

BMO GLOBAL METALS & MINING CONFERENCE 2020

# What Makes Newcrest Different

Sandeep Biswas

Managing Director and Chief Executive Officer



# Disclaimer

## **Forward Looking Statements**

This presentation includes 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 this presentation. 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 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 or regulations, the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in assumptions on which any such statement is based.

## **Non-IFRS Financial Information**

Newcrest results are reported under International Financial Reporting Standards (IFRS) including EBIT and EBITDA. This presentation also includes non-IFRS information including Underlying profit (profit after tax before significant items attributable to owners of the parent company), All-In Sustaining Cost (determined in accordance with the updated World Gold Council Guidance Note on Non-GAAP Metrics which was released in November 2018), AISC Margin (realised gold price less AISC per ounce sold (where expressed as USD), or realised gold price less AISC per ounce sold divided by realised gold price (where expressed as a %)), Interest Coverage Ratio (EBITDA/Interest payable for the relevant period), Free cash flow (cash flow from operating activities less cash flow related to investing activities), EBITDA margin (EBITDA expressed as a percentage of revenue) and EBIT margin (EBIT expressed as a percentage of revenue). 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 presentation to provide greater understanding of the underlying performance of Newcrest’s operations. The non-IFRS information has not been subject to audit or review by Newcrest’s external auditor and should be used in addition to IFRS information.

## **Reliance on Third Party Information**

The views expressed in this presentation contain information that has been derived from sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information. This presentation should not be relied upon as a recommendation or forecast by Newcrest.

## **Ore Reserves and Mineral Resources Reporting Requirements**

As an Australian company with securities listed on the Australian Securities Exchange (ASX), Newcrest is subject to Australian disclosure requirements and standards, including the requirements of the Corporations Act and the ASX. Investors should note that it is a requirement of the ASX listing rules that the reporting of ore reserves and mineral resources in Australia comply with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the “JORC Code”) and that Newcrest’s ore reserve and mineral resource estimates comply with the JORC Code.

# Disclaimer

## **Competent Person's Statement**

The information in this presentation that relates to Mineral Resources or Ore Reserves (other than Red Chris and Havieron) has been extracted from the release titled "Annual Mineral Resources and Ore Reserves Statement – 31 December 2019" dated 13 February 2020 (the original release). Newcrest confirms that it is not aware of any new information or data that materially affects the information included in the original release and, in the case of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the original release continue to apply and have not materially changed. Newcrest confirms that the form and context in which the competent person's findings are presented have not been materially modified from the original release.

The information in this presentation that relates to Exploration Results at Havieron has been extracted from the release titled "Quarterly Exploration Report" dated 30 January 2020 (the original Havieron release). Newcrest confirms that it is not aware of any new information or data that materially affects the information included in the original Havieron release and that all material assumptions and technical parameters underpinning the estimates in the original Havieron release continue to apply and have not materially changed. Newcrest confirms that the form and context in which the competent person's findings are presented have not been materially modified from the original Havieron release.

The information in this presentation that relates to Exploration Results at Red Chris has been extracted from the release titled "Quarterly Exploration Report" dated 30 January 2020 (the Red Chris release). Newcrest confirms that it is not aware of any new information or data that materially affects the information included in the Red Chris release and that all material assumptions and technical parameters underpinning the estimates in the Red Chris release continue to apply and have not materially changed. Newcrest confirms that the form and context in which the competent person's findings are presented have not been materially modified from the Red Chris release.

## **Red Chris foreign estimates**

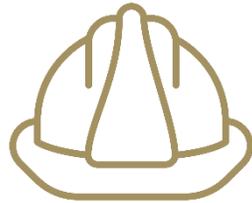
The estimates of Mineral Resources for the Red Chris deposit are qualifying foreign estimates under the ASX Listing Rules reported in accordance with the National Instrument 43-101 (NI 43-101) by Imperial Metals and filed on SEDAR ([www.sedar.com](http://www.sedar.com)) on 30 September 2015. These qualifying foreign estimates were re-stated by Imperial Metals in their July 2017 Mineral Resource and Mineral Reserve statement ([www.imperialmetals.com](http://www.imperialmetals.com)) but have not been updated since 30 September 2015, and have not been depleted for production to date.

The supporting information required by ASX Listing Rule 5.12 was contained in the release titled "Presentation re Newcrest's agreement to acquire potential Tier 1 orebody in Canada" dated 11 March 2019 (original Red Chris release). Newcrest confirms that it is not aware of any new information or data relating to the Red Chris qualifying foreign estimates that materially impacts on the reliability of the estimates or Newcrest's ability to verify such foreign estimates following completion as mineral resources in accordance with Appendix 5A of the ASX Listing Rules. The supporting information provided in the original Red Chris release referred to in ASX Listing Rule 5.12 continues to apply and has not materially changed.

## **Cautionary statement**

The estimates of Mineral Resources for the Red Chris deposit are qualifying foreign estimates under the ASX Listing Rules and are not reported in accordance with the JORC Code. Competent persons have not done sufficient work to classify the qualifying foreign estimates as Mineral Resources in accordance with the JORC Code. It is uncertain, that following evaluation and further exploration, the foreign estimates will be able to be reported as Mineral Resources in accordance with the JORC code.

Safety  
& Sustainability



Investment Proposition



Our Assets



Exploration &  
Technical Capabilities



Financials



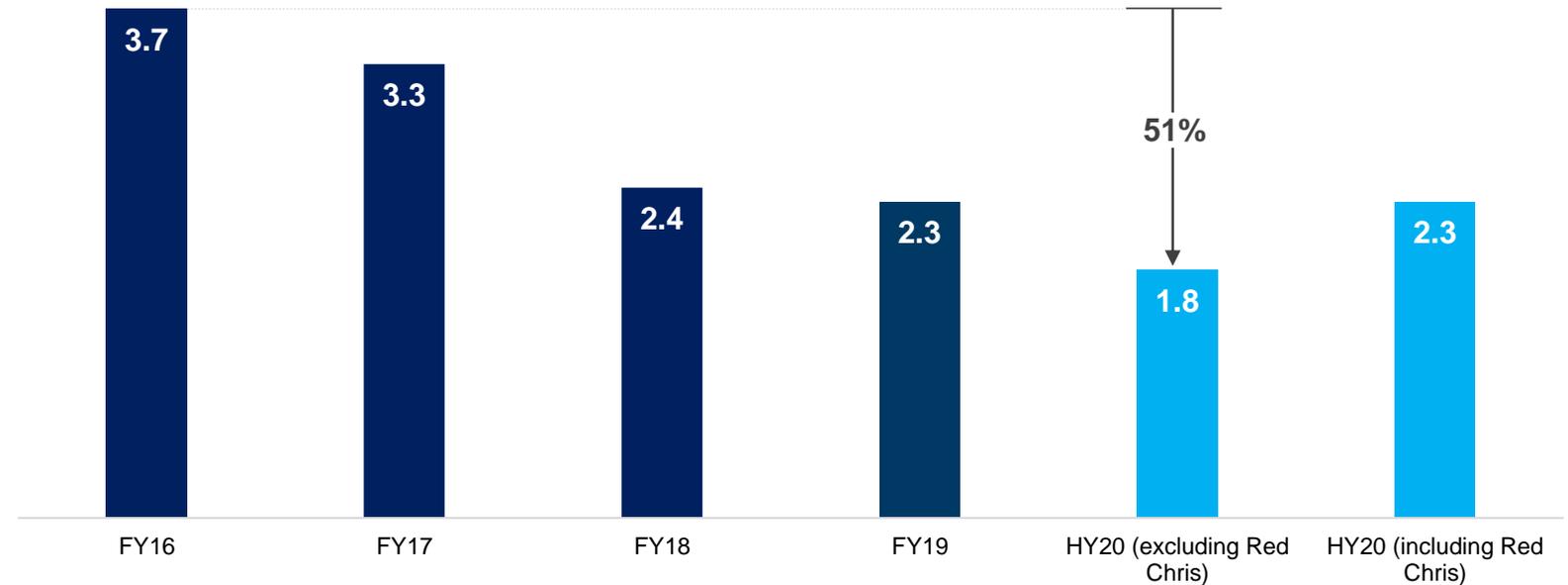
Summary



# Continued Focus on Safety<sup>1</sup>

## Improving Safety Performance

TRIFR<sup>1</sup> (per million hours worked)



### Zero Fatalities

Remaining vigilant with ~4.5 years free of fatalities or life changing injuries

### Safety Transformation

- Red Chris integration progressing well but injury rates currently higher than Newcrest average
- A strong safety culture across organisation
- Critical controls for every high-risk task
- Process safety management

<sup>1</sup> TRIFR = Total Recordable Injury Frequency Rate (per million hours worked). Newcrest released its initial Red Chris TRIFR results for H1 FY20 (16.9) following its acquisition on 15 August 2019.

