

ASX Appendix 4E & Annual Financial Report

For the year ended 30 June 2017



ASX Appendix 4E and Annual Financial Report

**Newcrest Mining Limited
and Controlled Entities**

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**ASX APPENDIX 4E
RESULTS FOR ANNOUNCEMENT TO THE MARKET**

**Newcrest Mining Limited
Financial Year Ended 30 June 2017
ASX Code: NCM**

	30 June 2017 US\$ millions	30 June 2016 US\$ millions	Percentage increase/ (decrease)
Sales Revenue	3,477	3,295	6%
Net profit attributable to members of the parent entity (‘Statutory Profit’)	308	332	(7%)

Dividend Information	Amount per share US cents	Amount franked per share US cents	Amount unfranked per share US cents
Final dividend	7.5	5.25	2.25
Record date for determining entitlement to final dividend			21 September 2017
Date final dividend payable			27 October 2017

The Directors have determined to pay a final dividend for the year ended 30 June 2017 of US 7.5 cents per share, which will be 70% franked.

The Dividend Reinvestment Plan (‘DRP’) remains in place 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 25 to 29 September 2017. No discount applies to the DRP. Shareholders have until 5pm AEST on 22 September 2017 to change their DRP election for the final dividend.

Net Tangible Assets	30 June 2017 US\$	30 June 2016 US\$
Net tangible assets per share	9.78	9.23

Review of Results

Refer to the Operating and Financial Review.

Business Divestments

During the year, Newcrest sold its interest in Hidden Valley. Refer to Note 29 of the Financial Statements for further details.

Audit Report

The Financial Statements and Remuneration Report have been subject to audit.

DIRECTORS' REPORT

The Directors present their report together with the consolidated financial report of the Newcrest Mining Limited Group, comprising Newcrest Mining Limited ('the Company') and its controlled entities ('Newcrest' or 'the Group'), for the year ended 30 June 2017.

Directors

The Directors of the Company during the year ended 30 June 2017, and up to the date of this report are set out below. All Directors held their position as a Director throughout the entire 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
Winifred Kamit	Non-Executive Director
Richard Knight	Non-Executive Director (resigned from the Board 16 August 2016)
Rick Lee AM	Non-Executive Director
Xiaoling Liu	Non-Executive Director
Vicki McFadden	Non-Executive Director (appointed to the Board 1 October 2016)
John Spark	Non-Executive Director

Principal Activities

The principal activities of the Group during the year 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 year.

Consolidated Result

The profit after tax attributable to Newcrest shareholders ('Statutory Profit') for the year ended 30 June 2017 was US\$308 million (2016: profit of US\$332 million).

Refer to the Operating and Financial Review for further details. The Operating and Financial Review forms part of this Directors' Report. The financial information in the Operating and Financial Review includes non-IFRS financial information. Explanations and reconciliations of non-IFRS financial information to the financial statements are included in Section 6 of the Operating and Financial Review.

Dividends

The following dividends of the Company were paid during the year:

- Final unfranked dividend for the year ended 30 June 2016 of US 7.5 cents per share, amounting to US\$57.5 million, was paid on 18 October 2016.
- Interim unfranked dividend for the year ended 30 June 2017 of US 7.5 cents per share, amounting to US\$57.5 million, was paid on 28 April 2017.

The Directors have determined to pay a final dividend for the year ended 30 June 2017 of US 7.5 cents per share, which will be 70% franked. The dividend will be paid on 27 October 2017.

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Group.

Future Developments

Refer to the Operating and Financial Review for information on likely developments and future prospects of the Group.

Subsequent Events

Subsequent to year-end, the Directors have determined to pay a final dividend for the year ended 30 June 2017 of US 7.5 cents per share, which will be 70% franked. The dividend will be paid on 27 October 2017. The total amount of the dividend is US\$57.5 million. This dividend has not been provided for in the 30 June 2017 financial statements.

There have been no other matters or events that have occurred subsequent to 30 June 2017 that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Options

The Company does not have any unissued shares or unissued interests under option as at the date of this report, nor has it granted, or issued shares or interests under, any options during or since the end of the year.

Non-Audit Services

During the year, Ernst & Young (auditor to the Company), has provided other services in addition to the statutory audit, as disclosed in Note 35 to the financial statements.

The Directors are satisfied that the provision of non-audit services provided by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that these non-audit services do not compromise the auditor's independence, based on advice received from the Audit and Risk Committee, for the following reasons:

- all non-audit services have been reviewed by the Audit and Risk Committee to ensure they did not impact on the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing economic risks and rewards.

Auditor Independence

A copy of the Auditor's Independence Declaration, as required by the *Corporations Act 2001*, is included after this report.

Currency

All references to dollars in the Directors' Report and the Financial Report are a reference to US dollars (\$) or US\$) unless otherwise specified.

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.

Environmental Regulation and Performance

The Managing Director reports to the Board on all significant safety, health and environmental incidents. The Board also has a Safety and Sustainability Committee which has oversight of the safety, health and environmental performance of the Group and meets at least four times per year. The Directors are not aware of any environmental incidents occurring during the 2017 financial year which would have a materially adverse impact on the overall business of the Group.

The operations of the Group are subject to environmental regulation under the jurisdiction of the countries in which those operations are conducted, including Australia, Indonesia, Papua New Guinea ('PNG') and Cote d'Ivoire. Each mining operation is subject to particular environmental regulation specific to their activities as part of their operating licence or environmental approvals. Each of our sites is required to also manage its environmental obligations in accordance with our corporate environmental policies and standards.

The environmental laws and regulations that cover each of our sites, combined with our policies and standards, address the potential impact of the Group's activities in relation to water and air quality, noise, land disturbance, waste and tailings management, and the potential impact upon flora and fauna. The Group releases an annual Sustainability Report in accordance with the Global Reporting Initiative that details our activities in relation to management of key environmental aspects.

The Group has a uniform internal reporting system across all sites. All environmental incidents, including breaches of any regulation or law, are assessed according to their actual or potential environmental consequence. Five levels of environmental incidents are tracked based on factors such as spill volume, incident location (onsite or offsite) and potential or actual environmental impacts. These levels include: I (insignificant), II (minor), III (moderate), IV (major) and V (catastrophic). Data on Category I incidents are only collected at a site level and are not reported in aggregate for the Group.

The number of incidents reported in each category during the year is shown in the following table. In all cases, environmental authorities were notified of those events where required and remedial action was undertaken.

Category	II	III	IV	V
2017 - Number of incidents	18	0	0	0
2016 - Number of incidents	24	3	0	0

Indemnification and Insurance of Directors and Officers

Newcrest indemnifies each Director, Secretary and Executive Officer of Newcrest and its subsidiaries against any liability related to, or arising out of, the conduct of the business of Newcrest or its subsidiaries or the discharge of the Director's, Secretary's or Executive Officer's duties. These indemnities are given to the extent that Newcrest is permitted by law and its Constitution to do so.

Newcrest maintains a Directors' and Officers' insurance policy which, subject to some exceptions, provides insurance cover to past, present or future Directors, Secretaries and Executive Officers of Newcrest and its subsidiaries. The Company has paid an insurance premium for the policy.

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the end of the financial year.

Remuneration Report

The Remuneration Report is set out in Section D and forms part of this Directors' Report.

DIRECTORS' REPORT

Information on Directors

Details of the Directors' qualifications, experience and special responsibilities are detailed below.

Peter Hay

Independent Non-Executive Chairman

LLB, FAICD, 67

Mr Hay was appointed as Non-Executive Chairman of the Board in January 2014, after being appointed as a Non-Executive Director in August 2013. Mr Hay is also the Chairman of the Nominations Committee.

Mr Hay has a strong background and breadth of experience in business, corporate law, finance and investment banking advisory work, with a particular expertise in relation to mergers and acquisitions. He has also had significant involvement in advising governments and government-owned enterprises. Mr Hay was a partner of the legal firm Freehills until 2005, where he served as Chief Executive Officer from 2000.

Current Listed Directorships

Chairman of Vicinity Centres (from 2015)

Other Current Directorships/appointments

Member of AICD Corporate Governance Committee

Member of the Australian Government Takeovers Panel

Former Listed Directorships (last 3 years)

Director of GUD Holdings Limited (2009–2015)

Director of Novion Limited (2014-2015)

Director of Australia and New Zealand Banking Group Limited (2008-2014)

Director of Myer Holdings Limited (2010-2014)

Sandeep Biswas

Managing Director and Chief Executive Officer

BEng (Chem) (Hons), 55

Mr Biswas was appointed Managing Director and Chief Executive Officer effective 4 July 2014. He joined Newcrest in January 2014, as an Executive Director and Chief Operating Officer.

Skills, experience and expertise

Mr Biswas was previously Chief Executive Officer of Pacific Aluminium, a wholly owned subsidiary within the Rio Tinto group, which incorporated the bauxite, alumina, refining and smelting operations in Australia and New Zealand. He began his career with Mount Isa Mines, working in both Australia and Europe. Mr Biswas has also worked for Western Mining Corporation in Australia and Rio Tinto in Canada and Australia. He has experience in research, operations, business development and projects, across commodities including aluminium, copper, lead, zinc and nickel.

Other Current Directorships/Appointments

Director of the Minerals Council of Australia

Director of the World Gold Council

Information on Directors (continued)

Gerard Bond

Finance Director and Chief Financial Officer

BComm, Graduate Diploma Applied Finance and Investment, Chartered Accountant, F Fin, 49

Mr Bond was appointed to the Board as an Executive Director in February 2012, after joining Newcrest as Finance Director and Chief Financial Officer in January 2012.

Skills, experience and expertise

Mr Bond has experience in the global financial and resources industry with BHP Billiton, Coopers & Lybrand and Price Waterhouse. Prior to joining Newcrest, Mr Bond was with BHP Billiton for over 14 years where he held a number of senior executive roles in Europe and Australia including in Mergers and Acquisitions, Treasury, as Deputy CFO of the Aluminium business, CFO and then Acting President of the Nickel business, and as BHP Billiton's Head of Group Human Resources.

Other Current Directorships/Appointments

Alternate Director of the World Gold Council

Philip Aiken AM

Independent Non-Executive Director

BEng (Chemical), Advanced Management Program (HBS), 68

Mr Aiken was appointed to the Board in April 2013. He is Chairman of the Safety and Sustainability Committee and a member of the Human Resources and Remuneration Committee and the Nominations Committee.

Skills, experience and expertise

Mr Aiken has extensive Australian and international business experience, principally in the engineering and resources sectors. He was Group President Energy BHP Billiton, President BHP Petroleum, Managing Director BOC/CIG, Chief Executive of BTR Nylex and Senior Advisor Macquarie Capital (Europe).

Current Listed Directorships

Chairman of Aveva Group plc (from 2012)

Chairman of Balfour Beatty plc (from 2015)

Other Current Directorships/Appointments

Business Ambassador, Sydney Events (from 2016)

Former Listed Directorships (last 3 years)

Senior Independent Director of Essar Energy plc (2010-2014)

Director of Essar Oil Limited (a listed subsidiary of Essar Energy plc) (2010-2014)

Director of National Grid plc (2008-2015)

Information on Directors (continued)

Roger Higgins

Independent Non-Executive Director

BE (Civil Engineering) (Hons), MSc (Hydraulics), PhD (Water Resources), Stanford Executive Program, FIEAust, FAusIMM, 66

Dr Higgins was appointed to the Board in October 2015. He is a member of the Safety and Sustainability Committee.

Skills, experience and expertise

Dr Higgins brings extensive experience leading mining companies and operations, and has deep working knowledge of Papua New Guinea as a current Non-Executive Director and a former Managing Director of Ok Tedi Mining Limited in Papua New Guinea. In his most recent executive position, Dr Higgins served as Senior Vice President, Copper at Canadian metals and mining company, Teck Resources Limited. Prior to this role he was Vice President and Chief Operating Officer with BHP Billiton Base Metals Customer Sector Group working in Australia and also held senior positions with BHP Billiton in Chile. He also holds the position of Adjunct Professor with the Sustainable Minerals Institute, University of Queensland.

Current Listed Directorships

Chairman of Minotaur Exploration Limited (from 2016)

Director of Metminco Limited (from 2013)

Other Current Directorships/appointments

Director of Ok Tedi Mining Limited (Non-Executive Director from 2014, Managing Director from 1997-2002)

Chairman of the International River Foundation (from 2014)

Former Listed Directorships (last 3 years)

Blackthorn Resources Limited (2014)

Lady Winifred Kamit

Independent Non-Executive Director

BA, LLB, 64

Lady Kamit was appointed to the Board in February 2011. She is a member of the Human Resources and Remuneration Committee and the Safety and Sustainability Committee.

Skills, experience and expertise

Lady Kamit has extensive business experience and broad community knowledge of Papua New Guinea. She is currently a consultant at Gadens Lawyers in Port Moresby and was formerly a senior partner at that firm. Lady Kamit was a Director of Lihir Gold Limited from 2004 until 2010.

Current Listed Directorships

Director of Steamships Trading Company Limited (from 2005)

Other Current Directorships/appointments

Chairman of ANZ Banking Group (PNG) Limited

Director of Post Courier Limited

Director of South Pacific Post Limited

Information on Directors (continued)

Rick Lee AM

Independent Non-Executive Director

BEng (Chemical) (Hons), MA (Econ) (Oxon), FAICD, 67

Mr Lee was appointed to the Board in August 2007. He is Chairman of the Human Resources and Remuneration Committee and a member of the Audit and Risk Committee.

Skills, experience and expertise

Mr Lee has extensive resources, banking, finance and international commercial experience. His previous senior executive roles include 16 years with CSR Limited and nine years as Chief Executive Officer of NM Rothschild Australia Limited. He is a former Chairman of the Australian Institute of Company Directors and C. Czarnikow Limited and is a former Non-Executive Director of CSR Limited.

Current Listed Directorships

Chairman of Ruralco Holdings Limited (from 2016)

Chairman of Oil Search Limited (Director from 2012, Chairman from 2013)

Xiaoling Liu

Independent Non-Executive Director

BEng (Extractive Metallurgy), PhD (Extractive Metallurgy), GAICD, FAusIMM, 60

Dr Liu was appointed to the Board in September 2015. She is a member of the Human Resources and Remuneration Committee and the Audit and Risk Committee.

Skills, experience and expertise

Dr Liu has extensive executive experience in leading global mining and processing businesses. Her last executive role was as President and Chief Executive Officer of Rio Tinto Minerals based in Denver, where she ran integrated mining, processing and supply chain operations in the United States, Europe and Asia. Prior to her last executive role, Dr Liu held senior management and operational roles at Rio Tinto throughout her career including President – Primary Metal Pacific, Managing Director – Global Technical Services and General Manager Bell Bay Smelter.

Current Listed Directorships

Director of Iluka Resources Limited (from 2016)

Other Current Directorships/appointments

Director of Melbourne Business School (from 2016)

Member of the China Matters Advisory Council (from 2017)

John Spark

Independent Non-Executive Director

BComm, FCA, MAICD, 68

Mr Spark was appointed to the Board in September 2007. He is Chairman of the Audit and Risk Committee and a member of the Nominations Committee.

Skills, experience and expertise

Mr Spark has an extensive background in company reconstruction, accounting, profit improvement and financial analysis. He is a registered company auditor and former Managing Partner of Ferrier Hodgson, Melbourne. He is a former Director of ANL Limited, Baxter Group Limited and Macarthur Coal Limited and former Chairman of Ridley Corporation Limited.

Current Listed Directorships

Chairman of Murray Goulburn Co-operative Co. Limited (from 2017)

Former Listed Directorships (last 3 years)

Chairman of Ridley Corporation Limited (Director from 2008, Chairman from 2010-2015)

Information on Directors (continued)

Vicki McFadden

Independent Non-Executive Director

BComm, LLB, 58

Ms McFadden was appointed as Non-Executive Director of the Board in October 2016. She is a member of the Audit and Risk Committee.

Skills, experience and expertise

Ms McFadden has an extensive background in finance and law and is a former investment banker with considerable experience in corporate finance transactions, having served as Managing Director of Investment Banking at Merrill Lynch in Australia and as a Director of Centaurus Corporate Finance. Vicki has broad experience in several roles as member or chairman of audit committees.

Current Listed Directorships

Tabcorp Holdings Limited (from 2017)

Other Current Directorships/appointments

Chairman of eftpos Australia Pty Ltd (from 2016)

Director of The Myer Family Investments Pty Ltd (from 2011)

President of the Australian Takeovers Panel (Member from 2008, President from 2013)

Member of the Advisory Board and Executive Committee of the UNSW Business School (from 2006)

Former Listed Directorships (last 3 years)

Chairman of Skilled Group Limited (Director from 2005, Chairman from 2010-2015)

Director of Leighton Holdings Limited (2013-2014)

Information on Former Directors ⁽¹⁾

Richard Knight

Independent Non-Executive Director

BSc (Mining Engineering), MSc (Mine Production Management), Chartered Engineer, FAICD, 75

Mr Knight was appointed to the Board in February 2008. He was a member of the Safety and Sustainability Committee. Mr Knight resigned from the Board on 16 August 2016.

Skills, experience and expertise

Mr Knight has over 40 years of varied experience across all phases of the mining industry and in a wide spread of jurisdictions around the world. He is a former Executive Director of North Limited, former President and Chief Executive Officer of Iron Ore Company of Canada and former Chief Executive Officer of Energy Resources Australia Limited. He is a former Director of OZ Minerals Limited, Zinifex Limited, St. Barbara Limited, Portman Limited, Northern Orion Resources Inc. and Asia Pacific Resources Ltd.

⁽¹⁾ Information provided is at the date of cessation as a Director of the Company.

Information on Company Secretary and Deputy Company Secretary**Francesca Lee**

General Counsel and Company Secretary

BComm, LLB (Hons), LLM, Grad. Dip. CSP, AGIA, 61

Ms Lee joined Newcrest as General Counsel and Company Secretary in March 2014. She was General Counsel and Company Secretary of OZ Minerals Limited from 2008 until 2014, and its antecedent companies from 2003. Ms Lee has more than 30 years' experience working across various senior legal and commercial roles within the mining industry including BHP Billiton, Rio Tinto Limited and Comalco Limited, including as General Manager Internal Audit and Risk at Rio Tinto Limited. She also spent several years as Vice President Structured Finance with Citibank Limited.

Ms Lee was a member of the Australian Government Takeovers Panel from 2009 until March 2015.

Claire Hannon

Deputy Company Secretary

BSc, LLB (Hons), Grad. Dip. App Fin, GAICD, 43

Ms Hannon joined Newcrest in January 2013 as Corporate Counsel in the legal team. She was appointed as an additional Company Secretary in August 2015. Prior to joining Newcrest, Ms Hannon worked as a lawyer in the Melbourne office of Ashurst and the London office of Clifford Chance, specialising in mergers and acquisitions and corporate law.

Directors' Interests

As at the date of this report, the interest of each Director in the shares and rights of Newcrest Mining Limited were:

Director	Number of Ordinary Shares	Nature of Interest	Number of Rights Over Ordinary Shares ⁽¹⁾	Nature of Interest
Peter Hay	52,451	Direct and Indirect	-	-
Sandeep Biswas	269,345	Direct and Indirect	814,745	Direct
Gerard Bond	82,149	Direct and Indirect	219,340	Direct
Philip Aiken AM	17,924	Direct	-	-
Roger Higgins	12,294	Indirect	-	-
Winifred Kamit	326	Indirect	-	-
Richard Knight ⁽²⁾	40,000	Indirect	-	-
Rick Lee AM	28,447	Indirect	-	-
Xiaoling Liu	10,000	Indirect	-	-
Vicki McFadden	10,000	Indirect	-	-
John Spark	32,192	Direct and Indirect	-	-

(1) Represents Sandeep Biswas' and Gerard Bond's unvested performance rights granted pursuant to the Company's 2014, 2015 and 2016 financial year Long Term Incentive plans.

(2) Balance as at date on which he ceased to be a Director of Company.

DIRECTORS' REPORT

Directors' Meetings

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year were:

Director	Directors' Meetings		Committees of the Board									
			Audit & Risk		Human Resources & Remuneration		Safety & Sustainability		Nominations		Special Board Committees ⁽¹⁾	
			A	B	A	B	A	B	A	B	A	B
Peter Hay	9	9	-	-	-	-	-	-	4	4	3	3
Sandeep Biswas	9	9	-	-	-	-	-	-	-	-	2	3
Gerard Bond	9	9	-	-	-	-	-	-	-	-	3	3
Philip Aiken AM	8 ⁽²⁾	9	-	-	8	8	4	4	4	4	-	-
Roger Higgins	8 ⁽²⁾	9	-	-	-	-	4	4	-	-	-	-
Winifred Kamit	8 ⁽²⁾	9	-	-	7	8	4	4	-	-	-	-
Richard Knight	1	1	-	-	-	-	-	-	-	-	-	-
Rick Lee AM	9	9	5	5	8	8	-	-	-	-	-	-
Xiaoling Liu	9	9	5	5	8	8	1	1	-	-	-	-
Vicki McFadden	6	6	3	3	-	-	-	-	-	-	-	-
John Spark	9	9	5	5	-	-	-	-	4	4	2	2

Column A - Indicates the number of meetings attended whilst a Director/Committee member.

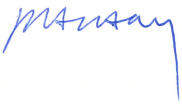
Column B - Indicates the number of meetings held whilst a Director/Committee member.

- (1) These are out of session Committee meetings and include meetings of the Board Executive Committee and other Committees established from time to time to deal with ad-hoc matters delegated to the relevant Committee by the Board. The membership of such special Committees may vary.
- (2) Meeting missed was an out of session meeting held on short notice which the Director was unable to attend due to prior commitments.

Details of the functions and memberships of the Committees of the Board are presented in Newcrest's Corporate Governance Statement.

DIRECTORS' REPORT

This report is signed in accordance with a resolution of the Directors.



Peter Hay
Chairman



Sandeep Biswas
Managing Director and Chief Executive Officer

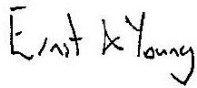
14 August 2017
Melbourne

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

As lead auditor for the audit of Newcrest Mining Limited for the financial year ended 30 June 2017, 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 audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

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



Ernst & Young



Tim Wallace
Partner
Melbourne
14 August 2017

OPERATING AND FINANCIAL REVIEW

To assist readers to better understand the financial performance of the underlying operating businesses of Newcrest, the financial information in this Operating and Financial Review includes non-IFRS financial information. Explanations and reconciliations of non-IFRS information to the financial statements are set out in section six. All financial data presented in this Operating and Financial Review is quoted in US\$ unless otherwise stated.

1. SUMMARY OF RESULTS FOR THE FULL YEAR ENDED 30 JUNE 2017¹

Key points

- Statutory profit² of \$308 million and Underlying profit³ of \$394 million
- All-In Sustaining Cost³ increased by 3% to \$787 per ounce
- EBITDA margin³ improved by 3% to 40.5%
- All-In Sustaining Cost margin³ of \$476 per ounce
- Cash flow from operating activities of \$1,467 million and free cash flow³ of \$739 million
- Gold production⁴ of 2.381 million ounces, a decrease of 2%
- Copper production⁴ of 83.9 thousand tonnes, an increase of 1%
- Net debt of \$1.5 billion, reduced by \$608 million (or 29%) since 30 June 2016
- Net debt to EBITDA³ ratio improved to 1.1 times
- Gearing reduced to 16.6% at 30 June 2017, down from 22.8% at 30 June 2016
- Interim dividend of US 7.5 cents per share and final dividend of US 7.5 cents per share (70% franked)

Highlights	For the 12 months ended 30 June					
			2017	2016	Change	Change %
Revenue		US\$m	3,477	3,295	182	6%
Statutory profit	2	US\$m	308	332	(24)	(7%)
Underlying profit	3	US\$m	394	323	71	22%
EBITDA	3	US\$m	1,408	1,292	116	9%
EBIT	3	US\$m	719	594	125	21%
Cash flow from operating activities		US\$m	1,467	1,241	226	18%
Free cash flow	3	US\$m	739	814	(75)	(9%)
Total equity		US\$m	7,534	7,120	414	6%
Net debt		US\$m	1,499	2,107	(608)	(29%)
Gearing		%	16.6	22.8	(6.2)	(27%)
Net debt to EBITDA	3	times	1.1	1.6	(0.5)	(31%)
EBITDA margin	3	%	40.5	39.2	1.3	3%
EBIT margin	3	%	20.7	18.0	2.7	15%
ROCE	3	%	7.9	6.2	1.7	27%
Interest coverage ratio	3	times	13.6	11.3	2.3	20%
Cash and cash equivalents		US\$m	492	53	439	828%
Group production - gold		oz	2,380,630	2,438,994	(58,364)	(2%)
- copper		t	83,941	83,070	871	1%
All-In Sustaining Cost	3	US\$/oz	787	762	25	3%
All-In Sustaining margin	3	US\$/oz	476	404	72	18%
Realised gold price		US\$/oz	1,263	1,166	97	8%
Realised copper price		US\$/lb	2.44	2.21	0.23	10%
Average exchange rate		AUD:USD	0.7541	0.7285	0.0256	4%
Average exchange rate		PGK:USD	0.3153	0.3358	(0.0205)	(6%)
Closing exchange rate		AUD:USD	0.7692	0.7426	0.0266	4%

Full year results

Newcrest's operating and financial performance for the current period reflects the Company's continued commitment to realising operational improvement across the business through the Group-wide program known as Edge, with a focus on safety, operating discipline, cash generation and profitable growth.

The results of the Edge program are most evident in the record operational performance delivered by Lihir over the year, together with operating cost reductions and productivity gains across the Group.

These operational improvements have partially offset the adverse impacts of the current period production disruptions following the seismic event impacting Cadia on 14 April 2017 and the unusually high rainfall at Telfer during January and February 2017.

Following the seismic event which resulted in the temporary suspension of ore production from Cadia East, stockpiles of low grade ore from Cadia Hill were processed and the Ridgeway sub-level cave was recommissioned in May 2017 to partially mitigate the impact. As previously announced to the market, the remediation work required to safely restart ore extraction from Panel Cave 2 has been completed, with ore production recommencing from 19 July 2017. Remediation work continues on Panel Cave 1, with ore extraction expected to recommence in the first quarter of FY18.

Statutory profit of \$308 million was \$24 million lower than the prior period. The current period Statutory profit includes significant items (after tax and non-controlling interests) with a net expense of \$86 million. The significant items comprised a net investment hedge loss of \$62 million representing a prior period foreign exchange loss reclassified from the Foreign Currency Translation Reserve to the Income Statement, a \$10 million loss on disposal of Newcrest's 50% interest in Hidden Valley and a \$14 million write-down of capitalised exploration at Bonikro, all of which were reported in the half-year results.

Underlying profit in the current period of \$394 million was \$71 million higher than the prior period primarily driven by the higher average realised gold and copper prices and higher copper sales volumes. This was partially offset by lower gold sales volumes, increased exploration expense, higher income tax expense and an unfavourable impact on costs from the strengthening of the Australian dollar against the US dollar.

The average realised gold price in the current period of \$1,263 per ounce was 8% higher than the prior period, while the average realised copper price of \$2.44 per pound was 10% higher.

Gold production of 2.381 million ounces was 2% lower than the prior period and within the market guidance range of 2.35–2.60 million ounces. Gold production volume in the current period was impacted by the suspension of mining activity at Cadia East following the seismic event on 14 April 2017 and the effects of unusually high rainfall at Telfer during January and February 2017. Gold production was also adversely impacted by lower feed grades at Telfer and Bonikro. Partially offsetting this was record mill throughput and production at Lihir and increased mining rates and mill throughput and gold grade at Gosowong.

Copper production of 83.9 thousand tonnes was 1% higher than the prior period driven by increased ore tonnes from Cadia East Panel Cave 2, notwithstanding the suspension of mining following the seismic event.

Newcrest's All-In Sustaining Cost of \$787 per ounce in the current period was \$25 per ounce or 3% higher than the prior period, reflecting the lower contribution from Cadia due to the seismic event, the unfavourable impact of a stronger Australian dollar on costs and higher sustaining capital spend. This was partially offset by a higher average realised copper price and lower unit operating costs at Lihir and Gosowong as a result of cost and efficiency improvements. The current period All-In Sustaining Cost has been normalised (reduced) by \$28 per ounce for the production disruptions following the seismic event at Cadia. The prior period was normalised (reduced) by \$12 per ounce for the impact of the FY16 geotechnical event at Gosowong and redundancy costs at Telfer associated with the transition of open pit mining to contractor mining.

Free cash flow of \$739 million was \$75 million lower than the prior period reflecting the investment of \$63 million to acquire a 14.5% interest in SolGold Plc, higher capital expenditure at Lihir and a \$27 million cash out flow associated with the disposal of Hidden Valley, partially offset by higher average realised gold and copper prices, higher copper sales volumes, favourable working capital movements and lower interest payments as a result of lower debt levels. All operations were free cash flow positive with improved free cash flow generation from Gosowong, Lihir and Cadia.

The free cash flow performance of the Group enabled a \$608 million reduction in net debt during the period, delivering an improvement in Newcrest's key target financial ratios. At 30 June 2017, Newcrest had a net debt to EBITDA ratio of 1.1 times and a gearing ratio of 16.6%, which compares favourably with a net debt to EBITDA ratio of 1.6 times and gearing ratio of 22.8% as at 30 June 2016.

Capital structure

Newcrest's net debt at 30 June 2017 was \$1,499 million, comprising \$1,991 million of corporate bonds less \$492 million of cash and cash equivalents.

From a liquidity perspective, Newcrest had \$492 million of cash and \$2,040 million⁵ in committed undrawn bank facilities as at 30 June 2017.

Newcrest's financial objectives are to meet all financial obligations, maintain a strong balance sheet to withstand cash flow volatility, be able to pursue profitable growth opportunities, and be able to return excess cash generated to shareholders. Newcrest looks to maintain a conservative level of balance sheet leverage.

From a financial policy perspective, Newcrest looks to:

- Target an investment grade credit rating throughout the cycle;
- Maintain a leverage ratio (Net Debt to EBITDA) of less than 2.0 times;
- Maintain a gearing ratio of below 25%; and
- Maintain cash and committed undrawn bank facilities of at least US\$1.5 billion, with approximately one-third of that amount in the form of cash.

At 30 June the Group's position in relation to these metrics was:

Metric	Policy 'looks to'	2017	2016
Credit rating (S&P/Moody's)	Investment grade	BBB-/Baa3	BBB-/Baa3
Leverage ratio (Net debt to EBITDA)	Less than 2.0 times	1.1	1.6
Gearing ratio	Below 25%	16.6%	22.8%
Cash and committed undrawn facilities	At least \$1.5bn, ~1/3 in cash	\$2.53bn (\$492m cash)	\$2.45bn (\$53m cash)

In January 2017, having regard to the Company's strong liquidity position and the cost of maintaining committed bank facilities, Newcrest effected a \$400 million reduction in its committed bilateral bank facilities, pro-rated across all banks providing the loan facilities to Newcrest. In addition, Newcrest effected the early repayment of \$25 million of private placement notes, originally due to mature in May 2020.

Dividend

Newcrest's dividend policy continues to balance financial performance and capital commitments with a prudent leverage and gearing level for the Company. Newcrest looks to pay ordinary dividends that are sustainable over time having regard to its financial policy, profitability, balance sheet strength and reinvestment options in the business. Going forward, Newcrest is targeting a total dividend payout of at least 10-30% of free cash flow generated for that financial year, with the dividend being no less than US15 cents per share on a full year basis.

The Newcrest Board has determined that, having regard to the Company's financial performance in the 2017 financial year and target financial metrics at year end, a final 70% franked dividend of US 7.5 cents per share will be paid on 27 October 2017. The record date for entitlement is 21 September 2017. The financial impact of the dividend amounting to \$57.5 million has not been recognised in the Consolidated Financial Statements for the year. The Dividend Reinvestment Plan remains in place.

Guidance^{7, 8}

Subject to market and operating conditions, Newcrest provides the following guidance for FY18⁷:

Production guidance for the 12 months ended 30 June 2018⁷

Cadia	- gold	koz	680 - 780
	- copper	kt	~70
Telfer	- gold	koz	440 - 500
	- copper	kt	~15
Lihir	- gold	koz	880 - 980
Gosowong	- gold	koz	230 - 290
Bonikro	- gold	koz	130 - 155
Group production	- gold	moz	2.4 – 2.7
	- copper	kt	80 - 90

Cost guidance for the 12 months ended 30 June 2018^{7,8}

US\$m	Cadia	Telfer	Lihir	Goso- wong	Bonikro	Wafi- Golpu	Other	Group
All-In Sustaining Cost *	255-295	580-620	800-885	220-240	125-140	-	90-100	2,100-2,250
Capital expenditure								
- Production stripping *	-	40-50	75-90	-	~30	-	-	145-170
- Sustaining capital *	75-85	55-65	90-115	25-35	10-15	-	~15	270-330
- Major projects (non-sustaining)	85-105	10-20	50-65	-	5-20	20-30	-	170-240
Total Capital expenditure	160-190	105-135	215-270	25-35	45-65	20-30	~15	585-740
Exploration expenditure								70-90
Depreciation and amortisation (including production stripping)								800-850

*Production stripping and sustaining capital shown above are included in All-In Sustaining Cost

Gold production is expected to be lower in the September 2017 Quarter than the June 2017 Quarter as a result of a higher level of planned shutdown activity being undertaken in the September 2017 quarter. Gold production and free cash flow is expected to be higher in the second half of the financial year as Cadia East ore production ramps up and there are fewer planned shutdown events.

Production guidance for Cadia is based on the information available as at the date of this release and may be updated as the ramp up of Cadia East production progresses. The AISC (\$m) for Cadia is stated on a non-normalised basis, however, it is expected AISC for the September quarter will be normalised for the seismic event that impacted Cadia East in April 2017 (the Group's FY17 AISC per ounce was normalised by \$28/oz). As previously disclosed there has been a significant shift upwards in wholesale electricity prices in Australia which has led to an increase in Cadia's operating costs in the order of \$55-60 per ounce. Cadia's costs are also impacted by a higher AUD:USD assumption (0.80) than was experienced in FY17 (0.75).

Lihir's gold production guidance is in-line with FY17 guidance, with a planned increase in throughput offset by the decrease in average gold grade processed. The September 2017 quarter production will be adversely impacted by a planned major plant outage, and the year will include two planned maintenance shutdowns on autoclave 4. Lihir's AISC is anticipated to be higher in FY18 than FY17 primarily as a result of a planned increase in production stripping.

Telfer's AISC guidance is higher in FY18 due to an expected reduction in copper grade resulting in lower by-product credits, increased levels of production stripping activity and a higher AUD:USD assumption.

Gosowong's gold production is forecast to decrease from the FY17 result, primarily due to lower gold grade.

Bonikro's gold production is expected to increase from the FY17 result, primarily due to higher gold grade, partially offset by lower throughput as the amount of oxide ore in the feed decreases.

Gold hedging

Newcrest completed additional hedging of a portion of Telfer's expected FY19 gold sales during the period, bringing the total volume and prices hedged for the current period and future years as follows:

Financial Year Ending	Gold Ounces Hedged	Average Price A\$/oz
30 June 2017	300,694	1,730
30 June 2018	294,697	1,765
30 June 2019	135,044	1,767
Total	730,435	1,751

At 30 June 2017, the unrealised mark-to-market gain on these hedges was \$40 million.

Review of Operations⁶
For the 12 months ended 30 June 2017

		Cadia ⁴	Telfer	Lihir	Goso-wong	Bonikro	Hidden Valley	Other	Group
Operating									
Production									
Gold	koz	620	386	940	296	128	11	-	2,381
Copper	kt	64	20	-	-	-	-	-	84
Silver	koz	383	229	42	361	15	138	-	1,169
Sales									
Gold	koz	626	398	941	275	129	10	-	2,379
Copper	kt	64	21	-	-	-	-	-	85
Silver	koz	381	229	42	284	15	151	-	1,102
Financial									
Revenue	US\$m	1,137	631	1,181	350	162	16	-	3,477
EBITDA	US\$m	626	144	542	177	48	2	(131)	1,408
EBIT	US\$m	490	6	283	79	9	1	(149)	719
Net assets	US\$m	2,763	510	4,638	314	118	-	(809)	7,534
Operating cash flow	US\$m	671	178	571	186	65	5	(209)	1,467
Investing cash flow	US\$m	(169)	(108)	(218)	(44)	(27)	(1)	(161)	(728)
Free cash flow*	US\$m	502	70	353	142	38	4	(370)	739
AISC	US\$m	151	469	807	208	142	12	81	1,870
	US\$/oz	241	1,178	858	757	1,105	1,252	-	787
AISC Margin	US\$/oz	1,022	85	405	506	158	11	-	476

* Free cash flow for 'Other' comprises net interest paid of \$120 million, income tax paid of \$34 million, other investing activities of \$88 million (including payments of \$63 million to acquire a 14.5% interest in SolGold Plc and \$27 million in relation to the disposal of Hidden Valley), corporate costs of \$56 million, capital expenditure of \$37 million and exploration expenditure of \$36 million partially offset by working capital movements of \$1 million.

For the 12 months ended 30 June 2016

		Cadia ⁴	Telfer	Lihir	Goso-wong	Bonikro	Hidden Valley	Other	Group
Operating									
Production									
Gold	koz	669	462	900	197	138	73	-	2,439
Copper	kt	64	19	-	-	-	-	-	83
Silver	koz	399	200	24	291	18	1,331	-	2,264
Sales									
Gold	koz	668	464	884	223	139	75	-	2,454
Copper	kt	64	19	-	-	-	-	-	83
Silver	koz	401	200	24	310	18	1,330	-	2,283
Financial									
Revenue	US\$m	1,099	634	1,035	257	162	108	-	3,295
EBITDA	US\$m	651	173	397	87	63	3	(82)	1,292
EBIT	US\$m	424	42	199	10	28	(9)	(100)	594
Net assets	US\$m	2,701	561	4,783	290	154	(16)	(1,353)	7,120
Operating cash flow	US\$m	646	207	425	102	76	15	(230)	1,241
Investing cash flow	US\$m	(164)	(81)	(118)	(54)	(32)	(5)	27	(427)
Free cash flow*	US\$m	482	126	307	48	44	10	(203)	814
AISC	US\$m	183	448	734	208	131	94	69	1,867
	US\$/oz	274	967	830	935	941	1,255	-	762
AISC Margin	US\$/oz	892	199	336	231	225	(89)	-	404

* Free cash flow for 'Other' comprises net interest paid of \$137 million, income tax paid of \$28 million, corporate costs of \$54 million, working capital movements of \$17 million, capital expenditure of \$27 million and exploration expenditure of \$28 million, partially offset by proceeds from sale of the remaining Evolution Mining Limited shares of \$88 million.

