

2021 Annual Report



Our purpose is to create a brighter future for people through safe and responsible mining.

About

Newcrest is the largest gold producer listed on the ASX (ASX, TSX, PNGX: NCM) and is one of the world's largest gold mining companies. We operate gold and copper mines in Australia, Canada and Papua New Guinea and have a strong pipeline of organic growth and exploration projects. We have strong technical capabilities across the value chain, from exploration through to many different forms of mining and processing. We have a distinctive capability in block caving and a long reserve life.

Vision

To be the Miner of Choice:

- Valued by our people and communities
- Respected by our partners, customers, suppliers and peers
- Celebrated by our owners

Our edge

Collaboration, innovation and an owner's mindset





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Summary of Financial Performance¹

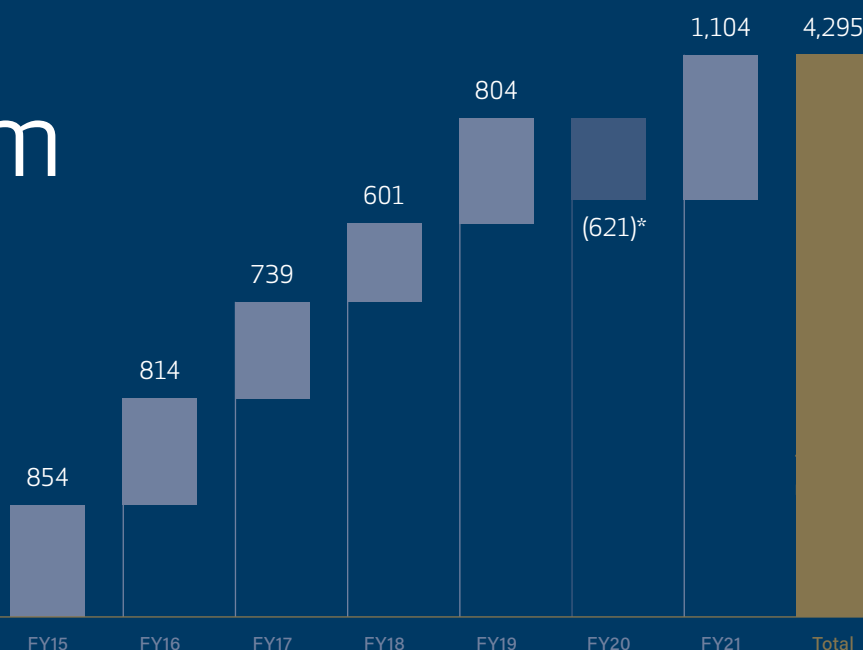
Record free cash flow of \$1.1bn for FY21²

Cumulative free cash flow (FY15-FY21) (\$m)²

\$4,295m

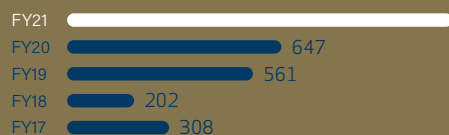
Total dividends for FY21³

US55cps



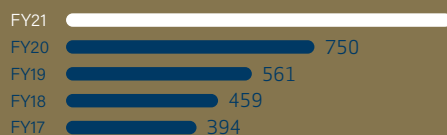
Statutory profit (\$m)

\$1,164m



Underlying profit (\$m)²

\$1,164m



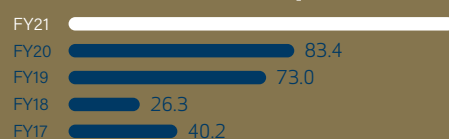
AISC margin (\$/oz)^{2,4}

\$876



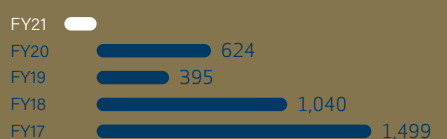
Earnings per share (cps)

142.5cps



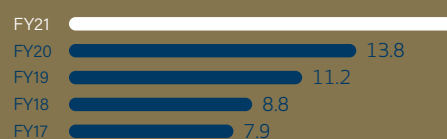
(Net cash) or net debt

(\$176m)



ROCE (%)²

18.5%



* Free cash flow for FY20 includes investments in M&A activity which includes 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 the divestment of Gosowong of \$20 million and a payment of \$3 million for an interest in Antipa Minerals Ltd.

¹ All financial data presented in this Annual Report is quoted in US dollars unless otherwise stated.

² For this reference and other references to non-IFRS financial measures throughout this Annual Report, refer to the Endnotes in the Operating and Financial Review (within the Directors' Report) regarding the inclusion and definitions of non-IFRS financial measures.

³ Represents dividends declared/determined in respect of FY21.

⁴ Newcrest's AISC margin for FY21 has been determined by deducting the AISC attributable to Newcrest's operations of \$920/oz from Newcrest's realised gold price for FY21 of \$1,796/oz.

Creating value for our stakeholders



Communities

We believe that a planned, transparent and constructive approach to community engagement and development is critical to maintaining our licence to operate and ensuring that our host communities benefit from Newcrest's operations.

New Landholder Agreement at Lihir

Newcrest announced in December 2020 that it had signed new compensation, relocation and benefits sharing agreements with the mining lease landholders at Lihir. It is expected that these new agreements will enhance socio-economic development outcomes for landholders and the broader Lihirian community, and enable benefits to be distributed directly to their intended beneficiaries. The agreements also enable the efficient and transparent distribution of compensation and benefits.

Newcrest's Community Support Fund

In April 2020 we announced our

A\$20 million Community Support Fund

which was established to help support our host communities with the challenges associated with the COVID-19 pandemic. Since its inception, the Fund has supported a variety of initiatives ranging from immediate health assistance to livelihood restoration and economic recovery across Papua New Guinea, Australia, Canada (British Columbia) and Ecuador. We recently extended the Fund through to June 2022 and look forward to seeing its continued benefits over the next 12 months.

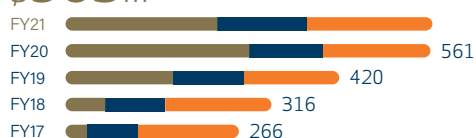


Government

We believe that Newcrest's activities positively contribute to the economies of the jurisdictions in which we operate through taxes and royalties paid to Governments.

Taxes Paid FY17 to FY21 (\$m)⁵

\$563m



● Corporate taxes ● Mining royalties ● Other taxes



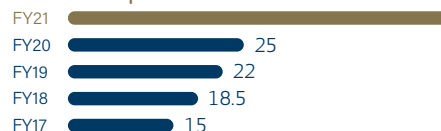
Shareholders

To achieve the safe delivery of superior returns to our shareholders, we strive to:

- safely realise the full potential of our operating assets;
- apply our technical expertise to unlock value in orebodies that we currently own or can acquire;
- leverage our exploration and technical expertise to discover new gold/copper orebodies;
- maintain capital discipline when deploying all growth and exploration opportunities to ensure financial strength throughout the capital cycle; and
- deliver returns to shareholders through share price performance and dividends (in line with our dividend policy).

Sixth consecutive year of increased dividends⁶

US55cps



Environment

Newcrest is progressing multiple near-term greenhouse gas reduction opportunities and will pursue innovative solutions and technologies in the longer term, as well as increasing its focus on improvements in water usage and biodiversity management.

Net Zero Carbon Emissions by 2050

In May 2021, Newcrest announced that it had set a goal of **net zero carbon emissions by 2050**

which relates to its operational (Scope 1 and Scope 2 emissions). Newcrest intends to work across its value chain to reduce its Scope 3 emissions.

Reducing Greenhouse Gas Emissions

Newcrest has committed to a 30% reduction in greenhouse gas emissions intensity by 2030⁷.

In December 2020, Newcrest entered into a renewable energy PPA for Cadia which is expected to help deliver a ~20% reduction in Newcrest's greenhouse gas emissions from calendar year 2024 and is a significant step towards achieving its targeted 30% reduction by 2030⁸.

⁵ Between FY17 and FY21, taxes and royalties paid or borne by the Group totalled \$2.1bn worldwide.

Other taxes include employee and other withholding taxes, employer taxes, customs duties, non-recoverable VAT, rates and levies generated in respect of Newcrest's operations.

⁶ Dividends declared/determined in respect of each financial year.

⁷ Kg CO₂-e per tonne of ore treated and compared to a baseline of FY18 emissions.

⁸ PPA = Power Purchase Agreement. The PPA, together with the forecast decarbonisation of electricity in New South Wales is expected to deliver a ~20% reduction in greenhouse gas emissions. Refer to market release titled "Newcrest signs renewable energy PPA to help deliver ~20% reduction in greenhouse gas emissions" dated 16 December 2020, which is available to view at www.asx.com.au under the code "NCM" and on Newcrest's SEDAR profile.

Chairman's Report

Dear Shareholder,

I am pleased to present Newcrest's Annual Report for FY21 which outlines our progress and achievements for the year.

Net Zero Emissions goal

Net zero
carbon emissions
by 2050

New dividend policy

Targeting a free cash flow
payout of at least 30–60%,
with a minimum total annual
dividend of US 15cps

FY21 Result:

41%

payout of FY21's free cash flow

Total dividends for FY21

US 55cps

It has now been six years since Newcrest established its safety transformation plan and the benefits are evident throughout our business. We are now approaching six years free of fatalities and have reported a pleasing 12% improvement in injury rates compared to the prior year.

At the 2020 Annual General Meeting I spoke about the devastating impact the COVID-19 pandemic was having on lives and economies across the world. Our number one priority during the pandemic has been the health and safety of our people and local communities. We continue to apply a wide range of precautionary measures throughout the business which include strict hygiene and social distancing requirements as well as comprehensive testing, quarantine and contact tracing procedures to keep people safe and help minimise disruptions to our operations.

In April 2020 we announced our A\$20 million Community Support Fund which was established to help support our host communities with the challenges associated with the COVID-19 pandemic. Since its inception the Fund has supported a variety of initiatives ranging from immediate health assistance to livelihood restoration and economic recovery in Papua New Guinea, Australia, Canada and Ecuador.

Notable initiatives of the Fund during the year have included a commitment to support vaccine rollout (and additional in-kind logistical support) as a Founding Member of the COVID Vaccination Alliance of UNICEF Australia in Papua New Guinea as well as contributing to the establishment of the first Intensive Care Unit in the Province of Zamora-Chinchipe (Ecuador), in partnership with other mining companies and Ecuadorian authorities. We recently extended the Fund through to June 2022 and look forward to seeing its continued benefits over the next 12 months.

In the second half of the financial year, we announced our Purpose of *Creating a brighter future for people through safe and responsible mining*. This is about delivering more than just safety, profits and growth – it is about leaving a positive impact for all our stakeholders such that they are better off by us operating in proximity to their community and from having invested in us, partnered with us or worked with us.

We understand that our employees, younger generations, investors, governments and the broader society look to the corporate world to take the lead on Environmental, Social and Governance (ESG) matters.

Newcrest recognises that we have a responsibility to do our part to reduce the impact of climate change and in May 2021 we announced our goal of net zero carbon emissions by 2050¹. We believe that as an industry we have the ingenuity, technology and capability to reduce our carbon footprint, and these capabilities position us well as we target a zero-carbon emissions future.

At Newcrest we also recognise the benefits of using strategic partnerships to realise our goal of net zero carbon emissions. One such example is the landmark 15-year renewable energy Power Purchase Agreement (PPA) that we signed with a wind farm developer for an amount of energy which represents a significant portion of Cadia's future projected energy requirements. The PPA will act as a partial hedge against future electricity price increases and will provide Newcrest with access to large-scale generation certificates which Newcrest intends to surrender to achieve a reduction in its greenhouse gas emissions. The PPA, together with the forecast decarbonisation of electricity generation in New South Wales, is expected to help deliver a ~20% reduction in Newcrest's greenhouse gas emissions from calendar year 2024 and is a significant step towards the achievement of our previously announced target of a 30% reduction in greenhouse gas emissions intensity by 2030².

1 Relating to Newcrest's operational (Scope 1 and Scope 2) emissions. Newcrest intends to work across its value chain to reduce its Scope 3 emissions.

2 Kg CO₂-e per tonne of ore treated and compared to a baseline of FY18 emissions.

On the people front, we acknowledge that a broad and diverse pool of talent is essential to deliver on our strategies and make a positive impact on society. To us this means a workforce comprised of skilled professionals from diverse backgrounds.

During the year we continued to focus on increasing female representation across our business and made great progress attracting a broader diversity of talent. We increased our global hiring of external female talent to 23% (from 15% in FY20), thereby increasing our overall global female representation to 15.6% (from 14.8% in FY20). We remain committed to retaining, developing and providing leadership opportunities to our all of our people, especially our female talent.

Over the last few years we have observed significant failures in our industry, such as the destruction of significant cultural heritage sites and tailings dam failures. Whilst these tragedies reflect poorly on the mining industry they also present opportunities to learn and improve our governance and risk management practices to prevent such incidents occurring again in the future.

At Newcrest we recognise the importance of cultural heritage for current and future generations. We have robust policies and standards in place such as Newcrest's Indigenous, Human Rights and Communities Policies which underpin the protection and preservation of cultural heritage. We conduct regular cultural heritage assessments at each of our operating and exploration sites in partnership with Traditional Owners, Landowners and First Nations people and incorporate their views into our decision-making.

In February 2021, we released our revised Tailings Governance Policy which sets out Newcrest's commitment to managing tailings storage facilities safely and responsibly.

Newcrest is committed to designing, operating, closing and remediating its tailings storage and disposal facilities in a safe, socially and environmentally responsible manner, in compliance with the Global Industry Standard on Tailings Management.

During the year, we announced several changes to the composition of Newcrest's Board and Executive Committee. We welcomed Ms Sally-Anne Layman as an independent Non-Executive Director and a member of the Audit and Risk Committee and Ms Jane McAloon as an independent Non-Executive Director and a member of the Human Resources and Remuneration Committee.

We also announced the resignation of Ms Xiaoling Liu in September 2020 and the decision of Mr Gerard Bond, Newcrest's Finance Director and Chief Financial Officer, to leave Newcrest in early 2022. Gerard is the longest serving member of the Newcrest Board and Executive Committee and he has made a significant contribution to Newcrest's success during his ten year tenure. We thank Gerard for his dedication and service to the Company and wish him every success for the future.

In February 2021, the Board approved a new dividend policy that retains the minimum total annual dividend of US 15 cents per share but increases the target percentage of free cash flow to be paid in dividends to be at least 30–60% (up from the previous policy target of at least 10–30% of annual free cash flow generation).

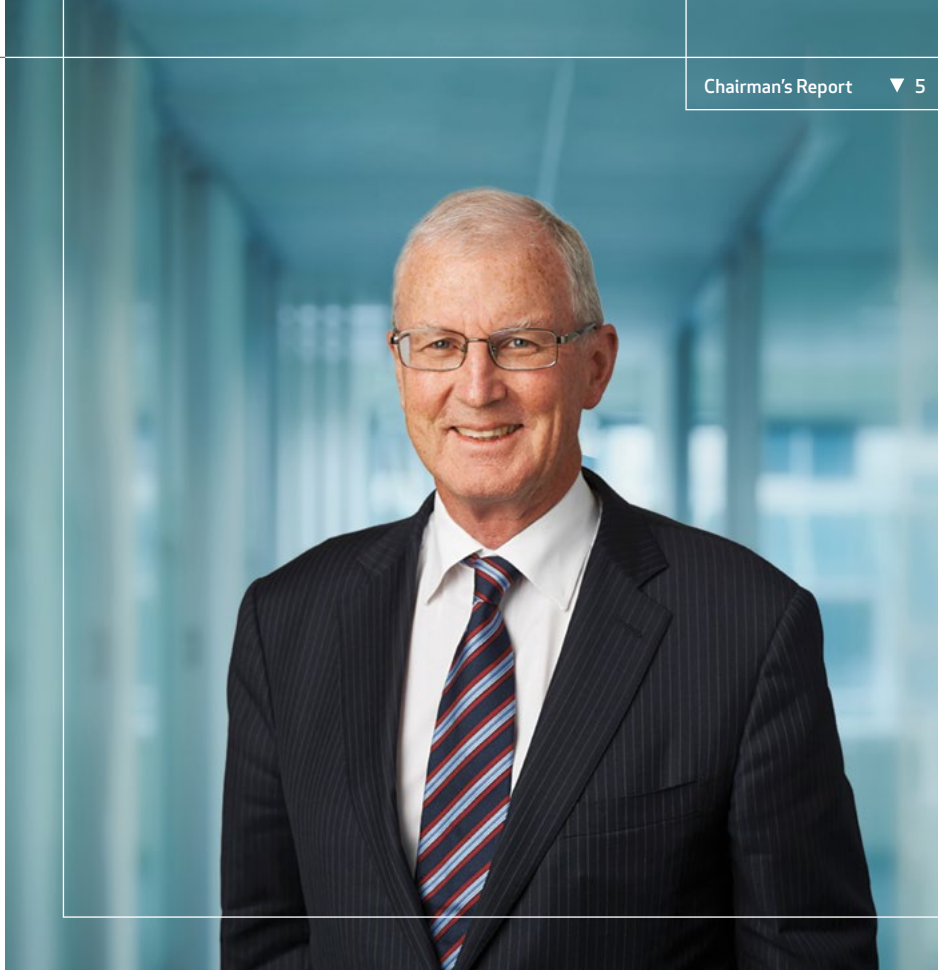
Having regard to Newcrest's record free cash flow generation, strong balance sheet and our future outlook, the Board has determined to pay a fully franked, final dividend of US 40 cents per share, which is 129% higher than the final dividend for FY20. This equates to a total full year dividend of US 55 cents per share which represents a 41% payout of FY21's free cash flow and marks our sixth consecutive year of increasing dividend payments to shareholders.

Newcrest recently announced that I plan to retire as a Director and Chairman of the Newcrest Board, effective immediately after the Company's Annual General Meeting on 10 November 2021. I would like to take this opportunity to thank all of our shareholders for your continued support over my eight year tenure.

We believe that Newcrest is a unique offering in the gold industry, with a low Group All-In Sustaining Cost per ounce, an exciting pipeline of organic growth options, long reserve life, strong exploration and technical capabilities and a strong balance sheet.

The Board remains confident about the Company's prospects under the leadership of a strong and committed management team.

Peter Hay
Chairman



Managing Director's Review

Dear Shareholder,

Thank you for your continued support and investment in Newcrest through what has been another year of strong operational and financial performance.

Newcrest produced

2.1Moz
of gold for the financial year

All-In Sustaining Cost

\$911
per ounce

Statutory and Underlying Profit

\$1.2billion

In April 2021, Newcrest celebrated its 30 year anniversary which was a significant milestone for the Company. Over our 30 year history we have established a strong track record of discovering and commercialising major deposits all over the world, including our world-class Cadia asset. Today, Cadia is one of the world's largest and lowest cost gold and copper producers, with an expected multi-decade future.

Earlier this year we announced our *Forging an even stronger Newcrest* plan which outlined our aspirations across five key pillars of Safety and Sustainability, People, Operating Performance, Technology and Innovation and Profitable Growth that we hope to achieve by the end of calendar year 2025.

A key component of this plan was defining what we are here to do, which culminated in the creation of our new Company Purpose: *Creating a brighter future for people through safe and responsible mining*. We found the common motivation that permeates through our company is that we all want to create a brighter future for people.

At Newcrest, safety and sustainability is core to how we run our business. Our unwavering focus is ensuring that everyone goes home safe and healthy each day and we strive to ensure that our local communities trust us because of our environmental and social performance.

Newcrest's overarching objective remains the safety and health of our people. We have made excellent progress across our safety objectives during the year and are now nearly six years free of fatalities. We have also achieved industry-leading low injury rates of 2.3 injuries per million hours, which is a 12% improvement compared to the prior year¹.

It has now been more than 18 months since the start of the COVID-19 pandemic and we are still witnessing its devastating impacts across the world. Our operations were able to continue producing without any material impacts to production, which is largely due to the commitment and personal sacrifice of our people. I extend my personal gratitude to those who have endured extended periods away from their families to ensure that our business was able to continue without material disruption.

My proudest achievement for the year has been our safety transformation at Red Chris. When we acquired our 70% interest in August 2019, Red Chris' injury rates and their severity were significantly higher than our other operations. We immediately implemented our *NewSafe* program which, together with our investments to improve working conditions, has helped to transform on-site safety behaviours and safety performance. Our significant investment in safety has translated to a 48% reduction in injury rates at Red Chris when compared to this time last year.

In FY21, we continued our memberships with the International Council on Mining and Metals (ICMM), the World Gold Council (WGC) and the Minerals Council of Australia (MCA) and have now incorporated the ICMM's 10 Principles for Sustainable Development and the WGC's Responsible Gold Mining Principles into our Sustainability Framework. We also made great progress implementing our flagship sustainability-related policies of Climate Change, Water Stewardship, Biodiversity and Communities throughout our business.

A key part of *Forging an even stronger Newcrest* is our commitment to developing our people. We recognise that building capabilities and creating career opportunities across our business is not only important for our people but is critical to our success now and into the future.

Over the past year we have focused on building an inclusive and psychologically-safe work environment where our people feel heard, empowered and able to speak up. We believe that this is the foundation for increasing collaboration and innovation in the workplace and is also key to attracting the best talent in the mining sector, regardless of their background or experience.

We delivered another strong operational and financial performance for FY21, producing 2.1 million ounces of gold at an All-In Sustaining Cost (AISC) of \$911 per ounce. Our strong operating performance, combined with the benefit of higher gold and copper prices, underpinned a record free cash flow of \$1.1 billion and a record statutory and underlying profit of \$1.2 billion, 80% and 55% higher than the prior year respectively.



Our Tier 1 Cadia asset had another outstanding year, delivering record mine and mill performance which resulted in record copper production and its lowest reported AISC of negative \$109 per ounce. Cadia also exceeded the top end of its production guidance range, delivering gold production of 765koz and generating a record free cash flow of \$1.2 billion.

For the financial year, Lihir produced 737koz of gold and generated free cash flow of \$321 million. In February 2021 we released the findings of our Lihir Mine Optimisation Study which included an optimised mine plan, the deferral of the construction of the Seepage Barrier (and its associated capital cost) by a further ~18 months, and the identification of an opportunity to unlock additional high grade mineralisation from Phase 14A. The Phase 14A opportunity represents further upside from Lihir's new optimised mine plan which, subject to the completion of a Pre-Feasibility Study, has the potential to bring forward our aspiration for Lihir to be a 1 million ounce plus producer.

Telfer delivered a solid performance for the financial year, producing 416koz of gold and generating free cash flow of \$82 million. In August 2021, we announced that we will proceed with the West Dome Stage 5 cutback, which underpins the continuity of operations at Telfer for at least the next two years². With the excellent progress we are making at the nearby Havieron project, our objective is to continue utilising the Telfer plant without interruption as we look to introduce Havieron and other new potential feed sources in the future.

Our 70% share of Red Chris equated to gold production of 46koz and an AISC of \$2,248 per ounce. Red Chris' elevated AISC outcome reflects the significant investments we have made to improve the operation and its safety culture.

As a gold company, our copper production is often overlooked. For FY21 we reported record copper production of 142.7 thousand tonnes, which represented 22% of our total net revenue for the year.

We expect that the contribution of copper will continue to increase, with the relative proportion of copper to Cadia's revenue expected to increase over the coming years in line with the estimated grade profile of gold and copper. We also have significant copper potential at Red Chris, Havieron, Wafi-Golpu and Namosi.

I have always seen copper as an excellent complement to our gold portfolio as it provides us with good earnings diversification and makes us more resilient and profitable in the longer term. Both gold and copper are metals of the future, with copper in particular being key to a low carbon world.

It is a very exciting time at Newcrest as we progress our multitude of organic growth options. At Cadia, the Molybdenum Plant is in commissioning and the Expansion Project and PC1-2 Early Works program are underway. We continue to progress the construction of exploration declines at the Havieron and Red Chris Projects following the completion of box cuts in the second half of this calendar year.

At the Wafi-Golpu Project, the Environment Permit was granted in December 2020. The Governor of Morobe Province and the Morobe Provincial Government have applied to the National Court of Papua New Guinea for judicial review of the decision to grant the Environmental Permit. The judicial review application is in progress and at this stage project and permitting activities can continue. We are currently engaging with the State of Papua New Guinea, in conjunction with our joint venture partner Harmony Gold, to progress permitting of the Wafi-Golpu Project and have commenced discussions with the State in relation to the Special Mining Lease.

During the year we invested \$115 million on exploration activities as we look to grow our company organically through greenfield and brownfield exploration.

At Red Chris, we discovered East Ridge which is an exciting new zone of higher grade mineralisation located outside of Newcrest's initial Mineral Resource estimate and at Havieron we have an extensive growth drilling program focused on potential resource expansion across several key targets.

We recently announced that Peter Hay intends to retire as a Director and Chairman of the Newcrest Board, effective immediately after our Annual General Meeting on 10 November 2021. On behalf of all of us at Newcrest I would like to thank Peter for his strong leadership and contribution to Newcrest and wish him every success for the future.

The past year has provided challenges, significant progress and many achievements and I thank everybody at Newcrest for their resilience and dedicated contribution to making this possible.

I also extend my thanks to our shareholders, suppliers, customers and local communities for their continued support.

Newcrest is well positioned for the new financial year, with a strong balance sheet, an exciting pipeline of organic growth options and a well-articulated roadmap to *Forging an even stronger Newcrest*.

I look forward to sharing the story that lies ahead of us and working together to achieve it.

Sandeep Biswas

Managing Director and
Chief Executive Officer

¹ Injury rates are lowest quartile when compared to the International Council on Mining & Metals report titled "Safety Performance – Benchmarking progress of ICMM company members in 2020".

About Newcrest

Newcrest is one of the world's largest gold mining companies. Our Purpose is to *create a brighter future for people through safe and responsible mining.*

We are known for our strong technical capabilities across the value chain, from exploration through to many different forms of mining and processing. We also have a distinctive capability in block caving and a long reserve life.

We are committed to creating a work environment where everyone can go home safe and healthy every day, and where everyone actively contributes to this outcome.

Our Vision

To be the Miner of Choice

- Valued by our people and communities
- Respected by our partners, customers, suppliers and peers
- Celebrated by our owners

Our edge

Collaboration, innovation and an owner's mindset

Investor Proposition



Long
reserve life



Low cost
production



Strong
exploration
and technical
capabilities



Organic
growth
options



Do what
we say



Financially
robust

Our Values



Caring about
people



Integrity
and honesty



Working
together



Innovation
and problem
solving



High
performance

Significant Copper Mineral Resources and Ore Reserves

Record copper production in FY21

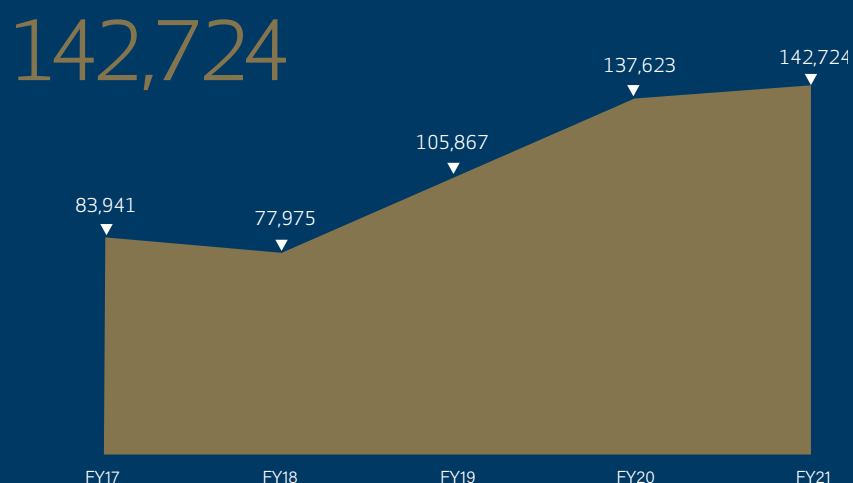
~22%
of total FY21 net revenue

Copper is expected to become a higher proportion of Cadia's revenue over the next ~30 years

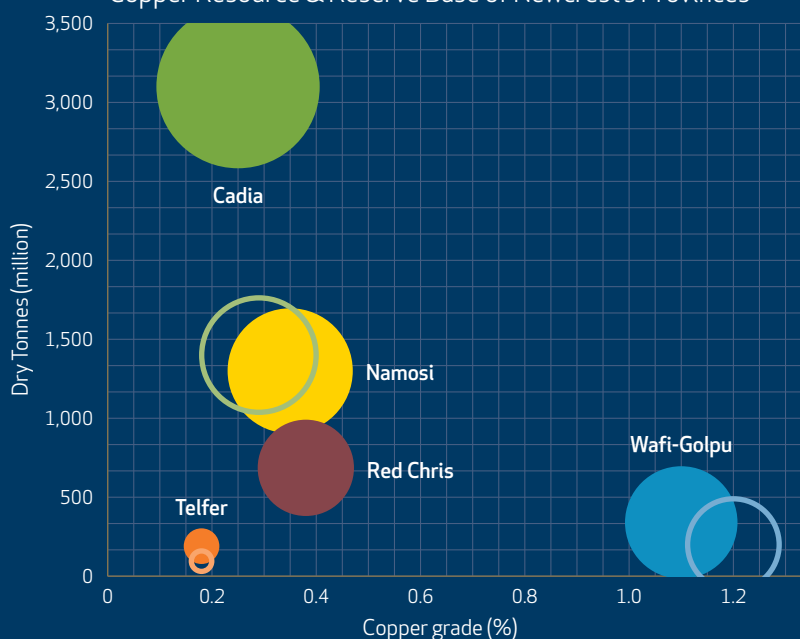
Significant copper resources drive potential for copper upside at Golpu, Red Chris, Havieron and Namosi

- Resources represent Measured & Indicated Mineral Resources. The Mineral Resource estimate for Red Chris has been extracted from Newcrest's release titled "Newcrest announces its initial Mineral Resource estimate for Red Chris" dated 31 March 2021, but is subject to depletions for the period since 1 January 2021. For Ore Reserve & Mineral Resource estimates for Newcrest's other provinces refer to Newcrest's release titled "Annual Mineral Resources and Ore Reserves Statement – 31 December 2020" dated 11 February 2021, but note that such figures are subject to depletion for the period since 1 January 2021. Figures represent Newcrest's interest.
- Newcrest recently announced an updated Ore Reserve and Mineral Resource estimate for Cadia East (refer Newcrest release "Cadia PC1-2 Pre-Feasibility Study delivers attractive returns" dated 19 August 2021, which is available to view at www.asx.com.au under the code "NCM" and on Newcrest's SEDAR profile). The reserves for Cadia East comprise a portion of the reserves for the Cadia operations. The estimates included in that release are not reflected in the charts on this slide (as estimates for the remainder of the Cadia operations have not been updated since their effective date) and supersede the estimates for Cadia East included in Newcrest's release titled "Annual Mineral Resource and Ore Reserves Statement – 31 December 2020" dated 11 February 2021.

Copper Production (tonnes)



Copper Resource & Reserve Base of Newcrest's Provinces^{1,2}



Area of bubble represents proportionate size of insitu copper (million tonnes)

● Full circles represent Measured and Indicated Resources ○ Empty circles represent Ore Reserves

Our Strategy

Forging an even stronger Newcrest

In February 2021 we announced our *Forging an even stronger Newcrest* plan which outlined our aspirations across five key pillars of Safety and Sustainability, People, Operating Performance, Technology and Innovation and Profitable Growth that we hope to achieve by the end of calendar year 2025.

This plan builds on what we have already achieved under our *Forging a stronger Newcrest* plan and will help drive our aspirations for the next five years.

Our Aspirations



We are a safe and sustainable business.

Everyone goes home safe and healthy every day. Communities trust us because of our environmental and social performance.



We have the best people.

We have a high-performance, inclusive culture where everyone can thrive and excel.



We are outstanding operators.

We safely operate our assets to their full potential.



We are a leader in innovation and creativity.

We create lasting value through audacious breakthroughs.



We grow profitably.

We have an industry leading portfolio that delivers superior returns and growth.

What we will do

Measures

FY21 Progress¹

- Sustain and build on the NewSafe, CCM and Process Safety programs
- Accelerate the roll out of our health and wellbeing programs
- Deliver our Social Performance program in partnership with host communities to leave a positive legacy
- Deliver on our public environmental commitments and policies

- Zero fatalities or life-changing injuries
- Top decile TRIFR
- No repeat SPIs
- Achieving our Greenhouse Gas emission intensity reduction and water efficiency targets
- Top decile performance for Metals & Mining in the Dow Jones Sustainability Index

- Approaching six years free of fatalities
- Industry-leading low injury rates²
- Goal of net zero carbon emissions by 2050³
- Cadia renewable energy PPA is expected to help deliver ~20% reduction in Group emissions intensity from 2024⁴
- New compensation, relocation and benefits sharing agreements with the mining lease landholders at Lihir

- Enable our people to reach their full potential through training and focused career development opportunities
- Embed performance management and recognition programs
- Build an inclusive and diverse workforce by implementing our D&I plans
- Strengthen Inclusive Leadership at all levels in the organisation

- Top decile Organisational Health
- Top half of industry diversity metrics
- Year on year improvement in Organisation Health inclusion measures
- At least 50% of our appointments are internal candidates

- Progressing our objective of creating a diverse, inclusive and psychologically safe work environment
- Senior leaders are actively engaged in an inclusive leadership program
- Increased global hiring of female talent to 23% (from 15%)

- All our people apply the Edge mindset with a focus on maximising sustainable cash generation
- Deliver on our full potential targets under the Edge program
- Deliver on robust value-focused budgets and business plans
- Deliver on MOS, Asset Management and Process Control & Analytics plans
- Actively manage & reduce our material risks

- Consistently meet or exceed Budget
- Performance v industry benchmarks and technical limits
- Top quartile Overall Equipment Effectiveness (OEE)
- Lowest quartile AISC per ounce
- No major unplanned operational interruptions

- Cadia delivered ore mined & milled records and exceeded its production guidance for FY21
- Cadia achieved record low AISC of negative \$109/oz for FY21

- Further improve operational safety and sustainability through technology
- Extend our caving leadership position
- Apply digital, big data, automation and other future of mining technologies to realise step change improvements in operating efficiencies
- Make technology breakthroughs to release the full value of our orebodies
- Rapid experimentation and adoption through collaboration with others

- No major unexpected geotechnical events
- 15 Moz eq of innovation driven growth in Ore Reserves⁵
- 20% improvement in operational efficiency and sustainability measures⁵
- \$1 Bn of incremental NPV added through breakthroughs⁵

- Studying the application of civil engineering techniques to Phase 14A which could enable access to existing Indicated Mineral Resources
- Assessing whether these techniques can be applied to other cutbacks at Lihir which could enable a further deferral of the construction of the Seepage Barrier

- Disciplined capital allocation
- Maximise exploration success through technology and Newcrest know how
- Execute Projects in a capital efficient way on budget and on schedule
- Execute value accretive M&A

- Add to our portfolio of Tier 1 and Tier 2 orebodies
- 2-3 greenfield discoveries
- Havieron in production
- Red Chris block cave nearing production
- Wafi-Golpu project approved and in development

- Cadia Moly plant in commissioning
- Cadia Expansion Project and PC1-2 Early Works Program underway at Cadia
- Progressing construction of exploration declines at Havieron and Red Chris
- Telfer WDS5 cutback underpins long term potential
- Recommended Wafi-Golpu SML discussions

1. As at 31 August 2021 and reflects progress made since announcing Newcrest's *Forging an even stronger Newcrest* plan in February 2021.
2. Injury rates are lowest quartile when compared to the International Council on Mining & Metals report titled "Safety Performance – Benchmarking progress of ICMM company members in 2020".
3. Relating to Newcrest's operational (Scope 1 and Scope 2) emissions. Newcrest intends to work across its value chain to reduce its Scope 3 emissions.
4. Refer to market release titled "Newcrest signs renewable energy PPA to help deliver ~20% reduction in greenhouse gas emissions" dated 16 December 2020.
5. Aspirational statements, which are not to be construed as guidance.

Safety & Sustainability

At Newcrest, safety and sustainability is core to how we run our business. Our goal is to ensure that everyone goes home safe and healthy every day, and that communities trust us because of our environmental and social performance.

Goal of net zero carbon emissions by

2050

First modern slavery statement published in December 2020

Safety

We empower our people to be safe, in an environment in which they have the authority and responsibility for their own safety and the safety of others. We strive to create an environment where everyone can make a difference and share their concerns, insights and learnings with others, no matter where our people are or what they do.