# Sustainability commitments

Top quartile  
DJSI ranking in  
2019



## Greenhouse gas (GHG) intensity target

A 30% reduction in GHG emissions per tonne of ore treated by 2030 against the 2018 baseline



## Shadow carbon price

Acquisitions and key capital investment decisions will include carbon price scenarios between \$25 and \$50 a tonne of CO<sub>2</sub>-e in sensitivity analysis, for jurisdictions where there is no regulated carbon price



## Task Force on Climate-related Financial Disclosures framework

Newcrest will take a phased approach to reporting against the TCFD framework



## Water stewardship

Operations will take a catchment-based approach to managing water risks



## Biodiversity

New projects will strive to achieve no net loss of biodiversity values



## World Gold Council Responsible Gold Mining Principles

Newcrest operates in line with the Responsible Gold Mining Principles

Safety  
& Sustainability



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Summary

# What makes Newcrest different



Long  
reserve life



Low cost  
production



Do what  
we say



Organic growth  
options  
*(at Cadia, Lihir, Wafi  
Golpu and Red Chris)*



Strong exploration  
& technical  
capabilities



Financially robust

Safety  
& Sustainability



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Summary

# Long-life, low cost portfolio<sup>1</sup>

## Cadia (100%)

**H1 FY20 Production:** 411koz Au, 45kt Cu  
**H1 FY20 AISC:** \$167/oz  
**Ore Reserves:** 21moz Au & 4.3mt Cu  
**Mineral Resources:** 37moz Au & 8.2mt Cu  
**Product:** Copper/gold concentrate, gold doré

## Lihir (100%)

**H1 FY20 Production:** 381koz Au  
**H1 FY20 AISC:** \$1,154/oz  
**Ore Reserves:** 23moz Au  
**Mineral Resources:** 49moz Au  
**Product:** Gold doré

## Telfer (100%)

**H1 FY20 Production:** 182koz Au, 7kt Cu  
**H1 FY20 AISC:** \$1,380/oz  
**Ore Reserves:** 1.4moz Au & 0.18mt Cu  
**Mineral Resources:** 5.4moz Au & 0.54mt Cu  
**Product:** Copper/gold concentrate and gold doré

## Golpu (50%)

Development project for which a Special Mining Lease application has been made

**Ore Reserves:** 5.5moz Au & 2.5mt Cu  
**Mineral Resources:** 13moz Au & 4.4mt Cu  
**Product:** Copper/gold concentrate, gold doré

## Gosowong (held for sale)

**H1 FY20 Production:** 76koz Au  
**H1 FY20 AISC:** \$1,261/oz  
**Ore Reserves:** 0.30moz Au & 0.43moz Ag  
**Mineral Resources:** 1.0moz Au & 1.3moz Ag  
**Product:** Gold and silver doré

## Red Chris JV (70%)

**H1 FY20 Production:** 11koz Au  
**H1 FY20 AISC:** \$2,606/oz  
**Product:** Copper/gold concentrate

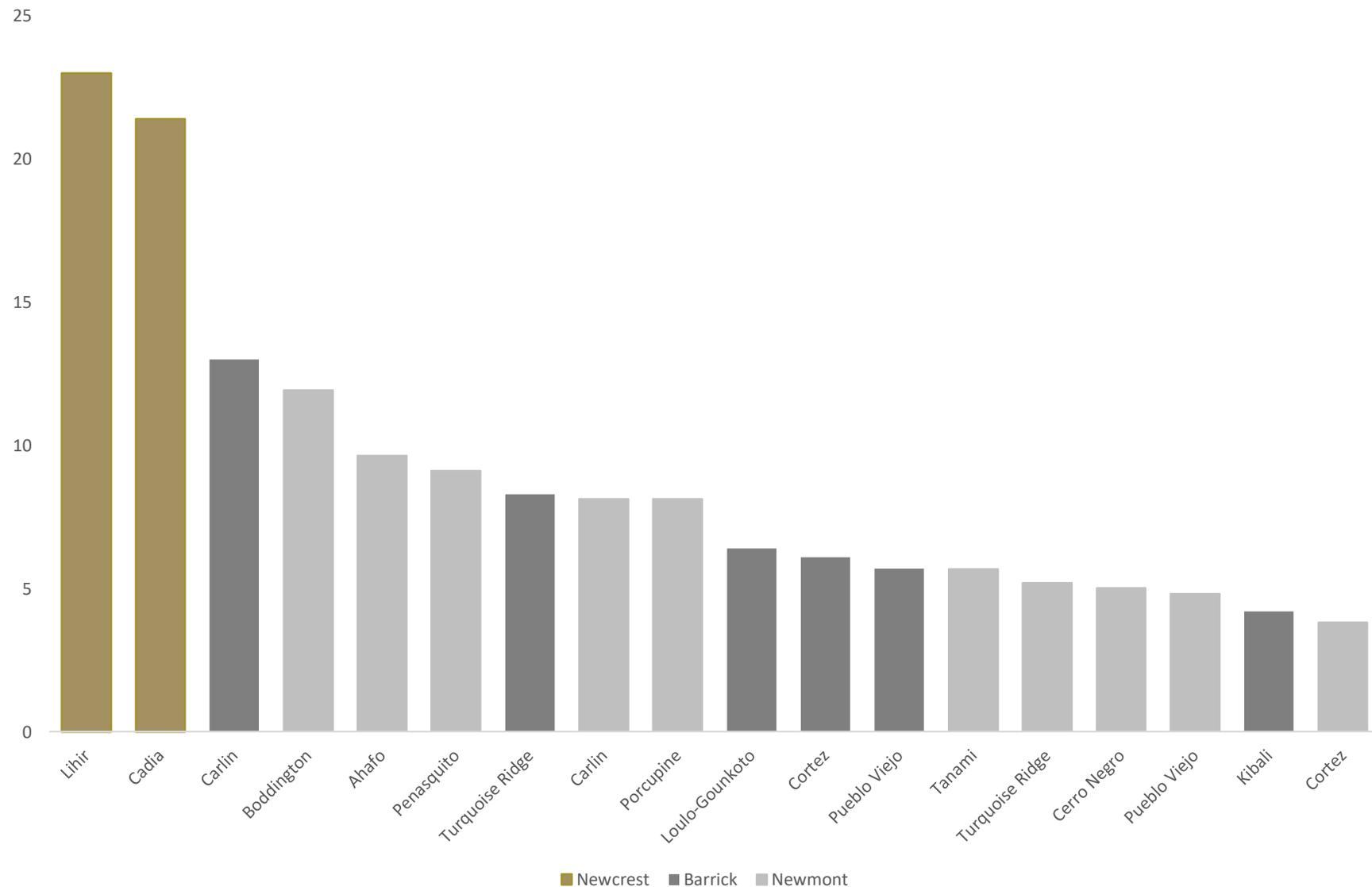


1. Group AISC for H1 FY20 was \$880/oz

All data relating to operations is shown at 100%, with the exception of Red Chris which is shown at 70%.

