Full Year Results FY20

14 August 2020
(figures are in US$ except where stated)

NEWCREST MINING LIMITED

Full Year Results & Update[1]

Key Points for Full Year

- Zero fatalities and life-changing injuries and a further reduction in underlying injury rates
- Gold production of 2.2 million ounces
- Statutory profit[2] of $647 million and Underlying profit[3] of $750 million
- Operating cashflow of $1.5 billion from an average realised gold price of $1,530 per ounce for the year
- Free cash flow before M&A activity of $670 million (pre ~$1.3 billion in major M&A investments)
- All-In Sustaining Cost (AISC)[3] of $862 per ounce, resulting in an AISC margin[3] of $668 per ounce
- Refinanced debt at lower cost and to smooth and extend the debt maturity profile
- Strengthened the balance sheet with a successful equity raising to support our strong growth portfolio
- Acquired 70% ownership and operatorship of the Red Chris mine
- Increased exposure to the cash flows generated by the Tier 1 Fruta del Norte mine
- Final dividend of US17.5 cents per share (100% franked), taking full year dividend to US25 cents per share

Newcrest Managing Director and Chief Executive Officer, Sandeep Biswas, said "FY20 was a year in which we invested in the future. We invested $1.3 billion to acquire Red Chris and increase our exposure to Fruta del Norte and a further ~$400 million to progress our organic growth options and on exploration. We further strengthened our balance sheet to ensure we are well positioned to deliver our near-term growth options of Havieron, Red Chris, and Wafi-Golpu."

"Newcrest delivered a solid performance for the financial year, producing 2.2 million ounces of gold at an AISC of $862 per ounce. Our free cash flow generation (excluding major M&A activities) remained strong at $670 million and we report statutory and underlying profits of $647 million and $750 million respectively."

"Due to the considerable effort of our people to implement and sustain a range of monitoring and preventive measures the impact of COVID-19 on our operations in FY20 was minimal."

"Drilling results from Havieron and Red Chris continued to expand the known mineralisation with high grade intercepts. Our ownership of Havieron over the year increased to 40% as we track towards 70% underpinning the future of Telfer. We are in the unique position of having three outstanding growth options from which we expect to add new production ounces to our portfolio in due course."

"Our operational and financial performance, strong balance sheet and outlook has allowed us to increase our dividends to shareholders for the fifth consecutive year, with the full year dividend being 14% higher than last year," said Mr Biswas.

Safety

Newcrest's Safety Transformation plan continues to yield benefits, with no fatalities and a TRIFR[4] of 2.6 per million hours worked. This is marginally higher than the prior year as a result of the addition of Red Chris which currently has a higher average injury rate than other Newcrest operations, though it improved over the year. Excluding Red Chris, TRIFR for FY20 was 2.0 per million hours worked which is a 13% improvement on the prior year. This marks five consecutive years of TRIFR reduction (excluding Red Chris) and almost five years of being fatality-free.

Summary of Operating and Financial Results

			For the 12 months ended 30 June			
	Endnote	Metric	2020	2019	Change	Change %
Group production - gold	10	oz	2,171,118	2,487,739	(316,621)	(13%)
- copper		t	137,623	105,867	31,756	30%
Revenue		$m	3,922	3,742	180	5%
EBITDA	3	$m	1,835	1,670	165	10%
EBIT	3	$m	1,191	924	267	29%
Statutory profit	2	$m	647	561	86	15%
Underlying profit	3	$m	750	561	189	34%
Cash flow from operating activities		$m	1,471	1,487	(16)	(1%)
Free cash flow*	3	$m	(621)	804	(1,425)	(177%)
EBITDA margin	3	%	46.8	44.6	2.2	5%
EBIT margin	3	%	30.4	24.7	5.7	23%
All-In Sustaining Cost	3	$/oz	862	738	124	17%
All-In Sustaining margin	3	$/oz	668	531	137	26%
Realised gold price		$/oz	1,530	1,269	261	21%
Realised copper price		$/lb	2.57	2.78	(0.21)	(8%)
Average exchange rate		AUD:USD	0.6715	0.7156	(0.0441)	(6%)
Average exchange rate		PGK:USD	0.2927	0.2983	(0.0056)	(2%)
Closing exchange rate		AUD:USD	0.6863	0.7013	(0.0150)	(2%)
Cash and cash equivalents		$m	1,451	1,600	(149)	(9%)
Net debt		$m	624	395	229	58%
Net debt to EBITDA	3	times	0.3	0.2	0.1	50%
Gearing		%	6.8	4.9	1.9	39%
ROCE	3	%	13.8	11.2	2.6	23%
Interest coverage ratio	3	times	22.7	24.2	(1.5)	(6%)
Total equity		$m	8,613	7,631	982	13%

*Free cash flow in the current period includes the payment for the acquisition of Red Chris (70% ownership) of $769 million[6], the acquisition of Fruta del Norte finance facilities of $460 million[7], further investments in Lundin Gold of $79 million, net proceeds from divestment of Gosowong of $20 million[9] and payment of $3 million for an interest in Antipa Minerals Ltd.

Please refer to the appendix to this document and the Company's "ASX Appendix 4E and Financial Report" released on 14 August 2020, and the Operating and Financial Review in particular, for more detail on the Company's financial results.

Dividend

Newcrest's dividend policy seeks to balance financial performance and capital commitments with a prudent leverage and gearing level for the Company. Newcrest looks to pay ordinary dividends that are sustainable over time having regard to its financial policy metrics, profitability, balance sheet strength and reinvestment options in the business. Newcrest targets a total dividend payout of at least 10-30% of free cash flow generated for that financial year, with the dividend being no less than US15 cents per share on a full year basis.

