



NEWCREST
MINING LIMITED

Tax Contribution Report 2016



Message from our Chief Financial Officer

I am pleased to present the Tax Contribution Report for Newcrest for the Financial Year 2016. Newcrest acknowledges the important role that tax transparency plays in improving community confidence in the tax system and improving the environment for tax reform.

At Newcrest, we recognise that our long term growth is tied strongly to the contributions we make in the countries in which we operate. Our vision is to be a Miner of Choice and that involves paying our fair share of taxes in a timely fashion. Our policy is to comply with all our tax obligations in the various jurisdictions that we operate and maintain a constructive and respectful relationship with the tax authorities. Newcrest does not engage in aggressive tax practices and regularly reviews its governance and compliance practices.

In this regard, we support the Australian Government's initiative on enhancing tax transparency and are pleased to share this report with the community. It supplements our annual Sustainability Report which outlines our economic, environmental, social and governance performance in detail.

We hope this publication, and similar reports by other businesses, contributes to a basis for robust and well-informed community debate on the role of taxes and the need for tax reform.



Gerard Bond

Finance Director and Chief Financial Officer



About Newcrest

Newcrest Mining Limited is the largest gold producer listed on the Australian Securities Exchange (ASX) and one of the largest gold producers in the world. Our mines are located in Australia, Papua New Guinea, Indonesia and Côte d'Ivoire.

Newcrest has a proud history of exploration, discovery, development and operation of gold mines. We focus on long-term value creation with an emphasis on three key value drivers: maintaining low costs, growing reserves and production and using capital efficiently.

Our principal activities

Newcrest's principal activities are exploration, mine development, mine operations and the sale of gold bullion and gold/ copper concentrate.

Financial Year 2016 results

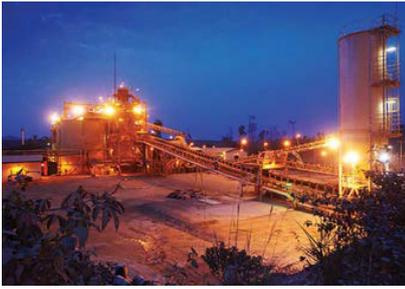
Newcrest reported a full year profit after income tax of US\$ 335 million in the financial year ending 30 June 2016 (FY16), underpinned by annual production of 2.439 million ounces of gold.

More details are available in our 2016 Annual Report, which is available on our website.

Our reporting currency

Newcrest changed its reporting (presentation) currency from Australian dollars to US dollars (US\$) in FY16. All financial data presented in this report is quoted in US dollars unless otherwise stated.

Our operating assets



Cadia

Located in central west New South Wales, Australia, 25 kilometres south-west of Orange and 250 kilometres west of Sydney, Cadia has one of the deepest panel caves in the world and is 100 percent owned by Newcrest.



Lihir

One of the world's largest gold deposits, Lihir is 100 percent owned by Newcrest and located on the island of Niolam which is part of the Lihir group of islands, 900 kilometres north-east of Port Moresby in the New Ireland Province of Papua New Guinea (PNG).



Telfer

Operating since 1977 and 100 percent owned by Newcrest, the Telfer gold-copper mine is located in the Great Sandy Desert in Western Australia, approximately 400 kilometres south-east of Port Hedland.