# Cadia and Lihir reserves greater than mines of major gold peers

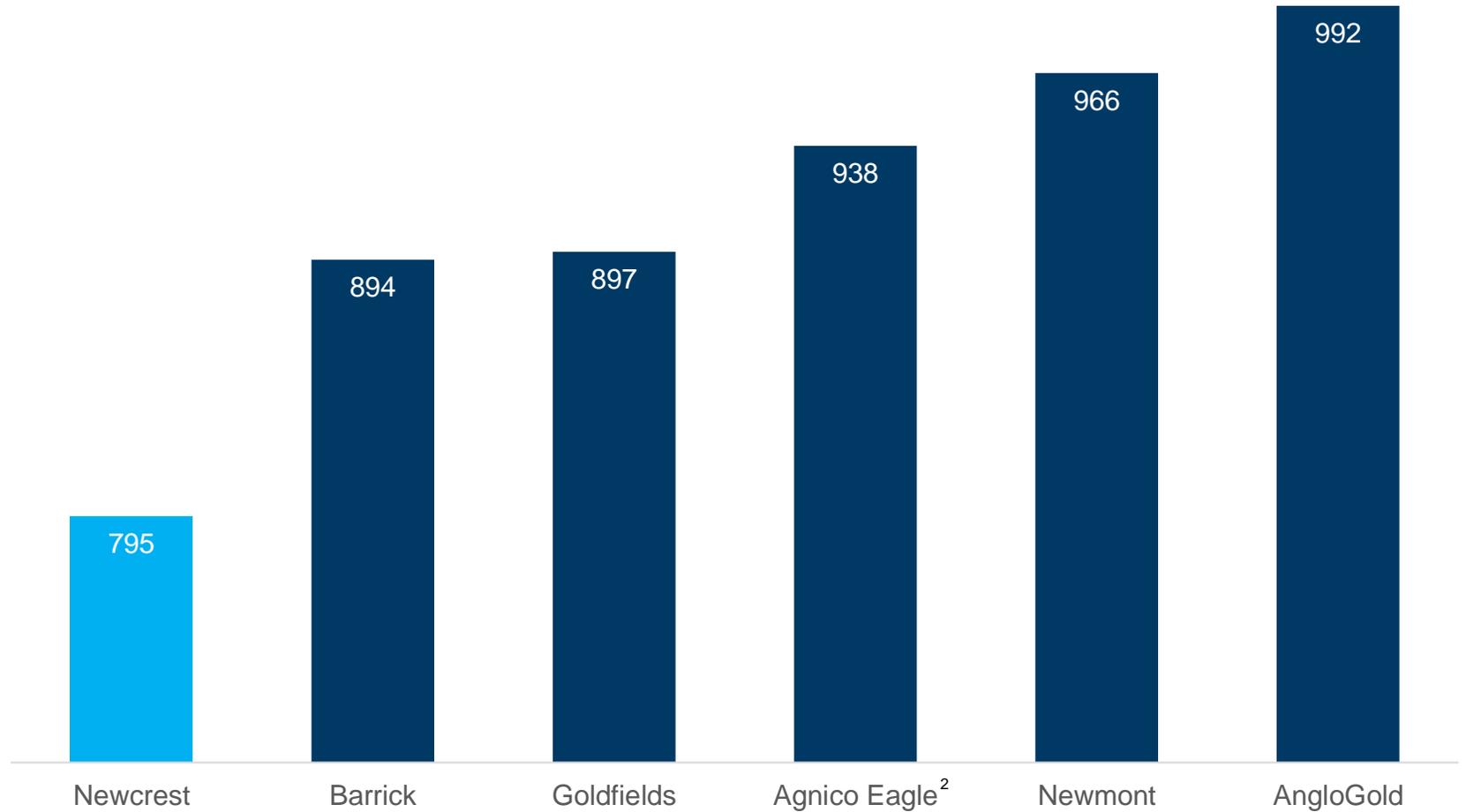
## Reserve base of operating assets<sup>1</sup> (moz)



<sup>1</sup> Based on producing assets held by Barrick, Newmont and Newcrest with an attributable reserve >4moz. Source: Company reports as at 21 February 2020. Reserves reflect proven and probable gold ore reserves (contained metal) as at 31 December 2019. The mines reported under the Nevada JV are shown at their attributable ownership.

# Lowest cost major gold producer

AISC/oz for calendar year 2019<sup>1</sup> (\$/oz)



<sup>1</sup> AISC/oz from company reports based on data available as at 5:00pm EST, 21 February 2020.

<sup>2</sup> Agnico Eagle report AISC/oz produced

Safety  
& Sustainability



Investment Proposition

Our Assets



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Summary

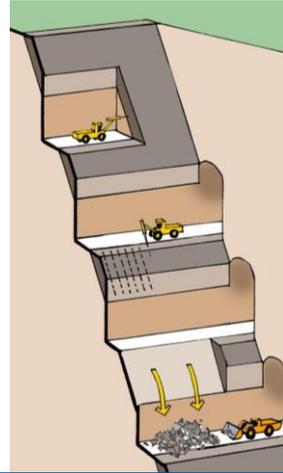
# A unique suite of technical capabilities

