

NEWCREST

# FY20 Full Year Results

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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. Newcrest 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.

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## 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.

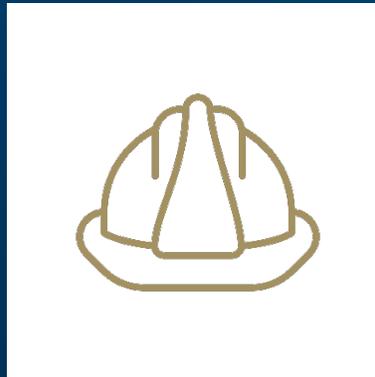
The information in this presentation that relates to Exploration Results at Red Chris and Havieron has been extracted from the release titled “Quarterly Exploration Report” dated 23 July 2020. Newcrest confirms that it is not aware of any new information or data that materially affects the information included in the Quarterly Exploration Report. Newcrest confirms that the form and context in which the competent person’s findings are presented have not been materially modified from the Quarterly Exploration Report.



# Newcrest Mining Limited



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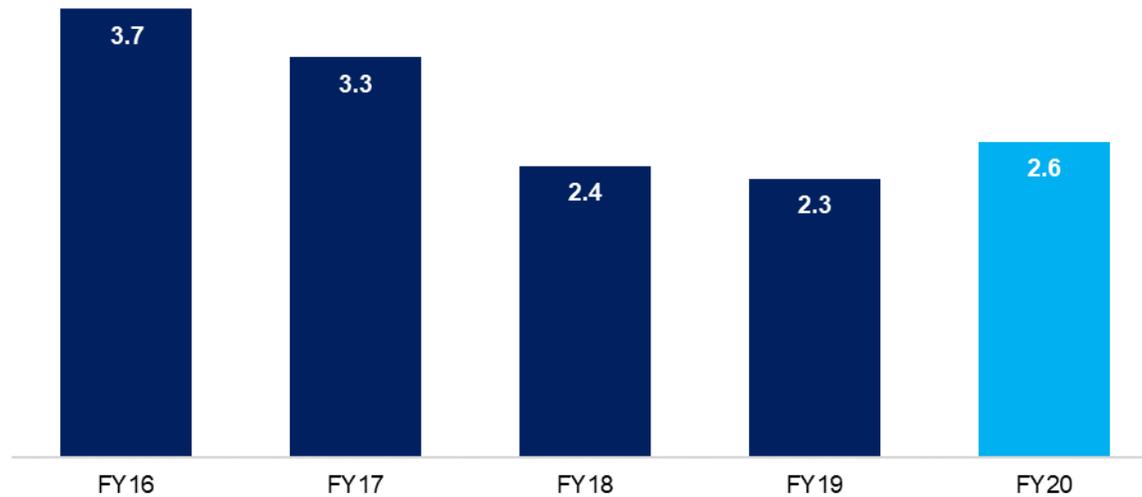
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Summary

# Continued Focus on Safety

## Total Recordable Injury Frequency Rate<sup>1</sup> (per million hours worked)



### Safety Transformation

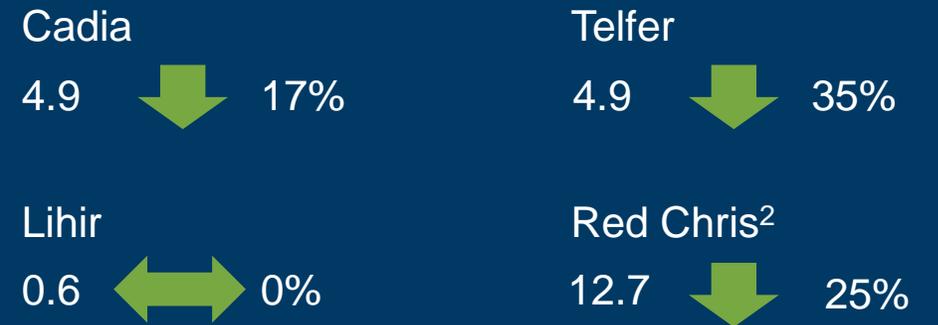
Red Chris injury rates are much higher than the Newcrest average which is driving the higher FY20 TRIFR.

Excluding Red Chris, Newcrest's FY20 TRIFR was 2.0

### Zero Fatalities

Nearly 5 years fatality free

### FY20 TRIFR & improvements at most operations



Quarter on quarter, Red Chris is realising improvements in TRIFR

<sup>1</sup> TRIFR – Total Recordable Injury Frequency Rate (per million hours worked)

<sup>2</sup> Prior to the acquisition of Red Chris, Newcrest estimated Red Chris' underlying TRIFR to be 17.0. The 25% improvement is based on 17.0 and the actual TRIFR outcome for FY20 of 12.7. The outcome for FY20 represents the period from 15 August 2019 to 30 June 2020

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Summary

# FY20 Key Achievements

## Safety

- Zero Fatalities and 13% reduction in TRIFR (excluding Red Chris)
- COVID-19 impacts successfully managed in the period

## Growth

- Continue to deliver against our growth pillar
- ~\$1.7 billion invested in growth activities
- Exciting pipeline of growth projects including Havieron and Red Chris

## Strong Financial Performance

- Produced 2.2moz gold and 138kt copper at an AISC of \$862/oz
- Statutory profit of \$647 million up 15%
- Underlying profit of \$750 million up 34%
- Generated free cash flow before M&A activity of \$670 million<sup>1</sup>

## Strengthened Balance Sheet

- Successful equity raising to fund growth
- Refinanced existing corporate bonds at lower coupon rates and smoothed and extended maturity profile

## Increased Shareholder Returns

- Full year dividends of US25 cents per share<sup>2</sup>, an increase of 14%

1. Excludes the payment for the acquisition of Red Chris (70% ownership) of \$769 million, the acquisition of Fruta del Norte finance facilities of \$460 million, further investments in Lundin Gold of \$79 million, net proceeds from divestment of Gosowong of \$20 million and payment of \$3 million for an interest in Antipa Minerals Ltd

2. Final dividend of US17.5 cents per share + interim dividend of US7.5 cents per share

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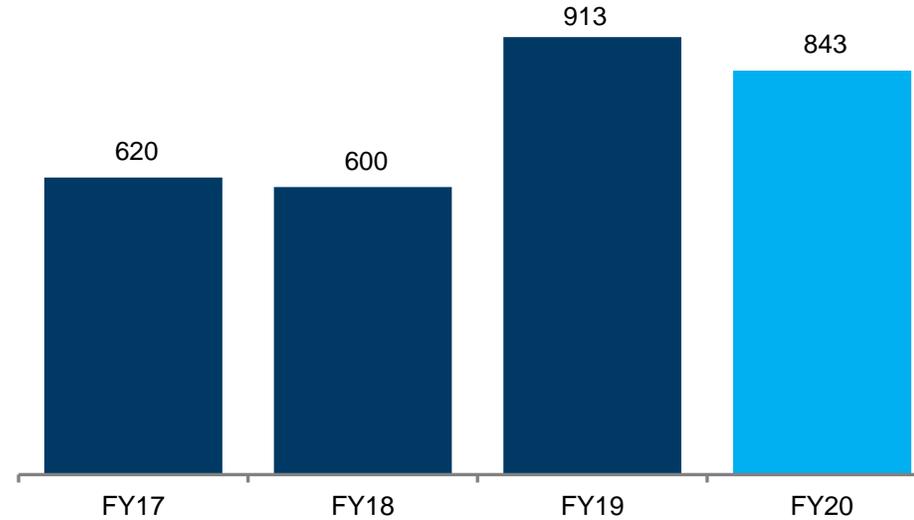
Summary