Our Safety Transformation Plan, established in 2015, continues to direct our efforts and deliver results. We believe that an ongoing focus on culture, controls and systems is required to continue to improve our safety and health performance.

- **Our safety culture**
is centred around *NewSafe*, which drives our understanding of why people do the things they do and how we can all influence the right safety outcomes.
- **Our Critical Control Management system**
provides the review, approval and verification steps for high-risk tasks. This system helps our workforce identify which tasks could cause fatalities or life-changing injuries and verifies that preventative controls are in place before commencing the task.
- **Process Safety**
is aimed at managing chemical and energy hazards through the proper design and operation of our assets. It strives to reduce the risk of the types of events that can cause multiple fatalities.

Our overarching aim remains the elimination of fatalities and life-changing injuries from our business. We have made excellent progress across our safety objectives during the year and are now nearly six years free of fatalities and have achieved a low 2.3 injuries per million hours, which is a 12% improvement on the prior year. Our lost time injury frequency rate (LTIFR) was 0.5 injuries per million hours worked, consistent with our performance in FY20.

Across Newcrest we have worked hard to respond to the threat of the COVID-19 pandemic in co-operation with the communities in which we operate. Newcrest continues to monitor the unfolding situation around the globe, seeking health advice and medical expertise and reviewing and updating our programs in response to local conditions.

Each decision has been guided by our values of *Caring about people* and *Working together* to respond to this crisis. We continue to work closely with government authorities and industry associations to guide the safe operations of mining during the pandemic and respond to travel restrictions.

Early on, Newcrest recognised the potential for the COVID-19 pandemic to have a severe impact on the health and wellbeing of our people and host communities. Through our *WellnessMatters* program Newcrest provided tools, education and support for our people to look after their mental and physical wellbeing resulting from the challenges of working remotely, being separated from family and managing life outside of work. The risk from COVID-19 still persists and we remain vigilant with our preventative controls.



Our purpose

Creating a brighter future for people through safe and responsible mining.

Our new Sustainability Strategy

Newcrest has introduced a new sustainability strategy that is underpinned by three of the five pillars of our *Forging an even stronger Newcrest* business plan. Over the next five years we will strive to:

- Be a safe and sustainable business
- Have the best people and
- Be outstanding operators

Our sustainability strategy has three main strategic imperatives:

1. Protect and inspire our people and respect nearby communities and host governments – capturing the internal and external social elements
2. Protect the environment – addressing operational eco-efficiency, climate strategy, water and waste management
3. Be a trusted and responsible miner – addressing growth and financial sustainability, reporting, transparency, and governance

Under this strategy we will also focus on material issues that drive the biggest change, enhance livelihoods and support the United Nations Sustainable Development Goals (SDGs).

During FY21 we continued our memberships with the International Council on Mining and Metals (ICMM), the World Gold Council (WGC) and the Minerals Council of Australia (MCA). Newcrest's Sustainability Framework incorporates the ICMM's 10 Principles for Sustainable Development and the WGC Responsible Gold Mining Principles (which have a three-year timeframe for implementation). We also continued to progress the implementation of our sustainability-related policies of Climate Change, Water Stewardship, Biodiversity, and Communities policies throughout our business.

In May 2021, Newcrest set a goal of net zero carbon emissions by 2050, which relates to its operational (Scope 1 and Scope 2) emissions.

Newcrest will also strive to work across its value chain to reduce its Scope 3 emissions.

The goal of "Net Zero" is in addition to our target of a 30% reduction in GHG emissions intensity per tonne of ore treated by 2030 (against a 2018 baseline), which we announced in June 2019. To inform investment decisions Newcrest has also adopted a protocol for applying shadow carbon prices of US\$25/tonne and US\$50/tonne CO₂-e for jurisdictions where there are no regulated carbon prices.

In FY21, Newcrest continued its progress to report in line with the recommendations of the Taskforce on Climate-related Financial Disclosures. Newcrest assessed the transition risks and opportunities, as well as physical risks, using climate scenario analysis over different time horizons to address the Strategy element of the TCFD recommendations. Under the TCFD framework, Climate Financial Driver Analysis (CFDA) is used to assess the financial impacts of the transition risks and opportunities pursuant to the selected scenarios.

The results of the CFDA indicate a risk of cost increases in the following areas:

- Carbon pricing
- Increased regulation in response to climate change
- Diesel price
- Oil price
- Uptake of low carbon technologies

However, there is opportunity for these potential risks to be offset by strong demand and prices for copper, together with Newcrest's expected increase in copper production.

Newcrest has identified the following physical risks in relation to its operating sites – water scarcity, flood, extreme heat, heat stress, wildfire, wind and cyclones, extreme cold and sea level rise. Adaptation measures and strategies have been identified for these main physical risks and will be assessed by Newcrest's operating sites.

The Global Industry Standard on Tailings Management was released on 5 August 2020 following endorsement by all three co-conveners of the Global Tailings Review, which included the United Nations Environment Program (UNEP), the Principles for Responsible Investment (PRI) and the ICMM. Newcrest, as a member of the ICMM, will continue to participate in the implementation program of the Global Tailings Standard. Newcrest's revised Tailings Governance Policy was released in February 2021.

Newcrest released its revised Human Rights Policy in October 2020, and released its first Modern Slavery Statement in December 2020.

Our approach to sustainability also includes community agreements, partnerships and investments to foster socio-economic advancement. Newcrest and its employees are involved in targeted local community programs, ranging from Indigenous employment and training, education, health and awareness programs to agribusiness and social housing initiatives.

Community support

Newcrest's A\$20 million Community Support Fund, launched in April 2020, has collaboratively delivered targeted support to local communities to assist them with the health impact of COVID-19 pandemic, as well as supporting economic recovery and vaccine research and distribution efforts. Major initiatives during the year have included a commitment of US\$1.8 million to support vaccine rollout (and in-kind logistical support) as a Founding Member of the COVID Vaccination Alliance of UNICEF Australia in Papua New Guinea with a focus on New Ireland Province. We also contributed to the establishment of the first Intensive Care Unit (ICU) in the province of Zamora Chinchipe in Ecuador, in partnership with other mining companies and Ecuadorian authorities. The ICU will provide much needed care in response to the COVID-19 pandemic and in the longer term is expected to support other critical health needs and emergency response capabilities of the regional Yantzaza Hospital.

People



We are building a culture and work environment that is inclusive and supports challenge, so as to create the conditions for high performance that leverages the diversity of talent within our business.

Best people

Essential to Newcrest's ability to meet our objectives is our ability to attract, develop and retain the best talent. This requires us to have an inclusive and high performing culture where everyone can thrive and excel. When we have a culture and work environment that supports challenge, we create the conditions for high performance that leverages the diversity of talent within our business.

Our focus over the past year has been to build an inclusive and psychologically-safe work environment where all our people feel heard, empowered and able to speak up. This is the foundation for collaboration and innovation. It also creates a workplace that is free from harassment and discrimination and ensures that everyone feels safe and supported. We also believe this will attract the best talent in the mining sector, regardless of their background or experience, and will grow the pool of talent available to Newcrest.

To consciously shape Newcrest's culture our most senior leaders, including our Executive Committee, have been actively engaged in an inclusive leadership program to develop their skills in self-awareness, empathy, curiosity, courage and vulnerability, creating psychologically-safe environments and ensuring everyone feels they belong and are valued at Newcrest. This program was designed with insights from over 1,100 of our people across the globe. We have also set up a Respect-at-Work Taskforce to proactively create the conditions for people to feel safe to speak up and address broader concerns in the mining industry regarding the risks of sexual harassment.

Recognising that organisational culture is vital to our continued success, in February 2021 we articulated a roadmap to achieve our 2025 aspirations. This builds on the inclusive leadership program and involves our senior leaders setting the tone and expectations for our organisation.

Our refreshed talent and succession processes have focused on ensuring we promote, progress and support our diverse and high potential talent to access career and development opportunities. This is enabled by having a diversified representation in our talent and succession plans, a focus on promoting internal talent and targeted development action plans to support our early career talent and emerging leaders.

Newcrest achieved Work180 endorsed-employer status which demonstrates our commitment to providing career opportunities to females. We also secured our membership with the Diversity Council Australia to provide all our employees and leaders access to resources, education and tools to support both inclusion and diversity initiatives.

As we continue our growth trajectory, we are building and acquiring the diversity of skill sets and talent we need as well as accelerating our capability to enable innovation, digitisation and automation of mining and related technologies.



Diversity

During the financial year, we have made strong inroads attracting a greater diversity of talent. We have increased our global hiring of external female talent from 15% to 23%, thereby increasing our overall global female representation from 14.8% to 15.6%. We are focused on reaching our stated goal of increasing female representation in Australia having achieved a 37% new hire rate for female talent within Australia during FY21 and improving female representation from 16.2% in FY20 to 17.3% in FY21¹. In Canada, we achieved a 25% external female hire rate and exceeded our target representation of 16.8% females by finishing FY21 with 19.3% females at our Red Chris site.

We remain committed to retaining, developing and providing leadership opportunities to all our people, especially our female talent.

In line with our aspirations, we have continued to invest in and develop our early careers programs. We have been working towards a gender balance in our early careers talent pools and have achieved 49% female representation. This includes our 2020/21 summer vacation program which achieved 56% female representation, and our recent graduate recruitment campaign for our 2022 Graduate program will achieve 40% female representation.

Our resilient workforce

The COVID-19 pandemic continues to test the resilience of our workforce. It has required relentless adaptability and flexibility to changes in our ways of work, and in many respects, it has accelerated positive change to allow for hybrid and flexible ways of working, increased use of digitisation and accessible virtual communication channels for us to continue to collaborate and enable business continuity.

At the site level, management teams have worked tirelessly to adapt to these new circumstances, implementing new health and hygiene standards to help keep people safe and healthy. Site teams continue to maintain dialogue with local communities around health advice, community health surveillance and sanitation practices. We are grateful to all of our workforce for practising our COVID-19 lifesaving behaviours which strive to keep our communities and each other safe.

Hiring external female talent

23%

Early careers programs

49%
female representation

Global female representation

15.6%

¹ Newcrest lodges annual reports with the Workplace Gender Equality Agency (WGEA) in relation to its Australian operations. A copy of these reports may be obtained from the WGEA website.

Operational Review

Red Chris¹

British Columbia, **Canada**
70% Newcrest Ownership

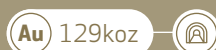


North America

- Jarbridge/Jack Creek (O)
- Fortuity 89 (O & FI)

Fruta del Norte (EI)²

Zamora-Chinchipe Province, **Ecuador**
32% Newcrest Ownership, through its
32% equity interest in Lundin Gold Inc.



Ecuador

- Lundin Gold (JV)
- SolGold (EI)
- Porphyry Targets (100%)
- Cana Brava Project (O & FI)

Chile

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

Our commodity performance for FY21

Au Gold

77% of Net Revenue

2.1 Moz produced

US\$1,796/oz
Realised Price³

Cu Copper

22% of Net Revenue

143 kt produced

US\$3.66/lb
Realised Price³

Legend

Asset type

- Producing Assets
- Exploration Projects
- Advanced Projects

Mining Method

- Open pit
- Underground

Exploration Projects

- FI Farm-In
- JV Joint Venture
- O Option
- 100% 100% Newcrest Tenement
- EI Equity Investment

FY21 Production

Namosi

Waisoi Project

📍 Namosi Province, **Fiji**
72.74% Newcrest Ownership



Lihir

Au 737koz



📍 New Ireland Province, **Papua New Guinea**
100% Newcrest Ownership

Wafi-Golpu



📍 Morobe Province, **Papua New Guinea**
50% Newcrest Ownership

Australia



📍 Juri (JV & FI)

📍 Antipa (EI)

📍 Second Junction Reefs Project (JV)

📍 Wilki (JV & FI)

📍 Tennant East (100%)

Telfer

Au 416koz

Cu 13kt



📍 Pilbara, Western Australia, **Australia**
100% Newcrest Ownership

Havieron



📍 Pilbara, Western Australia, **Australia**
40% Newcrest Ownership⁴

Cadia

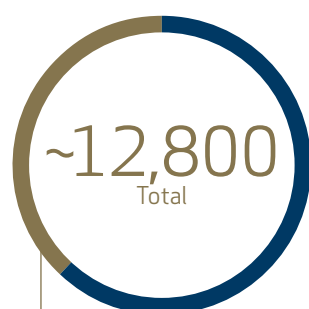
Au 765koz

Cu 106kt



📍 Orange, New South Wales, **Australia**
100% Newcrest Ownership

Number of Employees/Contractors⁵



~4,900
Employees

~7,900
Contractors

¹ Production outcomes represent Newcrest's 70% share.

² The production outcome shown represents Newcrest's 32% attributable share, through its 32% equity interest in Lundin Gold Inc.

³ Realised metal prices are the US\$ spot prices at the time of sale per unit of metal sold (net of Telfer gold production hedges), excluding deductions related to treatment and refining charges and the impact of price related finalisations for metals in concentrate. The realised price has been calculated from sales ounces generated by Newcrest's operations only (i.e. excluding Fruta del Norte).

⁴ The Havieron Project is operated by Newcrest under a Joint Venture Agreement with Greatland Gold. As announced on 30 November 2020, Newcrest has now met the Stage 3 expenditure requirement (US\$45 million) and is entitled to earn an additional 20% joint venture interest, resulting in an overall joint venture interest of 60% (Greatland Gold 40%).

⁵ At 30 June 2021. Employees are Newcrest directly employed FTEs. Contractor FTEs include labour hire and project contractors, replacement labour and other contractors.



Cadia

Low cost, long life world class asset

Cadia is located 25km from Orange in New South Wales, Australia. Cadia is one of the world's largest gold and copper mining operations with Ore Reserves of 20Moz and Measured and Indicated Mineral Resources of 35Moz¹.

Newcrest is currently progressing an Expansion Project at Cadia, which includes the development of the PC2-3 block cave and an expected increase to the nameplate capacity of the process plant. Additionally, the Newcrest Board approved the gating of the PC1-2 Pre-Feasibility Study to the Feasibility Stage in August 2021, and the Molybdenum Plant is in commissioning.

FY21 Performance

Cadia achieved record high annual copper production and a record low annual AISC per ounce for the financial year. Gold production of 765koz was 9% lower than the prior period, driven by a 17% reduction in gold grade milled, partially offset by a 10% increase in tonnes milled (achieving record mill throughput). The lower head grade was in line with expected grades for the current period.

AISC of negative \$109 per ounce was 168% lower than the prior period and is Cadia's lowest reported AISC for a twelve-month period. This outcome was primarily driven by higher copper by-product credits, reflecting the 42% higher realised copper price and record copper production and associated sales volumes in the current period, partially offset by higher operating costs and the negative impact of a stronger Australian dollar in the current period.

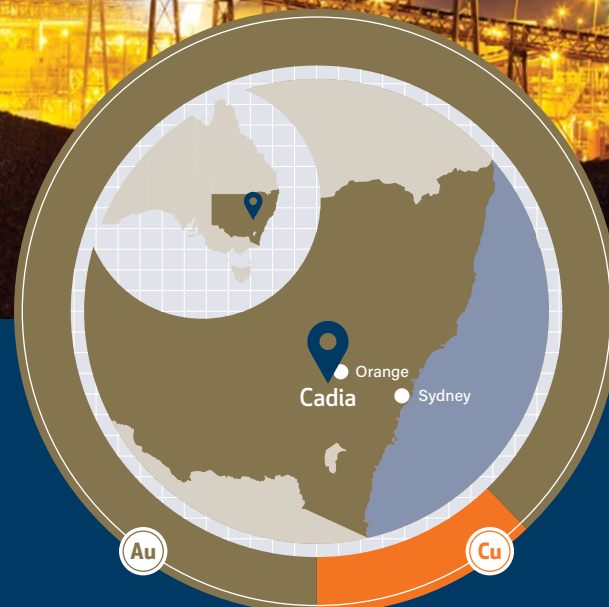
Cadia's record free cash flow of \$1,232 million was 24% higher than the prior period. This reflects earnings (EBITDA) being 24% higher and a favourable movement in working capital, partially offset by an increase in capital expenditure.

¹ Mineral Resources and Ore Reserves for Cadia have been extracted from Newcrest's release titled "Annual Mineral Resources and Ore Reserves Statement – as at 31 December 2020" dated 11 February 2021 (which is available to view at www.asx.com.au under the code "NCM" and on Newcrest's SEDAR profile), subject to depletions for the period from 1 January 2021. M&I = Measured and Indicated Mineral Resources. Newcrest recently announced an updated Ore Reserve and Mineral Resource estimate for Cadia East (refer Newcrest release "Cadia PC1-2 Pre-Feasibility Study delivers attractive returns" dated 19 August 2021, which is available to view at www.asx.com.au under the code "NCM" and on Newcrest's SEDAR profile). The reserves for Cadia East comprise a portion of the reserves for the Cadia operations. The estimates included in that release are not reflected on this page as estimates for the remainder of the Cadia operations have not been updated since their effective date.

² Reserve life is indicative and calculated as proven and probable gold reserves (contained metal) as at 31 December 2020 divided by gold production for the 12 months ended 30 June 2021. The reserve life calculation does not take into account future gold production rates and therefore the estimated reserve life does not necessarily equate to operating mine life.

³ The achievement of guidance is subject to market and operating conditions.

⁴ Free cash flow is before interest, tax and intercompany transactions.



765_{koz}

Gold produced (koz)



106_{kt}

Copper produced (kt)



Site process

Mining	Panel Cave mining from Cadia East (Panel Cave 1 and 2), with underground crushing and conveyor to surface
Processing	High pressure grinding rolls, SAG mills, ball mills, flotation, coarse ore flotation and gravity concentration
Output	Principally copper/gold concentrate, gold doré

Key statistics

Reserve Life	26 years ²
Gold Ore Reserves	20Moz ¹
Gold M&I Mineral Resources	35Moz ¹
Copper Ore Reserves	4.1Mt ¹
Copper M&I Mineral Resources	7.9Mt ¹
FY22 Production Guidance	540–610koz Au, 85–95kt Cu ³

Free cash flow (\$m)⁴



AISC (\$/oz)





Lihir

1Moz per annum aspiration

Lihir is located on Niolam Island, 900km from Port Moresby, Papua New Guinea. Lihir is one of the world's largest producing gold mines, with Ore Reserves of 22Moz and Measured and Indicated Mineral Resources of 43Moz¹.

In February 2021, Newcrest released the findings of its Lihir Mine Optimisation Study which included an optimised mine plan and the identification of an opportunity to unlock additional high grade mineralisation from Phase 14A. The Phase 14A opportunity represents further upside from Lihir's new optimised mine plan which, subject to the completion of a Pre-Feasibility Study, has the potential to bring forward Newcrest's aspiration for Lihir to be a 1 million ounce plus producer.

FY21 Performance

Lihir produced 737koz of gold, which was 39koz (or 5%) lower than the prior period, primarily driven by lower mill throughput, partially offset by higher recovery and head grade.

AISC of \$1,391 per ounce was 15% higher than prior period primarily reflecting higher operating costs (including COVID-19 related costs) and higher sustaining capital expenditure. This was partially offset by 2% higher gold sales volumes.

Free cash flow of \$321 million was 38% higher than the prior period. This reflects earnings (EBITDA) being \$125 million (or 27%) higher than the prior period, partially offset by an increase in total capital expenditure.



737koz

Gold produced (koz)



Site process

Mining	Open pit drill, blast, load and haul mining. Substantial stockpiles
Processing	Crushing, grinding, flotation, pressure oxidation, NCA circuit
Output	Gold doré

Key statistics

Reserve Life	30 years ²
Gold Ore Reserves	22Moz ¹
Gold M&I Mineral Resources	43Moz ¹
FY22 Production Guidance	700–800koz Au ³

Free cash flow (\$m)⁴

\$321m



AISC (\$/oz)

\$1,391



¹ Mineral Resources and Ore Reserves for Lihir have been extracted from Newcrest's release titled "Annual Mineral Resources and Ore Reserves Statement – as at 31 December 2020" dated 11 February 2021 (which is available to view at www.asx.com.au under the code "NCM" and on Newcrest's SEDAR profile), subject to depletions for the period from 1 January 2021. M&I = Measured and Indicated Mineral Resources.

² Reserve life is indicative and calculated as proven and probable gold reserves (contained metal) as at 31 December 2020 divided by gold production for the 12 months ended 30 June 2021. The reserve life calculation does not take into account future gold production rates and therefore the estimated reserve life does not necessarily equate to operating mine life.

³ The achievement of guidance is subject to market and operating conditions.

⁴ Free cash flow is before interest, tax and intercompany transactions.



Telfer

Strategically positioned in the Paterson Province

Telfer is located in the Great Sandy Desert of the Pilbara, Western Australia. In August 2021, Newcrest announced that it will proceed with the West Dome Stage 5 cutback, which underpins the continuity of operations at Telfer for at least the next two years¹.

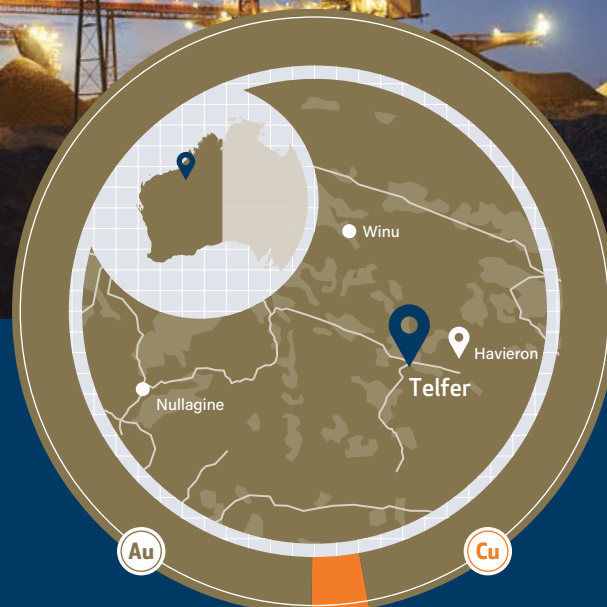
Telfer is located 45km west of the Haverton Project which is operated by Newcrest under a Joint Venture Agreement with Greatland Gold plc. Telfer's strategic positioning in the highly prospective Paterson Province, with its existing infrastructure and 22mtpa processing capacity, provides significant potential opportunities for Newcrest moving forward.

FY21 Performance

Telfer produced 416koz of gold, which was 6% higher than the prior period due to higher mill throughput, partially offset by lower recovery and lower head grade.

AISC of \$1,473 per ounce was 15% higher than the prior period, driven by a stronger Australian dollar negatively impacting site costs, additional costs associated with COVID-19 measures and increased sustaining capital expenditure. This was partially offset by the benefit of a higher realised copper price and lower waste mined. The key drivers of the increased sustaining capital expenditure in the current period relate to tailings dam lift (TSF7), new tailings dam construction (TSF8) and pit dewatering.

Free cash flow of \$82 million was 61% higher than the prior period due to higher realised gold and copper prices, higher gold sales volume and a favourable movement in net working capital. This was partially offset by higher sustaining capital, the adverse impact of a stronger Australian dollar, additional costs associated with COVID-19 measures and lower copper sales volumes. Excluding the Telfer gold price hedge losses of \$99 million in FY21, Telfer's free cash flow would have been \$181 million.



416koz

Gold produced (koz)



13kt

Copper produced (kt)



Site process

Mining	Open pit mining and Underground sub-level cave and stope mining
Processing	Crushing, grinding, gravity concentration, flotation, leaching circuit, dump leach
Output	Copper/gold concentrate and gold doré

Key statistics

Reserve Life	3 years ²
Gold Ore Reserves	1.1Moz ³
Gold M&I Mineral Resources	3.4Moz ³
Copper Ore Reserves	0.17Mt ³
Copper M&I Mineral Resources	0.36Mt ³
FY22 Production Guidance	390–440koz Au, ~15kt Cu ⁴

Free cash flow (\$m)⁵

\$82m



AISC (\$/oz)

\$1,473m



¹ Subject to market and operating conditions.

² Reserve life is indicative and calculated as proven and probable gold reserves (contained metal) as at 31 December 2020 divided by gold production for the 12 months ended 30 June 2021. The reserve life calculation does not take into account future gold production rates and therefore the estimated reserve life does not necessarily equate to operating mine life.

³ Mineral Resources and Ore Reserves for Telfer have been extracted from Newcrest's release titled "Annual Mineral Resources and Ore Reserves Statement – as at 31 December 2020" dated 11 February 2021 (which is available to view at www.asx.com.au under the code "NCM" and on Newcrest's SEDAR profile), subject to depletions for the period from 1 January 2021. M&I = Measured and Indicated Mineral Resources.

⁴ The achievement of guidance is subject to market and operating conditions.

⁵ Free cash flow is before interest, tax and intercompany transactions.

Red Chris

Potential Tier 1 orebody¹

On 15 August 2019, Newcrest acquired a 70% interest in and operatorship of the Red Chris mine and surrounding tenements in British Columbia, Canada.

FY21 Performance

Red Chris produced 46koz of gold, which was approximately 3% higher than the prior period on a normalised basis, primarily driven by a 2% increase in gold recovery.

AISC of \$2,248 per ounce was 32% higher than the prior period primarily due to higher levels of sustaining capital activity, additional costs associated with COVID-19 measures, and higher levels of infill drilling activity. This was partially offset by a higher realised copper price.

Free cash flow of negative \$37 million was lower than the prior period primarily driven by increased non-sustaining and sustaining capital activity, increased production stripping activity, increased exploration, and increased site costs. The increase in exploration primarily relates to increased drilling activity at Red Chris and the nearby GJ property. This was partially offset by higher realised gold and copper prices.



46koz²

Gold produced (koz)



23kt²

Copper produced (kt)



Site process

Mining	Open pit mining, with block cave potential ¹
Processing	Crushing, grinding, flotation
Output	Gold, copper and silver concentrate

Key statistics

Gold M&I Mineral Resources	13Moz ³
Copper M&I Mineral Resources	3.7Mt ³
FY22 Production Guidance	40–42koz Au, 23–25kt Cu ^{2,4}

Free cash flow (\$m)^{2,5}



AISC (\$/oz)²



¹ Subject to market and operating conditions, further drilling and studies, all necessary permits, regulatory requirements and Board approvals.

² Production and financial outcomes represent Newcrest's 70% share. Outcomes for FY20 are for the period 15 August 2019 (the acquisition date) to 30 June 2020.

³ The information on this page that relates to Red Chris Mineral Resources has been extracted from the release titled "Newcrest announces its initial Mineral Resource estimate for Red Chris" dated 31 March 2021 which is available to view at www.asx.com.au under the code "NCM" and on Newcrest's SEDAR profile. Gold M&I Mineral Resources and Copper M&I Resources represent Measured and Indicated Mineral Resources. Mineral Resource estimates are shown at 100%. Newcrest's joint venture interest in the Mineral Resource is 70%.

⁴ The achievement of guidance is subject to market and operating conditions.

⁵ Free cash flow is before interest, tax and intercompany transactions.

Organic Growth

Cadia

Cadia Expansion Project

Cadia is currently undergoing a significant expansion project which is expected to help it retain its industry leading position as one of the largest, lowest cost and longest life gold mines in the world.

The Expansion Project is in two stages¹:

- Stage 1 is the development of the next block cave, PC2-3, and an increase to the nameplate capacity of the process plant to 33mtpa
- Stage 2 is focused on increasing the plant processing capacity from 33mtpa to 35mtpa, delivering life-of-mine gold and copper recovery improvements and reducing unit costs

Execution of the works for both stages of the Project is in progress.

Molybdenum Plant

The Molybdenum Plant is in commissioning and is expected to provide an additional revenue stream for Cadia which will be recognised as a by-product credit in the calculation of Cadia's already low All-In Sustaining Cost per ounce.

PC1-2 Pre-Feasibility Findings:

In August 2021, the Newcrest Board approved the Cadia PC1-2 Pre-Feasibility Study enabling the commencement of the Feasibility Stage and Early Works Program.



The Pre-Feasibility Study updates and defines a significant portion of Cadia's future mine plan, with the development of PC1-2 accounting for ~20% of Cadia's current Ore Reserves. The approved commencement of the Early Works Program will allow critical infrastructure to be established in parallel with the Feasibility Study before the commencement of the Main Works program in the second half of CY22. A\$120 million (~US\$90 million) of funding has been approved for this Early Works Program which is expected to commence in the December 2021 quarter.

Pre-Feasibility Study key findings for PC1-2:^{2,3,4}

- Estimated total capital expenditure of ~A\$1.3 billion (~US\$0.9 billion)
- Real, after-tax internal rate of return of 21.5%
- Net Present Value of A\$2.0 billion (US\$1.5 billion)

- ~17 year mine life from first production, at an average of 15mtpa
- Total estimated ore production of 258Mt containing 3.5Moz of gold and 660kt of copper
- Average AISC of A\$54/oz (US\$41/oz)
- Enhanced footprint design and productivity allowing:
 - Deferral of ~25% of the previously required footprint into a future PC1-3 project
 - A\$150 million (US\$112 million) reduction in the initial capital spend
 - Enhanced average gold and copper grades in the medium term

Early Works Program of critical path activities for the establishment of PC1-2 is expected to commence in the December 2021 quarter. The Feasibility Study has now commenced with expected completion in the second half of CY22⁵.

Cadia Expansion Key Project Milestones:

August 2018

- Newcrest Board approved Cadia Expansion Pre-Feasibility Study to Feasibility Stage

October 2020

- Newcrest Board approved Stage 2 of the Expansion Project

FY23

- First production expected from PC2-3⁵

October 2019

- Newcrest Board approved Stage 1 of the Expansion Project

Late FY22

- Expected completion of Stage 2 of the Cadia Expansion Project⁶

¹ While the targeted capacity of the process plant under the Expansion Project is 33mtpa in Stage 1 and 35mtpa in Stage 2, the actual milling rate will be subject to regulatory and permitting approvals.

² The Pre-Feasibility Study has been prepared with the objective that its findings are subject to an accuracy range of $\pm 25\%$. The findings in the Study and the implementation of the PC1-2 Project are subject to all the necessary approvals, permits, internal and regulatory requirements and further works. The estimates are indicative only and are subject to market and operating conditions. They should not be construed as guidance.

³ The production targets underpinning the Study estimates is 3.5Moz gold and 660kt copper over PC1-2's expected 17 year mine life. The production target is based on the utilisation of ~20% of the Cadia East Ore Reserves, being 18Moz Probable Ore Reserves as at 30 June 2021 which have been prepared by Competent Persons in accordance with Appendix 5A of the ASX Listing Rules (see release titled "Cadia PC1-2 Pre-Feasibility Study delivers attractive returns" dated 19 August 2021 which is available to view at www.asx.com.au under the code of "NCM" and on Newcrest's SEDAR profile), but is subject to depletions for the period since 1 July 2021.

⁴ As Cadia's functional currency is AUD, the Study has been assessed in AUD. The outcomes presented have been converted to USD using an exchange rate of 0.75.

⁵ Subject to market and operating conditions, Board and regulatory approvals and potential delays due to COVID-19 impacts.

Red Chris

Red Chris is a joint venture between Newcrest (70%) and Imperial Metals Corporation (30%). Newcrest acquired its interest in, and operatorship of, Red Chris on 15 August 2019.

Since acquisition, Newcrest has undergone a significant drilling campaign which was focused on the delivery of Newcrest's initial Mineral Resource estimate for Red Chris together with a brownfields exploration program which is concentrated on the discovery of additional zones of higher grade mineralisation within the Red Chris porphyry corridor (including targets outside of the Mineral Resource estimate).

In FY20, Newcrest reported the existence of multiple discrete 'pods' of higher grade mineralisation in the East Zone. Newcrest is currently evaluating options to 'early mine' these pods with the aim of generating cash flows prior to the completion of a block cave at Red Chris.

In March 2021, Newcrest announced its initial Mineral Resource Estimate for Red Chris which comprised^{1,2}:

- a Measured and Indicated Mineral Resource estimate of 980Mt @ 0.41 g/t gold and 0.38% copper for 13Moz contained gold and 3.7Mt contained copper
- an Inferred Mineral Resource estimate of 190Mt @ 0.31g/t gold and 0.30% copper for 1.9Moz contained gold and 0.57Mt contained copper

Newcrest's initial Mineral Resource estimate is expected to support the development of a high-margin, underground block cave and is a key input into the Red Chris Block Cave Pre-Feasibility Study³.

To date, Red Chris' brownfield exploration program has delivered considerable exploration success, including East Ridge which is a new zone of higher grade mineralisation located outside of Newcrest's initial Mineral Resource estimate. In July 2021, Newcrest reported its highest grade intercept to date from this zone, supporting the potential for resource growth over time.

In June 2021, Newcrest commenced construction of the exploration decline. The commencement of the exploration decline underpins Newcrest's objective of having a block cave in operation at Red Chris within the next five to six years⁴.



Red Chris Key Project Milestones:

August 2019

- Newcrest acquired a 70% interest in, and operatorship of Red Chris

March 2021

- Newcrest announced its initial Mineral Resource estimate for Red Chris

June 2021

- Exploration decline commenced following completion of the box cut and portal

February 2021

- Regulatory approval received to commence construction of the box cut

April 2021

- Regulatory approval received to commence construction of the exploration decline

1 The information on this page that relates to Red Chris Mineral Resources has been extracted from the release titled "Newcrest announces its initial Mineral Resource estimate for Red Chris" dated 31 March 2021 which is available to view at www.asx.com.au under the code "NCM" and on Newcrest's SEDAR profile.

2 Newcrest's initial Mineral Resource estimate for Red Chris is presented at 100%. Newcrest's joint venture interest in the Mineral Resource estimate is 70%.

3 The development of a block cave mine at the Red Chris project is subject to the completion of a successful exploration program and further studies, market and operating conditions, regulatory approvals and Board approvals.

4 Subject to market and operating conditions, Board and regulatory approval and any potential delays due to COVID-19 impacts.

Organic Growth (Continued)

Havieron Project

The Havieron Project is located 45km east of Telfer in the Paterson Province in Western Australia. The Project is operated by Newcrest under a joint venture agreement with Greatland Gold plc. As announced on 30 November 2020, Newcrest has now met the Stage 3 expenditure requirement (US\$45 million) and is entitled to earn an additional 20% joint venture interest, resulting in an overall joint venture interest of 60% (Greatland Gold 40%).

Newcrest can earn up to a 70% joint venture interest through total expenditure of US\$65 million and the completion of a series of exploration and development milestones (including the delivery of a Pre-Feasibility Study) in a four-stage farm-in over a six year period that commenced in May 2019. Newcrest is also entitled to acquire an additional 5% interest at the end of the farm-in period at fair market value.

The joint venture agreement also includes tolling principles reflecting the intention of the parties that, subject to a successful exploration program, Feasibility Study and a positive decision to mine, the resulting joint venture mineralised material will be processed at Telfer.

Newcrest commenced its exploration drilling program in June 2019 and has progressively increased its drilling activities such that eight drill rigs are currently operational. Results from Newcrest's infill drilling program continue to support the geological and grade continuity for its ongoing studies and continue to confirm Newcrest's previously reported drilling results.

Exploration activities are also focused on an extensive growth drilling program across several key targets. In June 2021, Newcrest announced a number of new high grade extensions to the South East Crescent zone, located outside of the initial Inferred Mineral Resource estimate. These drilling results continue to support the potential for incremental resource extensions.

In December 2020, Newcrest announced its initial Inferred Mineral Resource estimate for Havieron of 52Mt @ 2.0g/t Au and 0.31 Cu for 3.4Moz Au and 160kt Cu^{1,2}. Mineralisation remains open in multiple directions outside of the initial Inferred Mineral Resource, which indicates the possibility that the resource could continue to grow over time with additional planned drilling activity.

In the second half of the FY21 financial year, Newcrest announced that it had commenced its Early Works Program. Subsequent to the completion of the box cut and portal, Newcrest commenced construction of the exploration decline in May 2021 which is critical to achieving first production from the Project in the next two to three years³.

Works to progress the necessary approvals and permits that are required to commence the development of an operating underground mine and associated infrastructure at the Project are ongoing⁴.



Havieron Key Project Milestones:

March 2019

- Newcrest entered into a farm-in agreement with Greatland Gold plc

November 2020

- Newcrest formalised its relationship with Greatland Gold and signed Havieron Joint Venture Agreement

January 2021

- Regulatory approval to commence construction of the box cut, exploration decline and associated surface infrastructure

April 2020

- Newcrest earned 40% interest in Havieron Project

December 2020

- Initial Inferred Mineral Resource estimate announced of 3.4Moz Au and 160kt Cu¹

May 2021

- Exploration decline commenced following completion of the box cut and portal

¹ The information on this page that relates to Havieron Mineral Resources has been extracted from the release titled "Initial Inferred Mineral Resource estimate for Havieron of 3.4Moz of gold and 160kt of copper" dated 10 December 2020 which is available to view at www.asx.com.au under the code "NCM" and on Newcrest's SEDAR profile.