Having regard to the above mentioned considerations, the Newcrest Board has determined that a final fully franked dividend of US17.5 cents per share will be paid on Friday, 25 September 2020. The record date for entitlement is Monday, 24 August 2020. The financial impact of the final dividend amounting to $143 million has not been recognised in the Consolidated Financial Statements for the year. The Company's Dividend Reinvestment Plan remains in place. Including the interim dividend of US7.5 cents per share, total dividends in respect of the 2020 financial year amount to US25 cents per share.

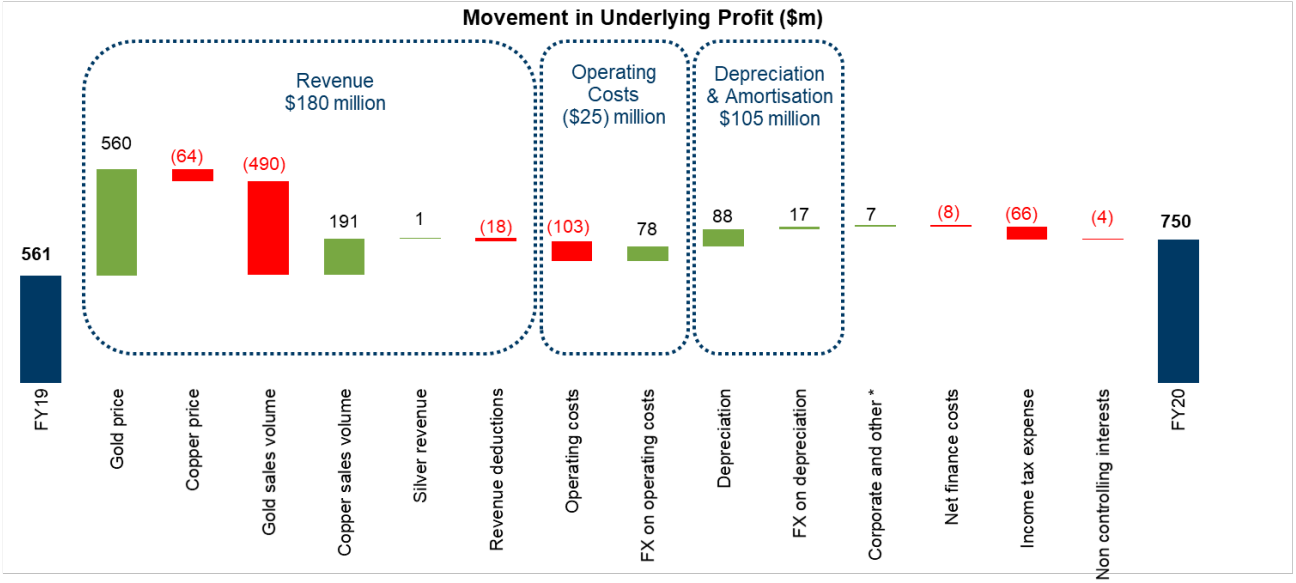
Summary of Full Year Financial Results

Statutory profit was $647 million in the current period, $86 million (or 15%) higher than the prior period. The Statutory profit includes significant items (after non-controlling interests) of $103 million, which represents the write-down of assets relating to the divestment of Gosowong, transaction and integration costs in relation to major M&A activity, and one-off finance costs arising from the early repayment of existing corporate bonds.

Underlying profit of $750 million was $189 million (or 34%) higher than the prior period primarily driven by a higher realised gold price, higher copper production at Cadia and Telfer, the favourable impact on operating costs for the Australian operations from the weakening of the Australian dollar against the US dollar and a lower depreciation expense. These benefits were partially offset by lower gold sales driven by lower production, lower realised copper price, higher operating costs at Cadia and Lihir, increased income tax expense as a result of the Company's improved profitability and losses recognised on investments in associates in the current period.

Underlying profit

$m	2020	2019	Change	Change %
Gold revenue	3,278	3,208	70	2%
Copper revenue	778	651	127	20%
Silver revenue	16	15	1	7%
Less: treatment and refining deductions	(150)	(132)	(18)	(14%)
Total revenue	**3,922**	**3,742**	**180**	**5%**
Operating costs[5]	(1,946)	(1,921)	(25)	(1%)
Depreciation and amortisation[5]	(622)	(727)	105	14%
Total cost of sales[5]	**(2,568)**	**(2,648)**	**80**	**3%**
Corporate administration expenses	(117)	(120)	3	3%
Exploration expense	(64)	(70)	6	9%
Share of associates losses	(37)	(18)	(19)	(106%)
Other income	55	38	17	45%
Net finance costs[5]	(102)	(94)	(8)	(9%)
Income tax expense	(338)	(272)	(66)	(24%)
Non-controlling interests	(1)	3	(4)	(133%)
Underlying profit	**750**	**561**	**189**	**34%**



*Corporate and other includes Corporate administration expenses, Exploration expenses, Share of losses of associates and Other income.

Free cash flow

Free cash flow of negative $621 million includes payments for the following:

- acquisition of the interest in Red Chris for $769 million[6];
- acquisition of the Fruta del Norte finance facilities for $460 million[7];
- an additional investment in Lundin Gold increasing Newcrest's ownership to 32%, for $79 million;
- acquisition of an interest in Antipa Minerals for $3 million; and
- net proceeds of $20 million[9] in relation to the divestment of Gosowong.

Excluding growth investments and the divestment activity mentioned above, 'Free cash flow before M&A activity' was $670 million, which is $208 million or 24% lower than the prior period. With cash flow from operating activities broadly unchanged year on year, the decrease in 'Free cash flow before M&A activity' is primarily driven by increased investment in major capital projects and a higher level of total exploration expenditure.