# World class asset

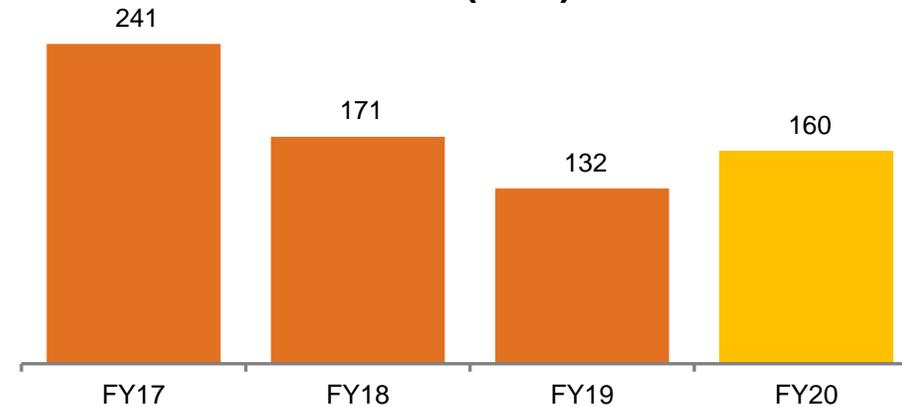
- Grade decline on prior period in line with expectations
- Achieved record mined and milled tonnes in the period
- Strong free cash flow generation
- Water concerns alleviated
- Cadia Expansion and Moly plant projects progressed

## Cadia

### Gold Production (koz)



### AISC (\$/oz)

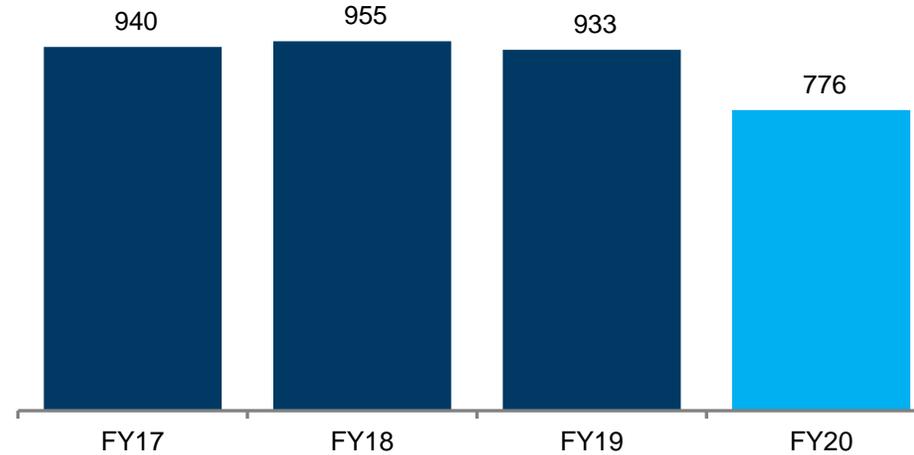


# Challenging year

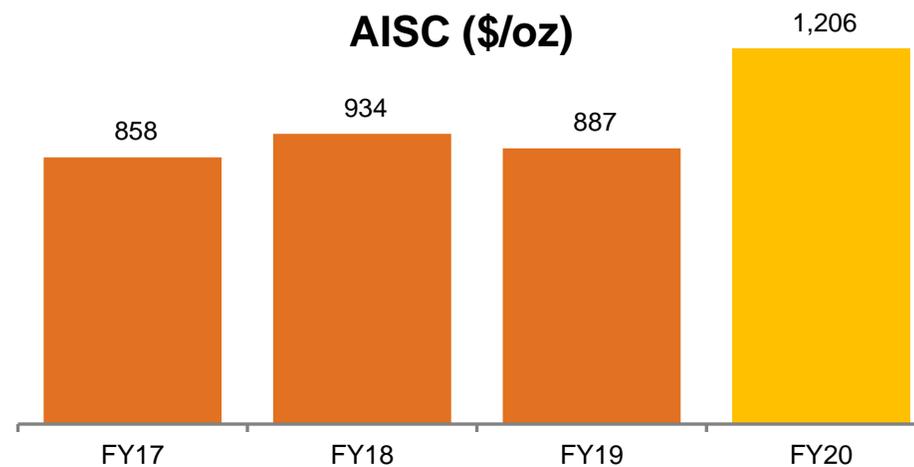
- Lower grade and recoveries in the period
- Higher proportion of stockpiled ore feed processed
- Autoclave maintenance and clay in feed material impacted recovery rates
- Improvement plan underway
- Higher stripping rates and processing of stockpiled Argillic feed to continue into FY21-22

## Lihir

### Gold Production (koz)



### AISC (\$/oz)





## Lihir Pit Optimisation Study focus areas

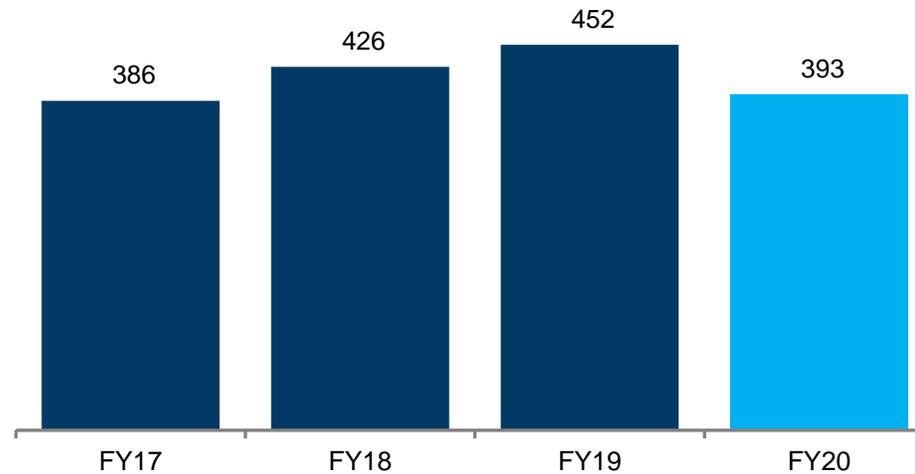
- Improve ore presentation to processing plant
- Minimise impact of clay on materials handling system & autoclaves
- Optimising integration of seepage barrier project into mine schedule
- Increasing access to ore to offset higher expected cost of seepage barrier