² The initial Inferred Mineral Resource estimate is presented on a 100% basis. As announced on 30 November 2020, Newcrest has now met the Stage 3 expenditure requirement (US\$45 million) and is entitled to earn an additional 20% joint venture interest in addition to its existing 40% interest, resulting in an overall joint venture interest of 60% (Greatland Gold 40%).

³ Subject to market and operating conditions, Board and regulatory approval and any potential delays due to COVID-19 impacts.

⁴ The development of any underground mine at the Havieron Project is subject to the completion of a successful exploration program and further studies, market and operating conditions, Board approvals and a positive decision to mine.

Lihir

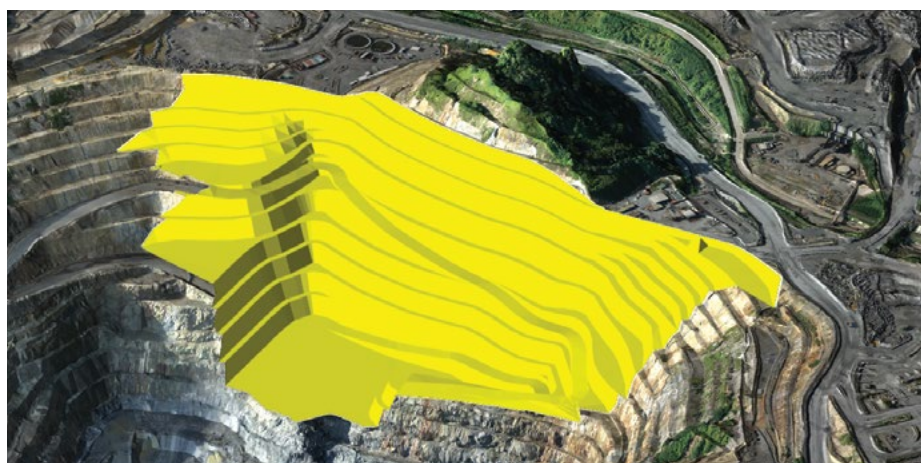
In February 2021, Newcrest announced the findings of its Lihir Mine Optimisation Study which included an optimised mine plan, the deferral of the construction of the Seepage Barrier (and its associated capital cost) by a further ~18 months, and the identification of an opportunity to unlock additional high grade mineralisation from Phase 14A. The Phase 14A opportunity represents further upside from Lihir's new optimised mine plan which, subject to the completion of a Pre-Feasibility Study (PFS), has the potential to bring forward Newcrest's aspiration for Lihir to be a 1 million ounce plus producer.

The Phase 14A PFS is focused on extending the Phase 14 cutback and safely steepening the walls of the pit by utilising civil engineering techniques to access existing Indicated Mineral Resources, which would have otherwise been inaccessible through standard mining techniques.

Additionally, the cutback would provide a separate mining front, providing further flexibility for fresh competent ore feed. The cutback is fully permitted and is within the existing mine lease.

Site field investigation is underway, including geotechnical drilling and preparation for contractor mobilisation for trial works. Field trials of the wall support technology are planned for FY22 with long lead materials ordered and the mobilisation of specialist contractors in progress.

Newcrest is currently assessing whether applying steep wall engineering techniques to its other cutbacks at Lihir could enable access to additional high grade mill feed and potentially further defer construction of the Seepage Barrier, which is currently subject to a Feasibility Study.



The Board

Peter Hay

LLB, FAICD, 71

Independent Non-Executive Chairman



Mr Hay was appointed as a Non-Executive Chairman of the Board in January 2014, after being appointed as a Non-Executive Director in August 2013. Mr Hay is also the Chairman of the Nominations Committee. On 5 October 2021, Newcrest announced that Mr Hay intends to retire as Non-Executive Chairman and as a Non-Executive Director, effective immediately after Newcrest's Annual General Meeting on 10 November 2021.

Skills, experience and expertise

Mr Hay has a strong background and breadth of experience in business, corporate law, finance and investment banking advisory work, with a particular expertise in relation to mergers and acquisitions. He has also had significant involvement in advising governments and government-owned enterprises. Mr Hay was a partner of the legal firm Freehills until 2005, where he served as Chief Executive Officer from 2000 and is a former member of the Australian Takeovers Panel.

Current Directorships/Appointments

- Chairman of Australia Pacific Airports Corporation Limited (from 2019)
- Chairman of Mutual Trust Pty Ltd (from 2020)
- Director of Cormack Foundation Pty Ltd (from 2005)
- Member of AICD Corporate Governance Committee (from 2012)

Former Listed Directorships (last 3 years)

- Chairman of Vicinity Centres (2015–2019)

Sandeep Biswas

BEng (Chem) (Hons), FAusIMM, 59

Managing Director and Chief Executive Officer



Mr Biswas was appointed Managing Director and Chief Executive Officer effective 4 July 2014. He joined Newcrest in January 2014, as an Executive Director and Chief Operating Officer.

Skills, experience and expertise

Mr Biswas was previously Chief Executive Officer of Pacific Aluminium, a wholly owned subsidiary within the Rio Tinto group, which incorporated the bauxite, alumina, refining and smelting operations in Australia and New Zealand. He began his career with Mount Isa Mines, working in both Australia and Europe. Mr Biswas has also worked for Western Mining Corporation in Australia and Rio Tinto in Canada and Australia. He has experience in research, operations, business development and projects, across commodities including aluminium, copper, lead, zinc and nickel.

Other Current Directorships/Appointments

- Vice Chairman of the Minerals Council of Australia (Vice Chairman from 2018, Director from 2014)
- Vice Chairman of the World Gold Council (Vice Chairman from 2020, Director from 2017)
- Member of ICMM Council (from 2017)

Gerard Bond

BComm, Chartered Accountant, Grad Dip App Fin & Investment, F Fin, 53

Finance Director and Chief Financial Officer



Mr Bond was appointed to the Board as an Executive Director in February 2012, after joining Newcrest as Finance Director and Chief Financial Officer in January 2012. On 5 May 2021, it was announced that Mr Bond had decided to leave Newcrest in early 2022.

Skills, experience and expertise

Mr Bond has experience in the global financial and resources industry with BHP Billiton, Coopers & Lybrand and Price Waterhouse. Prior to joining Newcrest, Mr Bond was with BHP Billiton for over 14 years where he held a number of senior executive roles in Europe and Australia including in Mergers and Acquisitions, Treasury, as Deputy CFO of the Aluminium business, CFO and then Acting President of the Nickel business, and as BHP Billiton's Head of Group Human Resources.

Other Current Directorships/Appointments

- Alternate Director of the World Gold Council (from 2017)

Philip Aiken AM

BEng (Chemical), Advanced Management Program (HBS), 72

Independent Non-Executive Director



Mr Aiken was appointed to the Board as a Non-Executive Director in April 2013. He is Chairman of the Human Resources and Remuneration Committee and a member of the Safety and Sustainability Committee and the Nominations Committee.

Skills, experience and expertise

Mr Aiken has extensive Australian and international business experience, principally in the engineering and resources sectors. He was Group President Energy BHP Billiton, President BHP Petroleum, Managing Director BOC/CIG, Chief Executive of BTR Nylex and Senior Advisor Macquarie Capital (Europe).

Current Listed Directorships

- Chairman of Aveva Group plc (from 2012)

Other Current Directorships/Appointments

- Business Ambassador, Business Events Sydney Pty Ltd (from 2016)

Former Listed Directorships (last 3 years)

- Chairman of Balfour Beatty plc (2015–2021)

Roger Higgins

BE (Civil Engineering) (Hons), MSc (Hydraulics), PhD (Water Resources), Stanford Executive Program, FIEAust, FAusIMM, 70

Independent Non-Executive Director



Dr Higgins was appointed to the Board as a Non-Executive Director in October 2015. He is Chairman of the Safety and Sustainability Committee and a member of the Human Resources and Remuneration Committee.

Skills, experience and expertise

Dr Higgins brings extensive experience leading mining companies and operations, and has deep working knowledge of Papua New Guinea as a current Non-Executive Director and a former Managing Director of Ok Tedi Mining Limited in Papua New Guinea. In his most recent executive position, Dr Higgins served as Senior Vice President, Copper at Canadian metals and mining company, Teck Resources Limited. Prior to this role he was Vice President and Chief Operating Officer with BHP Billiton Base Metals Customer Sector Group working in Australia and also held senior positions with BHP Billiton in Chile. He also holds the position of Adjunct Professor with the Sustainable Minerals Institute, University of Queensland.

Current Listed Directorships

- Director of Worley Limited (from 2019)
- Chairman of Minotaur Exploration Limited (Director from 2016, Chairman from 2017)

Other Current Directorships/Appointments

- Chair of the Advisory Board, PAX Republic (from 2019)
- Director of Ok Tedi Mining Limited (from 2014)
- Member of the Sustainable Minerals Institute Advisory Board, University of Queensland (from 2016)
- Member of the Energy and Resources Advisory Board, University of Adelaide (from 2019)

Former Listed Directorships (last 3 years)

- Director of Metminco Limited (2013–2019)

Sally-Anne Layman

BEng (Mining) (Hons), BComm, CPA Australia, MAICD, 47

Independent Non-Executive Director



Ms Layman was appointed to the Board as a Non-Executive Director in October 2020. She is a member of the Audit and Risk Committee and the Safety and Sustainability Committee.

Skills, experience and expertise

Ms Layman has over 26 years of international experience in resources and corporate finance. She spent 14 years with the Macquarie Group in a range of senior positions, including as Division Director and Joint Head of the Perth office of the Metals, Mining & Agriculture Division. Prior to that, Ms Layman held various positions with resource companies including Mount Isa Mines, Great Central Mines and Normandy Yandal.

Current Listed Directorships

- Director of Beach Energy Limited (from 2019)
- Director of Pilbara Minerals Limited (from 2018)
- Director of Imdex Limited (from 2017)

Other Current Directorships/Appointments

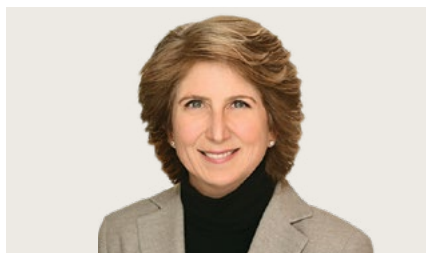
- Director of RL Advisory Pty Limited (from 2017)

Former Listed Directorships (last 3 years)

- Director of Perseus Mining Limited (2017–2020)
- Director of Gascoyne Resources Limited (Director 2017–2019, Chair 2018–2019)

Jane McAloon

BEd (Hons), LLB, GDip CorpGov, FAICD, 57
Independent Non-Executive Director



Ms McAloon was appointed to the Board as a Non-Executive Director with effect from 1 July 2021. She is a member of the Human Resources and Remuneration Committee.

Skills, experience and expertise

Ms McAloon has extensive experience in the resources, energy, infrastructure and utilities industries. She spent 9 years as Group Company Secretary at BHP, including 2 years on the Group Management Committee as President Governance. Prior to that, Ms McAloon was Group Manager, Corporate & External Services & Company Secretary at AGL, had leadership roles with the NSW Government and worked in a private legal practice.

Current Listed Directorships

- Director of United Malt Group Limited (from 2020)
- Director of Home Consortium (from 2019)

Other Current Directorships/Appointments

- Director of Energy Australia (from 2012)
- Director of Allianz Australia Limited (from 2020)
- Independent Member of the Advisory Board for the legal firm Allens (from 2019)
- Chairman of the Monash University Foundation (from 2019)
- Senior Adviser Brunswick Group Asia (from 2018)

Former Listed Directorships (last 3 years)

- Director of Healthscope (2016–2019)
- Director of Cogstate (2017–2019)
- Director of Viva Energy Group Limited (2018–2021)

Vicki McFadden

BComm, LLB, 62
Independent Non-Executive Director



Ms McFadden was appointed to the Board as a Non-Executive Director in October 2016. She is Chairman of the Audit and Risk Committee and a member of the Human Resources and Remuneration Committee.

Skills, experience and expertise

Ms McFadden is an experienced company director and has broad experience in several roles as member or chairman of audit and risk committees. Ms McFadden has an extensive background in finance and law. She is a former investment banker with considerable expertise in corporate finance transactions, having served as Managing Director of Investment Banking at Merrill Lynch in Australia and as a Director of Centaurus Corporate Finance and a former President of the Australian Takeovers Panel.

Current Listed Directorships

- Chairman of The GPT Group (from 2018)

Other Current Directorships/Appointments

- Director of Allianz Australia Limited (from 2020)

Former Listed Directorships (last 3 years)

- Director of Tabcorp Holdings Limited (2017–2020)

Peter Tomsett

BEng (Mining) (Hons), MSc (Mineral Production Management), GAICD, 63
Independent Non-Executive Director



Mr Tomsett was appointed to the Board as a Non-Executive Director in September 2018. He is a member of the Audit and Risk Committee, Safety and Sustainability Committee and the Nominations Committee. As announced on 5 October 2021, Mr Tomsett will be appointed as Non-Executive Chairman with effect from the close of Newcrest's Annual General Meeting on 10 November 2021, subject to his re-election as a Director.

Skills, experience and expertise

Mr Tomsett has extensive and deep gold mining and international business experience as both an executive and non-executive director of a broad range of mining companies listed on the Australian, Toronto, New York and London stock exchanges. His last executive role was as the President and Chief Executive Officer of global gold and copper company, Placer Dome Inc, where he worked for 20 years in project, operational and executive roles.

He has been the Chairman and Managing Director of Kidston Gold Mines Ltd and the Non-Executive Chairman of Equinox Minerals Ltd and Silver Standard Resources Inc. He has also held numerous other Board positions in mining, energy and construction companies and associations including as a Director of OZ Minerals Ltd, Acacia Mining plc, Talisman Energy Inc, North American Energy Partners Inc, Africo Resources Ltd, World Gold Council, Minerals Council of Australia, and International Council for Mining and Metals.

Former Listed Directorships (last 3 years)

- Director of OZ Minerals Ltd (2017–2018)

Mineral Resources and Ore Reserves

Newcrest Mining Limited releases its Annual Statement of Mineral Resource and Ore Reserve estimates as of 31 December each year. The Statement for the period ending 31 December 2020 was released on 11 February 2021, and can be found on Newcrest's website at www.newcrest.com. This section of the Annual Report includes relevant information set out in that Statement. Changes that have occurred in the six months ending 30 June 2021 due to mining depletion and other adjustments are noted below.

For the purposes of the Annual Mineral Resources and Ore Reserves Statement as at 31 December 2020, Newcrest has completed a detailed review of all production sources. The review has taken into account long term metal prices, foreign exchange and cost assumptions, and mining and metallurgy performance to inform cut-off grades and physical mining parameters.

As at 31 December 2020, Group Measured and Indicated Mineral Resources are estimated to contain approximately 97 million ounces of gold, 17 million tonnes of copper, 87 million ounces of silver and 0.19 million tonnes of molybdenum. This represents a decrease of approximately 4.2 million ounces of gold (~4%), 0.2 million tonnes of copper (~1%) and 2 million ounces of silver (~2%), compared with the estimate as at 31 December 2019.

The Group Measured and Indicated Mineral Resources as at 31 December 2020 include changes at numerous deposits following divestures or updated notional constraining shells and/or resource models. These include:

- Estimated mining depletion of approximately 2.6 million ounces of gold, 0.1 million tonnes of copper and 1 million ounces of silver and minor molybdenum
- Decrease at Telfer, post mining depletion, of approximately 0.7 million ounces of gold following removal of 0.3 million ounces of gold from Main Dome open pit at the end of operation and updated metal prices, exchange rates, costs assumptions, resource models, and re-optimisation of the West Dome open pit and Main Dome Underground resources
- Removal of 0.9 million ounces of gold and 1.2 million ounces of silver following divestiture of Newcrest's 75% interest in Gosowong

As at 31 December 2020, Group Inferred Mineral Resources are estimated to contain approximately 11 million ounces of gold, 2.3 million tonnes of copper and 5.4 million ounces of silver. This represents an increase of approximately 1.7 million ounces of gold (~20%), 0.1 million tonnes of copper (~5%) and decrease of 0.1 million ounces of silver (~3%), compared with the estimate as at 31 December 2019.

The Group Inferred Mineral Resources as at 31 December 2020 include changes at numerous deposits following divestures, additions, or updated notional constraining shells and/or resource models. These include:

- Increase at Telfer of 1.8 million ounces of gold due to the inclusion of the initial Havieron Inferred Mineral Resource (~1.35 million ounces of gold reflecting Newcrest's 40% equity interest) and an increase at the West Dome open pit and Telfer underground due to updated metal prices, exchange rates, cost assumptions, resource models and the re-optimisation of the West Dome open pit and Main Dome Underground resources
- Minor decrease of 0.1 million ounces of gold and 0.1 million ounces of silver following divestiture of Newcrest's 75% interest in Gosowong.

As at 31 December 2020, Group Ore Reserves are estimated to contain 49 million ounces of gold, 6.8 million tonnes of copper, 35 million ounces of silver and 0.12 million tonnes of molybdenum. This represents a decrease of approximately 2.6 million ounces of gold (~5%), 0.1 million tonnes of copper (~2%) and 1.3 million ounces of silver (~4%) compared to the estimate as at 31 December 2019.

The Group Ore Reserves as at 31 December 2020 include the following changes:

- Estimated mining depletion of approximately 2.5 million ounces of gold, 0.1 million tonnes of copper, 1 million ounces of silver and minor molybdenum
- Removal of 0.3 million ounces of gold and 0.4 million ounces of silver following divestiture of Newcrest's 75% interest in Gosowong
- Minor changes at Telfer and Lihir due to updated input assumptions for net increase of 0.3 million ounces of gold

Updated mining, metallurgical and long term cost assumptions were developed with reference to recent performance data. The revised long term assumptions include changes in performance consistent with changing activity levels at each site over the life of the operation and the latest study for each deposit.

Mineral Resources and Ore Reserves *continued*

Long term metal prices and foreign exchange assumptions for Mineral Resources and Ore Reserves are set out below.

Long Term Metal Price Assumptions	Newcrest, WGJV & NJV
Mineral Resource Estimates	
Gold – US\$/oz	1,400
Copper – US\$/lb	3.40
Silver – US\$/oz	21.00
Molybdenum – US\$/lb	10.00
Ore Reserve Estimates	
Gold – US\$/oz	1,300
Copper – US\$/lb	3.00
Silver – US\$/oz	18.00
Molybdenum – US\$/lb	8.00
Long Term Exchange Rate AUD:USD	0.75

For long mine life assets the gold price has been increased by US\$100/oz for both Mineral Resources and Ore Reserves. Copper and silver metal price assumptions remain unchanged from those used for December 2019 reporting. The AUD:USD exchange rate assumption for long life assets remain unchanged at 0.75 and local currency assumptions for the PNG Kina remain unchanged. In consideration of Telfer's current comparatively short mine life the gold price assumption has been increased by US\$200/oz and the copper price assumption has been decreased by US\$0.20/lb for Ore Reserves compared to that used for December 2019 reporting. The AUD:USD exchange rate for Telfer, considering its comparatively short mine life, has been lowered to 0.70 for Ore Reserves and remains at 0.75 for Mineral Resources. Note Havieron Mineral Resource uses the long term metal price and exchange rate assumptions. Where appropriate, Mineral Resources are also spatially constrained with notional mining volumes based on metal prices of US\$1,400/oz for gold and US\$4.00/lb for copper. This approach has been adopted to eliminate mineralisation that does not have reasonable prospects of eventual economic extraction from Mineral Resource estimates.

Note that the increased long-term gold price assumptions have been applied to re-optimize the Lihir and Telfer operating Mineral Resource and Ore Reserve and Havieron project and Namosi JV Mineral Resource estimates for this reporting period. Remaining assets of Cadia and the undeveloped projects at Wafi Golpu and Telfer will be progressively re-optimised when the full supporting studies are updated and as at 31 December 2020 are optimised on the more conservative 2019 gold price assumption.

Competent Person Statement

1. This Mineral Resources and Ore Reserves section of the Annual Report has been compiled and approved by Mr R. Stewart. Mr Stewart is the Acting Head of Resource Development, a full-time employee of Newcrest Mining Limited and holds options and shares in Newcrest Mining Limited. Mr Stewart is also entitled to participate in Newcrest's executive equity long term incentive plan, of which details are included in Newcrest's 2021 Remuneration Report. He is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Stewart has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code 2012. Mr Stewart consents to the inclusion of the material in this report in the form and context in which it appears.
2. The information in this section of the Annual Report that relates to Mineral Resources or Ore Reserves as at 31 December 2020 are based on and fairly represent information and supporting documentation prepared by the Competent Persons named in the Mineral Resources and Ore Reserves endnotes on Pages 40 & 41. 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.
3. The information in this section of the Annual Report that relates to changes in the Mineral Resources or Ore Reserves since 31 December 2020:
 - a. for each of Main Dome Stockpiles Ore Reserve and West Dome Open Pit Ore Reserves, is based on and fairly represents information and supporting documentation prepared by the following Competent Persons: Brett Swanson;
 - b. for Telfer Underground Ore Reserves is based on and fairly represents information and supporting documentation prepared by the following Competent Persons: Stephen Fitch; and
 - c. for all other Mineral Resources or Ore Reserves, is based on and fairly represents information and supporting documentation prepared by the Competent Persons named in the Mineral Resources and Ore Reserves Tables extracted from the original release.

Each of these Competent Persons, other than Mr G. Job was at the reporting date a full-time employee of Newcrest Mining Limited or its relevant subsidiaries, holds options (and in some cases, shares) in Newcrest Mining Limited and is entitled to participate in Newcrest's executive equity long term incentive plan, details of which are included in Newcrest's 2021 Remuneration Report. Mr Job is a full-time employee of Harmony Gold Mining Company Limited, Newcrest's joint venture partner in the WGJV.

All the Competent Persons named are Members/Fellows of the Australasian Institute of Mining and Metallurgy and/or Members of the Australian Institute of Geoscientists, and have sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the JORC Code 2012. Each Competent Person consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Governance

Newcrest has a policy for the Public Reporting of Exploration Results, Mineral Resources and Ore Reserves. This policy provides a clear framework for how Newcrest manages all public reporting of Exploration Results, Mineral Resources and Ore Reserves, ensuring compliance with the JORC Code 2012. This policy applies to all regulatory reporting, public presentations and other publicly released company information at both local (site) and corporate levels.

Newcrest has in place a Resource and Reserve Steering Committee (RRSC). The role of the committee is to ensure the proper functioning of Newcrest's Resource and Reserve development activity and reporting. The Committee's control and assurance activities respond to a four-level compliance process:

1. Provision of standards and guidelines, and approvals consequent to these;
2. Resources and Reserves reporting process, based on well founded assumptions and compliant with external standards (JORC Code 2012, ASX Listing Rules);
3. External review of process conformance and compliance; and
4. Internal assessment of processes around all input assumptions.

Updates to the Mineral Resource and Ore Reserve estimates at 31 December 2020 were completed in accordance with the RRSC governance and review process. This included reporting in compliance with the JORC Code 2012, training and endorsement of suitably qualified Competent Persons, independent external review of Mineral Resources and Ore Reserves every three years (unless agreed by the RRSC) or where there is a material change and endorsement of the Annual Mineral Resources and Ore Reserve Statement by the RRSC prior to release to the market.

Changes Since 31 December 2020 Mineral Resource and Ore Reserve Statement

Newcrest is not aware of any new information or data that materially affects the information contained in the "Annual Mineral Resource and Ore Reserve Statement – 31 December 2020" other than changes due to normal mining depletion, updates and other adjustments that occurred during the six months ended 30 June 2021. These changes are summarised by province below.

Newcrest's Annual Statement of Mineral Resources and Ore Reserves is based upon a number of factors, including (without limitation) actual exploration and production results, economic assumptions (such as future commodity prices and exchange rates) and operating and other costs. No material changes were made to those assumptions during the period to 30 June 2021.

There are also specific ongoing studies to maximise the value of operations at Cadia, Lihir, Telfer, and Red Chris that may be incorporated into the Mineral Resource and Ore Reserve assumptions for the period ending 31 December 2021.

Cadia (NSW)

Mineralisation recognised to date in the Cadia Province is porphyry related gold and copper, hosted in rocks of Ordovician age. Orebodies are typically large tonnage, low-grade gold with strong copper by-product and minor base metal associations. Minor molybdenum and silver mineralisation is also present. Ore is sourced by bulk mining methods from underground operations. Changes to Mineral Resources and Ore Reserves at Cadia since 31 December 2020 have only occurred at Cadia East as detailed below.

Cadia East Underground

Cadia East is a low-grade, porphyry gold and copper deposit with mining based on bulk underground extraction by panel caving methods. Commercial production from Panel Cave 1 (PC1) commenced in January 2013. Commercial production from Panel Cave 2 (PC2) commenced in October 2014.

Changes to the Mineral Resource and Ore Reserve since 31 December 2020 were due to mining depletion up to 30 June 2021 and represent decreases of 0.5 million ounces of gold and 0.06 million tonnes of copper.

On 19 August 2021, Newcrest announced the completion of Cadia PC1-2 Pre-Feasibility Study which comprised the proposed development of the PC1-2 cave (within the overall Ore Reserve) resulting in a decrease of 0.8 million ounces of gold and 0.1 million tonnes of copper due to changes in mining assumptions, updated resource estimate, and changes in costs.

Mineral Resources and Ore Reserves *continued*

Ridgeway

No change in Ore Reserves or Mineral Resources has been made since 31 December 2020.

Telfer (WA)

Gold and copper mineralisation in the Telfer Province are intrusion related and occurs as higher-grade stratabound reefs, discordant veins, and lower-grade bulk tonnage stockwork zones. The Telfer operation is comprised of open pit mining at both Main Dome and West Dome and underground mining at Main Dome. Open pit mining is a conventional truck and hydraulic excavator operation. Underground selective and bulk long hole open stope mining methods are used for excavation of the high-grade reefs and Western Flanks respectively, while stockwork ore and waste are mined using sub level cave bulk mining methods. Underground sub level cave mining ore and Western Flanks bulk open stope ore is hoisted to the surface via a shaft. Changes to Mineral Resources and Ore Reserves at Telfer since 31 December 2020 have only occurred in the two producing mines and the Havieron project detailed below.

Telfer Main Dome and West Dome Open Pits

Open pit mining continued at West Dome (including stockpile reclaim). Since 31 December 2020, the Mineral Resource was depleted by 0.2 million ounces of gold and 0.01 million tonnes of copper and Ore Reserve additions offset depletions.

Telfer Underground

The Telfer Underground comprises the SLC mine, selective high-grade reef mining, and Western Flanks reef and stockwork mining. Since 31 December 2020, both the Mineral Resource and Ore Reserve additions have more than offset depletions. Mineral Resource increased by 0.3 million ounces of gold and 0.01 million tonnes of copper. Ore Reserve increased by 0.02 million ounces of gold and 0.01 million tonnes of copper. Further studies are currently evaluating potential for additional Mineral Resources and Ore Reserves at other underground areas to extend the underground mine life.

Havieron (40%)

The Havieron project is a proposed gold-copper mine located 45 km east from the Telfer mine. Development of this project formally commenced in January 2021.

Lihir (PNG)

The Lihir Gold Mine is located on Niolam Island, 900 kilometres north-east of Port Moresby in the New Ireland Province of Papua New Guinea (PNG). The Lihir Gold Mine consists of three linked open pits, Minifie, Lienetz and Kapit, that will be mined over the life of the project. Mining is by conventional open pit methods. Changes to Mineral Resources and Ore Reserves at Lihir since 31 December 2020 have occurred in both open pit and stockpiles and have comprised the depletion of 0.4 million ounces of gold from both Mineral Resource and Ore Reserve.

Red Chris (Canada 70%)

Red Chris is a copper-gold porphyry with an operating open-pit mine. The Initial Mineral Resource was announced on 31 March 2021, with the addition of 8.9 million ounces of gold and 2.6 million tonnes of copper in Measured & Indicated Mineral Resources, and 1.3 million ounces of gold and 0.40 million tonnes of copper in Inferred Mineral Resources.

WGJV Wafi-Golpu Project (PNG 50%)

No change in Mineral Resource or Ore Reserve has been made since 31 December 2020 for Golpu. There has been no change to the Wafi or Nambonga Mineral Resource since 31 December 2020.

Mineral Resources as at 31 December 2020

Dec-20 Mineral Resources	Measured Resource			Indicated Resource			Dec-20 Measured and Indicated Resource			Dec-19 Measured and Indicated Resource		
Gold Measured and Indicated Mineral Resources (inclusive of Gold Ore Reserves)	Dry Tonnes (million)	Gold Grade (g/t Au)	Insitu Gold (million ounces)	Dry Tonnes (million)	Gold Grade (g/t Au)	Insitu Gold (million ounces)	Dry Tonnes (million)	Gold Grade (g/t Au)	Insitu Gold (million ounces)	Dry Tonnes (million)	Gold Grade (g/t Au)	Insitu Gold (million ounces)
Operational Provinces												
Cadia East Underground ¹	–	–	–	2,900	0.35	32	2,900	0.35	32	2,900	0.36	33
Ridgeway Underground ²	–	–	–	110	0.57	1.9	110	0.57	1.9	110	0.57	1.9
Cadia Extended Underground ³	–	–	–	80	0.35	0.89	80	0.35	0.89	80	0.35	0.89
Cadia Hill Stockpiles ⁴	32	0.30	0.31	–	–	–	32	0.30	0.31	32	0.30	0.31
Total Cadia Province	32	0.30	0.31	3,100	0.36	35	3,100	0.36	35	3,100	0.36	36
Main Dome Open Pit (incl. stockpiles) ⁶	8.8	0.39	0.11	1.9	0.44	0.027	11	0.40	0.14	21	0.59	0.41
West Dome Open Pit ⁷	–	–	–	95	0.64	1.9	95	0.64	1.9	120	0.66	2.5
Telfer Underground ⁸	–	–	–	20	2.1	1.3	20	2.1	1.3	32	1.7	1.8
Satellites Deposits ¹⁰	–	–	–	0.44	2.9	0.040	0.44	2.9	0.040	0.44	2.9	0.040
Total Telfer Province	8.8	0.39	0.11	120	0.88	3.3	130	0.85	3.4	170	0.86	4.7
Lihir Open Pit ¹³	–	–	–	520	2.3	38	520	2.3	38	530	2.3	39
Lihir Stockpiles ¹⁴	67	2.0	4.2	11	1.6	0.56	78	1.9	4.8	83	1.9	5.2
Total Lihir Province	67	2.0	4.2	530	2.3	39	600	2.2	43	610	2.2	44
Gosowong ¹⁵	–	–	–	–	–	–	–	–	–	2.7	10	0.87
Total Operational Provinces	110	1.3	4.7	3,700	0.65	77	3,800	0.67	82	3,900	0.68	86
Non-Operational Provinces												
WGJV – Golpu (50%) ¹⁶	–	–	–	340	0.71	7.9	340	0.71	7.9	340	0.71	7.9
WGJV – Wafi (50%) ¹⁷	–	–	–	54	1.7	2.9	54	1.7	2.9	54	1.7	2.9
Total WGJV Province	–	–	–	400	0.84	11	400	0.84	11	400	0.84	11
Namosi JV Waisoi (72.74%) ¹⁹	–	–	–	1,300	0.11	4.6	1,300	0.11	4.6	1,300	0.11	4.6
Total Non-Operational Provinces	–	–	–	1,700	0.28	15	1,700	0.28	15	1,700	0.28	15
Total Gold Measured and Indicated Mineral Resources	110	1.3	4.7	5,400	0.53	93	5,500	0.55	97	5,600	0.56	100

Mineral Resources and Ore Reserves *continued*Mineral Resources as at 31 December 2020 *continued*

Dec-20 Mineral Resources	Measured Resource			Indicated Resource			Dec-20 Measured and Indicated Resource			Dec-19 Measured and Indicated Resource		
Copper Measured and Indicated Mineral Resources (inclusive of Copper Ore Reserves)	Dry Tonnes (million)	Copper Grade (% Cu)	Insitu Copper (million tonnes)	Dry Tonnes (million)	Copper Grade (% Cu)	Insitu Copper (million tonnes)	Dry Tonnes (million)	Copper Grade (% Cu)	Insitu Copper (million tonnes)	Dry Tonnes (million)	Copper Grade (% Cu)	Insitu Copper (million tonnes)
Operational Provinces												
Cadia East Underground ¹	–	–	–	2,900	0.26	7.4	2,900	0.26	7.4	2,900	0.26	7.5
Ridgeway Underground ²	–	–	–	110	0.30	0.31	110	0.30	0.31	110	0.30	0.31
Cadia Extended Underground ³	–	–	–	80	0.19	0.15	80	0.19	0.15	80	0.19	0.15
Cadia Hill Stockpiles ⁴	32	0.13	0.041	–	–	–	32	0.13	0.041	32	0.13	0.041
Total Cadia Province	32	0.13	0.041	3,100	0.26	7.8	3,100	0.25	7.9	3,100	0.26	8.0
Main Dome Open Pit (incl. stockpiles) ⁶	8.8	0.072	0.0064	1.9	0.082	0.0016	11	0.074	0.0079	21	0.093	0.020
West Dome Open Pit ⁷	–	–	–	95	0.062	0.059	95	0.062	0.059	120	0.062	0.072
Telfer Underground ⁸	–	–	–	20	0.45	0.088	20	0.45	0.088	32	0.40	0.13
O'Callaghans ¹¹	–	–	–	69	0.29	0.20	69	0.29	0.20	69	0.29	0.20
Total Telfer Province	8.8	0.072	0.0064	180	0.19	0.35	190	0.18	0.36	240	0.18	0.42
Total Operational Provinces	41	0.12	0.048	3,300	0.25	8.2	3,300	0.25	8.2	3,400	0.25	8.4
Non-Operational Provinces												
MMJV – Golpu (50%) ¹⁶	–	–	–	340	1.1	3.7	340	1.1	3.7	340	1.1	3.7
Namosi JV Waisoi (72.74%) ¹⁹	–	–	–	1,300	0.35	4.6	1,300	0.35	4.6	1,300	0.35	4.6
Total Non-Operational Provinces	–	–	–	1,700	0.50	8.3	1,700	0.50	8.3	1,700	0.50	8.3
Total Copper Measured and Indicated Mineral Resources	41	0.12	0.048	4,900	0.34	16	4,900	0.33	17	5,000	0.33	17

Dec-20 Mineral Resources	Measured Resource			Indicated Resource			Dec-20 Measured and Indicated Resource			Dec-19 Measured and Indicated Resource		
Silver Measured and Indicated Mineral Resources (inclusive of Silver Ore Reserves)	Dry Tonnes (million)	Silver Grade (g/t Ag)	Insitu Silver (million ounces)	Dry Tonnes (million)	Silver Grade (g/t Ag)	Insitu Silver (million ounces)	Dry Tonnes (million)	Silver Grade (g/t Ag)	Insitu Silver (million ounces)	Dry Tonnes (million)	Silver Grade (g/t Ag)	Insitu Silver (million ounces)
Operational Provinces												
Cadia East Underground ¹	–	–	–	2,900	0.67	62	2,900	0.67	62	2,900	0.68	63
Ridgeway Underground ²	–	–	–	110	0.74	2.5	110	0.74	2.5	110	0.74	2.5
Total Cadia Province	–	–	–	3,000	0.68	65	3,000	0.68	65	3,000	0.68	66
Gosowong ¹⁵	–	–	–	–	–	–	–	–	–	2.7	14	1.2
Total Operational Provinces				3,000	0.68	65	3,000	0.68	65	3,000	0.69	67
Non-Operational Provinces												
WGJV – Golpu (50%) ¹⁶	–	–	–	340	1.3	14	340	1.3	14	340	1.3	14
WGJV – Wafi (50%) ¹⁷	–	–	–	54	4.4	7.6	54	4.4	7.6	54	4.4	7.6
Total WGJV Province	–	–	–	400	1.7	22	400	1.7	22	400	1.7	22
Total Non-Operational Provinces	–	–	–	400	1.7	22	400	1.7	22	400	1.7	22
Total Silver Measured and Indicated Mineral Resources	–	–	–	3,400	0.80	87	3,400	0.80	87	3,400	0.81	89