*Lihir, Telfer*



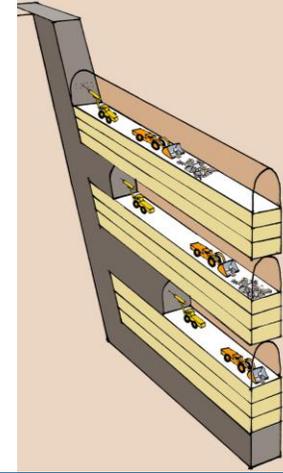
**OPEN PIT**

*Telfer*



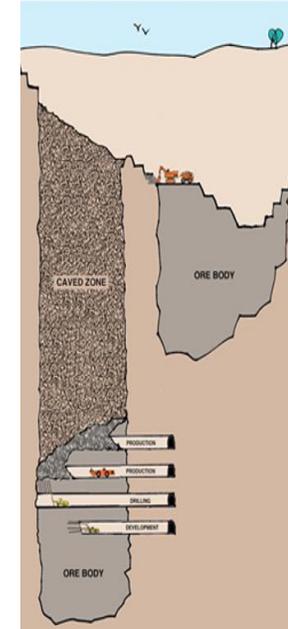
*Reef*

*Gosowong*



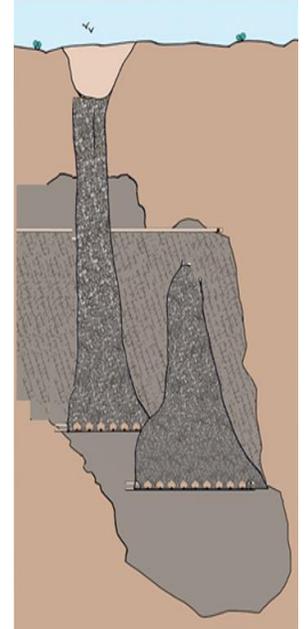
*Narrow Vein*

*Telfer*



*Sublevel Caving*

*Cadia*



*Block/Panel Caving*

**SELECTIVE UNDERGROUND**

**BULK UNDERGROUND**

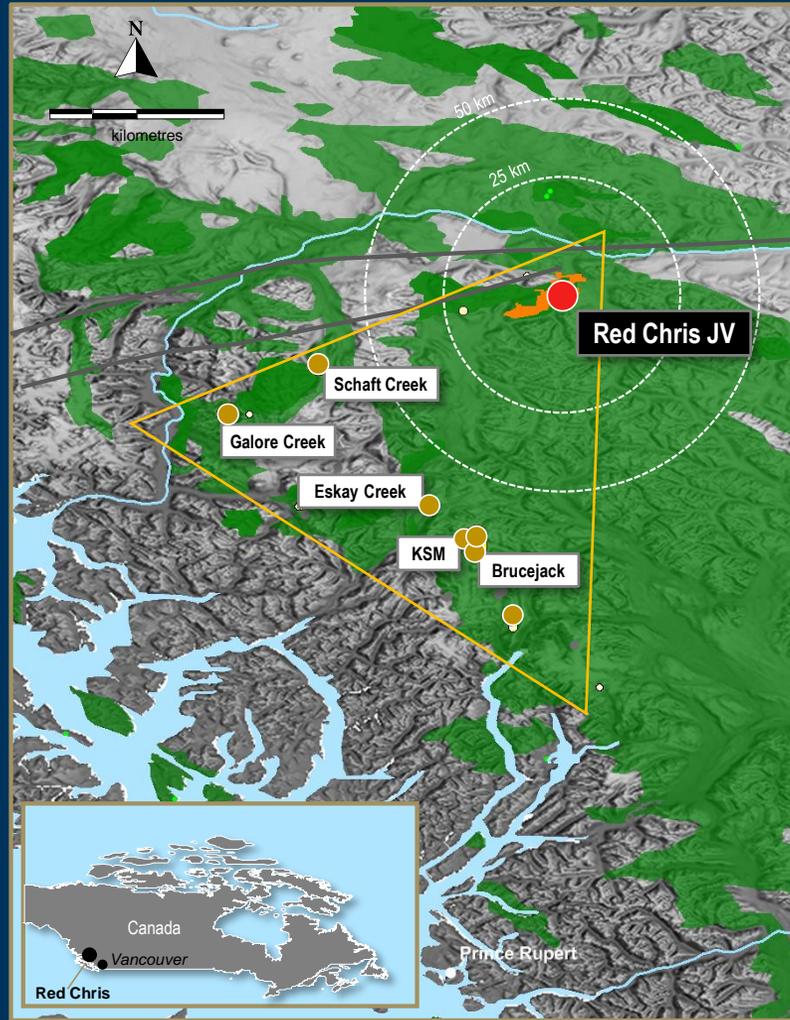
**PROCESSING**

*Large scale comminution  
Copper-gold flotation*

*Pressure oxidation  
Cyanide & carbon in leach*

# Leveraging our technical capabilities at Red Chris

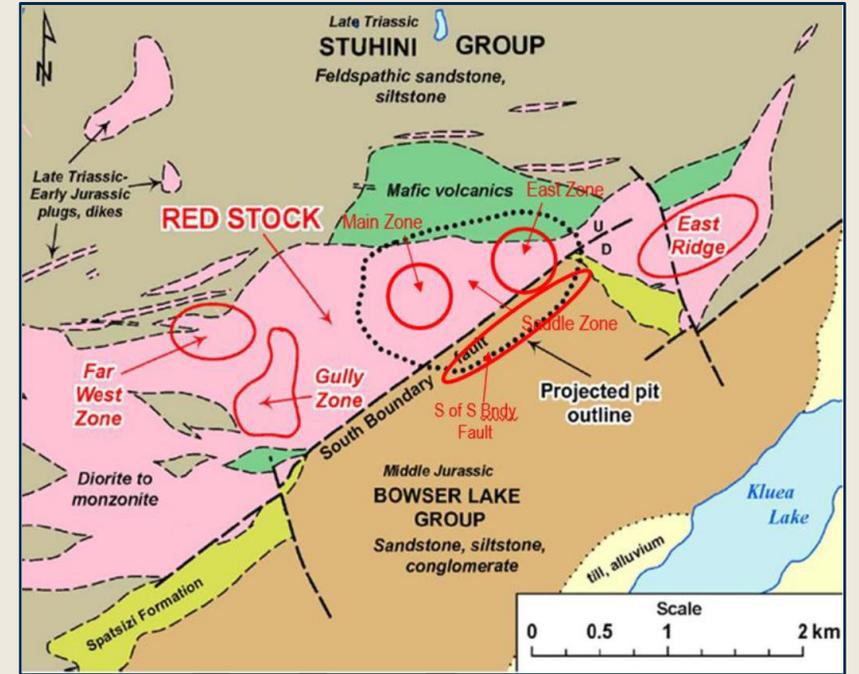
+220 Moz Au\* regional endowment



\* Regional endowment calculated from past production and/or Mineral Resources data for the region shown compiled by MinEx Consulting ([www.minexconsulting.com](http://www.minexconsulting.com))

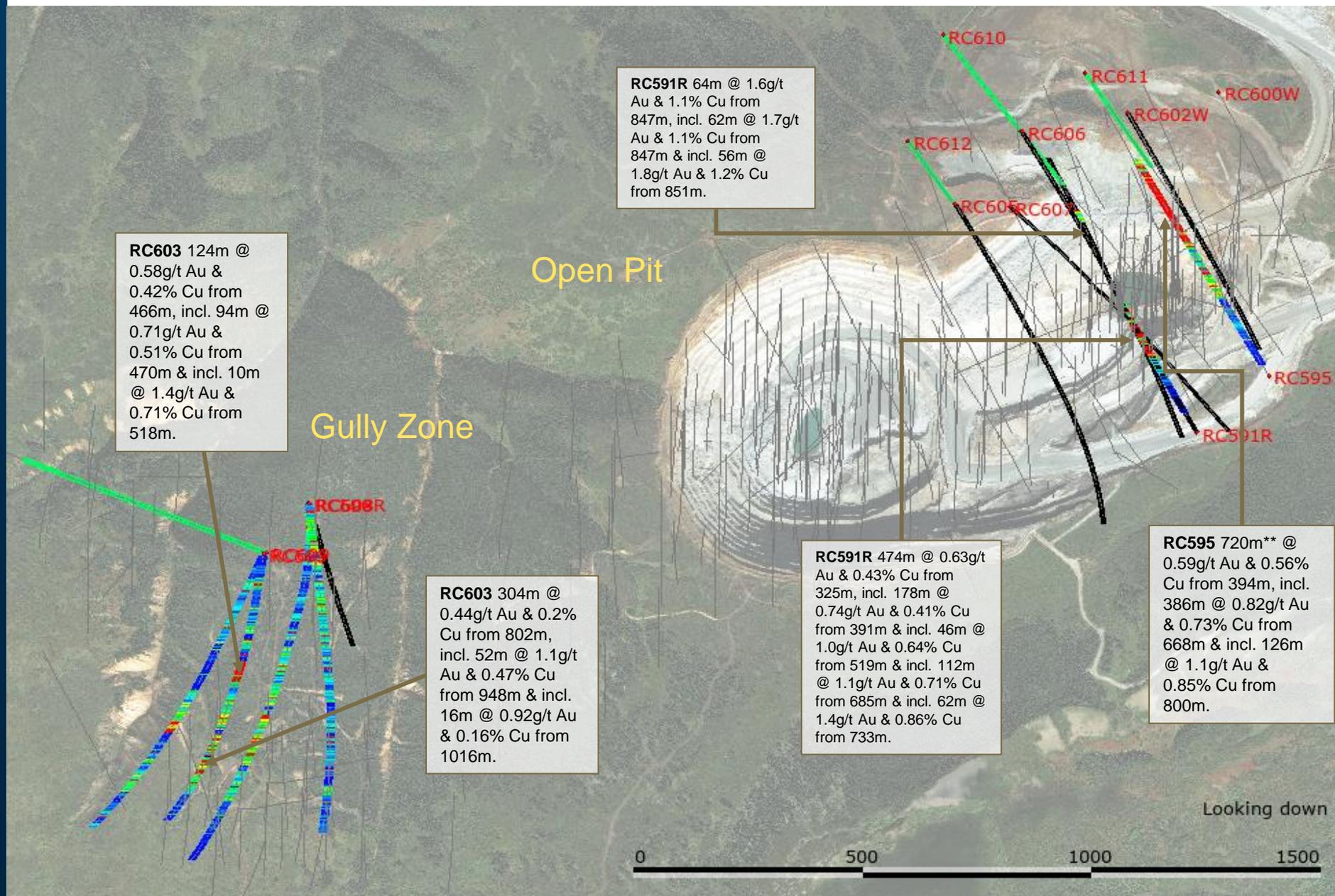
1. This information relates to the Mineral Resource estimates of Imperial Metals and is based on the "National Instrument 43-101 Technical Report" dated 30 September 2015 and filed by Imperial Metals on SEDAR ([www.sedar.com](http://www.sedar.com)) in accordance with National Instrument 43-101 as required by Canadian securities regulatory authorities. The estimates of the Imperial Metals Mineral Resources contain Measured and Indicated Mineral Resources of 1.0Bt at 0.35 g/t Au and 0.35% Cu for 12Moz contained gold and 8.0Blb contained copper and Inferred Mineral Resources of 0.7Bt at 0.32 g/t Au and 0.29% Cu for 8.1Moz contained gold and 5.0Blb contained copper (Data reported to two significant figures and this may cause discrepancies in totals). See also Red Chris foreign estimates – clarifying statements in the disclaimers of this presentation.