# Solid performance

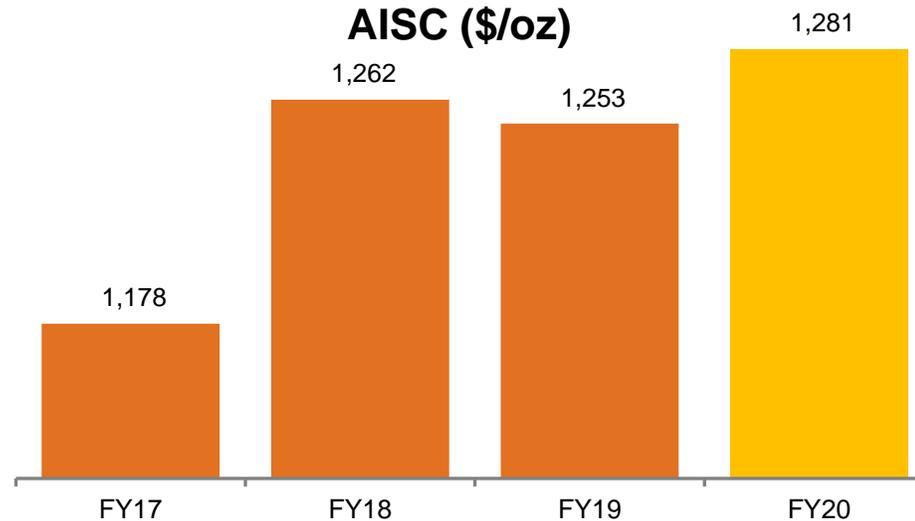
- Lower milled volumes as planned
- Free cash flow improved by \$43 million
- \$82 million impact to revenue from gold hedges
- Latent infrastructure value to be realised with Havieron development

## Telfer

### Gold Production (koz)



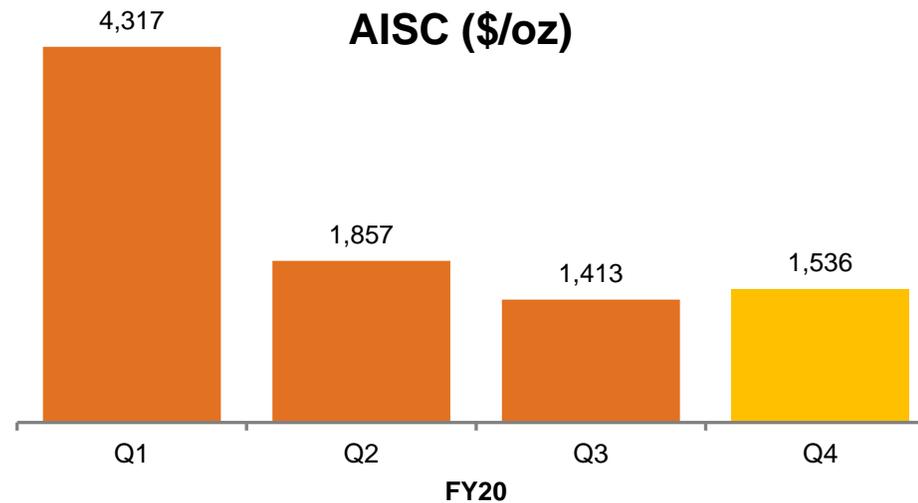
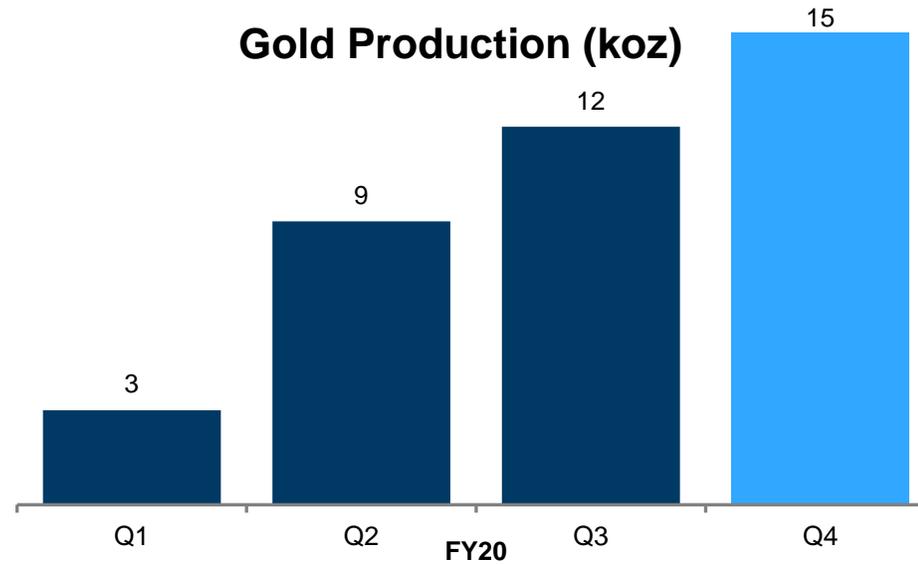
### AISC (\$/oz)



# Stabilising performance

- Improved safety performance
- Investing in the future
- Exciting drill results

## Red Chris



Production and AISC is reported at Newcrest's attributable share of 70%

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Summary

# Investing in growth from a position of strength

## Strong financial performance

- Underlying profit of \$750m
- Statutory profit of \$647m
- Free cash flow before M&A activity of \$670m<sup>1</sup>

## Robust balance sheet

- Refinanced existing debt
- Successful equity raising
- Well within financial policy metrics

## Investing in the future

- \$1.3bn to acquire Red Chris and increase exposure to Fruta del Norte
- \$273m on major capital projects
- \$113m on exploration