$m	2020	2019	Change	Change %
Cash flow from operating activities[5]	**1,471**	**1,487**	**(16)**	**(1%)**
Production stripping and sustaining capital expenditure	(422)	(378)	(44)	(12%)
Major capital expenditure	(273)	(153)	(120)	(78%)
Total capital expenditure	(695)	(531)	(164)	(31%)
Reclassification of capital leases[5]	4	-	4	
Exploration and evaluation expenditure	(113)	(78)	(35)	(45%)
Proceeds from sale of property, plant and equipment	2	-	2	
Receipts from Fruta del Norte finance facilities[7]	1	-	1	
Free cash flow (before M&A activity)	**670**	**878**	**(208)**	**(24%)**
Acquisition payment for a 70% interest of Red Chris[6]	(769)	-	(769)	
Acquisition of Fruta del Norte finance facilities[7]	(460)	-	(460)	
Payment for investment in Lundin Gold	(79)	(10)	(69)	(690%)
Payment for investment in SolGold	-	(18)	18	100%
Proceeds from sale of Gosowong, net of cash divested[9]	20	-	20	
Proceeds from sale of Sèguèla	-	20	(20)	(100%)
Payments for other investments	(3)	(66)	63	95%
Free cash flow	**(621)**	**804**	**(1,425)**	**(177%)**

Balance Sheet

$m	As at 30 June 2020	As at 30 June 2019	Change	Change %
Assets				
Cash and cash equivalents	1,451	1,600	(149)	(9%)
Trade and other receivables	305	135	170	126%
Inventories	1,573	1,573	-	0%
Other financial assets	546	103	443	430%
Current tax asset	1	32	(31)	(97%)
Property, plant and equipment	8,809	7,816	993	13%
Goodwill	17	-	17	
Other intangible assets	24	33	(9)	(27%)
Deferred tax assets	65	60	5	8%
Investment in associates	386	333	53	16%
Other assets	65	152	(87)	(57%)
Total assets	**13,242**	**11,837**	**1,405**	**12%**
Liabilities				
Trade and other payables	(520)	(444)	(76)	(17%)
Current tax liability	(23)	(176)	153	87%
Borrowings	(2,017)	(1,995)	(22)	(1%)
Other financial liabilities	(274)	(123)	(151)	(123%)
Provisions	(623)	(524)	(99)	(19%)
Lease liabilities[5]	(58)	-	(58)	
Deferred tax liabilities	(1,114)	(944)	(170)	(18%)
Total liabilities	**(4,629)**	**(4,206)**	**(423)**	**(10%)**
Net assets	**8,613**	**7,631**	**982**	**13%**
Equity				
Equity attributable to owners of the parent	8,613	7,567	1,046	14%
Non-controlling interests	-	64	(64)	(100%)
Total equity	**8,613**	**7,631**	**982**	**13%**

During the current period Newcrest successfully completed an equity raising which consisted of:

- a A$1 billion placement to institutional investors in May 2020 (approximately 39.1 million new shares); and
- A$200 million share purchase plan in June 2020 (approximately 7.8 million new shares)

The issue price of new shares under both the placement and share purchase plan was A$25.60 per new share.

In addition, 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 $380 million of the notes due in 2022.

Summary of Full Year Results by Asset[8]

For the 12 months ended 30 June 2020

		Cadia	Lihir	Telfer	Goso-wong[9]	Red Chris[6]	Fruta del Norte[10]	Other*	Group
Operating									
Production									
Gold	koz	843	776	393	103	39	16	-	**2,171**
Copper	kt	96	-	16	-	25	-	-	**138**
Silver	koz	575	30	164	106	110	-	-	**983**
Sales									
Gold	koz	849	761	391	104	37	-	-	**2,143**
Copper	kt	96	-	16	-	24	-	-	**137**
Silver	koz	578	30	164	112	76	-	-	**958**
Financial									
Revenue	$m	1,802	1,196	579	160	185	-	-	**3,922**
EBITDA	$m	1,301	465	103	44	63	-	(141)	**1,835**
EBIT	$m	1,138	170	19	11	16	-	(163)	**1,191**
Net assets	$m	2,638	4,242	(24)	-	836	-	921	**8,613**
Operating cash flow	$m	1,286	468	116	30	57	-	(486)	**1,471**
Investing cash flow	$m	(295)	(235)	(65)	(19)	(75)	-	(1,403)	**(2,092)**
Free cash flow*	$m	991	233	51	11	(18)	-	(1,889)	**(621)**
AISC	$m	136	918	501	132	63	-	98	**1,848**
	$/oz	160	1,206	1,281	1,264	1,703	-	-	**862**
AISC Margin	$/oz	1,370	324	249	225[11]	(173)	-	-	**668**

* Free cash flow for 'Other' includes:

- other investing activities of $1,291 million (comprising the acquisition of a 70% interest in Red Chris of $769 million[6], the acquisition of Fruta del Norte finance facilities of $460 million[7], further investments in Lundin Gold of $79 million, net proceeds from the divestment of Gosowong of $20 million[9] and $3 million investment in Antipa Minerals Ltd),
- income tax paid of $282 million,
- net interest paid of $96 million,
- exploration expenditure of $84 million,
- corporate costs of $83 million,
- other capital expenditure of $30 million, and
- working capital movements of $24 million.

Asset Summary

Cadia, Australia

Gold production of 843,338 ounces was 8% lower than the prior period reflecting an 8% decrease in gold grade milled. The decrease in grade is in line with expected grades for the current period.