## Red Chris<sup>1</sup>



- Large metal endowment 20Moz Au and 13Blbs Cu
- Presence of high grade mineralisation amenable to bulk underground mining
- Potential for additional high grade discoveries
  - East Zone and Main Zone
  - Gully/Far West
  - East Ridge
- Agreed to acquire GJ Donnelly property adjacent to Red Chris

# Mineralisation expanded in the Gully Zone at Red Chris



The information in this slide that relates to exploration results at Red Chris has been extracted from the release titled "Quarterly Exploration Report" dated 30 January 2020.

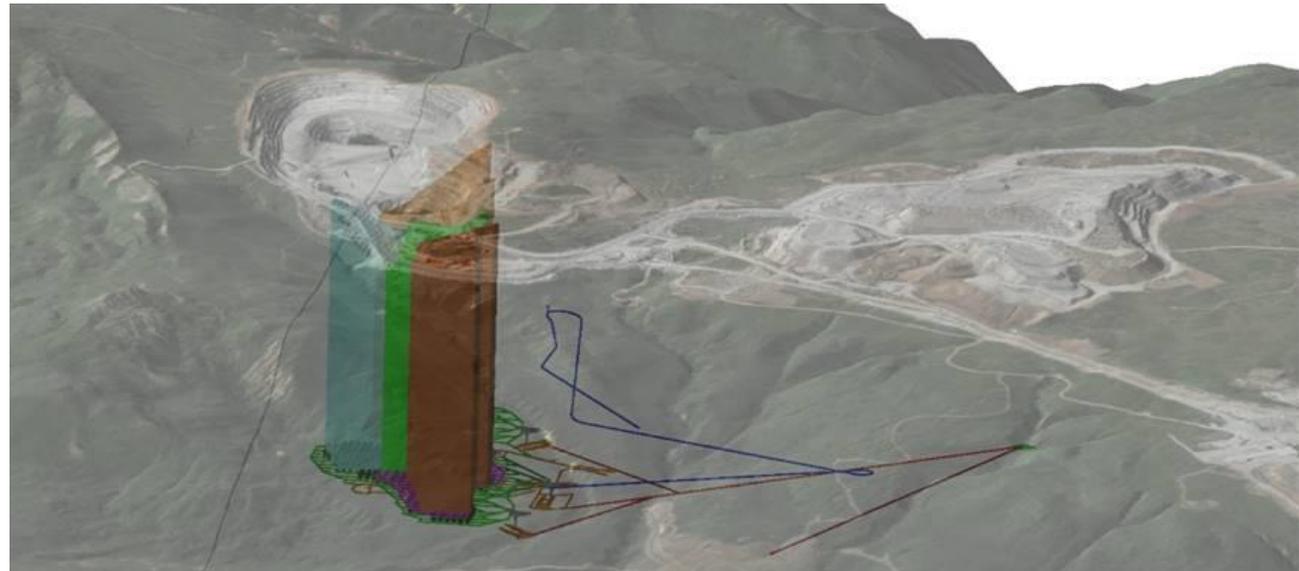
# Red Chris concept study underway

## Block cave concept study<sup>1</sup>

- Investigating potential to start exploration decline by end of CY2020
- Concept study investigating potential commercial production ~5 years from commencement of decline
- Studying decline portal location options
- Maximising value of existing plant and infrastructure

## Achievements to date

- 6 drill rigs in operation
- 17,500 metres drilled as at 31 December 2019
- Upside already realised through discovery of additional mineralisation in Gully zone
- Developing strong relationship with Tahltan First Nation



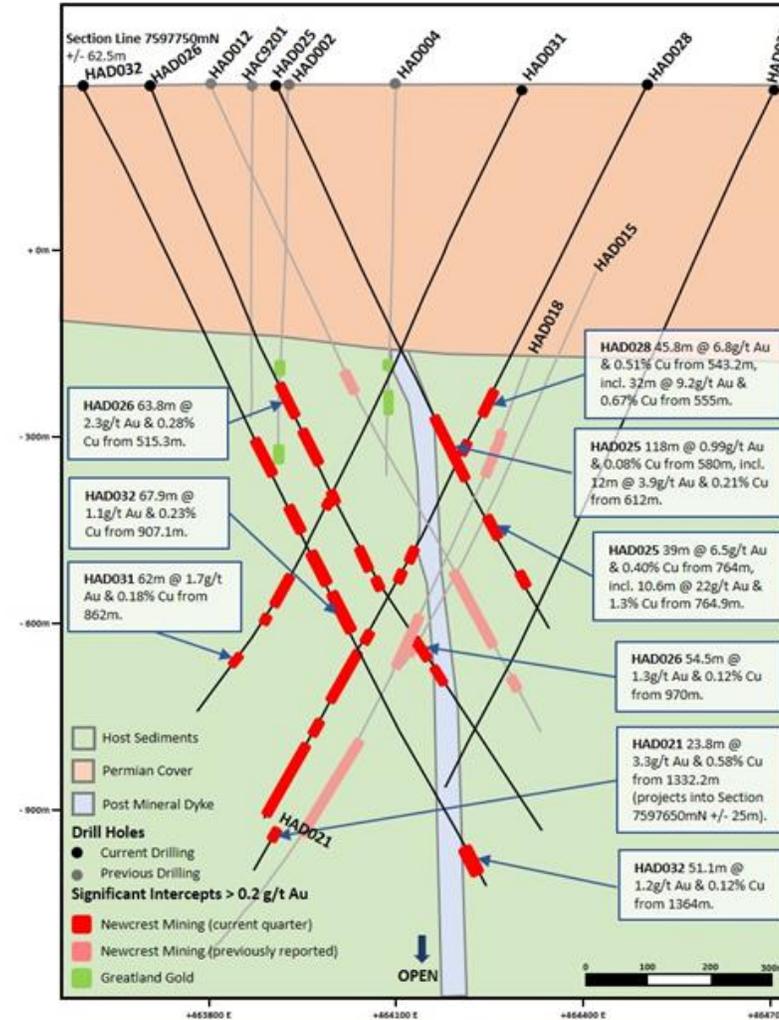
Example of a potential block cave under investigation in concept study

