continued)

(i) Fair value of FdN finance facilities (continued)

Valuation measurement and key assumptions

The GPCA and SCFA are valued based on a discounted cash flow model, whilst the Offtake Agreement valuation is based on Monte Carlo simulation to determine the margin achieved on sales associated with this agreement (which is then incorporated into a discounted cash flow model). The valuation requires management to make certain assumptions about the model inputs, including gold prices, discount rates and FdN production profiles. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these financial assets.

The following table summarises the quantitative information about the significant unobservable inputs used in the Level 3 fair value measurement of the FdN finance facilities.

Financial Assets	Unobservable inputs	Inputs	Relationship of unobservable inputs to fair value
FdN finance facilities	Gold price	The Group's carrying value assessment gold price assumptions (refer note 9)	An increase or decrease in gold prices of 10% applied to the gold price assumptions for the term of the agreements would change the fair value of the asset by +US$51 million / -US$47 million (30 June 2020: +US$49 million / -US$19 million)
	Discount rate	8.5%	An increase or decrease in the discount rate of 1% would change the fair value of the asset by -US$19 million / +US$20 million (30 June 2020: -US$19 million / +US$20 million)
	FdN production profile	FdN mine plan	An increase or decrease in the production profile of 10% would change the fair value of the asset by +US$15 million / -US$22 million. (30 June 2020: +US$18 million / -US$26 million)

The sensitivity of the exposure of silver prices on the FdN finance facilities has been analysed and determined to be not material to the Group.

Significant judgements, estimates and assumptions are required in determining estimates of Fair Value for the FdN finance facilities. It should be noted that the Fair Value is subject to variability in key assumptions including, but not limited to, gold prices, discount rates and FdN production profiles. A change in one or more of the assumptions used could result in a material change in the estimated Fair Value of the FdN finance facilities.

12. Financial Instruments (continued)

(c) Fair Value of Financial Instruments carried at Amortised Cost

The carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair value, except as detailed in the following table:

Financial Assets/(Liabilities)	Carrying amount 31 Dec 20 US$m	Carrying amount 30 Jun 20 US$m	Fair value [1] 31 Dec 20 US$m	Fair value [1] 30 Jun 20 US$m
Borrowings:				
Fixed rate debt:				
- Corporate Bonds	2,013	2,013	2,448	2,330

(1) The fair value is a level 2 valuation. Fair values of the Group's fixed rate borrowings are determined by using discounted cash flow models that use discount rates that reflect the issuer's borrowing rate as at the end of the reporting period.

13. Issued Capital

(a) Movements in Issued Capital	31 Dec 20 US$m	30 Jun 20 US$m
Opening balance	12,403	11,641
Shares issued – equity raising [1]	-	784
Share issue costs	-	(13)
Tax effect of issue costs	-	1
Equity raising net of issue costs	-	772
Shares repurchased and held in treasury [2]	-	(25)
Shares issued – dividend reinvestment plan	11	15
Closing balance	**12,414**	**12,403**

(b) Number of Issued Ordinary Shares	Number of Ordinary Shares Half year ended 31 Dec 20	Number of Ordinary Shares Year ended 30 Jun 20
Comprises:		
• Shares held by the public	814,938,826	813,819,599
• Treasury shares	1,617,708	2,252,295
Total issued capital	**816,556,534**	**816,071,894**
Movement in issued ordinary shares		
Opening number of shares	813,819,599	766,613,683
Shares issued under:		
• Shares issued – equity raising [1]	-	46,874,992
• Shares repurchased and held in treasury [2]	-	(1,193,157)
• Share plans [3]	634,587	802,570
• Dividend reinvestment plan	484,640	721,511
Closing number of shares	**814,938,826**	**813,819,599**
Movement in treasury shares		
Opening number of shares	2,252,295	1,861,708
• Purchases	-	1,193,157
• Issued pursuant to share plans	(634,587)	(802,570)
Closing number of shares	**1,617,708**	**2,252,295**

[1] In May and June 2020, Newcrest raised a total of A$1,200 million (US$784 million) from an equity raising comprising of an institutional placement of A$1,000 million (US$646 million) and a share purchase plan of A$200 million (US$138 million). A total of 46,874,992 fully paid ordinary shares were issued at a price of A$25.60 (US$16.73) per share.

[2] During the year ended 30 June 2020 the Newcrest Employee Share Plan Trust ('Trust') purchased a total of 1,193,157 ordinary fully paid Newcrest shares at an average price of A$31.40 (US$22.22) per share. The shares were purchased on-market to be held by the Trustee on behalf of the Trust to satisfy the future entitlements of the holders of performance rights (and any other rights to acquire shares) under Newcrest's current and future employee incentive schemes.

[3] Represents rights exercised under the Company's share-based payments plans and executive service agreements.

14. Contingent Liabilities

(a) Bank Guarantees

The Group has provided a number of bank guarantees in favour of various government authorities and service providers. The total nominal amount of these guarantees at the reporting date is US$162 million (30 June 2020: US$144 million).

(b) Other Matters

Companies in the Group are recipients of, or defendants in, certain claims, proceedings and/or complaints made, commenced or threatened. In the opinion of the Directors, all such matters are of such a kind, or involve such amounts, that they are not anticipated to have a material effect on the financial position of the Group if disposed of unfavourably or are at a stage which does not support a reasonable evaluation of the likely outcome of the matter.

In accordance with a resolution of the Directors of Newcrest Mining Limited, we state that:

In the opinion of the Directors:

(a) The half year financial statements and notes are in accordance with the *Corporations Act 2001*, including:

  (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half year ended on that date; and

  (ii) Complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(b) The financial statements and notes thereto are in accordance with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

On behalf of the Board

Peter Hay
Chairman

Sandeep Biswas
Managing Director and Chief Executive Officer

11 February 2021
Melbourne

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Independent Auditor's Review Report to the Members of Newcrest Mining Limited

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying half year financial report of Newcrest Mining Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and of its consolidated financial performance for the half year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the half year financial report

The directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 December 2020 and its consolidated financial performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Ernst & Young

Trent van Veen
Partner

Matthew Honey
Partner

Melbourne
11 February 2021