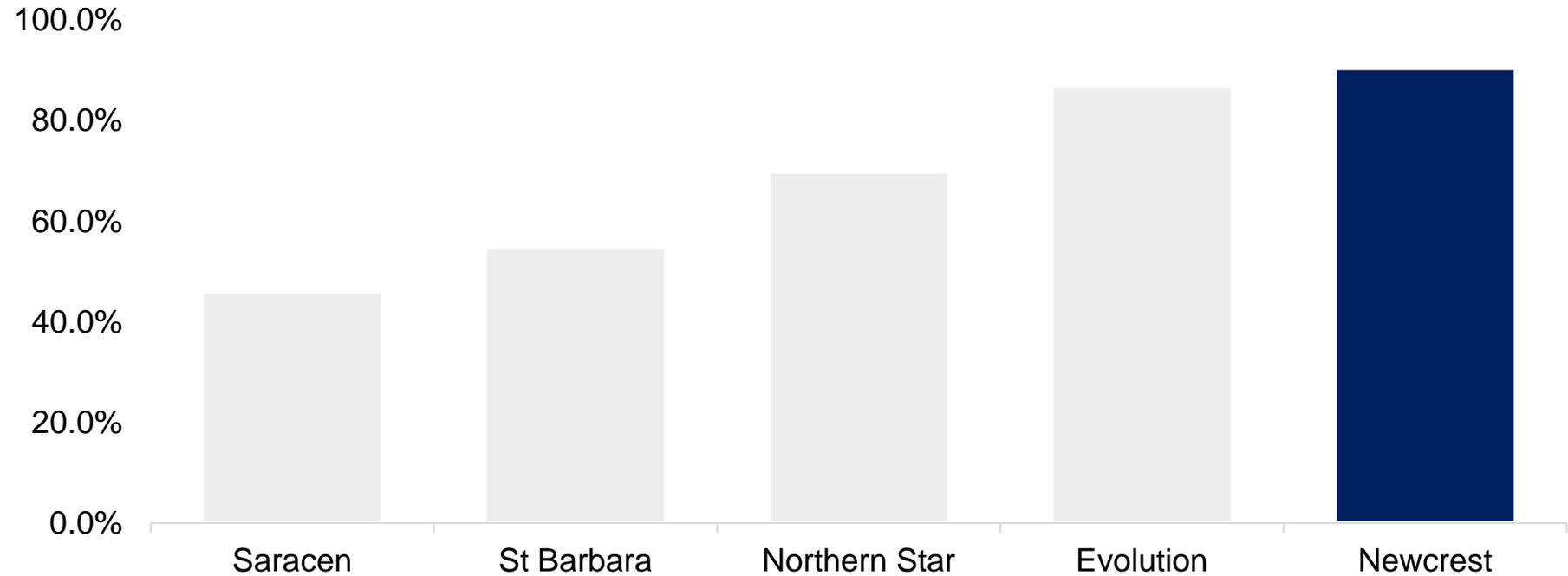
## Increased shareholder returns

- Full year dividends of 25 cents per share, fully franked
- 14% increase on FY19
- Final dividend 21% higher YOY

1. Excludes the payment for the acquisition of Red Chris (70% ownership) of \$769 million, the acquisition of Fruta del Norte finance facilities of \$460 million, further investments in Lundin Gold of \$79 million, net proceeds from divestment of Gosowong of \$20 million and payment of \$3 million for an interest in Antipa Minerals Ltd

Newcrest has a high level of exposure to a rising gold price

## Proportion of FY20 gold production exposed to gold price

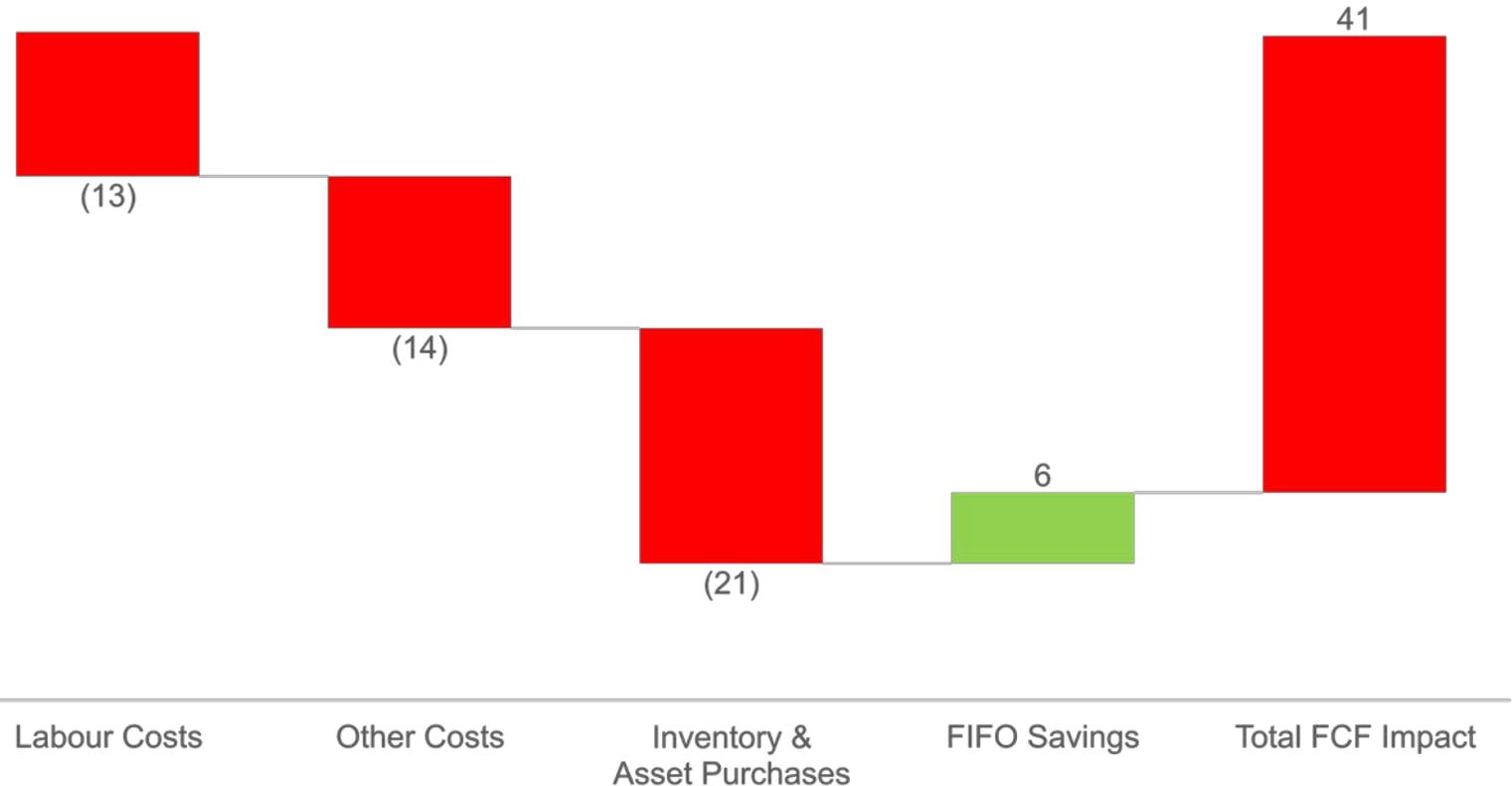


- In the period, Newcrest's gold ounces had the greatest exposure to the appreciation of the gold price, compared to some other Australian producers
- Newcrest's hedged gold volumes are declining over coming years:
  - 217koz in FY21;
  - 205koz in FY22; and
  - 138koz in FY23

1. The proportion of ounces exposed to the gold price has been determined by dividing total gold ounces delivered into the hedge book by total gold sales for the financial year
2. Data for Northern Star was sourced from their June Quarterly Activities Report dated 23 July 2020. For Evolution, data was sourced from their FY20 Quarterly Reports dated 23 July 2020, 23 April 2020, 29 January 2020 and 15 October 2019. Data for Saracen was sourced from their FY20 Quarterly Reports dated 21 July 2020, 28 April 2020, 28 January 2020 and 22 October 2019. For St Barbara data was sourced from their June Quarterly Report dated 29 July 2020 and their FY19 Annual Report dated 13 September 2019