1. Subject to all necessary permits, regulatory requirements and Board approval and further works

# Mineralisation expanded at Havieron

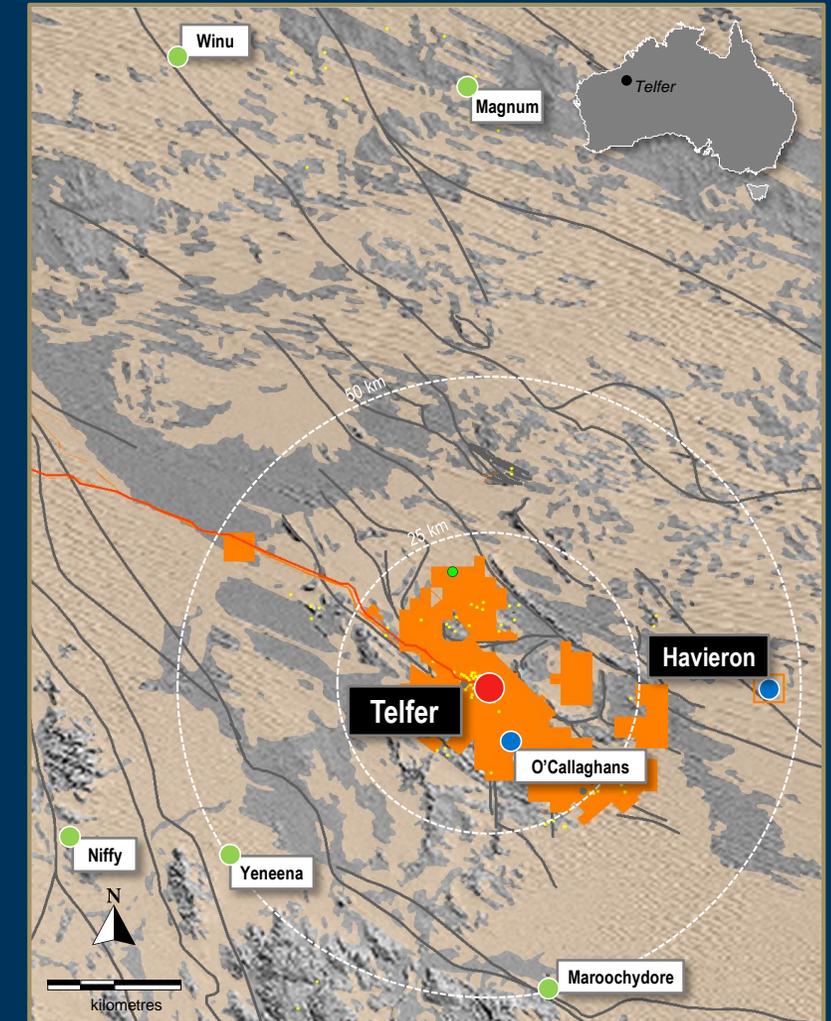
Leveraging existing infrastructure at Telfer

## Havieron<sup>1</sup>



- Located 45km east of Telfer
- Potential high grade mill feed zone for Telfer
- Mineralisation open along strike and depth
- \$25m increase to the FY20 exploration expenditure guidance range

## +27 Moz Au\* regional endowment



\* Regional endowment calculated from gold deposit data for the region shown compiled from MinEx Consulting ([www.minexconsulting.com](http://www.minexconsulting.com))

1. The information in this slide that relates to exploration results at Havieron has been extracted from the release titled "Quarterly Exploration Report" dated 30 January 2020.

# Havieron studies underway

## Achievements to date

- 8 drill rigs in operation
- Drilled ~31,000m as at 31 December 2019
- A further 20,000m – 30,000m planned for H2 FY20
- Increased exploration expenditure guidance range by \$25m for ramp up of drilling activity

## Havieron studies<sup>1</sup>

- Investigating potential to start exploration decline by end of CY2020
- Studying both a stoping operation and the potential for a bulk underground mine
- Investigating potential to achieve commercial production within ~2-3 years from commencement of decline

1. Subject to all necessary permits, regulatory requirements and Board approval and further works



Large portfolio of early entry partnerships

## Australia-Pacific



### Australia

- Second Junction Reefs (JV)
- Encounter Alliance & JVs
- Prodigy Gold NL (FI)
- Isa North (100%)
- Bulimba (100%)
- Greatland Gold (FI)
- Tenant East (100%)

### PNG

- Wamum project (100%)

### Indonesia

- Antam Alliance

## Americas



### USA

- Jarbidge (O)
- Rattlesnake Hills (O&FI)

### Ecuador

- SolGold (EI-15.2%)
- Lundin Gold (EI-32%)
- Lundin Gold JV
- Cana Brava project (O&FI)
- Porphyry targets (100%)

### Mexico

- Azucar (EI-19.9%)

### Chile

- Altazor (O&FI)
- Vicuna (O&FI)
- Mioceno (O&FI)
- Gorbea (O&FI)

#### Key:

- EI = Equity investment in company
- FI = Farm-in
- JV = Joint Venture
- 100% = 100% Newcrest tenement
- O = Option
- HOA = Heads of Agreement

Safety  
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Investment Proposition

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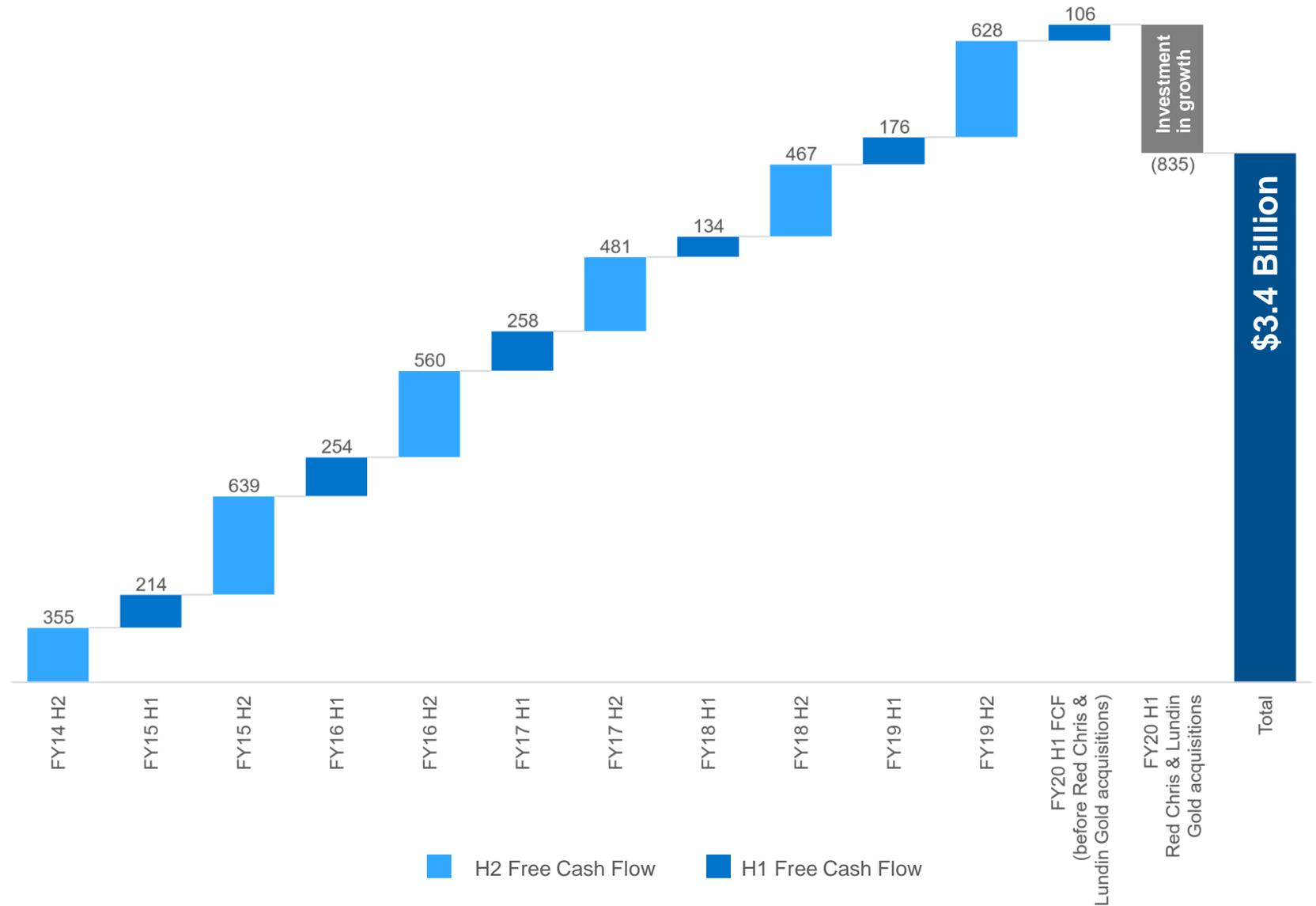