Dec-20 Mineral Resources	Measured Resource			Indicated Resource			Dec-20 Measured and Indicated Resource			Dec-19 Measured and Indicated Resource		
Molybdenum Measured and Indicated Mineral Resources (inclusive of Molybdenum Ore Reserves)	Dry Tonnes (million)	Molybdenum Grade (ppm Mo)	Insitu Molybdenum (million tonnes)	Dry Tonnes (million)	Molybdenum Grade (ppm Mo)	Insitu Molybdenum (million tonnes)	Dry Tonnes (million)	Molybdenum Grade (ppm Mo)	Insitu Molybdenum (million tonnes)	Dry Tonnes (million)	Molybdenum Grade (ppm Mo)	Insitu Molybdenum (million tonnes)
Operational Provinces												
Cadia East Underground ¹	–	–	–	2,900	64	0.19	2,900	64	0.19	2,900	64	0.19
Total Operational Provinces	–	–	–	2,900	64	0.19	2,900	64	0.19	2,900	64	0.19
Total Molybdenum Measured and Indicated Mineral Resources	–	–	–	2,900	64	0.19	2,900	64	0.19	2,900	64	0.19
Dec-20 Mineral Resources	Tonnes			Grade			Contained Metal					
Polymetallic Measured and Indicated Mineral Resources (inclusive of Polymetallic Ore Reserves)	Dry Tonnes (million)		Tungsten Trioxide Grade (% WO ₃)		Zinc Grade (% Zn)		Lead Grade (% Pb)		Insitu Tungsten Trioxide (million tonnes)		Insitu Zinc (million tonnes)	Insitu Lead (million tonnes)
O’Callaghans ¹¹												
Measured		–		–		–		–		–		–
Indicated		69		0.34		0.53		0.26		0.24		0.36
Dec-20 Polymetallic Measured and Indicated Mineral Resources		69		0.34		0.53		0.26		0.24		0.36
Measured		–		–		–		–		–		–
Indicated		69		0.34		0.53		0.26		0.24		0.36
Dec-19 Polymetallic Measured and Indicated Mineral Resources		69		0.34		0.53		0.26		0.24		0.36

Mineral Resources and Ore Reserves *continued*

Mineral Resources as at 31 December 2020 *continued*

Dec-20 Mineral Resources	Dec-20 Inferred Resource			Dec-19 Inferred Resource		
	Dry Tonnes (million)	Gold Grade (g/t Au)	Insitu Gold (million ounces)	Dry Tonnes (million)	Gold Grade (g/t Au)	Insitu Gold (million ounces)
Gold Inferred Mineral Resources						
Operational Provinces						
Ridgeway Underground ²	41	0.38	0.50	41	0.38	0.50
Big Cadia ⁵	11	0.70	0.25	11	0.70	0.25
Total Cadia Province	52	0.45	0.75	52	0.45	0.75
Main Dome Open Pit (incl. stockpiles) ⁶	–	–	–	0.35	0.23	0.0026
West Dome Open Pit ⁷	11	0.68	0.24	0.023	0.66	0.00048
Telfer Underground ⁸	15	1.4	0.70	11	1.4	0.53
Havieron (40%) ⁹	21	2.0	1.3	–	–	–
Satellites Deposits ¹⁰	4.4	1.1	0.16	4.4	1.1	0.16
Total Telfer Province	52	1.5	2.5	16	1.3	0.69
Lihir Open Pit ¹³	67	2.3	4.9	67	2.3	4.9
Gosowong ¹⁵	–	–	–	0.41	8.2	0.11
Total Operational Provinces	170	1.5	8.1	140	1.5	6.5
Non-Operational Provinces						
MMJV – Golpu (50%) ¹⁶	68	0.63	1.4	68	0.63	1.40
MMJV – Wafi (50%) ¹⁷	19	1.4	0.82	19	1.4	0.82
MMJV – Nambonga (50%) ¹⁸	24	0.69	0.53	24	0.69	0.53
Total WGJV Province	110	0.77	2.70	110	0.77	2.70
Namosi JV Waisoi (72.74%) ¹⁹	130	0.08	0.33	130	0.08	0.33
Total Non-Operational Provinces	240	0.40	3.1	240	0.40	3.1
Total Gold Inferred Mineral Resources	410	0.86	11	370	0.80	9.5

Dec-20 Mineral Resources	Dec-20 Inferred Resource			Dec-19 Inferred Resource		
	Dry Tonnes (million)	Copper Grade (% Cu)	Insitu Copper (million tonnes)	Dry Tonnes (million)	Copper Grade (% Cu)	Insitu Copper (million tonnes)
Copper Inferred Mineral Resources						
Operational Provinces						
Ridgeway Underground ²	41	0.40	0.17	41	0.40	0.17
Big Cadia ⁵	11	0.52	0.058	11	0.52	0.058
Total Cadia Province	52	0.43	0.22	52	0.43	0.23
Main Dome Open Pit (incl. stockpiles) ⁶	–	–	–	0.35	0.012	0.000041
West Dome Open Pit ⁷	11	0.07	0.0083	0.023	0.058	0.000013
Telfer Underground ⁸	15	0.53	0.081	11	0.43	0.049
Havieron (40%) ⁹	21	0.31	0.064	–	–	–
Camp Dome ¹²	14	0.37	0.052	14	0.37	0.052
O'Callaghans ¹¹	9.0	0.24	0.022	9.0	0.24	0.022
Total Telfer Province	70	0.32	0.23	35	0.35	0.12
Total Operational Provinces	120	0.37	0.46	86	0.40	0.35
Non-Operational Provinces						
WGJV – Golpu(50%) ¹⁶	68	0.85	0.58	68	0.85	0.58
WGJV – Nambonga (50%) ¹⁸	24	0.20	0.047	24	0.20	0.047
Total WGJV Province	92	0.68	0.62	92	0.68	0.62
Namosi JV Waisoi (72.74%) ¹⁹	130	0.27	0.33	120	0.27	0.33
Namosi JV Wainaulo (72.74%) ²⁰	210	0.43	0.89	210	0.43	0.89
Total Namosi JV Province	330	0.37	1.2	330	0.37	1.2
Total Non-Operational Provinces	430	0.44	1.8	420	0.44	1.8
Total Copper Inferred Mineral Resources	550	0.42	2.3	510	0.43	2.2

Dec-20 Mineral Resources	Dec-20 Inferred Resource			Dec-19 Inferred Resource		
	Dry Tonnes (million)	Silver Grade (g/t Ag)	Insitu Silver (million ounces)	Dry Tonnes (million)	Silver Grade (g/t Ag)	Insitu Silver (million ounces)
Silver Inferred Mineral Resources						
Operational Provinces						
Ridgeway Underground ²	41	0.43	0.56	41	0.43	0.56
Gosowong ¹⁵	–	–	–	0.40	11	0.14
Total Operational Provinces	41	0.43	0.56	41	0.53	0.70
Non-Operational Provinces						
MMJV – Golpu (50%) ¹⁶	68	1.1	2.3	68	1.1	2.3
MMJV – Wafi (50%) ¹⁷	19	4.2	2.5	19	4.2	2.5
Total WGJV Province	87	1.7	4.8	87	1.7	4.8
Total Non-Operational Provinces	87	1.7	4.8	87	1.7	4.8
Total Silver Inferred Mineral Resources	130	1.3	5.4	130	1.3	5.5

Dec-20 Mineral Resources	Tonnes		Grade		Contained Metal		
	Dry Tonnes (million)	Tungsten Trioxide Grade (% WO ₃)	Zinc Grade (% Zn)	Lead Grade (% Pb)	Insitu Tungsten Trioxide (million tonnes)	Insitu Zinc (million tonnes)	Insitu Lead (million tonnes)
Polymetallic Inferred Mineral Resources							
O'Callaghans¹¹							
Inferred	9.0	0.25	0.19	0.11	0.023	0.017	0.0097
Dec 20 Polymetallic Inferred Mineral Resources	9.0	0.25	0.19	0.11	0.023	0.017	0.0097
<i>Inferred</i>	<i>9.0</i>	<i>0.25</i>	<i>0.19</i>	<i>0.11</i>	<i>0.023</i>	<i>0.017</i>	<i>0.0097</i>
Dec-19 Polymetallic Inferred Mineral Resources	9.0	0.25	0.19	0.11	0.023	0.017	0.0097

Note: As per Newcrest's Annual Statement of Mineral Resources and Ore Reserves as at 31 December 2020. Refer to Page 40 for the Mineral Resource Endnotes. The Mineral Resource Endnotes include additional information on each Mineral Resource listed. Data is reported to two significant figures to reflect appropriate precision in the estimate and this may cause some apparent discrepancies in totals.

- A Newcrest recently announced an updated Ore Reserve and Mineral Resource estimate for Cadia East (refer to Newcrest release titled "Cadia PC1-2 Pre-Feasibility Study delivers attractive returns" dated 19 August 2021). The reserves for Cadia East comprise a portion of the reserves for the Cadia operations. The estimates included in that release are not reflected in the tables in this Annual Report (as estimates for the remainder of the Cadia operations have not been updated since their effective date) and supersede the estimates shown in the tables in this Annual Report for Cadia East.
- B Gosowong (inclusive of Toguraci and Kencana) is owned and operated by PT Nusa Halmahera Minerals, an incorporated joint venture company (Newcrest 75%). The figures shown represent 100% of the Mineral Resource. On 31 January 2020 Newcrest announced that it had agreed to sell its interest in PT Nusa Halmahera Minerals to PT Indotan Halmahera Bangkit (refer market release "Newcrest agrees to divest Gosowong for \$90m" dated 31 January 2020). Newcrest finalised the divestment of Gosowong on 4 March 2020.
- C WGJV refers to projects owned by the Morobe Mining unincorporated joint ventures between subsidiaries of Newcrest (50%) and Harmony Gold Mining Company Limited (50%). The figures shown represent 50% of the Mineral Resource.
- D Namosi refers to the Namosi unincorporated joint venture, in which Newcrest has a 72.74% interest. The figures shown represent 72.74% of the Mineral Resource at December 2020 compared to 72.49% of the Mineral Resource at December 2019.

Mineral Resources and Ore Reserves *continued*

Ore Reserves as at 31 December 2020

Dec-20 Ore Reserves	Proved Reserve			Probable Reserve			Dec-20 Total Reserve			Dec-19 Total Reserve		
	Dry Tonnes (million)	Gold Grade (g/t Au)	Insitu Gold (million ounces)	Dry Tonnes (million)	Gold Grade (g/t Au)	Insitu Gold (million ounces)	Dry Tonnes (million)	Gold Grade (g/t Au)	Insitu Gold (million ounces)	Dry Tonnes (million)	Gold Grade (g/t Au)	Insitu Gold (million ounces)
Gold Ore Reserves												
Operational Provinces												
Cadia East Underground ²¹	–	–	–	1,300	0.44	19	1,300	0.44	19	1,400	0.45	20
Ridgeway Underground ²²	–	–	–	80	0.54	1.4	80	0.54	1.4	80	0.54	1.4
Total Cadia Province	–	–	–	1,400	0.44	20	1,400	0.44	20	1,500	0.46	21
Main Dome Open Pit (incl. stockpiles) ²³	8.8	0.39	0.11	1.9	0.44	0.027	11	0.40	0.14	7.0	0.44	0.099
West Dome Open Pit ²⁴	–	–	–	37	0.69	0.81	37	0.69	0.81	47	0.77	1.2
Telfer Underground ²⁵	–	–	–	3.9	1.3	0.17	3.9	1.3	0.17	1.5	2.3	0.11
Total Telfer Province	8.8	0.39	0.11	42	0.74	1.0	51	0.68	1.1	55	0.77	1.4
Lihir Open Pit ²⁷	–	–	–	230	2.4	18	230	2.4	18	230	2.4	18
Lihir Stockpiles ²⁸	67	2.0	4.2	11	1.6	0.56	78	1.9	4.8	83	1.9	5.2
Total Lihir Province	67	2.0	4.2	240	2.4	18	310	2.3	22	320	2.3	23
Gosowong ²⁹	–	–	–	–	–	–	–	–	–	1.2	7.5	0.30
Total Operational Provinces	76	1.8	4.4	1,700	0.72	39	1,800	0.77	44	1,800	0.79	46
Non-Operational Provinces												
MMJV – Golpu (50%) ³⁰	–	–	–	200	0.86	5.5	200	0.86	5.5	200	0.86	5.5
Total Non-Operational Provinces	–	–	–	200	0.86	5.5	200	0.86	5.5	200	0.86	5.5
Total Gold Ore Reserves	76	1.8	4.4	1,900	0.74	45	2,000	0.78	49	2,000	0.80	52

Dec-20 Ore Reserves	Proved Reserve			Probable Reserve			Dec-20 Total Reserve			Dec-19 Total Reserve		
	Dry Tonnes (million)	Copper Grade (% Cu)	Insitu Copper (million tonnes)	Dry Tonnes (million)	Copper Grade (% Cu)	Insitu Copper (million tonnes)	Dry Tonnes (million)	Copper Grade (% Cu)	Insitu Copper (million tonnes)	Dry Tonnes (million)	Copper Grade (% Cu)	Insitu Copper (million tonnes)
Copper Ore Reserves												
Operational Provinces												
Cadia East Underground ²¹	–	–	–	1,300	0.29	3.9	1,300	0.29	3.9	1,400	0.29	4.0
Ridgeway Underground ²²	–	–	–	80	0.28	0.23	80	0.28	0.23	80	0.28	0.23
Total Cadia Province	–	–	–	1,400	0.29	4.1	1,400	0.29	4.1	1,500	0.29	4.3
Main Dome Open Pit (incl. stockpiles) ²³	8.8	0.072	0.0064	1.9	0.082	0.0016	11	0.074	0.0079	7.0	0.094	0.0065
West Dome Open Pit ²⁴	–	–	–	37	0.073	0.027	37	0.073	0.027	47	0.080	0.037
Telfer Underground ²⁵	–	–	–	3.9	0.24	0.0092	3.9	0.24	0.0092	1.5	0.33	0.0051
O'Callaghans ²⁶	–	–	–	44	0.29	0.13	44	0.29	0.13	44	0.29	0.13
Total Telfer Province	8.8	0.072	0.0064	86	0.19	0.17	95	0.18	0.17	99	0.18	0.18
Total Operational Provinces	8.8	0.072	0.0064	1,500	0.29	4.3	1,500	0.28	4.3	1,500	0.29	4.4
Non-Operational Provinces												
MMJV – Golpu (50%) ³⁰	–	–	–	200	1.2	2.5	200	1.2	2.5	200	1.2	2.5
Total Non-Operational Provinces	–	–	–	200	1.2	2.5	200	1.2	2.5	200	1.2	2.5
Total Copper Ore Reserves	8.8	0.072	0.0064	1,700	0.40	6.7	1,700	0.39	6.8	1,700	0.39	6.9

Dec-20 Ore Reserves	Proved Reserve			Probable Reserve			Dec-20 Total Reserve			Dec-19 Total Reserve		
	Dry Tonnes (million)	Silver Grade (g/t Ag)	Insitu Silver (million ounces)	Dry Tonnes (million)	Silver Grade (g/t Ag)	Insitu Silver (million ounces)	Dry Tonnes (million)	Silver Grade (g/t Ag)	Insitu Silver (million ounces)	Dry Tonnes (million)	Silver Grade (g/t Ag)	Insitu Silver (million ounces)
Silver Ore Reserves												
Operational Provinces												
Cadia East Underground ²¹	–	–	–	1,300	0.77	33	1,300	0.77	33	1,400	0.78	34
Ridgeway Underground ²²	–	–	–	80	0.66	1.7	80	0.66	1.7	80	0.66	1.7
Total Cadia Province	–	–	–	1,400	0.77	35	1,400	0.77	35	1,500	0.77	36
Gosowong ²⁹	–	–	–	–	–	–	–	–	–	1.2	11	0.43
Total Operational Provinces	–	–	–	1,400	0.77	35	1,400	0.77	35	1,500	0.78	36
Total Silver Ore Reserves	–	–	–	1,400	0.77	35	1,400	0.77	35	1,500	0.78	36

Dec-20 Ore Reserves	Proved Reserve			Probable Reserve			Dec-20 Total Reserve			Dec-19 Total Reserve		
	Dry Tonnes (million)	Molybdenum Grade (ppm Mo)	Insitu Molybdenum (million tonnes)	Dry Tonnes (million)	Molybdenum Grade (ppm Mo)	Insitu Molybdenum (million tonnes)	Dry Tonnes (million)	Molybdenum Grade (ppm Mo)	Insitu Molybdenum (million tonnes)	Dry Tonnes (million)	Molybdenum Grade (ppm Mo)	Insitu Molybdenum (million tonnes)
Molybdenum Ore Reserves												
Operational Provinces												
Cadia East Underground ²¹	–	–	–	1,300	88	0.12	1,300	88	0.12	1,300	88	0.12
Total Operational Provinces	–	–	–	1,300	88	0.12	1,300	88	0.12	1,300	88	0.12
Total Molybdenum Ore Reserves	–	–	–	1,300	88	0.12	1,300	88	0.12	1,300	88	0.12

Dec-20 Ore Reserves	Tonnes		Grade		Contained Metal		
	Dry Tonnes (million)	Tungsten Trioxide Grade (% WO ₃)	Zinc Grade (% Zn)	Lead Grade (% Pb)	Insitu Tungsten Trioxide (million tonnes)	Insitu Zinc (million tonnes)	Insitu Lead (million tonnes)
Polymetallic Ore Reserves							
O'Callaghans²⁶							
Proved	–	–	–	–	–	–	–
Probable	44	0.36	0.65	0.32	0.16	0.29	0.14
Total Polymetallic Ore Reserves	44	0.36	0.65	0.32	0.16	0.29	0.14
<i>Proved</i>	–	–	–	–	–	–	–
<i>Probable</i>	44	0.36	0.65	0.32	0.16	0.29	0.14
Dec-19 Total Polymetallic Ore Reserves	44	0.36	0.65	0.32	0.16	0.29	0.14

NOTE: As per Newcrest's Annual Statement of Mineral Resources and Ore Reserves as at 31 December 2020. Refer to Page 41 for the Ore Reserve Endnotes. The Ore Reserve Endnotes include additional information on each Ore Reserve listed. Data is reported to two significant figures to reflect appropriate precision in the estimate and this may cause some apparent discrepancies in totals.

A Newcrest recently announced an updated Ore Reserve and Mineral Resource estimate for Cadia East (refer to Newcrest release titled "Cadia PC1-2 Pre-Feasibility Study delivers attractive returns" dated 19 August 2021). The reserves for Cadia East comprise a portion of the reserves for the Cadia operations. The estimates included in that release are not reflected in the tables in this Annual Report (as estimates for the remainder of the Cadia operations have not been updated since their effective date) and supersede the estimates shown in the tables in this Annual Report for Cadia East.

B Gosowong (inclusive of Toguraci and Kencana) is owned and operated by PT Nusa Halmahera Minerals, an incorporated joint venture company (Newcrest 75%). The figures shown represent 100% of the Ore Reserve. On 31 January 2020 Newcrest announced that it had agreed to sell its interest in PT Nusa Halmahera Minerals to PT Indotan Halmahera Bangkit (refer market release "Newcrest agrees to divest Gosowong for \$90m" dated 31 January 2020). Newcrest finalised the divestment of Gosowong on 4 March 2020.

C WGJV refers to projects owned by the Morobe Mining unincorporated joint ventures between subsidiaries of Newcrest (50%) and Harmony Gold Mining Company Limited (50%). The figures shown represent 50% of the Ore Reserve.

Mineral Resources and Ore Reserves *continued*

Mineral Resource Endnotes

1. Cadia East Underground Mineral Resource-JORC Competent Person: Luke Barbetti. Underground block cave operation, Cadia, NSW, Australia. For key assumptions, parameters and methods used to estimate the Mineral Resource refer to Cadia Operations, New South Wales, Australia, NI 43-101 Technical Report, Report effective date 30 June 2020.
2. Ridgeway Underground Mineral Resource-JORC Competent Person: Luke Barbetti. Underground block cave on Care and Maintenance, Cadia, NSW, Australia. For key assumptions, parameters and methods used to estimate the Mineral Resource refer to Cadia Operations, New South Wales, Australia, NI 43-101 Technical Report, Report effective date 30 June 2020.
3. Cadia Extended Underground Mineral Resource-JORC Competent Person: Luke Barbetti. Underground undeveloped project, Cadia, NSW, Australia. For key assumptions, parameters and methods used to estimate the Mineral Resource refer to Cadia Operations, New South Wales, Australia, NI 43-101 Technical Report, Report effective date 30 June 2020.
4. Cadia Hill Stockpiles Ridgeway Underground Mineral Resource-JORC Competent Person: Luke Barbetti. Open pit stockpiles from completed Cadia Hill Open pit operation, Cadia, NSW, Australia. For key assumptions, parameters and methods used to estimate the Mineral Resource refer to Cadia Operations, New South Wales, Australia, NI 43-101 Technical Report, Report effective date 30 June 2020.
5. Big Cadia Open Pit Mineral Resource-JORC Competent Person: Luke Barbetti. Open pit undeveloped project, Cadia, NSW, Australia. For key assumptions, parameters and methods used to estimate the Mineral Resource refer to Cadia Operations, New South Wales, Australia, NI 43-101 Technical Report, Report effective date 30 June 2020.
6. Main Dome Stockpiles Mineral Resource-JORC Competent Person: Ashok Doorgapershad. Open pit stockpiles from completed Main Dome open pit operation, Telfer, WA, Australia. Mineral Resource is reported at a Net Smelter Return cut-off of A\$17.8/t milled based on variable gold and copper contributions.
7. West Dome Open Pit Mineral Resource-JORC Competent Person: Ashok Doorgapershad. Open pit operation, Telfer, WA, Australia. Mineral Resource is reported at a Net Smelter Return cut-off of A\$20.1/t milled based on variable gold and copper contributions.
8. Telfer Underground Mineral Resources-JORC Competent Person: Ashok Doorgapershad. Underground comprising sub-level cave and Western Flanks, South West and M Reef stoping operations and Vertical Stockwork Corridor sub-level cave undeveloped project, Telfer, WA, Australia. Mineral Resource is reported at a Net Smelter Return cut-off of AUD53.0/t milled for sub-level caves, A\$60.0/t milled for Western Flanks and A\$115.0/t milled for M Reefs based on variable gold and copper contributions.
9. Havieron Underground Mineral Resource-JORC Competent Person: Cameron Switzer. Underground undeveloped joint venture project (Newcrest equity 40%, Greatland Gold Plc equity 60%), Telfer, WA, Australia. Mineral Resource is reported at a Net Smelter Return cut-off of A\$50.0/t milled based on variable gold and copper contributions.
10. Satellites Open Pit Mineral Resources-JORC Competent Person: Ashok Doorgapershad. Open pit undeveloped project, Telfer, WA, Australia. The Mineral Resource comprised of three deposits (Ironclad, Big Tree and Dolphy) is reported above marginal cut-off grades of 0.20g/t Au in Oxide material and 0.56g/t Au for transitional or fresh material based on dump leach processing.
11. O'Callaghans Underground Mineral Resource-JORC Competent Person: Ashok Doorgapershad. Underground polymetallic underdeveloped project, Telfer, WA, Australia. Mineral Resource is reported at a Net Smelter Return cut-off of A\$54.9/t milled based on variable copper, tungsten, lead and zinc contributions.
12. Camp Dome Mineral Resource-JORC Competent Person: Ashok Doorgapershad. Open pit undeveloped project, Telfer, WA, Australia. Mineral Resource has been reported above a 0.13% copper cut-off based on dump leach processing.
13. Lihir Open Pit Mineral Resource-JORC Competent Person: Ben Likia. Open pit operation, Aniolam Island, PNG. For key assumptions, parameters and methods used to estimate the Mineral Resource refer to Lihir Operations, Aniolam Island, Papua New Guinea, NI 43-101 Technical Report, Report effective date 30 June 2020.
14. Lihir Open Pit Stockpiles-JORC Competent Person: Ben Likia. Open pit stockpiles from current operation, Aniolam Island, PNG. For key assumptions, parameters and methods used to estimate the Mineral Resources refer to Lihir Operations, Aniolam Island, Papua New Guinea, NI 43-101 Technical Report, Report effective date 30 June 2020.
15. Gosowong Mineral Resource. Gosowong is owned and operated by PT Nusa Halmahera Minerals, an incorporated joint venture company (Newcrest 75%). The figures shown represent 100% of the Mineral Resource at 31 December 2019. On 5 March 2020 Newcrest announced that it had completed the divestment of Gosowong (refer to Market release "Finalisation of Gosowong Sale" dated 5 March 2020) and therefore the resource has been removed.
16. Golpu Underground Mineral Resource-JORC Competent Person David Finn. Underground block cave undeveloped project, Morobe, PNG. For key assumptions, parameters and methods used to estimate the Mineral Resource refer to Wafi-Golpu Project, Morobe Province, Papua New Guinea, NI 43-101 Technical Report, Report effective date 30 June 2020.
17. Wafi Open Pit Mineral Resource-JORC Competent Person Greg Job. Open pit undeveloped project, Morobe, PNG. For key assumptions, parameters and methods used to estimate the Mineral Resource refer to Wafi-Golpu Project, Morobe Province, Papua New Guinea, NI 43-101 Technical Report, Report effective date 30 June 2020.
18. Nambonga Underground Mineral Resource-JORC Competent Person Greg Job. Underground block cave undeveloped project, Morobe, PNG. For key assumptions, parameters and methods used to estimate the Mineral Resource refer to Wafi-Golpu Project, Morobe Province, Papua New Guinea, NI 43-101 Technical Report, Report effective date 30 June 2020.
19. Waisoi Open Pit Mineral Resource-JORC Competent Person Vik Singh. Open pit undeveloped project, Namosi, Fiji. Mineral Resource is reported at a Net Smelter Return cut-off of US\$11.0/t based on variable gold and copper contributions.
20. Wainaulo Underground Mineral Resource-JORC Competent Person Vik Singh. Underground block cave undeveloped project, Namosi, Fiji. Mineral Resource is reported at a Net Smelter Return cut-off of US\$23.2/t.

Ore Reserve Endnotes

21. Cadia East Underground Ore Reserve-JORC Competent Person: Ian Austen. Underground block cave operation, Cadia, NSW, Australia. For key assumptions, parameters and methods used to estimate the Ore Reserves refer to Cadia Operations, New South Wales, Australia, NI 43-101 Technical Report, Report effective date 30 June 2020.
22. Ridgeway Underground Ore Reserve-JORC Competent Person: Geoffrey Newcombe. Underground block cave on Care and Maintenance, Cadia, NSW, Australia. For key assumptions, parameters and methods used to estimate the Ore Reserves refer to Cadia Operations, New South Wales, Australia, NI 43-101 Technical Report, Report effective date 30 June 2020.
23. Main Dome Stockpiles Ore Reserve-JORC Competent Person: Glenn Paterson-Kane. Open pit stockpiles from completed Main Dome open pit operation, Telfer, WA, Australia. Ore Reserve is reported at a Net Smelter Return cut-off of A\$17.8/t milled based on variable gold and copper contributions.
24. West Dome Open Pit Ore Reserve-JORC Competent Person: Glenn Paterson-Kane. Open pit operation, Telfer, WA, Australia. Ore Reserve is reported at a Net Smelter Return cut-off of A\$20.1/t milled based on variable gold and copper contributions.
25. Telfer Underground Ore Reserve-JORC Competent Person: Gito Patani. Underground comprising sub-level cave and Western Flanks, South West and M Reef stoping operations, Telfer, WA, Australia. Ore Reserve is reported at a Net Smelter Return cut-off of A\$53.0/t milled for sub-level cave, A\$60.0/t milled for Western Flanks and A\$115.0/t milled for M Reefs based on variable gold and copper contributions.
26. O'Callaghans Underground Ore Reserve-JORC Competent Person: Michael Sykes. Underground polymetallic underdeveloped project, Telfer, WA, Australia. Ore Reserve is reported at a Net Smelter Return cut-off of A\$54.9/t milled based on variable copper, tungsten, lead and zinc contributions.
27. Lihir Open Pit Ore Reserve-JORC Competent Person: David Grigg. Open pit operation, Lihir, PNG. For key assumptions, parameters and methods used to estimate the Ore Reserve refer to Lihir Operations, Aniolam Island, Papua New Guinea, NI 43-101 Technical Report, Report effective date 30 June 2020.
28. Lihir Open Pit Stockpiles Ore Reserve-JORC Competent Person: David Grigg. Open pit stockpiles from current operation, Lihir, PNG. For key assumptions, parameters and methods used to estimate the Ore Reserve refer to Lihir Operations, Aniolam Island, Papua New Guinea, NI 43-101 Technical Report, Report effective date 30 June 2020.
29. Gosowong Ore Reserve. Gosowong is owned and operated by PT Nusa Halmahera Minerals, an incorporated joint venture company (Newcrest 75%). The figures shown represent 100% of the Ore Reserve at 31 December 2019. On 5 March 2020 Newcrest announced that it had completed the divestment of Gosowong (refer to Market release "Finalisation of Gosowong Sale" dated 5 March 2020) and therefore the reserve has been removed.
30. Golpu Underground Ore Reserve-JORC Competent Person: Pasqualino Manca. Underground block cave undeveloped project, Morobe, PNG. For key assumptions, parameters and methods used to estimate the Ore Reserve refer to Wafi-Golpu Project, Morobe Province, Papua New Guinea, NI 43-101 Technical Report, Report effective date 30 June 2020.

Corporate Governance Statement

The Board believes that adherence by Newcrest and its people to the highest standards of corporate governance is critical in order to achieve its vision. Accordingly, Newcrest has a detailed governance framework, which is regularly reviewed and adapted to developments in market practice and regulation.

As at the date of lodgement of this Report, Newcrest's governance framework complies with the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council. Further information in relation to Newcrest's governance framework is provided in the Corporate Governance Statement, which was lodged with ASX on the date of lodgement of this Annual Report and is available in the corporate governance section of the Newcrest website at www.newcrest.com. The corporate governance section of the Newcrest website also provides further information in relation to Newcrest's governance framework, including Board and Board Committee Charters and key policies.

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Directors' Report

The Directors present their report together with the consolidated financial statements of the Newcrest Mining Limited Group, comprising Newcrest Mining Limited ('the Company') and its controlled entities ('Newcrest' or 'the Group'), for the year ended 30 June 2021.

Directors

The Directors of the Company during the year ended 30 June 2021, and up to the date of this report are set out below. All Directors held their position as a Director throughout the entire year and up to the date of this report unless otherwise stated.

Peter Hay	Non-Executive Director and Non-Executive Chairman
Sandeep Biswas	Managing Director and Chief Executive Officer
Gerard Bond	Finance Director and Chief Financial Officer
Philip Aiken AM	Non-Executive Director
Roger Higgins	Non-Executive Director
Sally-Anne Layman	Non-Executive Director (appointed on 1 October 2020)
Xiaoling Liu	Non-Executive Director (resigned on 11 November 2020)
Jane McAloon	Non-Executive Director (appointed on 1 July 2021)
Vicki McFadden	Non-Executive Director
Peter Tomsett	Non-Executive Director

On 5 May 2021, it was announced that Gerard Bond would leave Newcrest shortly after his tenth year in the role in early 2022.

Principal Activities

The principal activities of the Group during the year were exploration, mine development, mine operations and the sale of gold and gold/copper concentrate. There were no significant changes in those activities during the year.

Consolidated Result

The profit after tax attributable to Newcrest shareholders ('Statutory Profit') for the year ended 30 June 2021 was US\$1,164 million (2020: US\$647 million).

Refer to the Operating and Financial Review for further details. The Operating and Financial Review forms part of this Directors' Report. The financial information in the Operating and Financial Review includes non-IFRS financial information. Explanations and reconciliations of non-IFRS financial information to the financial statements are included in Section 6 of the Operating and Financial Review.

Dividends

The following dividends of the Company were paid during the year:

- Final dividend for the year ended 30 June 2020 of US 17.5 cents per share, amounting to US\$143 million, was paid on 25 September 2020. This dividend was fully franked.
- Interim dividend for the year ended 30 June 2021 of US 15.0 cents per share, amounting to US\$123 million, was paid on 25 March 2021. This dividend was fully franked.

The Directors have determined to pay a final dividend for the year ended 30 June 2021 of US 40 cents per share, which will be fully franked. The dividend will be paid on 30 September 2021.

Significant Changes in the State of Affairs and Future Developments

Refer to the Operating and Financial Review for information on the significant changes in the state of affairs of the Group and for likely developments and future prospects of the Group.

Subsequent Events

Subsequent to year end, the Directors have determined to pay a final dividend for the year ended 30 June 2021 of US 40 cents per share, which will be fully franked. The dividend will be paid on 30 September 2021. The total amount of the dividend is US\$327 million. This dividend has not been provided for in the 30 June 2021 financial statements.

There have been no other matters or events that have occurred subsequent to 30 June 2021 that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Options

The Company does not have any unissued shares or unissued interests under option as at the date of this report, nor has it granted, or issued shares or interests under any options during or since the end of the year. Refer to Note 36 for the number of Performance Rights at year end.

Rounding of Amounts

Newcrest Mining Limited is a company of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that Instrument, amounts in the Directors' Report and the Financial Report are rounded to the nearest million dollars except where otherwise indicated.

Non-Audit Services

During the year, Ernst & Young (external auditor to the Company), has provided other services in addition to the statutory audit, as disclosed in Note 38 to the financial statements. These services included:

- Assurance and agreed-upon-procedure services relating to transaction accounting services, sustainability assurance services and audited related assurance services.
- Non-audit services relating to sustainability, tax and other due diligence services.

The Directors are satisfied that the provision of non-audit services provided by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that these non-audit services do not compromise the auditor's independence, based on advice received from the Audit and Risk Committee, for the following reasons:

- all non-audit services have been approved by the Audit and Risk Committee Chair prior to engagement to ensure they did not impact on the impartiality and objectivity of the auditor;
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing economic risks and rewards; and
- Ernst & Young has individually confirmed, prior to each service commencing, that the service does not create any independence issues with respect to the *Corporations Act 2001*. They have also provided a copy of their Auditor's Independence Declaration, as required by the *Corporations Act 2001*, for inclusion in the Annual Report.

Auditor Independence

A copy of the Auditor's Independence Declaration, as required by the *Corporations Act 2001*, is included after this report.

Currency

All references to dollars in the Directors' Report and the Financial Report are references to US dollars (\$) or US\$ unless otherwise specified.

Environmental Regulation and Performance

The Managing Director reports to the Board on all significant safety, health and environmental incidents. The Board also has a Safety and Sustainability Committee which has oversight of the safety, health and environmental performance of the Group and meets at least four times per year.

The operations of the Group are subject to environmental regulation under the jurisdiction of the countries in which those operations are conducted, including Australia, Papua New Guinea ('PNG'), Canada, USA, Chile, Ecuador and Fiji. Each mining operation is subject to particular environmental regulation specific to their activities as part of their operating licence or environmental approvals. Each of our sites are required to also manage their environmental obligations in accordance with our corporate environmental policies and standards.

The environmental laws and regulations that cover each of our sites, combined with our policies and standards, address the potential impact of the Group's activities in relation to water and air quality, noise, land disturbance, waste and tailings management, and the potential impact upon flora and fauna. The Group releases an annual Sustainability Report in accordance with the Global Reporting Initiative that details our activities in relation to management of key environmental aspects.

The Group has an internal reporting system covering all sites. Environmental incidents are reported and assessed according to their environmental consequence and environmental authorities are notified where required and remedial action is undertaken.

Levels of environmental incidents are categorised based on factors such as spill volume, incident location (onsite or offsite) and environmental consequence. Incident numbers are based on four levels of actual environmental consequence including: 1 (Minor), 2 (Major), 3 (Critical), and 4 (Catastrophic). Level 1 Minor incidents are tracked and managed at a site level and are not reported in aggregate for the Group. The number of incidents reported by level based on actual environmental consequence for the 2021 financial year and 2020 comparative year is shown in the following table.

Category	Level 2	Level 3	Level 4
2021 – Number of incidents	6	0	0
2020 – Number of incidents	6	0	0

Indemnification and Insurance of Directors and Officers

Newcrest indemnifies each Director, Secretary and Executive Officer of Newcrest and its subsidiaries against any liability related to, or arising out of, the conduct of the business of Newcrest or its subsidiaries or the discharge of the Director's, Secretary's or Executive Officer's duties. These indemnities are given to the extent that Newcrest is permitted by law and its Constitution to do so. No payment has been made to indemnify any Director, Secretary and Executive Officer of the Company and its subsidiaries during or since the end of the financial year.