Gosowong

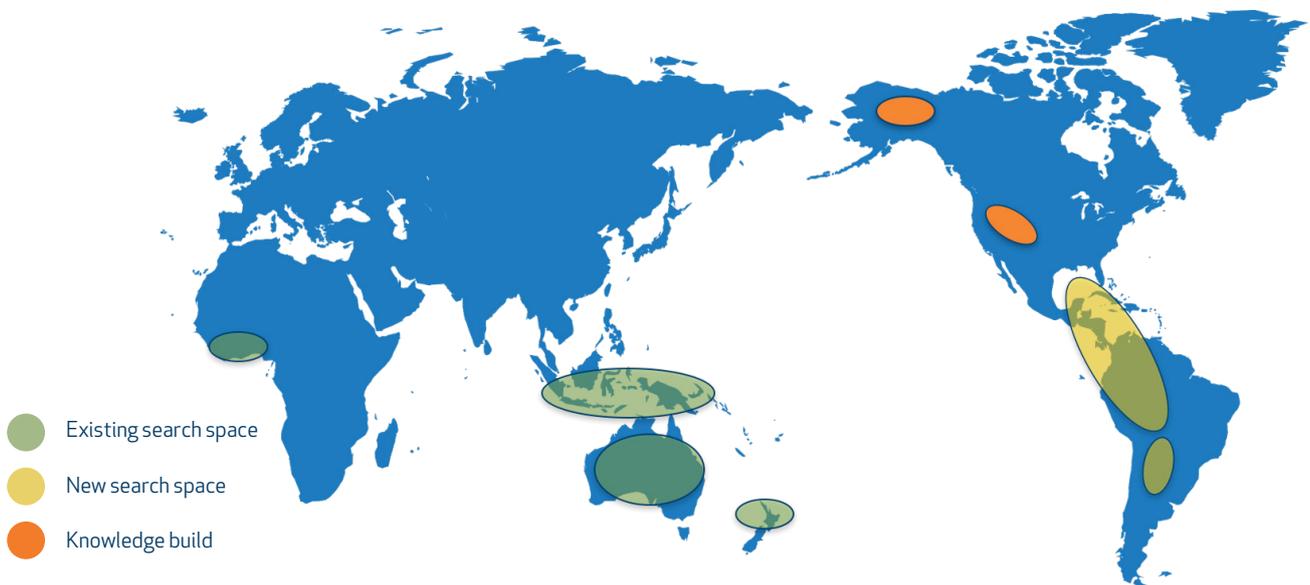
Located on Halmahera Island, Indonesia, Gosowong is operated by PT Nusa Halmahera Minerals which is owned by Newcrest (75 percent interest) and PT Aneka Tambang (25 percent interest).



Bonikro

Located approximately 250 kilometres north west of Abidjan in Côte d'Ivoire, Bonikro is a gold mine 89.89 percent owned by Newcrest.

Our global search for new gold/copper mines





Our Tax Policy and governance

Newcrest's tax strategy is to support Newcrest's global business through proactive tax advice, efficient tax compliance and active management of tax risks and disputes.

In delivering its strategy, it is Newcrest's policy to:

- Pay all tax it is legally obliged to pay, as and when it becomes payable;
- Fully comply with relevant tax laws in all jurisdictions in which it has a tax presence;
- Proactively manage tax reviews, audits and litigation while maintaining constructive and respectful relationships with revenue authorities;
- Implement and maintain an effective control environment in relation to identified tax risks; and
- Identify, monitor, document and, where possible, mitigate tax risks in relation to key transactions and operations.

Tax Risk Management Framework

Newcrest also has a robust Tax Risk Management Framework, the purpose of which is to:

- Appropriately manage tax considerations that arise in the course of Newcrest's business; and
- Provide a framework for review and endorsement by all relevant levels of management (including the Board).

Our Income Taxes - Financial Year 2016

Newcrest operates and accounts for taxes in a number of jurisdictions around the world. The wholly-owned Australian subsidiaries of Newcrest are part of an Australian tax consolidated group, of which Newcrest Mining Limited is the head entity.

Reconciliation of accounting profit to income tax expense

	Global group ⁽¹⁾	Australian tax consolidated group ⁽²⁾
	FY16 US\$m	FY16 US\$m
Accounting profit before tax	453	698
Intra-group transactions		
Dividends from wholly owned foreign subsidiaries	-	(100)
Impairment reversals	-	(360)
Adjusted accounting profit before tax	453	238
Income Tax Expense calculated at 30%	136	72
- Over provided in prior years	(2)	(2)
- De-recognition of deferred tax liabilities	(8)	(8)
- Other	(3)	4
- Gain on disposal of Investment	(5)	(5)
	(18)	(11)
Income Tax Expense	118	61
Effective tax rate	26%	26%

The effective tax rate is calculated as income tax expense divided by the adjusted accounting profit before tax. The adjusted accounting profit before tax reflects accounting profit after reducing dividends from wholly-owned foreign subsidiaries and accounting impairment reversals that are not subject to tax under Australian tax rules.