1. All figures in this Report relate to businesses of the Newcrest Mining Limited Group ('Newcrest' or 'the Group') for the 12 months ended 30 June 2017 ('current period') compared with the 12 months ended 30 June 2016 ('prior period'), except where otherwise stated. All references to 'the Company' are to Newcrest Mining Limited.
2. Statutory profit/(loss) is profit after tax attributable to owners of the Company.
3. Newcrest's results are reported under International Financial Reporting Standards ("IFRS"). This report also includes certain non-IFRS financial information, including the following:
 - 'Underlying profit/(loss)' is profit or loss after tax before significant items attributable to owners of the Company.
 - 'EBITDA' is 'Earnings before interest, tax, depreciation and amortisation, and significant items'. EBIT is 'Earnings before interest, tax and significant items'.
 - 'EBITDA Margin' is EBITDA expressed as a percentage of revenue. 'EBIT Margin' is EBIT expressed as a percentage of revenue.
 - ROCE is 'Return on capital employed' and is calculated as EBIT expressed as a percentage of average total capital employed (net debt and total equity).
 - Interest coverage ratio is calculated as EBITDA adjusted for facility fees and discount unwind on provisions, divided by net interest payable (interest expense adjusted for facility fees, discount unwind on provisions and interest capitalised).
 - 'AISC' is All-In Sustaining Cost and 'AIC' is All-In Cost as per World Gold Council Guidance Note on Non-GAAP Metrics released June 2013. 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.
 - Net debt to EBITDA is calculated as net debt divided by EBITDA.
 - 'Free cash flow' is 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 and tax.
 - Underlying profit, EBIT, EBITDA, EBITDA Margin, EBIT Margin, Free cash flow, All-In Sustaining Cost, All-In Sustaining Cost Margin, All-In Cost, Sustaining capital and Major projects (non-sustaining) capital, ROCE and Interest coverage ratio are non-IFRS financial measures which Newcrest employs in managing the business. They are used by Management to assess the performance of the business and make decisions on the allocation of resources and have been included in this report to provide greater understanding of the underlying financial performance of Newcrest's operations. 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.

These measures have not been subject to audit or review by Newcrest's external auditor. These measures do not have any standard definition under IFRS and may be calculated differently by other companies. Refer to section six for a reconciliation of non-IFRS measures to the most appropriate IFRS measure.
4. For the 12 months ended 30 June 2017 production and sales volumes include 1,345 gold ounces and 157 tonnes of copper related to the pre-commissioning and development of the Cadia East project. For the 12 months ended 30 June 2016, the comparable volumes were 1,800 gold ounces and 206 tonnes of copper. Expenditure associated with this production and revenue from the sales are capitalised and not included in the operating profit calculations.
5. Comprises undrawn bilateral bank debt facilities of US\$2,000 million and an additional undrawn US\$40 million bank loan facility of a subsidiary.
6. All data relating to operations is shown at 100%, apart from Hidden Valley which is shown at Newcrest's ownership percentage of 50% up to the economic disposal date of 31 August 2016. Newcrest owns 75% of Gosowong through its holding in PT Nusa Halmahera Minerals, an incorporated joint venture. Bonikro includes mining and exploration interests in Côte d'Ivoire which are held by the following entities: LGL Mines CI SA (of which Newcrest owns 89.89%) and Newcrest Hire CI SA (of which Newcrest owns 89.89%).
7. These materials include forward looking statements. Forward looking statements can generally be identified by the use of words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", "outlook" and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs. The Company continues to distinguish between outlook and guidance. Guidance statements relate to the current financial year. Outlook statements relate to years subsequent to the current financial year.

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

Forward looking statements are based on the Company's good faith assumptions as to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct. There may be other factors that could cause actual results or events not to be as anticipated, and many events are beyond the reasonable control of the Company. Readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Except as required by applicable laws 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.
8. The guidance stated assumes weighted average copper price of \$2.40 per pound and AUD:USD exchange rate of 0.80 for FY18.

2. DISCUSSION AND ANALYSIS OF OPERATIONS AND THE INCOME STATEMENT

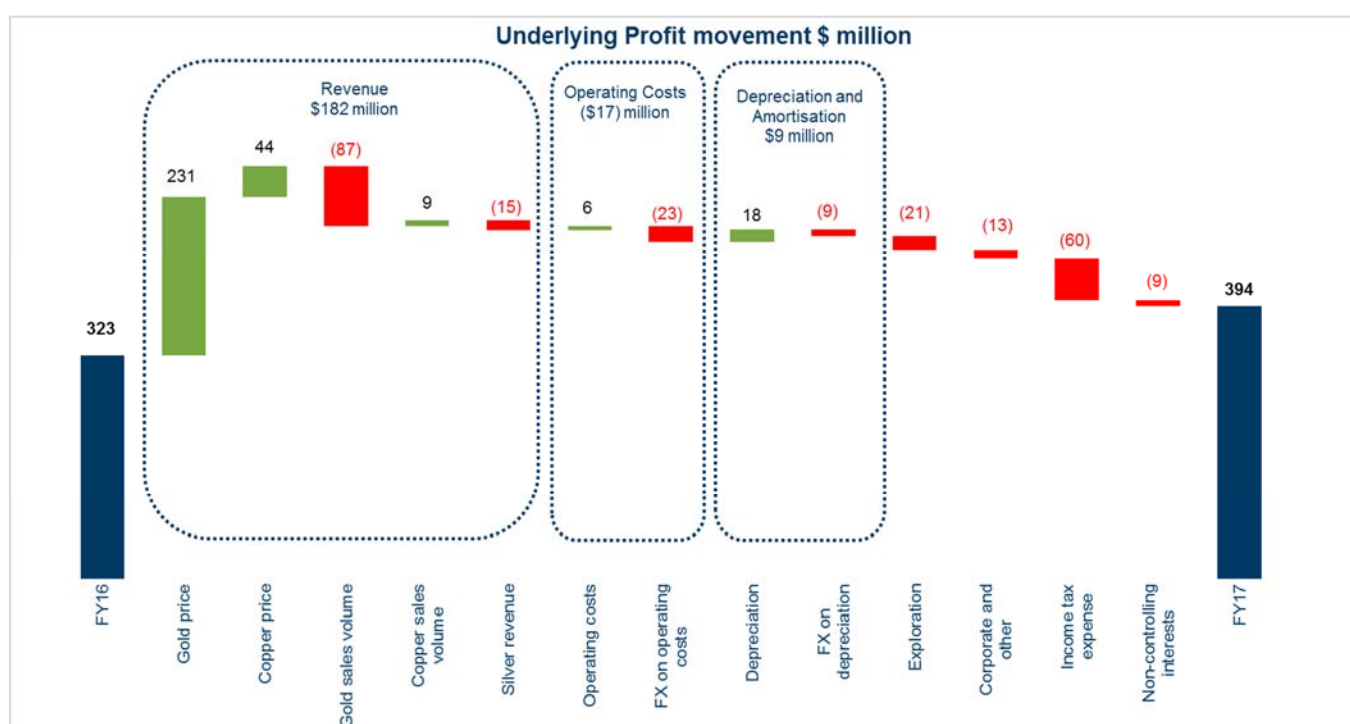
2.1. Profit overview

Statutory profit was \$308 million and Underlying profit was \$394 million in the current period.

The Statutory profit in the current period includes significant items (after tax and non-controlling interests) with a net expense of \$86 million. The significant items comprised a net investment hedge loss of \$62 million representing a prior period foreign exchange loss reclassified from the Foreign Currency Translation Reserve to the Income Statement, a \$10 million loss on disposal of Newcrest’s 50% interest in Hidden Valley and a \$14 million write-down of capitalised exploration at Bonikro. The net investment hedge loss and write-down of capitalised exploration are both non-cash items.

Underlying profit was \$71 million higher than the prior period primarily driven by higher average realised gold and copper prices. This was partially offset by lower gold sales volumes, the unfavourable impact on costs from the strengthening of the Australian dollar against the US dollar, increased exploration expense in the current period and higher income tax expense compared to the prior period.

US\$m	For the 12 months ended 30 June			
	2017	2016	Change	Change%
Gold revenue	3,001	2,857	144	5%
Copper revenue	456	403	53	13%
Silver revenue	20	35	(15)	(43%)
Total revenue	3,477	3,295	182	6%
Operating costs	(1,938)	(1,921)	(17)	(1%)
Depreciation and amortisation	(671)	(680)	9	1%
Total cost of sales	(2,609)	(2,601)	(8)	(0%)
Corporate administration expenses	(84)	(79)	(5)	(6%)
Exploration	(53)	(32)	(21)	(66%)
Other income/(expense)	(12)	11	(23)	(209%)
Net finance costs	(132)	(147)	15	10%
Income tax expense	(181)	(121)	(60)	(50%)
Non-controlling interests	(12)	(3)	(9)	(300%)
Underlying profit	394	323	71	22%



2.2. Revenue

Total sales revenue for the current period of \$3,477 million was \$182 million or 6% higher than the prior period. Newcrest's sales revenue continues to be predominantly attributable to gold, being 86% of total sales revenue in the current period (87% in the prior period).

US\$m

Total sales revenue for 12 months ended 30 June 2016		3,295
<i>Changes in revenues from volume:</i>		
Gold	(87)	
Copper	9	
Silver	(18)	
Total volume impact		(96)
<i>Change in revenue from price:</i>		
Gold	231	
Copper	44	
Silver	3	
Total price impact		278
Total sales revenue for 12 months ended 30 June 2017		3,477

Gold revenue of \$3,001 million was 5% higher than the prior period as a result of an 8% increase in the average realised gold price (\$1,263 per ounce in the current period compared to \$1,166 per ounce in the prior period).

The gold price impact was partially offset by a 3% decrease in gold sales volumes resulting from the suspension of mining activities at Cadia East in the fourth quarter following the seismic event on 14 April 2017, production disruptions at Telfer due to the unusually high rainfall in January and February 2017, the disposal of Hidden Valley on 31 August 2016 and lower grade at Bonikro.

Copper revenue of \$456 million was 13% higher than the prior period primarily as a result of a 10% increase in the average realised copper price (\$2.44 per pound in the current period compared to \$2.21 per pound in the prior period) and a 2% increase in copper sales volumes.

The current period included 300,694 ounces of Telfer gold sales hedged at an average price of A\$1,730 per ounce.

2.3. Cost of sales

US\$m	For the 12 months ended 30 June			
	2017	2016	Change	Change %
Site production costs	1,676	1,667	9	1%
Inventory movements	29	38	(9)	(24%)
Royalties	96	85	11	13%
Treatment and realisation	137	131	6	5%
Operating costs	1,938	1,921	17	1%
Depreciation and amortisation	671	680	(9)	(1%)
Cost of sales	2,609	2,601	8	0%

Operating costs of \$1,938 million were \$17 million or 1% higher than the prior period.

This increase in operating costs includes an unfavourable foreign exchange impact of approximately \$23 million as a result of the strengthening of the Australian dollar against the US dollar, partially offset by the weaker Papua New Guinea Kina against the US dollar.

Drivers of an increase in production costs largely relate to activity levels increasing due to the ramp-up of the Cadia East mine (prior to the seismic event), higher mining rates and mill throughput at Gosowong and Bonikro, and higher costs at Telfer (partially related to the unusually high rainfall). However, the effect of these increases were offset by cost reductions from the Edge program in the form of lower input prices and increased operational efficiency across the Group, as well as the disposal of Hidden Valley in the current period. Unit operating costs were adversely impacted at Cadia following the seismic event on 14 April 2017 that resulted in the temporary suspension of mining activities at Cadia East and substantially lower levels of production in the June 2017 quarter.

Higher treatment and realisation costs were largely due to higher copper concentrate production at Telfer and the higher average realised gold and copper prices increasing metal deduction payments. Comparatively higher royalties were due to a royalty refund received by Cadia in the prior period.

The decrease in depreciation expense compared with the prior period primarily reflects the lower depreciation charges at Cadia due to cessation of mining of Ridgeway Deeps in the prior period and lower production from Cadia East in the current period. This was partially offset by increased depreciation at Lihir and Gosowong associated with the increase in gold production and the strengthening of the Australian dollar against the US dollar increasing depreciation at Telfer and Cadia, where it is an Australian dollar denominated expense.

As the Company is a US dollar reporting entity, operating costs 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 in FY17 on operating costs by site:

	USD	AUD	PGK	IDR	CFA	Other
Cadia	15%	85%	-	-	-	-
Telfer	15%	85%	-	-	-	-
Lihir	45%	20%	30%	-	-	5%
Gosowong	40%	5%	-	55%	-	-
Bonikro	55%	-	-	-	45%	-
Group	30%	50%	10%	6%	3%	1%

2.4. Other items

Corporate administration expenses of \$84 million were 6% higher than the prior period. This included corporate costs of \$56 million which were adversely impacted by a stronger Australian dollar, depreciation expense of \$18 million and equity-settled share-based costs of \$10 million.

Exploration expenditure of \$58 million was 32% higher than the prior period reflecting Newcrest's growing portfolio of strategic partnerships, farm-in arrangements and investments across Asia Pacific, West Africa and the Americas. Of this exploration expenditure \$53 million was expensed, resulting in a capitalisation rate of 9%.

Other expenses of \$12 million were \$23 million higher than the prior period, comprising:

US\$m	For the 12 months ended 30 June	
	2017	2016
Net foreign exchange gain/(loss)	(4)	2
Net fair value gain/(loss) on gold and copper derivatives and fair value movements on concentrate receivables	-	8
Other items	(8)	1
Other income/(expense)	(12)	11

The net foreign exchange loss in the current period primarily relates to the restatement of US dollar denominated cash and concentrate receivables in the Group's Australian dollar functional currency operations (Cadia and Telfer) and Corporate entities. This was partially offset by foreign exchange gains from cash flow hedges on US dollar borrowings transferred to the Income Statement.

The net fair value gain on gold and copper derivatives and fair value movements on concentrate receivables in the prior period primarily related to the movement in spot prices and fair value arising from the quotational

OPERATING AND FINANCIAL REVIEW

period adjustments on sales. Newcrest seeks to lock in the gold and copper price for the quotational period for concentrate shipments at the time of sale using forward sales contracts to minimise this impact.

Other items in the current period primarily relate to losses on sale of property, plant and equipment.

2.5. Income tax

Income tax expense on Statutory profit in the current period was \$164 million, resulting in an effective tax rate of 34%, which is higher than the Australian company tax rate of 30%. The effective tax rate was higher than the Australian company tax rate primarily due to the book tax effect associated with the net investment hedge loss and no income tax benefit recognised on both the loss on disposal of Hidden Valley and the write-down of capitalised exploration at Bonikro.

Income tax expense on Underlying profit in the current period was \$181 million, resulting in an effective tax rate of 31%. The effective tax rate was higher than the Australian company tax rate as a result of higher levels of overseas exploration expenses not deductible for tax purposes.

2.6. Significant items

Significant items totalling a net expense of \$86 million (after tax and non-controlling interests) were recognised for the current period comprising:

- a \$10 million loss on disposal of Newcrest's 50% interest in Hidden Valley;
- a prior period net investment hedge loss of \$62 million which was reclassified from the Foreign Currency Translation Reserve to the Income Statement in the current period. This represented a net foreign exchange loss on historic funding arrangements that were designated as a hedge of the Group's net investment in the Hidden Valley mine. This non-cash item moves the prior period loss from the reserve to retained earnings, with no net impact on shareholders' equity; and
- \$14 million, non-cash write-down of non-current assets representing capitalised exploration at Bonikro. This was also a non-cash item.

US\$m	For the 12 months ended 30 June 2017		
	Gross	Tax	Net
Loss on business divestment	(10)	-	(10)
Net investment hedge loss	(79)	17	(62)
Write-down of non-current assets	(15)	-	(15)
Total	(104)	17	(87)
Attributable to:			
Non-controlling interests			(1)
Owners of the parent			(86)

In the prior period, significant items totalling a net benefit of \$9 million (after tax and non-controlling interests) were recognised, comprising:

US\$m	For the 12 months ended 30 June 2016		
	Gross	Tax	Net
Class action settlement net expense	(12)	3	(9)
Gain on disposal of investment	18	-	18
Total	6	3	9
Attributable to:			
Non-controlling interests			-
Owners of the parent			9

3. DISCUSSION AND ANALYSIS OF CASH FLOW

Cash flow from operating activities of \$1,467 million was \$226 million (or 18%) higher than the prior period as a result of higher average realised gold and copper prices and copper sales volumes. This was offset by cash flow related to investing activities which increased by \$301 million compared to the prior period.

The increase in investing activity cash flows largely relates to other investing activities, including payments totalling \$63 million to acquire a 14.5% interest in SolGold Plc and a cash outflow of \$27 million associated with the disposal of Hidden Valley. The period-on-period comparison is also impacted by proceeds totalling \$88 million received from the sale of Newcrest's remaining interest in Evolution Mining Limited in the prior period. The increase in current period cash flows from investing activities also included a \$98 million increase in capital expenditure at Lihir across production stripping, sustaining capital and major project capital.

Free cash flow for the current period of \$739 million was \$75 million lower than the prior period. All operations were free cash flow positive in the current period.

US\$m	For the 12 months ended 30 June			
	2017	2016	Change	Change %
Cash flow from operating activities	1,467	1,241	226	18%
Cash flow related to investing activities	(728)	(427)	(301)	(70%)
Free cash flow	739	814	(75)	(9%)
Cash flow related to financing activities	(300)	(959)	659	69%
Net movement in cash	439	(145)	584	403%
Cash at the beginning of the period	53	198	(145)	(73%)
Cash at the end of the period	492	53	439	828%

3.1 Cash flow from operating activities

US\$m	For the 12 months ended 30 June			
	2017	2016	Change	Change %
Receipts from customers	3,509	3,332	177	5%
Payments to suppliers and employees	(1,888)	(1,927)	39	2%
Net interest paid	(120)	(137)	17	12%
Income taxes paid	(34)	(28)	(6)	(21%)
Dividends received	-	1	(1)	(100%)
Net cash inflow from operating activities	1,467	1,241	226	18%

Cash inflow from operating activities of \$1,467 million was \$226 million higher than the prior period as a result of higher average realised gold and copper prices and higher copper sales volumes, favourable working capital movements and lower interest paid reflecting lower debt levels. This was partially offset by lower gold sales volumes and an increase in income taxes paid.

Working capital was lower at the end of the current period reflecting lower receivables related to the temporary suspension of mining activity at Cadia East as well as efforts to actively manage working capital to partially offset the impact of the production disruptions. This favourable working capital position is expected to partially reverse in the first half of FY18, consistent with the pattern of prior years.

3.2 Cash flow from investing activities

US\$m	For the 12 months ended 30 June			
	2017	2016	Change	Change %
Production stripping				
Telfer	27	15	12	80%
Lihir	49	23	26	113%
Bonikro	14	16	(2)	(13%)
Total production stripping	90	54	36	67%
Sustaining capital expenditure				
Cadia	56	49	7	14%
Telfer	51	57	(6)	(11%)
Lihir	114	69	45	65%
Gosowong	33	48	(15)	(31%)
Bonikro	11	15	(4)	(27%)
Hidden Valley	1	5	(4)	(80%)
Corporate	14	8	6	75%
Total sustaining capital	280	251	29	12%
Major projects (non-sustaining)				
Cadia	112	115	(3)	(3%)
Telfer	23	4	19	475%
Lihir	54	27	27	100%
Bonikro	-	1	(1)	(100%)
Wafi-Golpu	20	19	1	5%
Corporate	3	-	3	
Total major projects (non-sustaining) capital	212	166	46	28%
Total capital expenditure	582	471	111	24%
Exploration and evaluation expenditure	58	44	14	32%
Interest capitalised to development projects	-	1	(1)	(100%)
Proceeds from sale of property, plant and equipment	(2)	(1)	(1)	(100%)
Proceeds from sale of investment in Evolution	-	(88)	88	100%
Cash outflow on sale of Hidden Valley	27	-	27	
Payments for investment in SolGold Plc	63	-	63	
Net cash outflow from investing activities	728	427	301	70%

Cash outflow from investing activities of \$728 million was \$301 million higher than the prior period, with increased capital expenditure primarily at Lihir and Telfer, a cash outflow of \$27 million associated with the disposal of Hidden Valley and payments totalling \$63 million to acquire a 14.5% interest in SolGold Plc. The prior period included proceeds totalling \$88 million received from the sale of Newcrest's remaining interest in Evolution Mining Limited.

Capital expenditure of \$582 million in the current period comprised:

- Production stripping of \$90 million, including waste stripping activity of Phase 9 and Phase 14 at Lihir, Main Dome Stage 6 and West Dome Stage 2 at Telfer and Bonikro (Hiré pit).
- Sustaining capital expenditure of \$280 million, with higher expenditure at Lihir due to the focus on delivering asset reliability and debottlenecking the processing plant.
- Major project, or non-sustaining, capital expenditure of \$212 million.

OPERATING AND FINANCIAL REVIEW

The major project capital expenditure primarily related to:

- Cadia East development (\$45 million): During the current period, activity was focused on the final development of Panel Cave 2 with the completion of the undercut level and cave propagation. This also included building the related infrastructure such as the fuel bay and roadways. The expanded concentrate dewatering facility at Blayney was also completed and commissioned during the current period. Total expenditure was \$3 million lower than the prior period.
- Cadia Concentrator 1 to Concentrator 2 crushed feed project (\$36 million): During the current period, work was completed on the conveying and crushing systems between Concentrator 1 and Concentrator 2 to remove the need to truck Cadia East material to Concentrator 2 and improve processing rates through finer product to the Concentrator 2 SAG mill.
- Cadia Concentrator 1 cleaner upgrade (\$23 million): During the current period construction of the Concentrator 1 cleaner upgrade work was completed with full load commissioning expected to be completed early in the first quarter of FY18. This upgrade work expands metal recovery capacity to align with changes in the Cadia East ore.
- Lihir major projects (\$53 million): Activity focused on increasing processing plant throughput, upgrading the mine site to drive a substantial increase in total material movement and ongoing study, drilling and test work to optimise the seepage barrier design to facilitate the mining of the Kapit ore-body and the float tails leach project.
- Telfer (\$23 million): Development of the Western Flanks underground mine.
- Wafi-Golpu (\$20 million): an update on the Stage One Feasibility Study and Stage Two Prefeasibility Study was released to the market in February 2016. Activities identified under the feasibility study update forward work plan continued during the current period.

There was an increase in greenfield and brownfield exploration spend in the current period.

US\$m	For the 12 months ended 30 June			
	2017	2016	Change	Change %
Expenditure by nature				
Greenfield	31	26	5	19%
Brownfield	14	8	6	75%
Resource definition	13	10	3	30%
	58	44	14	32%
Expenditure by region				
Australia	16	17	(1)	(6%)
Indonesia	13	8	5	63%
Papua New Guinea	2	6	(4)	(67%)
West Africa	19	7	12	171%
Fiji	-	2	(2)	(100%)
North America	2	1	1	100%
Latin America	4	1	3	300%
New Zealand	2	2	-	-
	58	44	14	32%

The growth pipeline increased with a number of new exploration projects in Australia, Papua New Guinea, West Africa and Argentina commencing during the year.

Exploration on these projects commenced with target generation undertaken on all new projects including drilling at Pedernales (Argentina) and Topacio (Nicaragua). Surface programs commenced at Tatau/Big Tabar Islands (Papua New Guinea), Mendooran (New South Wales), and various projects in Cote d'Ivoire. This work has been successful in identifying new targets and new zones of mineralisation. An advanced target has been defined at the Antenna Prospect within the Séguéla Project (Cote d'Ivoire) with four drill rigs operating during the last quarter of the current period to determine the extent of the discovered mineralisation.

Exploration continued at all brownfield sites with drilling ongoing at Gosowong, Cadia and Telfer. At Gosowong exploration focused on incremental resource growth around the existing operations and new discoveries within the region. At Telfer, the exploration was focused on resource growth around the underground operation at Main Dome. Resource definition and target generation exploration was also undertaken at Cadia.

3.3 Cash flow from financing activities

US\$m	For the 12 months ended 30 June			
	2017	2016	Change	Change %
Net proceeds / (repayments) of borrowings				
Subsidiary bank loan	(20)	20	(40)	(200%)
Bilateral bank debt	(25)	(950)	925	97%
Private placement notes	(125)	-	(125)	
Net repayment of borrowings	(170)	(930)	760	82%
Payment for treasury shares	(19)	(6)	(13)	(217%)
Dividends paid to members of the parent entity	(105)	-	(105)	
Contingent consideration received	-	9	(9)	(100%)
Dividend paid to non-controlling interests	(6)	(32)	26	81%
Net cash outflow from financing activities	(300)	(959)	659	69%

Cash outflow from financing activities of \$300 million reflects Newcrest’s continued focus of applying free cash flow to the repayment of debt and the recommencement of dividend payments to shareholders.

Dividends of \$6 million were paid to PT Antam (Persero) TBK (“PT Antam”) for their 25% non-controlling interest in PT Nusa Halmahera Minerals (the entity that owns Gosowong).

Payment for treasury shares of \$19 million represents shares purchased on market to satisfy obligations under employee incentive plans.

4. REVIEW OF OPERATIONS

4.1. Cadia

Measure		For the 12 months ended 30 June			
		2017	2016	Change	Change %
Operating					
Total ore mined	tonnes '000	18,853	23,327	(4,474)	(19%)
Total material mined	tonnes '000	18,853	23,327	(4,474)	(19%)
Total material milled	tonnes '000	24,027	22,021	2,006	9%
Gold head grade	grams/tonne	0.97	1.14	(0.17)	(15%)
Gold recovery	%	82.4	82.9	(0.5)	(1%)
Gold produced	ounces	619,606	668,773	(49,167)	(7%)
Copper produced	tonnes	63,805	64,130	(325)	(1%)
Silver produced	ounces	382,763	399,117	(16,354)	(4%)
Gold sales	ounces	625,942	668,234	(42,292)	(6%)
Copper sales	tonnes	63,845	64,178	(333)	(1%)
Silver sales	ounces	380,692	401,038	(20,346)	(5%)
Financial					
Revenue	US\$m	1,137	1,099	38	3%
Cost of Sales (including depreciation)	US\$m	647	675	(28)	(4%)
Depreciation	US\$m	136	227	(91)	(40%)
EBITDA	US\$m	626	651	(25)	(4%)
EBIT	US\$m	490	424	66	16%
Operating cash flow	US\$m	671	646	25	4%
Sustaining capital	US\$m	56	49	7	14%
Non-sustaining capital	US\$m	112	115	(3)	(3%)
Total capital expenditure	US\$m	168	164	4	2%
Free cash flow	US\$m	502	482	20	4%
All-In Sustaining Cost	US\$m	151	183	(32)	(17%)
All-In Sustaining Cost	US\$/oz	241	274	(33)	(12%)

Cadia's operating and financial performance for the current period was impacted by the seismic event on 14 April 2017 which resulted in the temporary suspension of mining activity at Cadia East. The resulting lower gold production was due to the ore sources in the June quarter of the current period primarily being low grade Cadia Hill stockpile material and low grade ore from the recommissioned Ridgeway sub-level cave from May 2017. Notwithstanding the seismic event, mill throughput was higher than the prior period, reflecting the improved operational performance prior to the event with increased ore production from Panel Cave 2. The prior period ore production volumes included production from Ridgeway Deeps which ceased in the prior period when it was put into care and maintenance from March 2016.

The higher EBIT in the current period was primarily due to lower depreciation charges and higher average realised gold and copper prices (partially offsetting the lower gold and copper sales volumes). Lower depreciation charges were due to the cessation of mining from Ridgeway Deeps in the prior period and lower production from Cadia East in the current period.

All-In Sustaining Cost per ounce was higher in the current period, reflecting the higher sustaining capital and lower gold sales due to the production disruption following the seismic event notwithstanding the earnings normalisation applied to the cost of sales in the current period reduced Cadia's All-In Sustaining Costs by \$109 per ounce. Prior to the seismic event, Adjusted Operating Costs per ounce in the current period were lower than the prior period.

Free cash flow for the current period increased marginally as a result of higher realised gold and copper prices and favourable working capital movements due to a reduction in concentrate debtors (an outcome of the temporary suspension of production from Cadia East), partially offsetting lower sales volumes and the impact of a stronger Australian dollar against the US dollar.

4.2. Telfer

Measure		For the 12 months ended 30 June			
		2017	2016	Change	Change %
Operating					
Total ore mined	tonnes '000	15,686	17,547	(1,861)	(11%)
Total material mined	tonnes '000	34,144	30,204	3,940	13%
Total material milled	tonnes '000	21,187	21,502	(315)	(1%)
Gold head grade	grams/tonne	0.70	0.80	(0.10)	(13%)
Gold recovery	%	79.4	82.9	(3.5)	(4%)
Gold produced	ounces	386,242	462,461	(76,219)	(16%)
Copper produced	tonnes	20,136	18,940	1,196	6%
Silver produced	ounces	229,453	200,261	29,192	15%
Gold sales	ounces	398,281	463,723	(65,442)	(14%)
Copper sales	tonnes	20,916	18,831	2,085	11%
Silver sales	ounces	229,453	200,261	29,192	15%
Financial					
Revenue	US\$m	631	634	(3)	(0%)
Cost of Sales (including depreciation)	US\$m	625	592	33	6%
Depreciation	US\$m	138	131	7	5%
EBITDA	US\$m	144	173	(29)	(17%)
EBIT	US\$m	6	42	(36)	(86%)
Operating cash flow	US\$m	178	207	(29)	(14%)
Production stripping	US\$m	27	15	12	80%
Sustaining capital	US\$m	51	57	(6)	(11%)
Non-sustaining capital	US\$m	23	4	19	475%
Total capital expenditure	US\$m	101	76	25	33%
Free cash flow	US\$m	70	126	(56)	(44%)
All-In Sustaining Cost	US\$m	469	448	21	5%
All-In Sustaining Cost	US\$/oz	1,178	967	211	22%

Lower gold production for the current period was driven by the lower feed grade to the mill, lower recoveries and marginally lower throughput. The lower feed grade was due to the unusually high rainfall in January and February impeding access to the West Dome pits, with the primary mill feed being lower grade stockpile material during that period. Although the stockpile gold grade and recovery rates were lower, the stockpile copper grade was higher than ex-pit ore which resulted in higher copper production.

Revenue in the current period was marginally lower with the decline in gold sales almost fully offset by the increased average realised gold price (inclusive of hedge settlements), increased average realised copper price and increased copper sales volumes.

The lower EBIT in the current period was driven by the increase in cost of sales which was primarily due to an increase in ore processing and underground mining costs, partially offset by a decrease in open pit mining costs.

These factors contributing to lower gold production, lower gold sales volumes and higher costs were also the drivers behind the increase in All-In Sustaining Cost per ounce.

Free cash flow was lower primarily due to the higher cost of sales and an increase in non-sustaining capital expenditure associated with the development of the Western Flanks mine.

4.3. Lihir

Measure		For the 12 months ended 30 June			
		2017	2016	Change	Change %
Operating					
Total ore mined	tonnes '000	13,389	11,311	2,078	18%
Total material mined	tonnes '000	30,069	20,213	9,856	49%
Total material milled	tonnes '000	13,001	12,093	908	8%
Gold head grade	grams/tonne	2.84	3.06	(0.22)	(7%)
Gold recovery	%	79.1	75.6	3.5	5%
Gold produced	ounces	940,060	900,034	40,026	4%
Silver produced	ounces	42,257	24,321	17,936	74%
Gold sales	ounces	940,789	884,226	56,563	6%
Silver sales	ounces	42,257	24,321	17,936	74%
Financial					
Revenue	US\$m	1,181	1,035	146	14%
Cost of Sales (including depreciation)	US\$m	898	836	62	7%
Depreciation	US\$m	259	198	61	31%
EBITDA	US\$m	542	397	145	37%
EBIT	US\$m	283	199	84	42%
Operating cash flow	US\$m	571	425	146	34%
Production stripping	US\$m	49	23	26	113%
Sustaining capital	US\$m	114	69	45	65%
Non-sustaining capital	US\$m	54	27	27	100%
Total capital expenditure	US\$m	217	119	98	82%
Free cash flow	US\$m	353	307	46	15%
All-In Sustaining Cost	US\$m	807	734	73	10%
All-In Sustaining Cost	US\$/oz	858	830	28	3%

Lihir's gold production in the current period was a record for the operation and higher than the prior period primarily due to an 8% increase in mill throughput and a 5% increase in gold recovery, partially offsetting a 7% decrease in gold head grade.

The sustainable mill throughput rate target of 13mtpa by end of December 2016 was achieved in the current period, demonstrating the availability, utilisation and rate improvements achieved through Edge initiatives. The 8% higher mill throughput was achieved with no increase in cost of sales (exclusive of depreciation), resulting in lower cash operating costs per tonne relative to the prior period.

Revenue for the current period was 14% higher than the prior period, reflecting increased production and an 8% increase in the average realised gold price. The higher EBIT was a reflection of the higher sales revenue, more than offsetting the increase in depreciation. Cost of sales (excluding depreciation) were broadly unchanged in net terms.

The higher cost of sales in the current period was mainly due to higher depreciation expense largely as a result of the higher gold sales, coupled with a stronger Australian Dollar against the US Dollar. These impacts were partially offset by cost and efficiency improvements identified and implemented through the Edge program, together with lower energy prices and the weakening of the Papua New Guinea Kina against the US Dollar.

A higher All-In Sustaining Cost per ounce reflects the lower gold head grade and an increase in sustaining capital expenditure and production stripping (waste stripping in Phase 14 commenced towards the end of the prior period).

The 15% increase in free cash flow was primarily due to the higher average realised gold price and higher gold sales volumes, partially offset by the higher capital expenditure.

4.4. Gosowong⁶

Measure		For the 12 months ended 30 June			
		2017	2016	Change	Change %
Operating					
Total ore mined	tonnes '000	564	416	148	36%
Total material mined	tonnes '000	664	484	180	37%
Total material milled	tonnes '000	565	479	86	18%
Gold head grade	grams/tonne	17.03	13.19	3.84	29%
Gold recovery	%	96.5	96.5	-	-
Gold produced	ounces	295,876	197,463	98,413	50%
Silver produced	ounces	361,266	290,530	70,736	24%
Gold sales	ounces	275,008	222,637	52,371	24%
Silver sales	ounces	283,787	309,563	(25,776)	(8%)
Financial					
Revenue	US\$m	350	257	93	36%
Cost of Sales (including depreciation)	US\$m	271	247	24	10%
Depreciation	US\$m	98	77	21	27%
EBITDA	US\$m	177	87	90	103%
EBIT	US\$m	79	10	69	690%
Operating cash flow	US\$m	186	102	84	82%
Sustaining capital	US\$m	33	48	(15)	(31%)
Free cash flow	US\$m	142	48	94	196%
All-In Sustaining Cost	US\$m	208	208	-	-
All-In Sustaining Cost	US\$/oz	757	935	(178)	(19%)

Higher gold production in the current period was primarily due to higher gold head grade and higher ore mined. Production in the prior period was adversely impacted by the geotechnical event that occurred in February 2016 and subsequent suspension of mining activity at Kencana and Toguraci.

Following the reduced production profile in the prior period the operation has implemented a number of initiatives to improve efficiency, including an organisational restructure which has resulted in changes and reductions to the workforce. The operation also benefited from Edge initiatives which have increased mining productivities, particularly ore mined at Kencana.

The higher EBIT was primarily driven by higher gold sales volumes and a higher average realised gold price, partially offset by increased depreciation expense associated with the higher sales volumes.

Lower All-In Sustaining Cost per ounce was mainly driven by higher gold grade and lower sustaining capital expenditure.

Free cash flow of \$142 million was higher driven by higher gold sales volumes, the higher average realised gold price and lower sustaining capital expenditure.

4.5. Bonikro⁶

Measure		For the 12 months ended 30 June			
		2017	2016	Change	Change %
Operating					
Total ore mined	tonnes '000	2,035	1,519	516	34%
Total material mined	tonnes '000	19,383	12,923	6,460	50%
Total material milled	tonnes '000	2,732	2,510	222	9%
Gold head grade	grams/tonne	1.62	1.82	(0.20)	(11%)
Gold recovery	%	90.7	93.9	(3.2)	(3%)
Gold produced	ounces	128,327	137,696	(9,369)	(7%)
Silver produced	ounces	14,602	18,298	(3,696)	(20%)
Gold sales	ounces	128,851	139,489	(10,638)	(8%)
Silver sales	ounces	14,560	17,631	(3,071)	(17%)
Financial					
Revenue	US\$m	162	162	-	-
Cost of Sales (including depreciation)	US\$m	153	134	19	14%
Depreciation	US\$m	39	35	4	11%
EBITDA	US\$m	48	63	(15)	(24%)
EBIT	US\$m	9	28	(19)	(68%)
Operating cash flow	US\$m	65	76	(11)	(14%)
Production stripping	US\$m	14	16	(2)	(13%)
Sustaining capital	US\$m	11	15	(4)	(27%)
Non-sustaining capital	US\$m	-	1	(1)	(100%)
Total capital expenditure	US\$m	25	32	(7)	(22%)
Free cash flow	US\$m	38	44	(6)	(14%)
All-In Sustaining Cost	US\$m	142	131	11	8%
All-In Sustaining Cost	US\$/oz	1,105	941	164	17%

Lower gold production for the current period was driven by 11% lower gold grade and 3% lower gold recovery, partially offset by 9% higher mill throughput reflecting increased availability following implementation of Edge improvements that reduced unplanned outages. Gold recovery for the current period was lower than the prior period due to the transition from oxide ore to un-oxidised ore.