# Estimated cash flow impact of COVID-19 in FY20

## Estimated cash flow impact of COVID-19 (\$m)

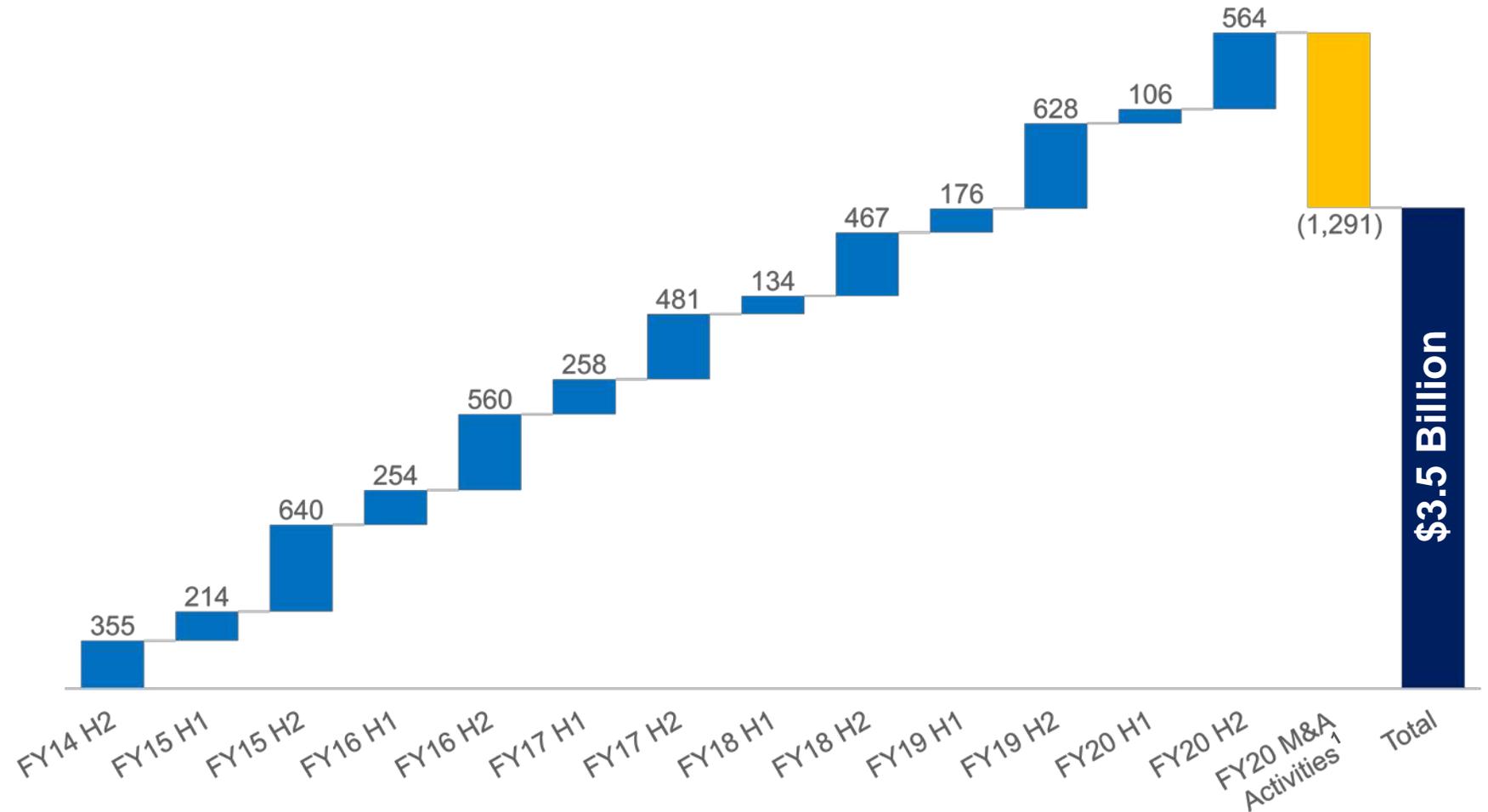


1. Labour costs includes pandemic leave, costs associated with roster changes, additional coverage, overtime and allowances
2. Other costs includes medical related expenditure, additional shutdown costs, additional contractor costs and accommodation costs
3. Inventory & Asset purchases represents increases in working capital to mitigate the risk of supply chain disruptions as well as the purchase of additional buses at Lihir to enable social distancing
4. FIFO related costs are due to a reduction in FIFO flights

- Managing COVID-19 had an estimated cost impact of ~\$20m (pre-tax) in FY20, excluding productivity impacts
- The cost impact in FY21 is expected to be ~\$30-40m (pre-tax), assuming no operational interruptions

Invested ~\$1.3bn  
in M&A activities  
in FY20

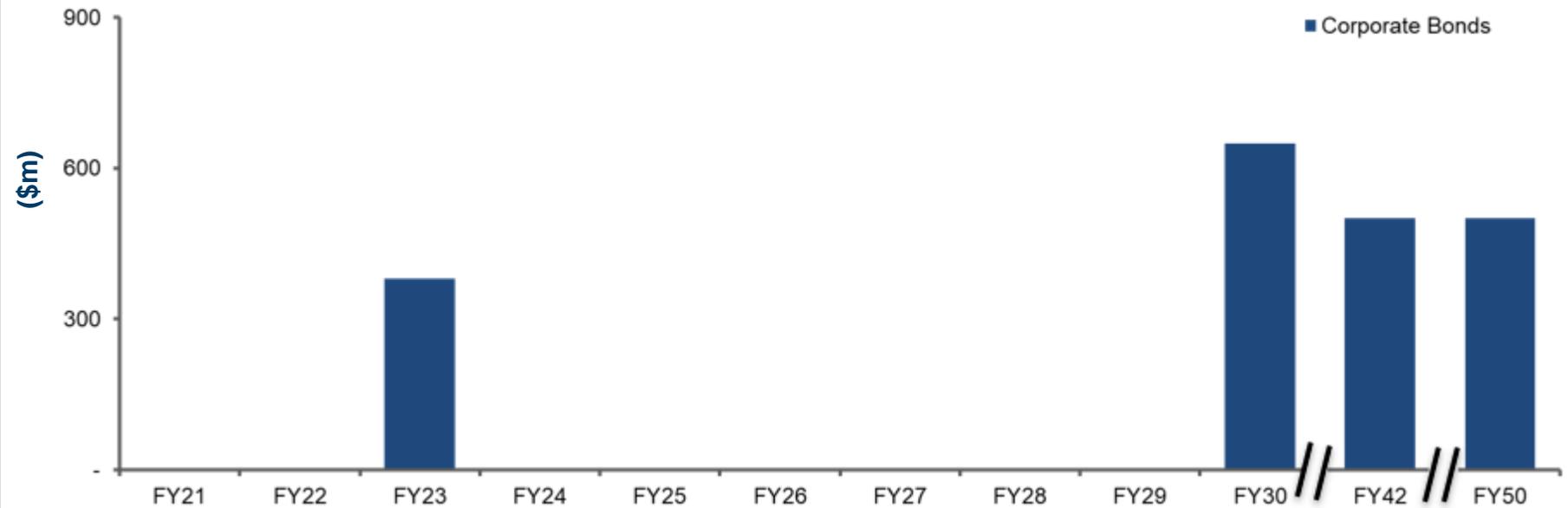
## Cumulative free cash flow (\$m)