Summary

# Strong free cash flow<sup>1</sup> generation

H1 FY20 invested in future growth

Cumulative free cash flow of \$3.4bn since January 2014 (\$m)

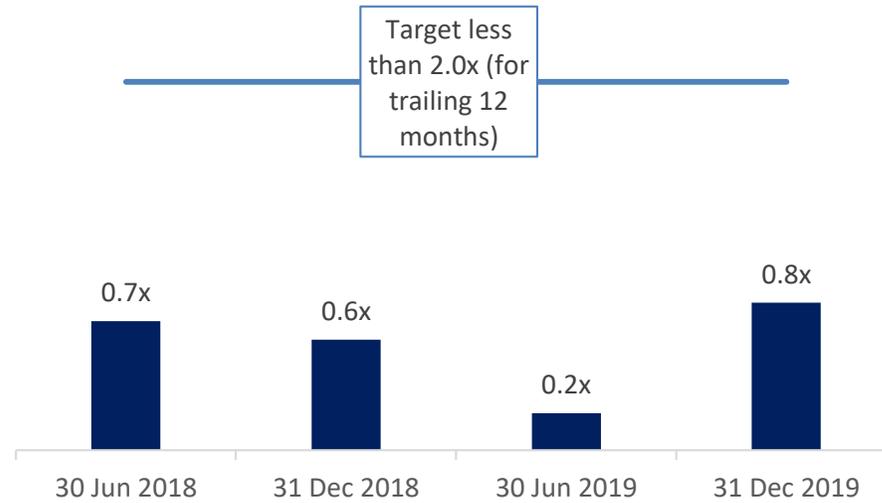


<sup>1</sup> Free cash flow is calculated as cash flow from operating activities less cash flow related to investing activities.

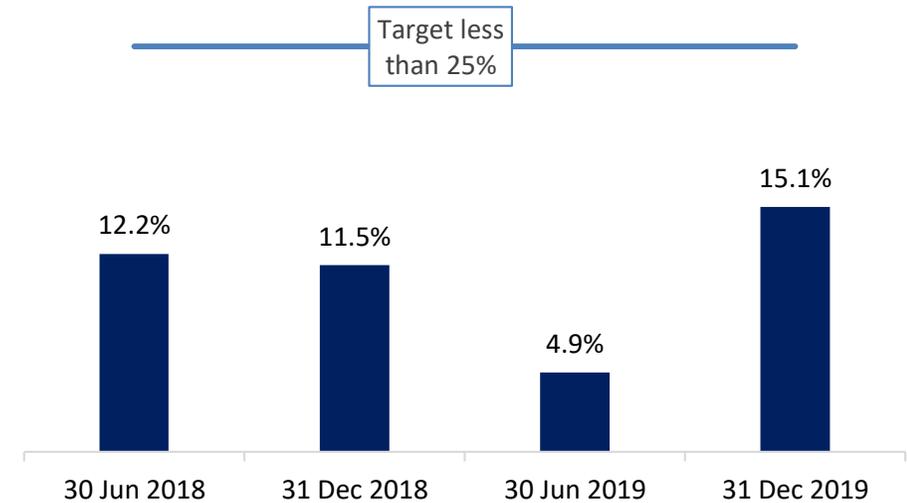
# Strong financial position

Comfortably within all four financial policy targets

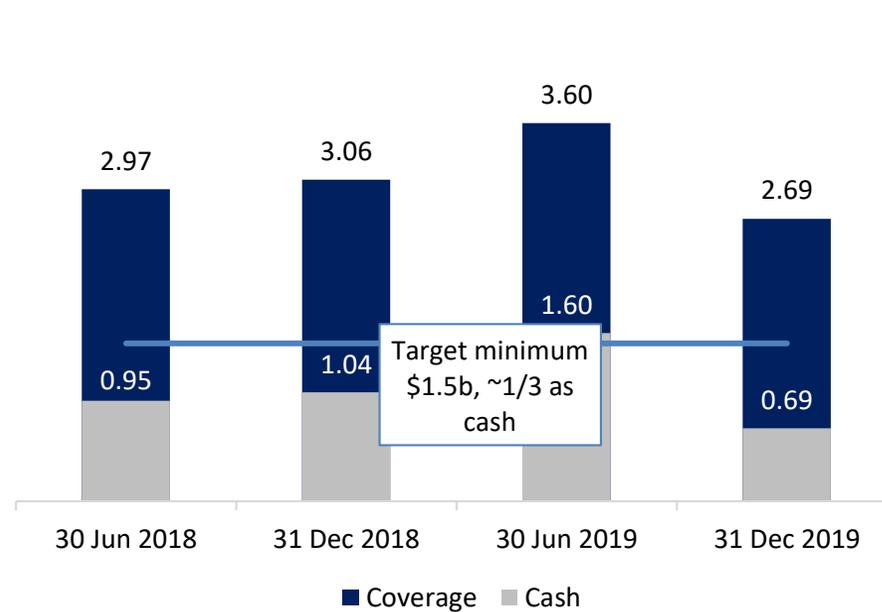
## Leverage Ratio (Net Debt / EBITDA)