The mine produced in excess of 30 million tonnes of ore, achieving a record high annual mined tonnes from Cadia East and a 5% improvement on the prior period. This increase in mined ore was principally the result of an increase in the conveying rate. In the final three months of the current period, the mine achieved a record for mined tonnes at a volume equivalent to 31.8mtpa.

In the current period total material milled was 29.3 million tonnes, consistent with the prior period. As previously reported at the half year, lower tonnes were milled in the first half of the current period principally due to extended downtime of the Concentrator 1 SAG mill following the identification (through routine inspections) of a preventative maintenance opportunity. In the final three months of the current period, a record annualised mill throughput rate of 34.2mtpa was achieved, with no planned maintenance activities undertaken during this period.

EBIT of $1,138 million was 20% higher than the prior period. This represented the cumulative benefit of an 11% increase in revenue and a 3% reduction in cost of sales (including depreciation). The increase in revenue was driven by a 21% higher realised gold price and higher volume of copper sales which together more than offset the lower volume of gold sales and the impact of a lower realised copper price. Cost of sales (including depreciation) was lower due to a lower depreciation charge associated with lower production in the current period as well as a weaker Australian dollar positively impacting Australian dollar denominated operating costs (including depreciation). This was partially offset by an increase in Australian dollar denominated costs primarily associated with unplanned maintenance activity.

AISC of $160 per ounce was $28 per ounce higher than the prior period. This reflected the cumulative impact of the 12% increase in the absolute AISC spend and a 7% decrease in gold sales in the current period. The increase in the absolute AISC spend was primarily due to a decrease in by-product credits (due to the lower copper price more than offsetting the higher copper volumes), higher Australian dollar denominated costs primarily associated with unplanned maintenance, and an increase in royalty payments associated with the higher revenue generation. These increases in AISC spend were only partially offset by the favourable impact of a weaker Australian dollar.

Free cash flow of $991 million was 3% higher than the prior period. This reflects the 15% higher earnings (EBITDA) partially offset by a 69% increase in capital expenditure. The key drivers of increased capital expenditure in the current period are Stage 1 of the Cadia Expansion Project (primarily PC2-3 development) and the Cadia Molybdenum Plant.

On 15 October 2019, Newcrest announced the approval of the first stage of the Cadia Expansion Project to Execution phase. The first stage comprises commencement of the next cave development (PC2-3) and, subject to regulatory approvals, an increase in the nameplate capacity of the process plant to 33mtpa. The second stage, which is in Feasibility Study, is focused on a further increase in processing capacity to 35mtpa and recovery rate improvement projects. Combined, the two stages are estimated to have a total capital cost of $865 million[12].

As announced on 20 May 2020, Cadia confirmed it has sufficient water availability for at least the next two years and possibly beyond. This follows the implementation of a number of water saving efficiency measures together with the optimisation of onsite bores and other water sources in response to the severe drought experienced by the State of New South Wales over the past few years. Recent rainfall in the region in June and July has contributed to ongoing improvement in the level of water being captured in onsite storage facilities since the May 2020 announcement.

In June 2020, the process for the approval of Modification 14 was commenced with the Department of Planning, Industry and Environment to increase Cadia's current processing capacity from 32mtpa to 35mtpa. Included within the Modification is the proposal for the repair of the slumped section of the Northern Tailings Storage Facility (NTSF) and a minor change in the footprint of the NTSF and Southern Tailings Storage Facility (STSF) to achieve the approved deposition volumes and allow for a change from upstream to centreline lift design. The statement of environmental effects for the Modification is expected to be submitted to the Department before the end of December 2020.

The replacement of the SAG mill motor, originally scheduled for FY21, has been postponed to July 2021 (FY22) to ensure that Newcrest is able to secure the necessary resources and plan for any potential COVID-19 related delays. This decision will also afford more time to augment the mill by-pass system. Cadia has enhanced its reliability monitoring and considers that that the postponement to FY22 will not increase the risk of motor failure.

Lihir, Papua New Guinea

Gold production of 775,978 ounces was 17% lower than the prior period driven by a decrease in gold grade milled and lower gold recovery.

Total ore mined was lower in the current period due to the completion of mining in Phase 9 in early 2019 and ex-pit ore now being primarily sourced from Phase 14 in the current period. The strip ratio also increased as the mine transitions towards the Kapit pit. Total material mined was in line with the prior period due to increased waste movement in Phase 15 which will enable access to Phase 15 ore in FY21.

Gold head grade was 17% lower than the prior period. The lower volume of ex-pit ore required a higher ratio of lower grade stockpiled ore (relative to mined ore) being delivered to the process plant, lowering overall processed grade for the year.

Gold recovery was 3% lower primarily due to a higher proportion of stockpile ore feed and reduced autoclave throughput as the higher levels of clay in the stockpile feed created materials handling issues and increased viscosity which affects oxygen transfer in the autoclaves. The lower autoclave throughput in turn required an increase in ore flotation, reducing overall recovery rates in the current period.

Clay levels associated with Argillic ores and stockpile material is higher than previously anticipated as mining progresses to the Kapit orebody. Processing performance of the higher ratio of stockpile ore during the current period triggered a reassessment of feed blend impact on future plant throughput and recovery. A pit optimisation study is currently underway to look at options to further improve the ore presentation to the processing plant. The pit optimisation study is also reviewing opportunities to improve grade presentation to the mill by bringing forward grade along with optimising the integration of the seepage barrier project to the mine schedule.

The higher strip ratios will continue into FY21 and FY22 and the processing plant feed is expected to continue to have high levels of stockpile material and Argillic ores.

