



Wafi-Golpu

A new chapter in our enduring PNG Partnership

Australia-PNG Business Forum
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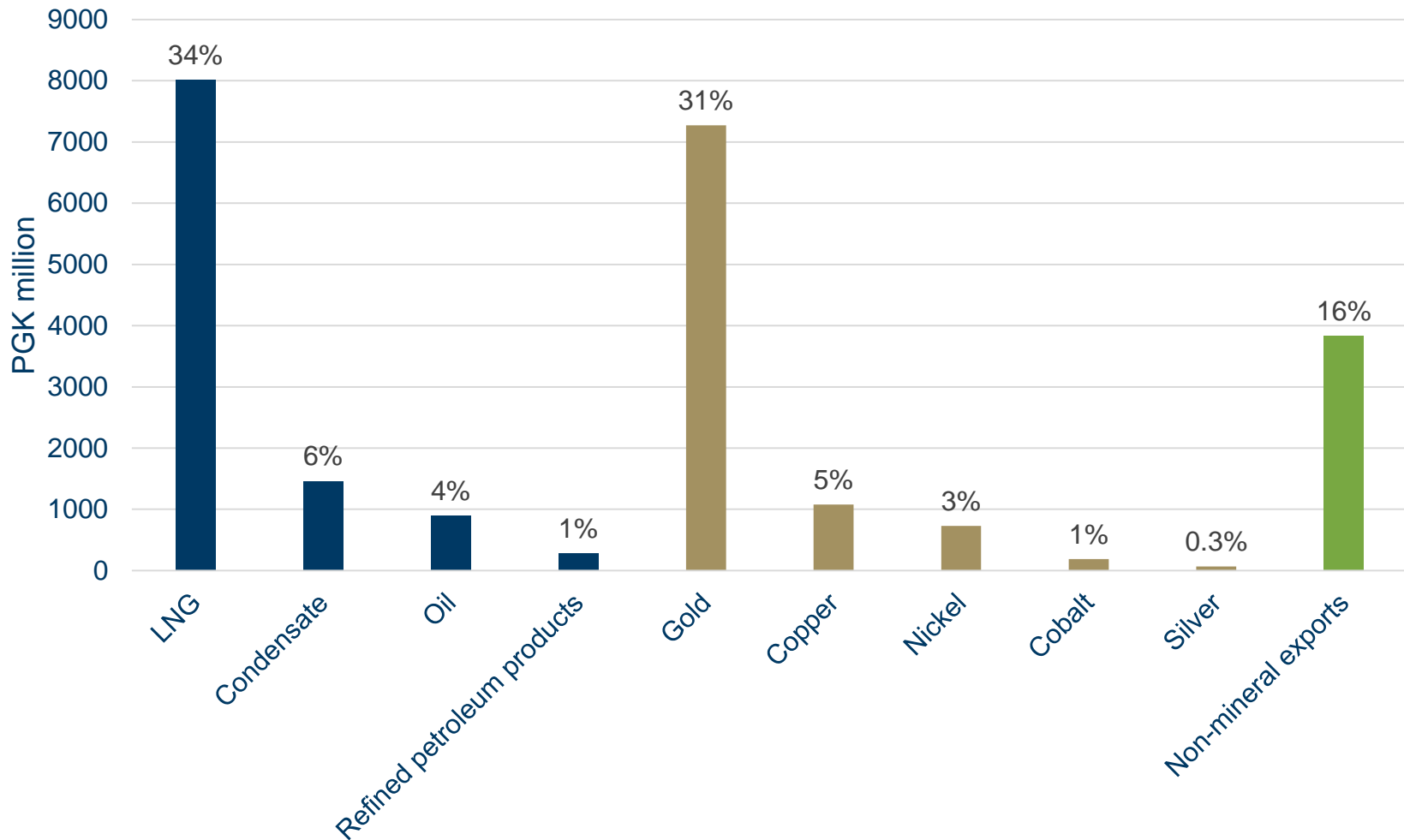
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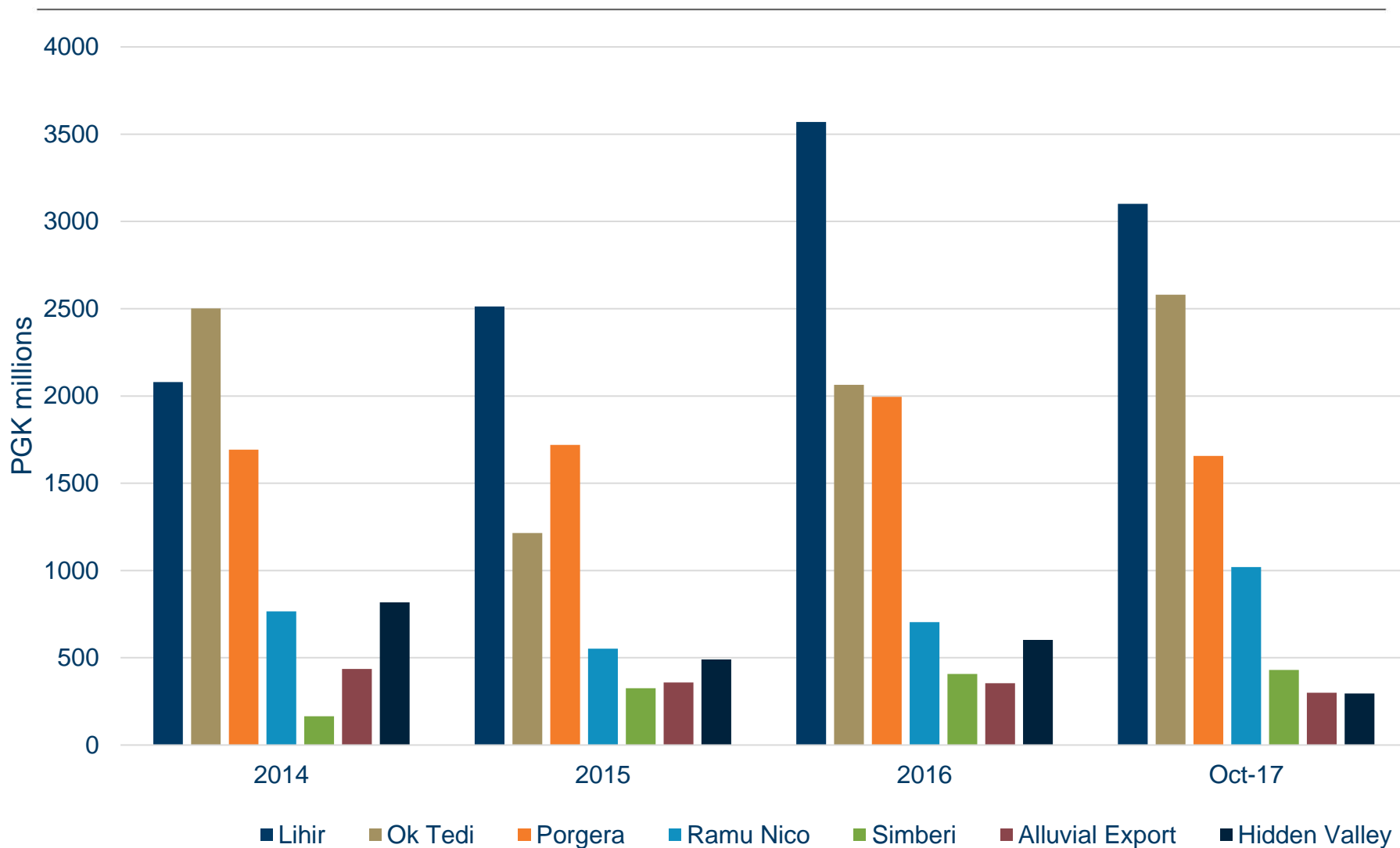