1. Cash investment in M&A activity in FY20 comprises the payment for the acquisition of Red Chris (70% ownership) of \$769 million, the acquisition of Fruta del Norte finance facilities of \$460 million, further investments in Lundin Gold of \$79 million, net proceeds from divestment of Gosowong of \$20 million and payment of \$3 million for an interest in Antipa Minerals Ltd

# Debt structure optimised

## Maturity profile as at 30 June 2020<sup>1</sup>



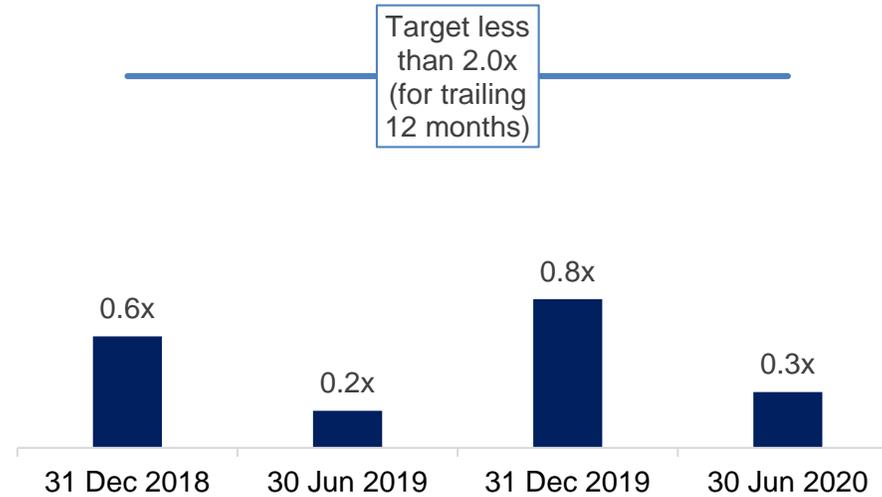
- Refinanced debt at lower coupon rates and smoothed and extended the debt maturity profile
- Weighted average maturity profile now ~16 years (previously ~7 years)
- Secured long term debt funding at coupons much lower than existing corporate bonds

<sup>1</sup> On 13 May 2020, Newcrest issued US\$1.15 billion of senior unsecured notes, comprising 10-year bonds totalling US\$650 million (maturing in 2030) and 30-year bonds totalling US\$500 million (maturing in 2050). The proceeds from the new bonds were used to repay all of the Company's notes due in 2021 and to repay all but US\$380 million of the notes due in 2022

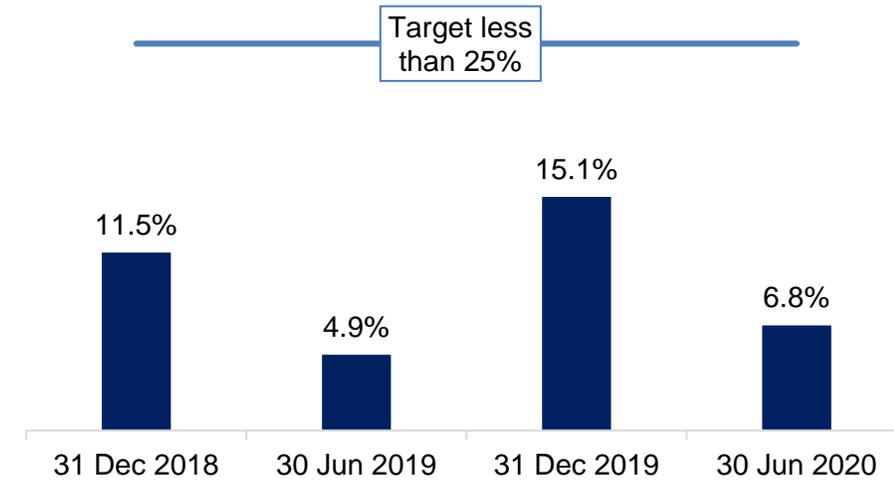
# Strong financial position

- Continue to be comfortably within our financial policy targets

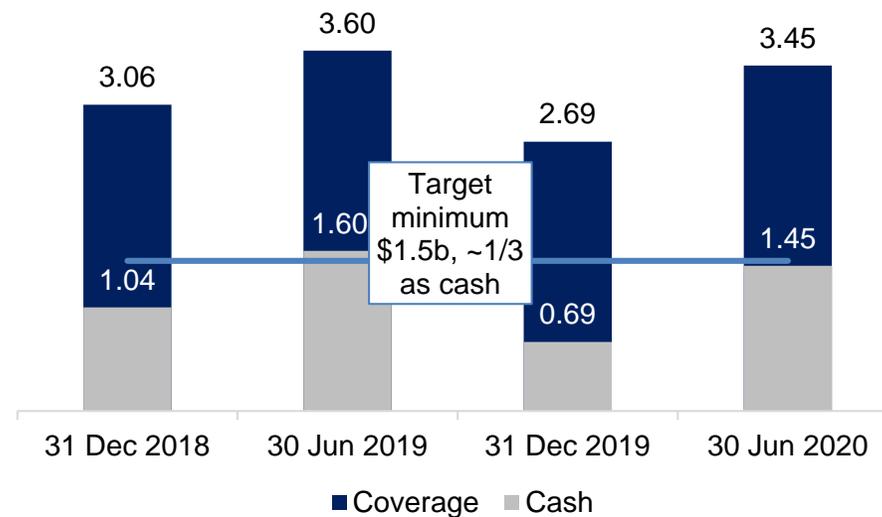
## Leverage Ratio (Net Debt / EBITDA)