The lower EBIT was primarily due to lower sales volumes offsetting the benefit of the higher average realised gold price and higher cost of sales reflecting higher mining and processing volumes and higher depreciation charges.

The All-In Sustaining Cost per ounce was higher due to the lower gold grade and increased operating costs driven by the increase in the waste to ore ratio of the Hiré pits.

Free cash flow for the current period decreased due to lower sales volumes and higher operating costs.

The Strategic Review to assess options for maximising the value of Bonikro to Newcrest shareholders continues. The review is considering a range of options, including investment in a further cut-back in the Bonikro pit and divestment of the operation. The strategic review is expected to be finalised within the September 2017 quarter.

4.6. Hidden Valley⁶

Measure		For the 12 months ended 30 June			
		2017	2016	Change	Change %
Operating					
Total ore mined	tonnes '000	67	1,531	(1,464)	(96%)
Total material mined	tonnes '000	527	4,477	(3,950)	(88%)
Total material milled	tonnes '000	324	1,728	(1,404)	(81%)
Gold head grade	grams/tonne	1.28	1.51	(0.23)	(15%)
Gold recovery	%	83.9	86.5	(2.6)	(3%)
Gold produced	ounces	10,520	72,566	(62,046)	(86%)
Silver produced	ounces	138,471	1,331,310	(1,192,839)	(90%)
Gold sales	ounces	9,701	75,221	(65,520)	(87%)
Silver sales	ounces	151,068	1,329,959	(1,178,891)	(89%)
Financial					
Revenue	US\$m	16	108	(92)	(85%)
Cost of Sales (including depreciation)	US\$m	15	117	(102)	(87%)
Depreciation	US\$m	1	12	(11)	(92%)
EBITDA	US\$m	2	3	(1)	(33%)
EBIT	US\$m	1	(9)	10	111%
Operating cash flow	US\$m	5	15	(10)	(67%)
Sustaining capital	US\$m	1	5	(4)	(80%)
Free cash flow	US\$m	4	10	(6)	(60%)
All-In Sustaining Cost	US\$m	12	94	(82)	(87%)
All-In Sustaining Cost	US\$/oz	1,252	1,255	(3)	(0%)

As announced to the market on 18 September 2016, Newcrest sold its 50% interest in the Hidden Valley mine to its joint venture partner, Harmony Gold Mining Company Limited. The current period represents data to 31 August 2016.

5. DISCUSSION AND ANALYSIS OF THE BALANCE SHEET

5.1. Net assets and total equity

Newcrest had net assets and total equity of \$7,534 million as at 30 June 2017.

US\$m	As at 30 June		Change	Change %
	2017	2016		
Assets				
Cash and cash equivalents	492	53	439	828%
Trade and other receivables	88	134	(46)	(34%)
Inventories	1,681	1,715	(34)	(2%)
Other financial assets	41	-	41	
Current tax asset	26	2	24	1,200%
Property, plant and equipment	8,852	8,891	(39)	(0%)
Other intangible assets	35	44	(9)	(20%)
Deferred tax assets	80	105	(25)	(24%)
Investment in associate	64	-	64	
Other assets	224	247	(23)	(9%)
Total assets	11,583	11,191	392	4%
Liabilities				
Trade and other payables	(455)	(369)	(86)	(23%)
Current tax liability	(58)	(13)	(45)	(346%)
Borrowings	(1,991)	(2,160)	169	8%
Other financial liabilities	(4)	(38)	34	89%
Provisions	(454)	(543)	89	16%
Deferred tax liabilities	(1,087)	(948)	(139)	(15%)
Total liabilities	(4,049)	(4,071)	22	1%
Net assets	7,534	7,120	414	6%
Equity				
Equity attributable to owners of the parent	7,450	7,041	409	6%
Non-controlling interests	84	79	5	6%
Total equity	7,534	7,120	414	6%

5.2. Net debt, gearing and leverage

Net debt (comprising total borrowings less cash and cash equivalents) of \$1,499 million at 30 June 2017 was \$608 million lower than the prior period. All of Newcrest's debt is US dollar denominated.

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

	US\$m
Net debt at 30 June 2016	2,107
Net repayment of bilateral bank debt	(25)
Net repayment of private placement notes	(125)
Net repayment of subsidiary bank loan	(20)
Net increase in cash balances	(439)
Other items	1
Net debt at 30 June 2017	1,499
Movement \$	(608)
Movement %	(29%)

OPERATING AND FINANCIAL REVIEW

Having regard to the Company's strong liquidity position in June 2017 Newcrest effected the early repayment of \$25 million of private placement notes originally due to mature in May 2020, in addition to repaying the \$100 million of private placement notes that matured in May 2017.

The gearing ratio (net debt as a proportion of net debt and total equity) as at 30 June 2017 was 16.6%. This is a reduction from 22.8% as at 30 June 2016, reflecting the application of free cash flow generated during the current period to the repayment of debt and the build-up of cash and cash equivalents.

US\$m	As at 30 June		Change	Change %
	2017	2016		
Total borrowings	1,991	2,160	(169)	(8%)
Less cash and cash equivalents	(492)	(53)	(439)	(828%)
Net debt	1,499	2,107	(608)	(29%)
Total equity	7,534	7,120	414	6%
Net debt and total equity	9,033	9,227	(194)	(2%)
Gearing (net debt / net debt and total equity)	16.6%	22.8%	(6.2)	(27%)

5.2.1. Net debt

US\$m	As at 30 June		Change	Change %
	2017	2016		
Bilateral bank debt – unsecured	-	25	(25)	(100%)
Corporate bonds – unsecured	2,000	2,000	-	-
Private placement notes – unsecured	-	125	(125)	(100%)
Subsidiary bank loan – unsecured	-	20	(20)	(100%)
Capitalised transaction costs on facilities	(9)	(10)	1	10%
Less cash and cash equivalents	(492)	(53)	(439)	(828%)
Net debt	1,499	2,107	(608)	(29%)

US\$m	As at 30 June 2017		
	Facility utilised	Facility unutilised	Facility limit
Bilateral bank debt facilities	-	2,000	2,000
Corporate bonds	2,000	-	2,000
Subsidiary bank loan	-	40	40
	2,000	2,040	4,040

US\$m	As at 30 June 2016		
	Facility Utilised	Facility unutilised	Facility limit
Bilateral bank debt facilities	25	2,375	2,400
Corporate bonds	2,000	-	2,000
Private placement notes	125	-	125
Subsidiary bank loan	20	30	50
	2,170	2,405	4,575

6. NON-IFRS FINANCIAL INFORMATION

Newcrest results are reported under Australian Accounting Standards ('AAS'). Compliance with AAS also results in compliance with International Financial Reporting Standards ('IFRS'). This report also includes certain non-IFRS financial information, including EBIT (earnings before interest, tax and significant items), EBITDA (earnings before interest, tax, depreciation and amortisation and significant items), Underlying profit (profit after tax before significant items attributable to owners of the Company), All-In Sustaining Cost and All-In Cost (both determined in accordance with the World Gold Council Guidance Note on Non-GAAP Metrics released June 2013), free cash flow (cash flow from operating activities less cash flow related to investing activities), Sustaining capital and Major projects (non-sustaining) capital, ROCE and interest coverage ratio.

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 the Group's operations. 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. The non-IFRS information has not been subject to audit or review by Newcrest's external auditor.

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 3.2;
- 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 are 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.

For the 12 months ended 30 June 2017

Profit after tax attributable to Newcrest shareholders US\$m	Before Tax and Non- controlling interest	Tax	Non- controlling interest	After tax and Non- controlling interest
Statutory profit	483	(164)	(11)	308
Loss on business divestment	10	-	-	10
Net investment hedge loss	79	(17)	-	62
Write-down of non-current assets	15	-	(1)	14
Total significant items	104	(17)	(1)	86
Underlying profit	587	(181)	(12)	394

For the 12 months ended 30 June 2016

Profit after tax attributable to Newcrest shareholders US\$m	Before Tax and Non-controlling interest	Tax	Non-controlling interest	After tax and Non-controlling interest
Statutory profit	453	(118)	(3)	332
Gain on disposal of investment	(18)	-	-	(18)
Net costs of class action settlement	12	(3)	-	9
Total significant items	(6)	(3)	-	(9)
Underlying profit	447	(121)	(3)	323

6.2. Reconciliation of Underlying profit to EBITDA

For the 12 months ended 30 June

US\$m	2017	2016
Underlying profit	394	323
Non-controlling interests	12	3
Income tax expense	181	121
Net finance costs	132	147
EBIT	719	594
Depreciation and Amortisation	689	698
EBITDA	1,408	1,292

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

“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.

For the 12 months ended 30 June

	Reference	2017		2016	
		US\$m	US\$/oz	US\$m	US\$/oz
Gold sales (koz)⁹		2,377		2,452	
Cost of sales	6.3.1	2,541	1,069	2,572	1,049
Depreciation and amortisation	6.3.2	(671)	(282)	(680)	(277)
By-product revenue	6.3.3	(476)	(200)	(438)	(179)
Corporate costs	6.3.4	66	28	61	24
Sustaining exploration		8	3	13	5
Production stripping and underground mine development	6.3.5	101	42	60	25
Sustaining capital expenditure	6.3.6	280	118	251	102
Rehabilitation accretion and amortisation		21	9	28	13
All-In Sustaining Costs		1,870	787	1,867	762
Non-sustaining capital expenditure	6.3.6	212	89	166	68
Non-sustaining exploration		50	21	31	12
All-In Cost		2,132	897	2,064	842

⁹ For the 12 months ended 30 June 2017 production and sales volumes include 1,345 gold ounces and 157 tonnes of copper related to the development of the Cadia East project. For the 12 months ended 30 June 2016, the comparable volumes were 1,800 gold ounces and 206 tonnes of copper. Expenditure associated with this production and revenue from the sales are capitalised and not included in the operating profit calculations.

6.3.1 Cost of sales

US\$m	For the 12 months ended 30 June	
	2017	2016
Cost of sales as per the consolidated income statement	2,609	2,601
Less: Earnings normalisation adjustment ¹⁰	(68)	(29)
Total Cost of Sales	2,541	2,572

^{10.} The current period includes an earnings normalisation adjustment relating to the seismic event at Cadia which caused production interruptions in the final quarter of the financial year (\$28/oz). The prior period includes cost normalisation adjustments relating to the impact of Gosowong's geotechnical event which caused production interruptions in the second half of the previous financial year (\$9/oz) and redundancy costs at Telfer associated with the transition of open pit mining to a contractor (\$3/oz).

6.3.2 Depreciation and amortisation

US\$m	For the 12 months ended 30 June	
	2017	2016
Depreciation and amortisation (per 2.1 of the Operating and Financial Review) ¹¹	671	680

^{11.} This relates to the depreciation and amortisation element of cost of sales. Corporate asset depreciation is shown separately below in 6.3.4 Corporate costs.

6.3.3 By-product revenue

US\$m	For the 12 months ended 30 June	
	2017	2016
Copper sales revenue (per 2.1 of the Operating and Financial Review)	456	403
Silver sales revenue (per 2.1 of the Operating and Financial Review)	20	35
Total By-product revenue	476	438

6.3.4 Corporate costs

US\$m	For the 12 months ended 30 June	
	2017	2016
Corporate administration expenses (per 2.1 of the Operating and Financial Review)	84	79
Less: Corporate depreciation	(18)	(18)
Total Corporate costs	66	61

6.3.5 Production stripping and underground mine development

US\$m	For the 12 months ended 30 June	
	2017	2016
Underground mine development	11	6
Production stripping (per 3.2 of the Operating and Financial Review)	90	54
Total production stripping and underground mine development	101	60

6.3.6 Capital expenditure

US\$m	For the 12 months ended 30 June	
	2017	2016
Sustaining capital expenditure (per 3.2 of the Operating and Financial Review)	280	251
Non-sustaining capital expenditure (per 3.2 of the Operating and Financial Review)	212	166

6.4. Reconciliation of Return on Capital Employed (ROCE)

ROCE is "Return on Capital Employed" and is reported by Newcrest to provide greater understanding of the underlying business performance of its operations and the Group. ROCE is calculated as EBIT before significant items expressed as a percentage of average total capital employed (net debt and total equity).

US\$m	For the 12 months ended 30 June	
	2017	2016
EBIT	719	594
Total capital (net debt and total equity) – as at 30 June 2015	-	9,846
Total capital (net debt and total equity) – as at 30 June 2016	9,227	9,227
Total capital (net debt and total equity) – as at 30 June 2017	9,033	-
Average total capital employed	9,130	9,537
Return on Capital Employed	7.9%	6.2%

6.5. Reconciliation of Interest Coverage Ratio

Interest Coverage Ratio is reported by Newcrest to provide greater understanding of the underlying business performance of its operations and the Group. Interest Coverage Ratio is calculated as EBITDA adjusted for facility fees and discount unwind on provisions, divided by net interest payable (i.e. interest expense adjusted for facility fees, discount unwind on provisions and interest capitalised).

US\$m	For the 12 months ended 30 June	
	2017	2016
EBITDA	1,408	1,292
Less facility fees and other costs	(23)	(26)
Less discount unwind on provisions	(8)	(11)
Adjusted EBITDA	1,377	1,255
Net interest expense	132	147
Less facility fees and other costs	(23)	(26)
Less discount unwind on provisions	(8)	(11)
Add interest capitalised	-	1
Net interest payable	101	111
Interest Coverage Ratio	13.6	11.3

7. RISKS

Newcrest's business, operating and financial results and performance are subject to various risks and uncertainties, many of which are beyond Newcrest's reasonable control. Set out below are matters which Newcrest has assessed as having the potential to have a material impact on the business, operating and/or financial results and performance of the Group. These matters may arise individually, simultaneously or in combination.

The matters identified below are not necessarily listed in order of importance and are not intended as an exhaustive list of all of the risks and uncertainties associated with Newcrest's business. Additional risks and uncertainties not presently known to Management and the Board, or that Management and the Board currently believe to be immaterial or manageable, may adversely affect Newcrest's business.

Market price of gold and copper

Fluctuations in metal prices can occur due to numerous factors beyond Newcrest's control, including macroeconomic and geopolitical factors (such as financial and banking stability, global and regional political events, changes in inflationary expectations, interest rates, and global economic growth expectations), speculative positions taken by investors or traders, actual or expected gold purchases and/or sales by central banks, changes in supply or demand for gold and copper, gold hedging and de-hedging by gold producers, and drivers that impact operating costs in major gold and copper producing regions.

Examples of the potential impact of changes in the metal prices on Newcrest's total revenue from operations in the 2018 financial year include (but are not limited to):

- a US\$10 per ounce change in the average realised gold price is estimated to have an impact of approximately US\$20 million.
- a US\$0.05 per pound change in the average realised copper price is estimated to have an impact of approximately US\$10 million.

Material changes in metal prices may change the economic viability of mining operations, particularly higher cost mining operations, which may result in decisions to alter production plans or the suspension or closure of mining operations.

Lower metal prices may also reduce the market value of Newcrest's gold or copper inventory and furthermore may result in Newcrest curtailing or suspending its exploration activities, with the result that depleted Ore Reserves may not be replaced and/or unmined Ore Reserves or Mineral Resources may not be mined.

In addition, historical and current metal price variability may impact upon Newcrest's assumptions regarding future metal prices which, in turn, may affect Newcrest's current and future operating activities and financial results. Examples of the potential impacts of changes to assumptions regarding future metal prices, alone or in combination with other factors such as foreign exchange rates, include (but are not limited to):

- changes to proposed project developments or the acceleration, deferral or abandonment of current or future project developments;
- changes to Newcrest's estimates of Mineral Resources and Ore Reserves; and
- changes in the estimation of the recoverable amount of Newcrest's assets when assessing potential accounting impairment of those assets.

Foreign exchange rates

The majority of Newcrest's revenue is realised in, or linked to, the US dollar on the basis that metals such as gold and copper are traded globally based on prices quoted in US dollars. Given the geographic spread of Newcrest's operations, Newcrest's operating costs are exposed to multiple currencies, including a portion of costs at each operation being denominated in the local currency. The relative movement of these currencies (particularly the Australian dollar) against the US dollar will impact upon Newcrest's costs and financial results which are reported in US dollars. An example of the potential impact of foreign exchange rate changes on Newcrest's EBIT in the 2018 financial year is (but not limited to):

- a A\$0.01 change in the AUD:USD exchange rate is estimated to have an impact on EBIT of approximately US\$20 million.

As with assumptions regarding future metal prices, assumptions regarding future foreign exchange rates, alone or in combination with other factors, may impact upon continuing operations, project development decisions, exploration investment decisions, Mineral Resource and Ore Reserves estimates and the assessment of the recoverable amount of Newcrest's assets.

Increased costs and commodity inputs

Operating costs are subject to variations from one year to the next due to a number of factors, some of which are specific to a particular mine site, including changing ore grade, characteristics and metallurgy, changes in the ratio of ore to waste as the mine plan follows the sequence of extracting the ore body, surface and underground haulage distances, underground geotechnical conditions and decisions made in respect of the level of sustaining capital invested to maintain operations.

In addition operating costs and capital expenditure are, to a significant extent, driven by external economic conditions impacting on the cost of commodity inputs consumed in extracting and processing ore (including electricity, fuel, chemical reagents, explosives, tyres and steel), and labour costs associated with those activities.

Newcrest's inability to adjust its cost profile and meet projected operating cost targets at its existing mines and new mining projects, may impact upon operations, project development decisions, exploration investment decisions, Mineral Resource and Ore Reserves estimates, and the assessment of the recoverable amount of Newcrest's assets.

Operating risks and hazards

Newcrest's mining operations are subject to operating risks and hazards including (without limitation) unanticipated ground conditions, industrial incidents, infrastructure and equipment under-performance or failure, shortage of material supplies, transportation and logistics issues in relation to the Group's workforce and equipment, environmental incidents, health and safety related incidents, and interruptions and delays due to community issues.

Some of Newcrest's operations are in areas known to be seismically active and are subject to the risks of earthquakes and related risks of tidal surges and tsunamis, which are difficult to predict. Some of Newcrest's operations may also experience other specific operating challenges relating to ground conditions and rock temperature.

Any increased frequency of severe weather events such as floods, drought, and cyclones, which may be attributed to climate change, may negatively affect these operations by restricting access to site and causing damage to property. Newcrest has in place site-based management plans for responding to these events.

A key operational risk for Newcrest is the availability of power and water to support mining and mineral processing activities, particularly at Newcrest's remotely located assets. Even a temporary interruption of power or water supply could adversely affect an operation.

Newcrest faces particular geotechnical, geothermal and hydrological challenges, in particular due to the trend toward more complex deposits, deeper and larger pits, and the use of deep, bulk underground mining techniques. This leads to higher pit walls, more complex underground environments and increased exposure to geotechnical and hydrological impacts.

There are a number of risks and uncertainties associated with the block cave mining methods being applied by Newcrest at its Cadia operations. Risks include that a cave may not propagate as anticipated, excessive air pockets may form during the cave propagation, the caving spans needed for successful cave propagation give rise to a risk of unplanned ground movement due to changes in stresses released in the surrounding rock and excessive water ingress, disturbance and the presence of fine materials may also give rise to unplanned release of material of varying properties and/or water through drawbells.

In addition, the success of Newcrest at some of its operations, including the Lihir operation, depends, in part, upon the implementation of Newcrest's engineering solutions to particular hydrological and geothermal conditions. At Lihir, for example, significant removal of both groundwater and sea water inflow and geothermal control is required before and during mining.

A failure to safely resolve any unexpected problems relating to these conditions at a commercially reasonable cost may adversely impact upon continuing operations, project development decisions, exploration investment decisions, Mineral Resource and Ore Reserves estimates and the assessment of the recoverable amount of Newcrest's assets.

Future operating and capital cost requirements

Newcrest's business, operating and financial performance and results may be impacted by the extent to which Newcrest's revenues are able to fund its operating and capital expenditure requirements. To the extent that these are insufficient, Newcrest may need to draw on available debt facilities or seek additional funds through asset divestitures, equity raisings, debt issues, or additional debt (or some combination of these), or may need to defer operating or capital expenditure.

Consistent with market practice, Newcrest's ability to draw upon its committed facilities is subject to the satisfaction of conditions which Newcrest must satisfy at the time of drawdown. Newcrest's ability to service current debt arrangements and to raise and service any additional debt or to meet conditions applicable to current or future debt arrangements, will be a function of a number of factors, including (without limitation) macroeconomic conditions, future gold and copper prices, Newcrest's credit rating, operational cash flow and production performance. If Newcrest is unable to obtain any required additional funding on acceptable terms then its business, operating and financial performance and results may be impacted.

Exploration, project evaluation and project development

Newcrest's current and future business, operating and financial performance and results are impacted by the discovery of new mineral prospects and actual performance of developing and operating mines, which may differ significantly from estimates determined at the time the relevant project was approved for development. Newcrest's current or future development activities may not result in expansion or replacement of current production, or one or more new production sites or facilities may be less profitable than anticipated or may not be profitable at all.

Newcrest's ability to sustain or increase its current level of production in the future is in part dependent on the success of its exploration activities in replacing gold and copper reserves depleted by production, the development of new projects and the expansion of existing operations. In the last decade, the time from discovery to production has increased significantly as a result of a variety of factors, including increases in capital requirements, environmental considerations, economic conditions and the complexity and depth of ore bodies.

In the absence of exploration success, or additions to Newcrest's mineral inventory to support future operations through development activities, expansions or acquisitions, Newcrest will be unable to replace Ore Reserves and Mineral Resources depleted by operations.

Exploration activities are speculative in nature and often require substantial expenditure on exploration drilling and sampling as a basis on which to establish the presence, extent and estimated grade (metal content) of mineralised material.

Once mineralisation is discovered it may take several years to determine whether adequate Ore Reserves and/or Mineral Resources exist to support a development decision and to obtain necessary ore body knowledge to assess the technical and economic viability of mining projects. During that time the economic viability of the project may change due to fluctuations in factors that affect both revenue and costs, including metal prices, foreign exchange rates, the required return on capital and future cost of development and mining operations.

Maintaining title

Newcrest's production, development and exploration activities are subject to obtaining and maintaining the necessary titles, authorisations, permits and licences, and associated land access arrangements with the local community and various layers of Government, which authorise those activities under the relevant law (Authorisations). There can be no guarantee that Newcrest will be able to successfully obtain and maintain relevant Authorisations, or obtain and maintain relevant Authorisations on terms acceptable to Newcrest, to support its activities, or that renewal of existing Authorisations will be granted in a timely manner or on terms acceptable to Newcrest.

Authorisations held by or granted to Newcrest may also be subject to challenge by third parties which, if successful, could impact on Newcrest's exploration, development and/or mining activities.

Law and regulation

Newcrest's current and future mining operations, development projects and exploration activities are subject to various national and local laws, policies and regulations governing the prospecting, development and mining of mineral deposits, taxation and royalties, import and export duties and restrictions, foreign exchange controls, foreign investment approvals, employee and community relations, health and safety, environmental management and other matters, and the manner in which these laws are applied or interpreted. Changes in these laws, policies and/or regulations may have the potential to materially alter the value of a particular operation and/or the Group as a whole. A failure to comply with legal requirements may result in enforcement action being taken against Newcrest with potentially material consequences, including financial penalties, suspension of operations and forfeiture of assets.

In a number of jurisdictions where Newcrest has existing interests, the legal framework is increasingly complex, subject to change and becoming more onerous. Changes in laws may result in material additional expenditure, taxes or costs or interruption to Newcrest's activities in order to comply with changing requirements. There can also be disputes in relation to the application or interpretation of laws, policies or regulations in the countries where Newcrest operates which could have an adverse impact on Newcrest's operations, financial performance and/or value.

Political, economic, social and security risks

Newcrest has exploration, development and production activities that are subject to political, economic, social, security and other risks and uncertainties.

These risks and uncertainties are unpredictable, vary from country to country and include but are not limited to law and order issues (including varying government capacity to respond), political instability, expropriation and/or nationalisation, changes in government ownership levels in projects, fraud, bribery and corruption, restrictions on repatriation of earnings or capital, land ownership disputes and tenement access issues. These risks have become more prevalent in recent years, and in particular there has been an increasing social and political focus on:

- the revenue derived by governments and other stakeholders from mining activities, which has resulted in announced reviews of the fiscal regimes applicable to mining in a number of the jurisdictions in which Newcrest has interests (including Papua New Guinea and Indonesia); and
- national control of and benefit from natural resources, with proposed reforms regarding government or landowner participation in mining activities, limits on foreign ownership of mining or exploration interests and/or forced divestiture (with or without adequate compensation), and broad reform agenda in relation to mining legislation, environmental stewardship and local business opportunities and employment.

Examples of reviews announced in jurisdictions in which Newcrest has mining and/or exploration interests include (without limitation):

- In Indonesia (where Newcrest's 75% owned Gosowong operations are located), in the context of the review of the Gosowong Contract of Work, the Government may seek to reduce the size of the tenement holding, impose requirements for additional local equity participation, and make changes to the fiscal regime that applies to the project.
- In Papua New Guinea, the Government has undertaken a broad review of mining laws and its taxation regime. In addition to the risk of an increased tax cost to the Group's operations, potential reforms from these reviews may include changes to the level and manner of local equity participation in projects and the introduction of additional retrospective reporting and compliance requirements which may increase operating costs. There is also the risk of changes to foreign exchange controls and/or laws or regulations pertaining to the holding of cash offshore and remittance of profits and capital to the parent company.

There can be no certainty as to what changes, if any, will be made to relevant laws in the jurisdictions where the Group has current interests, or other jurisdictions where the Group may have interests in the future, or

the impact that relevant changes may have on Newcrest's ability to own and operate its mining and related interests and to otherwise conduct its business in those jurisdictions.

Community relations

Newcrest's relationship with the communities in which it operates is an essential part of ensuring success of its existing operations and the development of its projects. A failure to manage relationships with the communities in which Newcrest operates may lead to local dissatisfaction, which, in turn, may lead to interruptions to Newcrest's operations, development projects and exploration activities. Particular challenges in community relations include increasing expectations regarding the level of benefits that communities receive and the level of transparency regarding the payment of compensation and the provision of other benefits to affected landowners and the wider community.

Typically, where Newcrest has exploration activities, development projects or operations, it enters into agreements with local landowners. These agreements include compensation and other benefits and may be subject to periodic review. The negotiation and/or review of community agreements, including compensation and other benefits, involves complicated and sensitive issues, associated expectations and often competing interests, which Newcrest seeks to manage respectfully. The nature and subject matter of these negotiations may result in community unrest which, in some instances, results in interruptions to Newcrest's activities.

For example, the community agreements in place with customary landowners in relation to Newcrest's Lihir operation in Papua New Guinea are the subject of a regular review process. The duration of the review process is a result of the important and complex issues covered by the agreements and the competing interests of different landowner groups. During the ongoing review process, and in the context of the previous review (FY00-FY07), the Lihir operations have experienced periodic disruptions as a result of community unrest regarding the progress of the review negotiations and intra-community issues. Although community issues are generally resolved within a short period, there can be no assurance that further disputes with the customary landowners will not arise from time to time which, if prolonged, could lead to disruptions to Newcrest's operations and development projects.

In addition, there is a level of community concern relating to the perceived effect of mining activities on the environment and on the communities located near such activities. Certain non-government-organisations are vocal critics of the mining industry and its practices, including in relation to the use of hazardous substances in processing activities and the use of deep sea tailings placement. Adverse publicity generated by non-government-organisations or others relating to extractive industries generally, or Newcrest specifically, could have an adverse impact on Newcrest's reputation or financial condition and may impact on Newcrest's relationships with the communities in which it operates. No assurance can be given that incidents will not arise that generate community concerns associated with Newcrest's activities and potentially cause disruptions until resolved.

Health

There are numerous occupational health risks associated with mining and metallurgical processes. These include musculoskeletal disorders, fatigue, mental health illnesses and exposure to noise, diesel particulate matter, silica and acid mist. Unforeseen or past workplace exposures may lead to long-term health issues and potential compensation liabilities.

The global nature of Newcrest's operations also means that our employees may be affected by mosquito borne diseases such as malaria, dengue fever or zika virus. Other potential health impacts include tuberculosis, and pandemic influenza outbreaks such as swine or avian flu.

Environment and Closure

Mining operations and development activities have inherent risks and liabilities associated with potential harm to the environment and the management of waste products. Newcrest's activities are therefore subject to extensive environmental law and regulation in the various jurisdictions in which it operates. Compliance with these laws require significant expenditure and non-compliance may potentially result in fines or requests for improvement actions from the regulator or could result in reputational harm. Newcrest monitors its regulatory obligations on an ongoing basis, including its reporting obligations under the Australian National Greenhouse and Energy Reporting Scheme, in addition to pursuing energy efficiency.

Newcrest's operations may create a risk of exposure to hazardous materials. Newcrest uses hazardous material (for example, cyanide) and generates waste products that must be disposed of. Appropriate management of waste is a key consideration in Newcrest's operations. Mining operations can also impact flows and water quality in surface and ground water bodies and remedial measures may be required to prevent or minimise such impacts.

Newcrest is required to close its operations and rehabilitate the lands that it disturbs during the exploration and operating phases in accordance with applicable mining and environmental laws and regulations. A closure plan and estimate of closure and rehabilitation liabilities are prepared for each of Newcrest's operations. These estimates of closure and rehabilitation liabilities are based on current knowledge and assumptions, however actual costs at the time of closure and rehabilitation may vary materially. In addition, adverse or deteriorating external economic conditions may bring forward mine closure and associated closure and rehabilitation costs.

Resources and reserves

Mineral Resources and Ore Reserves estimates are necessarily imprecise and involve subjective judgements regarding a number of factors including (but not limited to) grade distribution and/or mineralisation, the ability to economically extract and process mineralisation, and future commodity prices, exchange rates and operating costs. Such estimates relate to matters outside Newcrest's reasonable control and involve statistical analysis which may subsequently prove to be unreliable or flawed.

Newcrest's annual Mineral Resources and Ore Reserves statement is based upon a number of factors, including (without limitation) exploration drilling and production results, geological interpretations, economic assumptions (such as future commodity prices and exchange rates) and operating and other costs. These factors may result in reductions in Newcrest's Mineral Resources and Ore Reserves estimates, which could adversely affect the life-of-mine plans and may impact upon the value attributable to Newcrest's mineral inventory and/or the assessment of realisable value of one or more of Newcrest's assets and/or depreciation expense.

Reliance on contractors

Some aspects of Newcrest's production, development and exploration activities are conducted by contract mining operators. As a result, Newcrest's business, operating and financial performance and results may be negatively impacted upon by the availability and performance of these contractors and their financial strength. The material risks associated with contract mining operators at Newcrest's sites includes the risk of the contractor or its sub-contractors being involved in a safety or environmental incident and the potential for interruption to Newcrest's operations due to a contractor becoming insolvent.

Marketing

Newcrest produces mineral concentrates which are exported by ocean vessels to smelters, located predominantly in Asia, with associated risks including (without limitation) fluctuating smelter charges, marine transportation charges and inland freight charges. Transportation of the concentrate is also subject to numerous risks including (without limitation) delays in delivery of shipments, terrorism, loss of or reduced access to export ports, weather conditions and environmental liabilities in the event of an accident or spill. Sales of concentrate may also be adversely impacted by disruption at Newcrest's operations or the operations of one or more of the receiving smelters and consequent declarations of force majeure at Newcrest's or buyer's operations. Additionally, the quality of mineral concentrates, including the presence of impurities and deleterious substances, is subject to restrictions on import which vary across jurisdictions and may impact upon the saleability or price realised for the mineral concentrate.

Human resources and industrial relations

Newcrest competes with mining and other companies to attract and retain key employees and third party contractors with appropriate technical skills and managerial experience necessary to continue to operate its business. There can be no assurance that Newcrest will be able to attract and retain skilled and experienced personnel and, should Newcrest lose any of its key personnel or fail to attract personnel, its business may be harmed and its operations and financial condition could be adversely affected.

Newcrest may be impacted by industrial relations issues in connection with its employees and the employees of Newcrest's contractors and suppliers. Any such activity could cause production delays, increased labour costs and adversely impact Newcrest's ability to meet its production forecasts.

In a number of jurisdictions where Newcrest has mining and related interests, there are also local requirements or expectations regarding the extent to which local and national persons are directly engaged in the mining and related activities which may result in disruptions to Newcrest's activities where relevant requirements and/or expectations are not met. There can be no assurance that disruptions will not occur in the future which may have an adverse effect on Newcrest's business. Similarly, there can be no assurance that Newcrest will be able to attract and retain suitably qualified and experienced local or national personnel, or that unskilled persons trained by Newcrest will be retained, in the future.

Competition for projects to replace Ore Reserves

Significant gold deposits are becoming more difficult to find, are deeper and often in remote and challenging jurisdictions. The declining rate of discovery of new gold deposits has, in recent years, increased the challenge of replacing the mining depletion of existing resources and reserves throughout the global gold sector. Newcrest faces intense competition for acquisition of attractive exploration and mining properties to replace reserves depleted by mining. As a result of this competition, exploration and acquisitions may not result in Newcrest being able to maintain or increase its Ore Reserves which could negatively impact its future business, operating and financial performance and results.

Newcrest evaluates potential acquisition and development opportunities for mineral deposits, exploration or development properties and operating mines. Newcrest's decision to acquire or develop these properties is based on a variety of factors, including historical operating results, estimates and assumptions regarding the extent and quality of mineralisation, resources and reserves, assessment of the potential for further discoveries or growth in resources and reserves, development and capital costs, cash and other operating costs, expected future commodity prices, projected economic returns and evaluations of existing or potential liabilities associated with the relevant assets and how these factors may change in future. Other than historical operating results (if applicable), these factors are uncertain and could have an impact on revenue, cash and other operating results, as well as the process used to estimate Mineral Resources and Ore Reserves.

Joint venture arrangements

Newcrest has joint venture interests, including its interests in the Wafi-Golpu Project in Papua New Guinea, the Gosowong mine in Indonesia and the Namosi project in Fiji. These operations are subject to the risks normally associated with the conduct of joint ventures which include (but are not limited to) disagreement with joint venture partners on how to develop and operate the mines or projects efficiently, inability of joint venture partners to meet their financial and other joint venture commitments and particular risks associated with entities where a sovereign state holds an interest, including the extent to which the state intends to engage in project decision making and the ability of the state to fund its share of project costs. The existence or occurrence of one or more of these circumstances or events may have a negative impact on Newcrest's future business, operating and financial performance and results, and/or value of the underlying asset.

New acquisitions

Newcrest's ability to make successful acquisitions and any difficulties or time delays in achieving successful integration of any such acquisitions could have an adverse effect on its business, operating results and financial condition. Business combinations and acquisitions entail a number of risks including the effective integration of acquisitions to realise synergies, unanticipated costs and liabilities and issues impacting production. Newcrest may also be liable for the acts or omissions of previous owners of the acquired business

or otherwise exposed to liabilities that were unforeseen or greater than anticipated. These and other factors may result in reductions in the Mineral Resources and Ore Reserves estimates for the acquired business, and/or impact upon the value attributable to the acquired business.

Macro-economic conditions

Newcrest's operating and financial performance is influenced by a variety of macro-economic and business conditions including the level of inflation, interest rates, exchange rates and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions, change or deterioration in the rate of economic growth including changes to interest rates or decrease in consumer and business demand, could be expected to ultimately have an impact on Newcrest's business, results of operations or financial condition and performance.

Information Technology

Newcrest's operations are supported by information technology (IT) systems, consisting of infrastructure, networks, applications, and service providers. Newcrest could be subject to network and systems interference or disruptions from a number of sources, including (without limitation) security breaches, cyber-attacks and system defects. The impact of IT systems interference or disruption could include production downtime, operational delays, destruction or corruption of data and disclosure of commercially sensitive information any of which could have a material impact on Newcrest's business, operations or financial condition and performance. Disaster recovery plans are in place for all of Newcrest's major sites and critical IT systems.

Uninsured risks

In addition to maintaining insurances required by law, Newcrest maintains a range of insurance policies to assist in mitigating the impact of events which could have a significant adverse effect on its operations and profitability. Newcrest's insurances do not cover all potential risks associated with its business. Newcrest may elect not to insure, or to self-insure against certain risks, where the premiums associated with insuring against those risks are considered to be excessive or for various other reasons, including an assessment that the risks are remote. Further, Newcrest's insurance policies carry deductibles and limits which apply in the event of a claim which may lead to Newcrest not recovering the full monetary impact of an insured event, and are subject to policy terms and conditions (including exclusions) which may impact on the extent to which a relevant policy responds to the circumstances of a claim. The occurrence of events for which Newcrest is not insured, or in respect of which relevant insurances do not respond fully, may adversely affect Newcrest's financial condition and performance.

Liquidity and Indebtedness

In addition to cash flows from operating activities, Newcrest has a range of debt facilities with external financiers – including unsecured bilateral bank loan facilities and corporate unsecured senior notes (or 'bonds'). Newcrest has sought to structure these debt facilities to have varying maturities so that its refinancing obligations are staggered. Although Newcrest currently generates sufficient funds to service its debt requirements, no assurance can be given that Newcrest will be able to meet its financial covenants, its debt repayment obligations, or be able to refinance the debt prior to its expiry on acceptable terms to Newcrest. If Newcrest is unable to meet its financial covenants or debt repayment obligations when required or refinance its external debt on acceptable terms, its financial condition and ability to continue operating may be adversely affected.

Counterparty Risk

Newcrest is exposed to commercial and financial counterparty risk which arises from the potential default of the counterparty to the Group's financial assets, commercial agreements and insurance policies. The financial assets comprise of cash and cash equivalents, trade and other receivables and derivative financial instruments. Counterparty default may adversely affect Newcrest's financial condition and performance and may lead to Newcrest not recovering the full monetary impact of a commercial arrangement or an insured event.

The Group limits its counterparty credit risk on liquid funds and derivative financial instruments by dealing only with banks or financial institutions with credit ratings of at least BBB (S&P) equivalent. Credit risk is further

limited by ensuring diversification with maximum investment limits based on credit ratings. All customers who wish to trade on credit terms are subject to a credit risk analysis.

Newcrest is also exposed to counterparty risk arising from a potential failure of an insurer on Newcrest's panel in the event of a valid claim. The Group limits its counterparty risks by diversification of insurers across the Newcrest portfolio and insures with insurance companies with a credit rating of at least A- equivalent.