Newcrest maintains a Directors' and Officers' insurance policy which, subject to some exceptions, provides insurance cover to past, present or future Directors, Secretaries and Executive Officers of Newcrest and its subsidiaries. The Company has paid an insurance premium for the policy.

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the end of the financial year.

Directors' Report continued

Information on Directors

Details of the Directors' qualifications, experience and special responsibilities are set out on pages 26 to 28. These details have been updated since 19 August 2021.

Information on Former Directors*

Xiaoling Liu

Independent Non-Executive Director

PhD (Extractive Metallurgy), BEng (Extractive Metallurgy), GAICD, FAusIMM, FTSE

Dr Liu was appointed to the Board as a Non-Executive Director in September 2015 and resigned effective 11 November 2020. She was a member of the Human Resources and Remuneration Committee and the Audit and Risk Committee.

Skills, experience and expertise

Dr Liu has extensive executive experience in leading global mining and processing businesses. Her last executive role was as President and Chief Executive Officer of Rio Tinto Minerals based in Denver, where she ran integrated mining, processing and supply chain operations in the United States, Europe and Asia. Prior to her last executive role, Dr Liu held senior management and operational roles at Rio Tinto throughout her career including President – Primary Metal Pacific, Managing Director – Global Technical Services and General Manager Bell Bay Smelter.

Current Listed Directorships

- Director of Incitec Pivot Limited (from 2019)
- Director of South 32 Limited (from 2017)

Other Current Directorships/Appointments

- Chancellor of Queensland University of Technology (from 2020)
- Member of the Australian Academy of Technological Sciences and Engineering (from 2017)

Former Listed Directorships (last 3 years)

- Director of Iluka Resources Limited (2016–2019)

Directors' Interests

As at the date of this report, the interest of each Director in the shares and rights of Newcrest Mining Limited were:

Director	Number of Ordinary Shares	Nature of Interest	Number of Rights Over Ordinary Shares ⁽¹⁾	Nature of Interest
Peter Hay	57,191	Direct and Indirect	–	–
Sandeep Biswas	581,054	Direct and Indirect	498,738	Direct
Gerard Bond	135,566	Direct and Indirect	128,779	Direct
Philip Aiken AM	18,696	Indirect	–	–
Roger Higgins	13,675	Indirect	–	–
Sally-Anne Layman	4,150	Indirect	–	–
Jane McAloon	3,891	Indirect	–	–
Vicki McFadden	11,446	Indirect	–	–
Peter Tomsett	21,500	Indirect	–	–
Former Director				
Xiaoling Liu ⁽²⁾	14,172	Indirect	–	–

(1) Represents Sandeep Biswas' and Gerard Bond's unvested performance rights granted pursuant to the Company's Long Term Incentive plans in the 2019, 2020 and 2021 financial years respectively.

(2) Number as at her resignation date of 11 November 2020.

* Information provided is as at the date of cessation as a Director of the Company.

Information on Company Secretary and Deputy Company Secretary

Maria (Ria) Sanz Perez

Chief Legal, Risk & Compliance Officer and Company Secretary

BComm, LLB, HDipTax, AMP (Harvard)

Ms Sanz Perez joined Newcrest in July 2020 as Chief Legal, Risk & Compliance Officer and Company Secretary. Prior to joining Newcrest, Ms Sanz Perez was the Executive Vice President, General Counsel, Compliance and Company Secretary at AngloGold Ashanti Ltd from 2011 to 2020. Prior to joining AngloGold Ashanti Ltd, she held several senior roles with leading companies such as Sappi Ltd and African Oxygen Limited.

Ms Sanz Perez is a seasoned executive who has advised public boards, CEOs and executive committees on governance, risk, sustainability, compliance, mergers and acquisitions, litigation, regulatory and commercial legal matters. She has had experience leading multijurisdictional teams and has regulatory expertise across Africa, the United States, Australia and the UK.

Claire Hannon

Deputy Company Secretary

BSc, LLB (Hons), Grad. Dip. App Fin, GAICD

Ms Hannon joined Newcrest in January 2013 as Corporate Counsel in the legal team. She was appointed as an additional Company Secretary in August 2015. Prior to joining Newcrest, Ms Hannon worked as a lawyer in the Melbourne office of Ashurst and the London office of Clifford Chance, specialising in mergers and acquisitions and corporate law.

Directors' Meetings

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year were:

Director	Committees of the Board											
	Directors' Meetings		Audit & Risk		Human Resources & Remuneration		Safety & Sustainability		Nominations		Special Board Committees ⁽¹⁾	
	A	B	A	B	A	B	A	B	A	B	A	B
Peter Hay	11	11	–	–	–	–	–	–	5	5	4	4
Sandeep Biswas	11	11	–	–	–	–	–	–	–	–	4	4
Gerard Bond	11	11	–	–	–	–	–	–	–	–	4	4
Philip Aiken AM	11	11	–	–	7	7	3 ⁽²⁾	4	5	5	–	–
Roger Higgins	11	11	–	–	7	7	4	4	–	–	–	–
Sally-Anne Layman ⁽³⁾	8	8	5	5	–	–	1	1	–	–	–	–
Xiaoling Liu ⁽⁴⁾	5	5	2	2	3	3	–	–	1	1	–	–
Vicki McFadden	11	11	7	7	7	7	–	–	–	–	4	4
Peter Tomsett	11	11	7	7	–	–	4	4	4	4	–	–

Column A – Indicates the number of meetings attended whilst a Director/Committee member.

Column B – Indicates the number of meetings held whilst a Director/Committee member.

(1) These are out of session Committee meetings and include meetings of the Board Executive Committee and other Committees established from time to time to deal with ad-hoc matters delegated to the relevant Committee by the Board. The membership of such special Committees may vary.

(2) Meeting missed due to personal circumstances.

(3) Sally-Anne Layman was appointed as a Director on 1 October 2020.

(4) Xiaoling Liu resigned as a Director effective 11 November 2020.

Details of the functions and memberships of the Committees of the Board are presented in Newcrest's Corporate Governance Statement.

Remuneration Report

The Remuneration Report is set out on pages 96 to 121 and forms part of this Directors' Report.

This report is signed in accordance with a resolution of the Directors.



Peter Hay
Chairman

19 August 2021
Melbourne



Sandeep Biswas
Managing Director and Chief Executive Officer

Directors' Report continued

OPERATING AND FINANCIAL REVIEW

To assist readers to better understand the financial performance of the underlying operating assets of Newcrest, the financial information in this Operating and Financial Review includes non-IFRS financial information. Explanations and reconciliations of non-IFRS information to the financial statements are set out in Section 6.

Unless otherwise stated, all financial data presented in this Operating and Financial Review is quoted in US\$ and the prior period represents the 12 months ended 30 June 2020.

Section 1 Endnotes are located at the end of the section.

1. Summary of Results For the 12 Months ended 30 June 2021 ^{1,2,3}

Key points

Strong operating and financial performance

- Gold production of 2.1 million ounces⁴
- Record copper production of 142.7 thousand tonnes
- Record Statutory profit⁵ of \$1.2 billion, 80% higher than the prior period
- Record Underlying profit⁶ of \$1.2 billion, 55% higher than the prior period
- AISC^{4,6,7} of \$911 per ounce, 6% higher than the prior period
- Record AISC margin^{6,7,8} of \$876 per ounce, 31% higher than the prior period
- Record Cash flow from operating activities of \$2.3 billion, 56% higher than the prior period
- Record free cash flow⁶ of \$1.1 billion
- Record mine and mill performance at Cadia, underpinning record copper production and its lowest reported annual All-In Sustaining Cost (AISC) of negative \$109 per ounce

Advancing multiple organic growth options

- Havieron and Red Chris early works projects progressing well, with declines commencing
- Havieron initial Inferred Mineral Resource estimate of 3.4 million ounces of contained gold and 160 thousand tonnes of contained copper^{9,10,11}
- Red Chris Measured and Indicated Mineral Resource estimate of 13 million ounces of contained gold and 3.7 million tonnes of contained copper^{11,12,13}
- Lihir Mine Optimisation Study identifies potential to unlock additional high grade mineralisation¹⁴
- Progression of the Expansion Project and commissioning of the Molybdenum Plant at Cadia

Balance sheet positioned to support growth

- Strong balance sheet, with a net cash position of \$176 million as at 30 June 2021
- Significant liquidity with \$3.9 billion in cash and committed undrawn bank facilities
- Early repayment of 2022 Corporate Bonds and renegotiation of Bilateral Bank debt facilities
- Next corporate bond debt repayment not due until May 2030

Increased dividends to shareholders

- Earnings per share of 142.5 cents, 71% higher than the prior period
- Total dividends per share for 2021 financial year of 55 cents per share, 120% higher than the prior period
- Sixth consecutive year of increased annual dividends to shareholders

For the 12 months ended 30 June

	Endnote	UoM	2021	2020	Change	Change %
Group production – gold	4	oz	2,093,322	2,171,118	(77,796)	(4%)
– copper		t	142,724	137,623	5,101	4%
Revenue		US\$m	4,576	3,922	654	17%
EBITDA	6	US\$m	2,443	1,835	608	33%
EBIT	6	US\$m	1,770	1,191	579	49%
Statutory profit	5	US\$m	1,164	647	517	80%
Underlying profit	6	US\$m	1,164	750	414	55%
Cash flow from operating activities		US\$m	2,302	1,471	831	56%
Free cash flow*	6	US\$m	1,104	(621)	1,725	278%
EBITDA margin	6	%	53.4	46.8	6.6	14%
EBIT margin	6	%	38.7	30.4	8.3	27%
All-In Sustaining Cost	4,6,7	US\$/oz	911	862	49	6%
All-In Sustaining margin	6,7,8	US\$/oz	876	668	208	31%
Realised gold price	16	US\$/oz	1,796	1,530	266	17%
Realised copper price	16	US\$/lb	3.66	2.57	1.09	42%
Average exchange rate		AUD:USD	0.7467	0.6715	0.0752	11%
Average exchange rate		PGK:USD	0.2854	0.2927	(0.0073)	(2%)
Average exchange rate		CAD:USD	0.7789	0.7452	0.0337	5%
Closing exchange rate		AUD:USD	0.7518	0.6863	0.0655	10%
Earnings per share (basic)		US\$ cents	142.5	83.4	59.1	71%
Earnings per share (diluted)		US\$ cents	142.1	83.1	59.0	71%
Dividends paid per share		US\$ cents	32.5	22.0	10.5	48%
Cash and cash equivalents		US\$m	1,873	1,451	422	29%
(Net cash) or net debt		US\$m	(176)	624	(800)	(128%)
Leverage ratio	6	times	(0.1)	0.3	(0.4)	(133%)
Gearing		%	(1.8)	6.8	(8.6)	(126%)
ROCE	6	%	18.5	13.8	4.7	34%
Interest coverage ratio	6	times	40.7	22.7	18.0	79%
Total equity		US\$m	10,124	8,613	1,511	18%

* Free cash flow in the prior period includes the payment for the acquisition of Red Chris (70% ownership) of \$769 million¹⁷, the acquisition of Fruta del Norte finance facilities of \$460 million¹⁸, further investments in Lundin Gold of \$79 million, net proceeds from the divestment of Gosowong of \$20 million¹⁹ and a payment of \$3 million for an interest in Antipa Minerals Ltd.

Full year results

In line with Newcrest's Purpose of "Creating a brighter future for people through safe and responsible mining", Newcrest delivered another twelve-month period free of fatalities or life-changing injuries and reported an industry-leading low²⁰ Total Recordable Injury Frequency Rate (TRIFR) of 2.26 per million hours worked.

Over the current period significant progress has been made to integrate greenhouse gas (GHG) reduction targets across the business. GHG Scope 1 and 2 emissions are now measured across Newcrest's full value chain²¹, with GHG management plans and detailed actions defined for each operating site. A Power Purchase Agreement has been entered into with a wind farm developer for an amount of energy from 2024 onwards equal to a significant part of Cadia's future projected energy requirements, greatly assisting Newcrest's goal of a 30% reduction in emissions intensity by 2030 (relative to a 2018 baseline)²². Additionally, in the current period, Newcrest announced its goal of net zero carbon emissions by 2050.

To date, Newcrest has not experienced any material disruption to its operations as a result of COVID-19. Some project activities have experienced a level of disruption but to date these have been managed to mitigate their impact on overall cost and schedule. The operating cost of managing COVID-19 risks for the 2021 financial year was approximately \$70 million, of which \$53 million related to Lihir, driven by more extensive testing, longer quarantining periods, additional accommodation, rostering and other labour costs to minimise risk to our people and communities and to ensure business continuity. Newcrest continues to closely monitor and respond to the developments around COVID-19.

Newcrest's gold production of 2.1 million ounces was 4% lower than the prior period, reflecting the divestment of Gosowong in the prior period (March 2020), the expected decline in grade at Cadia, lower mill throughput at Lihir, and lower recoveries at Telfer. This decrease in gold production was partially offset by record annual ore tonnes mined and record mill throughput at Cadia, the inclusion of 129,285 ounces⁴ of gold production attributable to Newcrest's 32% equity interest in Lundin Gold Inc. (the owner of the Fruta del Norte mine), twelve months of Red Chris production compared to ten-and-a-half months in the prior period and higher mill throughput at Telfer.

Directors' Report continued

1. Summary of Results For the 12 Months ended 30 June 2021^{1,2,3} continued

Full year results continued

Record copper production of 142.7 thousand tonnes was 4% higher than the prior period, primarily driven by record annual mill throughput at Cadia, partially offset by lower grades and recovery at Telfer and Red Chris.

Statutory profit and Underlying profit was a record \$1,164 million in the current period.

Underlying profit of \$1,164 million was \$414 million (or 55%) higher than the prior period primarily driven by higher realised gold and copper prices, favourable fair value adjustments recognised on copper derivatives and Newcrest's investment in the Fruta del Norte finance facilities, and record copper production at Cadia. These benefits were partially offset by lower gold sales volumes driven by lower production, increased income tax expense as a result of the Company's improved profitability in the current period, the unfavourable impact on operating costs (including depreciation) from the strengthening of the Australian dollar against the US dollar, additional costs associated with COVID-19 measures, higher treatment, refining and transportation costs and higher price-linked costs such as royalties.

Newcrest's AISC of \$911 per ounce^{4,7} was 6% higher than the prior period. The increase in AISC per ounce reflects marginally lower gold production and resulting sales, the unfavourable impact of the strengthening of the Australian dollar on costs, higher sustaining capital expenditure, additional costs associated with COVID-19 measures, a full twelve months of costs at Red Chris, higher treatment, refining and transportation costs and higher royalties in the current period. These higher costs were partially offset by a higher realised copper price, record copper sales volumes at Cadia, the divestment of Gosowong (and its higher cost of production), and a favourable contribution from Newcrest's 32% equity interest in Lundin Gold Inc. (the owner of the Fruta del Norte mine). Cadia achieved a record low annual AISC of negative \$109 per ounce in the current period, positively impacting Newcrest's AISC despite a lower contribution of ounces compared to the prior period.

Notwithstanding a higher AISC per ounce, Newcrest's AISC margin per ounce in the current period was 31% higher than the prior period as a result of a higher realised gold price.

Cash inflow from operating activities of \$2,302 million was \$831 million (or 56%) higher than the prior period. The increase reflects the benefit of higher gold and copper prices, increased copper sales volumes at Cadia, timing of working capital movements, lower net interest paid and lower income tax payments. This was partially offset by lower gold sales volumes and the unfavourable impact on costs from a stronger Australian dollar in the current period.

Newcrest's record free cash flow of \$1,104 million was \$1,725 million higher than the prior period, with the prior period also characterised by a net cash outflow of \$1,291 million in relation to M&A growth investments compared to \$21 million in the current period.

'Free cash flow before M&A activity' was \$455 million (or 68%) higher than the prior period, with higher operating cash flows only partially offset by an increased investment in major capital projects at Cadia, Lihir, Red Chris and Havieron, higher sustaining capital at all continuing operations and increased production stripping activity at Lihir and Red Chris.

From this free cash flow of \$1,104 million, Newcrest's cash holdings of \$1,873 million increased by \$422 million in the current period following the redemption of \$380 million in corporate bonds and associated costs of \$20 million, deducting dividend payments to shareholders (\$240 million), lease repayments (\$32 million), and the purchase of Treasury shares to satisfy employee share obligations (\$10 million).

Newcrest had a net cash position of \$176 million and gearing ratio of negative 1.8% as at 30 June 2021.

During the current period Newcrest continued to advance its multiple organic growth options, with the Board approving the commencement of Stage 2 of the Cadia Expansion Project and the Lihir Front End Recovery Project. The Newcrest Board also approved early works funding for the construction of the box cut and associated surface infrastructure for both the Havieron Project (A\$146 million, on a 100% basis) and Red Chris (C\$135 million in addition to C\$12 million already approved, on a 100% basis). Construction of exploration declines at both Red Chris and Havieron commenced in the current period.

During the current period, Newcrest released an initial Inferred Mineral Resource estimate for the Havieron Project, which is a high-grade deposit located approximately 45km east of Newcrest's Telfer mine with the potential to extend the operational life of Telfer. Newcrest also released its initial Measured and Indicated Mineral Resource estimate for Red Chris, which is expected to support the development of a high margin underground block cave²³.

On 13 October 2020, Newcrest listed on the Toronto Stock Exchange to support its growth strategy in the Americas and to increase its exposure to the large North American investment community.

Capital structure

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 to provide returns to shareholders. Newcrest looks to maintain a conservative level of balance sheet leverage.

On 2 March 2021, Newcrest renewed its unsecured bilateral bank lending facilities with its existing 13 bank lenders, extending the maturity dates. Each bank has committed approximately US\$154 million in facilities for an overall unchanged quantum of US\$2 billion on similar commercial terms for Newcrest.

These facilities have tenors of three or five years, the aggregate of which is as follows:

- US\$1,077 million of facilities maturing in FY24
- US\$923 million of facilities maturing in FY26

On 28 April 2021, Newcrest completed the mandatory redemption and cancellation of the outstanding US\$380 million owing of its 4.200% Senior Guaranteed Notes, otherwise maturing 1 October 2022.

These refinancing and bond buyback transactions underpin Newcrest's objective of having a strong balance sheet, considerable liquidity and financial flexibility at low cost.

Newcrest's net cash as at 30 June 2021 was \$176 million. This comprises of \$1,873 million of cash holdings, less \$1,635 million of capital market debt and lease liabilities of \$62 million.

At 30 June 2021, Newcrest had liquidity coverage of \$3,873 million, comprising \$1,873 million of cash and \$2,000 million in committed undrawn bilateral bank debt facilities with tenors ranging from 2024 to 2026.

Newcrest's financial policy metrics and its performance against them are as follows:

Metric	Policy 'looks to'	As at 30 June 2021	As at 30 June 2020
Credit rating (S&P/Moody's)	Investment grade	BBB/Baa2	BBB/Baa2
Leverage ratio (Net debt to EBITDA)	Less than 2.0 times	(0.1)	0.3
Gearing ratio	Below 25%	(1.8%)	6.8%
Cash and committed undrawn bank facilities	At least \$1.5bn, of which ~1/3 is in the form of cash	\$3.87bn (\$1.87bn cash)	\$3.45bn (\$1.45bn cash)

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 are:

Financial Year Ending	Gold Ounces Hedged	Average Price A\$/oz
30 June 2022	204,615	1,902
30 June 2023	137,919	1,942
Total	342,534	1,918

Telfer is a large scale, low grade mine and its profitability and cash flow are sensitive to the realised Australian dollar gold price. Hedging instruments in the form of Australian dollar gold forward contracts were put in place in 2016 to 2018 to secure margins on a portion of future planned production to June 2023, to support investment in cutbacks and mine development.

The current period included 216,639 ounces of Telfer gold sales hedged at an average price of A\$1,864 per ounce, representing a net revenue loss of \$99 million for the current period. At 30 June 2021, based on gold forward curves, the unrealised mark-to-market loss of the remaining hedges was \$110 million.

Approximately 90% of Newcrest's gold sales in the period were unhedged and therefore benefitted from the strong gold prices in the period.

Newcrest's decision in the prior period to cease its program of hedging the impacts of copper and gold price movements during the quotational period resulted in a net fair value gain in other income in the current period of \$124 million, driven by the increase in gold and copper prices in the current period. Refer to Section 2.4.

Dividend Policy

Newcrest looks to pay ordinary dividends that are sustainable over time having regard to its cash flow generation, its reinvestment options in the business and external growth opportunities, its financial policy metrics and its balance sheet strength. Newcrest targets a total annual dividend payout of 30–60% of free cash flow generated for the financial year, with the annual total dividends being at least US15 cents per share on a full year basis.

Having regard to the abovementioned considerations, the Newcrest Board has determined that a final fully franked dividend of US40 cents per share will be paid on Thursday, 30 September 2021. The record date for entitlement is Friday, 27 August 2021. The financial impact of the FY21 final dividend amounting to \$327 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 US15 cents per share, total dividends in respect of the 2021 financial year amount to US55 cents per share, which is equal to a 41% payout of the free cash flow for FY21.

The declaration of any future dividend remains at the discretion of the Newcrest Board, having regard to circumstances prevailing at that time.

Directors' Report continued

1. Summary of Results For the 12 Months ended 30 June 2021^{1,2,3} continued

Guidance^{3,24,25}

Subject to market and operating conditions, Newcrest provides the following guidance for FY22.

The production guidance numbers for FY22 assume no COVID-19 related interruptions. However, the AISC expenditure guidance for FY22 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 \$35–45 million.

Guidance for the 12 months ending 30 June 2022

	Cadia	Lihir	Telfer	Red Chris	Fruta del Norte ^(a)	Havieron	Other	Group
Production								
Gold – koz	540 – 610	700 – 800	390 – 440	40 – 42	120 – 135			1,800 – 2,000
Copper – kt	85 – 95		~15	23 – 25				125 – 130
All-In-Sustaining Costs (AISC) – Includes production stripping (sustaining) and sustaining capital								
AISC – \$m	(100) – 30	950 – 1,040	600 – 680	(25) – 15	100 – 104		135 – 145	1,720 – 1,920
Capital Expenditure (\$m)								
– Production stripping (sustaining)		105 – 115	25 – 35					130 – 140
– Production stripping (non-sustaining)				50 – 70				50 – 70
– Sustaining capital	160 – 180	100 – 120	50 – 60	65 – 70			15 – 20	390 – 440
– Major projects (non-sustaining)	580 – 650	105 – 135		110 – 130		65 – 85	6 – 8 ^(b)	890 – 990
Total Capital expenditure	740 – 830	310 – 370	75 – 95	225 – 270		65 – 85	21 – 28	1,460 – 1,640
Exploration and Depreciation (\$m)								
Exploration expenditure								150 – 160
Depreciation and amortisation (including depreciation of production stripping)								700 – 750

(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 8 December 2020. This release estimated gold production for the 2021 calendar year to be in the range of 380koz to 420koz at an AISC of \$770/oz to \$830/oz.

(b) Other major project expenditure (non-sustaining) includes non-sustaining capital in relation to Wafi-Golpu.

Review of Operations²⁵

For the 12 months ended 30 June 2021

	UoM	Cadia	Lihir	Telfer	Goso-wong ¹⁹	Red Chris ¹⁷	Fruta del Norte ^{4,7}	Other	Group
Operating									
Production									
Gold	koz	765	737	416	–	46	129	–	2,093
Copper	kt	106	–	13	–	23	–	–	143
Silver	koz	643	38	149	–	114	–	–	945
Sales									
Gold	koz	766	773	411	–	46	120	–	2,116
Copper	kt	105	–	13	–	23	–	–	141
Silver	koz	638	38	149	–	111	–	–	936
Financial									
Revenue	US\$m	2,180	1,425	725	–	246	–	–	4,576
EBITDA	US\$m	1,615	590	137	–	79	–	22	2,443
EBIT	US\$m	1,416	313	33	–	9	–	(1)	1,770
Net assets	US\$m	3,169	4,125	(59)	–	1,003	–	1,886	10,124
Operating cash flow	US\$m	1,796	621	151	–	114	–	(380)	2,302
Investing cash flow	US\$m	(564)	(300)	(69)	–	(151)	–	(114)	(1,198)
Free cash flow*	US\$m	1,232	321	82	–	(37)	–	(494)	1,104
AISC ⁷	US\$m	(83)	1,076	606	–	103	91	135	1,928
	US\$/oz	(109)	1,391	1,473	–	2,248	753	–	911
AISC Margin ^{7,8}	US\$/oz	1,905	405	323	–	(452)	–	–	876

* Free cash flow for 'Other' includes a net inflow of \$20 million relating to other investing activities (comprising net receipts from Fruta del Norte finance facilities of \$38 million¹⁶, proceeds from the sale of property, plant and equipment of \$3 million, offset by \$21 million relating to payments to maintain Newcrest's existing interests in associates), income tax paid of \$233 million, exploration expenditure of \$79 million, corporate costs of \$105 million, other capital expenditure of \$57 million, net interest paid of \$46 million, and net working capital inflows of \$6 million.

For the 12 months ended 30 June 2020

	UoM	Cadia	Lihir	Telfer	Goso-wong ¹⁹	Red Chris ¹⁷	Fruta del Norte ⁴	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	US\$m	1,802	1,196	579	160	185	–	–	3,922
EBITDA	US\$m	1,301	465	103	44	63	–	(141)	1,835
EBIT	US\$m	1,138	170	19	11	16	–	(163)	1,191
Net assets	US\$m	2,638	4,242	(24)	–	836	–	921	8,613
Operating cash flow	US\$m	1,286	468	116	30	57	–	(486)	1,471
Investing cash flow	US\$m	(295)	(235)	(65)	(19)	(75)	–	(1,403)	(2,092)
Free cash flow*	US\$m	991	233	51	11	(18)	–	(1,889)	(621)
AISC	US\$m	136	918	501	132	63	–	98	1,848
	US\$/oz	160	1,206	1,281	1,264	1,703	–	–	862
AISC Margin	US\$/oz	1,370	324	249	225	(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 million¹⁷, the acquisition of Fruta del Norte finance facilities of \$460 million¹⁸, further investments in Lundin Gold of \$79 million, net proceeds from the divestment of Gosowong of \$20 million¹⁹ 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.

Directors' Report *continued*

1. Summary of Results For the 12 Months ended 30 June 2021^{1,2,3} *continued*

Endnotes

- 1 All figures in this document relate to businesses of the Newcrest Mining Limited Group (Newcrest or the Group) for the 12 months ended 30 June 2021 (current period) compared with the 12 months ended 30 June 2020 (prior period), except where otherwise stated. All references to 'the Company' are to Newcrest Mining Limited.
- 2 Technical and scientific information: The technical and scientific information contained in this document relating to Wafi-Golpu and Lihir was reviewed and approved by Craig Jones, Newcrest's Chief Operating Officer PNG, FAusIMM and a Qualified Person as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects (NI 43-101). The technical and scientific information contained in this document relating to Cadia was reviewed and approved by Philip Stephenson, Newcrest's Chief Operating Officer Australia and Americas, FAusIMM and a Qualified Person as defined in NI 43-101.
- 3 Disclaimer: This document includes forward looking statements and forward looking information within the meaning of securities laws of applicable jurisdictions. 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 estimated reserves and resources, certain plans, strategies, aspirations and objectives of Management, anticipated production, study or construction dates, expected costs, cash flow or production outputs and anticipated productive lives of projects and mines. 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.

These forward looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance, and achievements to differ materially from any future results, performance or achievements, or industry results, expressed or implied by these forward looking statements. 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. For further information as to the risks which may impact on the Company's results and performance, please refer to section 7 for further details and the risk factors included in the Annual Information Form dated 13 October 2020 lodged with ASX and SEDAR.

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 climate with the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic. Forward looking statements in this document 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.
- 4 Group gold production, gold sales and AISC includes Newcrest's 32% attributable share of Fruta del Norte (commercial production commenced in the March 2020 quarter) through its 32% equity interest in Lundin Gold Inc. The gold production, gold sales and AISC outcomes for Fruta del Norte are sourced from Lundin Gold's news releases and have been aggregated to reflect the twelve month period 30 June 2021. Refer to Section 6.7 for further details.
- 5 Statutory profit is profit after tax attributable to owners of the Company.
- 6 Newcrest's results are reported under International Financial Reporting Standards (IFRS). This document includes certain non-IFRS financial information within the meaning of ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information' published by ASIC and within the meaning of Canadian Securities Administrators Staff Notice 52-306 – Non-GAAP Financial Measures. Such information includes:
 - 'Underlying profit' (profit or loss after tax before significant items attributable to owners of the Company);
 - 'EBITDA' (earnings before interest, tax, depreciation and amortisation, and significant items);
 - 'EBIT' (earnings before interest, tax and significant items);
 - 'EBITDA Margin' (EBITDA expressed as a percentage of revenue);
 - 'EBIT Margin' (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);
 - 'Leverage ratio (net debt to EBITDA)' (calculated as net debt divided by EBITDA for the preceding 12 months);
 - 'Free cash flow' (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' (being 'Free Cash Flow' excluding acquisitions, investments in associates and divestments);
 - 'AISC' (All-In Sustaining Cost) and 'AIC' (All-In Cost) as per the 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; and
 - AISC Margin reflects the average realised gold price less the AISC per ounce sold.

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 document to provide greater understanding of the underlying financial 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. Such non-IFRS financial information/non-GAAP financial measures do not have a standardised meaning prescribed by IFRS and may be calculated differently by other companies. Although Newcrest believes these non-IFRS/non-GAAP financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information/non-GAAP financial measures included in this document. 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, available on Newcrest's website and the ASX and SEDAR platforms. Refer to Section 6 for a reconciliation of non-IFRS measures to the most appropriate IFRS measure.

- 7 Subsequent to the release of the June 2021 quarterly report, the FY21 AISC outcome for the Group and Lihir has been restated due to a change in the classification of Phase 16 production stripping costs at Lihir. In addition, Group gold sales and the Group AISC outcome for FY21 have been restated to include Newcrest's 32% share of Fruta del Norte's June 2021 quarterly results which Lundin Gold Inc released on 11 August 2021.
- 8 Newcrest's AISC margin has been determined by deducting the All-In Sustaining Cost attributable to Newcrest's operations from Newcrest's realised gold price. For further details refer to Section 6.7.
- 9 The Inferred Mineral Resource estimate is presented on a 100% basis. As announced on 30 November 2020, Newcrest has now met the Stage 3 expenditure requirement (US\$45 million) and is entitled to earn an additional 20% joint venture interest in addition to its existing 40% interest, resulting in an overall joint venture interest of 60% (Greatland Gold 40%).
- 10 The information in this document that relates to Havieron Mineral Resources has been extracted from the release titled "Initial Inferred Mineral Resource estimate for Havieron of 3.4Moz of gold and 160kt of copper" dated 10 December 2020 which is available to view at www.asx.com.au under the code "NCM" (the original Havieron release) and on Newcrest's SEDAR profile and has been prepared in accordance with the requirements of Appendix 5A of the ASX Listing Rules by Competent Persons. 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.
- 11 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 2001* 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 is in accordance 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. Newcrest is also subject to certain Canadian disclosure requirements and standards, as a result of its secondary listing on the Toronto Stock Exchange (TSX), including the requirements of National Instrument 43-101 (NI 43-101). Investors should note that it is a requirement of Canadian securities law that the reporting of Mineral Reserves and Mineral Resources in Canada and the disclosure of scientific and technical information concerning a mineral project on a property material to Newcrest comply with NI 43-101. Newcrest's material properties are currently Cadia, Lihir and Wafi-Golpu.
- 12 The Measured and Indicated Mineral Resource estimate is presented on a 100% basis. Newcrest's equity interest in the Mineral Resource is 70%.
- 13 The information in this document that relates to Mineral Resources for Red Chris has been extracted from the release titled "Newcrest announces its initial Mineral Resources estimate for Red Chris" dated 31 March 2021 which is available to view at www.asx.com.au under the code "NCM" (the original Red Chris release) and on Newcrest's SEDAR profile and has been prepared in accordance with the requirements of Appendix 5A of the ASX Listing Rules by Competent Persons. Newcrest confirms that it is not aware of any new information or data that materially affects the information included in the original Red Chris release and that all material assumptions and technical parameters underpinning the estimates in the original Red Chris release continue to apply and have not materially changed. Newcrest confirms that the form and context in which the competent persons' findings are presented have not been materially modified from the original Red Chris release.
- 14 The Pre-Feasibility Study has been prepared with the objective that its findings are subject to an accuracy range of +25%. The findings in the study and the implementation of the Lihir Mine Optimisation Study are subject to all the necessary approvals, permits, internal and regulatory requirements and further works. The estimates are indicative only and are subject to market and operating conditions. They should not be construed as guidance.
- 15 The estimate of ~20Mt of Indicated Mineral Resource has been prepared in accordance with the requirements in Appendix 5A of the ASX Listing Rules by a Competent Person. For further information as to the total Indicated Mineral Resources for Lihir of which the 20Mt of Indicated Mineral Resources is part, see the release titled "Annual Mineral Resources and Ore Reserves Statement – 31 December 2020" (the original MR&OR release) which is available to view at www.asx.com.au under the code "NCM" and on Newcrest's SEDAR profile. Newcrest confirms that it is not aware of any new information or data that materially affects the information included in the original MR&OR release and that all material assumptions and technical parameters underpinning the estimates in the original MR&OR release continue to apply and have not materially changed. Newcrest confirms that the form and context in which the competent persons' findings are presented have not been materially modified from the original MR&OR release. Newcrest makes no assurances that these Indicated Mineral Resources can be converted to Ore Reserves.
- 16 Realised metal prices are the US dollar spot prices at the time of sale per unit of metal sold (net of Telfer gold production hedges), excluding deductions related to treatment and refining costs and the impact of price related finalisations for metals in concentrate. The realised price has been calculated using sales ounces generated by Newcrest's operations only (i.e. excluding Fruta del Norte).
- 17 Newcrest acquired its 70% interest in the Red Chris mine and became the operator on 15 August 2019, the 'acquisition date'. Production and financial outcomes for the prior period represent Newcrest's period of ownership from the acquisition date. The payment of \$769 million in the prior period represents the cash consideration paid and is shown net of debt and working capital adjustments acquired on completion. Refer to Note 33(a) of the consolidated financial statements for further details.
- 18 As announced on 30 April 2020, Newcrest acquired the gold prepay and stream facilities and an offtake agreement in respect of Lundin Gold Inc's Fruta del Norte mine for \$460 million. In the current period, Newcrest received net pre-tax cash flows of approximately \$92 million from these finance facilities (refer to Note 25(b) of the consolidated financial statements). This is reflected within the cash flow statement as \$54 million in operating cash flow (interest payments received) and \$38 million in investing cash flow (primarily principal repayments received).
- 19 Newcrest finalised the sale of its 75% interest in Gosowong on 4 March 2020 (the divestment date). Production and financial outcomes for the prior period represent Newcrest's period of ownership to the divestment date. In the prior period, net proceeds of \$20 million were received with a further \$30 million deferred and subject to extension (becomes payable in September 2021).
- 20 Injury rates are lowest quartile when compared to the International Council on Mining & Metals report titled "Safety Performance – Benchmarking progress of ICMM company members in 2020".
- 21 Relating to Newcrest's operational (Scope 1 and 2) emissions. Newcrest will work across its value chain to reduce its Scope 3 emissions.
- 22 Kg CO₂-e per tonne of ore treated and compared to a baseline of FY18 emissions. Refer to market release titled "Newcrest signs renewable energy PPA to help deliver ~20% reduction in greenhouse gas emissions" dated 16 December 2020, which is available to view at www.asx.com.au under the code "NCM" and on Newcrest's SEDAR profile.
- 23 The development of a block cave mine at the Red Chris project is subject to the completion of a successful exploration program and further studies, market and operating conditions, regulatory approvals and Board approvals.
- 24 The guidance stated assumes weighted average copper price of \$4.20 per pound, AUD:USD exchange rate of 0.75 and CAD:USD exchange rate of 0.80 for FY22.
- 25 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%.