The effective tax rate for the global group and the Australian tax consolidated group was both 26%, which is lower than the Australian company tax rate of 30%. This difference is primarily due to:

- the de-recognition of deferred tax liabilities in relation to the funding of Newcrest's foreign operations; and
- no tax liability arising from the disposal of Newcrest's interest in Evolution Mining Limited (the transaction resulted in a capital loss for Newcrest).

(1) Based on Newcrest Mining Limited 2016 Annual Report

(2) Based on lodged 2016 Australian consolidated income tax return

Income Taxes - Financial Year 2016 (continued)

Reconciliation of income tax expense to income tax payable

	Global group ⁽¹⁾	Australian tax consolidated group ⁽²⁾
	FY16 US\$m	FY16 US\$m
Income Tax Expense	118	61
Temporary differences		
- Property, plant & equipment ⁽³⁾	(133)	(94)
- Other ⁽⁴⁾	75	72
- Carry forward losses utilised ⁽⁵⁾	(30)	(29)
Total temporary differences	(88)	(51)
Income Tax Payable	30	10

(1) Based on Newcrest Mining Limited 2016 Annual Report

(2) Based on lodged 2016 Australian consolidated income tax return

(3) As is standard across the mining industry, Newcrest's major timing difference arises from the differences in depreciation rates of fixed assets between accounting and tax

(4) 'Other' adjustments primarily relate to the taxation of realised net foreign exchange gains and changes in provision balances

(5) The Australian tax consolidated group utilised carry forward losses from prior periods in FY16



Taxes Paid - Financial Year 2016

Newcrest is proud of the economic, fiscal and social contribution it makes to the communities and countries in which it operates through a range of taxes, royalties and levies.

The table below is a summary of some of the other taxes paid in FY16 by Newcrest across the jurisdictions in which it operates:

	Australia	PNG	Indonesia	Côte d'Ivoire	Total
	FY16	FY16	FY16	FY16	FY16
	US\$m	US\$m	US\$m	US\$m	US\$m
Corporate tax	- ⁽¹⁾	- ⁽²⁾	74	- ⁽³⁾	74
Mining royalties	42	26	2	6	76
Employee taxes	75	39	5	4	123
Other taxes and levies	8	7	8	-	23
Total Taxes	125	72	89	10	296

- (1) The Newcrest Australian tax consolidated group did not pay any corporate tax in FY16 due to the application of carry forward tax losses and foreign tax credits. The group had a corporate tax liability of US\$10m (A\$13m) in relation to 2016, which was settled in FY17 on lodgement of its 2016 income tax return
- (2) Newcrest's PNG operations did not pay any corporate tax in FY16 due to the application of carry forward tax losses and tax depreciation base
- (3) Newcrest's Côte d'Ivoire operations did not pay any tax in FY16 due to the application of carry forward tax losses and tax incentives



International dealings

Newcrest is one of the world's largest gold mining companies and currently operates mines in four countries, with growth opportunities across the globe.

The following is a summary of the key international related party transactions for Newcrest in FY16:

- **Intra-group Services** – Back office and technical services provided by Newcrest from Australia to related parties in Fiji, Indonesia, PNG and Côte d'Ivoire
- **Captive Insurance** – Insurance premiums charged between Newcrest and related party in Singapore. The captive insurance company is managed by an independent third party insurance broker, derives only a modest profit and is subject to Australian tax under the Australian controlled foreign company rules.
- **Intercompany loans** – Newcrest has a number of loans between its Australian tax consolidated group and related parties in PNG and Côte d'Ivoire.

Newcrest maintains appropriate documentation in relation to its related party dealings and the dealings are conducted in a manner consistent with Australian and international tax and transfer pricing laws. Newcrest does not operate a marketing hub in any foreign jurisdiction.

The above related party dealings do not have a material impact on the Newcrest's Australian taxable income.