

## Update on status of Cadia operation

### Event

At approximately 2.30am on Friday 14 April 2017 a large seismic event occurred in the region of the Cadia operation, 25km south of the city of Orange, New South Wales.

No injuries were sustained and in accordance with standard operating procedure, all personnel working in the Cadia East underground mine moved to refuge chambers or safe areas.

Newcrest's geotechnical engineers inspected the mine accesses and certified those areas as safe prior to the movement of personnel to surface. All our people were safely transferred to the surface and mining operations were suspended.

Surface operations were not adversely affected and have continued uninterrupted.

Following the event the mine was placed under a Prohibition Notice. As stated in the market release of 18 April 2017, the work required to be completed prior to returning to safe mining operations includes:

- cleaning up the access drives and extraction level of Panel Cave 2 (PC2);
- completion of the assessment of damage to the extraction level of Panel Cave 1 (PC1);
- testing of all critical mine infrastructure and the materials handling system;
- rehabilitation of any necessary damaged ground-support; and
- finalisation of a recommencement management plan and approval of it by the authorities.

### Update on progress

The Cadia East mine remains subject to a Prohibition Notice.

#### *Panel Cave 1*

Inspection of PC1 has been completed. There has been damage identified to the crusher chamber area and extraction drives. Work continues on quantifying the remediation and enhancement work where required in specific areas prior to recommencement of mining. Newcrest will provide a definitive estimate of the timeline for the recommencement of mining in PC1 once confirmed.

#### *Panel Cave 2*

Inspection of PC2 has been completed. Cleaning of access drives and the extraction level is well advanced. Ground support is being rehabilitated where required and enhanced in other areas. With the support of independent technical specialists, geotechnical mapping has been completed and a remedial ground support design has been developed.

Newcrest has temporarily increased the number of jumbo drills (from 2 to 6) to undertake this work safely and efficiently. The expected duration of ground support work in PC2 is in the order of 8-10 weeks.

Upon completion of this ground support work it is currently expected that PC2 mine production will recommence early in FY18.

## Alternative ore sources

Stockpiles of low grade ore from the Cadia Hill pit are being processed by Concentrator 1 while the Cadia East mine is undergoing rehabilitation. The rate of gold production is expected to be lower as a result of the lower grades (in the order of 0.35 g/t) and lower recovery rates. To date, we have identified approximately 5mt of economically viable stockpile material available for processing. Work continues on assessing the viability of other stockpiles for processing.

Newcrest has also conducted inspections and is assessing the feasibility of temporarily re-commissioning the Ridgeway sub-level cave, also known as Ridgeway Halo. Currently it is estimated that re-commissioning will take approximately four weeks and will potentially access approximately 600kt of ore. The Ridgeway mine was placed on care and maintenance in March 2016 and, while the mine openings have not degraded, the materials handling system will require some maintenance prior to restart.

## People

Almost all of our personnel who were underground during the seismic event have returned to work at the Cadia operation. With the restriction on underground mining operations at Cadia East, many of our underground workforce have been redeployed into ore processing or surface movement activities. There has also been a temporary reduction in the contractor workforce on site.

Newcrest has ensured that counselling services remain open to and accessible by all affected people.

## Safety

The safety of our people remains Newcrest's primary objective as we progress all future assessment, evaluation and re-start activity. Mine operations will only recommence when it has been assessed as safe to do so.

## For further information please contact

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\* Pacific Daylight Savings Time 12:00pm - 12:00am (Mon – Thu)