## Gearing Ratio



## Coverage (\$bn)

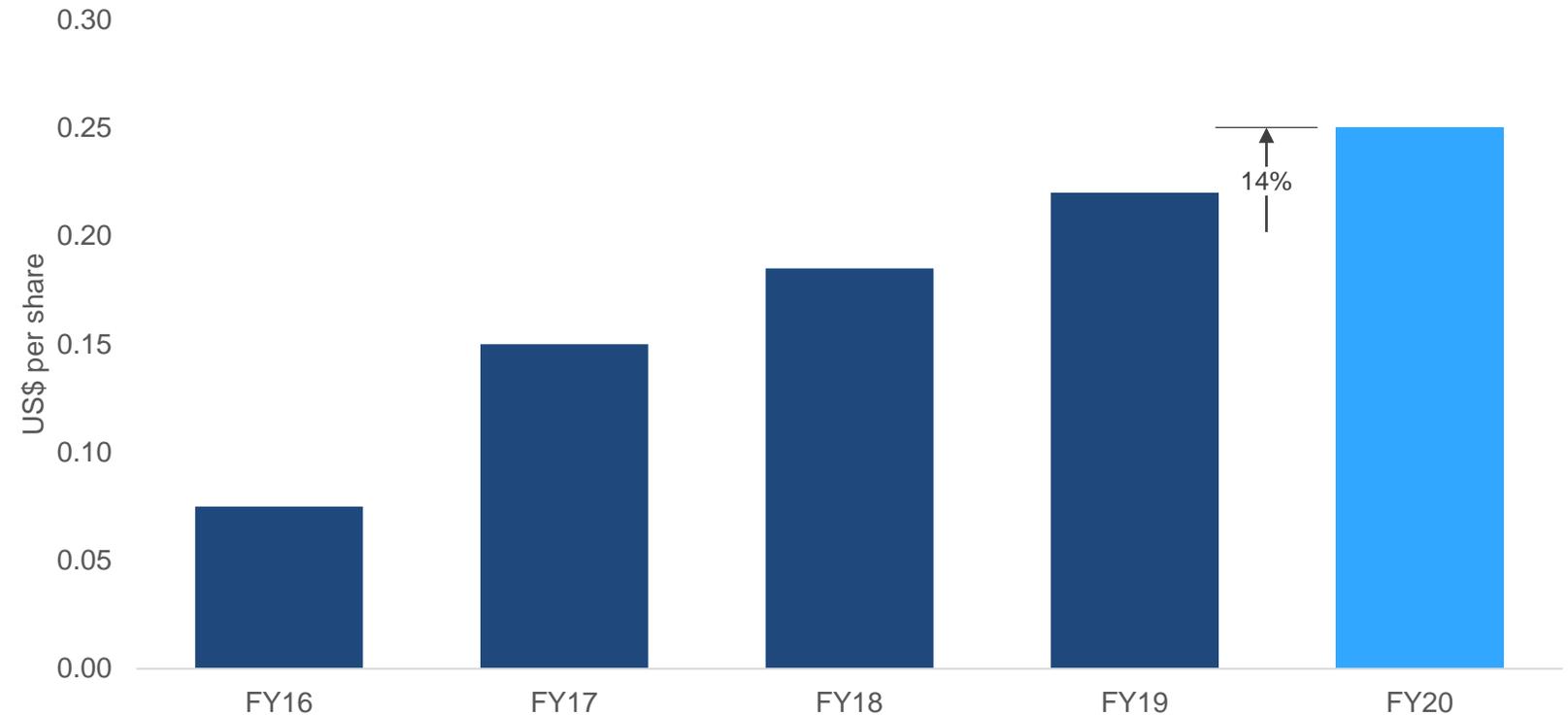


## Investment Grade Credit Rating



# Increasing returns to shareholders

## Increasing Dividends<sup>1</sup> (US\$/share)



- Fifth consecutive year of dividend increases
- Targeting a total dividend payment of at least 10-30% of free cash flow
- With the dividend being no less than US15 cents per share on a full year basis
- Final fully franked dividend of US17.5 cents is 21% higher year on year

<sup>1</sup> Dividends declared/determined in respect of each financial year

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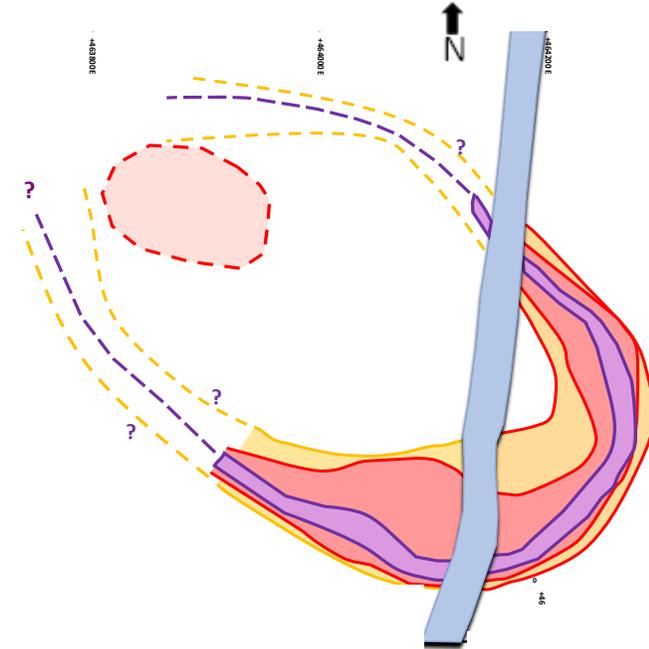
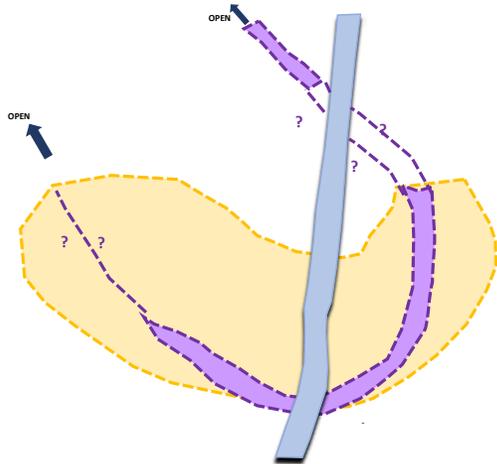
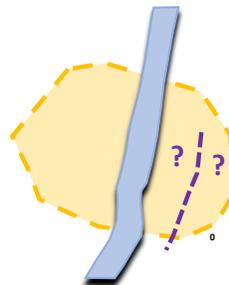
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Summary

# Growing Havieron

- Havieron continued to grow over FY20
- Expecting to commence decline by the end of CY20 or early 2021