Litigation

Litigation has the potential to negatively impact upon Newcrest's business, operating and financial performance and results. Regardless of the ultimate outcome of litigation (which may be subject to appeal), and whether involving regulatory action or civil claims, litigation may have a material impact on Newcrest as a result of the costs associated with litigation (some of which may not be recoverable) and the management time associated with defending litigation.

The notes to Newcrest's Financial Statements provide details regarding certain current and potential litigation involving Newcrest.

Forward looking statements

Newcrest provides outlook and guidance on aspects of its business including production, cost and capital expenditure which relate to matters in the future (forward looking statements). Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause Newcrest's actual results, performance and achievements to differ materially from those indicated in the forward looking statements.

Forward looking statements are based on Newcrest's assumptions as to the financial, market, regulatory and other relevant environments that will exist and affect Newcrest's business and operations in the future. There can be no assurance that the assumptions on which forward looking statements are based 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 Newcrest.

14 August 2017

Dear Shareholder,

On behalf of the Board, we are pleased to provide Newcrest's Remuneration Report for the year ended 30 June 2017, for which we seek your support at our Annual General Meeting (**AGM**) in November 2017.

This report explains the links between Newcrest's Executive remuneration framework and Newcrest's strategy and performance.

Year in review

Financial year 2017 delivered a number of very pleasing outcomes including a significant improvement in our safety performance, strong cash flow generation and a number of operational achievements, particularly at Lihir and Cadia. Lihir achieved record annual mill throughput and gold production and Cadia completed establishment of the Panel Cave 2 footprint. Notwithstanding the seismic event that impacted Cadia and the Group in the fourth quarter of the financial year, Newcrest achieved Group production guidance for the fourth year in a row. All operations contributed to the free cash flow generation of the Group, which was applied to both further reducing net debt and strengthening the balance sheet, as well as increasing dividends to shareholders.

As foreshadowed in the 2016 Remuneration Report, Richard Knight retired from the Board, with effect from 16 August 2016 and Vickki McFadden joined the Board as an independent Non-Executive Director (**NED**) with effect from 1 October 2016. During the financial year we also announced a number of changes to the Executive team to consolidate the leadership of our operational assets under two Executive General Managers and to increase the capacity of the other Executive General Managers to lead our medium-to-long term growth prospects. Effective 1 January 2017, Craig Jetson was appointed to the role of Executive General Manager (**EGM**) Cadia and Lihir, and Craig Jones moved into the new role of EGM Wafi-Golpu. Phil Stephenson assumed responsibility for Bonikro in the expanded role of EGM Gosowong, Telfer and Bonikro, providing Michael Nossal with increased capacity to focus on the Company's growth and development activities in his ongoing role of Chief Development Officer. As previously announced, in September 2016 Jane Thomas, EGM People, left the Company following her resignation and Melanie Allibon commenced in the role of EGM People on 30 January 2017.

Remuneration outcomes and changes

Short term incentive (**STI**) outcomes for our Executives for the 2017 financial year ranged from 57% to 69% of their potential maximum. As has been the case in previous years, the Board has made adjustments to the STI business outcomes for the effect of commodity prices, foreign exchange rates and other significant items determined by the Board which are considered to be outside the control of Management. In relation to the 2017 financial year such adjustments for non-controllable items included the Cadia seismic event. The cash flow measure was also adjusted for the \$63m investment in SolGold Plc. 29.3% of the 2013 Long Term Incentives (**LTI**s) vested during the 2017 financial year.

Three of the nine Executives received an increase in total fixed remuneration (**TFR**) during the 2017 financial year. The Chief Financial Officer received an increase in TFR as part of the annual salary review, following benchmarking of his remuneration against market practice for his role. The EGM Wafi-Golpu and EGM Gosowong, Telfer and Bonikro received increases as a result of the changed scope of their roles associated with the organisational restructure noted above. The EGM Wafi-Golpu also received performance rights and a decrease in the maximum STI and LTI opportunities as a result of the changed scope of his role. The Non-Executive Directors did not receive any fee increases.

The Board remains committed to ensuring that Newcrest's remuneration frameworks are aligned to the Company's strategy and performance and that they attract, reward and retain high calibre people and drive strong individual and Group performance in the interests of both the Company and its shareholders. To this end, the key enhancement that was implemented during the 2017 financial year was the introduction of relative total shareholder return (**Relative TSR**) measured against the S&P TSX Global Gold Index as a performance condition for one-third of the LTI grant.

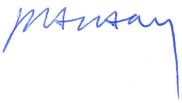
Following extensive benchmarking and advice from the Board's independent Remuneration advisors, the face value of the CEO's annual LTI grants will increase from 150% to 180% of total fixed remuneration (**TFR**). This increase will be effective from the grant planned for November 2017, subject to shareholder approval at this year's Annual General Meeting. The change is intended to recognise the highly competitive global market for executive talent, particularly amongst the global gold mining companies with which Newcrest competes. The change also recognises Sandeep's contribution to significantly improving the Company's performance since he was appointed as Managing Director and Chief Executive Officer in 2014, and is designed to encourage him to remain with Newcrest over the long term. Notably, this will be Sandeep's first change in remuneration, and any value realised by him from the increased LTI opportunity will be entirely dependent upon

REMUNERATION REPORT

achievement of our challenging LTI performance conditions. His TFR and short term incentive opportunity remain unchanged.

A review of all Executives' TFR is expected to occur in September 2017 in line with reviews of employees across the rest of the organisation.

We continue to welcome shareholder feedback and thank you for your continued support.



Peter Hay
Chairman, Board of Directors



Rick Lee AM
Chairman, Human Resources and Remuneration Committee

REMUNERATION REPORT

This Report details the remuneration arrangements in place for the key management personnel (**KMP**), being those executives who have authority for planning, directing and controlling the activities of the Company. KMP comprises all NEDs and Executives. In this Report, **Executives** refers to members of the Executive Committee (including the Managing Director and Chief Executive Officer (**CEO**) and Finance Director and Chief Financial Officer (**CFO**) of Newcrest, who are also Directors of the Company).

This Report has been audited under section 308(3C) of the *Corporations Act 2001*.

Contents

We have structured the Report into the following sections:

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REMUNERATION REPORT

1. REMUNERATION SNAPSHOT

1.1. Key remuneration outcomes for the 2017 financial year

Executive Remuneration	<p>The Chief Financial Officer received an increase in TFR as part of the annual salary review, following benchmarking of his remuneration against market practice for his role. The increase of 6.2% was his first increase since 2012 and was effective 1 October 2016.</p> <p>The EGM Wafi-Golpu and EGM Gosowong, Telfer and Bonikro received increases as a result of the changed scope of their roles associated with the organisational restructure that took effect 1 January 2017, as follows:</p> <ul style="list-style-type: none"> • EGM Wafi-Golpu (0.6% increase to A\$775,000); and • EGM Gosowong, Telfer and Bonikro (19.2% increase to A\$775,000). <p>The level of the increase for the EGM Gosowong, Telfer and Bonikro was set to reflect the increase in responsibility to include Bonikro and his increased experience in the role as EGM. A comparison of the proposed package against market data was also taken into account. The change in TFR for the EGM Wafi-Golpu was accompanied by a reduction in his maximum LTI and STI opportunities to 80% and 120% respectively and the grant of sign on rights as detailed in section 4.6.</p>
STI Outcomes	The average STI outcome for Executives was 63.1% of the maximum opportunity based on the assessment of business and personal measures.
LTI Outcomes	<p>29.3% of the 2013 LTI Plan vested during the 2017 financial year, reflecting, in part, the lagging effect of some of the LTI metrics during the earlier part of the three year performance period to 30 June 2016.</p> <p>The 2014 LTI Plan (under which grants of LTIs were made in the 2015 financial year) is expected to vest on or around 7 November 2017 and it is anticipated that the vesting levels will be in the range of 60 to 70%.</p>
NED Remuneration	NEDs received no fee increases during the 2017 financial year.

1.2. Actual Remuneration Table

The table below details the cash and value of other benefits actually received by the current Executives in the 2017 financial year in their capacity as KMP. This is a voluntary disclosure to provide shareholders with increased clarity and transparency. It includes non-IFRS financial information and some of the figures in this table have not been prepared in accordance with Australian Accounting Standards. See section 9.1 for the statutory remuneration table that has been prepared in accordance with Australian Accounting Standards.

Non-Statutory Current Executive Remuneration

Executive	TFR ⁽¹⁾ US\$'000	Short Term Incentive Paid ⁽²⁾ US\$'000	Other Cash Benefits ⁽³⁾ US\$'000	Other Benefits ⁽⁴⁾ US\$'000	LTI Rights Vested ⁽⁵⁾ US\$'000	Unrestricted Shares and other Rights US\$'000	Total US\$'000
2017 financial year							
Sandeep Biswas ⁽⁶⁾	1,734	1,096	27	41	817	942	4,657
Gerard Bond	725	370	-	10	554	-	1,659
Melanie Allibon	210	-	-	2	-	-	212
Craig Jetson	349	-	8	1	-	-	358
Craig Jones	583	251	-	9	279	-	1,122
Ian Kemish ⁽⁷⁾	528	-	35	27	-	71	661
Francesca Lee	528	201	-	7	-	-	736
Michael Nossal ⁽⁸⁾	735	348	56	8	-	941	2,088
Philip Stephenson	537	169	40	49	-	-	795
Jane Thomas	103	191	-	1	-	-	295

Notes to Non-Statutory Current Executive Remuneration

- (1) TFR (Total Fixed Remuneration) comprises base salary and superannuation contributions. For new or former Executives, TFR has been pro-rated for time served as an Executive during the financial year.
- (2) Represents amounts paid under the STI Plan during the year in a period in which the person was an Executive, relating to performance for the 2016 financial year.
- (3) Comprises cash payments made in accordance with Executive Service Agreements and either relocation costs or travel costs paid in lieu of relocation entitlements.
- (4) Represents non-monetary benefits such as parking, insurance and applicable fringe benefits tax paid on benefits.

REMUNERATION REPORT

- (5) Represents Rights that have vested under the 2013 LTI Plan during the 2017 financial year. The value of the Rights has been determined based on the share price at the close of business on the vesting date.
- (6) In October 2016, 57,630 ordinary Newcrest shares were released by Pacific Custodians Pty Ltd as trustee for the Newcrest Employee Share Trust to Sandeep Biswas in accordance with the 2015 STI Plan Rules. The value of the shares has been determined based on the share price at the close of business on the release date.
- (7) In September 2016, Ian Kemish received a tranche of 4,383 fully paid ordinary shares on vesting of sign-on rights granted to him (based on the 5 day volume weighted average price (**VWAP**) immediately prior to his commencement date). Such shares were granted to him as compensation for amounts forgone in accepting a role with Newcrest. The value of the shares has been determined based on the share price at the close of business on the exercise date.
- (8) In September 2016, Michael Nossal received a tranche of 58,365 fully paid ordinary shares on vesting of sign-on rights granted to him (based on the 5 day VWAP immediately prior to his commencement date of 6 July 2015). In September 2016, he also received a cash payment of A\$75,000 (US\$ 56,100). Such shares and cash were given to him as compensation for amounts forgone in accepting a role with Newcrest. The value of the shares has been determined based on the share price at the close of business on the exercise date.

TFR and Other Benefits have been translated from Australian dollars to US dollars using an average exchange rate of 0.7541. Short Term Incentive Paid, Other Cash Benefits, LTI Rights Vested, Unrestricted Shares and Other Rights have been translated at the rate applicable on the date of the event.

1.3. Key changes to the Executive remuneration framework during the 2017 financial year

Changes in STI Measures	For the FY17 STI Plan, completion of Critical Control Management Verifications was added as a component of the Safety measure. This reinforces the importance of the second pillar in Newcrest's Safety Transformation Plan to ensure critical controls are in place for every high risk task.
Changes in LTI Measures and Vesting Schedules	For the 2016 LTI Plan, the Strategic Performance measure was replaced by Relative Total Shareholder Return (TSR). The vesting schedules for the Comparative Costs and Return of Capital Employed (ROCE) were also adjusted. Refer to section 4.5.2 for further details.

1.4. What changes are planned for the 2018 financial year?

The Company's remuneration framework is continually monitored to ensure it remains effective, competitive and aligned to strategy.

At the 2017 Annual General Meeting, shareholders will be asked to approve an LTI grant to the CEO with a face value of 180% of his TFR (i.e. \$3.1m). This is an increase from previous grants, which have been based on a face value of 150% of TFR (i.e. \$2.6m). The Board approved this increase after considering benchmark data provided by independent Remuneration advisors, to encourage him to remain in the role and to recognise his success in improving the Company's performance since he became CEO in 2014. Since appointment, the CEO's remuneration has otherwise remained unchanged, and any value realised by him from the increased LTI opportunity will be entirely dependent upon achievement of LTI performance conditions. His TFR and STI opportunity remain unchanged.

No other material changes are currently planned for the Executive remuneration framework during the 2018 financial year.

1.5. Currency

The currency used in this Report is US dollars which represents Newcrest's reporting (presentation) currency.

Executive remuneration, which is paid in Australian dollars, is translated into US dollars for reporting purposes. The Total Fixed Remuneration for Executives in Australian dollars is shown in section 5.1 to enable comparisons to be made in future years without the impact of changes in exchange rates. The NED fees in Australian dollars are shown in section 7.3.

REMUNERATION REPORT

2. KEY MANAGEMENT PERSONNEL (KMP)

The following table details the Company's KMP during the 2017 financial year.

Name	Role	Term
Executive Directors		
Sandeep Biswas	Managing Director and Chief Executive Officer (CEO)	Full year
Gerard Bond	Finance Director and Chief Financial Officer (CFO)	Full year
Other Executives		
Melanie Allibon	Executive General Manager (EGM) People	From 30 January 2017
Craig Jetson	EGM Cadia and Lihir	From 1 January 2017
Craig Jones	EGM Wafi-Golpu EGM Cadia and MMJV	From 1 January 2017 1 July 2016 – 31 December 2016
Ian Kemish	EGM Public Affairs and Social Performance	Full year
Francesca Lee	EGM General Counsel and Company Secretary	Full year
Michael Nossal	Chief Development Officer (CDO)	Full year
Philip Stephenson	EGM Gosowong, Telfer and Bonikro EGM Gosowong and Telfer	From 1 January 2017 1 July 2016 – 31 December 2016
Former Executives		
Jane Thomas	EGM People	Ceased 9 September 2016
Non-Executive Directors		
Peter Hay	Non-Executive Chairman	Full year
Philip Aiken AM	Non-Executive Director	Full year
Roger Higgins	Non-Executive Director	Full year
Lady Winifred Kamit	Non-Executive Director	Full year
Rick Lee AM	Non-Executive Director	Full year
Xiaoling Liu	Non-Executive Director	Full year
Vicki McFadden	Non-Executive Director	From 1 October 2016
John Spark	Non-Executive Director	Full year
Former Non-Executive Directors		
Richard Knight	Non-Executive Director	Ceased 16 August 2016

3. REMUNERATION GOVERNANCE

3.1. Role of the Board and Human Resources and Remuneration Committee (HRR Committee)

The Board takes an active role in the governance and oversight of Newcrest's remuneration policies and is responsible for ensuring that the Company's remuneration strategy aligns with Newcrest's short and long term business objectives.

The HRR Committee reviews, formulates and makes recommendations to the Board in relation to matters within its Charter, including the remuneration arrangements of the CEO, Executives and the NEDs, and oversees the major components of the Board's approved remuneration strategy.

The Charter for the HRR Committee is available on the Company's website: www.newcrest.com.au/about-us/corporate-governance. Current members of the HRR Committee are Rick Lee (Chairman), Philip Aiken, Xiaoling Liu and Winifred Kamit, however all Directors are invited to attend HRR Committee meetings.

3.2. External Remuneration Consultants

During the 2017 financial year, the HRR Committee obtained advice from KPMG as part of the review of the Company's remuneration arrangements, including:

- benchmarking data for CEO, Executive and NED remuneration; and
- information and insights with respect to market practices and trends in remuneration within ASX listed and global gold companies.

In addition to the above, KPMG provided remuneration recommendations in relation to the CEO's remuneration package to the HRR Committee as defined by the *Corporations Act 2001*. KPMG was paid \$14,102 (excluding GST) in relation to these recommendations.

KPMG provided a formal declaration confirming that its recommendations were made free from undue influence by the member of the key management personnel to whom the recommendations relate to and, in view of this declaration and the protocols and processes governing the engagement of KPMG and receipt of its recommendations, the Board is satisfied that each of the recommendations were free of undue influence by such persons. KPMG was paid \$1,091,841 (excluding GST) for other services provided during the 2017 financial year. These services relate to a range of advisory and tax matters.

The engagement of KPMG was initiated by the HRR Committee, based on agreed protocols governing the engagement and processes set out in the Company's External Remuneration Consultants Policy.

4. OUR EXECUTIVE REMUNERATION FRAMEWORK

4.1. Remuneration Strategy

Our remuneration strategy is to provide market-competitive remuneration, having regard to the size and complexity of the Company, the scope of each role, and the impact the Executive can have on Company performance.

The key elements of the remuneration strategy are to:

- attract and retain talented, high performing Executives (including by providing sign-on grants where appropriate to attract key talent);
- provide appropriate levels of “at risk” performance pay to encourage, recognise and reward high performance;
- incorporate business performance measures that align performance incentives with the long term interests of shareholders;
- incorporate performance measures that reinforce our culture and values; and
- ensure that there is an appropriate balance of risk and reward sharing between Executives and the Company.

Executive remuneration packages are benchmarked against comparable roles in:

- ASX 11 – 40 companies;
- a customised peer group comprising largely industrial, materials, energy and utilities companies of comparable scale and international complexity; and
- the following global gold mining companies: Goldcorp Inc, Yamana Gold Inc, Freeport-McMoran Copper & Gold, Polyus Gold International Ltd, Agnico Eagle Mines Limited, AngloGold Ashanti Ltd, Barrick Gold Corporation, Gold Fields Ltd, Eldorado Gold Corp, Kinross Gold Corporation, IAMGOLD Corp and Newmont Mining Corporation.

TFR is targeted at the 50th percentile for comparable roles and experience/skills, while the total remuneration package for each Executive (inclusive of both fixed and variable remuneration) is targeted at up to the 75th percentile for comparable roles and experience/skills.

4.2. Executive Remuneration Framework

The diagram below outlines the remuneration components (other than any sign-on grants) for the 2017 financial year for all Executives. Further details regarding each of the remuneration components are provided in sections 4.3 to 4.5.

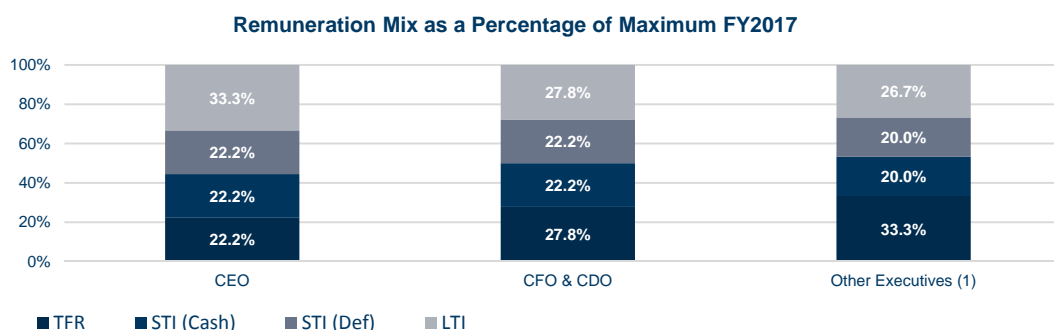
Remuneration Type	Fixed Remuneration	Variable / At-Risk Remuneration		
Component	Total Fixed Remuneration (TFR)	Short Term Incentive (STI)		Long Term Incentive (LTI)
Delivery	Delivered in cash		Delivered in equity	
Composition	Base salary plus superannuation	50% of STI outcomes paid in cash after the financial year.	50% of STI outcomes deferred as shares, with one half restricted for one year and the other half for two years.	Rights with a 3 year vesting period and one year holding lock. Outcomes based on ROCE, comparative cost position and relative TSR. Subject to clawback and overarching Board discretion.
		Outcomes based on a combination of business performance and personal measures. Subject to clawback and overarching Board discretion.		
Link with strategic objectives	Set to attract, retain, motivate and reward high quality executive talent to deliver on the Company’s strategy	Designed to: <ul style="list-style-type: none"> • align interests of shareholders and Executives through an appropriate level of “at risk” pay; • reward for increasing shareholder value by meeting or exceeding Company and individual objectives; and • support the financial and strategic direction of the business through performance measures. 		Designed to: <ul style="list-style-type: none"> • align interests of shareholders and Executives through an appropriate level of “at risk” pay; and • encourage Executives to focus on the key performance drivers which underpin the Company’s strategy to deliver long term growth in shareholder value.

REMUNERATION REPORT

The diagram below illustrates how the different components of remuneration are delivered over a three year cycle.

	FY2017	FY2018	FY2019	FY2020	FY2021
Salary	Salary Paid during the year				
STI	Performance Period (12 months)	50% Cash	25% Deferred Shares (12 months)	25% Deferred Shares (24 months)	
LTI	Performance Period				
	Vesting Period post-grant (Performance Rights) (3 years)			Restricted Shares (12 months)	

Newcrest's mix of remuneration components, expressed as a percentage of "maximum" earning opportunity, for current Executives, for the 2017 financial year is illustrated in the following graphs. Although the components of TFR, STI and LTI are described separately, they should be viewed as part of an integrated package. Sign-on grants described in section 4.6 are not reflected in the graphs.



(1) For the period from 1 July 2016 to 31 December 2016, the maximum LTI and STI opportunities for Craig Jones were 100% and 160% respectively (the same as the CFO and CDO). From 1 January 2017, his maximum LTI and STI opportunities decreased to 80% and 120% respectively as a result of his change in role (the same as other Executives).

The "at risk" components are subject to deliberately challenging performance conditions. The potential "maximum" earning opportunity shown above is not expected to be achieved each year, but is designed to only be achieved in respect of exceptional performance.

For the 2017 financial year, the total remuneration opportunities for the majority of the Executives were within the 50th – 75th percentile range of the benchmarked ASX comparator groups.

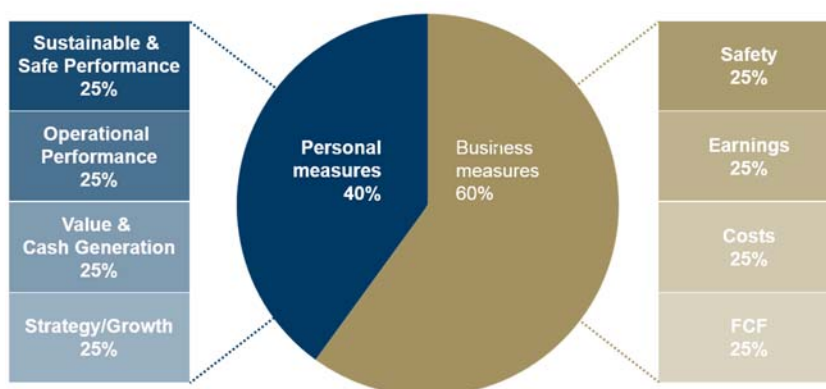
4.3. Total Fixed Remuneration (TFR)

Feature	Description
Composition	TFR comprises base salary, superannuation contributions in line with statutory obligations, and any salary packaged amounts (for example, novated lease vehicles). TFR is paid in Australian dollars.
Relevant Considerations	TFR is determined on an individual basis, considering the scope of the role, the individual's skills and expertise, individual and group performance, market movements and competitiveness.
Review	<p>TFR is reviewed annually. The CFO received an increase of 6.2% to A\$975,000 with effect from 1 October 2016, following benchmarking that was undertaken and an expansion in his accountabilities. Other EGMs received increases as a result of the changed scope of their roles associated with the organisational restructure that took effect 1 January 2017, as follows:</p> <ul style="list-style-type: none"> • EGM Wafi-Golpu (0.6% increase to A\$775,000) • EGM Gosowong, Telfer and Bonikro (19.2% increase to A\$775,000) <p>TFR for KMP will be next reviewed in September 2017 taking into account benchmarking.</p>

4.4. Short Term Incentive

4.4.1. Key features of the STI Plan for the 2017 financial year

Feature	Description
Participation	All Executives and employees from Supervisor level and above are invited to participate in the STI Plan.
Performance Period	The assessment period is the financial year preceding the payment date of the STI (i.e. 1 July 2016 – 30 June 2017).
Performance Conditions	<p>Performance conditions are a mix of personal and business measures. Robust threshold, target and maximum targets are established for all measures to drive high levels of business and individual performance. The annual budget generally forms the basis for the “target” performance set by the Board.</p> <p>The diagram below illustrates the weighting of the performance conditions, using the CEO’s personal conditions as an example.</p>



For further details in relation to the personal and business measures, including their composition, and how they are set and assessed, refer to section 4.4.2.

Calculation of STI Award	<p>STI Amount (\$) = ((40% x personal outcome) + (60% x business outcome)) x “At Target” STI% x TFR</p> <p>Business and personal outcomes are scored out of 200%, with 50% for threshold performance, 100% for target performance and 200% for maximum performance. Business or personal measures that fail to meet the threshold target score 0%. If the overall average of the four personal measures is below 50%, the CEO and/or Board has the discretion to not make an STI award to that participant. Accordingly, the minimum value of the STI Award is nil.</p>
Payment, Delivery and Deferral	For Executives, the STI is delivered 50% in cash and 50% in deferred shares in October 2017, following finalisation of the audited annual Company results and the approval of all personal outcomes. Of the deferred component, half is to be released after 12 months (in October 2018) and the remainder after two years (in October 2019). Deferred shares are forfeited by the Executive if they resign or are dismissed before the shares are released from the restriction. The Executives are entitled to dividends and voting rights attaching to their deferred shares.
Cessation of Employment during Performance Period	<p>Except at the discretion of the Board:</p> <ul style="list-style-type: none"> if a participant resigns or is dismissed, the STI is forfeited and any deferred shares are forfeited; and if a participant ceases employment for any other reason, the STI award will be reduced on a pro rata basis, but will remain payable and any deferred shares will remain on foot for the balance of the relevant restriction period and then be released.
Clawback	In general, the Board has the discretion to reduce or forfeit an STI award, or to seek recovery from a participant, if an event or circumstance has occurred which has resulted in an inappropriate benefit being conferred on a participant (including fraud, dishonesty, gross misconduct or if the outcomes are the result of material error or misstatement of the financial accounts). The discretion may be exercised for a period of two years from the vesting or award date.
Overriding Board Discretion	The Board retains overriding discretion to adjust the final outcome. This is an important measure to ensure any STI award is appropriate in the circumstances.

4.4.2. STI performance conditions in detail

Business measures for the 2017 financial year

Business Measure	Weighting	Reason the Performance Measure Was Adopted
<p>Safety</p> <p>Total Recordable Injury Frequency Rate (TRIFR⁽¹⁾) (8.3%)</p> <p>Major Hazard Audit and Significant Potential Incident (SPI)⁽²⁾ Action Close Out on Time (8.3%)</p> <p>Critical Control Management Verifications⁽³⁾ (CCM) (8.3%)</p>	25%	The Company is committed to reinforcing a strong safety culture and improving safety leadership. The combined measures maintain a focus on safety performance, as measured by TRIFR, drives critical actions and ensures effective controls are in place to prevent future potential fatalities and/or serious injuries.
<p>Earnings</p> <p>Adjusted Net Profit/(Loss) After Tax and Before Significant Items</p>	25%	The earnings target is a direct financial measurement of the Company's performance, providing a strong alignment to the interests of shareholders. The results are based on the statutory profit of the Group adjusted for the effect of commodity prices, foreign exchange rates and other significant items determined by the Board which are considered to be outside the control of Management. It provides a strong reflection of production delivery, operational efficiency and cost management.
<p>Costs</p> <p>AISC per ounce⁽⁴⁾</p>	25%	This measure is a highly relevant short and long term measure which is consistent with the Company's strategy of focussing on sustainable cash generation and profitability. It is the primary unit cost measure in the gold industry, and is visible and readily understood. It is based on publicly disclosed and reconciled results and is therefore a reliable measure for use by the Company, adjusted for the effect of commodity prices and foreign exchange rates and other significant items determined by the Board which are considered to be outside the control of Management.
<p>Free Cash Flow</p> <p>FCF</p>	25%	FCF is a highly relevant short and long term measure. It reflects cost and capital management and production efficiencies. FCF is necessary to fund growth opportunities, repay debt and ultimately pay dividends to shareholders. It is based on publicly disclosed and reconciled results and is adjusted for the effect of commodity prices and foreign exchange rates and other significant items determined by the Board which are considered to be outside the control of Management.

(1) TRIFR is the total number of recordable injuries per million hours worked. It is a lagging indicator of safety performance.

(2) Major Hazard Audit action close out, and SPI close out, ensures a stronger focus on addressing hazards which may lead to serious potential incidents in the future, including the potential for a fatality. Actions are measured by reference to completion against their due date.

(3) Critical Control Management Verification completion ensures that all planned System Verifications (**SVs**) and Field Control Critical Checks (**FCCCs**) have been completed. Critical Control Management is the second pillar of Newcrest's Safety Transformation Plan and is focussed on verifying that effective controls are in place and working for every high risk task.

(4) All-In Sustaining Cost (**AISC**) metrics as per World Gold Council Guidance Note on Non-GAAP metric released 27 June 2013.

Personal measures for the 2017 financial year

For the 2017 financial year, the key elements of the personal performance measures for Sandeep Biswas were set by the Board to align with the Company's strategic goals. The personal performance measures were selected to recognise the important role that the CEO plays in personally advancing the Company's strategic objectives of improving the safety and sustainability performance of the Company, its operational performance, value and cash generation and progressing its growth initiatives.

The personal performance measures for other Executives for the 2017 financial year focussed on their areas of responsibility which, in the case of the operational Executives, included safety, production, cost saving and operational efficiency. Non-financial targets are generally aligned to core values, including safety and key strategic and growth objectives. If there is a fatality within the area of accountability of an Executive, the Board may exercise discretion to adjust the assessment of the personal safety measure, including a zero award, where appropriate.

Further detail as to the personal measures for the CEO and CFO and outcomes with respect to such measures is set out in section 5.3.1.

4.4.3. *STI opportunities for Executives*

The target percentages awarded differ by level. For “at target” performance:

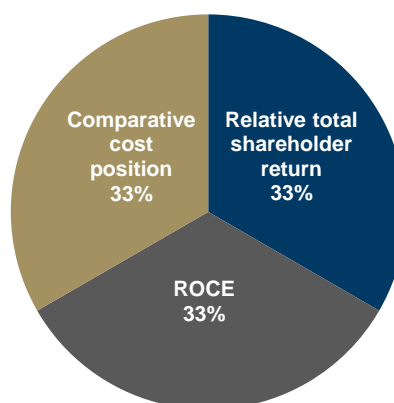
- the CEO had the opportunity to receive 100% of TFR;
- the CFO and CDO had the opportunity to receive 80% of TFR;
- Craig Jones had the opportunity to receive 80% of TFR for the period as EGM Cadia and MMJV and 60% of TFR for the period as EGM Wafi-Golpu;
- Craig Jetson had the opportunity to receive 60% of TFR for the period as KMP; and
- the other Executives had the opportunity to receive 60% of TFR.

Each Executive had the opportunity to receive double the “at target” percentage for “maximum” performance. Targets are set with a level of “stretch” built in, and as such, maximum STI targets are designed to only be achieved in respect of exceptional performance.

4.5. Long Term Incentive

4.5.1. *Key features of the 2016 LTI Plan (under which Rights were issued during the 2017 financial year)*

Feature	Description
Equity type	Allocations are in the form of rights to shares in the Company (Rights). Upon vesting, each Right is automatically exercised at a nil exercise price and vests as one fully paid ordinary share. As the Rights represent a participant’s ‘at risk’ long term incentive component of their remuneration package, the Rights are granted at no cost to the participant.
Grant Date	The grant date was 15 November 2016 and Rights under the plan will vest, subject to the satisfaction of the performance conditions, on 15 November 2019. The total number of Rights held by each Executive is summarised in section 9.4.
LTI Value	For these purposes, the value of each Right is calculated based on the value of the underlying security, using the five day VWAP of Newcrest’s share price immediately preceding the grant date.
Performance period	The assessment period is the three financial years commencing on 1 July 2016.
Performance Conditions	Rights issued under the 2016 LTI Plan are subject to the Performance Conditions shown below:



The Performance Conditions have been set to align with the long-term goals and performance of Newcrest and the generation of shareholder returns. Further details in regards to the Performance Conditions are detailed in section 4.5.2.

Vesting	Rights vest three years from the grant date subject to the Performance Conditions being met. Rights are automatically exercised on vesting. On vesting of the Rights, the Board has the discretion, subject to the LTI Plan Rules, to issue new shares, purchase existing shares on-market or pay a cash equivalent amount. The practice in recent years has generally been to purchase shares on-market.
Holding lock	For Executives, shares received on the vesting and automatic exercise of Rights are subject to a 12 month holding lock.
Dividends	No dividends are paid on unvested Rights. Dividends, when applicable, will be paid for vested shares held under the holding lock.

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Feature	Description
Clawback	In general, the Board has the discretion to reduce or forfeit an LTI award for a participant if an event or circumstance has occurred which has resulted in an inappropriate benefit being conferred on a participant (including fraud, dishonesty, gross misconduct or if the outcomes are the result of material error or misstatement of the financial accounts). The discretion may be exercised for a period of two years from the vesting or grant date.
Cessation of employment	<p>Except at the discretion of the Board:</p> <ul style="list-style-type: none"> if a participant gives a notice of resignation or is dismissed, unvested Rights will lapse on cessation of employment; and if a participant ceases employment for any other reason, pro-rata unvested Rights will remain on foot and vest subject to the application of the performance conditions and any holding lock in the terms of grant. <p>For all leavers, any restricted shares will be released after expiration of the holding lock period (subject to the Board exercising a discretion under the clawback policy).</p>
Change of control	The Board may exercise its discretion to allow all or some unvested Rights to vest if a change of control event occurs.
Retesting	There is no retesting. Rights that do not vest based on performance over the three year performance period will lapse on the third anniversary of the grant date.
Overriding Board discretion	The Board retains overriding discretion to adjust the final outcome. This is an important measure to ensure any LTI award is appropriate in the circumstances.

4.5.2. 2016 LTI performance conditions in detail

2016 LTI Performance Conditions

Component	Assessment	Reason the Performance Measure Was Adopted
<p>Comparative Cost Position</p> <p>The Company's measure for the Comparative Cost Position performance condition is the AISC, adopted by the Company in relation to costs reporting.</p> <p>The AISC incorporates costs related to sustaining production.</p> <p>Performance over the three year performance period, is compared against all other producers based on data sourced from an independent provider selected by the Board. Cost performance for each of the three years of the performance period is averaged to determine the number of Rights that may be exercised in relation to this performance measure.</p>	<p>The vesting scale for this measure is as follows:</p> <ul style="list-style-type: none"> 0% vests if Comparative Costs are at or above the 50th percentile; 40% vests if Comparative Costs are less than the 50th percentile, but at or above the 25th percentile; 100% vests if Comparative Costs are below the 25th percentile. <p>Straight line vesting occurs between these thresholds.</p> <p>The Comparative Costs measure will be assessed using peer data for the period from 1 July 2016 until 30 June 2019.</p>	<p>This measure is closely aligned to Newcrest's strategic objective to be a low cost producer and aligned to our relative value proposition for gold equity investors.</p> <p>The AISC result is a sound basis for the Company to use in assessing comparative cost as it is based on publicly disclosed results.</p>

Component	Assessment	Reason the Performance Measure Was Adopted
<p>Return on Capital Employed (ROCE)</p> <p>ROCE is an absolute measure, defined as underlying earnings before interest and tax (EBIT), divided by average capital employed, being shareholders' equity plus net debt.</p> <p>For each of the three years of the performance period ROCE is averaged to determine the number of Rights that may be exercised in relation to this performance measure.</p> <p>Average capital employed is calculated as a simple average of opening and closing balances. If material equity transactions (for example, significant equity issuances or asset impairments) occur such that the simple average is not representative of actual performance, the average capital employed for the year is adjusted for the effect of these transactions.</p> <p>Average capital employed for the purpose of this calculation excludes approved capital invested in long-dated projects until commercial production is achieved, so as not to discourage Management's pursuit of long-dated growth options.</p>	<p>The vesting scale for this measure is as follows:</p> <ul style="list-style-type: none"> • 0% vests if ROCE is less than 6%; • 30% vests if ROCE is 6%; • 100% vests if ROCE is 13% or more; <p>Straight line vesting occurs between these thresholds.</p>	<p>ROCE aligns Management action and company outcomes closely with long term shareholder value. ROCE provides a balance to the other LTI metrics as it serves as a counter to "buying" success.</p> <p>ROCE is also based on publicly disclosed and reconciled results and is therefore a sound basis for the Company to use in assessing value.</p> <p>Impairments are excluded from the capital base in the year in which they occur, such that the return is on a pre-impairment basis and LTI participants do not benefit from the impairment. However, the post impairment capital base is used in the calculation of returns in subsequent years so as to not de-incentivise current or new management.</p>
<p>Relative TSR</p> <p>Total Shareholder Return (TSR) is a measure of performance over time that combines share price appreciation and dividends paid to show the total return to the shareholder, expressed as an annualized percentage. Relative TSR is a measure of the Company's TSR performance against that of other companies.</p>	<p>Relative TSR will be measured by comparing Newcrest's AUD share price performance against the S&P TSX Global Gold Index over three years.</p> <p>Relative TSR will be assessed by averaging performance over the six month period immediately prior to the start (1 January 2016 – 30 June 2016) and the end (1 January 2019 – 30 June 2019) of the performance period.</p> <p>The treatment of dividend and capital adjustments will be in accordance with the adjustments made by the data provider.</p> <p>The vesting schedule for this measure is detailed below.</p> <ul style="list-style-type: none"> • 0% vests if Relative TSR is below the Index; • 50% vests if Relative TSR is equal to the Index; • 100% vests if Relative TSR exceeds the Index by 18 percentage points or more. <p>Straight line vesting occurs between these thresholds.</p>	<p>The Relative TSR measure provides alignment between the outcomes of the Plan and the returns experienced by shareholders, in order to specifically encourage outperformance against other gold mining companies.</p> <p>The S&P TSX Global Gold Index is the most appropriate comparison point for Newcrest to use for the Relative TSR measure because:</p> <ul style="list-style-type: none"> • As a gold mining company, Newcrest's share price performance is significantly impacted by fluctuations in the gold price. Accordingly, it is appropriate to compare Newcrest's performance to that of other gold mining companies. • There are few ASX-listed gold mining companies which act as a directly relevant comparison to Newcrest given the differences in scale, and it is therefore considered that a comparison with international peers is more appropriate. • Rather than hand-pick a selection of peer gold mining companies from various stock exchanges globally, the Board considers that Newcrest's performance should be compared to the S&P TSX Global Gold Index as each of Newcrest's major peers are constituents in the S&P TSX Global Gold Index.