## Gearing Ratio



## Coverage (\$bn)

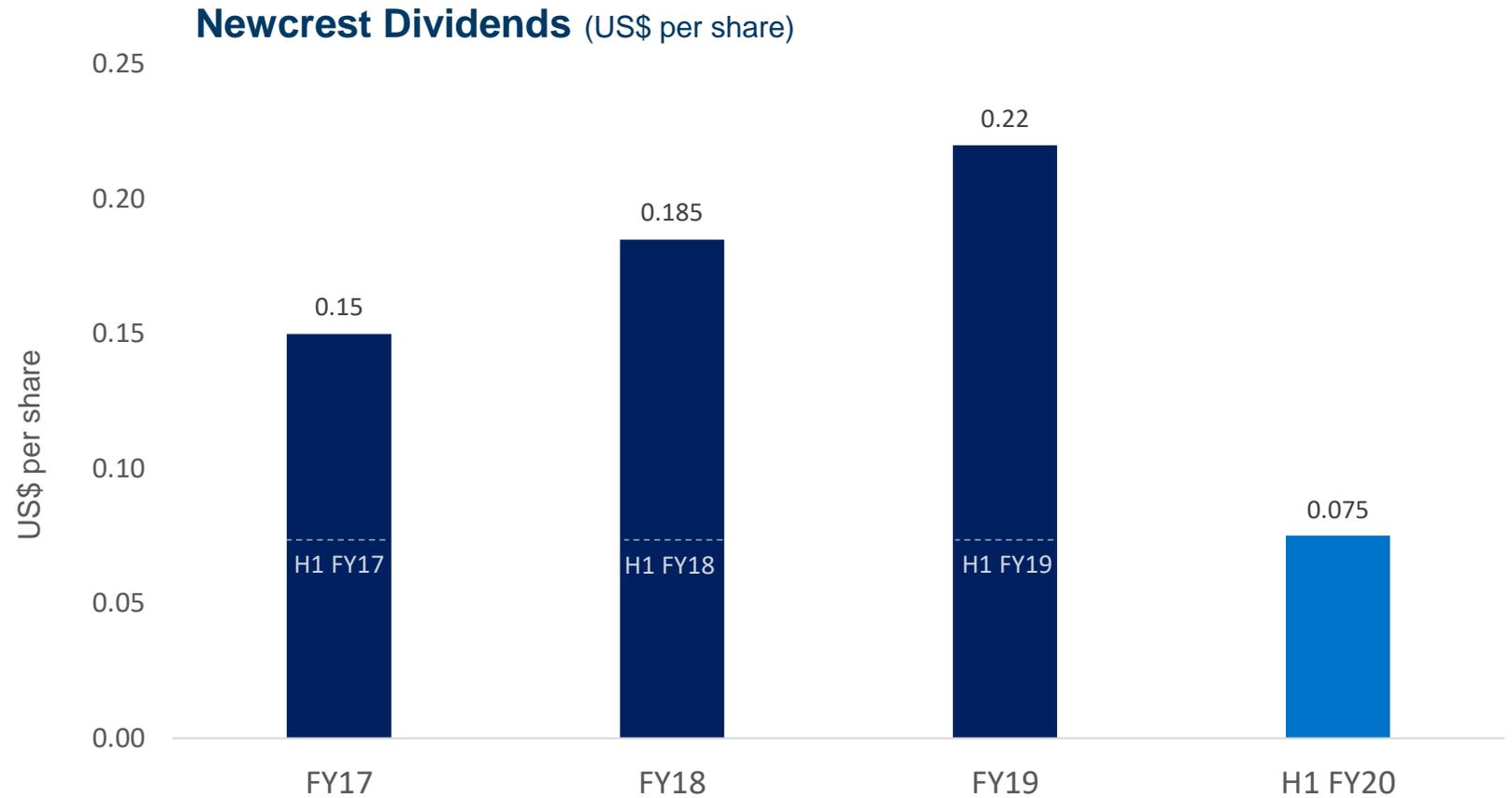


## Investment Grade Credit Rating



Focused on  
returns to  
shareholders

Strong dividend  
policy



- **H1 FY20 Interim Dividend of US 7.5 cents per share as in previous 3 years**
- Targeting a total dividend payment of at least 10-30% of free cash flow
- With the total dividend being no less than US15 cents per share on a full year basis

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# What makes Newcrest different



Long  
reserve life



Low cost  
production



Do what  
we say



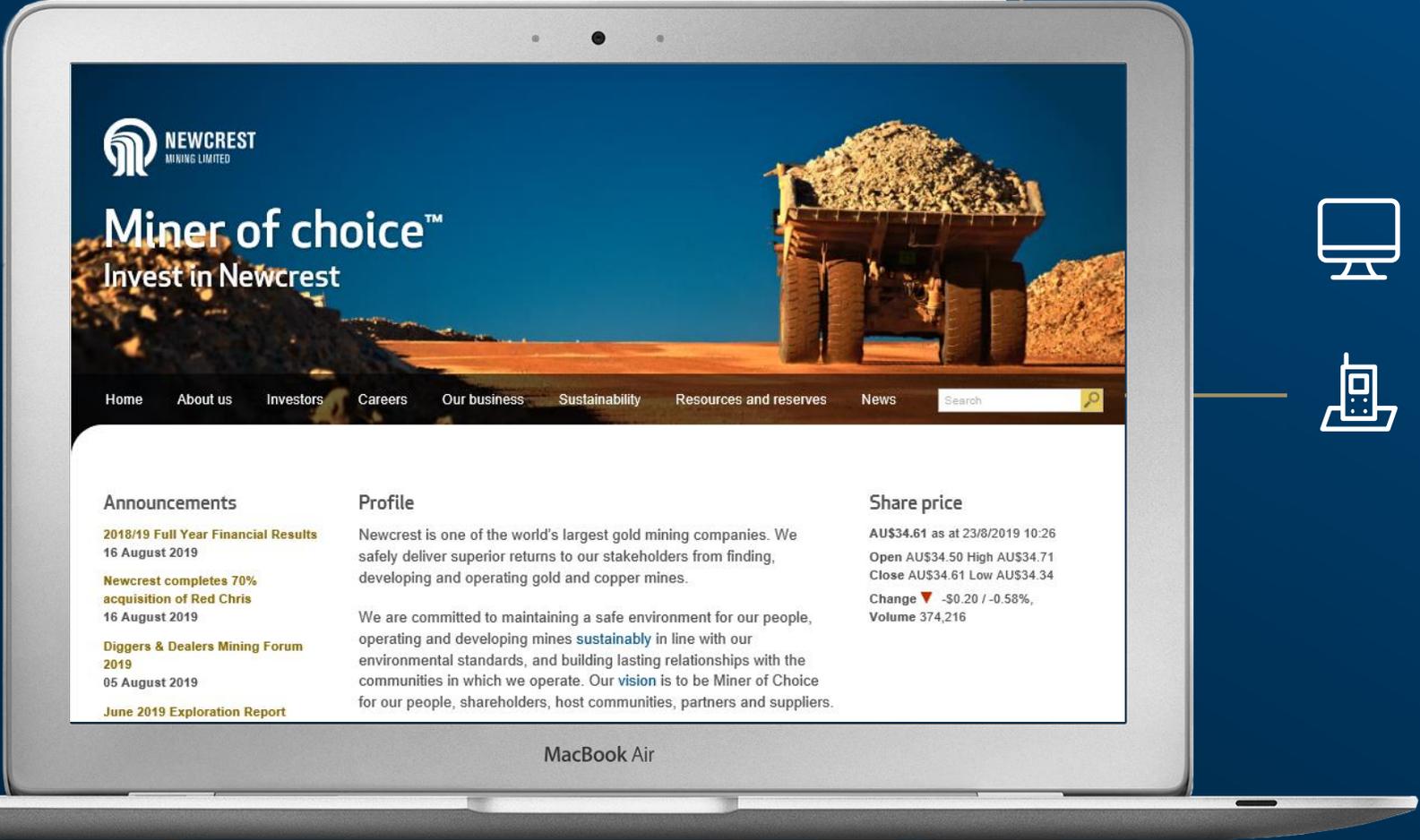
Organic growth  
options  
*(at Cadia, Lihir, Wafi  
Golpu and Red Chris)*



Strong exploration  
& technical  
capabilities



Financially robust



**Miner of choice™**  
Invest in Newcrest

Home About us Investors Careers Our business Sustainability Resources and reserves News

**Announcements**

- 2018/19 Full Year Financial Results**  
16 August 2019
- Newcrest completes 70% acquisition of Red Chris**  
16 August 2019
- Diggers & Dealers Mining Forum 2019**  
05 August 2019
- June 2019 Exploration Report**

**Profile**

Newcrest is one of the world's largest gold mining companies. We safely deliver superior returns to our stakeholders from finding, developing and operating gold and copper mines.

We are committed to maintaining a safe environment for our people, operating and developing mines **sustainably** in line with our environmental standards, and building lasting relationships with the communities in which we operate. Our **vision** is to be Miner of Choice for our people, shareholders, host communities, partners and suppliers.

**Share price**

**AUS\$34.61** as at 23/8/2019 10:26  
 Open AU\$34.50 High AU\$34.71  
 Close AU\$34.61 Low AU\$34.34  
 Change ▼ -\$0.20 / -0.58%,  
 Volume 374,216

MacBook Air



Find out more:  
[www.newcrest.com.au](http://www.newcrest.com.au)



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+613 9522 5717



+1 (647) 255 3139