## LEGEND

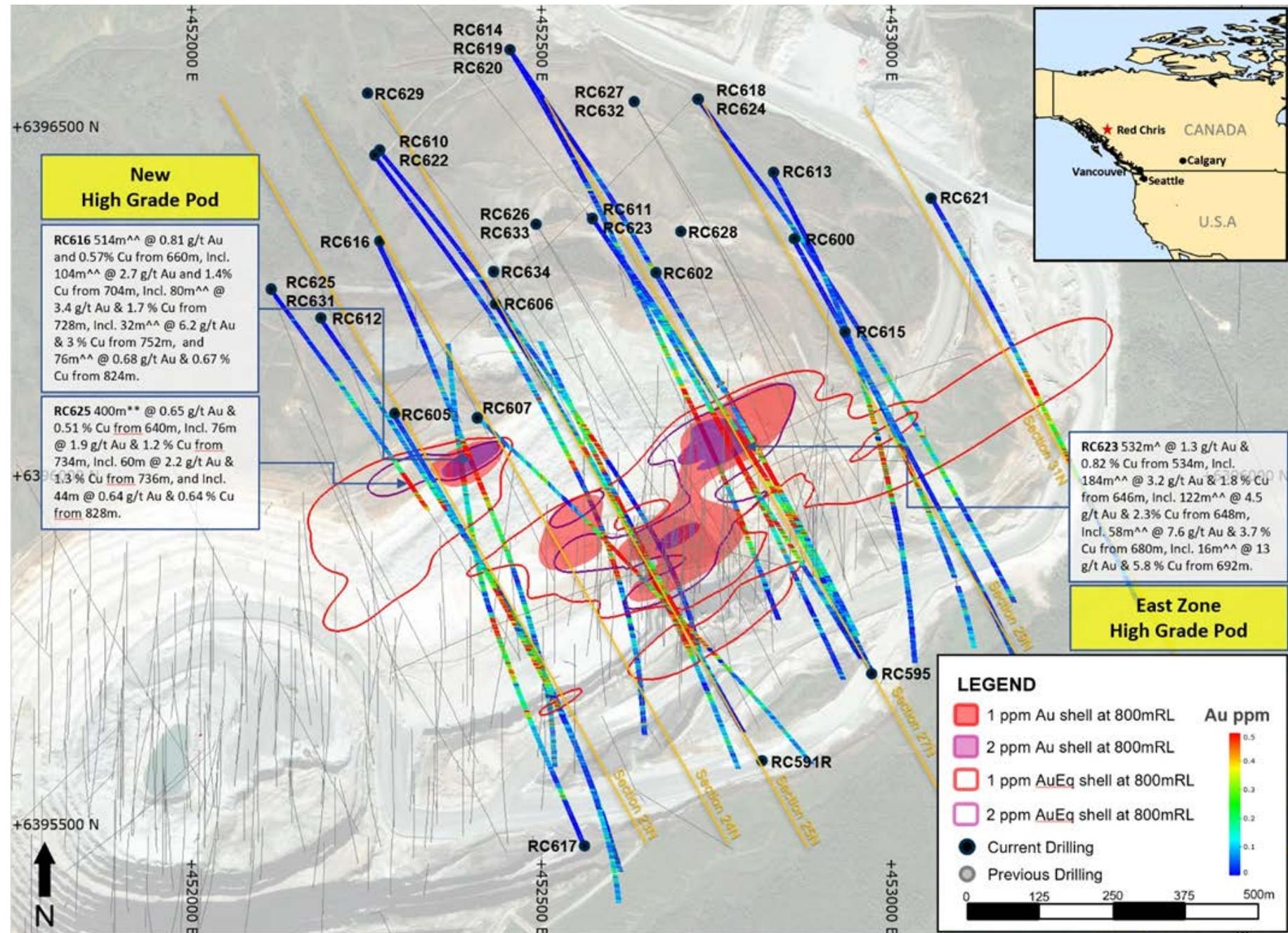
### Geology

- Crescent Sulphide Zone
- Breccia Zone 0.5g/t Au Leapfrog Shell
- Post Mineral Dyke
- Breccia Zone 1.0g/t Au Leapfrog Shell

The Havieron diagrams included in this slide have been extracted from the Newcrest release titled "Quarterly Exploration Report" dated 23 July 2020 and other prior exploration releases. This release includes the exploration results for all material drill-holes.

# Red Chris

- Two high grade pods intersected in FY20



The information in this slide that relates to exploration results at Red Chris has been extracted from the Newcrest release titled "Quarterly Exploration Report" dated 23 July 2020 and other prior exploration releases.

1g/t Au, 2 g/t Au, 1 g/t AuEq and 2 g/t AuEq shell projections generated from a Leapfrog model and sliced at 800mRL. Gold Equivalent (AuEq) grade calculated using a copper conversion factor of 1.79 (gold grade (ppm) + (copper grade (%) x 1.79), using US\$1,300/oz Au, US\$3.40/lb Cu and 100% recovery.

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Summary

# What makes Newcrest different



Long  
reserve life



Low cost  
production



Do what  
we say



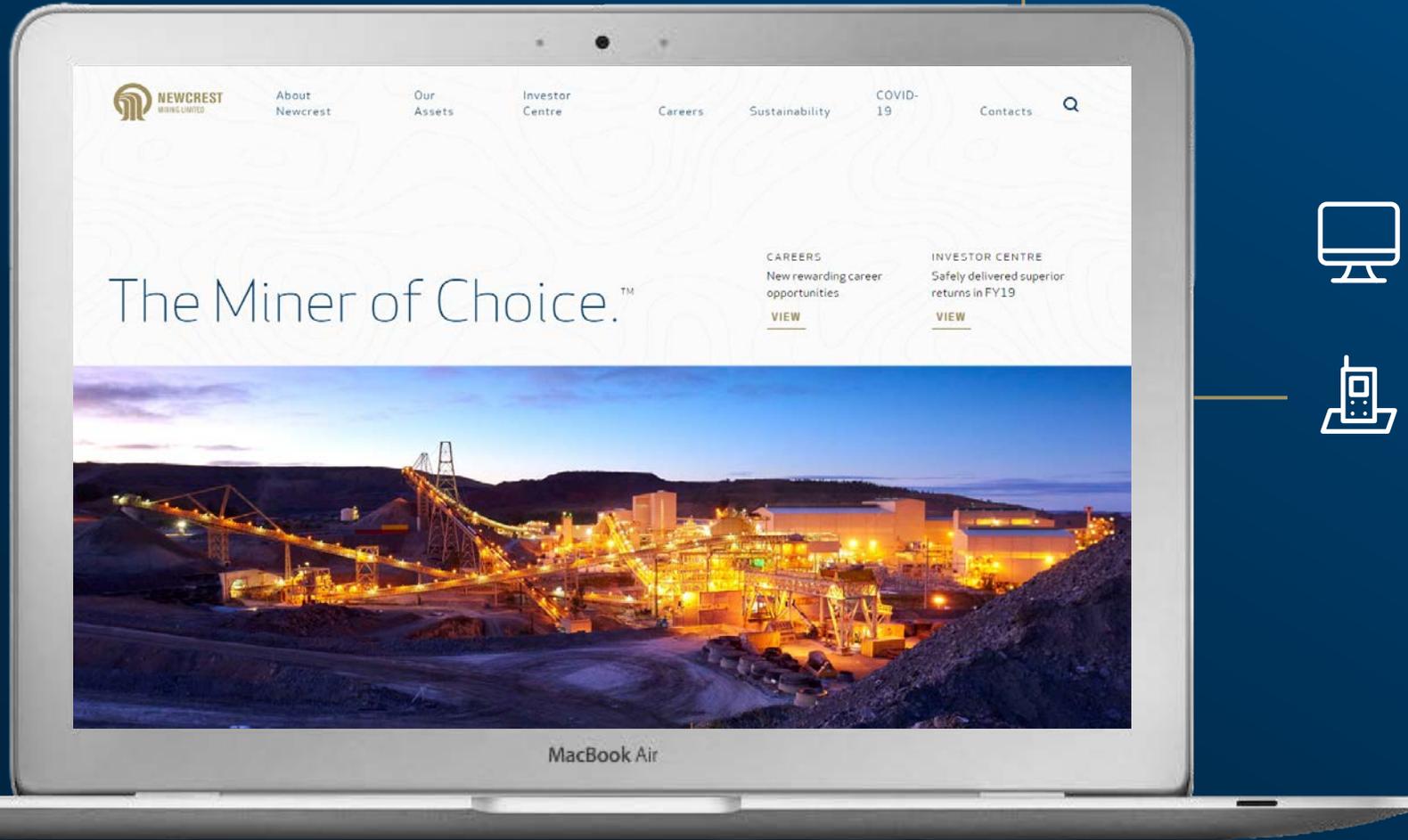
Organic growth options  
(at Cadia, Lihir, Wafi-Golpu,  
Havieron & Red Chris)



Strong exploration  
& technical  
capabilities



Financially robust



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



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