4.5.3 *LTI opportunities for Executives*

The maximum opportunity for the 2016 LTI grant was as follows:

- for the CEO, 150% of TFR;
- for the CFO and CDO, 100% of TFR;
- for Craig Jones, 100% of TFR in his capacity as EGM Cadia and MMJV for the period from 1 July to 31 December 2016, and 80% of TFR in his capacity as EGM Wafi-Golpu for the period from 1 January 2017;
- for Craig Jetson, 80% of TFR for the period as KMP; and
- for other Executives, 80% of TFR.

Section 4.2 indicates the value of the grants expressed as a percentage of the total remuneration package.

4.5.4 *Outlook for 2017 LTI Performance Conditions (2018 financial year)*

The LTI Performance Conditions to be adopted for grants made during the 2018 financial year will remain unchanged to those detailed above for the 2016 LTI Plan.

4.6. **Sign-on grants**

No sign-on grants were issued to new Executives during FY17. However, the following sign-on arrangements detailed in the 2016 Remuneration Report continued to apply, namely:

- On commencement, Michael Nossal received a total of 116,730 sign-on performance rights worth A\$1,500,000 (US\$1,092,750) calculated using the five day VWAP immediately prior to his commencement date. 58,365 of these rights vested as Newcrest ordinary shares in August 2016. He also received an additional cash payment of \$75,000 (US\$56,100) in September 2016. The remaining 58,365 rights are due to vest in July 2017 (or as soon as possible afterwards in accordance with the Securities Dealing Policy). The rights were granted at no cost, have a nil exercise price and are not subject to any performance conditions other than a service condition.
- On commencement, Ian Kemish received a total of 18,993 sign-on performance rights worth A\$390,000 (US\$284,115) calculated using the five day VWAP immediately prior to his commencement date of 16 May 2016. 4,383 of these sign-on rights vested as Newcrest ordinary shares in August 2016. An additional cash payment of A\$80,000 (US\$61,640) was made in July 2017. 4,870 rights are due to vest on 25 November 2017 and 9,740 rights are due to vest on 24 November 2018 (or as soon as possible afterwards in accordance with the Securities Dealing Policy). The rights were granted at no cost, have a nil exercise price and are subject to adequate performance and continuing employment (other than in limited circumstances).

In addition, Craig Jones was issued 15,845 sign-on performance rights worth A\$300,000 (US\$217,050), calculated using the five day VWAP immediately prior to his appointment date of 1 January 2017 to the role of EGM Wafi-Golpu. The rights will vest on 30 June 2018 (or as soon as possible afterwards in accordance with the Securities Dealing Policy) subject to the performance conditions being met. The rights were granted in compensation for a reduction in his "at target" STI award from 80% to 60%, and a reduction in his maximum LTI award from 100% to 80% effective from 1 January 2017. The rights were granted at no cost, have a nil exercise price and are subject to adequate performance and continuing employment (other than in limited circumstances).

The above sign-on payments and grants of rights are detailed in the Remuneration Tables in section 9 of this report. The minimum value of sign-on payments that have not yet been made or are unvested is nil if the performance / service conditions are not met.

REMUNERATION REPORT

5. REMUNERATION OUTCOMES

5.1. Total Fixed Remuneration (TFR) for the 2017 financial year

Set out below is the TFR for the current Executives as at 30 June 2017, shown in Australian dollars. This information is provided to enable comparisons to be made in future years, without the impact of changes in exchange rates.

Name	TFR A\$
Sandeep Biswas	2,300,000
Gerard Bond	975,000
Melanie Allibon	660,000
Craig Jetson	925,000
Craig Jones	775,000
Ian Kemish	700,000
Francesca Lee	700,494
Michael Nossal	975,000
Philip Stephenson	775,000

5.2. Relationship between STI and LTI outcomes for the 2017 financial year and Newcrest's Financial Performance

Newcrest's key operational and financial outcomes for the 12 months ended 30 June 2017 are as follows:

- Statutory profit of \$308 million and Underlying profit of \$394 million
- All-In Sustaining Cost increased by 3% to \$787 per ounce
- EBITDA margin improved by 3% to 40.5%
- All-In Sustaining Cost margin of \$476 per ounce
- Free cash flow of \$739 million
- Gold production of 2.381 million ounces, a decrease of 2%
- Copper production of 83.9 thousand tonnes, an increase of 1%
- Net debt of \$1.5 billion, reduced by \$608 million (or 29%) since 30 June 2016
- Net debt to EBITDA ratio improved to 1.1 times
- Gearing reduced to 16.6% at 30 June 2017, down from 22.8% at 30 June 2016
- Interim dividend of 7.5 cents per share and final dividend of 7.5 cents per share (70% franked).

The following table provides a summary of the key financial results for Newcrest over the past five financial years.

Five Year Summary of Newcrest's Financial Performance

Year Ended 30 June	Measure	2017	2016	2015	2014	2013
Statutory profit/(loss)	US\$ million	308	332	376	(2,105)	(5,319)
Underlying profit ⁽¹⁾	US\$ million	394	323	424	393	459
Cash flows from operating activities	US\$ million	1,467	1,241	1,280	965	1,148
Free cashflow ⁽²⁾	US\$ million	739	814	854	136	(1,484)
All-in sustaining cost ⁽³⁾	US\$/oz sold	787	762	780	897	1,318
EBITDA Margin	%	40.5	39.2	38.5	37.5	39.0
EBIT Margin	%	20.7	18.0	22.6	20.3	19.7
Gearing ⁽⁴⁾	%	16.6	22.8	29.3	33.8	29.3
Net Debt to EBITDA ⁽⁵⁾	times	1.1	1.6	2.1	2.7	2.6
ROCE	%	7.9	6.2	7.8	6.2	5.0
Share price at 30 June ⁽⁶⁾	A\$	20.16	23.00	13.02	10.52	9.87
Earnings/(loss) per share ⁽⁷⁾						
Basic	US\$ cents/share	40.2	43.3	49.1	(274.6)	(694.5)
Underlying	US\$ cents/share	51.4	42.1	55.3	51.3	59.9
Dividends	US\$ cents/share	15.0	7.5	-	-	12.5
Gold produced	000's ounces	2,381	2,439	2,423	2,396	2,110
Average realised gold price	US\$/oz	1,263	1,166	1,236	1,292	1,585

This table includes non-IFRS financial information. Refer to section 6 of the Operating and Financial Review for an explanation and reconciliation of non-IFRS terms.

⁽¹⁾ Underlying profit is profit after tax before significant items attributable to owners of the parent.

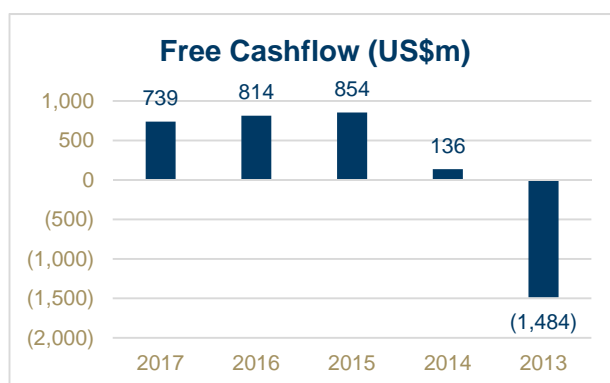
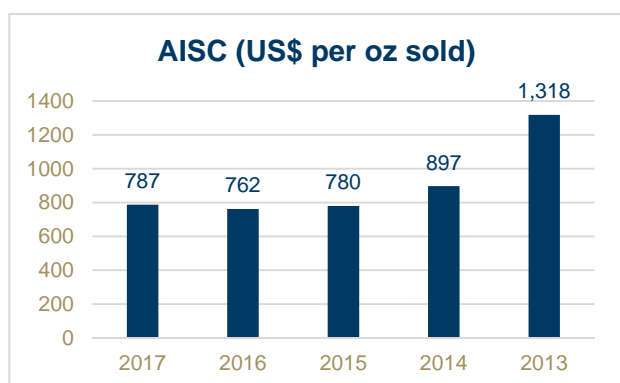
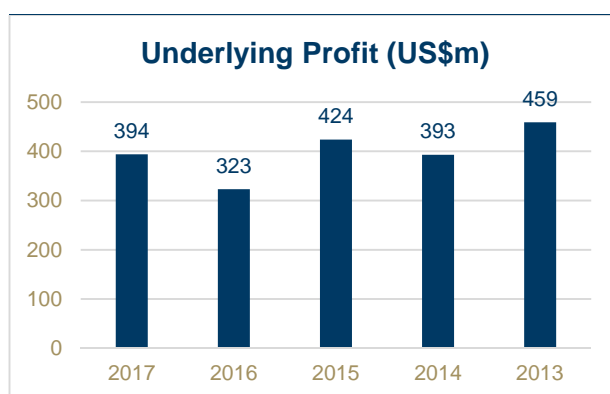
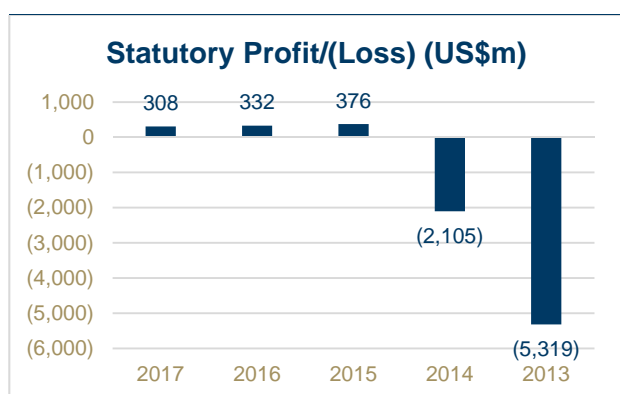
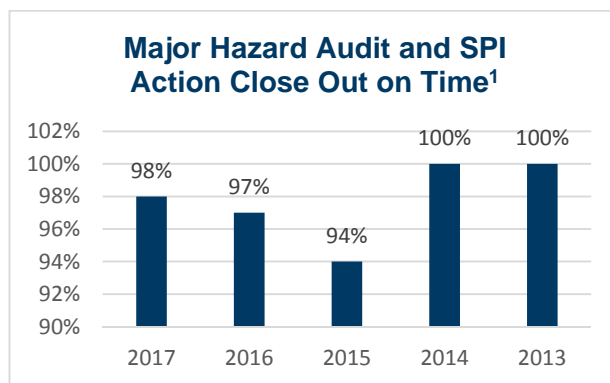
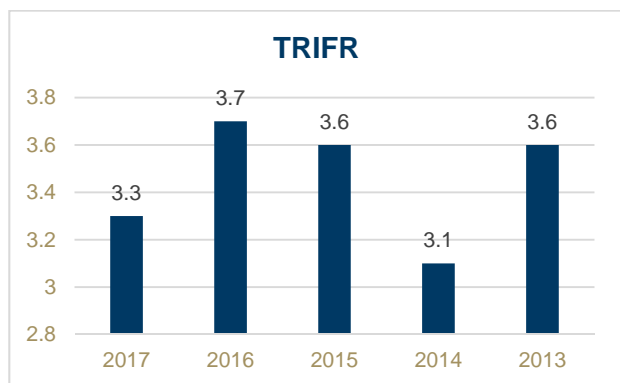
⁽²⁾ Free cashflow is calculated as cash flow from operating activities less cash flow related to investing activities.

⁽³⁾ AISC metrics as per World Gold Council Guidance Note on Non-GAAP Metrics, released in June 2013. Newcrest's AISC will vary from period to period as a result of various factors including production performance, timing of sales, the level of sustaining capital and the relative contribution of each asset.

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- (4) Gearing ratio is calculated as net debt at the end of the reporting period divided by net debt plus equity.
- (5) Net debt to EBITDA is calculated as net debt at the end of the reporting period divided by the rolling 12 month EBITDA.
- (6) Opening share price on 1 July 2012 was A\$22.61.
- (7) Basic EPS is calculated as net profit after tax and non-controlling interests (statutory profit) divided by the weighted average number of ordinary shares. Underlying earnings per share is calculated as net profit after tax and non-controlling interests and before significant items (underlying profit) divided by the weighted average number of ordinary shares.

The graphs below show Newcrest's performance over the last five years for metrics used to determine the business component of STI awards, before any adjustments for fatalities as a result of the exercise of Board discretion.



¹ The measure for 2014 and 2013 was different to the current measure, as it comprised only Safety Action Register Close Out.

5.3. STI Outcomes for 2017 financial year

5.3.1. Performance against STI Objectives

Element	Weight	Performance			Description
		Threshold	Target	Maximum	
Business Measures	60%				
Safety (1) - TRIFR	5%	●			<ul style="list-style-type: none"> TRIFR of 3.29 was at the level required to achieve the minimum
Safety (2) - Major Hazard Audits & SPI action close out on time	5%			●	<ul style="list-style-type: none"> 98% were completed on time
Safety (3) - Critical Controls Management Verifications	5%			●	<ul style="list-style-type: none"> 1,945 System Verifications and 176,254 Field Control Critical Checks were completed during FY17
Earnings - NPAT before significant items (US\$m)	15%		●		<ul style="list-style-type: none"> Outcome of US\$453m, inclusive of adjustments⁽¹⁾, was slightly below target
Cost - AISC/oz (US\$)	15%		●		<ul style="list-style-type: none"> Outcome of \$765/oz, inclusive of adjustments^{(1),(2)} that improved the outcome, was above target⁽²⁾
Cash flow: FCF (US\$m)	15%			●	<ul style="list-style-type: none"> Outcome of \$849m, inclusive of adjustments⁽¹⁾ that improved the outcome, was well above target
Total Business outcome					The total business outcome was 125% of target
Personal Measures (Sandeep Biswas – CEO)	40%				
Sustainable and Safe Performance	10%			●	<ul style="list-style-type: none"> Excellent close outs of Serious Potential Incidents and Major Hazard Audits, and embedding widespread verification of Critical Controls
Operational Performance	10%		●		<ul style="list-style-type: none"> Improvements in Organisational Health, including diversity
Value and cash generation	10%			●	<ul style="list-style-type: none"> Demonstrated significantly improved milling rates at Lihir
Strategy and Growth	10%		●		<ul style="list-style-type: none"> Excellent cash generation and delivery of efficiency initiatives
Personal Measures (Gerard Bond – CFO)	40%				
People	15%			●	<ul style="list-style-type: none"> Broad portfolio of growth/exploration pathways progressed
Capital management and improvement in risk management and assurance	45%		●		<ul style="list-style-type: none"> Improvements in Organisational Health, including diversity
Drive value from Marketing and IT	15%		●		<ul style="list-style-type: none"> Successful implementation and/or execution of major risk management and capital management frameworks
Cash delivery	25%			●	<ul style="list-style-type: none"> Significant progress on IT simplification and productivity
Personal Measures (other Executives)	40%				
Individual measures based on initiatives and key project deliverables linked to company strategy and performance		●		●	<ul style="list-style-type: none"> Excellent cash generation and delivery of efficiency initiatives

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- (1) Adjustments made to measures are in accordance with the detail provided in section 4.4.2. The adjustments are for the effect of commodity prices, foreign exchange rates and other significant items determined by the Board which are considered to be outside the control of Management. In relation to the 2017 financial year the adjustment for non-controllable items included events such as the Cadia seismic event. The cash flow measure was also adjusted for the \$63m investment in SolGold Plc.
- (2) The reported AISC cost was normalised by US\$28/oz for the Cadia seismic event. Refer to section 6.3 of the Operating and Financial Review for further detail.

A reconciliation of the Earnings measure outcome to statutory profit is detailed below:

	2017 US\$m	2016 US\$m
Statutory profit	308	332
Add back: Significant items after tax ⁽¹⁾	86	(9)
Underlying profit	394	323
Adjust: Board agreed adjustments ⁽²⁾	59	(57)
Earnings measure	453	266

- (1) Refer to section 2.6 of the Operating and Financial Review for details of significant items.
- (2) Represents adjustments for the effect of commodity prices, foreign exchange rates and other significant items determined by the Board which are considered to be outside the control of Management. In relation to the 2017 financial year the adjustment for non-controllable items includes events such as the Cadia seismic event.

5.3.2 STI Outcomes for all Executives for the 2017 financial year

The table below summarises performance against Personal Measures and final STI outcomes for all Executives for the 2017 financial year.

Executive	% of STI Target Awarded ⁽¹⁾	% of TFR awarded as STI ⁽²⁾	Actual STI Awarded ⁽³⁾ US\$'000	STI Amount Deferred ⁽³⁾ US\$'000	% of Max STI Opportunity Awarded	% of Max STI Opportunity Forgone
Sandeep Biswas	137.8%	137.8%	2,390	1,195	68.9%	31.1%
Gerard Bond	135.0%	108.0%	794	397	67.5%	32.5%
Melanie Allibon ⁽⁴⁾	121.0%	30.2%	150	75	60.5%	39.5%
Craig Jetson ⁽⁵⁾	137.0%	40.8%	284	142	68.5%	31.5%
Craig Jones	115.0%	80.6%	469	235	57.5%	42.5%
Ian Kemish	123.0%	73.8%	390	195	61.5%	38.5%
Francesca Lee	119.0%	71.4%	377	189	59.5%	40.5%
Michael Nossal	127.0%	101.6%	747	374	63.5%	36.5%
Philip Stephenson	121.0%	72.6%	390	195	60.5%	39.5%
Jane Thomas ⁽⁶⁾	-	-	-	-	-	-

- (1) The assessment against personal measures for the Executives ranged from 100% to 157%.
- (2) Calculated using the Total Fixed Remuneration values detailed at section 4.3 and the percentages for Target Performance disclosed in the table in section 4.4.1. However, for Craig Jones and Philip Stephenson, the amounts tabled above are the sum of two separate six month calculations. The Actual STI awarded to each of them for the period 1 July 2016 to 31 December 2016 was calculated using their TFR at 31 December 2016 (A\$770,494 and A\$650,000 respectively). The STI awarded to Craig Jones was calculated on the basis of an 80% opportunity "at target" for the period 1 July to 31 December 2016 and 60% "at target" for the period 1 January to 30 June 2017 as noted in section 4.2. The Actual STI awarded to each of them for the period 1 January 2017 to 30 June 2017 was calculated using their TFR at 30 June 2017, as detailed in section 5.1.
- (3) Amounts have been translated from Australian dollars to US dollars using an average exchange rate of 0.7541.
- (4) Melanie Allibon's STI entitlement has been pro-rated from her commencement date of 30 January 2017.
- (5) Craig Jetson's STI award only includes the amount related to the period when he was a KMP.
- (6) Jane Thomas was not eligible to receive an award under the STI Plan for the 2017 financial year due to her resignation.

REMUNERATION REPORT

5.4. Vesting Outcomes for 2013 LTI Plan

Following the completion of the performance period from 1 July 2013 to 30 June 2016, the 2013 LTI Plan vested on 15 November 2016 at 29.3% of maximum based on the assessment of performance against the applicable measures.

Element	Weighting	Performance Achieved	Percentage Vesting
Comparative Cost	33.3%	19 th percentile	29.3%
ROCE	33.3%	6.54%	0.0%
Reserves Growth	33.3%	Less than the minimum	0.0%
TOTAL VESTING			29.3% (70.7% lapsed)

5.5. Estimated Vesting of LTI Rights in the 2018 financial year (2014 LTI Plan)

The 2014 LTI Plan is expected to vest on or about 7 November 2017. The vesting outcome is not yet known but it is anticipated that it will be in the range of 60 to 70%. Relevant considerations in finalising the vesting outcome will include confirmation of the Comparative Cost outcomes, for which an assessment is yet to be made. The performance conditions which apply to the 2014 LTIs are Comparative Cost (33.3%), ROCE (33.3%) and Strategic Performance (33.3%). The Strategic Performance condition comprises replacement of reserves and resources (40%), organisational health (20%), diversity targets (20%) and growth (20%). Additional details on the performance standards attached to each performance condition were disclosed in the 2015 Remuneration Report.

6. EXECUTIVE SERVICE AGREEMENTS AND TERMINATION ARRANGEMENTS

Remuneration and other terms of employment for the Executives are formalised in Executive Service Agreements (**ESA**). Each of the ESAs provides for the payment of fixed and performance based at risk remuneration, employer superannuation contributions, other benefits such as, death and disablement insurance cover via the Newcrest Superannuation Plan, and salary continuance cover. The ESAs do not have a fixed end date. The remuneration for each Executive during the 2017 financial year is detailed in sections 1.2 and 9.1, and positions held are detailed in section 2.

Each ESA provides that the Executive may terminate their employment by giving the Company:

- (a) in the case of Sandeep Biswas, Gerard Bond, Francesca Lee, Ian Kemish and Michael Nossal, three months' notice; and
- (b) in the case of Melanie Allibon, Craig Jetson, Craig Jones and Philip Stephenson, six months' notice.

The difference in notice period for the Executives has arisen due to a general change in policy. Those Executives mentioned in paragraph (b) above entered into ESAs following the change in policy.

The Company may terminate the Executive's employment by giving 12 months' notice and the Company may, at its discretion, elect to pay the Executive an amount in lieu of notice for any portion of the 12 months not worked.

The Company may terminate an Executive's employment without notice at any time for cause. No payment in lieu of notice, or any payment in respect of STI or LTI is payable under the ESA in this circumstance.

On cessation of employment, STI or LTI awards vest in accordance with the relevant Plan Rules. Refer to sections 4.4 and 4.5 for further details.

7. NON-EXECUTIVE DIRECTORS' REMUNERATION

7.1. Remuneration Policy

The Non-Executive Director (**NED**) fees and other terms are set by the Board. NEDs are paid by way of a fixed Director's fee and Committee fees commensurate with their respective time commitments and responsibilities. The level and structure of the fees is based upon the need for the Company to attract and retain NEDs of suitable calibre, the demands of the role and prevailing market conditions.

In order to maintain impartiality and independence, NEDs do not receive any performance-related remuneration and are not entitled to participate in the Company's short and long term incentive schemes. NEDs are not provided with any retirement benefits, other than statutory superannuation contributions.

7.2. Fee Pool

The maximum amount of fees (including superannuation contributions) that can be paid to NEDs is capped by a pool approved by shareholders. At the Annual General Meeting held on 28 October 2010, shareholders approved the current fee pool of A\$2,700,000 per annum (US\$2,036,070 using the average exchange rate of 0.7541 for the 2017 financial year).

7.3. Fee Structure

In reviewing the level of fees, the Board obtained independent market data from KPMG. Whilst NED fees have not increased since 2011, the benchmarking of the fees to the ASX 11 - 40 comparator group showed that the current NED fees are competitively positioned, and as a result, the Board decided that there would be no change to existing fee levels.

The table below outlines the main Board and Committee fees as at 30 June 2017.

		Per Annum A\$'000	Per Annum US\$'000 ⁽¹⁾
Board Fees	Chairperson ⁽²⁾	600	452
	Members	200	151
Committee Fees	Audit & Risk Committee		
	Chairperson	50	38
	Members	25	19
	Safety & Sustainability Committee		
	Chairperson	40	30
	Members	20	15
	HRR Committee		
	Chairperson	40	30
	Members	20	15

⁽¹⁾ Board and Committee fees have been translated from Australian dollars to US dollars using an average exchange rate of 0.7541 for the 2017 financial year.

⁽²⁾ The Chairperson of the Board does not receive any additional payments for his/her role as Chair or Member of any Committee.

Under the Company's Constitution, NEDs may be reimbursed for reasonable travel, accommodation and other expenses incurred while engaged on the business of the Company. NEDs may also be remunerated for additional services, for example, if they undertake specialist or consulting work on behalf of the Company outside the scope of their normal Director's duties. No fees for additional services were paid to NEDs for the current or prior financial year.

REMUNERATION REPORT

8. SHAREHOLDINGS

8.1. Minimum Shareholding Policy

All KMP are required to hold shares in the Company. The Company introduced a Minimum Shareholding Requirement Policy applicable to all KMP from 1 July 2015. The policy requires that:

- the CEO own a minimum of 100% of TFR in shares, to be acquired within five years;
- all Executives own a minimum of 50% of TFR in shares, to be acquired within five years; and
- all NEDs own a minimum of one year's total annual fees in shares, to be acquired within three years (or as agreed with the Chairman for newly appointed NEDs),

from the later of appointment or 1 July 2015.

8.2. Executive Shareholdings

A summary of current shareholdings of Executives, including their closely related entities, as at 30 June 2017 are set out below.

Executive	Opening balance ⁽¹⁾	Granted as remuneration ⁽²⁾	Acquired on exercise of Rights ⁽³⁾	Net other movements ⁽⁴⁾	Closing balance ⁽⁵⁾	Value as at 30 June 2017 ⁽⁶⁾ A\$'000	Percentage of TFR %
Sandeep Biswas	200,752	70,418	51,793	(53,618)	269,345	5,430	236
Gerard Bond	40,808	23,778	35,126	(17,563)	82,149	1,656	170
Melanie Allibon	5,000	-	-	-	5,000	101	15
Craig Jetson	12,998	-	-	-	12,998	262	28
Craig Jones	7,110	16,124	17,678	-	40,912	825	106
Ian Kemish	-	4,383	-	(4,383)	-	-	-
Francesca Lee	-	12,948	-	-	12,948	261	37
Michael Nossal	-	80,733	-	(28,365)	52,368	1,056	108
Philip Stephenson	-	10,844	-	-	10,844	219	28
Former Executives							
Jane Thomas	-	-	-	-	-	-	-

⁽¹⁾ Opening balance is as at 1 July 2016 for all except Craig Jetson and Melanie Allibon. The opening balance for Craig Jetson is 1 January 2017, when he commenced as an EGM and became KMP. The opening balance for Melanie Allibon is 30 January 2017, when she commenced as an EGM and became KMP.

⁽²⁾ Remuneration granted in FY2017 includes shares allocated in respect of the deferral of 50% of an Executive's STI award for the 2016 STI Plan. Vesting of deferred shares remains subject to service. The amount included for Ian Kemish and Michael Nossal includes the vesting of sign-on rights as detailed in section 4.6.

⁽³⁾ Shares acquired on exercise of rights represents the shares acquired on vesting of Rights under the 2013 LTI Plan.

⁽⁴⁾ Net other movements represents the sale of shares by Executives.

⁽⁵⁾ For current Executives, the closing balance is as at 30 June 2017. For former Executives, the closing balance is at the date of their departure.

⁽⁶⁾ Based on closing share price on 30 June 2017 of A\$20.16.

REMUNERATION REPORT

8.3. Non-Executive Directors' Shareholdings

A summary of current shareholdings of NEDs, including their closely related entities, as at 30 June 2017 are set out below.

Non-Executive Directors	Opening balance ⁽¹⁾	Net other Movements	Closing balance ⁽²⁾	Value as at 30 June 2017 ⁽³⁾ A\$'000	Percentage of ongoing annual fees %
Peter Hay	52,000	451	52,451	1,057	176
Philip Aiken	17,769	155	17,924	361	139
Roger Higgins	12,294	-	12,294	248	113
Winifred Kamit	326	-	326	7	3
Rick Lee	28,447	-	28,447	573	216
Xiaoling Liu	10,000	-	10,000	202	82
Vickki McFadden	-	10,000	10,000	202	90
John Spark	32,105	87	32,192	649	259
Former Non-Executive Directors					
Richard Knight	40,000	-	40,000		

⁽¹⁾ Opening balance is as at 1 July 2016 for all except Vickki McFadden. The opening balance for Vickki McFadden is 1 October 2016, when she commenced as a Non-Executive Director.

⁽²⁾ For current Non-Executive Directors, the closing balance is as at 30 June 2017. For former Non-Executive Directors, the closing balance is at the date of their departure.

⁽³⁾ Based on closing share price on 30 June 2017 of A\$20.16.

8.4. Securities Dealing Policy

The Company has a Securities Dealing Policy which prohibits the use by Directors, Executives and employees of hedging and derivatives such as caps, collars, warrants or similar products in relation to Newcrest securities, including shares acquired under the Company's equity incentive schemes, whether or not they are vested. The Policy also prohibits entry into transactions in associated products that operate to limit the economic risk of their security or interest holdings in the Company. Employees are not permitted to enter into margin loans in relation to Newcrest securities at any time without prior approval from the Chairman or Company Secretary. It is available on the Company's website at: www.newcrest.com.au/about-us/corporate-governance.

REMUNERATION REPORT

9. STATUTORY TABLES

9.1. Executive Remuneration

Executives	Short Term				Long Term	Post-Employment	Share-Based Payments				Total	Performance related (J) %
	Salary (A) US\$'000	Short Term Incentive (B) US\$'000	Other Cash Benefits (C) US\$'000	Other Benefits (D) US\$'000	Leave (E) US\$'000	Super-annuation (F) US\$'000	LTI Rights (G) US\$'000	STI Deferral (H) US\$'000	Other (I) US\$'000	US\$'000		
2017												
Sandeep Biswas	1,720	1,195	27	41	19	15	2,503	1,124	-	6,644	72.6	
Gerard Bond	710	397	-	10	(12)	15	685	289	-	2,094	65.5	
Melanie Allibon	203	75	-	2	16	7	90	28	-	421	45.8	
Craig Jetson	341	142	8	1	24	7	96	92	-	711	46.4	
Craig Jones	568	235	-	9	(16)	15	561	183	75	1,630	60.1	
Ian Kemish	513	195	86	27	12	15	103	73	106	1,130	32.8	
Francesca Lee	513	189	-	7	(9)	15	403	147	-	1,265	58.4	
Michael Nossal	720	374	11	8	22	15	322	271	283	2,026	47.7	
Philip Stephenson	522	195	40	49	11	15	232	137	-	1,201	47.0	
Former Executives												
Jane Thomas	99	-	-	1	(41)	4	-	-	-	63	n/a	
Total	5,909	2,997	172	155	26	123	4,995	2,344	464	17,185		
2016												
Sandeep Biswas	1,662	1,059	19	19	46	14	931	852	66	4,668	60.9	
Gerard Bond	655	358	-	9	11	14	303	135	-	1,485	53.6	
Craig Jones	547	243	103	130	9	14	224	91	-	1,361	41.0	
Ian Kemish	60	-	8	-	1	4	-	-	82	155	n/a	
Francesca Lee	496	195	-	6	9	14	131	74	-	925	43.2	
Michael Nossal	686	337	153	7	17	14	94	127	820	2,255	24.7	
Philip Stephenson	453	163	47	47	17	14	69	61	-	871	33.6	
Jane Thomas	489	184	28	39	30	14	(37)	-	-	747	19.7	
Total ⁽¹⁾	5,048	2,539	358	257	140	102	1,715	1,340	968	12,467		

⁽¹⁾ Total Executive remuneration for the 2016 financial year excludes Executives who ceased being an Executive in the 2016 financial year. Total remuneration for these Executives in 2016 was US\$234,000.

9.1 Executive Remuneration (continued)

The table above details the statutory remuneration disclosures as calculated with reference to the *Corporations Act 2001* and relevant accounting standards. All Executives are compensated in Australian dollars. Remuneration has been presented in US dollars, consistent with Newcrest's presentation currency. All remuneration components have been translated from Australian dollars to US dollars using an average rate of 0.7541 (2016: 0.7285).

Where applicable, remuneration is pro-rated for the time periods during the 2017 financial year that the Executive was a KMP. An explanation of the relevant remuneration items included in the tables is provided in the associated footnotes. The figures provided in relation to share based payments (columns G to I) are calculated in accordance with accounting standards and represent the amortised fair value of equity instruments that have been granted to Executives. Note that, in many cases, this methodology has made it appear that LTI values have increased between 2016 and 2017. In practice, for the CEO specifically, the face value of grants has remained the same in both November 2015 (2016 financial year) and November 2016 (2017 financial year), at 150% of TFR for both awards.

Notes to Executive Remuneration

- (A) Salaries comprise cash salary and available salary package options grossed up by related fringe benefits tax, where applicable, net of superannuation commitments, paid during the financial year. For former and new Executives, this balance is pro-rated for time served as KMP.
- (B) Short Term Incentive refers to cash amounts earned under the STI Plan which are paid in the following financial year. For Executives who departed Newcrest during the year, the STI treatment applies in accordance with the Plan Rules.
- (C) Other cash benefits comprise:
- For Ian Kemish and Michael Nossal, this includes the cash component awarded as "sign-on" incentives, as detailed in section 4.6. These entitlements are being expensed over the period in which the performance and/or service conditions are fulfilled, ending on the date on which they become fully entitled to the award.
 - For all other Executives this relates to travel costs paid in lieu of relocation entitlements.
- (D) Other benefits represents non-monetary benefits such as parking, insurance and applicable fringe benefits tax payable on benefits.
- (E) Represents leave entitlements, measured on an accruals basis, and reflects the movement in the entitlements over the year.
- (F) Represents company contributions to superannuation under the Superannuation Guarantee legislation (**SGC**).
- (G) Represents the fair value of Rights, comprising Rights over unissued shares, granted under the LTI Plan. This is calculated in accordance with Australian Accounting Standard *AASB 2 Share Based Payments*.
- The Rights granted in the 2017 financial year have been valued using the Monte-Carlo simulation model, taking into account the impact of the TSR condition. The calculation of the share based payment expense is based on the apportioned expense associated with Rights granted.
- The Rights granted in prior financial years have been valued using a Black-Scholes model. The calculation of the share based payment expense is based on the apportioned expense associated with Rights granted, adjusted for the reassessment of estimated vesting outcomes of those Rights.
- (H) Represents the deferral of 50% of the STI award granted to the Executives which is deferred in the form of shares (refer to section 4.4). The deferred amount is being expensed over the period in which the performance and/ or service conditions are fulfilled, ending on the date on which the Executive fully becomes entitled to the award.
- (I) Represents Rights awarded to Executives as "sign-on" incentives in accordance with their Executive Service Agreements, as detailed in section 4.6. Their entitlements are being expensed over the period in which the performance and/or service conditions are fulfilled, ending on the date on which they become fully entitled to the award.
- (J) Represents performance related remuneration as a percentage of total remuneration. Performance related remuneration comprises Short-Term Incentive, LTI Rights and STI Deferral.

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9.2. Executives – Changes in Rights Holdings during the 2017 financial year

Executives	Opening balance ⁽¹⁾	Granted under 2016 LTI Plan	Other Grants ⁽²⁾	Rights Lapsed/ Forfeited ⁽³⁾	Vested and/or Exercised ⁽⁴⁾	Closing balance ⁽⁵⁾	Closing balance non-vested ⁽⁶⁾
Current							
Sandeep Biswas	843,123	148,391	-	(124,976)	(51,793)	814,745	814,745
Gerard Bond	297,290	41,937	-	(84,761)	(35,126)	219,340	219,340
Melanie Allibon ⁽⁷⁾	-	21,134	-	-	-	21,134	21,134
Craig Jetson ⁽⁸⁾	62,011	22,366	-	-	-	84,377	84,377
Craig Jones	209,153	33,140	15,845	(42,657)	(17,678)	197,803	197,803
Ian Kemish ⁽⁴⁾	18,993	24,087	-	-	(4,383)	38,697	38,697
Francesca Lee	108,238	24,104	-	-	-	132,342	132,342
Michael Nossal ⁽⁴⁾	194,811	41,937	-	-	(58,365)	178,383	178,383
Philip Stephenson	60,298	22,366	-	-	-	82,664	82,664
Former							
Jane Thomas ⁽⁹⁾	103,257	-	-	(103,257)	-	-	-

(1) The opening balance for Executives who commenced during the 2017 financial year is assessed on their commencement date, and for other Executives, is assessed on 1 July 2016.

(2) Rights granted to Craig Jones as a “sign-on” payment as detailed in section 4.6.

(3) Rights which lapsed or were forfeited for Sandeep Biswas, Gerard Bond and Craig Jones were granted in the 2014 financial year. For Jane Thomas the Rights forfeited were granted in the 2015 and 2016 financial years.

(4) For Sandeep Biswas, Gerard Bond and Craig Jones, Rights that vested were granted in the 2014 financial year. For Michael Nossal and Ian Kemish rights that vested were in relation to the sign-on incentives granted to each on their commencement, as detailed at section 4.6.

(5) The closing balance for former Executives is assessed on the date of their departure, and for current Executives, is assessed on 30 June 2017.

(6) These Rights are ‘at risk’ and will lapse or be forfeited in the event that the minimum prescribed conditions are not met by the Company or individual Executives, as applicable.

(7) Melanie Allibon commenced in the position on 30 January 2017 and received a pro-rata invitation to participate in the 2016 LTI Plan.

(8) For Craig Jetson, the opening balance and grant under the 2016 LTI Plan, represent Rights issued prior to his appointment date as an Executive.

(9) Jane Thomas’ Rights lapsed on the cessation of her employment in September 2016.