The seepage barrier feasibility study is forecast to be completed by the end of FY21 (subject to COVID-19 constraints). The extended timing for the completion of the study is due to delays to the ground investigation trials as a result of COVID-19 related travel restrictions. The feasibility study has identified an opportunity to access Kapit ore earlier through the realignment of the seepage barrier. This realignment could also create an opportunity to access additional gold resources towards the end of the mine life which would have been sterilised with the original alignment of the seepage barrier. This is likely to result in an increase in capital costs which are yet to be finalised as part of the study.

Additionally, improvement programs are underway to address the impact of clays on the materials handling system and the ability of the autoclaves to better handle ore with higher clay levels. The materials handling improvements include optimising the feed blend to the crushers, along with modifications to transfer chutes to reduce blockages. The autoclave improvements are focusing on slurry densities, oxygen management and projects that improve front and back end temperatures of the autoclaves.

EBIT of $170 million was $10 million (or 6%) lower than the prior period due to lower sales volumes and higher operating costs. This was partially offset by a higher realised gold price and lower depreciation. Depreciation in the current period was $41 million (or 12%) lower primarily due to a decrease in ore mined resulting in lower depreciation of production stripping assets and the lower sales volumes. Higher cost of sales (excluding depreciation) was primarily driven by increased maintenance costs (reflecting the transition to a bi-annual shut-down strategy and higher costs in relation to the mobile fleet).

AISC of $1,206 per ounce, was $319 per ounce higher (or 36%) than the prior period, primarily reflecting lower gold sales, higher operating costs and increased sustaining capital in the current period.

Free cash flow of $233 million for the current period was $68 million (or 23%) lower than the prior period, driven by lower production and associated sales volumes and increased operating and capital expenditure. This was partially offset by a higher realised gold price and favourable movements in working capital. The key drivers of increased capital expenditure in the current period were the higher levels of waste movement in Phase 15, the seepage barrier feasibility study, pit cooling and throughput-related projects.

Telfer, Australia

Gold production of 393,164 ounces was 13% lower than the prior period, due to lower milled tonnes and lower recovery, partially offset by higher head grade. Mill throughput was 29% lower due to the deliberate change in mill operating strategy (announced in August 2019) to a reduced rate utilising ~1.4 of the two trains' capacity and targeting higher feed grade to improve margin.

Total material mined was lower than the prior period due to equipment availability and utilisation adversely impacting productivity in the open pit. Reductions in underground mining activity also reflected a reduced footprint from the Sub Level Cave and Western Flanks as they near completion of the currently approved mine plans.

Notwithstanding lower revenue resulting from lower gold production and sales volumes and a lower realised copper price, EBIT was higher due to a higher realised gold price, lower site costs reflecting the lower mining and ore treatment activity and a weaker Australian dollar, lower depreciation and higher copper sales volumes. A portion of Telfer's gold sales were subject to hedges which adversely impacted its revenue by $82 million.

AISC of $1,281 per ounce was marginally higher than the prior period due to lower gold sales, a lower realised copper price and an increase in unit operating costs, partially offset by lower sustaining capital expenditure, the benefit of a weaker Australian dollar, lower production stripping activity and higher copper sales.

Free cash flow of $51 million was $43 million higher than the prior period due to a higher realised gold price, lower site costs reflecting the lower mining and ore treatment activity and a weaker Australian dollar, lower capital expenditure and higher copper sales. This was partially offset by lower gold sales volumes and a lower realised copper price.

The undercutless caving project, a method of underground mining that undercuts the base of the block cave from the extraction level and thereby eliminates the need for an undercut level, has been completed. Undercutless caving is expected to improve safety by removing people from higher risk areas; be more amenable to drill, charge and blast automation; and reduce seismic response through intense preconditioning and dynamic ground support. The trial at Telfer, completed in FY20, demonstrated that high lift drawbells can be mined successfully without an undercut level by using extraction level drill and blast techniques. The trial will continue at Cadia during FY21.

Red Chris, Canada

On 15 August 2019 Newcrest acquired a 70% interest in and operatorship of the Red Chris mine and surrounding tenements in British Columbia, Canada. Following acquisition, the Newcrest Safety Transformation Plan was implemented with improvements in TRIFR delivered over the current period, drilling activity commenced together with investment in capital projects and a number of operational improvement initiatives to improve the site's future operational performance.

The production and financial outcomes shown in this report represent Newcrest's 70% share for the period of ownership from 15 August 2019 to 30 June 2020.

During the year the Red Chris block cave study gated from Concept to Prefeasibility stage. Permitting activities for the exploration decline are underway and Newcrest expects to commence exploration/geotechnical decline work by the end of calendar year 2020.

Gosowong, Indonesia[9]

On 31 January 2020, Newcrest announced that it had agreed to sell its interest in Gosowong to PT Indotan Halmahera Bangkit, for consideration comprising:

- $5 million cash deposit paid on execution of the sale agreement
- $55 million payable on transaction completion
- $30 million deferred cash payable 18 months after transaction completion

The economic effective date for the Gosowong divestment was 31 December 2019. Production and financial performance is reported up until the transaction completion date of 4 March 2020.

Fruta del Norte, Ecuador[7]

In addition to our 32% interest in Lundin Gold, as announced on 30 April 2020 Newcrest acquired the gold prepay and stream facilities and offtake agreement in respect of Lundin Gold's Fruta del Norte mine for $460 million, from which Newcrest received cash flows from the stream and offtake agreements in the June quarter. Repayments under the gold prepay agreement commence on 31 December 2020.

Newcrest notes that Lundin Gold restarted operations at its Fruta del Norte mine on 5 July 2020, following the temporary suspension on 22 March 2020 due to concerns regarding the spread of COVID-19 in Ecuador.