Directors' Report continued

2. Discussion and Analysis of Operations and the Income Statement

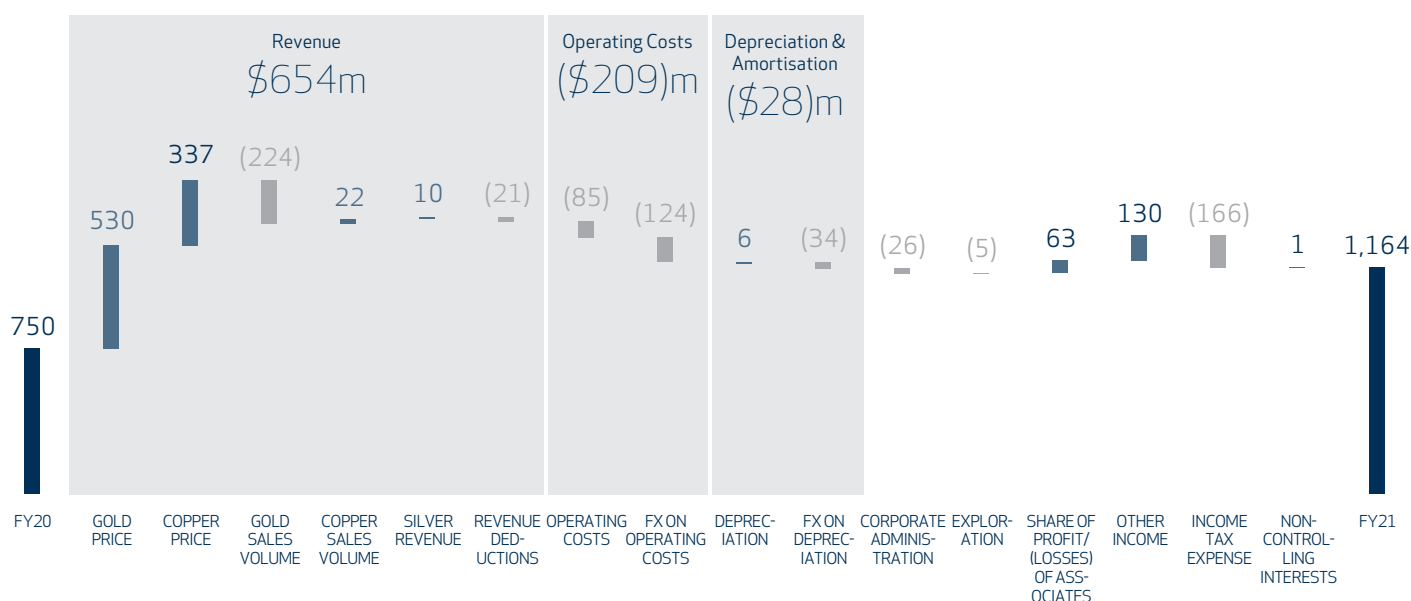
2.1. Profit overview

Statutory profit and Underlying profit was a record \$1,164 million in the current period.

Underlying profit of \$1,164 million was \$414 million (or 55%) higher than the prior period primarily driven by higher realised gold and copper prices, favourable fair value adjustments recognised on copper derivatives and Newcrest's investment in the Fruta del Norte finance facilities, and record copper production from Cadia. These benefits were partially offset by lower gold sales volumes driven by lower production, increased income tax expense as a result of the Company's improved profitability in the current period, the unfavourable impact on operating costs (including depreciation) from the strengthening of the Australian dollar against the US dollar, additional costs associated with COVID-19 measures, higher treatment, refining and transportation costs and higher price-linked costs such as royalties.

US\$m	For the 12 months ended 30 June			
	2021	2020	Change	Change%
Gold revenue	3,584	3,278	306	9%
Copper revenue	1,137	778	359	46%
Silver revenue	26	16	10	63%
Less: treatment and refining deductions	(171)	(150)	(21)	(14%)
Total revenue	4,576	3,922	654	17%
Operating costs	(2,155)	(1,946)	(209)	(11%)
Depreciation and amortisation	(650)	(622)	(28)	(5%)
Total cost of sales	(2,805)	(2,568)	(237)	(9%)
Corporate administration expenses	(143)	(117)	(26)	(22%)
Exploration expenses	(69)	(64)	(5)	(8%)
Share of profit/(losses) of associates	26	(37)	63	170%
Other income	185	55	130	236%
Net finance costs	(102)	(102)	–	0%
Income tax expense	(504)	(338)	(166)	(49%)
Non-controlling interest	–	(1)	1	100%
Underlying profit	1,164	750	414	55%

Movement in Underlying Profit (\$m)



2.2. Revenue

Total sales revenue for the current period of \$4,576 million included deductions for treatment and refining costs of \$171 million. Newcrest's sales revenue continues to be predominantly attributable to gold, being 77% of total net sales revenue in the current period (83% in the prior period).

US\$m

Total gross revenue for 12 months ended 30 June 2020	4,072
<i>Changes in revenues from volume:</i>	
Gold	(224)
Copper	22
Silver	-
Total volume impact	(202)
<i>Change in revenue from price:</i>	
Gold	530
Copper	337
Silver	10
Total price impact	877
Total gross revenue for 12 months ended 30 June 2021	4,747
Less: treatment and refining deductions	(171)
Total net revenue for 12 months ended 30 June 2021	4,576

Gold revenue in the current period of \$3,584 million was \$306 million (or 9%) higher than the prior period driven by a 17% increase in the realised gold price (\$1,796 per ounce in the current period compared to \$1,530 per ounce in the prior period), higher sales volumes from Telfer and Lihir, and twelve months of gold production from Red Chris (prior period represents production from acquisition date of 15 August 2019). This was partially offset by lower gold sales volumes from Cadia and the divestment of Gosowong in March 2020.

Copper revenue in the current period of \$1,137 million was \$359 million (or 46%) higher than the prior period driven by the 42% increase in the realised copper price (\$3.66 per pound in the current period compared to \$2.57 in the prior period) and higher levels of copper production and sales at Cadia. This was partially offset by lower production and sales volumes at Telfer and Red Chris.

2.3. Cost of sales

US\$m	For the 12 months ended 30 June			
	2021	2020	Change	Change %
Site production costs	1,889	1,779	110	6%
Royalties	143	119	24	20%
Treatment and realisation	54	48	6	13%
Inventory movements	69	-	69	-
Operating costs	2,155	1,946	209	11%
Depreciation and amortisation	650	622	28	5%
Cost of sales	2,805	2,568	237	9%

Cost of sales of \$2,805 million was \$237 million (or 9%) higher than the prior period.

Site production costs of \$1,889 million were \$110 million higher than the prior period primarily due to the unfavourable impact on operating costs from the stronger Australian dollar against the US dollar, additional costs associated with COVID-19 measures, twelve months of operating costs in the current period from Red Chris (compared to ten-and-a-half months in the prior period), increased mining and milling activity with record mined and milled tonnes at Cadia, and higher mill throughput at Telfer. These drivers of higher site production costs were partially offset by the reduction in costs associated with the divestment of Gosowong in March 2020 and an increase in the waste-to-ore-mined ratio at Lihir, with the costs associated with increased stripping activity capitalised to the balance sheet.

The increase in royalties primarily reflects the increase in gold and copper revenues driven by higher realised gold and copper prices.

Inventory movements in the current period reflects a drawdown of stockpile inventory at Lihir, with mill throughput volumes exceeding mined ore, together with a reduction in finished goods inventory at Lihir with gold sales volumes exceeding production.

Directors' Report continued

2. Discussion and Analysis of Operations and the Income Statement continued

2.3. Cost of sales continued

Depreciation expense was higher than the prior period, reflecting an increase in gold equivalent ounces produced and the unfavourable impact of a stronger Australian dollar against the US dollar at Cadia and Telfer, and increased production stripping amortisation at Red Chris. This was partially offset by lower depreciation associated with lower production and sales at Lihir.

As the Company is a US dollar reporting entity, cost of sales will vary in accordance with the movements in the operating currencies where those costs are not denominated in US dollars.

The table below shows indicative currency exposures on operating costs by site for the current period:

	USD	AUD	PGK	CAD
Cadia	15%	85%	–	–
Telfer	15%	85%	–	–
Lihir	30%	35%	35%	–
Red Chris	20%	–	–	80%
Group*	20%	60%	15%	5%

* The Group number also includes the impact of currency exposures on corporate administration expenses and exploration expenditure.

2.4. Corporate, Exploration and Other items

US\$m	For the 12 months ended 30 June			
	2021	2020	Change	Change %
Corporate administration expenses	(143)	(117)	(26)	(22%)
Exploration expenses	(69)	(64)	(5)	(8%)
Share of profit/(losses) of associates	26	(37)	63	170%
Other income	185	55	130	236%
Corporate, Exploration and Other items	(1)	(163)	162	99%

Corporate administration expenses of \$143 million in the current period comprised corporate costs of \$105 million, depreciation of \$23 million and equity-settled share-based payments of \$15 million. Corporate administration expenses were \$26 million (or 22%) higher than the prior period with the largest driver being the impact of a stronger Australian dollar increasing AUD denominated costs.

Exploration expenditure of \$69 million was expensed in the current period, which was \$5 million (or 8%) higher than the prior period, primarily due to increased brownfield drilling at Red Chris.

The share of profit of associates of \$26 million represents Newcrest's share of profits or losses incurred by its equity accounted associates, comprising Lundin Gold, SolGold, Azucar Minerals and Antipa Minerals.

Other income of \$185 million comprised:

US\$m	For the 12 months ended 30 June			
	2021	2020	Change	Change %
Net fair value gain/(loss) on gold and copper derivatives and fair value movements on concentrate receivables	124	64	60	94%
Net foreign exchange loss	(57)	(6)	(51)	(850%)
Net fair value movement on Fruta del Norte finance facilities	118	1	117	11,700%
Other	–	(4)	4	100%
Other income	185	55	130	236%

In the prior period, Newcrest ceased its program of hedging the copper and gold price movement impacts during the quotational period. Newcrest is exposed to changes in commodity prices during the quotational period for the sale of concentrate. The measurement of fair value for Newcrest's outstanding concentrate debtors is recognised as a net fair value gain in other income driven by the increase in gold and copper prices in the current period.

The net foreign exchange loss in the current period primarily relates to the restatement of US dollar denominated cash and foreign denominated financial assets (including concentrate debtors) and liabilities held by the Group's Australian and Canadian subsidiaries.

The current period also includes a favourable movement of \$118 million in the net fair value of Newcrest's investment in the Fruta del Norte finance facilities, primarily due to the increase in the gold price assumptions used in the fair value calculations.

2.5. Net finance costs

US\$m	For the 12 months ended 30 June			
	2021	2020	Change	Change %
Interest on cash holdings	5	15	(10)	(67%)
Interest on Fruta del Norte facilities	22	4	18	450%
Finance income	27	19	8	42%
Interest on loans	(84)	(97)	13	13%
Interest on leases	(2)	(2)	0	0%
Facility fees and other costs	(17)	(15)	(2)	(13%)
Discount unwind on provisions	(6)	(7)	1	14%
Debt extinguishment and related costs	(20)	–	(20)	–
Finance costs	(129)	(121)	(8)	(7%)
Net finance costs	(102)	(102)	0	0%

Net finance costs of \$102 million was in-line with the prior period with higher interest income from the Fruta del Norte finance facilities and lower debt servicing costs, offset by lower interest rates received on cash holdings and debt extinguishment fees relating to the mandatory redemption of the \$380 million outstanding of its 4.200% Senior Guaranteed Notes, otherwise maturing 1 October 2022.

2.6. Income tax

Income tax on Statutory and Underlying profit was \$504 million, resulting in an effective tax rate of 30% which is consistent with the Australian company tax rate of 30%.

2.7. Significant items

There were no significant items reported in the current period.

In the prior period, significant items totalling a net expense of \$103 million (after non-controlling interests) were recognised, comprising:

- the write-down of tax assets and property, plant and equipment totalling \$44 million (after non-controlling interests) in relation to the divestment of Gosowong;
- one-off finance costs of \$48 million arising from the early repayment of Newcrest's corporate bonds (\$750 million which were due in November 2020 and a part repayment of \$370 million which were due in October 2022); and
- transaction and integration costs of \$11 million in relation to major M&A activity (acquisition of Fruta del Norte finance facilities, divestment of Gosowong and certain integration costs associated with Red Chris).

Directors' Report *continued*

3. Discussion and Analysis of Cash Flow

Newcrest's record free cash flow of \$1,104 million was \$1,725 million higher than the prior period, with the prior period also characterised by a net cash outflow of \$1,291 million in relation to M&A growth investments compared to \$21 million in the current period.

'Free cash flow before M&A activity' was \$455 million (or 68%) higher than the prior period, with higher operating cash flows only partially offset by an increased investment in major capital projects at Cadia, Lihir, Red Chris and Havieron, higher sustaining capital at all continuing operations and increased production stripping activity at Lihir and Red Chris.

In the current period, Newcrest received net pre-tax cash flows of \$92 million from finance facilities acquired from Lundin Gold Inc, relating to the Fruta del Norte mine¹⁸. This is reflected within the cash flow statement as \$54 million in operating cash flow (interest payments received) and \$38 million in investing cash flow (primarily principal repayments received).

US\$m	For the 12 months ended 30 June			
	2021	2020	Change	Change %
Cash flow from operating activities	2,302	1,471	831	56%
Production stripping and sustaining capital expenditure	(524)	(422)	(102)	(24%)
Major capital expenditure (non-sustaining)	(595)	(273)	(322)	(118%)
Total capital expenditure	(1,119)	(695)	(424)	(61%)
Reclassification of capital leases	11	4	7	175%
Exploration and evaluation expenditure	(115)	(113)	(2)	(2%)
Net receipts from Fruta del Norte finance facilities ¹⁸	38	1	37	3,700%
Proceeds from sale of property, plant and equipment	8	2	6	300%
Free cash flow (before M&A activity)	1,125	670	455	68%
Acquisition payment for a 70% interest of Red Chris ¹⁷	–	(769)	769	100%
Acquisition of Fruta del Norte finance facilities ¹⁸	–	(460)	460	100%
Payment for investment in Lundin Gold	(8)	(79)	71	90%
Payment for investment in SolGold	(10)	–	(10)	–
Payment for investment in Antipa Minerals	(3)	(3)	–	0%
Proceeds from sale of Gosowong, net of cash divested ¹⁹	–	20	(20)	(100%)
Free cash flow	1,104	(621)	1,725	278%

3.1. Cash at the end of the period

US\$m	For the 12 months ended 30 June			
	2021	2020	Change	Change %
Cash flow from operating activities	2,302	1,471	831	56%
Cash flow related to investing activities	(1,198)	(2,092)	894	43%
Free cash flow	1,104	(621)	1,725	278%
Cash flow related to financing activities	(685)	463	(1,148)	(248%)
Net movement in cash	419	(158)	577	365%
Cash at the beginning of the period	1,451	1,600	(149)	(9%)
Effects of exchange rate changes on cash held	3	9	(6)	(67%)
Cash at the end of the period	1,873	1,451	422	29%

3.2. Cash flow from operating activities

US\$m	For the 12 months ended 30 June			
	2021	2020	Change	Change %
EBITDA	2,443	1,835	608	33%
Add: Exploration expenditure written-off	69	64	5	8%
Add: Other non-cash items or non-operating items	(21)	(4)	(17)	(425%)
Sub-total	2,491	1,895	596	31%
<i>Working capital movements*</i>				
Receivables	(58)	(96)	38	40%
Inventories	57	(11)	68	618%
Payables and provisions	87	63	24	38%
Other assets and liabilities	4	(2)	6	300%
Net working capital movements	90	(46)	136	296%
Net interest paid	(46)	(96)	50	52%
Income taxes paid	(233)	(282)	49	17%
Net cash inflow from operating activities	2,302	1,471	831	56%

* Includes adjustments for non-cash items.

Cash inflow from operating activities of \$2,302 million was \$831 million (or 56%) higher than the prior period. The increase reflects the benefit of higher gold and copper prices, increased copper sales volumes at Cadia, timing of working capital movements, lower net interest paid and lower income tax payments. This was partially offset by lower gold sales volumes, and the unfavourable impact on costs from a stronger Australian dollar in the current period.

Directors' Report *continued*

3. Discussion and Analysis of Cash Flow *continued*

3.3. Cash flow from investing activities

US\$m	For the 12 months ended 30 June			
	2021	2020	Change	Change %
Production stripping				
Telfer	–	32	(32)	(100%)
Lihir	120	94	26	28%
Red Chris	28	21	7	33%
Total production stripping	148	147	1	1%
Sustaining capital expenditure				
Cadia	106	94	12	13%
Telfer	65	24	41	171%
Lihir	109	85	24	28%
Gosowong	–	13	(13)	(100%)
Red Chris	70	42	28	67%
Corporate	26	17	9	53%
Total sustaining capital	376	275	101	37%
Major projects (non-sustaining)				
Cadia	465	203	262	129%
Lihir	70	56	14	25%
Red Chris	29	1	28	2,800%
Wafi-Golpu	6	10	(4)	(40%)
Havieron	25	3	22	733%
Total major projects (non-sustaining) capital	595	273	322	118%
Total capital expenditure	1,119	695	424	61%
Reclassification of capital leases	(11)	(4)	(7)	(175%)
M&A activity				
Acquisition payment for a 70% interest in the Red Chris mine ¹⁷	–	769	(769)	(100%)
Acquisition of Fruta del Norte finance facilities ¹⁸	–	460	(460)	(100%)
Payment for investment in Lundin Gold	8	79	(71)	(90%)
Payment for investment in SolGold	10	–	10	–
Payment for investment in Antipa Minerals	3	3	–	0%
Proceeds from sale of Gosowong, net of cash divested ¹⁹	–	(20)	20	100%
Total M&A activity	21	1,291	(1,270)	(98%)
Net receipts from Fruta del Norte finance facilities ¹⁸	(38)	(1)	(37)	(3,700%)
Exploration and evaluation expenditure	115	113	2	2%
Proceeds from sale of property, plant and equipment	(8)	(2)	(6)	(300%)
Net cash outflow from investing activities	1,198	2,092	(894)	(43%)

Cash outflow from investing activities of \$1,198 million was \$894 million (or 43%) lower than the prior period.

Excluding M&A related activity, cash outflow from investing activities in the current period of \$1,177 million was \$376 million (or 47%) higher than the prior period due to an increased capital investment in organic growth projects which include Cadia Expansion, Lihir Front End Recovery and Red Chris and Havieron projects together with increased sustaining capital expenditure across all continuing operations and increased production stripping activity at Lihir and Red Chris. The cash outflows associated with investing activities were partially offset by net receipts from the Fruta del Norte finance facilities.

Capital expenditure of \$1,119 million in the current period comprised:

- Production stripping of \$148 million, which was \$1 million higher than the prior period primarily due to an increase in production stripping activity at Lihir (Phase 15 and commencement of Phase 16) and increased stripping activity at Red Chris (completion of Phase 5 and commencement of Phase 7), offset by a decrease in stripping activities at Telfer following the completion of West Dome capital stripping activities in the current period.
- Sustaining capital expenditure of \$376 million, which was \$101 million higher than the prior period due to:
 - Telfer – tailings and pit dewatering projects;
 - Lihir – execution of fixed plant maintenance activities and procurement of mining and fleet equipment;
 - Red Chris – elevated levels of spend reflecting a full twelve months of activity and continued works to improve the site's future operational performance; and
 - The impact of a stronger Australian dollar on Australian operations and corporate.
 This was partially offset by the divestment of Gosowong in March 2020.
- Major project, or non-sustaining, capital expenditure of \$595 million was \$322 million higher than the prior period. This investment underpins the expected future growth of Newcrest, with the main items being:
 - Cadia – increased spend associated with the Expansion Project (Stage 1) including ramp up of PC2-3 development, the commencement of works in relation to Stage 2 of the Expansion Project, and the continuation of the Molybdenum Project;
 - Lihir – major projects in the period included the Seepage Barrier field trials which support the Feasibility Study, the High Voltage Switchroom upgrade, Front-End Recovery uplift projects, and the Phase 14A Pre-Feasibility Study;
 - Red Chris – spend associated with the Block Cave Pre-Feasibility Study and the commencement of the exploration decline;
 - Havieron – spend associated with Pre-Feasibility Study costs, Early Works Program and the commencement of the exploration decline; and
 - Wafi-Golpu – lower capital expenditure in the current period reflects a reduced work program which includes general maintenance of the site, community programs and environmental monitoring.

Exploration activity of \$115 million was \$2 million (or 2%) higher than the prior period, comprising the following:

US\$m	For the 12 months ended 30 June			
	2021	2020	Change	Change %
Expenditure by nature				
Greenfield	81	84	(3)	(4%)
Brownfield	16	6	10	167%
Resource Definition	18	23	(5)	(22%)
Total	115	113	2	2%
Expenditure by region				
Australia	66	59	7	12%
Indonesia	–	4	(4)	(100%)
Papua New Guinea	1	1	–	0%
North America	36	31	5	16%
South America	12	17	(5)	(29%)
Total	115	113	2	2%

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

Exploration expenditure was higher in the North American region compared to the prior period with additional Brownfield exploration drilling at Red Chris partially offset by reduced Resource Definition drilling. Resource Definition was also lower due to the divestment of Gosowong in March 2020. Lower expenditure in South America was primarily the result of COVID-19 restricting activity.

Directors' Report *continued*

3. Discussion and Analysis of Cash Flow *continued*

3.4. Cash flow from financing activities

US\$m	For the 12 months ended 30 June			
	2021	2020	Change	Change %
Net proceeds from equity raising	–	771	(771)	(100%)
Net proceeds/(repayments) from corporate bonds	(380)	14	(394)	(2,814%)
Repayment of lease principal	(32)	(27)	(5)	(19%)
Repayment of other loans	(3)	(29)	26	90%
Dividends paid to members of the parent entity	(240)	(154)	(86)	(56%)
Dividend paid to non-controlling interests	–	(23)	23	100%
Payment for treasury shares	(10)	(25)	15	60%
Other financing activities	(20)	(64)	44	69%
Net cash inflow/(outflow) from financing activities	(685)	463	(1,148)	(248%)

Cash outflow from financing activities of \$685 million, was \$1,148 million lower than the prior period which included \$771 million in net proceeds from the A\$1.0 billion placement to institutional investors in May 2020, and the A\$200m share purchase plan (SPP) completed in June 2020, less costs.

Financing activities of \$685 million for the current period comprised:

- The mandatory redemption of the \$380 million outstanding on Newcrest's 4.200% Senior Guaranteed Notes, otherwise maturing 1 October 2022, completed on 28 April 2021;
- Repayment of \$32 million of lease principal;
- Repayment of \$3 million of other loans assumed as part of the acquisition of Red Chris;
- Dividends paid of \$240 million to Newcrest shareholders, being \$86 million (or 56%) higher than the payment in the prior period;
- Payment for treasury shares of \$10 million which represents shares purchased on market to satisfy obligations under employee share-based payment plans; and
- Other financing activities of \$20 million reflects the costs associated with redemption of the Notes.

4. Review of Operations

4.1. Cadia

Measure	UoM	For the 12 months ended 30 June			
		2021	2020	Change	Change %
Operating					
Total ore mined	tonnes '000	32,506	30,178	2,328	8%
Total material mined	tonnes '000	33,283	30,178	3,105	10%
Total material milled	tonnes '000	32,371	29,347	3,024	10%
Gold head grade	grams/tonne	0.95	1.14	(0.19)	(17%)
Gold recovery	%	77.4	78.6	(1.2)	(2%)
Gold produced	ounces	764,895	843,338	(78,443)	(9%)
Copper produced	tonnes	106,402	96,042	10,360	11%
Silver produced	ounces	643,007	574,594	68,413	12%
Gold sales	ounces	766,118	848,959	(82,841)	(10%)
Copper sales	tonnes	105,444	96,437	9,007	9%
Silver sales	ounces	637,974	577,650	60,324	10%
Financial					
Revenue	US\$m	2,180	1,802	378	21%
Cost of Sales (including depreciation)	US\$m	764	664	100	15%
Depreciation	US\$m	199	163	36	22%
EBITDA	US\$m	1,615	1,301	314	24%
EBIT	US\$m	1,416	1,138	278	24%
Operating cash flow	US\$m	1,796	1,286	510	40%
Sustaining capital	US\$m	106	94	12	13%
Non-sustaining capital	US\$m	465	203	262	129%
Total capital expenditure	US\$m	571	297	274	92%
Free cash flow	US\$m	1,232	991	241	24%
All-In Sustaining Cost	US\$m	(83)	136	(219)	(161%)
All-In Sustaining Cost	US\$/oz	(109)	160	(269)	(168%)

Cadia achieved record high annual copper production and a record low annual AISC per ounce in the current period.

Gold production of 764,895 ounces was 78,443 ounces (or 9%) lower than the prior period, driven by a 17% reduction in gold grade milled, partially offset by a 10% increase in tonnes milled (achieving record mill throughput). The lower gold head grade was in line with expected grades for the current period.

The mine produced 32.5 million tonnes of ore in the current period, achieving record annual ore mined from Cadia East and an 8% increase on the prior period. In the final three months of the current period, the mine achieved record ore mined from Cadia East at a volume equivalent to 38.1 million tonnes per annum.

The mill processed a record 32.4 million tonnes of ore during the current period and in the final three months of the current period achieved record ore mill throughput at a volume equivalent to 34.3 million tonnes per annum. The increase in throughput rates reflects the successful realisation of a number of throughput improvement initiatives in Concentrator 1. The prior period was also characterised by the previously reported extended downtime of the Concentrator 1 SAG mill following the identification (through routine inspections) of a preventative maintenance opportunity.

EBIT of \$1,416 million was 24% higher than the prior period. This reflects the benefit of a 21% increase in revenue partially offset by a 15% increase in cost of sales (including depreciation). The increase in revenue was driven by a 17% higher realised gold price, 42% higher realised copper price and record copper tonnes produced (11% higher than the prior period), which together more than offset the 10% reduction in gold sales volumes.

Cost of sales (including depreciation) was 15% higher than the prior period primarily due to a 11% stronger Australian dollar unfavourably impacting costs, higher royalties due to higher prices, and increased mining and milling activity.

AISC of negative \$109 per ounce was 168% lower than the prior period and is Cadia's lowest reported AISC for a twelve-month period. This outcome was primarily driven by higher copper by-product credits reflecting the 42% higher realised copper price and record copper production and associated sales volumes in the current period, partially offset by higher operating costs and the negative impact of a stronger Australian dollar in the current period.

Directors' Report continued

4. Review of Operations continued

4.1. Cadia continued

Record Free cash flow of \$1,232 million was 24% higher than the prior period. This reflects earnings (EBITDA) being 24% higher and a favourable movement in working capital, partially offset by a 92% increase in capital expenditure. The key drivers of the higher capital expenditure in the current period were increased spend associated with the Expansion Project (Stage 1) including ramp up of PC2-3 development, the commencement of works in relation to Stage 2 of the Expansion Project, and the continuation of the Molybdenum Project.

As announced in December 2020, Newcrest has entered into a 15 year renewable Power Purchase Agreement (PPA) with a wind farm developer for an amount of energy which represents a significant part of Cadia's future projected energy requirements. The PPA, together with the forecast decarbonisation of electricity generation in New South Wales, is expected to help deliver a ~20% reduction in Newcrest's greenhouse gas emissions and is a significant step towards the achievement of Newcrest's targeted 30% reduction by 2030²². The PPA will act as a partial hedge against future electricity price increases and will provide Newcrest with access to large scale generation certificates which Newcrest intends to surrender to achieve a reduction in its greenhouse gas emissions.

4.2. Lihir

		For the 12 months ended 30 June			
Measure	UoM	2021	2020	Change	Change %
Operating					
Total ore mined	tonnes '000	8,662	12,030	(3,368)	(28%)
Total material mined	tonnes '000	33,467	30,085	3,382	11%
Total material milled	tonnes '000	12,792	13,798	(1,006)	(7%)
Gold head grade	grams/tonne	2.40	2.38	0.02	1%
Gold recovery	%	74.7	73.6	1.1	1%
Gold produced	ounces	737,082	775,978	(38,896)	(5%)
Silver produced	ounces	38,377	29,520	8,857	30%
Gold sales	ounces	773,146	760,724	12,422	2%
Silver sales	ounces	37,741	29,520	8,221	28%
Financial					
Revenue	US\$m	1,425	1,196	229	19%
Cost of Sales (including depreciation)	US\$m	1,112	1,026	86	8%
Depreciation	US\$m	277	295	(18)	(6%)
EBITDA	US\$m	590	465	125	27%
EBIT	US\$m	313	170	143	84%
Operating cash flow	US\$m	621	468	153	33%
Production stripping	US\$m	120	94	26	28%
Sustaining capital	US\$m	109	85	24	28%
Non-sustaining capital	US\$m	70	56	14	25%
Total capital expenditure	US\$m	299	235	64	27%
Free cash flow	US\$m	321	233	88	38%
All-In Sustaining Cost ⁷	US\$m	1,076	918	158	17%
All-In Sustaining Cost ⁷	US\$/oz	1,391	1,206	185	15%

Gold production of 737,082 ounces was 38,896 ounces (or 5%) lower than the prior period, primarily driven by lower mill throughput, partially offset by higher recovery and head grade.

Total material mined was 11% higher than the prior period, driven by a change in the mix of ore mined (28% lower) and waste mined (37% higher) with the focus being on waste stripping in Phase 15 and Phase 16 to enable access to the ore. Ore mined from Phase 14 is expected to be completed in the 2022 financial year.

Over the past 12 months Newcrest has successfully processed the argillic ores through the application of improvements in ore blending, process controls and minor plant modifications. Mill throughput was 7% lower than the prior period reflecting the adverse effects of unplanned downtime events and shutdown overruns, together with an increase in planned major downtime events throughout the year.

Gold head grade was 1% higher than the prior period primarily due to higher grade ore from Phase 14. The higher head grade, coupled with a higher proportion of direct feed to the autoclaves, led to a 1% higher recovery than the prior period.

EBIT of \$313 million was 84% higher than the prior period resulting from increased revenue, partially offset by higher cost of sales. Higher revenue was driven by a 17% higher realised gold price. Cost of sales (including depreciation) was 8% higher than the prior period reflecting additional costs associated with COVID-19 measures, unplanned maintenance, shutdown overruns and timing of major mining and mobile fleet maintenance. Cost of sales was partially offset by an increase in costs capitalised to the balance sheet with higher production stripping activity and lower depreciation.

AISC of \$1,391 per ounce was 15% higher than prior period primarily reflecting higher operating costs (including COVID-19 related costs) and higher sustaining capital expenditure. This was partially offset by 2% higher gold sales volumes.

Free cash flow of \$321 million was 38% higher than the prior period. This reflects earnings (EBITDA) being \$125 million (or 27%) higher than the prior period, partially offset by a 27% increase in total capital expenditure. The key drivers of the higher capital expenditure in the current period were increased production stripping activity and higher sustaining capital expenditure in mining and mobile fleet maintenance, together with a number of studies.

At the date of this report the number of COVID-19 cases at Lihir remains at levels that are within the capability of the care and treatment and isolation facilities, with the majority of these cases continuing to be asymptomatic. Newcrest continues to strengthen its COVID-19 controls at Lihir, focusing on containment through extensive contact tracing and isolation procedures. Charter flights with restricted capacity are operating between Papua New Guinea and Australia, as are limited commercial flights between Port Moresby and Brisbane.

There were no material COVID-19 related events impacting gold production at Lihir during the current period. However, as advised in the March 2021 quarterly report, the ability to attract labour, travel restrictions, contact tracing and associated isolation requirements has impacted total material mined. Delays have also been experienced on development projects (including Phase 14A ground support trials) and shutdown performance due to difficulty in mobilising and accommodating labour. There remains a risk of COVID-19 impacting production at Lihir and this continues to be closely managed. Elevated costs related to the pandemic, which amounted to \$53 million in the current period, are expected to continue through the 2022 financial year.

In October 2020 Newcrest approved the Front End Recovery project to execution. The project is expected to increase gold recovery in flotation with upgrades to hydro-cyclones and water addition systems to improve grind size classification. Additional flotation capacity will also be added with the introduction of flash flotation to the grinding circuit. The project has recently completed detailed engineering design and is expected to be commissioned in the second half of the 2022 financial year.

In February 2021, Newcrest announced the findings of its Lihir Mine Optimisation Study (LMOS)¹⁴ which included the identification of a new opportunity called Phase 14A. This opportunity is currently being progressed in a separate Pre-Feasibility Study ('Phase 14A PFS') that Newcrest expects to release by the end of September 2021.

The Phase 14A PFS is focused on extending the Phase 14 cutback and safely steepening the walls of the pit by utilising civil engineering techniques to access existing Indicated Mineral Resources which would have otherwise been inaccessible through standard mining techniques. The Phase 14A PFS work to date has identified approximately 20Mt at 2.4g/t Au (including 13Mt at 3g/t Au) of Indicated Mineral Resource¹⁵ that could be accessed.

Additionally, the cutback would open a separate mining front, providing further flexibility for fresh competent ore feed. The cutback is fully permitted and is within the existing mine lease.

Site field investigation is underway, including geotechnical drilling and contractor mobilisation for trial works. Field trials of the wall support technology are planned for FY22 with long lead materials ordered and the mobilisation of specialist contractors in progress.

Newcrest is currently assessing whether applying steep wall engineering techniques to its other cutbacks at Lihir could enable access to additional high grade mill feed and potentially further defer construction of the full Seepage Barrier, which is currently subject to a Feasibility Study.

Directors' Report continued

4. Review of Operations continued

4.3. Telfer

		For the 12 months ended 30 June			
Measure	UoM	2021	2020	Change	Change %
Operating					
Total ore mined	tonnes '000	25,260	17,481	7,779	44%
Total material mined	tonnes '000	47,335	55,107	(7,772)	(14%)
Total material milled	tonnes '000	17,933	16,209	1,724	11%
Gold head grade	grams/tonne	0.89	0.90	(0.01)	(1%)
Gold recovery	%	78.7	81.3	(2.6)	(3%)
Gold produced	Ounces	416,138	393,164	22,974	6%
Copper produced	Tonnes	13,177	16,278	(3,101)	(19%)
Silver produced	Ounces	149,006	163,500	(14,494)	(9%)
Gold sales	Ounces	411,336	391,339	19,997	5%
Copper sales	Tonnes	12,560	16,283	(3,723)	(23%)
Silver sales	Ounces	149,006	163,500	(14,494)	(9%)
Financial					
Revenue	US\$m	725	579	146	25%
Cost of Sales (including depreciation)	US\$m	692	560	132	24%
Depreciation	US\$m	104	84	20	24%
EBITDA	US\$m	137	103	34	33%
EBIT	US\$m	33	19	14	74%
Operating cash flow	US\$m	151	116	35	30%
Production stripping	US\$m	–	32	(32)	(100%)
Sustaining capital	US\$m	65	24	41	171%
Non-sustaining capital	US\$m	–	–	–	–
Total capital expenditure	US\$m	65	56	9	16%
Free cash flow	US\$m	82	51	31	61%
All-In Sustaining Cost	US\$m	606	501	105	21%
All-In Sustaining Cost	US\$/oz	1,473	1,281	192	15%

Gold production of 416,138 ounces was 22,974 ounces (or 6%) higher than the prior period, due to higher mill throughput, partially offset by lower recovery and lower head grade.

Ore mined was 44% higher than the prior period, driven by increased ore production from the open pit following completion of waste stripping associated with the current West Dome mining stages. This was partially offset by lower ore production from the underground, as more work was undertaken in the current period on the development of new underground mining areas for future ore production.

Mill throughput improved by 11% with higher plant utilisation. In the current period, the mill commenced transition back to an increased operational run time strategy with the increased availability of higher grade open pit ore feed.

Gold recovery was 2.6% lower than the prior period driven by a lower proportion of higher-grade underground ore feed processed and higher sulphur content of the ore from the open pit.

Copper production of 13,177 tonnes was 3,101 tonnes (or 19%) lower than the prior period, primarily due to lower copper grades with a lower proportion of higher grade underground ore feed processed in the current period.

EBIT of \$33 million was 74% higher than the prior period due to higher revenue more than offsetting higher cost of sales. Higher revenue was driven by a 17% higher realised gold price and 42% higher realised

copper price in the current period, together with increased gold sales volumes, partially offset by lower copper sales volumes in line with lower copper production.

Cost of sales (including depreciation) were 24% higher than the prior period due to a stronger Australian dollar unfavourably impacting costs, additional costs associated with COVID-19 measures and 11% higher mill throughput.

AISC of \$1,473 per ounce was 15% higher than the prior period, driven by a stronger Australian dollar negatively impacting site costs, additional costs associated with COVID-19 measures and increased sustaining capital expenditure. This was partially offset by the benefit of a higher realised copper price and lower waste mined.

Key drivers of increased sustaining capital expenditure in the current period relate to tailings dam lift (TSF7), new tailings dam construction (TSF8) and pit dewatering.