9.3. Executives – Total Value of Rights Granted and Exercised during the 2017 financial year

Executives	Accounting Fair Value of Rights Granted	Value of Rights Exercised
	(A) US\$’000	(B) US\$’000
Sandeep Biswas	2,040	817
Gerard Bond	576	554
Melanie Allibon	290	-
Craig Jetson	307	-
Craig Jones	673	279
Ian Kemish	331	71
Francesca Lee	331	-
Michael Nossal	576	941
Philip Stephenson	307	-
Jane Thomas	-	-

The following assumptions have been applied to this table:

(A) The accounting value of the Rights granted under the LTI Plan reflects the fair value of a Right on the Grant Date, being US\$13.75 multiplied by the number of Rights granted during the year. The accounting value of a sign-on Right granted to Ian Kemish and Michael Nossal reflects the fair value of the Rights on the Grant Date, being US\$14.99 and US\$9.75 respectively, multiplied by the number of Rights granted during the year. The accounting value of a sign-on Right granted to Craig Jones reflects the fair value of the Rights on the Grant Date, being US\$13.70, multiplied by the number of Rights granted during the year. This amount represents the maximum value which will be expensed over the performance period. The minimum value is nil if the performance and/or service conditions are not met.

(B) The value at the exercise date has been determined by the Company’s share price at the close of business on the exercise date multiplied by the number of Rights exercised during the year ended 30 June 2017 (nil exercise price).

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9.4. Executives – Source of Rights Holdings at 30 June 2017

Financial Year Plan	Balance at	FY2017 Other	FY2017 2016 LTI	FY2016 Other	FY2016 2015 LTI	FY2016 2014 LTI	FY2015 2014 LTI
	30 June 2017						
Allocation Date		31 Jan 17	15 Nov 16	16 May 16	6 Jul 15	5 Nov 15	7 Nov 14
VWAP for grant ⁽¹⁾		A\$18.93	A\$23.25	A\$20.54	A\$12.85	A\$12.49	A\$8.84
Future financial years in which rights may vest		FY2018	FY2020	FY2018 to FY2019	FY2018	FY2019	FY2018
Sandeep Biswas	814,745	-	148,391	-	-	276,285	390,069
Gerard Bond	219,340	-	41,937	-	-	73,555	103,848
Melanie Allibon	21,134	-	21,134	-	-	-	-
Craig Jetson ⁽²⁾	84,377	-	22,366	-	-	41,643	20,368
Craig Jones ⁽³⁾	197,803	15,845	33,140	-	-	61,703	87,115
Ian Kemish ⁽⁴⁾	38,697	-	24,087	14,610	-	-	-
Francesca Lee	132,342	-	24,104	-	-	44,878	63,360
Michael Nossal ⁽⁵⁾	178,383	-	41,937	-	58,365	78,081	-
Philip Stephenson ⁽⁶⁾	82,664	-	22,366	-	-	41,643	18,655
Jane Thomas ⁽⁷⁾	-	-	-	-	-	44,206	59,051

(1) Five day VWAP of Newcrest's share price used to determine the number of Rights offered.

(2) Craig Jetson's 2014, 2015 and 2016 Rights were issued whilst he was in his previous role as GM – Lihir Operations.

(3) Craig Jones was entitled under his ESA to sign-on rights as detailed in section 4.6. The 15,845 rights granted were calculated based on a value of A\$300,000 (US\$217,050) divided by the VWAP of Newcrest's share price over the 5 trading days immediately prior to his appointment date of 1 January 2017.

(4) Ian Kemish was entitled under his ESA to sign-on rights as detailed in section 4.6. The 18,993 rights granted were calculated based on a value of A\$390,000 (US\$284,115) divided by the VWAP of Newcrest's share price over the 5 trading days immediately prior to his commencement date of 16 May 2016. His first tranche of 4,383 rights vested in September 2016, leaving a balance of 14,610 sign-on rights.

(5) Michael Nossal was entitled under his ESA to sign-on rights as detailed in section 4.6. The 116,730 rights granted were calculated based on a value of A\$1,500,000 (US\$1,092,750) divided by the VWAP of Newcrest's share price over the five 5 trading days immediately prior to his commencement date of 6 July 2015. His first tranche of 58,365 rights vested during FY17, leaving a balance of 58,365 sign-on rights.

(6) Philip Stephenson's FY2015 Rights were issued whilst he was in a previous role as GM – Health, Safety, Environment, Security and Risk.

(7) Jane Thomas' Rights lapsed on the cessation of her employment in September 2016.

9.5. Non-Executive Directors Remuneration

		Short Term	Post-Employment	Total ⁽³⁾
		Board Fees	Committee Fees	
		US\$'000	US\$'000	US\$'000
Non-Executive Directors				
Peter Hay	2017	438	-	453
	2016	423	-	438
Philip Aiken ⁽⁴⁾	2017	146	45	196
	2016	141	40	186
Roger Higgins	2017	136	15	166
	2016	100	10	120
Winifred Kamit	2017	136	30	181
	2016	132	29	176
Rick Lee	2017	136	49	200
	2016	132	47	194
Xiaoling Liu	2017	136	40	191
	2016	109	39	160
Vicki McFadden ⁽⁴⁾	2017	102	14	127
	2016	-	-	-
John Spark	2017	136	38	189
	2016	132	36	182
Former Non-Executive Directors				
Richard Knight ⁽⁵⁾	2017	18	2	22
	2016	133	17	164
Total	2017	1,384	233	1,725
Total⁽¹⁾	2016	1,302	218	1,620

(1) Total Non-Executive Director (NED) remuneration for the 2016 financial year excludes NED's who ceased being a NED in the 2016 financial year. Total remuneration for these NED's in 2016 was US\$73,000.

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- (2) Represents Company contributions to superannuation under the SGC and insurance payments.
- (3) Non-Executive Directors are compensated in Australian dollars. All remuneration components have been translated from Australian dollars to US dollars using an average rate of 0.7541 (2016: 0.7285).
- (4) Vicki McFadden was appointed as a Non-Executive Director on 1 October 2016.
- (5) Richard Knight retired from the Board on 16 August 2016.

9.6. Other Transactions with KMP

There were no loans made to KMP or their related parties during the year. There were no other transactions between the Group and any KMP or their related parties other than those within the normal employee, customer or supplier relationship on terms and conditions no more favourable than arm's length, all of which are trivial or domestic in nature.

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**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 US\$m	2016 US\$m
Sales revenue	5(a)	3,477	3,295
Cost of sales	5(b)	(2,609)	(2,601)
Gross profit		868	694
Exploration expenses	11	(53)	(32)
Corporate administration expenses	5(c)	(84)	(79)
Other income/(expenses)	5(d)	(12)	11
Loss on business divestment	6	(10)	-
Net investment hedge loss	6	(79)	-
Write-down of non-current assets	6	(15)	-
Gain on disposal of investment	6	-	18
Class action settlement expense	6	-	(12)
Profit before interest and income tax		615	600
Finance income		2	1
Finance costs	5(e)	(134)	(148)
Profit before income tax		483	453
Income tax expense	7(a)	(164)	(118)
Profit after income tax		319	335
Profit after tax attributable to:			
Non-controlling interests		11	3
Owners of the parent		308	332
		319	335
Earnings per share (cents per share)			
Basic earnings per share	8	40.2	43.3
Diluted earnings per share	8	40.0	43.0

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

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 US\$m	2016 US\$m
Profit after income tax		319	335
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to the Income Statement</i>			
Cash flow hedges			
Cash flow hedge (gains)/losses transferred to the Income Statement	21(a)	(23)	25
Cash flow hedge gains/(losses) deferred in equity		85	(57)
Income tax (expense)/benefit		(19)	10
		43	(22)
Investments			
Net gain on available-for-sale financial assets transferred to the Income Statement upon disposal of investment		-	(25)
		-	(25)
Foreign currency translation			
Exchange gains/(losses) on translation of foreign operations, net of hedges of foreign investments		110	(101)
Net investment hedge loss transferred to the Income Statement on business divestment, net of tax	6	62	-
Realised exchange loss transferred to the Income Statement upon disposal of investment/associate		-	7
		172	(94)
Other comprehensive income/(loss) for the year, net of tax		215	(141)
Total comprehensive income for the year		534	194
Total comprehensive income attributable to:			
Non-controlling interests		11	3
Owners of the parent		523	191
		534	194

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	Note	2017 US\$m	2016 US\$m
Current assets			
Cash and cash equivalents	20	492	53
Trade and other receivables	14	88	134
Inventories	13	556	545
Other financial assets	21(f)	31	-
Current tax asset		26	2
Other assets	15	56	69
Total current assets		1,249	803
Non-current assets			
Inventories	13	1,125	1,170
Other financial assets	21(f)	10	-
Property, plant and equipment	11	8,852	8,891
Other intangible assets	16	35	44
Deferred tax assets	17	80	105
Investment in associate	28	64	-
Other assets	15	168	178
Total non-current assets		10,334	10,388
Total assets		11,583	11,191
Current liabilities			
Trade and other payables		455	369
Borrowings	20	-	120
Provisions	18	147	147
Current tax liability		58	13
Other financial liabilities	21(f)	4	21
Total current liabilities		664	670
Non-current liabilities			
Borrowings	20	1,991	2,040
Provisions	18	307	396
Deferred tax liabilities	17	1,087	948
Other financial liabilities	21(f)	-	17
Total non-current liabilities		3,385	3,401
Total liabilities		4,049	4,071
Net assets		7,534	7,120
Equity			
Issued capital	22	11,657	11,666
Accumulated losses		(4,154)	(4,347)
Reserves	23	(53)	(278)
Equity attributable to owners of the parent		7,450	7,041
Non-controlling interests		84	79
Total equity		7,534	7,120

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 US\$m	2016 US\$m
Cash flows from operating activities			
Receipts from customers		3,509	3,332
Payments to suppliers and employees		(1,888)	(1,927)
Interest received		2	1
Interest paid		(122)	(138)
Income taxes paid		(34)	(28)
Dividends received		-	1
Net cash provided by operating activities	10	1,467	1,241
Cash flows from investing activities			
Payments for plant and equipment		(286)	(197)
Mine under construction, development and feasibility expenditure		(193)	(214)
Production stripping expenditure		(90)	(54)
Exploration and evaluation expenditure		(58)	(44)
Information systems development		(13)	(6)
Interest capitalised to development projects		-	(1)
Proceeds from sale of investments	6	-	88
Proceeds from sale of property, plant and equipment		2	1
Payments for investments	28	(63)	-
Cash outflow on sale of subsidiary, net of cash held by the subsidiary	29	(27)	-
Net cash used in investing activities		(728)	(427)
Cash flows from financing activities			
Proceeds from borrowings:			
• Bilateral bank debt		295	2,160
• Bank loan		-	20
Repayment of borrowings:			
• Bilateral bank debt		(320)	(3,110)
• Private placement notes		(125)	-
• Bank loan		(20)	-
Payment for treasury shares		(19)	(6)
Contingent consideration received		-	9
Dividends paid:			
• Members of the parent entity		(105)	-
• Non-controlling interests		(6)	(32)
Net cash used in financing activities		(300)	(959)
Net increase/(decrease) in cash and cash equivalents		439	(145)
Cash and cash equivalents at the beginning of the year		53	198
Cash and cash equivalents at the end of the year	20	492	53

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

2017	Attributable to Owners of the Parent							Non-controlling Interests	Total
	Issued Capital	FX Translation Reserve	Hedge Reserve	Equity Settlements Reserve	Fair Value Reserve	Accumulated Losses	Total		
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
Balance at 1 July 2016	11,666	(340)	(16)	78	-	(4,347)	7,041	79	7,120
Profit for the year	-	-	-	-	-	308	308	11	319
Other comprehensive income for the year	-	172	43	-	-	-	215	-	215
Total comprehensive income for the year	-	172	43	-	-	308	523	11	534
Transactions with owners in their capacity as owners									
Share-based payments	-	-	-	10	-	-	10	-	10
Shares purchased	(19)	-	-	-	-	-	(19)	-	(19)
Dividends paid	-	-	-	-	-	(115)	(115)	(6)	(121)
Shares issued – dividend reinvestment plan	10	-	-	-	-	-	10	-	10
Balance at 30 June 2017	11,657	(168)	27	88	-	(4,154)	7,450	84	7,534

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

2016	Attributable to Owners of the Parent							Non-controlling Interests	Total
	Issued Capital	FX Translation Reserve	Hedge Reserve	Equity Settlements Reserve	Fair Value Reserve	Accumulated Losses	Total		
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
Balance at 1 July 2015	11,673	(246)	6	70	25	(4,679)	6,849	108	6,957
Profit for the year	-	-	-	-	-	332	332	3	335
Other comprehensive income for the year	-	(94)	(22)	-	(25)	-	(141)	-	(141)
Total comprehensive income for the year	-	(94)	(22)	-	(25)	332	191	3	194
Transactions with owners in their capacity as owners									
Share-based payments	-	-	-	8	-	-	8	-	8
Shares purchased	(7)	-	-	-	-	-	(7)	-	(7)
Dividends paid	-	-	-	-	-	-	-	(32)	(32)
Balance at 30 June 2016	11,666	(340)	(16)	78	-	(4,347)	7,041	79	7,120

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

INTRODUCTION

This section provides information about the overall basis of preparation that is considered to be useful in understanding these financial statements.

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') and the Port Moresby Stock Exchange ('PoMSOX'). The registered office of Newcrest Mining Limited is Level 8, 600 St Kilda Road, Melbourne, Victoria, 3004, Australia.

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

The financial report of Newcrest Mining Limited for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the Directors on 14 August 2017.

2. Basis of Preparation

(a) Overview

This financial report is a general purpose financial report, prepared by a for-profit entity, in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

The financial report also complies with International Financial Reporting Standards (IFRS) including interpretations as issued by the International Accounting Standards Board (IASB).

The financial report has been prepared on a historical cost basis, except for derivative financial instruments and available-for-sale assets 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.

The accounting policies have been consistently applied by all entities included in the Group and are consistent with those applied in the prior year.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the parent entity, Newcrest Mining Limited, and its controlled entities (referred to as 'the Consolidated Entity' or 'the Group' in these financial statements). A list of significant controlled entities (subsidiaries) is presented in Note 24.

Control is achieved when the Group is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Specifically, the Group controls an investee if, and only if, the Group has all of the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Non-controlling interests in the results and equity of the entities that are controlled by the Group are shown separately in the Income Statement, Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity respectively.

2. Basis of Preparation (continued)

(c) Foreign Currency

Presentation and Functional Currency

The presentation currency of the Group is US dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. All non-Australian operating entities have a functional currency of US dollars, while the parent entity and the Group's Australian entities have a functional currency of Australian dollars.

Transactions and Balances

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. The subsequent payment or receipt of funds related to a transaction is translated at the rate applicable on the date of payment or receipt. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

All exchange differences in the consolidated financial statements are taken to the Income Statement with the exception of differences on certain US dollar denominated borrowings (held by entities with a functional currency of Australian dollars) where the foreign currency components are designated as either cash flow hedges of future US dollar denominated sales or hedges of a net investment in a foreign operation. These are recognised in other comprehensive income and accumulated in a reserve until the forecast sales used to repay the debt occur (for cash flow hedges) or the foreign operation is disposed (for net investment hedges), at which time they are recognised in the Income Statement.

Translation

The assets and liabilities of subsidiaries with a functional currency other than US dollars (being the presentation currency of the group) are translated into US dollars at the exchange rate at the reporting date and the income statement is translated at the average exchange rate for the period. On consolidation, exchange differences arising from the translation of these subsidiaries, translation of net investments in foreign operations and of the borrowings designated as hedges of the net investment are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the Income Statement.

3. Critical Accounting Judgements, Estimates and Assumptions

Judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The judgements, estimates and assumptions that potentially have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are found within the following notes:

- Note 11 - Exploration, evaluation and deferred feasibility expenditure
- Note 11 - Production stripping
- Note 11 - Units of production method of depreciation/amortisation
- Note 11 - Ore reserves and mineral resources
- Note 12 - Fair value of CGU's
- Note 13 - Net realisable value of ore stockpiles
- Note 17 - Recovery of deferred tax assets
- Note 18 - Mine rehabilitation provision
- Note 33 - Share-based payments

PERFORMANCE

This section highlights the key indicators on how the Group performed in the current year.

4. 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.

The Group's reportable operating segments are:

- Cadia, Australia
- Telfer, Australia
- Lihir, Papua New Guinea
- Gosowong, Indonesia ⁽¹⁾
- Bonikro, Cote d'Ivoire ⁽²⁾
- Hidden Valley JV (50% interest), Papua New Guinea ⁽³⁾
- Exploration and Other ⁽⁴⁾

⁽¹⁾ Newcrest owns 75% of Gosowong through its holding in PT Nusa Halmahera Minerals.

⁽²⁾ Bonikro includes mining and near-mine exploration interests in Côte d'Ivoire, which are held by LGL Mines CI SA and Newcrest Hire CI SA (of which Newcrest owns 89.89% respectively).

⁽³⁾ Newcrest divested its 50% interest in Hidden Valley during the year. Refer Note 29.

⁽⁴⁾ Exploration and Other mainly comprises projects in the exploration, evaluation and feasibility phase and includes Wafi-Golpu JV (50% interest) and Morobe Exploration JV (50% interest) in PNG, Namosi JV (70.75% interest) in Fiji and O'Callaghans in Australia and Newcrest's global greenfields exploration portfolio.

(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 Revenues represent gold, copper and silver sales revenue.

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 4(b).

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

4. Segment Information (continued)

2017	Cadia	Telfer	Lihir	Gosowong	Bonikro	Hidden Valley⁽²⁾	Total Operations	Exploration & Other⁽³⁾	Corporate⁽⁴⁾	Total Group
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
External sales revenue	1,137	631	1,181	350	162	16	3,477	-	-	3,477
EBITDA	626	144	542	177	48	2	1,539	(53)	(78)	1,408
Depreciation and amortisation	(136)	(138)	(259)	(98)	(39)	(1)	(671)	-	(18)	(689)
EBIT (Segment result)⁽¹⁾	490	6	283	79	9	1	868	(53)	(96)	719
Capital expenditure	168	101	217	33	25	1	545	23	14	582
Segment assets	3,450	743	5,685	467	169	-	10,514	553	516	11,583
Segment liabilities	687	233	1,047	153	51	-	2,171	10	1,868	4,049
Net assets	2,763	510	4,638	314	118	-	8,343	543	(1,352)	7,534

Notes:

- (1) Refer to Note 4(b) for the reconciliation of segment result to profit before tax.
(2) The segment result for Hidden Valley is for the period to the date of divestment. Refer Note 29.
(3) Includes net assets attributable to Wafi-Golpu JV of US\$419 million and Namosi JV of US\$97 million.
(4) Includes investment in associates and eliminations.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

4. Segment Information (continued)

2016	Cadia	Telfer	Lihir	Gosowong	Bonikro	Hidden Valley	Total Operations	Exploration & Other⁽²⁾	Corporate⁽³⁾	Total Group
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
External sales revenue	1,099	634	1,035	257	162	108	3,295	-	-	3,295
EBITDA	651	173	397	87	63	3	1,374	(32)	(50)	1,292
Depreciation and amortisation	(227)	(131)	(198)	(77)	(35)	(12)	(680)	-	(18)	(698)
EBIT (Segment result)⁽¹⁾	424	42	199	10	28	(9)	694	(32)	(68)	594
Capital expenditure	164	76	119	48	32	5	444	19	8	471
Segment assets	3,388	756	5,713	449	200	30	10,536	532	123	11,191
Segment liabilities	687	195	930	159	46	46	2,063	7	2,001	4,071
Net assets	2,701	561	4,783	290	154	(16)	8,473	525	(1,878)	7,120

Notes:

- ⁽¹⁾ Refer to Note 4(b) for the reconciliation of segment result to profit before tax.
⁽²⁾ Includes net assets attributable to Wafi-Golpu JV of US\$398 million and Namosi JV of US\$96 million.
⁽³⁾ Includes eliminations.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

4. Segment Information (continued)

	Note	2017 US\$m	2016 US\$m
(b) Reconciliation of EBIT (Segment Result) to Profit Before Tax			
Segment Result	4(a)	719	594
<i>Finance costs:</i>			
Finance income		2	1
Finance costs		(134)	(148)
		(132)	(147)
<i>Significant items:</i>			
Loss on business divestment	6	(10)	-
Net investment hedge loss	6	(79)	-
Write down of non-current assets	6	(15)	-
Gain on disposal of investment	6	-	18
Class action settlement expense	6	-	(12)
		(104)	6
Profit before tax		483	453

(c) Geographical Information

Sales Revenue from External Customers ⁽¹⁾

***Bullion* ⁽²⁾**

Australia	1,539	1,284
China (including Hong Kong)	274	216
United Kingdom	55	277
Canada	115	103

***Concentrate* ⁽³⁾**

Japan	755	756
Korea	172	177
Philippines	220	135
Singapore	163	122
India	70	29
Other	114	196

Total sales revenue

3,477 **3,295**

Non-Current Assets ⁽⁴⁾

Australia	4,021	3,855
Indonesia	277	371
Papua New Guinea	5,754	5,823
Cote d'Ivoire	106	140
Other	96	94

Total non-current assets

10,254 **10,283**

⁽¹⁾ Revenue is attributable to geographic location, based on the location of customers.

⁽²⁾ Bullion sales to one customer amounted to US\$606 million (2016: US\$592 million) arising from sales by Cadia, Telfer, Lihir, Gosowong, Bonikro and Hidden Valley.

⁽³⁾ Concentrate sales to one customer amounted to US\$647 million (2016: US\$560 million) arising from concentrate sales by Cadia and Telfer.

⁽⁴⁾ Non-Current Assets for this disclosure excludes deferred tax assets.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

5. Income and Expenses

	2017 US\$m	2016 US\$m
(a) Sales Revenue		
Gold	3,001	2,857
Copper	456	403
Silver	20	35
Total sales revenue	3,477	3,295
Total revenue	3,477	3,295
(b) Cost of Sales		
Site production costs	1,676	1,667
Royalties	96	85
Concentrate treatment and realisation	137	131
Inventory movements	29	38
	1,938	1,921
Depreciation	671	680
Total cost of sales	2,609	2,601
(c) Corporate Administration Expenses		
Corporate costs	56	53
Corporate depreciation	18	18
Share-based payments	10	8
Total corporate administration expenses	84	79
(d) Other Income/(Expenses)		
Net foreign exchange gain/(loss)	(4)	2
Net fair value gain/(loss) on gold and copper derivatives and fair value movements on concentrate receivables	-	8
Other	(8)	1
Total other income/(expenses)	(12)	11
(e) Finance Costs		
Interest on loans	103	112
Facility fees and other costs	23	26
Less: Capitalised borrowing costs	-	(1)
	126	137
Discount unwind on provisions	8	11
Total finance costs	134	148

5. Income and Expenses (continued)

	2017 US\$m	2016 US\$m
(f) Depreciation and Amortisation		
Property, plant and equipment	667	727
Intangible assets	23	21
	<u>690</u>	<u>748</u>
Less: Capitalised to inventory on hand or assets under construction	(1)	(50)
Total depreciation and amortisation expense	<u>689</u>	<u>698</u>
Included in:		
Cost of sales depreciation	671	680
Corporate depreciation	18	18
Total depreciation and amortisation expense	<u>689</u>	<u>698</u>
(g) Employee Benefits Expense		
Defined contribution plan expense	28	31
Share-based payments	10	8
Redundancy expense	11	10
Salaries, wages and other employment benefits	384	372
Total employee benefits expense	<u>433</u>	<u>421</u>

Revenue Recognition

Revenue from the sale of goods is recognised when there has been a transfer of risks and rewards to the customer and no further processing is required by the Group, the quality and quantity of the goods has been determined with reasonable accuracy, the price is known or can be reasonably estimated, and collectability is probable. The point at which risk and title passes for concentrate sales is generally upon receipt of the bill of lading when the commodity is delivered for shipment. Revenue is measured at the fair value of the consideration received or receivable.

The terms of metal in concentrate sales contracts with third parties contain provisional pricing arrangements whereby the selling price for metal in concentrate is based on prevailing spot prices on a specified future date after shipment to the customer (quotation period). Adjustments to the sales price occur based on movements in quoted market prices up to the date of final settlement. The period between provisional invoicing and final settlement is typically between one and four months. Revenue on provisionally priced sales is recognised based on the estimated fair value of the total consideration receivable. Subsequent changes in fair value are recognised in the Income Statement each period until final settlement and presented as part of 'Other Income/Expense'.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

6. Significant Items

Significant items represent 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.

Items by Nature	Gross US\$m	Tax US\$m	Net US\$m
2017			
Loss on business divestment ⁽¹⁾	(10)	-	(10)
Net investment hedge loss ⁽²⁾	(79)	17	(62)
Write-down of non-current assets ⁽³⁾	(15)	-	(15)
Total significant items	(104)	17	(87)
Attributable to:			
Non-controlling interest ⁽³⁾			(1)
Owners of the parent			(86)
			(87)
2016			
Settlement of class action proceedings ⁽⁴⁾	(26)	8	(18)
Net associated expenses and insurance recoveries	14	(5)	9
Class action settlement expense	(12)	3	(9)
Gain on disposal of investment ⁽⁵⁾	18	-	18
Total significant items	6	3	9
Attributable to:			
Non-controlling interest			-
Owners of the parent			9
			9

Year Ended 30 June 2017

(1) During the year, the Group divested its 50% interest in the Hidden Valley Mine. Refer Note 29.

(2) Represents the net foreign exchange loss on historic funding arrangements that were designated as a hedge of the Group's net investment in the Hidden Valley mine. Following its divestment, this loss was reclassified from the Foreign Currency Translation Reserve to the Income Statement.

(3) Following a review of exploration activities as at 31 December 2016, the Group has recognised a write-down in respect of exploration assets in Bonikro. Of the US\$15 million, US\$1 million is attributable to non-controlling interests.

Year Ended 30 June 2016

(4) On 22 February 2016, the Group announced that it had reached an agreement to settle the class action proceedings commenced by Earglow Pty Ltd on 21 July 2014 in the Federal Court of Australia (Court) on its own behalf and on behalf of a group of shareholders who acquired an interest in Newcrest securities between 13 August 2012 and 6 June 2013. On 3 May 2016 the Court approved the settlement. The Group paid A\$36 million (US\$26 million) in full and final settlement of the proceeding including litigation costs and the applicant's legal fees.

(5) In September 2015, the Group disposed of its remaining holding in Evolution Mining Limited. Proceeds from the disposal were US\$88 million.

7. Income Tax Expense

	2017 US\$m	2016 US\$m
(a) Reconciliation of Prima Facie Income Tax Expense to Income Tax Expense per the Income Statement		
Accounting profit before tax	483	453
Income tax expense calculated at 30% (2016: 30%)	145	136
De-recognition of deferred tax liabilities	-	(8)
Other	5	(5)
	5	(13)
<i>Adjustments on Significant items:</i>		
Loss on business divestment	3	-
Net investment hedge loss	7	-
Write-down of non-current assets	4	-
Gain on disposal of investment	-	(5)
	14	(5)
Income tax expense per the Income Statement	164	118
(b) Income Tax Expense Comprises:		
Current income tax		
Current income tax expense	97	113
Over provision in respect of prior years	(4)	(94)
	93	19
Deferred tax ⁽¹⁾		
Relating to origination and reversal of temporary differences	66	15
Under provision in respect of prior years	5	84
	71	99
Income tax expense per the Income Statement	164	118

⁽¹⁾ Refer to Note 17(a) for movements in deferred taxes.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

8. Earnings per Share (EPS)

	2017 US¢	2016 US¢
EPS (cents per share)		
Basic EPS	40.2	43.3
Diluted EPS	40.0	43.0
Earnings used in calculating EPS	2017 US\$m	2016 US\$m
Earnings used in the calculation of basic and diluted EPS: Profit after income tax attributable to owners of the parent	308	332
Weighted average number of shares	2017 No. of shares	2016 No. of shares
Share data used in the calculation of basic and diluted EPS: Weighted average number of ordinary shares used in calculating basic EPS	766,654,433	766,510,971
Effect of dilutive securities: share rights	3,887,892	4,774,479
Adjusted weighted average number of ordinary shares used in calculating diluted EPS	770,542,325	771,285,450

Rights granted to employees as described in Note 33 have been included in the determination of diluted earnings per share to the extent they are dilutive.

9. Dividends

	2017 US\$m	2016 US\$m
(a) Dividends declared and paid		
The following dividends were paid during the year:		
Final ordinary dividend for the 2016 financial year: 7.5 cents per share (unfranked), paid 18 October 2016	57.5	-
Interim ordinary dividend for the 2017 financial year: 7.5 cents per share (unfranked), paid 28 April 2017	57.5	-
	115.0	-

Participation in the dividend reinvestment plan reduced the cash amount paid to US\$105 million.

(b) Dividend proposed and not recognised as a liability

Subsequent to year-end, the Directors have determined to pay a final dividend for the year ended 30 June 2017 of US 7.5 cents per share, which will be 70% franked. The dividend will be paid on 27 October 2017. The total amount of the dividend is US\$57.5 million.

(c) Dividend franking account balance

Franking credits at 30% as at 30 June 2017 available for the subsequent financial year is US\$18 million (2016: US\$7 million).

10. Reconciliation of Net Profit after Income Tax to Net Cash Flow from Operating Activities

	2017 US\$m	2016 US\$m
Profit after income tax	319	335
<i>Non-cash items:</i>		
Depreciation and amortisation	689	698
Loss on business divestment	10	-
Net investment hedge loss (net of tax)	62	-
Share-based payments	10	8
Discount unwind on provisions	8	11
Write-down of non-current assets	15	-
Gain on disposal of investment	-	(18)
Other non-cash items	4	5
<i>Items presented as investing or financing activities:</i>		
Exploration expenditure written off	53	32
<i>Changes in assets and liabilities:</i>		
(Increase)/Decrease in:		
Trade and other receivables	33	53
Inventories	40	39
Other financial assets	1	15
Current and deferred tax assets	3	52
Other assets	23	(86)
(Decrease)/Increase in:		
Trade and other payables	81	(5)
Provisions	(104)	10
Current and deferred tax liabilities	220	95
Other financial liabilities	-	(3)
Net cash from operating activities	1,467	1,241

RESOURCE ASSETS AND LIABILITIES

This section provides information that is relevant in understanding the composition and management of the Group's resource assets and liabilities.

11. Property, Plant & Equipment

	Exploration & Evaluation Expenditure	Deferred Feasibility Expenditure	Mines Under Construction	Production Stripping	Mine Development ⁽¹⁾	Plant and Equipment	Total
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
At 30 June 2017							
Cost	442	294	83	459	7,741	7,473	16,492
Accumulated depreciation and impairment	(80)	-	-	(308)	(3,734)	(3,518)	(7,640)
	362	294	83	151	4,007	3,955	8,852
Year ended 30 June 2017							
Carrying amount at 1 July 2016	393	278	102	148	4,099	3,871	8,891
Expenditure during the year	58	26	115	90	1	286	576
Expenditure written-off	(53)	-	-	-	-	-	(53)
Depreciation	-	-	-	(88)	(229)	(350)	(667)
Disposal of assets	(4)	-	-	-	-	(4)	(8)
Write-down of assets (Note 6)	(15)	-	-	-	-	-	(15)
Business divestment (Note 29)	(6)	-	-	-	-	-	(6)
Foreign currency translation	1	1	4	1	71	56	134
Reclassifications/transfers	(12)	(11)	(138)	-	65	96	-
Carrying amount at 30 June 2017	362	294	83	151	4,007	3,955	8,852

⁽¹⁾ Includes Mineral Rights with a carrying value of US\$1,266m.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

11. Property, Plant & Equipment (continued)

	Exploration & Evaluation Expenditure	Deferred Feasibility Expenditure	Mines Under Construction	Production Stripping	Mine Development ⁽¹⁾	Plant and Equipment	Total
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
At 30 June 2016							
Cost	731	278	102	410	8,283	7,769	17,573
Accumulated depreciation and impairment	(338)	-	-	(262)	(4,184)	(3,898)	(8,682)
	393	278	102	148	4,099	3,871	8,891
Year ended 30 June 2016							
Carrying amount at 1 July 2015	400	262	41	192	4,265	4,067	9,227
Expenditure during the year	44	25	156	54	90	196	565
Expenditure written-off	(32)	-	-	-	-	-	(32)
Depreciation	-	-	-	(96)	(283)	(348)	(727)
Disposal of assets	-	-	-	-	-	(6)	(6)
Foreign currency translation	(1)	(2)	2	(2)	(76)	(57)	(136)
Reclassifications/transfers	(18)	(7)	(97)	-	103	19	-
Carrying amount at 30 June 2016	393	278	102	148	4,099	3,871	8,891

⁽¹⁾ Includes Mineral Rights with a carrying value of US\$1,299m.

11. Property, Plant & Equipment (continued)

Exploration, Evaluation and Deferred Feasibility Expenditure

Exploration and Evaluation

Exploration and evaluation expenditure related to areas of interest is capitalised and carried forward to the extent that:

- (i) Rights to tenure of the area of interest are current; and
- (ii) (a) Costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively by sale; or
- (b) Where activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Such expenditure consists of an accumulation of acquisition costs and direct exploration and evaluation costs incurred, together with an appropriate portion of directly related overhead expenditure.

The carrying value of capitalised exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying value may exceed its recoverable amount.

Deferred Feasibility

Feasibility expenditure represents costs related to the preparation and completion of a feasibility study to enable a development decision to be made in relation to an area of interest and are capitalised as incurred.

At the commencement of construction, all past exploration, evaluation and deferred feasibility expenditure in respect of an area of interest that has been capitalised is transferred to mines under construction.

Accounting Judgement, Estimates and Assumptions – Exploration, Evaluation and Deferred Feasibility Expenditure

Judgement is required to determine whether future economic benefits are likely, from either exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves. In addition to these judgements, the Group has to make certain estimates and assumptions. The determination of a JORC resource is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e. measured, indicated or inferred). The estimates directly impact when the Group capitalises exploration and evaluation expenditure. The capitalisation policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves will be found. Any such estimates and assumptions may change as new information becomes available.

The recoverable amount of capitalised expenditure relating to undeveloped mining projects (projects for which the decision to mine has not yet been approved at the required authorisation level within the Group) can be particularly sensitive to variations in key estimates and assumptions. If a variation in key estimates or assumptions has a negative impact on recoverable amount it could result in a requirement for impairment.

Mines Under Construction

This expenditure includes net direct costs of construction, borrowing costs capitalised during construction and an appropriate allocation of attributable overheads. Expenditure is net of proceeds from the sale of ore extracted during the construction phase to the extent that this ore extracted is considered integral to the development of the mine.

After production commences, all aggregated costs of construction are transferred to mine development or plant and equipment as appropriate.

11. Property, Plant & Equipment (continued)

Production Stripping Expenditure

Stripping (waste removal) costs are incurred both during the development phase and production phase of operations. Stripping costs incurred during the development phase are capitalised as part of mine development costs. Stripping costs incurred during the production phase are generally considered to create two benefits:

- the production of ore inventory in the period – accounted for as a part of the cost of producing those ore inventories; or
- improved access to the ore to be mined in the future – recognised as ‘production stripping asset’, if the following criteria are met:
 - Future economic benefits (being improved access to the ore body) associated with the stripping activity are probable;
 - The component of the ore body for which access has been improved can be accurately identified; and
 - The costs associated with the stripping activity associated with that component can be reliably measured.

The amount of stripping costs deferred is based on the ratio obtained by dividing the amount of waste tonnes mined by the quantity of gold ounces contained in the ore for each component of the mine. Stripping costs incurred in the period are deferred to the extent that the actual current period waste to contained gold ounce ratio exceeds the life of component expected waste to contained gold ounce ratio (‘life of component’) ratio.

A component is defined as a specific volume of the ore body that is made more accessible by the stripping activity and is determined based on mine plans. An identified component of the ore body is typically a subset of the total ore body of the mine. Each mine may have several components, which are identified based on the mine plan.

The production stripping asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the ore within an identified component, plus an allocation of directly attributable overhead costs.

The production stripping asset is depreciated over the expected useful life of the identified component of the ore body that is made more accessible by the activity, on a units of production basis. Economically recoverable reserves are used to determine the expected useful life of the identified component of the ore body.

Accounting Judgement - Production Stripping

The life of component ratio is a function of the mine design and therefore changes to that design will generally result in changes to the ratio. Changes in other technical or economic parameters that impact reserves will also have an impact on the life of component ratio even if they do not affect the mine design. Changes to production stripping resulting from a change in life of component ratios are accounted for prospectively.

Mineral Rights

Mineral rights comprise identifiable exploration and evaluation assets, mineral resources and ore reserves, which are acquired as part of a business combination or a joint arrangement acquisition and are recognised at fair value at date of acquisition. Mineral rights are attributable to specific areas of interest and are amortised when commercial production commences on a units of production basis over the estimated economically recoverable reserves of the mine to which the rights relate.

11. Property, Plant & Equipment (continued)

Plant and Equipment and Mine Development

Cost

Plant and equipment and mine development is carried at cost less accumulated depreciation and any accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, and any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and for qualifying assets (where relevant), borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Construction cost for mine development includes expenditure in respect of exploration, evaluation and feasibility, previously accumulated and carried forward in relation to areas of interest in which development or construction is underway.

Depreciation and Amortisation

Items of plant and equipment and mine development are depreciated over their estimated useful lives.

The Group uses the units of production basis when depreciating mine specific assets which results in a depreciation charge proportional to the depletion of the anticipated remaining life of mine production. Each item's economic life has due regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which it is located.

For the remainder of assets, the straight line method is used, resulting in estimated useful lives between 3 – 20 years, the duration of which reflects the specific nature of the asset.

Estimates of remaining useful lives, residual values and depreciation methods are reviewed annually for all major items of plant and equipment and mine development. Any changes are accounted for prospectively.

When an asset is surplus to requirements or no longer has an economic value, the carrying amount of the asset is reviewed and is written down to its recoverable amount or derecognised.

Accounting Estimate and Assumptions - Units of Production Method of Depreciation/Amortisation

The group uses the units of production basis when depreciating/amortising specific assets which results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining life of mine production. Each item's economic life, which is assessed annually, has due regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which it is located. These calculations require the use of estimates and assumptions.

Accounting Estimates and Assumptions - Ore Reserves and Mineral Resources

The Group estimates its ore reserves and mineral resources annually at 31 December each year, and reports in the following February, based on information compiled by Competent Persons as defined in accordance with the Australasian code for reporting Exploration Results, Mineral Resources and Ore Resources (JORC code 2012). The estimated quantities of economically recoverable reserves are based upon interpretations of geological models and require assumptions to be made regarding factors such as estimates of short and long-term exchange rates, estimates of short and long-term commodity prices, future capital requirements and future operating performance. Changes in reported reserves estimates can impact the carrying value of property, plant and equipment (including exploration and evaluation assets), the provision for rehabilitation obligations, the recognition of deferred tax assets, as well as the amount of depreciation charged to the Income Statement.