Project Development

Wafi-Golpu, Papua New Guinea

Newcrest, together with its WGJV partner Harmony, looks forward to re-engaging with the State of PNG and progressing discussions on the Special Mining Lease for the Wafi-Golpu Project and is encouraged by recent statements by the Prime Minister of PNG that Wafi-Golpu is a priority project and that it will be advanced within the existing legal parameters of PNG.

Exploration

In the current period, Newcrest continued its search for new discoveries with greenfield exploration activity undertaken in Australia, Canada, USA, Ecuador and Chile. Activity was focused in and around fertile gold/copper districts including the Paterson Province (Western Australia), Golden Triangle of British Columbia (Canada), Tanami (Northern Territory/Western Australia), Jarbidge (Nevada), Northern Andes (Ecuador) and the Central Andes (Chile).

At Havieron, located 45km east of Telfer, drilling results continue to expand and demonstrate the continuity of high-grade mineralisation which extends over 450m, to vertical depths of 600m and remains open at depth and to the northwest. Drilling has also identified mineralised breccias proximal to high grade mineralisation. The Havieron project is operated by Newcrest via a farm-in agreement with Greatland Gold Plc. Under the agreement, Newcrest can earn up to a 70% interest through total expenditure of $65 million and the completion of a series of exploration and development milestones across a four-stage farm-in, over a 6 year period that commenced in May 2019. The farm-in agreement includes tolling principles reflecting the intention of the parties that, subject to a successful exploration program, and feasibility study, the resulting joint venture ore will be processed at Telfer. On 1 April 2020, Newcrest announced that it had earned a 40% interest in the Havieron project under the farm-in agreement and was progressing to Stage 3.

At Red Chris, located in British Columbia, Canada there are currently two drilling programs underway. The first is the East Zone Resource Definition program which is designed to obtain geological, geotechnical and metallurgical data to support future studies for underground block cave mining. The second is the Brownfields Exploration program which is focused on searching for higher grade mineralisation within the Red Chris porphyry corridor. In the East Zone, drilling results since acquisition have confirmed the presence of two discrete 'pods' of high grade mineralisation and have identified a new high grade zone, which had not been intersected by previous drilling. Drilling results returned to date continue to confirm the potential of discovering additional discrete high grade 'pods' of mineralisation in the East Zone. Newcrest is preparing for its early works program which includes the commencement of exploration/geotechnical work, expected to occur by the end of calendar year 2020.

On 11 March 2020, Newcrest entered into an exploration farm-in and joint venture agreement with Antipa Minerals in respect of the southern portion of its 100% owned ground in the Paterson Province, Western Australia (known as the 'Wilki Project'). The Wilki Project covers a strategic landholding of ~2,212km surrounding the Telfer operation and is also in close proximity to Havieron. The initial work program, commencing in the first quarter of FY21, will include the completion of 4,667 line kilometres of AEM survey aimed at prioritising drill targets. Subsequent work programs following the receipt and interpretation of the AEM data will be prepared by Newcrest and considered by a technical committee comprised of Newcrest and Antipa representatives.

In May 2020, Newcrest completed the purchase of 100% of the GJ Project, located in the Golden Triangle of British Columbia. The 967km^2 land holding is located adjacent to Red Chris and covers the south west extent of the Red Chris CJ-Donnelly porphyry trend. An initial program of 2,146km of Airborne Electro-Magnetic (AEM) and gravity surveys have commenced which are aimed at generating drill targets.

Telfer Gold Hedging

No new hedging in relation to Telfer was undertaken in the current period.

The total outstanding volume and prices of gold hedged for future years at Telfer and in total for Newcrest is:

Financial Year Ending	Gold Ounces Hedged	Average Price A$/oz
30 June 2021	216,639	1,864
30 June 2022	204,615	1,902
30 June 2023	137,919	1,942
Total	**559,173**	**1,897**

Telfer is a large scale; low grade mine and its profitability and cash flow are both very sensitive to the realised Australian Dollar gold price. The above hedges help support investment in future cutbacks and mine development.

The current period included 204,794 ounces of Telfer gold sales hedged at an average price of A$1,729 per ounce, representing a net revenue loss of $82 million for the current period.

Capital Structure

Across May and June 2020, Newcrest successfully raised A$1.2 billion of equity through a A$1.0 billion placement to institutional investors and a A$200 million Share Purchase Plan. The funds raised were used to fund the US$460 million purchase of the Fruta del Norte finance facilities, with the remainder directed to funding Newcrest's organic growth options such as the commencement of declines at both Havieron and Red Chris.

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 $380 million of the notes due in 2022.

The combined transactions have ensured that Newcrest's balance sheet remains strong, smooths and extends Newcrest's weighted average debt maturity profile to ~16 years (previously ~7 years) and secures long term debt funding at coupons much lower than the existing corporate bonds.

Newcrest's net debt at 30 June 2020 was $624 million. This comprises $2,013 million of capital market debt, lease liabilities of $58 million and $4 million relating to a loan acquired through the acquisition of Red Chris, less $1,451 million of cash.

At 30 June 2020, Newcrest had $3,451 million of liquidity coverage, comprising $1,451 million of cash and $2,000 million in committed undrawn bilateral bank debt facilities with maturity periods ranging from 2021 to 2023.

Newcrest's financial objectives are to meet all financial obligations, maintain a strong balance sheet to withstand cash flow volatility, be able to invest capital in value-creating opportunities, and be able to return excess cash generated to shareholders. Newcrest looks to maintain a conservative level of balance sheet leverage.

Community Support Fund

As announced on 7 April 2020, Newcrest established a A$20 million Community Support Fund (the 'Fund') from which disbursements have been made in the period. The Fund has been established to support our host communities as they face challenges associated with the COVID-19 pandemic.