Free cash flow of \$82 million was 61% higher than the prior period due to higher realised gold and copper prices, higher gold sales volume and a favourable movement in net working capital. This was partially offset by higher sustaining capital expenditure, the adverse impact of a stronger Australian dollar, additional costs associated with COVID-19 measures and lower copper sales volumes.

Excluding the hedge losses of \$99m in the current period, Telfer's free cash flow would have been \$181 million.

4.4. Red Chris^{17,25}

		For the 12 months ended 30 June			
Measure	UoM	2021	2020	Change	Change %
Operating					
Total ore mined	tonnes '000	6,068	7,052	(984)	(14%)
Total material mined	tonnes '000	23,862	19,332	4,530	23%
Total material milled	tonnes '000	6,733	5,847	886	15%
Gold head grade	grams/tonne	0.39	0.39	–	0%
Gold recovery	%	53.8	51.8	2.0	4%
Gold produced	ounces	45,922	38,933	6,989	18%
Copper produced	tonnes	23,145	25,302	(2,157)	(9%)
Silver produced	ounces	114,131	109,943	4,188	4%
Gold sales	ounces	45,643	37,271	8,372	22%
Copper sales	tonnes	23,002	24,432	(1,430)	(6%)
Silver sales	ounces	111,140	75,727	35,413	47%
Financial					
Revenue	US\$m	246	185	61	33%
Cost of Sales (including depreciation)	US\$m	237	169	68	40%
Depreciation	US\$m	70	47	23	49%
EBITDA	US\$m	79	63	16	25%
EBIT	US\$m	9	16	(7)	(44%)
Operating cash flow	US\$m	114	57	57	100%
Production stripping	US\$m	28	21	7	33%
Sustaining capital	US\$m	70	42	28	67%
Non-Sustaining capital	US\$m	29	1	28	2,800%
Total capital expenditure	US\$m	127	64	63	98%
Free cash flow	US\$m	(37)	(18)	(19)	(106%)
All-In Sustaining Cost	US\$m	103	63	40	63%
All-In Sustaining Cost	US\$/oz	2,248	1,703	545	32%

On 15 August 2019 Newcrest acquired a 70% interest in and operatorship of the Red Chris mine and surrounding tenements in British Columbia, Canada.

The production and financial outcomes above represent Newcrest's 70% ownership of the Red Chris mine, with the current period reflecting twelve-months of ownership whilst the prior period reflects production and financial outcomes from 15 August 2019 to 30 June 2020.

Gold production of 45,922 ounces was approximately 3% higher than the prior period on a normalised basis, primarily driven by a 2% increase in gold recovery.

Total material mined was approximately 8% higher than the prior period on a normalised basis, although it was impacted by lower equipment utilisation due to COVID-19 management measures, unseasonal rainfall and snow requiring continuous road maintenance, and ongoing pit dewatering management. Phase 4 was successfully depleted in March 2021. Mining safely continued in Phase 5 with an optimised pit design increasing ore tonnes over the life of the Phase. The Phase 7 stripping campaign commenced in March 2021 and is expected to deliver significant benefits starting in the June quarter of the 2023 financial year.

Mill throughput was approximately 1% higher than the prior period on a normalised basis, driven by the implementation of advanced process controls providing stability in the primary grinding circuits while optimising equipment effectiveness. Although mill throughput was higher in the current period, high water saturation as a result of unseasonal rainfall caused material handling issues and impacted on the availability of ex-pit tonnes.

Recovery improved by 2% in the current period, driven by the installation of donut launders in the flotation circuit, the introduction of short interval control, process control improvements and an additional cleaner column which increased residence time in the circuit. The increased recovery was partially offset by the intermittent loss of the regrind VertiMill, as a result of mechanical failure upon restart after multiple unplanned power outages in February.

EBIT of \$9 million was 44% lower than the prior period primarily driven by costs associated with COVID-19 measures, higher site costs, and higher depreciation, partially offset by higher realised gold and copper prices and improved production performance and resulting higher sales.

AISC of \$2,248 per ounce was 32% higher than the prior period primarily due to higher levels of sustaining capital expenditure, additional costs associated with COVID-19 measures, and higher levels of infill drilling activity. This was partially offset by a higher realised copper price.

Free cash flow of negative \$37 million was lower than the prior period primarily driven by increased non-sustaining and sustaining capital expenditure, increased production stripping activity, increased exploration, and increased site costs. The increase in exploration primarily relates to increased drilling activity at Red Chris and the nearby GJ property. This was partially offset by higher realised gold and copper prices.

Capital expenditure of \$127 million was 98% higher than the prior period. The key drivers of the increased expenditure in the current period reflect an increase in non-sustaining capital primarily relating to the Block Cave Pre-Feasibility Study and the Block Cave Early Works Program (which includes construction of a box cut and exploration decline), together with higher sustaining capital to support operational improvement and tailings impoundment area projects, and higher levels of production stripping.

Directors' Report continued

5. Discussion and Analysis of the Balance Sheet

5.1. Net assets and total equity

Newcrest had net assets and total equity of \$10,124 million as at 30 June 2021.

US\$m	As at 30 June		Change	Change %
	2021	2020		
Assets				
Cash and cash equivalents	1,873	1,451	422	29%
Trade and other receivables	289	305	(16)	(5%)
Inventories	1,505	1,573	(68)	(4%)
Other financial assets	641	546	95	17%
Current tax asset	3	1	2	200%
Property, plant and equipment	9,788	8,809	979	11%
Goodwill	19	17	2	12%
Other intangible assets	32	24	8	33%
Deferred tax assets	54	65	(11)	(17%)
Investment in associates	442	386	56	15%
Other assets	68	65	3	5%
Total assets	14,714	13,242	1,472	11%
Liabilities				
Trade and other payables	(577)	(520)	(57)	(11%)
Current tax liability	(107)	(23)	(84)	(365%)
Borrowings	(1,635)	(2,017)	382	19%
Lease liabilities	(62)	(58)	(4)	(7%)
Other financial liabilities	(110)	(274)	164	60%
Provisions	(735)	(623)	(112)	(18%)
Deferred tax liabilities	(1,364)	(1,114)	(250)	(22%)
Total liabilities	(4,590)	(4,629)	39	1%
Net assets	10,124	8,613	1,511	18%
Equity				
Equity attributable to owners of the parent	10,124	8,613	1,511	18%
Total equity	10,124	8,613	1,511	18%

5.2. Financial metrics

5.2.1 Net debt and gearing

Net debt (comprising total borrowings and lease liabilities less cash and cash equivalents) as at 30 June 2021 was a net cash position of \$176 million, compared to net debt of \$624 million in the prior period. All of Newcrest's borrowings are US dollar denominated. The gearing ratio (net debt as a proportion of net debt and total equity) as at 30 June 2021 was negative 1.8%, a decrease from 6.8% as at 30 June 2020, and comfortably within Newcrest's financial policy target of being less than 25%.

Components of the movement in net debt and gearing are outlined in the table below.

US\$m	As at 30 June		Change	Change %
	2021	2020		
Corporate bonds – unsecured	1,650	2,030	(380)	(19%)
Other loans*	–	4	(4)	(100%)
Capitalised transaction costs on facilities	(15)	(17)	2	12%
Total borrowings	1,635	2,017	(382)	(19%)
Lease liabilities	62	58	4	7%
Total debt	1,697	2,075	(378)	(18%)
Less cash and cash equivalents	(1,873)	(1,451)	(422)	(29%)
(Net cash) or net debt	(176)	624	(800)	(128%)
Total equity	10,124	8,613	1,511	18%
Total capital (Net cash) or net debt and total equity	9,948	9,237	711	8%
Gearing (Net cash) or net debt/total capital	(1.8%)	6.8%	(8.6)	(126%)

* Represents interest-bearing liabilities acquired as part of the Red Chris acquisition.

5.2.2 Leverage Ratio and Interest Coverage Ratio

Newcrest's leverage ratio (net debt to EBITDA) remains comfortably within the financial policy target of being less than 2.0 times EBITDA on a trailing 12 month basis. As at 30 June 2021, Newcrest's positive net cash position and increased earnings (EBITDA) resulted in a negative leverage ratio outcome of 0.1 times, a decrease of 0.4 times compared to 30 June 2020.

US\$m	As at 30 June		Change	Change %
	2021	2020		
(Net cash) or net debt	(176)	624	(800)	(128%)
EBITDA ⁶ (trailing 12 months)	2,443	1,835	608	33%
Leverage ratio (times)	(0.1)	0.3	(0.4)	(133%)

Newcrest's interest coverage ratio increased to 40.7 as at 30 June 2021.

US\$m	For the 12 months ended 30 June			
	2021	2020	Change	Change %
EBITDA⁶	2,443	1,835	608	33%
Less facility fees and other costs	(17)	(15)	(2)	(13%)
Less discount unwind on provisions	(6)	(7)	1	14%
Less debt extinguishment and related costs	(20)	–	(20)	–
Adjusted EBITDA	2,400	1,813	587	32%
Net interest expense	102	102	0	–
Less facility fees and other costs	(17)	(15)	(2)	(13%)
Less discount unwind on provisions	(6)	(7)	1	14%
Less debt extinguishment and related costs	(20)	–	(20)	–
Net Interest Payable	59	80	(21)	(26%)
Interest Coverage ratio	40.7	22.7	18.0	79%

Directors' Report *continued*

5. Discussion and Analysis of the Balance Sheet *continued*

5.2. Financial metrics *continued*

5.2.3 Liquidity coverage

Newcrest had \$3,873 million of cash and committed undrawn bank facilities as at 30 June 2021.

US\$m	Facility utilised	Available liquidity	Facility limit
As at 30 June 2021			
Cash and cash equivalents	n/a	1,873	n/a
Bilateral bank debt facilities	–	2,000	2,000
Liquidity coverage	–	3,873	2,000
As at 30 June 2020			
Cash and cash equivalents	n/a	1,451	n/a
Bilateral bank debt facilities	–	2,000	2,000
Liquidity coverage	–	3,451	2,000

6. Non-IFRS Financial Information

Newcrest results are reported under International Financial Reporting Standards (IFRS). This document includes certain non-IFRS financial information within the meaning of ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information' published by ASIC and within the meaning of Canadian Securities Administrators Staff Notice 52-306 – Non-GAAP Financial Measures.

Such information includes: 'Underlying profit' (profit or loss after tax before significant items attributable to owners of the Company); 'EBITDA' (earnings before interest, tax, depreciation and amortisation, and significant items); EBIT (earnings before interest, tax and significant items); 'EBITDA Margin' (EBITDA expressed as a percentage of revenue); 'EBIT Margin' (EBIT expressed as a percentage of revenue); 'Leverage ratio (net debt to EBITDA)' (calculated as net debt divided by EBITDA for the preceding 12 months); 'Free Cash Flow' (calculated as cash flow from operating activities less cash flow related to investing activities, with Free Cash Flow for each operating site calculated as Free Cash Flow before interest, tax and intercompany transactions); 'Free Cash Flow before M&A activity' (being 'Free Cash Flow' excluding acquisitions, investments in associates and divestments); and 'AISC' (All-In Sustaining Cost) and 'AIC' (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.

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 report to provide greater understanding of the underlying financial 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. Such non-IFRS financial information/non-GAAP financial measures do not have a standardised meaning prescribed by IFRS and may be calculated differently by other companies. Although Newcrest believes these non-IFRS/non-GAAP financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information/non-GAAP financial measures included in this document. 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, available on Newcrest's website and the ASX and SEDAR platforms.

The non-IFRS measures do not have any standard definition under IFRS and may be calculated differently by other companies. The tables below reconcile these non-IFRS measures to the most appropriate IFRS measure, noting that:

- Sustaining and Major project (non-sustaining) capital are reconciled to investing cash flow in section 3.3;
- Free cash flow is reconciled to the cash flow statement in section 3.

6.1. Reconciliation of Statutory profit to Underlying profit

Underlying profit, EBIT and EBITDA is reported by Newcrest to provide greater understanding of the underlying business performance of its operations and the Group. These measures exclude significant items of income or expense which are, either individually or in aggregate, material to Newcrest or to the relevant business segment and are either outside the ordinary course of business or are part of the ordinary activities of the business but unusual due to their size and nature. Examples include gains/losses and other costs incurred for acquisitions and disposals of mining interests and asset impairment and write-down charges. Statutory profit and Underlying profit both represent profit after tax amounts attributable to Newcrest shareholders.

In the current period, Statutory profit was equal to Underlying profit.

Profit after tax attributable to Newcrest shareholders US\$m	For the 12 months ended 30 June 2021			
	Before Tax and Non-controlling interest	Tax	Non-controlling interest	After tax and Non-controlling interest
Statutory profit ⁵	1,668	(504)	–	1,164
Total significant items	–	–	–	–
Underlying profit⁶	1,668	(504)	–	1,164

Profit after tax attributable to Newcrest shareholders US\$m	For the 12 months ended 30 June 2020			
	Before Tax and Non-controlling interest	Tax	Non-controlling interest	After tax and Non-controlling interest
Statutory profit ⁵	997	(350)	–	647
Write-down of Gosowong tax assets	–	37	(8)	29
Write-down of property, plant and equipment at Gosowong	20	–	(5)	15
Major transaction and integration costs	15	(4)	–	11
Debt extinguishment and other finance costs	69	(21)	–	48
Underlying profit⁶	1,101	(338)	(13)	750

6.2. Reconciliation of Underlying profit to EBIT and EBITDA

US\$m	For the 12 months ended 30 June	
	2021	2020
Underlying profit⁶	1,164	750
Non-controlling interests	–	1
Income tax expense	504	338
Net finance costs	102	102
EBIT⁶	1,770	1,191
Depreciation and amortisation	673	644
EBITDA⁶	2,443	1,835

Directors' Report *continued*

6. Non-IFRS Financial Information *continued*

6.3. Reconciliation of All-In Sustaining Cost and All-In Cost to cost of sales

"All-In Sustaining Cost" and "All-In Cost" are non-IFRS measures which Newcrest has adopted since the guidance was released by the World Gold Council in June 2013.

The World Gold Council released an updated guidance note in November 2018, which Newcrest fully applied from 1 July 2019.

	Reference	For the 12 months ended 30 June			
		2021		2020	
		US\$m	US\$/oz	US\$m	US\$/oz
Gold sales (koz)		1,996		2,143	
Cost of sales	6.3.1	2,805	1,406	2,568	1,199
Depreciation and amortisation	6.3.2	(650)	(326)	(622)	(291)
By-product revenue	6.3.3	(1,040)	(521)	(684)	(319)
Gold concentrate treatment and refining deductions		48	24	40	19
Corporate costs	6.3.4	109	55	80	37
Sustaining exploration	6.3.7	12	6	13	6
Sustaining leases		26	13	27	13
Sustaining production stripping ⁷	6.3.5	143	71	147	68
Underground mine development	6.3.5	(4)	(2)	(7)	(3)
Sustaining capital expenditure	6.3.6	371	186	270	126
Rehabilitation accretion and amortisation		17	8	16	7
All-In Sustaining Costs⁷	6.7	1,837	920	1,848	862
Growth and development expenditure	6.3.4	11	5	15	8
Non-sustaining capital expenditure*	6.3.6	588	294	272	127
Non-sustaining production stripping	6.3.5	5	3	–	–
Non-sustaining exploration	6.3.7	103	52	100	46
Non-sustaining leases		7	4	2	1
All-In Cost		2,551	1,278	2,237	1,044

* Represents spend on major projects that are designed to increase the net present value of the applicable mine and are not related to current production. Significant projects in the current period include the Cadia Plant Expansion, PC2-3 development at Cadia, the Cadia Molybdenum Plant and the Seepage Barrier Feasibility Study, the Phase 14A Pre-Feasibility Study and Front End Recovery uplift projects at Lihir.

6.3.1. Cost of sales

US\$m	For the 12 months ended 30 June	
	2021	2020
Cost of sales as per Note 5(b) of the consolidated financial statements	2,805	2,568

6.3.2. Depreciation and amortisation

US\$m	For the 12 months ended 30 June	
	2021	2020
Depreciation and amortisation per Note 5(b) of the consolidated financial statements	650	622

6.3.3. By-product revenue

US\$m	For the 12 months ended 30 June	
	2021	2020
Copper concentrate sales revenue	1,137	778
Copper concentrate treatment and refining deductions	(120)	(108)
Total copper sales revenue per Note 5(a) of the consolidated financial statements	1,017	670
Silver sales revenue	26	16
Silver concentrate treatment and refining deductions	(3)	(2)
Total silver sales revenue per Note 5(a) of the consolidated financial statements	23	14
Total By-product revenue	1,040	684

6.3.4. Corporate costs

US\$m	For the 12 months ended 30 June	
	2021	2020
Corporate administration expenses per Note 5(c) of the consolidated financial statements	143	117
Less: Corporate depreciation	(23)	(22)
Less: Growth and development expenditure	(11)	(15)
Total Corporate costs	109	80

6.3.5. Production stripping and underground mine development

US\$m	For the 12 months ended 30 June	
	2021	2020
Sustaining production stripping	143	147
Underground mine development	(4)	(7)
Non-sustaining production stripping	5	-
Total production stripping and underground mine development	144	140
Underground mine development	(4)	(7)
Production stripping per Note 11 of the consolidated financial statements	148	147
Total production stripping and underground mine development	144	140

6.3.6. Capital expenditure

US\$m	For the 12 months ended 30 June	
	2021	2020
Payments for property, plant and equipment, development and feasibility studies per consolidated financial statements	940	529
Information systems development per consolidated financial statements	20	15
Total capital expenditure	960	544
Sustaining capital expenditure (per 3.3 of the Operating and Financial Review)	376	275
Non-sustaining capital expenditure (per 3.3 of the Operating and Financial Review)	595	273
Capitalised Leases (per 3.3 of the Operating and Financial Review)	(11)	(4)
Total capital expenditure	960	544
Sustaining capital expenditure related to integration (reclassified as growth and development)	-	(2)
Total capital expenditure (per 6.3 of the Operating and Financial Review)	960	542

Directors' Report *continued*

6. Non-IFRS Financial Information *continued*

6.3. Reconciliation of All-In Sustaining Cost and All-In Cost to cost of sales *continued*

6.3.7. Exploration expenditure

US\$m	For the 12 months ended 30 June	
	2021	2020
Exploration and evaluation expenditure per consolidated financial statements	115	113
Sustaining exploration (per 6.3 of the Operating and Financial Review)	12	13
Non-sustaining exploration (per 6.3 of the Operating and Financial Review)	103	100
Total exploration expenditure	115	113

6.4. Earnings per share

US\$ cents	For the 12 months ended 30 June	
	2021	2020
Earnings per share (basic) per Note 8 of the consolidated financial statements	142.5	83.4
Earnings per share (diluted) per Note 8 of the consolidated financial statements	142.1	83.1

6.5. Dividends per share

US\$m	For the 12 months ended 30 June	
	2021	2020
Total dividends paid per Note 9(a) of the consolidated financial statements	266	169
Total issued capital per Note 26(b) of the consolidated financial statements	817,289,692	816,071,894
Dividends paid per share	32.5	22.0

6.6. Reconciliation of Return on Capital Employed (ROCE)

ROCE is "Return on Capital Employed" and is reported by Newcrest to provide greater understanding of the underlying business performance of its operations and the Group. ROCE is calculated as EBIT before significant items expressed as a percentage of average total capital employed (net debt and total equity).

\$m	For the 12 months ended 30 June	
	2021	2020
EBIT ⁶	1,770	1,191
Total capital (net debt and total equity) – as at 30 June 2019	–	8,026
Total capital (net debt and total equity) – as at 30 June 2020	9,237	9,237
Total capital (net debt and total equity) – as at 30 June 2021	9,948	–
Average total capital employed	9,593	8,632
Return on Capital Employed	18.5%	13.8%

6.7. Reconciliation of Newcrest's Operational Performance including its 32% attributable share of Fruta del Norte through its 32% equity interest in Lundin Gold Inc

Gold Production ⁴	UoM	For the 12 months ended 30 June	
		2021	2020
Gold production – Newcrest operations	oz	1,964,037	2,154,696
Gold production – Fruta del Norte (32%)	oz	129,285	16,422
Gold production	oz	2,093,322	2,171,118

All-In Sustaining Cost ^{4,7}	UoM	For the 12 months ended 30 June	
		2021	2020
All-In Sustaining Cost – Newcrest operations	\$m	1,837	1,848
All-In Sustaining Cost – Fruta del Norte (32%)	\$m	91	0
All-In Sustaining Cost	\$m	1,928	1,848
Gold ounces sold – Newcrest operations	oz	1,996,243	2,142,741
Gold ounces sold – Fruta del Norte (32%)	oz	120,181	0
Total gold ounces sold	oz	2,116,425	2,142,741
All-In Sustaining Cost – Newcrest operations	\$/oz	920	862
All-In Sustaining Cost – Fruta del Norte (32%)	\$/oz	753	0
All-In Sustaining Cost	\$/oz	911	862

All-In Sustaining Cost margin ⁷	UoM	For the 12 months ended 30 June	
		2021	2020
Realised gold price ¹⁶	\$/oz	1,796	1,530
All-In Sustaining Cost – Newcrest operations	\$/oz	920	862
All-In Sustaining Cost margin	\$/oz	876	668

7. Risks

Newcrest's Purpose is "Creating a brighter future for people through safe and responsible mining". In pursuit of this, Newcrest is focused on the following five pillars and fulfilling the associated aspirations by 2025:

- We are a safe and sustainable business: Everyone goes home safe and healthy every day, and communities trust us because of our environmental and social performance;
- We have the best people: We have a high-performance, inclusive culture where everyone can thrive and excel;
- We are outstanding operators: We safely operate our assets to their full potential;
- We are a leader in innovation and creativity: We create lasting value through audacious breakthroughs; and
- We grow profitably: We have an industry leading portfolio that delivers superior returns and growth.

Newcrest's business, operating and financial results and performance are subject to various risks and uncertainties, some of which are beyond Newcrest's reasonable control. Set out below are matters which Newcrest has assessed as having the potential to have a material impact on the business, operating and/or financial results and performance and fulfilment of the aspirations of the Group. These matters may arise individually, simultaneously or in combination.

The matters identified below are not necessarily listed in order of importance and are not intended as an exhaustive list of all the risks and uncertainties associated with Newcrest's business. Additional risks and uncertainties not presently known to Management and the Board, or that Management and the Board currently believe to be immaterial or manageable, may adversely affect Newcrest's business.

Newcrest has a Risk Management Framework and process in place to identify those risks that may have a material impact on the Group. Material Risks are documented and monitored with the implementation of preventative and mitigating processes and controls. Implemented processes and controls may not prevent a material unwanted event from occurring or eliminate the potential impact entirely. Further, Newcrest's business, operating and/or financial results and performance may be materially impacted should any such actions and controls fail or be disrupted.

Further information on Newcrest's approach to risk management is set out in Newcrest's Corporate Governance Statement.

Directors' Report continued

7. Risks continued

External Risks

Fluctuations in external economic drivers

External economic drivers (including macroeconomic, metal prices, exchange rates and costs)

Market price of gold and copper

Newcrest's revenue is principally derived from the sale of gold and copper based on prevailing market prices.

Fluctuations in gold prices can occur due to numerous factors beyond Newcrest's control, including macroeconomic and geopolitical factors (such as financial and banking stability, global and regional political events and policies including monetary policy easing, inflation and changes in inflationary expectations, interest rates including negative interest rate environments, global economic growth expectations, and actual or expected gold purchases and/or sales by central banks), speculative positions taken by investors or traders, changes in demand for gold (including gold used in fabrication such as for design, jewellery and other industrial uses, and changes due to product substitution), changes in supply for gold from mine production and from scrap recycling, as well as gold hedging and de-hedging by gold producers.

Fluctuations in copper prices can occur due to numerous factors beyond Newcrest's control, including the worldwide balance of copper demand and supply, rates of global economic growth, the rate of development of new mines and closure of existing mines, trends in industrial production and conditions in the electricity, housing and automotive industries, economic growth and geopolitical conditions worldwide and particularly in China, which is the largest consumer of refined copper in the world, speculative investment positions in copper and copper futures, the availability and cost of substitute materials, and availability and cost of appropriate smelting and refining arrangements and recovery rate through the smelting and refining processes.

Newcrest is predominantly an unhedged producer, although Newcrest has hedges over a portion of Telfer's future planned gold production to FY23. 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.

Lower gold and/or copper prices may adversely affect Newcrest's financial condition and performance.

Foreign exchange rate fluctuations

Given the geographic spread of Newcrest's operations, its earnings, cash flows and balance sheet are exposed to multiple currencies, including a portion of spend at each operation being denominated in the local currency. The relative movement of these currencies (particularly the Australian dollar) against the US dollar may have a significant impact on Newcrest's financial results and cash flows, which are reported in US dollars. Newcrest does not hedge its foreign exchange transaction exposures although it may hedge certain major capital expenditures to the functional currency of the project or operation.

The presentation currency of the Group is the US dollar. Newcrest's parent entity and all Australian entities use the Australian dollar as their functional currency, and Red Chris uses the Canadian dollar as its functional currency. All other material entities, including Lihir, use the US dollar as their functional currency.

Fluctuations in external economic drivers *continued*

Increased costs, capital and commodity inputs

Operating costs are subject to variations due to a number of factors, some of which are specific to a particular mine site, including changing ore characteristics and metallurgy, changes in the ratio of ore to waste as the mine plan follows the sequence of extracting the ore body, surface and underground haulage distances, underground geotechnical conditions and the level of sustaining capital invested to maintain operations.

In addition, operating costs and capital expenditure are, to a significant extent, driven by external economic conditions impacting the cost of commodity inputs consumed in extracting and processing ore (including but not limited to, electricity, water, fuel, chemical reagents, explosives, tyres and steel), and labour costs associated with those activities. Newcrest currently hedges a portion of its expected fuel requirements. Other input costs are generally not hedged. Where it considers appropriate, Newcrest enters into short term, medium term or evergreen contracts at fixed prices or fixed prices subject to price rise and fall mechanisms.

Examples of impacts

Actual or forecasted lower metal prices, and/or adverse movements in exchange rates and/or adverse movements in operating costs may:

- change the economic viability of mining operations, particularly higher cost mining operations, which may result in decisions to alter production plans or the suspension or closure of mining operations;
- reduce the market value of Newcrest's gold or copper inventory and Newcrest's estimates of Mineral Resources and Ore Reserves;
- result in Newcrest curtailing or suspending its exploration activities, with the result that depleted Ore Reserves may not be replaced and/or unmined Ore Reserves or Mineral Resources may not be mined;
- affect Newcrest's future operating activities and financial results through changes to proposed project developments; and
- result in changes in the estimation of the recoverable amount of Newcrest's assets when assessing potential accounting impairment of those assets.

Newcrest looks to manage the impact of adverse movements in these factors by seeking to be a relatively low-cost gold producer, maintaining a strong balance sheet, and having sufficient liquid funds and committed undrawn bank facilities available to meet the Group's financial commitments.

Holding all other factors constant, examples of estimated potential financial impacts in the 2022 Financial Year of metal prices and exchange rates are approximately as follows:

Element	Change	Impact on	Estimated Impact
Realised gold price	+/- \$10/oz	Revenue	+/- \$18m
Realised copper price	+/- \$0.05/lb	Revenue	+/- \$12m
AUD:USD exchange rate	+/- A\$0.01	EBIT	-/+ \$17m

Directors' Report continued

7. Risks continued

External Risks continued

Political events, Government actions, changes in law and regulation and inability to maintain title

Political events, actions by governments and tax authorities

Newcrest has exploration, development and production activities that are subject to political, economic, social, regulatory and other risks and uncertainties.

These risks and uncertainties are unpredictable, vary from country to country and include but are not limited to law and order issues (including varying government capacity to respond), political instability, civil unrest, rebellion and civil society opposition, expropriation and/or nationalisation, changes in government ownership levels in projects, fraud, bribery and corruption, restrictions on access to foreign exchange and/or repatriation of cash, earnings or capital, land ownership disputes and tenement access issues, disputes with local communities, renegotiation or nullification of existing concessions, licences, permits and contracts, the public health system management of health infections and diseases and the imposition of international sanctions or border closures, each of which could have a significant impact on Newcrest.

There is also a risk that governments could review laws, legislative decisions (such as the grant of tenements), contractual arrangements or amend government policy, without notice or industry consultation. If, in one or more of Newcrest's countries of operations, we were not able to obtain or maintain necessary permits, authorisations or agreements to implement planned projects or continue our operations under conditions or contracts or within timeframes that make such plans and operations economic, or if legal, ownership, fiscal conditions (including royalties and duties), banking and exchange controls (including controls pertaining to the holding of cash and remittance of profits and capital to the parent company), employment, environmental and social laws and regimes were to unexpectedly change, our operating results and financial condition could be materially impacted.

These risks have become more prevalent in recent years, and in particular there has been an increasing social and political focus on:

- the revenue derived by governments and other stakeholders from mining activities, which has resulted in announced reviews of the policy and legislative regimes applicable to mining in a number of the jurisdictions in which Newcrest has interests (including Papua New Guinea and Chile);
- national control of and benefit from natural resources, with proposed reforms regarding government or landowner participation in mining activities, limits on foreign ownership of mining or exploration interests and/or forced divestiture (with or without adequate compensation), and a broad reform agenda in relation to mining legislation, environmental stewardship, significant royalty increases and local business opportunities and employment; and
- Environmental, Social, and Governance (ESG) credentials for the mining industry in general and particularly for issues relevant to civil society that could create unrest, suspension of mining operations or materially damage reputation.

In Papua New Guinea (PNG), there is a political focus on future policy directions, including in relation to the extractives sector. The Government has stated it wants to increase benefits for PNG from extractive projects as part of its "Take Back PNG" approach. Potential policy changes could include introducing a new production sharing regime for minerals and oil/gas, amending the existing Mining Act and/or changing the level and manner of local equity participation in projects, taxation regimes, banking and foreign exchange controls, and/or controls pertaining to the holding of cash and remittance of profits and capital to the parent company.

On 24 April 2020 the PNG Government announced that the Special Mining Lease for the Porgera mining operation (SML 1) would not be renewed. It subsequently amended the Mining Act and issued a new Special Mining Lease 11 for Porgera to Kumul Mineral Holdings Limited (a State-owned company). The PNG Government is now negotiating with the Porgera JV participants to establish new arrangements for restarting and operating Porgera. The parties have signed a Framework Agreement and are negotiating final definitive agreements. The PNG Government has stated that the decision not to renew SML 1 related to alleged issues specifically related to environmental damages claims and resettlement at the Porgera mine and has no bearing on any other operations, including Lihir, or advanced exploration projects, including Wafi-Golpu. The PNG Prime Minister stated that Wafi-Golpu remained one of the Government's priority projects for development.

**Political events,
Government actions,
changes in law and
regulation and inability
to maintain title**
continued

More recently, the PNG Government has prepared and submitted to Parliament a proposed new organic law to introduce a production sharing regime for the mining sector. The proposed organic law will require the approval of a two thirds majority of Parliament and, if passed in its current proposed form, purports to transfer ownership of minerals from the PNG State to State-owned entities who would then be responsible for negotiating mineral production sharing arrangements. As currently drafted, the bill containing the proposed organic law will not apply to Lihir, but could potentially apply to Wafi-Golpu if a Mining Lease or Mining Development Contract is not in place before the effective date for the proposed organic law, which the PNG Prime Minister has indicated is intended to be 2025. The bill is subject to amendment by Parliament.

There is also the potential for legal challenges to the Wafi-Golpu permitting process as it progresses towards completion, including by provincial governments, landowner groups and civil society organisations. For example, in January 2019 the Governor of Morobe Province commenced a judicial review application against the State of PNG in relation to a Memorandum of Understanding (MOU) between the State of PNG and the Wafi-Golpu Joint Venture (WGJV) signed in December 2018. Those proceedings (and stay order) were dismissed by the National Court in February 2020 and the Governor appealed the matter to the Supreme Court. In March 2021 the Governor commenced a new judicial review application against the State challenging the grant of an environmental permit for Wafi-Golpu. Any such legal challenges may adversely impact the Wafi-Golpu permitting process. WGJV is currently engaging with the State of PNG to progress permitting of the Wafi-Golpu Project and has commenced discussions in relation to the Special Mining Lease. The timing for completing the discussions is uncertain and there is no assurance of the outcomes.

In Canada, the nature and extent of First Nations rights and title remains the subject of active debate, claims and litigation, particularly in British Columbia where the Red Chris mine is located. First Nations in British Columbia have made claims in respect of Aboriginal rights and title to substantial portions of land and water in the province. Some of these claims are made outside of Treaty and other processes. The effect of such claims on any particular area of land will not be determinable until the exact nature of historical use, occupancy and rights to such property have been clarified by a decision of the Canadian courts or definition in a treaty. First Nations in British Columbia are seeking settlements with respect to these claims, including compensation from governments, and are seeking rights to act as regulatory authorities within their traditional territories. The effect of these claims cannot be estimated at this time. The federal and provincial governments in Canada have been seeking to negotiate settlements with Aboriginal groups throughout British Columbia in order to resolve many of these claims. Although none of these claims have impacted the Red Chris mine, the issues surrounding Aboriginal title and rights remain to be resolved. On 10 June 2021 the Province of British Columbia announced the signing of a Shared Prosperity Agreement with the Tahltan Nation as represented by the Tahltan Central Government (TCG), Iskut Band and Tahltan Band, which amongst other things, sets the foundation to collaboratively achieve long-term comprehensive reconciliation and land-use predictability. On 15 June 2021, the Province was directed by Order in Council to negotiate an agreement under section 7 of the *Declaration on the Rights of Indigenous Peoples Act* (2019) with the TCG with respect to the Red Chris mine which would require that decisions under the BC Environmental Assessment Act (BC EAA) either (a) would be exercised jointly by the Province and TCG; or (b) could only be exercised by the Province if the prior informed consent of the TCG has been obtained. Decisions under the BC EAA will be required for the construction and operation of a block cave mine at Red Chris.

In Western Australia, where Telfer and Haviron are located, the Government has proposed to repeal the existing *Aboriginal Heritage Act 1972* (WA) and replace it with a new regime for the protection of Aboriginal cultural heritage. A bill for the new *Aboriginal Cultural Heritage Act* is expected to be introduced to the Western Australian parliament in the second half of 2021. Newcrest has agreed to work with the Western Desert Lands Aboriginal Corporation to review the existing heritage protocol under its Indigenous Land Use Agreement which applies to Telfer and Haviron. It is expected that this review will need to take into account changes to cultural heritage laws arising from the introduction of the new bill.

In Ecuador, a relatively new large-scale mining jurisdiction, policies and regulations are evolving amid a broader debate on the benefits and impacts of mining. Potential future legal challenges around community consent and seeking to restrict mining activities in Ecuador present a risk to the mining industry. The new President and parliament elected in 2021 may consider additional policy and regulation that could impact mining. While the President-elect is largely supportive of business, the country is yet to set a clear policy position on mining. A number of countries within the Latin American region, including Chile, are looking at ways to increase government revenues from mining in response to the COVID-19 pandemic's negative impact on the economy.

There can be no certainty as to what changes might be made to relevant law or policy in the jurisdictions where the Group has current or potential future interests, or the impact that any such changes may have on Newcrest's ability to own and operate its mining and related interests and to otherwise conduct its business in those jurisdictions.

Directors' Report continued

7. Risks continued

External Risks continued

Political events, Government actions, changes in law and regulation and inability to maintain title continued

Changes in law and regulation and inability to maintain title

Newcrest's current and future mining operations, development projects and exploration activities are subject to various laws, policies and regulations and to obtaining and maintaining the necessary titles, authorisations, permits and licences, and associated land access and other arrangements with landowners and local communities and various layers of Government, which authorise those activities under the relevant law (Authorisations). In addition, Newcrest is subject to law and regulation as a listed entity in Australia, Canada and Papua New Guinea.

Changes in law, policies or regulations, or to the manner in which they are interpreted or applied to Newcrest may have the potential to materially impact the value of a particular operation, development project, exploration assets or the Group as a whole. Failure to comply with legal requirements may result in Newcrest being subject to enforcement actions with potentially material consequences, such as financial penalties, suspension of operations and forfeiture of assets.

In a number of jurisdictions where Newcrest has existing interests, the legal framework is becoming increasingly complex, onerous and subject to change. Changes in laws, policies or regulation, or to the manner in which they are interpreted or applied, may result in material additional expenditure, taxes or costs, restrictions on the movement of funds, or interruption to, or operation of, Newcrest's activities. Disputes arising from the application or interpretation of applicable laws, policies or regulations in the countries where Newcrest operates could also adversely impact Newcrest's operations, development projects, exploration assets, financial performance and/or value.