Resources: the backbone of PNG's economy

Mineral exports 2016



Mining Revenue



Source: PNG Mineral Resources Authority, November 2017;
 See "Updated Wafi-Golpu Feasibility Study" Market Release dated 19 March 2018 for information on expected production targets for Wafi-Golpu.

Stability essential for continued industry growth



- On the 2018 agenda:**
- APEC Host Year
 - Mining Act
 - MRA Act
 - Taxation Reform

Legislative stability

Attractive investment destination

More extractive industry projects

More benefits for PNG Government and people

Regulatory uncertainty and tax increases

Loss of investor confidence

Less investment

Fewer benefits for PNG Government and people

Lihir Economic & Social Benefits to PNG in FY2017ⁱⁱⁱ



- Benefit flow to Government

- Taxes = K156m
- Royaltiesⁱ = K86m (includes K15 million to landowners)
- Tax credit scheme infrastructureⁱⁱ = K23m
- Other infrastructure = K43m (Lihir roads, schools, airport & Medical Centre)



- Benefit flow to community

- Landowner, local & provincial govt agreements = K82m
- Salaries to Papua New Guineans = K189m (incl taxes)
- PNG contracts and local suppliers = K965m



ⁱ Each month Lihir pays royalties on its gold sales at a rate of 2%. These royalties are paid to the New Ireland Provincial Government (50%), Nimamar Rural local level government (30%) and local Lihirian land owners (20%). Figure includes royalty tax of 5% paid on royalties paid to local land owners.

ⁱⁱ As part of its ongoing investment and support of local PNG communities, Lihir voluntarily contributes to approved infrastructure developments within PNG as part of the Tax Credit Scheme for Approved Infrastructure Projects pursuant to section 219C of the PNG Tax Act.

ⁱⁱⁱ There is some overlap in Community Investments and Tax Credit Scheme relating to PNG contracts, local suppliers and PNG salaries also captured within those areas.

What does this mean for people's lives?

At Lihir...

Approximately 5000 Papua New Guinean employees and contractors at Lihir

= around 90% of our workforce.

In 2017, Lihir Medical Centre...

- saw 52,952 patients
- delivered 426 babies
- vaccinated 6682 children
- treated 2286 cases of malaria
- hosted the Lihir Malaria Eradication Program, aiming to eliminate malaria from Lihir completely: 9,904 cases of malaria diagnosed across the Lihir islands in 2017.



In New Ireland...

Newcrest's Tax Credit Scheme water, health and sanitation projects...

- built 273 latrines and 41 rainwater catchments, benefitting over 1000 people
- saw open defecation in the sea and bushes decrease from 74% to ZERO
- resulted in cases of diarrhoea dropping from 61% to 25%.



What does this mean for people's lives?

Development Focus Areas

Empower women

Education

Health

Public service capacity

Environment

Across PNG...

Our contribution doesn't stop at the mine. In 2017-18, Newcrest:

- refurbished case management offices for *Femili PNG* in Lae, to enable them to increase support for survivors of domestic violence
- trained >900 teachers in New Ireland and Morobe, under KTF's *Teach for Tomorrow* program
- is sponsoring 20 scholarships for nursing and midwifery, for studies across PNG
- funded community healthworker upskilling programs at Kavieng Hospital
- is funding workshops run by EITI to improve accountability and transparency in reporting mining revenue.