A number of initiatives ranging from immediate health assistance to livelihoods and economic recovery have been funded to date in Papua New Guinea, Australia, British Columbia and Ecuador. Initiatives include a partnership with the University of Queensland to support vaccine research, contributing to the production of a new low-cost ventilator, and partnering with international organisations to deliver medical supplies, equipment, infrastructure and services in Papua New Guinea.

Newcrest continues to work with its partners, host governments, communities and Indigenous Peoples to prioritise and deliver programs under the Fund in the most effective manner.

Guidance[8,13,14]

Newcrest provides the following guidance for FY21, subject to market and operating conditions.

The production guidance numbers for FY21 assume no COVID-19 related interruptions. However, the AISC expenditure guidance for FY21 includes an estimate of additional costs associated with managing the business in a COVID-19 context (including on matters such as flights, transport, rosters, leave, screening and testing, and disbursements from the Community Support Fund) in the order of $30-40 million. This compares with the estimate of an additional ~$20 million of AISC spend to have been incurred on COVID-19 related matters in the current period.

Production guidance for the 12 months ending 30 June 2021

Cadia	- gold	koz	680 – 760
	- copper	kt	95 – 105
Lihir	- gold	koz	720 – 820
Telfer	- gold	koz	360 – 420
	- copper	kt	10 – 20
Red Chris	- gold	koz	45 – 55
	- copper	kt	25 – 30
Fruta del Norte[(a)]	- gold	koz	95 – 110
Group production	**- gold**	**moz**	**1,950 – 2,150**
	- copper	**kt**	**135 - 155**

Cost, capital, exploration and depreciation guidance for the 12 months ending 30 June 2020[8,13,14]

$m	Cadia	Lihir	Telfer	Red Chris	Fruta del Norte[(a)]	Havieron	Other[(b)]	Group
All-In Sustaining Cost[(c)]	50 – 130	940 – 990	510 – 570	80 – 115	81 – 85	-	130 – 140	1,800 – 1,950
Capital expenditure								
- Production stripping[(c)]	-	135 – 150	-	35 – 55	-	-	-	170 – 200
- Sustaining capital[(c)]	90 – 100	80 – 90	50 – 55	65 – 75	-	-	25 – 30	310 – 350
- Major projects (non-sustaining)	380 – 420	130 – 180	-	30 – 40	-	35 – 45	5	580 – 690
Total Capital expenditure	**470 – 520**	**345 – 420**	**50 – 55**	**130 – 170**	**-**	**35 – 45**	**25 – 35**	**1,060 – 1,240**
Exploration expenditure								**115 – 125**
Depreciation and amortisation (including depreciation of production stripping)								**610 – 650**

(a) The Fruta del Norte guidance represents Newcrest's 32% interest in the annualised production and AISC for Fruta del Norte based on Lundin Gold's market release on 5 July 2020. This release estimated gold production for the second half of calendar year 2020 to be in the range of 150koz to 170koz at an AISC of $770/oz to $850/oz

(b) Other includes $5 million of major project expenditure (non-sustaining) in relation to Wafi-Golpu

(c) Production stripping and sustaining capital shown above are included in All-In Sustaining Cost

Dividend Dates, Currency & Dividend Reinvestment Plan

The Newcrest Board has determined a final fully franked dividend of US17.5 cents per share to be paid on 25 September 2020. The key dates in relation to the final dividend are set out in the table below.

Action	Date
Ex-Dividend Date	Friday, 21 August 2020
Record Date and Currency Conversion Date	Monday, 24 August 2020
Election Date – final date to elect to participate in DRP and receive foreign currency	Tuesday, 25 August 2020
VWAP* period begins for DRP	Wednesday, 26 August 2020
VWAP* period ends for DRP	Tuesday, 1 September 2020
Payment/Issue Date	Friday, 25 September 2020

* The subscription amount for shares allotted under the DRP will be an amount in cents that is the arithmetic average of the daily volume weighted average sale price for Newcrest shares sold on the ASX during the VWAP period (26 August - 1 September 2020) rounded down to the nearest full cent

Payment currencies

The currencies in which dividend payments will be made are included in the table below.

Currency to be paid	Shareholders
Australian dollars	All shareholders who will not be paid US dollars or PNG kina in accordance with the circumstances set out below
US dollars	Shareholders who have nominated a US dollar bank account domiciled in the US by 5:00pm (AEST) Tuesday 25 August 2020, being the Election Date
Papua New Guinea kina	Shareholders: • who have nominated a PNG kina bank account domiciled in PNG by 5:00pm (AEST) Tuesday 25 August 2020, being the Election Date; or • with a registered address in PNG who have not nominated an Australian dollar bank account domiciled in Australia, or a US dollar bank account domiciled in the US, by 5:00pm (AEST) Tuesday 25 August 2020, being the Election Date

Payments made in Australian dollars and Papua New Guinea kina will be converted from US dollars at the prevailing exchange rate on 24 August 2020, being the Record Date.

Dividend Reinvestment Plan

The Dividend Reinvestment Plan (DRP) will apply to the final dividend. The DRP allows eligible shareholders to reinvest part or all of their dividends into Newcrest shares. No discount will be applied to allotments made under the DRP. A copy of the DRP Rules is available on the Company's website at http://www.newcrest.com/investors.

Full Year Financial Results Call

We invite you to join our investor webcast from Melbourne at 9:30am (AEST) on Friday 14 August 2020. Please register prior to this broadcast on the Newcrest website.

http://www.newcrest.com/investors/reports/financial/

Should you be unable to join us, the webcast will also be available for viewing following the live presentation.