12. Impairment of Non-Financial Assets

a) Impairment testing

Impairment tests are performed when there is an indication of impairment. Newcrest conducts a review of the key drivers of the recoverable amount of cash generating units ('CGUs') annually, which is used as a source of information to determine whether there is an indication of impairment or reversal of previously recognised impairments. Other factors, such as changes in assumptions in future commodity prices, exchange rates, production rates and input costs, are also monitored to assess for indications of impairment or reversal of previously recognised impairments. Where an indicator of impairment or impairment reversal exists, a detailed estimate of the recoverable amount is determined.

CGUs represent a grouping of assets at the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Generally, this results in the Group evaluating its CGUs as individual mining operations, which is consistent with the Group's representation of operating segments.

After consideration of the potential indicators which could impact the recoverable amount of the CGUs at 30 June 2017, the Group concluded:

- Telfer's underperformance against plan in the current year and an updated life of mine plan, including an increase in near term stripping expenditure, represented an indicator of potential impairment, while Newcrest's updated assumption for the long term AUD:USD exchange rate represented an indicator of potential impairment reversal. An updated assessment of the recoverable amount of Telfer has determined that no further impairment or an impairment reversal is required as at 30 June 2017.
- There are no indicators of impairment or impairment reversal for the remainder of Newcrest's CGUs as at 30 June 2017.

b) Basis of impairment and impairment reversal calculations

An impairment loss is recognised when a CGU's carrying amount exceeds its recoverable amount. The recoverable amount of each CGU has been estimated on the basis of fair value less costs of disposal ('Fair Value'). The costs of disposal have been estimated by management based on prevailing market conditions.

For CGUs that have previously recognised an impairment loss, an impairment reversal is recognised for non-current assets (other than goodwill) when the Fair Value indicates that the previously recognised impairment has been reversed. Such a reversal is limited to the lesser of the amount that would not cause the carrying amount to exceed its recoverable amount or the value that would have been determined (net of depreciation) had no impairment loss been recognised.

Fair Value is estimated based on discounted cash flows using market-based commodity price and exchange rate assumptions, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements, based on the CGU's latest life of mine plans. In certain cases, where multiple investment options exist, Fair Value may be determined from a combination of two or more scenarios that are weighted to provide a single Fair Value that is determined to be the most indicative. When plans and scenarios used to estimate Fair Value do not fully utilise the existing mineral resource for a CGU, and options exist for the future extraction and processing of all or part of those resources, an estimate of the value of unmined resources, in addition to an estimate of value of exploration potential, is included in the estimation of Fair Value.

The Fair Value estimates are considered to be level 3 fair value measurements (as defined by accounting standards, refer Note 21(g)) as they are derived from valuation techniques that include inputs that are not based on observable market data. The Group considers the inputs and the valuation approach to be consistent with the approach taken by market participants.

Estimates of quantities of recoverable minerals, production levels, operating costs and capital requirements are sourced from the Group's planning and budgeting process, including life of mine ('LOM') plans, latest short-term forecasts and CGU specific studies.

12. Impairment of Non-Financial Assets (continued)

c) Key judgements, estimates and assumptions

Accounting Estimates and Assumptions – Fair Value of CGU's

Significant judgements, estimates and assumptions are required in determining estimates of Fair Value. This is particularly so in the assessment of long life assets. It should be noted that the CGU Fair Values are subject to variability in key assumptions including, but not limited to, gold and copper prices, exchange rates, discount rates, production profiles and operating and capital costs. A change in one or more of the assumptions used to estimate Fair Value could result in a change in a CGU's Fair Value.

The table below summarises the key assumptions used in the carrying value assessments as at 30 June 2017, and for comparison also provides the equivalent assumptions used in 2016:

Assumptions	2017				2016			
	2018	2019	2020	Long term (2021+)	2017	2018	2019	Long term (2020+)
Gold (US\$ per ounce)	\$1,250	\$1,250	\$1,250	\$1,250	\$1,200	\$1,225	\$1,250	\$1,250
Copper (US\$ per pound)	\$2.50	\$2.60	\$2.70	\$3.00	\$2.10	\$2.30	\$2.70	\$3.00
AUD:USD exchange rate	\$0.75	\$0.75	\$0.75	\$0.75	\$0.73	\$0.75	\$0.77	\$0.80
USD:PGK exchange rate	\$3.10	\$3.10	\$3.10	\$3.10	\$3.00	\$3.00	\$3.00	\$3.00
Discount rate (%)	USD Assets 5.25 to 5.75% AUD Assets 5.0%				USD Assets 5.25 to 5.75% AUD Assets 5.0%			

Commodity prices and exchange rates estimation approach

Commodity price and foreign exchange rates are estimated with reference to external market forecasts and reviewed at least annually. The rates applied have regard to observable market data including spot and forward values, and to market analysis including equity analyst estimates.

Metal prices

Newcrest has maintained the long term US dollar gold and copper price estimates applied in 2016. Short term gold and copper prices have been slightly adjusted from 2016, reflecting spot prices during the 2017 financial year and Newcrest's analysis of observable market forecasts for future periods.

AUD:USD exchange rate

Newcrest has revised its AUD:USD exchange rate estimates to \$0.75 for all future periods. This reflects the AUD trading at or around this level for most of the last two years and Newcrest's analysis of observable market forecasts for future periods. Telfer and Cadia both have a material portion of operating and capital costs denominated in AUD, resulting in this change having a positive impact on the fair value of both CGUs.

USD:PGK exchange rate

Newcrest has slightly increased its USD:PGK exchange rate estimates for all periods reflecting the sustained weakening of the PNG Kina against the US dollar.

12. Impairment of Non-Financial Assets (continued)

c) Key judgements, estimates and assumptions (continued)

Discount rate

In determining the Fair Value of CGUs, the future cash flows were discounted using rates based on the Group's estimated real after tax weighted average cost of capital for each functional currency used in the Group, with an additional premium applied having regard to the geographic location of, and specific risks associated with the CGU.

CGU	Functional Currency	2017	2016
Cadia, Telfer	AUD	5.00%	5.00%
Lihir, Gosowong	USD	5.25%	5.25%
Bonikro	USD	5.75%	5.75%

Production activity and operating and capital costs

LOM production activity and operating and capital cost assumptions are based on the Group's latest forecasts and longer term LOM plans. These projections can include expected operating performance improvements reflecting the Group's objectives to maximise free cash flow, optimise and reduce operational activity, apply technology, improve capital and labour productivity.

d) Sensitivity Analysis

Since 2013, impairments have been recognised for Lihir (in 2013 and 2014), Telfer (in 2013 and 2014), Hidden Valley (in 2013, 2014 and 2015) and Bonikro (in 2013, 2014 and 2015) and an impairment reversal recognised for Telfer in 2015. Newcrest disposed of its interest in the Hidden Valley asset in the current period.

Following the review of the CGU's recoverable amounts as at 30 June 2017, and in recognising no requirement for asset impairments or impairment reversals, the Group has determined that the carrying amount as at 30 June 2017 of the Lihir and Bonikro CGUs approximate their respective Fair Values.

In relation to Telfer, having regard to the various valuation scenarios, the Group has determined that the carrying amount as at 30 June 2017 approximates Telfer's Fair Value. The Telfer LOM plan was updated in the fourth quarter of financial year 2017 which indicated an increase in near term expenditure associated with increased production stripping and increased grade variability. This in turn negatively impacted the Fair Value, while the revised AUD:USD exchange rate assumption positively impacted the Fair Value. Telfer is a relatively large, complex, low-grade, mid-to-high cost operation with high sensitivity to AUD gold prices, reserve and resource model conversion and operating cost assumptions. In determining the Fair Value of Telfer, a number of valuation scenarios were used, representing multiple investment options and valuation approaches, which were assessed to provide the indicative modelled Fair Value. In determining these valuation scenarios:

- Where the LOM plan excludes a material portion of total resources, value was attributed to unmined resources not considered in the LOM plan models;
- Exploration value was included, representing estimates of total mineral endowment with a per unit valuation of expected resource growth applied; and
- A risk adjusted value of the potential for a future block cave at Telfer was included in the valuation.

In total, approximately 25% of Telfer's Fair Value is attributable to this unmined resource, exploration value and risked value of a potential Telfer block cave.

Any variation in the key assumptions used to determine the Fair Value of CGUs would result in a change of the estimated Fair Value. If the variation in assumption had a negative impact on Fair Value, it could indicate a requirement for impairment of non-current assets. If the variation in assumption had a positive impact on Fair Value, it could indicate a requirement for an impairment reversal of CGU's (where applicable).

12. Impairment of Non-Financial Assets (continued)

d) Sensitivity Analysis (continued)

It is estimated that the following reasonably possible changes in the key assumptions would have the following approximate impact (increase or decrease) on the Fair Value of each of these CGUs in its functional currency as at 30 June 2017:

\$ million in functional currency	Lihir US\$	Telfer A\$	Bonikro US\$
US\$100 per ounce change in gold price	1,100	170	40
0.25% increase/decrease in discount rate	135	5	minor
\$0.05 increase/decrease in AUD:USD rate	270	120	minor
\$0.10 increase/decrease in USD:PGK rate	140	n/a	n/a
5% increase/decrease in operating costs from that assumed	370	110	10

It must be noted that each of the sensitivities above assumes that the specific assumption moves in isolation, whilst all other assumptions are held constant. In reality, a change in one of the aforementioned assumptions may accompany a change in another assumption which may have an offsetting impact (for example, a decline in the US dollar gold price accompanied with a decline in the Australian dollar compared to the US dollar). Action is also usually taken by management to respond to adverse changes in economic assumptions that may mitigate the impact of any such change.

13. Inventories

	2017 US\$m	2016 US\$m
<i>Current</i>		
Ore stockpiles	144	140
Gold in circuit	27	27
Bullion and concentrate	83	80
Materials and supplies	302	298
Total current inventories ⁽¹⁾	556	545
<i>Non-Current</i>		
Ore stockpiles	1,125	1,170
Total non-current inventories ⁽¹⁾	1,125	1,170

⁽¹⁾ Total inventories include inventories held at net realisable value at Telfer and Bonikro of US\$79 million (2016: US\$95 million for Telfer, Bonikro and Hidden Valley).

Ore stockpiles, gold in circuit, bullion and concentrate are physically measured or estimated and valued at the lower of cost and net realisable value. Cost represents the weighted average cost and includes direct costs and an appropriate portion of fixed and variable production overhead expenditure, including depreciation and amortisation, incurred in converting materials into finished goods. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Ore stockpiles which are not scheduled to be processed in the twelve months after the reporting date are classified as non-current inventory. The Group believes the processing of these stockpiles will have a future economic benefit to the Group and accordingly values these stockpiles at the lower of cost and net realisable value.

Materials and supplies are valued at the lower of cost and net realisable value. Any allowance for obsolescence is determined by reference to stock items identified.

Accounting Judgement and Estimate – Net Realisable Value

The computation of net realisable value for ore stockpiles involves significant judgements and estimates in relation to timing and cost of processing, commodity prices, foreign exchange rates, recoveries and the timing of sale of the bullion and concentrate produced. A change in any of these assumptions will alter the estimated net realisable value and may therefore impact the carrying value of ore stockpiles.

14. Trade and Other Receivables

	2017 US\$m	2016 US\$m
<i>Current</i>		
Bullion awaiting settlement	15	3
Metal in concentrate receivables	43	95
GST receivable	22	28
Other receivables	8	8
Total current receivables	88	134

Bullion awaiting settlement, GST and other receivables are initially measured at fair value then subsequently at amortised cost, less an allowance for doubtful debts. Bullion awaiting settlement is generally expected to settle within seven days. GST and other receivables are expected to settle within one to two months.

Metal in concentrate receivables are initially and subsequently measured at fair value and are generally expected to settle within one to four months. Fair value movements are recognised in the Income Statement and presented as part of "Other Income/Expense".

15. Other Assets

	2017 US\$m	2016 US\$m
<i>Current</i>		
Prepayments and other	56	69
Total current other assets	56	69
 <i>Non-Current</i>		
Prepayments and other	49	46
Non-current tax assets ⁽¹⁾	119	132
Total non-current other assets	168	178

(1) Includes US\$96 million (2016: US\$85 million) paid in respect to PT NHM's prior year tax assessments. Refer Note 32(a).

16. Other Intangible Assets

Information Systems Development	2017 US\$m	2016 US\$m
Cost	186	169
Accumulated amortisation and impairment	(151)	(125)
	35	44

Costs incurred in developing information technology systems and acquiring software are capitalised as intangible assets. Amortisation is calculated on a straight line basis over the useful life, ranging from three to seven years.

17. Deferred Tax

(a) Movement in Deferred Taxes	Opening Balance at 1 July US\$m	(Charged) /credited to income US\$m	(Charged) /credited to equity US\$m	Trans-lation US\$m	Closing Balance at 30 June US\$m
2017					
Deferred tax assets					
Carry forward revenue losses recognised:					
- Australian entities	105	(28)	-	3	80
	<u>105</u>	<u>(28)</u>	<u>-</u>	<u>3</u>	<u>80</u>
Deferred tax liabilities					
Temporary differences:					
- Fixed assets ⁽¹⁾	(1,125)	(82)	-	(15)	(1,222)
- Provisions	52	(4)	-	1	49
- Other	125	15	(59)	5	86
	<u>(948)</u>	<u>(71)</u>	<u>(59)</u>	<u>(9)</u>	<u>(1,087)</u>
Net deferred taxes	<u>(843)</u>	<u>(99)</u>	<u>(59)</u>	<u>(6)</u>	<u>(1,007)</u>
2016					
Deferred tax assets					
Carry forward revenue losses recognised:					
- Australian entities	140	(30)	-	(5)	105
	<u>140</u>	<u>(30)</u>	<u>-</u>	<u>(5)</u>	<u>105</u>
Deferred tax liabilities					
Temporary differences:					
- Fixed assets ⁽¹⁾	(1,002)	(133)	-	10	(1,125)
- Provisions	54	(1)	-	(1)	52
- Other	51	35	41	(2)	125
	<u>(897)</u>	<u>(99)</u>	<u>41</u>	<u>7</u>	<u>(948)</u>
Net deferred taxes	<u>(757)</u>	<u>(129)</u>	<u>41</u>	<u>2</u>	<u>(843)</u>

⁽¹⁾ Comprises property, plant and equipment and other intangible assets.

(b) Unrecognised Deferred Tax Assets

Deferred tax assets have not been recognised in respect of:

- capital losses with a tax effect of US\$246 million (2016: US\$93 million)
 - revenue losses and temporary differences with a tax effect of US\$181 million (2016: US\$411 million)
- because it is not probable that the Group will have sufficient future assessable income and/or capital gains available against which the deferred tax asset could be utilised. This is partly due to restrictions that limit the extent to which the losses can be applied to future taxable income in future periods.

(c) Tax Consolidation

The Company and its wholly-owned Australian subsidiaries are part of a tax consolidated group. Newcrest Mining Limited is the head entity of the tax consolidated group. The tax losses attributable to the Australian entities are available for offsetting against future profits of the tax consolidated group. These tax losses are subject to restrictions that limit the extent to which the losses can be applied against future taxable income. Notwithstanding these restrictions, these losses do not have an expiry date.

17. Deferred Tax (continued)

Income Taxes

Current Income Tax

Current tax assets and liabilities for the current and prior year are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current year's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred Income Tax

Deferred tax assets are recognised for deductible temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured based on the expected manner of recovery of the carrying value of an asset or liability. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity.

Accounting Judgement, Estimates and Assumptions - Recovery of Deferred Tax Assets

Judgement is required to determine whether deferred tax assets are recognised in the statement of financial position. Deferred tax assets, including those arising from un-utilised tax losses, require management to assess the likelihood that the Group will generate sufficient taxable earnings in future periods in order to recognise and utilise those deferred tax assets. Judgement is also required in respect of the expected manner of recovery of the value of an asset or liability (which will then impact the quantum of the deferred tax assets or deferred tax liabilities recognised) and the application of existing tax laws in each jurisdiction.

Estimates of future taxable income are based on forecast cash flows from operations and existing tax laws in each jurisdiction. These assessments require the use of estimates and assumptions such as exchange rates, commodity prices and operating performance over the life of the assets. To the extent that cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets reported at the reporting date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions and recover/utilise deferred tax assets in future periods.

18. Provisions

	Note	2017 US\$m	2016 US\$m
<i>Current</i>			
Employee benefits	(a)	108	107
Mine rehabilitation	(b)	10	5
Other	(c)	29	35
Total current provisions		147	147
<i>Non-Current</i>			
Employee benefits	(a)	41	43
Mine rehabilitation	(b)	262	348
Other	(c)	4	5
Total non-current provisions		307	396

Provisions (other than those relating to employee benefits) are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(a) Employee benefits

Liabilities for wages and salaries, annual leave and any other employee benefits are measured at the amounts expected to be paid when the liabilities are settled.

Amounts expected to settle within twelve months are recognised in 'Current Provisions' (for annual leave and salary at risk) and 'Trade and Other Payables' (for all other employee benefits) in respect of employees' services up to the reporting date. Costs incurred in relation to non-accumulating sick leave are recognised when leave is taken and are measured at the rates paid or payable.

The liability for long service leave and other long term benefits is measured at the present value of the estimated future cash outflows resulting from employees' services provided up to the reporting date.

Long-term benefits not expected to be settled within twelve months are discounted using the rates attaching to high quality corporate bonds at the reporting date, which most closely match the terms of maturity of the related liability.

18. Provisions (continued)

b) Mine rehabilitation

The Group records the present value of the estimated cost of legal and constructive obligations (such as those under the Group's Environmental Policy) to rehabilitate locations where activities have occurred which have led to a future obligation to make good. The nature of rehabilitation activities includes dismantling and removing structures, rehabilitating mine sites, dismantling operating facilities, closure of tailings and waste sites and restoration, reclamation and revegetation of affected areas.

Typically, the obligation arises when the asset is installed or the ground/environment is disturbed at the mining location. When the liability is initially recorded, the present value of the estimated cost is capitalised as part of the carrying amount of the related mining assets. Over time, the discounted liability is increased for the change in the present value based on a discount rate that reflects current market assessments. Additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding asset and rehabilitation liability when incurred. Although the ultimate cost to be incurred is uncertain, the Group has estimated its costs based on feasibility and engineering studies using current restoration standards and techniques.

The unwinding of the effect of discounting the provision is recorded as a finance cost in the Income Statement. The carrying amount capitalised as a part of mining assets is depreciated/amortised over the life of the related asset.

Costs incurred that relate to an existing condition caused by past operations but do not have a future economic benefit are expensed as incurred.

Accounting Estimate - Mine Rehabilitation Provision

Significant estimates and assumptions are required in determining the provision for mine rehabilitation as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate the mine sites. Factors that will affect this liability include changes in technology, changes in regulations, price increases, changes in timing of cash flows which are based on life of mine plans and changes in discount rates. When these factors change or become known in the future, such differences will impact the mine rehabilitation provision in the period in which they change or become known.

Movements in Mine Rehabilitation provision

	US\$m
At 1 July 2016	353
Derecognised due to business divestment (Note 29)	(35)
Movements in economic assumptions and timing of cash flows	(49)
Change in cost estimates	(8)
Paid/utilised during the year	(1)
Unwinding of discount	8
Foreign currency translation	4
At 30 June 2017	272
Split between:	
Current	10
Non-current	262
	272

c) Other Provisions

Other provisions comprises restructure, onerous contracts, community obligations and other miscellaneous items.

CAPITAL STRUCTURE AND FINANCIAL RISK MANAGEMENT

This section outlines the Group's capital and financial management policies and significant capital and financial risk management activities that have been implemented during the year. This includes the Group's exposure to various risks and how these could affect the Group's financial position and performance, as well as how the Group is managing those risks.

19. Capital Management and Financial Objectives

Newcrest's capital structure consists of equity and net debt, which includes borrowings, cash and cash equivalents.

Newcrest's financial objectives are to meet all financial obligations, maintain a strong balance sheet to withstand cash flow volatility, be able to pursue profitable growth opportunities, and be able to return excess cash generated to shareholders. Newcrest looks to maintain a conservative level of balance sheet leverage.

From a financial policy perspective, Newcrest looks to:

- Target an investment grade credit rating throughout the cycle;
- Maintain a leverage ratio (Net Debt to EBITDA) of less than 2.0 times;
- Maintain a gearing ratio of below 25%; and
- Maintain cash and committed undrawn bank facilities of at least US\$1.5 billion, with approximately one-third of that amount in the form of cash.

At 30 June the Group's position in relation to these metrics were:

Metric	Policy 'looks to'	2017	2016
Credit rating (S&P/Moody's)	Investment grade	BBB-/Baa3	BBB-/Baa3
Leverage ratio (Net debt to EBITDA)	Less than 2.0 times	1.1	1.6
Gearing ratio	Below 25%	16.6%	22.8%
Cash and committed undrawn facilities (US\$)	At least \$1.5bn, ~ 1/3 in cash	\$2.53bn (\$492m cash)	\$2.45bn (\$53m cash)

Detail of the calculation of the capital management performance ratios is provided below:

Leverage Ratio	2017 US\$m	2016 US\$m
Net debt (Note 20)	1,499	2,107
EBITDA (Note 4)	1,408	1,292
Leverage ratio	1.1 times	1.6 times

Leverage Ratio is calculated as net debt at the end of the reporting period divided by the rolling 12 month EBITDA. Refer to Note 4, Segment Information, for the definition of EBITDA.

Gearing Ratio	2017 US\$m	2016 US\$m
Net debt (Note 20)	1,499	2,107
Equity	7,534	7,120
Total capital (Net debt and equity)	9,033	9,227
Gearing ratio	16.6%	22.8%

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

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20. Net Debt

Newcrest borrows funds from financial institutions and debt investors in the form of committed revolving facilities, private placement notes and corporate bonds. As at 30 June 2017, all of Newcrest's borrowings were unsecured.

Borrowings are initially recognised at fair value and subsequently at amortised cost. Borrowings are net of transaction costs incurred. Borrowings are classified as non-current liabilities where Newcrest has an unconditional right to defer settlement for at least 12 months from the year end.

Cash and cash equivalents comprise cash at bank, on hand and short-term deposits.

Net Debt	Note	2017 US\$m	2016 US\$m
Private placement notes	(c)	-	100
Bank loan	(d)	-	20
Total current borrowings		-	120
Bilateral bank debt	(a)	-	25
Corporate bonds	(b)	2,000	2,000
Private placement notes	(c)	-	25
Less: capitalised transaction costs on facilities		(9)	(10)
Total non-current borrowings		1,991	2,040
Total borrowings		1,991	2,160
Cash and cash equivalents		(492)	(53)
Net debt		1,499	2,107

(a) Bilateral bank debt

The Group has bilateral bank debt facilities of US\$2,000 million (2016: US\$2,400 million) with 12 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. The maturity date profile of these facilities is shown in the table below:

Facility Maturity (financial year ending)	2017 US\$m	2016 US\$m
June 2019	1,001	1,200
June 2020	250	300
June 2021	749	900
	2,000	2,400

20. Net Debt (continued)

(b) Corporate bonds

In each of November 2011 and October 2012, Newcrest issued US\$1,000 million in US dollar corporate bonds (notes). The notes were issued in accordance with Rule 144A and Regulation S of the Securities Act of the United States. The notes consist of:

Maturity	Coupon Rate	2017 US\$m	2016 US\$m
November 2021	4.45%	750	750
October 2022	4.20%	750	750
November 2041	5.75%	500	500
		2,000	2,000

(c) Private placement notes

During the year ended 30 June 2005, the Group issued long term senior unsecured notes into the North American private placement market. These notes were on normal terms and conditions and include certain financial covenants. During the year, the Group repaid the notes that matured in May 2017 and prepaid the outstanding notes which were due to mature in May 2020.

Maturity	Coupon Rate	2017 US\$m	2016 US\$m
May 2017	5.71%	-	100
May 2020	5.92%	-	25
		-	125

(d) Bank loan

PT Nusa Halmahera Minerals has a US\$40 million (2016: US\$50 million) loan facility with one bank. This is an unsecured revolving facility on normal terms and conditions and includes certain financial covenants. Interest is based on LIBOR plus a margin. This facility matures in January 2018. As at 30 June 2017 this facility was undrawn. (2016: US\$20 million drawn).

(f) Financing facilities

The Group has access to the following unsecured financing facilities at the end of the financial year.

	Facility Utilised ⁽¹⁾ US\$m	Facility Unutilised US\$m	Facility Limit US\$m
2017			
Bilateral bank debt facilities	-	2,000	2,000
Corporate bonds	2,000	-	2,000
Bank loan	-	40	40
	2,000	2,040	4,040
2016			
Bilateral bank debt facilities	25	2,375	2,400
Corporate bonds	2,000	-	2,000
Private placement notes	125	-	125
Bank loan	20	30	50
	2,170	2,405	4,575

⁽¹⁾ As at 30 June 2017, 100% of the facilities utilised were at fixed interest rates. (30 June 2016: 98% fixed rates and 2% floating rates).

21. Financial Risk Management

Newcrest is exposed to a number of financial risks, by virtue of the industry and geographies in which it operates and the nature of the financial instruments it holds. The key risks that could adversely affect Newcrest's financial assets, liabilities or future cash flows are:

- a) Commodity and other price risks
- b) Foreign currency risk
- c) Liquidity risk
- d) Interest rate risk
- e) Credit risk

Further detail of each of these risks is provided below, including management's strategies to manage each risk. These strategies are executed subject to Board approved policies and procedures and administered by Group Treasury.

Derivative financial instruments and hedging

The Group uses derivative financial instruments to manage certain market risks. The instruments used include forward sale contracts, diesel and fuel forward contracts and foreign currency forward contracts.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in the Income Statement immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of recognition in the Income Statement depends on the nature of the hedge relationship.

For instruments in hedging transactions, the Group formally designates and documents the relationship between hedging instruments and hedged items at the inception of the transaction, as well as its risk management objective and strategy for undertaking various hedge transactions.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in Other Comprehensive Income ('OCI') and accumulated in the Hedge Reserve in equity. Any gain or loss relating to an ineffective portion is recognised immediately in the Income Statement. Amounts accumulated in the Hedge Reserve in equity are transferred to the Income Statement in the periods when the hedged item affects the Income Statement, for instance when the forecast sale that is hedged takes place.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, if it no longer qualifies for hedge accounting or if the Group changes its risk management objective for the hedging relationship. At that point in time, any cumulative gain or loss on the hedging instrument recognised via OCI remains deferred in the Hedge Reserve until the original forecasted transaction occurs. When the forecasted transaction is no longer expected to occur, the cumulative gain or loss that was deferred in the Hedge Reserve is recognised immediately in the Income Statement.

If a hedging instrument being used to hedge a commitment for the purchase or sale of gold or copper is redesignated as a hedge of another specific commitment and the original transaction is still expected to occur, the gains and losses that arose on the hedging instrument prior to its redesignation are deferred and included in the measurement of the original purchase or sale when it takes place. If the hedging instrument is redesignated as a hedge of another commitment because the original purchase or sale transaction is no longer expected to occur, the gains and losses that arose on the hedge prior to its redesignation are recognised in the Income Statement at the date of the redesignation.

21. Financial Risk Management (continued)

(a) Commodity and Other Price Risks

(i) Gold and copper price

All of Newcrest's gold and copper production is sold into global markets. The market prices of gold and copper are the key drivers of Newcrest's capacity to generate cash flow. Newcrest is predominantly an unhedged producer and provides its shareholders with exposure to changes in the market price of gold and copper.

Newcrest does undertake selected financial risk management activities to mitigate specific gold and copper price risks, as follows:

Provisionally priced concentrate sales and gold and copper forward sales contracts

The terms of metal in concentrate sales contracts with third parties contain provisional pricing arrangements whereby the selling price for metal in concentrate is based on prevailing spot prices on a specified future date after shipment to the customer (quotation period or 'QP'). The QP exposure is typically between one and four months. Revenue of provisionally priced sales is recognised based on the estimated fair value of the total consideration receivable. Subsequent changes in fair value are recognised in the Income Statement each period until final settlement and presented as part of 'Other Income/Expense'. Refer to Note 5(d).

As at 30 June 2017, 109,000 gold ounces and 15,000 copper tonnes were subject to QP adjustment (2016: 133,000 ounces gold and 29,000 tonnes copper).

In order to minimise the short term revenue volatility impact of QP adjustments, particularly across reporting periods, the Group takes out gold and copper forward sales contracts at the time of concentrate shipments to lock in the price. These forward sales contracts are not designated into hedge relationships with the fair value adjustments at reporting date recognised in the Income Statement as part of 'Other Income/Expense'.

The following table details the gold and copper forward sale contracts outstanding as at the reporting date:

Gold and Copper forward sale contracts	2017			2016		
	Quantity	Weighted Average Price	Fair Value	Quantity	Weighted Average Price	Fair Value
	('000s)	US\$	US\$m	('000s)	US\$	US\$m
Gold (ounces) Maturing less than 6 months	104	1,257	1	112	1,267	(6)
Copper (tonnes) Maturing less than 6 months	14	5,745	(3)	25	4,778	(2)

21. Financial Risk Management (continued)

Partial hedging of Telfer future gold sales

During 2016 and in June 2017, Newcrest put in place hedges for a portion of the Telfer mine's future gold production. Telfer is a large scale, low grade mine and its profitability and cash flow are both particularly sensitive to the realised Australian dollar gold price. Having regard to the favourable spot and forward prices at that time, hedging instruments in the form of Australian dollar gold bullion swaps were put in place to secure margins on a portion of future production to June 2019, which will support the investment in future cutbacks and mine development.

The Telfer AUD gold bullion swaps have been designated as cash flow hedges with a hedge relationship of 1:1. Potential sources of hedge ineffectiveness that may affect the hedging relationship during the term are variations to forecast production timing and volume assumptions and credit risk.

As of 30 June 2017, the Group is holding AUD gold bullion swaps with the following maturity:

Gold forward contracts maturing:	2017			2016		
	Quantity	Weighted Average Price	Fair Value	Quantity	Weighted Average Price	Fair Value
	('000s)	A\$	US\$m	('000s)	A\$	US\$m
Less than 12 months	295	1,765	30	301	1,730	(13)
Between 1-2 years	135	1,767	10	295	1,765	(13)
Between 2-3 years	-	-	-	70	1,778	(4)
Total	430	1,766	40	666	1,751	(30)

These swaps are measured at fair value and have been presented as part of 'Other financial assets/liabilities' with the effective portion of fair value movements being recognised in OCI and accumulated in the 'Cash flow hedge reserve' in equity. There was no hedge ineffectiveness recognised in the Income Statement during the year.

(ii) Fuel price

The Group's input costs are exposed to price fluctuations, in particular to diesel and fuel prices. To mitigate this risk, the Group has entered into short-term diesel/fuel swaps to fix certain diesel and heavy fuel oil costs in line with budget expectations.

These swaps have been designated as cash flow hedges with a hedge relationship of 1:1. Potential sources of hedge ineffectiveness that may affect the hedging relationship during the term include differences in the pricing of the physical (hedged) item and hedging instrument, timing of physical delivery misaligned with the hedging instrument and credit risk.

Maturing in less than 12 months	2017			2016		
	Quantity	Weighted Average Price	Fair Value	Quantity	Weighted Average Price	Fair Value
	('000s)	US\$	US\$m	('000s)	US\$	US\$m
Diesel contracts (barrels)	400	63	(1)	403	60	-
Heavy fuel oil contracts (tonnes)	115	292	-	97	263	-

These swaps are measured at fair value and have been presented as part of 'Other financial assets/liabilities' with the effective portion of fair value movements being recognised in OCI and accumulated in the 'Cash flow hedge reserve' in equity. There was no hedge ineffectiveness recognised in the Income Statement during the year.

21. Financial Risk Management (continued)

(iii) Financial Impacts of Hedges

The impact of hedged items designated in hedging relationships on the Income Statement and Other Comprehensive Income ('OCI'), is as follows:

Cash flow hedges	Line item in the Income Statement	Gain/(loss) reclassified from OCI to Income Statement	
		2017 US\$m	2016 US\$m
Gold sales	Sales revenue	13	1
Diesel	Cost of sales – Site production costs	-	(12)
Heavy fuel oil	Cost of sales – Site production costs	3	(14)
Borrowings	Other income/(expenses) – Net FX gains/(losses)	7	-
Total		23	(25)

(iv) Sensitivity Analysis

The following table summarises the sensitivity of financial assets and financial liabilities held at the reporting date to movement in gold, with all other variables held constant. The 15% movement for gold (2016: 15%) is based on reasonably possible changes, over a financial year, using an observed range of actual historical rates for the preceding five year period.

Post-tax gain/(loss)	Impact on Profit ⁽¹⁾ Higher / (Lower)		Impact on Equity ⁽²⁾ Higher / (Lower)	
	2017 US\$m	2016 US\$m	2017 US\$m	2016 US\$m
Gold				
Gold +15% (2016: +15%)	-	-	(57)	(92)
Gold -15% (2016: -15%)	-	-	57	92

⁽¹⁾ Represents the impact of the movement in commodity prices on the balance of the financial assets and financial liabilities at year end.

⁽²⁾ For derivatives which are in an effective hedging relationship, all fair value movements are recognised in Other Comprehensive Income.

The sensitivity of the exposure of copper, diesel and heavy fuel oil on financial assets and financial liabilities at year end has been analysed and determined to be not material to the Group.

21. Financial Risk Management (continued)

(b) Foreign Currency Risk

The Group undertakes transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. The Group's revenue is primarily denominated in US dollars whereas a material proportion of costs (including capital expenditure) are collectively in Australian dollars and PNG Kina. The Group's Australian entities have AUD functional currencies, while all non-Australian operating entities have USD functional currencies.

The Group's Statement of Financial Position can also be affected materially by movements in the AUD:USD exchange rate. Measuring the exposure to foreign exchange risk is achieved by regularly monitoring and performing sensitivity analysis on the Group's financial position.

The carrying amounts of the Group's US dollar denominated financial assets and liabilities in entities which do not have a US dollar functional currency at the reporting date are as follows:

US Dollar Denominated Balances	2017 US\$m	2016 US\$m
Financial Assets		
Cash and cash equivalents	347	4
Trade and other receivables	43	95
Related party receivables	42	19
Derivatives	1	-
	433	118
Financial Liabilities		
Payables	32	20
Related party payables	18	-
Borrowings	2,000	2,150
Derivatives	3	38
	2,053	2,208
Gross Exposure	(1,620)	(2,090)
Net investment in US dollar functional currency entities (i)	2,000	2,025
Net Exposure (inclusive of net investment in foreign operations)	380	(65)

(i) The Group seeks to mitigate the effect of its foreign currency exposure by borrowing in US dollars. The entity which undertakes the majority of the Group's borrowing activities has an AUD functional currency. Where considered appropriate the US dollar denominated debt is designated either as a:

- Net investment in foreign operations.

Exchange gains or losses upon subsequent revaluation of US dollar denominated borrowings from the historical draw down rate to the period end spot exchange rate are recognised through Other Comprehensive Income and deferred in equity in the Foreign Currency Translation Reserve and will be released to the Income Statement if the foreign operation is sold. As at 30 June 2017, US dollar borrowings of US\$2,000 million were designated as a net investment in foreign operations (2016: US\$2,025 million); or

- Cash flow hedge of future US dollar denominated commodity sales.

Exchange gains or losses upon subsequent revaluation of US dollar denominated borrowings from the historical draw-down rate to the period-end spot exchange rate are recognised in Other Comprehensive Income and deferred in equity in the Hedge Reserve and will be released to the Income Statement as the anticipated hedged US dollar denominated commodity sales to which the deferred gains/(losses) are designated, occur.

21. Financial Risk Management (continued)

Sensitivity analysis

The following table details the Group's sensitivity arising in respect of translation of financial assets and financial liabilities to a 10% movement (2016: 10%) (i.e. increase and decrease) in the Australian dollar against the US dollar at the reporting date, with all other variables held constant. The 10% sensitivity is based on reasonably possible changes, over a financial year, using the observed range of actual historical rates for the preceding five-year period.

Post-tax gain/(loss)	Impact on Profit After Tax Higher/(Lower)		Impact on Equity Higher/(Lower)	
	2017 US\$m	2016 US\$m	2017 US\$m	2016 US\$m
AUD/USD +10% (2016: +10%)	(27)	6	(140)	(140)
AUD/USD -10% (2016: -10%)	27	(6)	140	140

Significant assumptions used in the foreign currency exposure sensitivity analysis above include:

- Reasonably possible movements in foreign exchange rates;
The reasonably possible movement of 10% (2016: 10%) was calculated by taking the AUD spot rate as at the reporting date, moving this spot rate by 10% (2016:10%) and then re-converting the AUD into USD with the "new spot-rate". This methodology reflects the translation methodology undertaken by the Group.
- The translation of the net assets in subsidiaries with a functional currency other than AUD has not been included in the sensitivity analysis as part of the equity movement.

21. Financial Risk Management (continued)

(c) Liquidity Risk

Newcrest is exposed to liquidity risk primarily through its capital management policies and objectives, which utilise debt as a key element of the Group's capital structure. The specific risk exposures include the sufficiency of available unutilised facilities and the repayment maturity profile of existing financial instruments.

Liquidity risk is managed centrally by Group Treasury to ensure sufficient liquid funds are available to meet the Group's financial commitments through the following management actions:

- Maintaining cash and committed undrawn bank facilities of at least US\$1.5 billion, with approximately one-third of that amount in the form of cash.
- Targeting to maintain an investment grade credit rating.
- Regular forecasting of all future cash flows relating to operational, investing and financing activities, including detailed sensitivity analysis to test multiple scenarios.
- Management of repayment maturities to avoid excessive refinancing in any period.
- Maintain funding flexibility with committed available credit lines with a variety of counterparties.
- Managing credit risk related to financial assets.