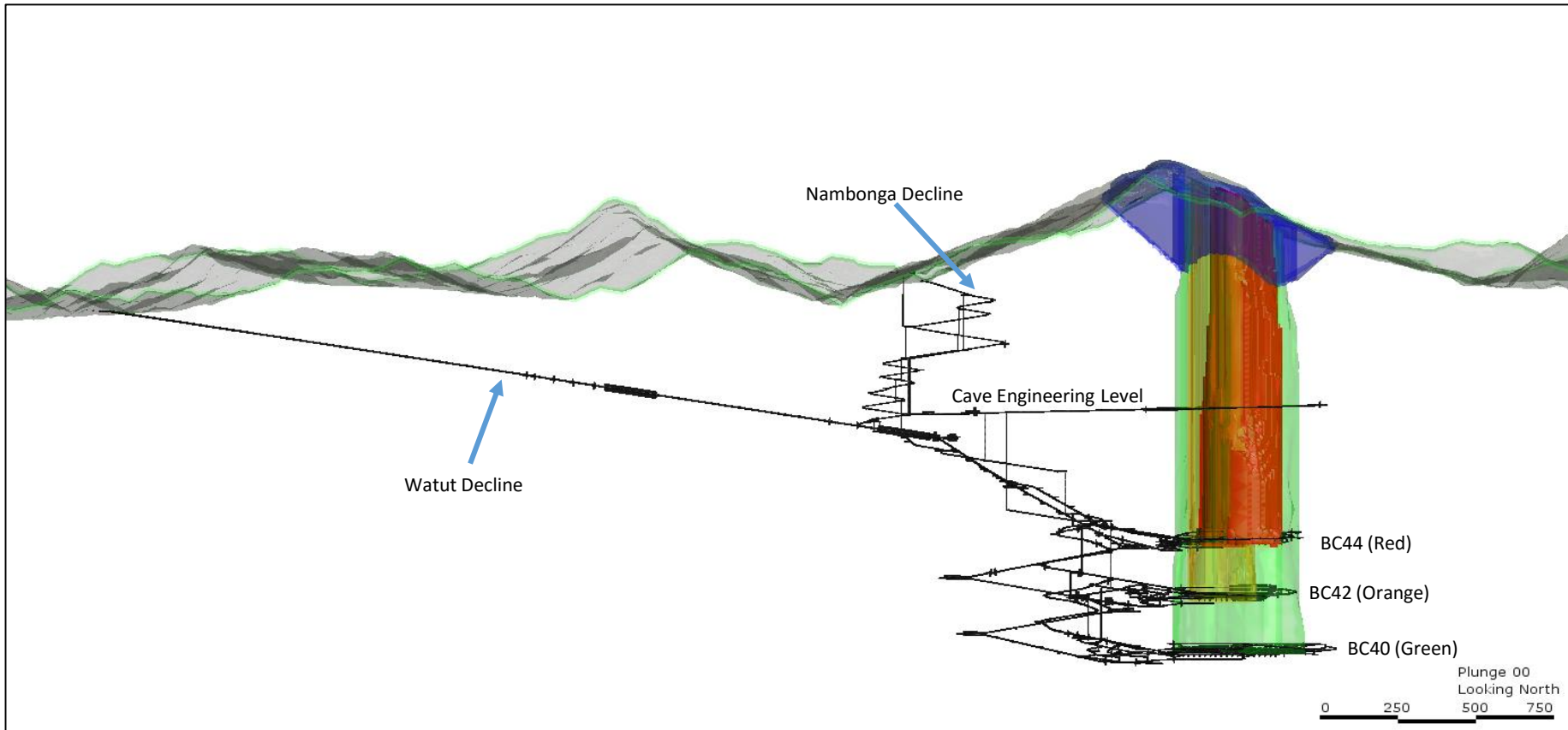




Wafi-Golpu

An exciting new chapter

Wafi-Golpu: Project Overview



Potential economic and social benefits¹

- 16.7bn Kina (US\$5.4bn) capital investment by WGJV over life of mine
 - 8.8bn Kina (US\$2.8bn) initial capital investment
- Royalties and taxes to Government.
- Estimated 2,500 jobs during construction (employees and contractors)
 - Estimated 850 ongoing operations jobs
 - Plus employment of local contractors and suppliers
- Social development investment program designed across the life of the mine
 - Since 2010, the Program has also been investing in water and sanitation, health, literacy, and community and road infrastructure in Morobe Province.
- Enabling infrastructure including roads and bridges.



1. Please see the 19 March 2018 Releases by Newcrest and Harmony which set out the basis for these findings. Figures in this Market Release assumed a PGK:USD exchange rate of 3.10.

Unlocking agribusiness potential



- Proposed new roads will open up the region from Highlands Highway to Bulolo Highway
- New infrastructure for the Wafi-Golpu mine could create the opportunity for up to 100,000ha of land in the Watut River Valley to be used for agricultural purposes
- The WGJV Community Development Program has a strong focus on unlocking Morobe's agribusiness potential:
 - continuing to support an ongoing cocoa development program
 - and investigating other potential and appropriate agricultural initiatives.

Thank you