Authorised by the Newcrest Board Executive Committee

For further information please contact

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This information is available on our website at www.newcrest.com

[1] All figures in this release relate to businesses of the Newcrest Mining Limited Group ('Newcrest' or 'the Group') for the 12 months ended 30 June 2020 ('current period') compared with the 12 months ended 30 June 2019 ('prior period'), except where otherwise stated. All references to 'the Company' are to Newcrest Mining Limited.

[2] Statutory profit is profit after tax attributable to owners of the Company.

[3] Newcrest's results are reported under International Financial Reporting Standards ("IFRS"). This report also includes certain non-IFRS financial information, including the following:

- 'Underlying profit' is profit or loss after tax before significant items attributable to owners of the Company.
- 'EBITDA' is earnings before interest, tax, depreciation and amortisation, and significant items. 'EBIT' is earnings before interest, tax and significant items.
- 'EBITDA Margin' is EBITDA expressed as a percentage of revenue. 'EBIT Margin' is EBIT expressed as a percentage of revenue.
- 'ROCE' is 'Return on capital employed' and is calculated as EBIT expressed as a percentage of average total capital employed (net debt and total equity).
- 'Interest coverage ratio' is calculated as EBITDA adjusted for facility fees and discount unwind on provisions, divided by net interest payable (interest expense adjusted for facility fees, discount unwind on provisions and interest capitalised).
- 'AISC' is All-In Sustaining Cost and 'AIC' is All-In Cost as per updated World Gold Council Guidance Note on Non-GAAP Metrics released November 2018. AISC will vary from period to period as a result of various factors including production performance, timing of sales and the level of sustaining capital and the relative contribution of each asset. AISC Margin reflects the average realised gold price less the AISC per ounce sold.
- 'Net debt to EBITDA' is calculated as net debt divided by EBITDA for the preceding 12 months.
- 'Free cash flow' is calculated as cash flow from operating activities less cash flow related to investing activities. Free cash flow for each operating site is calculated as Free cash flow before interest, tax and intercompany transactions.
- 'Free cash flow before M&A activity' is 'Free cash flow' excluding acquisitions, investments in associates and divestments.
- Underlying profit, EBIT, EBITDA, EBITDA Margin, EBIT Margin, Free cash flow, All-In Sustaining Cost, All-In Sustaining Cost Margin, All-In Cost, Sustaining capital and Major projects (non-sustaining) capital, ROCE and Interest coverage ratio are non-IFRS financial measures which Newcrest employs in managing the business. They are used by Management to assess the performance of the business and make decisions on the allocation of resources and have been included in this report to provide greater understanding of the underlying financial performance of Newcrest's operations. When reviewing business performance this non-IFRS information should be used in addition to, and not as a replacement of, measures prepared in accordance with IFRS.

These measures have not been subject to audit or review by Newcrest's external auditor. These measures do not have any standard definition under IFRS and may be calculated differently by other companies. Refer to section 6 of the Operating and Financial Review of the "ASX Appendix 4E and Financial Report" for a reconciliation of non-IFRS measures to the most appropriate IFRS measure.

[4] Total Recordable Injury Frequency Rate per million hours worked

[5] During the current period Newcrest adopted AASB 16 Leases and elected to apply the modified retrospective method of adoption. Under this method, comparative figures are not required to be restated and continue to be presented under the previous standard, AASB 117. Refer to Notes 2(b) and 22 of the consolidated financial statements for further details.

[6] On 15 August 2019, Newcrest acquired a 70% interest in, and operatorship, in the Red Chris mine for cash consideration of $769 million. The consideration of $769 million is shown net of debt and working capital adjustments acquired on completion. Refer to Note 32(b) of the consolidated financial statements for further details.

[7] The payment of $460 million represents the cash consideration paid for the acquisition of the Gold prepay agreement, the Stream Credit facility and the Offtake agreement in respect of Lundin Gold Inc's Fruta del Norte mine.

[8] All data relating to operations is shown at 100%, with the exception of Red Chris which is shown at 70% and Fruta del Norte which is shown at 32%. Prior to divestment, Newcrest owned 75% of Gosowong through its holding in PT Nusa Halmahera Minerals, an incorporated joint venture.

[9] Newcrest finalised the sale of its 75% interest in Gosowong on 4 March 2020 ('divestment date'). Production and financial outcomes for the current period represent Newcrest's period of ownership to the divestment date. In the current period, net proceeds of $20 million were received with a further $30 million payable in 18 months post transaction completion.

[10] Group gold production in the current period includes 16,422 ounces from the Fruta del Norte mine (owned and operated by Lundin Gold) of which Newcrest has a 32% interest. Due to the negligible impact of Fruta del Norte's AISC on Newcrest's FY20 AISC, it has been excluded from Newcrest's calculation. Newcrest accounts for its 32% interest using the equity accounting method, refer to Note 31(b) of the consolidated financial statements for further details.

[11] AISC margin determined using the March 2020 YTD realised gold price of $1,489 per ounce.

[12] Stage 1 of the Cadia Expansion Feasibility Study has been prepared with the objective that its findings are subject to an accuracy range of ±15%. Stage 2 has been completed to a Pre-Feasibility Study level with its findings at an accuracy range of ±25%. The findings in the Study and the implementation of the Cadia Expansion Project are subject to all necessary approvals, permits, internal and regulatory requirements and further works. The estimates are indicative only, are subject to market and operating conditions and should not be construed as guidance.

[13] Disclaimer: These materials include 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 these materials. 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, particularly in the current economic environment with the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic. 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.

[14] The guidance stated assumes weighted average copper price of $2.70 per pound, AUD:USD exchange rate of 0.68 and CAD:USD exchange rate of 0.74 for FY21.