The Group maintains a balance between continuity of funding and flexibility through the use of cash, loans and committed available credit lines. Included in Note 20 is a list of undrawn facilities that the Group has at its disposal to manage liquidity risk.

The following table reflects all contractually fixed repayments and interest resulting from recognised financial liabilities at the reporting date, including derivative financial instruments. For derivative financial instruments the market value is presented, whereas for the other obligations the respective undiscounted cash flows for the respective upcoming financial years are presented.

	Less than 6 months	Between 6-12 months	Between 1-2 years	Between 2-5 years	Greater than 5 years	Total
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
2017						
Payables	455	-	-	-	-	455
Borrowings	31	47	94	1,014	1,826	3,012
Derivatives	3	1	-	-	-	4
	489	48	94	1,014	1,826	3,471
2016						
Payables	369	-	-	-	-	369
Borrowings	34	171	96	335	2,653	3,289
Derivatives	15	6	13	4	-	38
	418	177	109	339	2,653	3,696

21. Financial Risk Management (continued)

(d) Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates primarily relates to the Group's debt obligations that have floating interest rates. The Group's interest rate exposure together with the effective interest rate for each class of financial assets and financial liabilities at the reporting date is summarised as follows:

Consolidated	2017			2016		
	Floating Interest	Fixed Interest	Effective Interest Rate	Floating Interest	Fixed Interest	Effective Interest Rate
	US\$m	US\$m	%	US\$m	US\$m	%
Financial Assets						
Cash and cash equivalents	492	-	1.2	53	-	0.6
	492	-		53	-	
Financial Liabilities						
Bilateral debt	-	-	-	25	-	1.8
Corporate bonds	-	2,000	4.7	-	2,000	4.7
Private placement	-	-	-	-	125	5.8
Bank loan	-	-	-	20	-	1.6
	-	2,000		45	2,125	
Net exposure	492	(2,000)		8	(2,125)	

The other financial assets and financial liabilities of the Group not included in the above table are non-interest bearing and not subject to interest rate risk.

The sensitivity of this exposure has been analysed and determined to be not material to the Group.

(e) Credit Risk

The Group's exposure to credit risk arises from the potential default of the counterparty to the Group's financial assets, which comprise cash and cash equivalents, trade and other receivables and derivative financial instruments.

The Group limits its counterparty credit risk on liquid funds and derivative financial instruments by dealing only with banks or financial institutions with credit ratings of at least BBB (S&P) equivalent. Credit risk is further limited by ensuring diversification with maximum investment limits based on credit ratings. All customers who wish to trade on credit terms with providers of capital or financial counterparties are subject to a credit risk analysis.

The Group obtains sufficient collateral (such as a letter of credit) where appropriate from customers, as a means of mitigating the risk of financial loss from defaults. At the reporting date the value of collateral held was US\$40 million (2016: US\$33 million).

Receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There were no material impairments of receivables as at 30 June 2017 or 30 June 2016.

The majority of the Group's receivables are due from concentrate customers in Japan, Korea and the Philippines. There have been no credit defaults with these customers in recent history. Newcrest's Treasury department evaluates credit risk on a continual basis. At the reporting date there were no other significant concentrations of credit risk.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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21. Financial Risk Management (continued)

(f) Financial Assets and Financial Liabilities

The following tables disclose the carrying amounts of each class of financial assets and financial liabilities at year end.

2017	Amortised cost US\$m	Fair Value through profit or loss US\$m	Fair Value through OCI US\$m	Total US\$m
Financial Assets				
Cash and cash equivalents	492	-	-	492
Trade and other receivables	45	43	-	88
Other financial assets – current	-	1	30	31
Other financial assets – non-current	-	-	10	10
	537	44	40	621
Financial Liabilities				
Trade and other payables	455	-	-	455
Borrowings	1,991	-	-	1,991
Other financial liabilities - current	-	3	1	4
	2,446	3	1	2,450

2016	Amortised cost US\$m	Fair Value through profit or loss US\$m	Fair Value through OCI US\$m	Total US\$m
Financial Assets				
Cash and cash equivalents	53	-	-	53
Trade and other receivables	39	95	-	134
	92	95	-	187
Financial Liabilities				
Trade and other payables	369	-	-	369
Borrowings	2,160	-	-	2,160
Other financial liabilities - current	-	8	13	21
Other financial liabilities - non-current	-	-	17	17
	2,529	8	30	2,567

21. Financial Risk Management (continued)

(g) Fair Value

Fair value measurements recognised in the Statement of Financial Position

For financial assets and liabilities carried at fair value, the Group uses the following to categorise the method used:

- 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 Level 2 measurements.

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 Liabilities	Carrying amount		Fair value ⁽¹⁾	
	2017 US\$m	2016 US\$m	2017 US\$m	2016 US\$m
Borrowings:				
Fixed rate debt:				
- Corporate Bonds	1,991	1,990	2,130	2,024
- Private placement	-	125	-	131
	1,991	2,115	2,130	2,155

⁽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.

22. Issued Capital

	2017 US\$m	2016 US\$m
(a) Movements in Issued Capital		
Opening balance	11,666	11,673
Shares repurchased and held in treasury ⁽¹⁾	(19)	(7)
Shares issued – dividend reinvestment plan	10	-
Total issued capital	11,657	11,666

	2017 No.	2016 No.
(b) Number of Issued Ordinary Shares		
Comprises:		
• Shares held by the public	765,777,868	765,562,740
• Treasury shares	1,331,670	948,231
Total issued capital	767,109,538	766,510,971

Movement in issued ordinary shares for the year

Opening number of shares	765,562,740	765,753,346
Shares issued under:		
• Shares repurchased and held in treasury ⁽¹⁾	(1,100,000)	(613,375)
• Share plans ⁽²⁾	716,561	422,769
• Dividend reinvestment plan	598,567	-
Closing number of shares	765,777,868	765,562,740

Movement in treasury shares for the year

Opening number of shares	948,231	757,625
• Purchases	1,100,000	613,375
• Issued pursuant to share plans	(716,561)	(422,769)
Closing number of shares	1,331,670	948,231

⁽¹⁾ During the year, the Newcrest Employee Share Plan Trust ('Trust') purchased a total of 1,100,000 (2016: 613,375) ordinary fully paid Newcrest shares at an average price of A\$21.97 (US\$16.73) per share (2016: average price of A\$14.78 (US\$10.50) 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.

⁽²⁾ Represents rights exercised under the Company's share-based payments plans and executive service agreements. Refer to Note 33 for share-based payments.

Issued ordinary share capital is classified as equity and is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares and the associated tax are recognised directly in equity as a reduction of the share proceeds received.

Treasury Shares

The Group's own equity instruments, which are purchased on-market for later use in employee share-based payment arrangements (treasury shares), are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

23. Reserves

	Note	2017 US\$m	2016 US\$m
Equity Settlements Reserve	(a)	88	78
Foreign Currency Translation Reserve	(b)	(168)	(340)
Hedge Reserve	(c)	27	(16)
Total Reserves		(53)	(278)

(a) Equity Settlements Reserve

This reserve is used to recognise the fair value of rights and options issued to employees in relation to equity-settled share based payments.

(b) Foreign Currency Translation Reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of subsidiaries which do not have a functional currency of USD. The reserve is also used to record exchange gains and losses on hedges of the net investment in foreign operations. Refer Note 21(b).

(c) Hedge Reserve

The hedge reserve is used to record the effective portion of changes in the fair value of cash flow hedges (refer Note 21). The components of the hedge reserve at year end were as follows:

Component	2017 US\$m	2016 US\$m
FX gains on US dollar denominated borrowings	-	7
Gold forward contracts - Telfer	40	(30)
Other cash flow hedges	(1)	-
	39	(23)
Tax effect	(12)	7
Total Hedge Reserve	27	(16)

GROUP STRUCTURE

This section provides information relevant to understanding the structure of the Group.

24. Controlled Entities

Controlled entities are consolidated from the date on which control commences until the date that control ceases. All intercompany balances and transactions, including unrealised gains and losses arising from intra-group transactions, have been eliminated in preparing the consolidated financial statements. The Group comprises the following significant entities:

Entity	Notes	Country of Incorporation	Percentage Holding	
			2017 %	2016 %
Parent Entity				
Newcrest Mining Limited		Australia		
Subsidiaries				
Cadia Holdings Pty Limited	(a)	Australia	100	100
Contango Agricultural Company Pty Ltd	(c)	Australia	100	100
Newcrest Exploration Holdings Pty Ltd	(c)	Australia	100	100
Newcrest Finance Pty Limited	(a)	Australia	100	100
Newcrest Holdings (Investments) Pty Limited		Australia	100	100
Newcrest International Pty Ltd	(a)	Australia	100	100
Newcrest New Zealand Exploration Pty Ltd		Australia	100	100
Newcrest Operations Limited	(a)	Australia	100	100
Newcrest West Africa Holdings Pty Ltd	(a) (b)	Australia	100	100
Newgen Pty Ltd		Australia	100	100
Niugini Mining (Australia) Pty Ltd	(a) (b)	Australia	100	100
Sulawesi Investments Pty Limited	(c)	Australia	100	100
Newcrest Insurance Pte Ltd	(d)	Singapore	100	100
Newcrest Singapore Holdings Pte Limited	(d)	Singapore	100	100
PT Nusa Halmahera Minerals	(d)	Indonesia	75	75
PT Nusantara Bintang Management		Indonesia	100	100
PT Puncakbaru Jayatama	(d)	Indonesia	100	100
Newcrest (Fiji) Pte Limited	(d)	Fiji	100	100
Newcrest Exploration (Fiji) Pte Limited	(d)	Fiji	100	100
Lihir Gold Limited	(d)	Papua New Guinea	100	100
Newcrest PNG 1 Limited	(e)	Papua New Guinea	-	100
Newcrest PNG 2 Limited	(d)	Papua New Guinea	100	100
Newcrest PNG 3 Limited	(d)	Papua New Guinea	100	100
Newcrest PNG Exploration Limited	(d)	Papua New Guinea	100	100
Newcrest Resources Inc		USA	100	100
Newroyal Resources Inc		USA	100	100
LGL Exploration CI SA	(d)	Côte d'Ivoire	100	100
LGL Mines CI SA	(d)	Côte d'Ivoire	89.89	89.89
LGL Resources CI SA	(d)	Côte d'Ivoire	99.89	99.89
Newcrest Dougbafla CI SA	(d)	Côte d'Ivoire	89.89	89.89
Newcrest Hire CI SA	(d)	Côte d'Ivoire	89.89	89.89

Notes:

- (a) These controlled entities are a party to a Deed of Cross Guarantee. Refer Note 26 for further information.
- (b) Became a party to the Deed of Cross Guarantee in May 2016.
- (c) Ceased being a party of the Deed of Cross Guarantee in May 2016.
- (d) Audited by affiliates of the Parent entity auditors.
- (e) The entity was sold during the year. Refer Note 29.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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25. Parent Entity Information

The summarised Income Statement and Statement of Financial Position in respect to the parent entity ('Company') is set out below.

	Company	
	2017	2016
	US\$m	US\$m
a) Income Statement		
Profit after income tax	216	597
Other comprehensive income	198	(204)
Total comprehensive income for the year	414	393
b) Statement of Financial Position		
Current assets	103	100
Non-current assets	7,205	6,399
Total assets	7,308	6,499
Current liabilities	162	112
Non-current liabilities	542	83
Total liabilities	704	195
Net assets	6,604	6,304
Issued capital	11,657	11,666
Equity settlements reserve	88	78
Foreign currency translation reserve	(31)	(229)
Accumulated losses	(5,110)	(5,211)
Total equity	6,604	6,304
c) Commitments		
Capital expenditure commitments	9	5
d) Guarantees and Contingent Liabilities		

The Company and certain Australian controlled entities have entered into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the controlled entities under certain provisions of the *Corporations Act 2001*. Further details are included in Note 26. At the reporting date, no amounts have been recognised in the financial information of the Company in respect of this Deed on the basis that the possibility of default is remote.

26. Deed of Cross Guarantee

Pursuant to ASIC Corporations Instrument 2016/785 dated 17 December 2016, the wholly-owned controlled entities detailed in Note 24 are relieved from the *Corporations Act 2001* requirements for preparation, audit, and lodgement of financial reports, and Directors' Report.

It is a condition of the Class Order that the Company and each of its eligible controlled entities enter into a Deed of Cross Guarantee ('Deed'). The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the controlled entities under certain provisions of the *Corporations Act 2001*. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The controlled entities have also given similar guarantees in the event that the Company is wound up.

In May 2016, the Company and its eligible controlled entities entered into a new Deed.

A consolidated Income Statement and consolidated Statement of Financial Position, comprising the Company and controlled entities which are a party to the Deed, after eliminating all transactions between parties to the Deed is set out below.

Income Statement	Consolidated	
	2017	2016
	US\$m	US\$m
Operating sales revenue	1,767	1,733
Cost of sales	(1,264)	(1,257)
Gross profit	503	476
Exploration costs	(28)	(18)
Corporate administration costs	(81)	(76)
Other revenue	7	102
Other income/(expenses)	(87)	(63)
Loss on business divestment	(10)	-
Net investment hedge loss	(79)	-
Class action settlement expense	-	(12)
Impairment reversal	24	464
Profit before interest and income tax	249	873
Finance income	4	37
Finance costs	(129)	(139)
Profit before income tax	124	771
Income tax expense	(39)	(98)
Profit after income tax	85	673

26. Deed of Cross Guarantee (continued)

Statement of Financial Position	Consolidated	
	2017 US\$m	2016 US\$m
Current assets		
Cash and cash equivalents	353	19
Trade and other receivables	54	106
Inventories	149	163
Other financial assets	31	-
Other assets	42	39
Total current assets	629	327
Non-current assets		
Other receivables	170	225
Inventories	1	3
Investment in subsidiaries	5,478	5,640
Property, plant and equipment	3,879	3,775
Other intangible assets	21	23
Deferred tax assets	91	105
Other assets	9	10
Investment in associates	64	-
Total non-current assets	9,713	9,781
Total assets	10,342	10,108
Current liabilities		
Trade and other payables	542	608
Borrowings	-	100
Provisions	70	67
Current tax liability	31	12
Other financial liabilities	4	21
Total current liabilities	647	808
Non-current liabilities		
Borrowings	1,992	2,040
Provisions	159	195
Deferred tax liabilities	310	236
Derivative financial liabilities	-	17
Total non-current liabilities	2,461	2,488
Total liabilities	3,108	3,296
Net assets	7,234	6,812
Equity		
Issued capital	11,657	11,666
Accumulated losses	(4,259)	(4,229)
Reserves	(164)	(625)
Total equity	7,234	6,812

27. Interests in Joint Operations

The Group has interests in the following significant unincorporated joint arrangements, which are accounted for as joint operations under accounting standards.

Name	Country	Principal Activity	Note	Ownership Interest	
				2017	2016
Wafi-Golpu JV	Papua New Guinea	Mineral exploration	(a)	50.0%	50.0%
Morobe Exploration JV	Papua New Guinea	Mineral exploration	(a)	50.0%	50.0%
Hidden Valley JV	Papua New Guinea	Gold production and mineral exploration	(b)	-	50.0%
Namosi JV	Fiji	Mineral exploration	(c)	70.75%	70.67%

Interest in Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation, its share of assets, liabilities, revenue and expenses from those operations and revenue from the sale of its share of the output from the joint operation or from the sale of the output by the joint operation.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the standards applicable to the particular assets, liabilities, revenues and expenses.

(a) Morobe Mining Joint Ventures

The Wafi-Golpu JV and the Morobe Exploration JV are collectively referred to as the Morobe Mining Joint Ventures. These JVs are each owned 50% by the Group and 50% by subsidiaries of Harmony Gold Mining Company Limited. Pursuant to the JV agreements, key operational decisions of the JVs require a unanimous vote and therefore the Group has joint control. For segment reporting, Wafi-Golpu and Morobe Exploration are included within the 'Exploration and Other' segment.

Under the conditions of the Wafi-Golpu exploration tenements, the PNG Government ('the State') has reserved the right to take up an equity interest of up to 30% in a mine developed from Wafi-Golpu. The right is exercisable by the State once at any time prior to the commencement of mining. If the State exercises this right, the exercise price is a pro rata share of the accumulated historical exploration costs. Once the right is exercised, the State is responsible for its proportionate share of ongoing exploration and project development costs. During February 2012, the State indicated its intention to exercise its option. As at 30 June 2017, this option has not been exercised. In the event the option is exercised in full, Newcrest's interest in the Wafi-Golpu JV would be reduced to 35%.

(b) Hidden Valley Joint Venture

The Hidden Valley JV was part of the Morobe Mining Joint Ventures. The Group divested its interest in the Hidden Valley JV during the year. Refer Note 29.

(c) Namosi Joint Venture

The Namosi JV was established between the Group and two other parties under the Namosi Joint Venture agreement in November 2007. Pursuant to this JV agreement, key operational decisions of the JV require a unanimous vote and therefore the Group has joint control. For segment reporting, the Namosi JV is included within the 'Exploration and Other' segment.

28. Investment in Associate

	2017 US\$m	2016 US\$m
Investment in SolGold Plc		
Opening balance	-	-
Acquisition	63	-
Foreign currency translation	1	-
Closing balance	64	-

An associate is an entity that is neither a subsidiary nor joint arrangement, over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The Group's investment in an associate is accounted for using the equity method.

The Group acquired an initial 10% interest in SolGold Plc ('SolGold') in October 2016 following the signing of a Share Subscription Agreement ('SSA') with SolGold. The Group acquired further shares during the year. As at 30 June 2017, the Group held 219,772,271 shares, representing a 14.5% interest.

SolGold is an Australian based, copper gold exploration and future development company with assets in Ecuador, the Solomon Islands and Australia. SolGold is listed on the London Stock Exchange AIM, and subsequent to year end, also listed on the Toronto Stock Exchange.

Under the SSA, subject to holding more than 10% of the share capital of SolGold, Newcrest has a right (but not an obligation) to appoint a Director to the Board of SolGold. Consequently, at the date of initial acquisition, it was determined that Newcrest had the ability to participate in the financial and operating policy decisions of SolGold. It was therefore determined that Newcrest has significant influence under accounting standards from the date of the initial acquisition.

In March 2017, Craig Jones, Executive General Manager – Wafi-Golpu, was appointed as a non-executive director of SolGold as Newcrest's nominee.

29. Business Divestment

During the year, Newcrest sold Newcrest PNG 1 Ltd to a wholly owned subsidiary of Harmony Gold Mining Company Limited ('Harmony') following the signing of a sale agreement on 18 September 2016. Newcrest PNG 1 Ltd was a wholly owned subsidiary of Newcrest that held the 50% interest in the Hidden Valley Joint Venture including the Hidden Valley mine. In addition, Newcrest also sold its 50% interest in certain exploration tenements proximate to the Hidden Valley mine to Harmony.

As part of the sale agreement Newcrest funded Newcrest PNG 1 Ltd with an amount of US\$22.5m. This represented Newcrest's one-off contribution towards future Hidden Valley closure liability partially offset by the option value of the possible future cash flows of the asset.

(a) Loss on Business Divestment

The loss on the divestment of Hidden Valley was as follows:

	<u>US\$m</u>	<u>Note</u>
Consideration received ⁽¹⁾	-	
Less: Written down value of net assets sold	10	(b)
Loss on business divestment	(10)	

⁽¹⁾ Total consideration comprised US\$1 in respect of the sale of the Group's 50% interest in the Hidden Valley mine and 1 PNG Kina in respect of the sale of Group's exploration tenements.

(b) Net Assets Disposed

The carrying value of the net assets disposed of was as follows:

	<u>Book Value on Divestment US\$m</u>
Assets	
Cash and cash equivalents ⁽²⁾	27
Inventories	21
Exploration, evaluation and development	6
Other assets	2
Total Assets	56
Liabilities	
Trade and other payables	8
Provisions - rehabilitation	35
Provisions - other	3
Total Liabilities	46
Net assets divested	10

⁽²⁾ Includes a cash contribution of US\$22.5 million for the rehabilitation liability.

(c) Cash Outflow on Divestment

The cash outflow on sale of Hidden Valley, net of cash held by Hidden Valley was as follows:

	<u>US\$m</u>
Consideration received	-
Less: Cash and cash equivalents divested	(27)
Total	(27)

OTHER

This section includes additional financial information and other disclosures that are required by the accounting standards and the *Corporations Act 2001*.

30. Commitments

	2017 US\$m	2016 US\$m
(a) Operating Lease Commitments		
Future minimum rentals payable on non-cancellable operating leases due:		
Within one year	27	10
Later than one year but not later than five years	29	17
Later than five years	-	-
Total	56	27

The Group leases assets for operations including plant and office premises. The leases have an average life ranging from 1 to 10 years. There are no restrictions placed upon the lessee by entering into these leases.

(b) Capital Expenditure Commitments

Capital expenditure commitments	54	78
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This represents contracted capital expenditure.

31. Events Subsequent to Reporting Date

Subsequent to year-end, the Directors have determined to pay a final dividend for the year ended 30 June 2017 of US 7.5 cents per share, which will be 70% franked. The dividend will be paid on 27 October 2017. The total amount of the dividend is US\$57.5 million. This dividend has not been provided for in the 30 June 2017 financial statements.

There have been no other matters or events that have occurred subsequent to 30 June 2017 that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

32. Contingent Liabilities

a) Income Tax Matters – Indonesia

During the current year the Indonesian Taxation Office ('ITO') completed a tax audit and issued an amended assessment to PT Nusa Halmahera Minerals ('PT NHM') for the 30 June 2015 financial year. Subsequent to year end, the ITO also issued an amended assessment for the 30 June 2016 financial year. In addition, during prior periods the ITO concluded audits of the 2010 to 2014 income years. The principal issue raised in these amended assessments was the income tax rate applicable under the Gosowong Contract of Work ('COW'). PT NHM is 75% owned by Newcrest.

The amended assessments issued by the ITO to PT NHM applied a higher tax rate to the income of PT NHM, in accordance with the ITO interpretation. This resulted in additional tax assessments of US\$10 million in relation to 30 June 2015 and US\$1 million in relation to 30 June 2016 (on a 100% basis). In addition, PT NHM has previously received assessments in relation to this issue totalling US\$85 million for the 2010 to 2014 financial years (on a 100% basis).

PT NHM disagrees with the ITO interpretation but has paid the amounts assessed to mitigate future penalties. PT NHM has objected to these assessments and is seeking recovery of the US\$96 million paid.

PT NHM has also continued to apply its own interpretation of the income tax rate applicable under the COW to the 2017 financial year. If, following audits, the ITO issues assessments maintaining its alternative interpretation of the applicable tax rate, the additional tax assessed is estimated to be approximately US\$7 million (on a 100% basis).

The Group considers that PT NHM has made adequate provision for its taxation liabilities and is taking appropriate steps to address issues raised by the ITO. If PT NHM's objection to prior period assessments is ultimately unsuccessful it will not recover the amounts paid (US\$96 million to date) and income tax expense would be adversely impacted by an equivalent amount.

b) Other Matters

In addition to the above 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.

c) Bank Guarantees

The Group has negotiated 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\$76 million (30 June 2016: US\$92 million).

33. Share Based Payments

The Group provides benefits to employees (including Executive Directors) in the form of share based compensation, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). The Group operates a number of share-based payment plans, including:

- Executive Performance Share Plan ('LTI Plan')
- Employee Share Acquisition Plan ('ESAP')
- Share Match Plan
- Short Term Incentive Plan ('STI Plan')
- Sign-On Share Plan

(a) Executive Performance Share Plan (LTI Plan)

The Executive Performance Share Plan (also referred to as the Long Term Incentive ('LTI') plan) entitles participants to receive rights to ordinary fully paid shares in the Company (Performance Rights). The Executive Directors, Executive General Managers, General Managers and Managers participate in this plan.

The performance measures for the Performance Rights granted in the 2017 financial year comprised of three equally weighted measures, being:

- Comparative Cost Position;
- Return on Capital Employed (ROCE); and
- Relative Total Shareholder Return ('TSR')

These measures are consistent with the prior year except for TSR which replaced the Strategic Performance measure.

Each LTI measure was chosen by the Board as it is a key driver of group performance. Performance against each of these measures over the three year vesting period accounts for 1/3rd of any grant made to participants. There is no ability to re-test performance under the Plan after the performance period.

The assessed fair value at grant date of the Performance Rights granted under the LTI plan is independently determined using an option pricing model. The model inputs included:

	2017	2016
Fair value	A\$18.21	A\$11.89
Share price at grant date	A\$20.99	A\$11.89
Expected life of right	3 years	3 years
Exercise price	Nil	Nil
Risk-free interest rate	1.83%	1.95%
Annualised volatility	45.0%	40.0%
Expected dividend yield	1.0%	0.0%
Model used	Monte Carlo	Black-Scholes

The fair value of the rights granted is adjusted to reflect market vesting conditions. Non-market conditions are included in the assumptions about the number of rights that are expected to become exercisable and are updated at each reporting date. The impact of the revision to original estimates is recognised in the Income Statement with a corresponding adjustment to equity.

Upon the exercise of rights, the balance of the equity settlements reserve relating to those rights remains in the Equity Settlements Reserve and the proceeds received, net of any directly attributable transaction costs, are credited to Share Capital.

Accounting Estimates and Assumptions - Share-Based Payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value of equity instruments at the date at which they are granted. The fair value is determined by an external valuer using an option pricing model, using the assumptions detailed above.

33. Share Based Payments (continued)

(b) Movements in the Number of Rights issued under the LTI Plan

Detailed information of Performance Rights over unissued ordinary shares is set out below:

Grant date	Exercise date	Beginning of year	Movement in Number of Rights During the Year			End of year
			Granted	Exercised	Forfeited	
2017						
15 Nov 16	15 Nov 19	-	835,916	-	(32,204)	803,712
5 Nov 15	5 Nov 18	1,402,187	-	-	(161,522)	1,240,665
12 Dec 14	7 Nov 17	1,543,279	-	-	(143,816)	1,399,463
4 Dec 13	16 Sep 16	1,307,868	-	(280,250)	(1,027,618)	-
Total		4,253,334	835,916	(280,250)	(1,365,160)	3,443,840
2016						
5 Nov 15	5 Nov 18	-	1,449,853	-	(47,666)	1,402,187
12 Dec 14	7 Nov 17	1,762,682	-	-	(219,403)	1,543,279
4 Dec 13	16 Sep 16	1,371,575	-	-	(63,707)	1,307,868
17 Sep 12	17 Sep 15	452,054	-	(44,465)	(407,589)	-
10 Nov 10	10 Nov 13	4,432	-	(2,946)	(1,486)	-
Total		3,590,743	1,449,853	(47,411)	(739,851)	4,253,334

All Performance Rights have a nil exercise price. The number of performance rights exercisable at year end is nil (2016: nil).

(c) ESAP, Share Match Plan and Sign-On Share Plan

Under the ESAP, eligible employees are granted shares in the Company for no cash consideration. All Australian resident permanent employees who have been continuously employed by the Group for a period of at least one year, and are not eligible for the LTI Plan, are able to participate in the ESAP.

Under the Share Match Plan, eligible employees may contribute up to A\$4,950 to acquire shares in the plan year. On the third anniversary of the start of the plan year, the Company will match the number of acquired shares held by the employee at that time with matched shares.

To support Newcrest's ability to attract and/or retain suitable executives and senior managers, it is sometimes necessary to offer sign-on incentives. Such incentives are consistent with market practice in the industry. Rights awarded under the Sign-on Share Plan vest over periods up to three years and are subject to continued employment and/or performance.

The number of shares and rights granted under these plans during the year was not material to the Group.

(d) STI Plan

This plan applies to certain employees including key management personnel. Under the STI Plan, for key management personnel, 50% of the payment is provided in cash with the remaining 50% deferred into shares. The number of shares calculated is based on the Company's volume weighted average share price during the five trading days immediately preceding the allocation date of shares. Half the shares are released after 12 months and the remainder after 2 years.

During the year, 169,478 shares were granted in respect to this plan (2016: 115,260 shares).

34. Key Management Personnel

(a) Remuneration of Key Management Personnel and Directors

	2017	2016
	US\$'000	US\$'000
Short-term	10,850	9,992
Long-term	26	140
Post-employment	231	219
Share-based payments expense	7,803	4,043
	18,910	14,394

(b) Loans and other transactions with Key Management Personnel

There are no loans made to KMP, or their related entities, by the Group.

35. Auditors Remuneration

	2017	2016
	US\$'000	US\$'000
(a) Amounts received or due and receivable by Ernst & Young (Australia) for:		
Audit or review of financial reports of the company and subsidiaries	1,155	1,375
Non-audit services:		
Tax and advisory services	224	110
Accounting advice and other assurance-related services	223	199
Total non-audit services	447	309
Total	1,602	1,684
(b) Amounts received or due and receivable by related practices of Ernst & Young (Australia) for:		
Audit or review of financial reports of subsidiaries	164	160
(c) Amounts received or due and receivable by other auditors for:		
Audit or review of the financial report of subsidiaries	17	63

36. New Accounting Standards and Interpretations

(a) New accounting standards and interpretations issued but not yet effective and not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the Group in the period of initial application. They have been issued but are not yet effective and are available for early adoption at 30 June 2017, but have not been applied in preparing this financial report.

Reference & Title	Application date for the Group	Impact on Group
AASB 15 Revenue from contracts with customers	1 July 2018	(i)
AASB 16 Leases	1 July 2019	(ii)
AASB Interpretation 23 - Uncertainty over Income Tax Treatments	1 July 2019	(iii)

(i) *AASB 15 Revenue from contracts with customers*

AASB 15 was issued in December 2015 and establishes a five-step model to account for revenue arising from contracts with customers. Under AASB 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Under AASB 15 the revenue recognition model will change from one based on the transfer of risk and reward of ownership to the transfer of control of ownership.

The new revenue standard will supersede all current revenue recognition requirements under AAS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. The standard has an effective date for the Group of 1 July 2018. The Group plans to adopt the new standard on the required effective date.

During 2017, the Group commenced its preliminary assessment of AASB 15 and some of the key issues it has identified, and its initial views and perspectives, are set out below. These are based on the work completed to date and the Group's current interpretation of AASB 15 and may be subject to changes as more detailed analysis is completed and as interpretations evolve more generally. Furthermore, the Group is considering and will continue to monitor any further development.

To date, the Group has identified the following areas that require consideration:

- The Group's revenue is derived from bullion and concentrate sales:
 - o For the sale of bullion, we do not anticipate these sales to be materially affected by the new standard.
 - o For the sale of concentrate, the point of revenue recognition is dependent on the contract sales terms, which are generally undertaken on Cost, Insurance and Freight (CIF) Incoterms. As the transfer of risks and rewards generally coincides with the transfer of control at a point in time for the Incoterms as part of the Group's concentrate sales arrangements, the timing and amount of revenue recognised for the sale of concentrate is unlikely to be materially affected for the majority of sales.
- AASB 15 introduces the concept of performance obligations that are defined as a 'distinct' promised goods or services. For CIF Incoterms, the seller must contract for and pay the costs and freight necessary to bring the goods to the named port of destination. Consequently, the freight service on export concentrate contracts with CIF Incoterms represents a separate performance obligation as defined under the new standard. This means that, where material, a portion of the revenue earned under these contracts, representing the obligation to perform the freight service, will be deferred and recognised over time as this obligation is fulfilled, along with the associated costs. Based upon the preliminary assessment performed, the impact of this change on the amount of revenue and profit recorded in a year is not expected to be material.

36. New Accounting Standards and Interpretations (continued)

(a) New accounting standards and interpretations issued but not yet effective and not yet adopted (continued)

(ii) AASB 16 *Leases*

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

The Group is in the process of assessing the impact of the new lease standard.

(iii) AASB Interpretation 23 - *Uncertainty over income tax treatments*

This interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 *Income Taxes*. The Interpretation does not apply to taxes or levies outside the scope of AASB 112, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The Group has not yet determined the extent of the impact, if any.

Apart from the above, other accounting standards, amendments and interpretations that have been issued and will be applicable in future periods have been considered, however their impact is not considered material to the Group.

(b) Early adoption of accounting standards

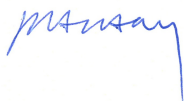
As disclosed in the 2016 annual financial report, the Group early adopted accounting standard AASB 9 *Financial Instruments* in the prior financial year.

DIRECTORS' DECLARATION

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

1. In the opinion of the Directors:
 - (a) The financial statements, notes and additional disclosures included in the Directors' Report designated as audited, of the Group is in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
 - (ii) Complying with Australian Accounting Standards and *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.
 - (c) The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2017.
3. In the opinion of the Directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 26 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed of Cross Guarantee.

On behalf of the Board



Peter Hay
Chairman



Sandeep Biswas
Managing Director and Chief Executive Officer

14 August 2017
Melbourne

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Newcrest Mining Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Directors' Declaration.

In our opinion, the accompanying financial report of the Group is 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 30 June 2017 and of its consolidated financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Assessment of the carrying value of assets

Why significant	How our audit addressed the key audit matter
<p>As at 30 June 2017 the Group's consolidated statement of financial position includes plant and equipment of \$3,955 million, mine development of \$4,007 million, production stripping of \$151 million, mines under construction of \$83 million and other intangible assets of \$35 million. The Group assesses the existence of indicators of impairment and impairment reversal semi-annually for each cash generating unit ("CGU").</p> <p>At 30 June 2017 the Group determined that indicators of impairment existed for Telfer arising from changes to mine plans and operating and financial performance for the period. An assessment of the recoverable amount was performed for Telfer and no impairment was determined or recorded.</p> <p>The Group also considered if indicators of impairment reversal existed for assets previously impaired, other than goodwill. This analysis was performed for Lihir. The analysis considered changes in macro-economic factors, operating and financial performance for the period, in addition to updates to mine plans and related studies that occurred through the mine planning processes. No impairment reversals were determined or recorded. Determination as to whether or not an impairment charge or reversal relating to an asset or CGU involves significant judgement about the future results and plans for each asset and CGU.</p> <p>Further disclosure relating to the assessment of impairment can be found at Note 12 <i>Impairment of Non-Financial Assets</i>.</p>	<p>We evaluated the Group's assessment of indicators of impairment or impairment reversal. Where we or the Group determined indicators existed we evaluated the Group's calculations of the recoverable amount of each CGU.</p> <p>With the support of our valuation specialists we assessed the reasonableness of the board approved cash flow projections and key macro-economic assumptions used in the impairment models.</p> <p>The Group has used internal and external experts to provide geological, metallurgical, mine planning and technological information to support key assumptions in the impairment models.</p> <p>We have examined the information provided by the Group's experts, including assessment of the competency of experts and independence of the external experts, the methodology applied, and we substantiated the information provided to the inputs used in the impairment models.</p> <p>We also assessed the reasonableness of the cashflows modelled against the past performance of the Group.</p> <p>We assessed the key assumptions such as gold and copper prices, discount rates, foreign exchange rates, mine operating costs and capital expenditures and performed sensitivity analysis around the key drivers of the cash flow projections. Having determined the change in assumptions (individually or collectively) that would be required for the CGUs to record an impairment charge or reversal, we considered the likelihood of such a movement in those key assumptions arising.</p> <p>We assessed the adequacy of the disclosures included Note 12 <i>Impairment of Non-Financial Assets</i>.</p>

2. Taxation

Why significant	How our audit addressed the key audit matter
<p>The Group operates in multiple taxation jurisdictions. International income tax matters involve significant judgement due to the complexity of legislation and regulatory requirements.</p> <p>The Group's Indonesian entities have been subject to audits from the Indonesian Tax Office (ITO) in relation to the applicable income tax rate. The audits have covered multiple financial years.</p> <p>The Group is disputing the assessment of the applicable tax rate under the Contract of Works (COW) and is seeking to recover the additional tax paid totaling \$96 million.</p> <p>Disclosure in relation to tax matters can be found at <i>Note 32 Contingent Liabilities</i>.</p>	<p>We tested the Group's calculations for tax provisions or tax receivables in each jurisdiction, including deferred taxes.</p> <p>We examined the tax assessments and relevant correspondence received from the ITO. We assessed the additional tax paid by the Group to the ITO through examination of correspondence with the ITO, tax returns and payment.</p> <p>The Group has used independent tax and legal experts to support the Group's interpretation of the COW and the tax position adopted by the Group.</p> <p>With the involvement of our tax specialists we assessed the tax position adopted by the Group, including consideration of the independence and competency of the independent tax and legal experts and examination of relevant supporting evidence.</p> <p>We assessed the adequacy of the disclosures included in <i>Note 32 Contingent Liabilities</i>.</p>

3. Mine rehabilitation provisions

Why significant	How our audit addressed the key audit matter
<p>The Group has rehabilitation obligations to restore and rehabilitate land and environmental disturbances created by mine operations, including exploration and development activities. These obligations are determined through regulatory and legislative requirements across multiple jurisdictions in addition to policies and processes set by the Group.</p> <p>At 30 June 2017 the Group has recorded \$272 million as mine rehabilitation provisions. The estimation of rehabilitation provisions is highly complex and judgemental with respect to the timing of the activities, the associated economic assumptions and estimated cost of the future activities.</p> <p>Disclosure in relation to rehabilitation provisions can be found in <i>Note 18 Provisions</i>.</p>	<p>We tested the Group's calculations for mine rehabilitation provision at each mine.</p> <p>The Group has used independent experts to support the estimation of the rehabilitation provisions.</p> <p>With the support of our environmental specialists we assessed the independence and competency of the independent experts and tested the underlying data used by the experts, and that the information provided by the experts has been appropriately reflected in the calculation of the rehabilitation provisions.</p> <p>We assessed the reasonableness of economic assumptions, such as the discount and inflation rates that were applied in the calculations.</p> <p>We assessed the adequacy of the disclosures included in <i>Note 18 Provisions</i>.</p>

Information Other than the Financial Report and Auditor's Report

The directors are responsible for the other information. The other information comprises the information included in the Group's 2017 Annual Report other than the financial report and our auditor's report thereon. We obtained the Directors' Report that is to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

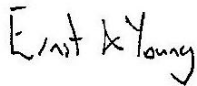
Opinion on the Remuneration Report

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Newcrest Mining Limited for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities


The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Ernst & Young



Tim Wallace
Partner



Matthew A. Honey
Partner

Melbourne
14 August 2017