There can be no guarantee that Newcrest will be able to successfully obtain and maintain the necessary Authorisations or obtain and maintain the necessary Authorisations on terms acceptable to Newcrest, that renewal of existing Authorisations will be granted in a timely manner or on terms acceptable to Newcrest, or that Newcrest will be in a position to comply with all conditions that are imposed. Authorisations held by or granted to Newcrest may also be subject to challenge by third parties which, if successful, could impact on Newcrest's exploration, development and/or mining and/or processing activities.

Although Newcrest believes it has taken reasonable measures to acquire the rights needed to undertake its operations, develop its projects and undertake other activities as currently conducted, some risk exists that some titles and access rights may be defective. No assurance can be given that such claims are not subject to unregistered, undetected or other claims or interests which could be materially adverse to Newcrest or its operations. While Newcrest has used its best efforts to ensure title to all its properties and secured access to surface rights, these titles or rights may be disputed, which could result in costly litigation or disruption of operations. Surface access issues have the potential to result in the delay of planned exploration programs, development projects and/or changes in the nature or scale of existing operations and these delays may be significant. Newcrest expects that it will be able to resolve these issues if and as they arise, however, there can be no assurance that this will be the case and future acquisitions, relocation benefits and legal and related costs may be material, which may impact Newcrest's ability to effectively operate in relevant geographic areas.

Changes to taxation and royalty laws

Newcrest has operations and conducts business in multiple jurisdictions, and it is subject to the taxation and royalty laws and regulations of each such jurisdiction. The tax laws and regulations are complicated and subject to change. Further, international agencies such as the Organization for Economic Cooperation and Development have been coordinating negotiations amongst countries in respect of cross border and global tax initiatives, which if introduced, could impact Newcrest adversely through additional tax costs, increased compliance and litigation risks. Newcrest seeks to mitigate these risks by monitoring tax policy, legislation and regulations and engaging with relevant authorities. Newcrest also participates in tax reform initiatives through industry bodies and supports tax transparency initiatives to highlight our fiscal contribution in the various jurisdictions in which we operate. Newcrest may also be subject to review, audit and assessment in the ordinary course of its operations. Changes in taxation and/or royalty laws and regulations or the results of audits and assessments could result in higher taxes and/or royalties being payable, require payment of taxes and/or royalties due from previous years or result in significant penalties on any assessed and unpaid taxes and/or royalties, which could adversely affect Newcrest's profitability. Taxes may also adversely affect Newcrest's ability to effectively repatriate earnings and otherwise deploy its assets.

Climate Change

Newcrest has exposure to a range of climate change risks and opportunities related to the transition to a lower-carbon economy including political, policy and legal developments, technology, reputation, increased capital costs, cost of inputs and raw materials, access to external funding and insurances. Gold and copper mining operations are energy intensive and in the short to medium term, Newcrest expects to continue to rely heavily on fossil fuels as an energy source.

In May 2021 Newcrest set a goal of net zero carbon emissions by 2050, which relates to its operational (Scope 1 and Scope 2) emissions, although Newcrest will also strive to work across its value chain to reduce Scope 3 emissions. This goal is in addition to the announcement by Newcrest in June 2019 of a 30% reduction in greenhouse gas (GHG) emissions per tonne of ore treated by 2030 against a 2018 baseline. To inform investment decisions, Newcrest has also adopted a protocol for applying shadow carbon prices of US\$25/tonne and US\$50/tonne CO₂-e for jurisdictions where there are no regulated carbon prices.

In Financial Year 2021, Newcrest continued to build on the progressive implementation of the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations by undertaking an assessment of the transition risks and opportunities, and the physical risks, to address the Strategy element of the TCFD recommendations. The selected scenarios, which assess the potential climate change impacts for transition risks and opportunities over the life of the mines, include the Stated Policies Scenario (STEPS) (which reflects the impact of existing policy frameworks and announced policy intentions) and the Sustainable Development Scenario (SDS) (which aims to hold global temperature rise to well below 2°C). For physical risks, the selected scenarios comprise the Representative Concentration Pathway 4.5 and 8.5 (otherwise referred to as RCP4.5 and RCP8.5). RCP4.5 is an intermediate-emissions scenario consistent with a future with relatively ambitious emissions reductions but falls short of the 2°C limit/1.5°C aim agreed on in the Paris Agreement. RCP8.5 is the high-emissions scenario, consistent with a future with no policy changes to reduce emissions and characterised by increasing GHG emissions that lead to high atmospheric GHG concentrations.

Under the TCFD framework, Climate Financial Driver Analysis (CFDA) was used to identify potential financial impacts of the transition risks and opportunities pursuant to the selected scenarios. The results of the CFDA indicate a risk of cost increases in the following areas:

- Carbon pricing
- Increased regulation in response to climate change
- Diesel price
- Oil price
- Uptake of low carbon technologies

However, there is opportunity for these potential risks to be offset by strong demand and prices for copper, together with Newcrest's expected increase in copper production.

Under RCP4.5 and RCP8.5 scenarios, the following intrinsic physical risk areas have been identified for Newcrest's operating sites:

- Cadia – water scarcity, flood, extreme heat, heat stress, wildfire and wind.
- Telfer – water scarcity, flood, extreme heat, heat stress, wildfire, wind and cyclones.
- Red Chris – water scarcity, flood, wildfire, wind and extreme cold.
- Lihir – water scarcity, flood, extreme heat, heat stress, wind and sea level rise.

Possible adaptation measures and strategies have been identified for the physical risk areas outlined above.

The output of this work on transition and physical risks and opportunities will continue to be refined and will inform Newcrest's long-term strategic planning towards implementation of Newcrest's commitment to net zero carbon emissions by 2050, in addition to the ongoing implementation of the TCFD framework.

On 16 December 2020, Newcrest announced that it entered into a 15-year renewable Power Purchase Agreement (PPA) with a wind farm developer in relation to its Cadia mine in New South Wales, Australia. The PPA, together with the forecast decarbonisation of NSW electricity generation, is expected to deliver a ~20% reduction in Newcrest's greenhouse gas emissions intensity as it will provide Newcrest with access to large scale generation certificates which Newcrest intends to surrender to achieve a reduction in its greenhouse gas emissions. This PPA is a significant step towards achieving Newcrest's target of a 30% greenhouse gas emissions intensity reduction by 2030.

Newcrest has also developed GHG Management Plans for each operating site to understand abatement opportunities.

There are no assurances that Newcrest will be able to meet its stated climate change goals, nor that it will be able to address all climate change risks, which may impact Newcrest's competitive position, its operating and financial results, and its financial condition.

Directors' Report continued

7. Risks continued

Financial Risks

Capital and Liquidity

Newcrest has designed its capital structure to seek to have sufficient liquidity available to meet the Group's financial commitments. Newcrest has a range of debt facilities with external financiers including unsecured committed bilateral bank debt facilities and corporate unsecured senior notes (or 'bonds') and has structured these facilities to have varying maturities so that its refinancing obligations are staggered.

Newcrest anticipates expenditures over the next several years in connection with the development of new projects, maintenance and expansion of existing projects, activities to facilitate mining of orebodies, along with sustaining capital expenditure across operations, and, potentially, the acquisition of new projects. Newcrest may from time to time draw down under its available debt facilities or seek additional external funding such as through asset divestitures, further equity or debt issues or additional bank debt, or it may need to defer expenditure. Newcrest's ability to service its current funding arrangements and to raise and service any additional funding or to meet conditions applicable to current or future funding arrangements is a function of a number of factors, including (without limitation), macroeconomic conditions, funding market conditions, future gold and copper prices, Newcrest retaining its investment grade credit rating, Newcrest's operational and financial performance, and cash flow and debt position at the time. Newcrest's ability to access external funding on an efficient basis may be constrained by a dislocation in these markets at the time of planned issuance.

If Newcrest is unable to meet its financial obligations or is unable to obtain additional financing on acceptable terms, its business, operating and financial condition and results may be adversely affected.

Counterparty credit risk

Newcrest is exposed to counterparties defaulting on their payment obligations which may adversely affect Newcrest's financial condition and performance. Newcrest limits its counterparty credit risk in a variety of ways.

Credit risk on cash and cash equivalents is reduced through maximum investment limits being applied to banks and financial institutions based on their credit ratings. Where possible, Newcrest holds funds with banks or financial institutions with credit ratings of at least A- (S&P) equivalent. Due to banking and foreign exchange regulations in some of the countries in which Newcrest operates, funds may be held with banks or financial institutions with lower credit ratings. Newcrest only enters into derivative financial instruments with banks or financial institutions with credit ratings of at least BBB (S&P) equivalent.

All concentrate customers who wish to trade on open account credit terms are subject to credit risk analysis. Bullion is largely sold to our lending banks on a spot price basis to minimise credit exposure.

Newcrest is exposed to counterparty risk arising from a potential failure of an insurer on Newcrest's panel in the event of a valid claim. Newcrest limits its insurer counterparty risk by diversification of insurers across the Newcrest portfolio and insures with insurance companies with a credit rating of at least A- (S&P) equivalent where possible.

Newcrest is also exposed to counterparty default and credit risk through two strategic transactions undertaken in 2020. In April 2020, Newcrest acquired for \$460 million the gold prepay and stream facilities and an offtake agreement in respect of Lundin Gold Inc.'s Fruta del Norte mine (the Facilities), details of which are located on Newcrest's website. In January 2020, Newcrest announced the divestment of its interest in Gosowong to PT Indotan Halmahera Bangkit (Indotan), for a total consideration of \$90 million, of which \$30 million was deferred and, subject to extension, becomes payable in September 2021. There can be no certainty that Lundin Gold Inc. will be able to service the Facilities, nor that Indotan will make payment for the remaining consideration for Gosowong.

Uninsured Risk

Newcrest maintains a range of insurance policies to assist in mitigating the impact of events which could have a significant adverse effect on its operations and profitability. Newcrest's insurance policies carry deductibles and limits which will lead to Newcrest not recovering the full monetary impact of an insured event. Newcrest's insurances do not cover all actual or potential risks associated with its business. Newcrest may elect not to insure or to self-insure against certain risks, such as where insurance is not available, where the premium associated with insuring against the risk is considered excessive, or if the risk is considered to have a low likelihood of eventuating. The occurrence of events for which Newcrest is not insured may adversely affect its cash flows and overall profitability.

Asset impairments, write-downs and restructure costs

In accordance with Newcrest's accounting policies and processes, the carrying amounts of all non-financial assets are reviewed yearly and half-yearly to determine whether there is an indicator of impairment. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made. Impairment is recognised when the carrying amount exceeds the recoverable amount. The recoverable amount of each cash generating unit (CGU) is estimated using its fair value less costs of disposal.

Significant judgments and assumptions are required in making estimates of fair value. This is particularly relevant in the assessment of long-life assets. The CGU valuations are subject to variability in key assumptions including, but not limited to, long-term gold and copper prices, currency exchange rates, discount rates, production profiles and operating and capital costs. An adverse change in one of more of the assumptions used to estimate fair value could result in a reduction in a CGU's fair value. Life of mine (LOM) production and operating and capital cost assumptions are based on Newcrest's latest budget, quarterly forecast and/or longer-term LOM plans. The projections include sensitivities on carbon price scenarios ranging between \$25 and \$50 a tonne of CO₂-e for jurisdictions where there is no regulated carbon price. The projections also include expected cost improvements, reflecting Newcrest's objectives to maximise free cash flow, optimise and reduce activity, apply technology, improve capital and labour productivity and remove high cost gold ounces from the production profile.

No assurance can be given as to the absence of significant impairment charges in future periods, including as a result of further operational reviews, a change in any of the underlying valuation assumptions, or a deterioration in market or operating conditions. If future impairment losses are incurred, Newcrest's earnings and fiscal position in the period in which it records the loss could be materially adversely impacted.

Strategic Risks

Failure to discover new ore reserves or to enhance and realise new ore reserves

Exploration, project evaluation and project development

Newcrest's current and future business, operating and financial performance and results are impacted by the discovery of new mineral prospects and actual performance of developing and operating mines and process plants. Results may differ significantly from estimates determined at the time the relevant project was approved for development. Newcrest's current or future development activities may not result in expansion or replacement of current production, or one or more new production sites or facilities may be less profitable than anticipated or may not be profitable at all.

Newcrest's ability to sustain or increase its current level of production in the future is in part dependent on the success of its exploration and acquisition activities in replacing gold and copper reserves depleted by production, the development of new projects and the expansion of existing operations. The risks associated with sustaining or increasing production through acquisition is increased by the level of competition over these development opportunities. Additionally, in the last decade, the time from discovery to production has increased significantly as a result of a variety of factors, including increases in capital requirements, social and environmental considerations, cultural heritage requirements, economic conditions, remote locations, and the complexity and depth of ore bodies.

Mine development and expansion projects require significant expenditures during the development phase before production is possible. Projects are subject to the completion of successful studies, social, cultural heritage and environmental assessments, issuance of necessary governmental permits and availability of adequate financing.

Expansion projects may rely on the operating history at the existing operation to estimate production and operating costs but there cannot be certainty that results will be the same for the expansion. Particularly for development projects, estimates of proven and probable Ore Reserves and cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques. They are also based upon feasibility studies that derive estimates of production and cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates of gold from the ore, estimated operating costs, and other modifying factors. As a result, it is possible that actual capital and operating costs and economic returns will differ significantly from those currently estimated for a project prior to production.

In the absence of exploration success, or additions to Newcrest's mineral inventory to support future operations through development activities, expansions or acquisitions, Newcrest will be unable to replace Ore Reserves and Mineral Resources depleted by operations.

Directors' Report continued

7. Risks continued

Strategic Risks continued

Failure to discover new ore reserves or to enhance and realise new ore reserves continued

Exploration and project evaluation

Exploration activities are speculative in nature and often require substantial expenditure on exploration surveys, drilling and sampling as a basis on which to establish the presence, extent and estimated grade (metal content) of mineralised material.

Even if significant mineralisation is discovered it may take additional time and further financial investment to determine whether Ore Reserves and/or Mineral Resources exist to support a development decision and to obtain necessary ore body knowledge to assess the technical and economic viability of mining projects. During that time the economic viability of the project may change due to fluctuations in factors that affect both revenue and costs, including metal prices, foreign exchange rates, the required return on capital, regulatory requirements, tax regimes and future cost of development and mining operations.

Competition to replace reserves

Newcrest evaluates potential acquisition and development opportunities for mineral deposits, exploration or development properties and operating mines. Newcrest's decision to acquire or develop these properties is based on a variety of factors, including historical Newcrest operating results, estimates and assumptions regarding the extent and quality of mineralisation, resources and reserves, assessment of the potential for further discoveries or growth in resources and reserves, development and capital costs, cash and other operating costs, expected future commodity prices, projected economic returns, fiscal and regulatory frameworks, evaluations of existing or potential liabilities associated with the relevant assets and how these factors may change in future. Other than historical operating results (if applicable), these factors are uncertain and could have an impact on revenue, cash and other operating results, as well as the process used to estimate Mineral Resources and Ore Reserves.

Resources and reserves

Mineral Resources and Ore Reserves estimates are necessarily imprecise and involve subjective judgements regarding a number of factors including (but not limited to) grade distribution and/or mineralisation, the ability to economically extract and process the mineralisation, future commodity prices, exchange rates, operating costs, transport costs, capital expenditures, royalties and other costs. Such estimates relate to matters outside Newcrest's reasonable control and involve geological interpretation and statistical analysis which may subsequently prove to be unreliable or flawed.

Newcrest's annual Mineral Resources and Ore Reserves statement (most recently issued on 11 February 2021) is based upon a number of factors, including, without limitation, actual resource exploration drilling and production results, geological interpretations, historical production performance, mining dilution and ore loss, metallurgical recovery, economic assumptions (such as future commodity prices and exchange rates) and operating and other costs. Variability in these factors may result in reductions in Newcrest's Mineral Resources and Ore Reserves estimates, which could adversely affect the life-of-mine plans and may impact upon the value attributable to Newcrest's mineral inventory and/or the assessment of realisable value of one or more of Newcrest's assets and/or depreciation expense. Mineral Resources and Ore Reserves restatements could negatively affect Newcrest's operating and financial results, as well as its prospects.

No assurance can be given that the Mineral Resources or Ore Reserves referred to in this document will be recovered at the quality or yield presented or that downgrades of reserves and resources will not occur. There is no assurance that inferred Mineral Resource estimates, or even Measured and Indicated Mineral Resource estimates, are capable of being directly reclassified as Ore Reserves under the JORC Code. The inclusion of Mineral Resource estimates should not be regarded as a representation that these amounts can be converted to Ore Reserves or economically exploited. Investors are cautioned not to place reliance on Mineral Resource estimates, particularly Inferred Mineral Resource estimates.

Joint venture risk

Joint venture arrangements

Newcrest has joint venture interests, including its interests in Wafi-Golpu in Papua New Guinea, the Red Chris mine in Canada, the Havieron Project in Western Australia and the Namosi Joint Venture – Waisoi Project in Fiji. These operations are subject to the risks normally associated with the conduct of joint ventures which include (but are not limited to) disagreement with joint venture partners on how to develop and operate the mines or projects efficiently, inability of joint venture partners to meet their financial and other joint venture commitments and particular risks associated with entities where a sovereign state holds an interest, including the extent to which the state intends to engage in project decision making and the ability of the state to fund its share of project costs. The existence or occurrence of one or more of these circumstances or events may have a negative impact on Newcrest's future business, operating and financial performance and results, and/or value of the underlying asset.

Inability to make or to integrate new acquisitions

New acquisitions

Newcrest's ability to make successful acquisitions and any difficulties or time delays in achieving successful integration of any such acquisitions could have an adverse effect on its business, operating results and financial condition. Business combinations and acquisitions entail a number of risks including the integration of acquisitions to realise synergies, unanticipated costs and liabilities, inability to realise targeted upsides, unanticipated issues that impact operations and inability to realise other expected benefits. Newcrest may also be liable for the acts or omissions of previous owners of the acquired business or otherwise exposed to liabilities that were unforeseen or greater than anticipated. These and other factors may result in reductions in the Mineral Resources and Ore Reserves estimates for the acquired business, and/or impact upon the value attributable to or derived from the acquired business.

Operational Risks

Operational failures or catastrophes and natural hazards

Newcrest's mining operations are subject to operating risks and hazards including (without limitation) geotechnical, geothermal and hydrogeological challenges, unanticipated ground conditions, failure of tailings facilities, industrial incidents, infrastructure and equipment under-performance or failure, shortage of material supplies or other supply chain failures, transportation and logistics issues in relation to Newcrest's workforce and equipment, underperformance of key suppliers or contractors, natural events (such as earthquakes, tsunami, floods, bushfire) and environmental incidents, health and safety related incidents, and interruptions and delays due to community and/or security issues. The occurrence of any of these risks or hazards could impact the operating performance of Newcrest's operations including through increased costs, and decreased production, and result in a material adverse impact on Newcrest's production, cash flows or financial condition.

An increase in worldwide or regional demand for critical resources such as drilling equipment, processing equipment, key consumables and skilled labour may cause unanticipated cost increases and delays in delivery times, thereby impacting Newcrest's operating costs, capital expenditures and production schedules.

A key operational risk for Newcrest is the availability and price of fuel, power and water to support mining and mineral processing activities. Large amounts of power and large volumes of water are used in the extraction and processing of minerals and metals. Apart from Cadia, our operations are located in remote areas and the availability of infrastructure and key inputs, such as water and power, at a reasonable cost, cannot be assured. Power and water are integral requirements for exploration, development and production facilities on mineral properties. Even a temporary interruption of power or water supply could materially affect an operation. There is no guarantee that we will secure power, water and access rights to land going forward or on reasonable terms.

The state of New South Wales was impacted by a severe drought into 2020. Cadia implemented water saving initiatives in the plant and optimisation of onsite bores and other water sources. In addition, rainfall in the region and the purchase of water licences on the water trading market has resulted in improved levels of water being captured in on site storage facilities. Newcrest's latest internal modelling indicates that even under a return-to-drought scenario, Cadia has enough water to sustain at least five years of uninterrupted operations. However, beyond that period, if the drought returned, production at Cadia may be impacted.

The storage of tailings and other by-products from mining at Newcrest's operations poses a risk to the safety of employees and surrounding communities and environment if the integrity of those structures is affected. Tailings storage facilities are progressively constructed throughout the life of an operation and remain in place after mine closure. Should there be a failure in the integrity of a tailings facility, there is a risk that tailings material may release from the facility and cause material harm to people and the environment. Such an occurrence could severely damage Newcrest's reputation and standing. It may also subject Newcrest to material regulatory action, penalties and claims, and may lead to the suspension or disruption of Newcrest's operations and projects. During the current period we issued our new group standard on Tailings and Water Storage which is aligned to the International Council on Mining & Metals (ICMM) Preventing Catastrophic Failure of Tailings Storage Facilities position statement and sets the controls for Newcrest to meet its obligations under the *Global Industry Standard on Tailings Management* (GISTM). As a member of the ICMM we are committed to conforming with the GISTM by August 2025.

Some of Newcrest's operations are in areas known to be seismically active and are subject to the risks of earthquakes and related risks of tidal surges and tsunamis, which are difficult to predict. Some of Newcrest's operations may also experience other specific operating challenges relating to ground conditions, seismic activity and rock temperature.

Newcrest faces particular geotechnical, geothermal and hydrogeological challenges, in particular due to the trend toward more complex deposits, deeper and larger pits, and the use of deep, bulk underground mining techniques. This leads to higher pit walls, more complex underground environments and increased exposure to geotechnical, geothermal and hydrogeological impacts.

Directors' Report continued

7. Risks continued

Operational Risks continued

Operational failures or catastrophes and natural hazards continued

There are a number of risks and uncertainties associated with the block cave mining methods applied by Newcrest at its Cadia operations and elsewhere. Risks include that a cave may not propagate as anticipated, excessive air gaps may form during the cave propagation, unplanned ground movement may occur due to changes in stresses released in the surrounding rock, or mining induced seismicity is larger or more frequent than anticipated. Excessive water ingress, disturbance and the presence of fine materials may also give rise to unplanned release of material of varying properties and/or water through drawbells.

The success of Newcrest at some of its operations depends, in part, upon the implementation of Newcrest's engineering solutions to particular geotechnical, hydrogeological and geothermal conditions. At Lihir, for example, significant removal of both groundwater and sea water inflow and geothermal control is required before and during mining.

A failure to safely resolve any unexpected problems relating to these conditions at a commercially reasonable cost may result in damage to infrastructure or equipment and/or injury to personnel and may adversely impact upon continuing operations, project development decisions, exploration investment decisions, Mineral Resource and Ore Reserves estimates and the assessment of the recoverable amount of Newcrest's assets.

No assurances can be given that unanticipated adverse geotechnical, geothermal and hydrogeological conditions will not occur in the future or that such events will be detected in advance. Geotechnical failures could result in limited or restricted access to mine sites, suspension of operations, injury or death of employees or third parties, government investigations, increased monitoring costs, remediation costs, loss of ore and other impacts, which could cause one or more of Newcrest's projects or operations to be less profitable than currently anticipated and could result in a material adverse effect on Newcrest's operating results and financial position.

Information technology and cyber risk

Newcrest's operations are supported by and dependent on IT systems, consisting of infrastructure, networks, applications, and service providers. Newcrest could be subject to network and systems interference or disruptions from a number of sources, including (without limitation) security breaches, cyber attacks and system defects. The impact of IT systems interference or disruption could include production downtime, operational delays, destruction or corruption of data, disclosure of personal or commercially sensitive information and data breaches. Although security measures and disaster recovery plans are in place for all of Newcrest's major sites and critical IT systems, any such interference or disruption could have a material impact on Newcrest's business, operations or financial condition and performance.

In addition, Newcrest is dependent on its IT systems for the conduct of its business processes. Newcrest relies on the accuracy, capacity and security of its IT systems for the operation of many of its business processes and to comply with regulatory, legal and tax requirements. A disruption in, or failure of, Newcrest's IT systems could adversely affect its business processes.

While Newcrest maintains some of its critical IT systems, it is also dependent on third-parties to provide certain IT services. Despite the security measures that Newcrest has implemented, including those related to cybersecurity, its systems could be breached or damaged by computer viruses.

Cybersecurity risk is increasingly difficult to identify and quantify and cannot be fully mitigated because of the rapidly evolving nature of the threats, targets and consequences. Unauthorised parties may attempt to gain access to these systems or Newcrest's information through fraud or other means of deceiving its third-party service providers, employees or vendors. Newcrest may be required to incur significant costs to protect against and remediate the damage caused by such disruptions or system failures in the future.

Failure to attract and retain key employees and effectively manage industrial relations issues

Newcrest seeks to attract and retain employees and third-party contractors with the appropriate skills and experience necessary to continue to operate its business. A loss of key personnel or a failure to attract appropriately skilled and experienced personnel could affect its operations and financial condition. There can be no assurance that Newcrest will be able to attract and retain suitably qualified and experienced local or national personnel, or that persons trained by Newcrest will be retained in the future. Newcrest values its people and has policies, procedures and frameworks in place to mitigate this risk. Newcrest focuses on diversity and inclusion in the workplace and developing its people at all levels. Newcrest also seeks to build a future supply of industry labour by actively promoting mining and the resources industry as a compelling and attractive career proposition.

In a number of jurisdictions where Newcrest has mining and related interests, there are also local requirements, contractual obligations and expectations regarding the extent to which local and national persons and businesses are directly engaged in the mining and related activities which may result in disruptions to Newcrest's activities where relevant requirements, obligations and/or expectations are not met. There can be no assurance that Newcrest will be able to engage competent and suitably experienced local businesses or that disruptions will not occur in the future which may have an adverse effect on Newcrest's business.

Unions are present and have a legal right to represent eligible employees at Cadia and Telfer. There are ongoing legal proceedings involving Red Chris regarding Union certification of the Red Chris site. Depending on the outcome of the Red Chris legal proceedings we may need to negotiate a collective bargaining agreement with the United Steelworkers Union in respect of eligible Red Chris mine employees.

Newcrest may be impacted by industrial relations issues in connection with its employees and the employees of Newcrest's contractors and suppliers. Any such activity, which could occur at any of Newcrest's sites in any locations, could cause production delays, increased labour costs, adversely impact Newcrest's ability to meet its production forecasts and have a material impact on Newcrest's business operations or financial condition and performance.

Reliance on contractors

Some aspects of Newcrest's production, development and exploration activities are conducted by contractors. As a result, Newcrest's business, operating and financial performance and results may be negatively impacted by the availability and performance of these contractors and their financial strength. The risks associated with contractors at Newcrest's sites includes the risk of the contractor or its sub-contractors being involved in a safety, environmental or other ESG-related incident and the potential for interruption to Newcrest's operations due to a contractor becoming insolvent.

Risks associated with gold dore and mineral concentrates

Newcrest produces gold dore which is currently delivered to gold refineries in Australia with associated risks including penalties from producing dore outside of the contractual specifications, theft and fluctuating transportation charges.

Transportation of the dore is also subject to numerous risks including delays in delivery of shipments, terrorism and weather conditions. Sales of gold dore may also be adversely impacted by delays and disruption at Newcrest's operations or the operations of one or more of the receiving refineries and consequent declarations of force majeure at Newcrest's or its buyer's operations.

In addition to gold dore, Newcrest produces mineral concentrates which are exported by ocean vessels to smelters, located predominantly in Asia, with associated risks including fluctuating smelter charges, marine transportation charges and inland freight charges. Transportation of the concentrate is also subject to numerous risks including delays in delivery of shipments, terrorism, loss of or reduced access to export ports, weather conditions and environmental liabilities in the event of an accident or spill. Sales of concentrate may also be adversely impacted by disruption at Newcrest's operations or the operations of one or more of the receiving smelters and consequent declarations of force majeure at Newcrest's or buyer's operations. Additionally, the quality of mineral concentrates, including the presence of impurities and deleterious substances, is subject to restrictions on import which vary across jurisdictions and may impact upon the saleability or price realised for the mineral concentrate.

Directors' Report continued

7. Risks continued

Governance and Compliance Risk

Corporate culture and business conduct

Newcrest's reputation and licence to operate is dependent upon ongoing responsible, lawful and ethical business conduct. Failure to do so can result in serious consequences, ranging from public allegations of misbehaviour and reputational damage through to fines, regulatory intervention or investigation, temporary or permanent loss of licences, litigation and/or loss of business. Newcrest's Management, standards, policies, controls and training instil and reinforce a culture across the organisation whereby employees are required to act lawfully and encouraged to act respectfully and ethically, in a socially responsible manner. Mandatory Code of Conduct training is provided to all employees, officers, embedded contractors and consultants and training and communications in relation to key policies including, but not limited to anti-bribery, fraud and sanctions, continuous disclosure and insider trading prohibitions is provided to personnel in high risk roles to promote an understanding of Newcrest's legal obligations and acceptable business conduct.

Newcrest has implemented a group-wide framework and compliance programs to ensure that adequate controls and procedures are in place to mitigate against potential risks in relation to key risk areas, including anti-bribery and corruption, fraud, conflicts of interest, privacy and sanctions. However, there is a risk that Newcrest employees or contractors will fail to adhere to group policies, standards, and procedures that provide guidance on ethical and responsible business conduct and drive legal compliance, which could have a material adverse impact on financial performance, financial condition and prospects, as well as Newcrest's reputation. Reputational loss may lead to increased challenges in developing and maintaining community and landowner relations, decreased investor confidence and negative impacts on Newcrest's ability to operate and advance its projects, which also may adversely impact Newcrest's financial performance, financial condition and prospects.

Achievement of strategic goals is dependent on the right company culture. As such Newcrest has established aspirations, standards and expectations for its workforce and is consciously looking to improve and shape the organisation's culture by focusing on leadership behaviours, organisational systems and workforce engagement. This is a commitment made by the Executive Management team, is the responsibility of all senior leaders and is the expectation of the workforce. Delivering on this commitment to employees is critical for retention of key talent and for creating the target High-Performing, Inclusive Culture that drives collaboration, creativity and an owner's mindset. Newcrest is conducting training on inclusive leadership skills for all leaders across the organization. Policies and processes reinforce the values and behaviours expected in the workplace.

Legal proceedings, investigations and disputes

Legal proceedings, investigations and disputes (including tax audits and disputes) could have a material adverse effect on Newcrest's financial condition and its financial and operating results. Newcrest engages in activities that can result in substantial injury or damage, which may expose it to legal proceedings, investigations and disputes in the ordinary course of its business regarding personal injury and wrongful death claims, labour and landowner disputes, as well as commercial disputes with customers, suppliers and service providers. Also, the tax authorities in the jurisdictions in which Newcrest operates could dispute tax positions held by it based on changes in law, jurisprudence, policy or interpretation. Newcrest may also be found liable for the wrongful acts or omissions of its contractors or service providers.

Legal proceedings, investigations and disputes (including tax audits and disputes) have the potential to negatively impact upon Newcrest's business, operating and financial performance and results. Regardless of the ultimate outcome of such proceedings, investigations and disputes, and whether involving regulatory action or civil or criminal claims, there may be a material adverse impact on Newcrest as a result of the associated costs (some of which may not be recoverable) and Management time.

Newcrest's Financial Statements include liabilities for certain current and/or potential litigation involving Newcrest. Assessments and estimates made by Newcrest of claims and legal proceedings are based on the information available to Management at the time and involve significant Management judgment. Adverse outcomes in such legal proceedings in excess of the amounts that Newcrest has provided for, or changes in Management's evaluations or predictions about the proceedings, could have a material adverse effect on Newcrest's financial condition and operating results.

Anti-bribery and anti-corruption laws

Newcrest may be subject to potential fraud, bribery, corruption and money laundering risks associated with the business in jurisdictions where it operates. Australian, Canadian, Papua New Guinean, United States and other anti-fraud, anti-bribery, anti-corruption and anti-money laundering laws, conventions, regulations, and enforcement procedures, and corresponding compliance obligations, have become more stringent in recent years. Failure to comply with applicable legal and regulatory requirements and to maintain appropriate management and internal control frameworks to address such compliance risks often carry substantial penalties and impose obligations and controls to prevent bribery by others on Newcrest's behalf. There can be no assurances that Newcrest's internal controls will always protect it from reckless or other inappropriate acts committed by its intermediaries, associates, directors, officers, employees or agents. Violations of these laws, or allegations of such violations, could expose it to potential fines, penalties and other civil and/or criminal litigation and have a material adverse effect on its business, financial position and performance and reputation.

Health, Safety and Sustainability

COVID-19

Newcrest's business and operations, and that of its suppliers and customers, may be adversely affected by the novel coronavirus (COVID-19) pandemic or other pandemics, outbreaks of communicable diseases and/or other adverse public health developments.

COVID-19 was declared a global pandemic in March 2020, causing significant disruption across a number of geographies, industries and markets, including global supply chain disruptions and shortages, which could have an adverse impact on Newcrest's people, communities, suppliers or otherwise on its business, financial condition and results of operations. Actions by Australian and foreign governments to address the pandemic, including travel bans and business closures, may also have a significant adverse effect on the markets in which Newcrest conducts business.

Given the ongoing and dynamic nature of the circumstances, it is difficult to predict the impact of the COVID-19 pandemic on Newcrest's business (or on the operations of other businesses on which it relies), and there is no guarantee that Newcrest's efforts to address the adverse impacts of COVID-19 will be effective.

Our operations have been impacted as a result of the pandemic, mainly in relation to travel-related restrictions limiting the movement of people to and from sites. Costs associated with managing COVID-19 have also increased, amounting to approximately \$70 million in the 2021 financial year and are estimated to be in the range of \$35 to 45 million in the 2022 financial year.

Any further or prolonged disruptions relating to COVID-19 or any other adverse public health developments could materially and adversely affect our supply chains and/or labour force (and that of our suppliers). The extent to which COVID-19 will impact Newcrest's business and its financial results will depend on future developments, which remain highly uncertain and cannot be predicted. Such developments may include the geographic spread of the virus, the uptake of vaccinations, viral mutations and the ongoing efficacy of vaccines, the severity of the disease, the duration of the pandemic, the actions that may be taken by various governmental authorities in response to the pandemic, the impact on contracts and agreements to which Newcrest is a party, the impact on the markets in which Newcrest operates and the global economy generally. For example, Newcrest is required to observe COVID-related government controls and to date these have included travel restrictions across national borders and sometimes within countries. We are actively considering various scenarios up to and including voluntary or mandated full or partial suspension of operations in response to external factors. Our Business Continuity Planning also considers how to return to normal operations as restrictions ease, or are planned to ease, in some jurisdictions.

In 2020, Lundin Gold Inc (**Lundin Gold**), in which Newcrest owns a 32% equity interest, temporarily suspended operations for a period of approximately 3 months at its Fruta del Norte mine in Ecuador amid growing concerns regarding the spread of COVID-19. A further period of suspension, depending on the length, could have an adverse impact on Newcrest's investment in Lundin Gold and the return on Newcrest's investment in the Fruta del Norte finance facilities.

From August 2020 Newcrest experienced positive COVID-19 cases at Lihir. At the date of this report the number of cases testing positive for COVID-19 at Lihir remains at levels that are within the capability of the care and treatment and isolation facilities, with the majority of these cases continuing to be asymptomatic. Newcrest continues to strengthen its COVID-19 controls at Lihir, focusing on spread containment through extensive contact tracing and isolation procedures.

Following the travel suspension announced by the Australian Government between Papua New Guinea and Australia in March 2021, charter flights resumed with restricted capacity. As at the date of this report the limited commercial flight availability between Port Moresby and Brisbane continues to be utilised. Newcrest personnel movements are required to fit within Government imposed international arrival quotas in Australia. The quotas can be changed without warning.

No material impacts to gold production at Lihir have occurred to date. However, as announced in the March 2021 quarterly report, the ability to attract labour, travel restrictions, contact tracing and associated isolation requirements has resulted in an impact to total material mined. Should these conditions persist or worsen, there is the potential for production to be impacted. Persistence of the pandemic continues to create difficulty in retaining, attracting and recruiting personnel to PNG and could impact future production should adequate skills not be able to be recruited.

No assurance can be given as to the potential impact that COVID-19 may have on Newcrest's business, results of operations, cash flows or financial condition. To the extent the COVID-19 pandemic adversely affects Newcrest's business and financial results, it may also have the effect of heightening many of the other risks described in this section and may have an adverse material impact on Newcrest's operating and financial results, financial condition and liquidity position.

During the COVID-19 pandemic it may be necessary for some of our operations to be placed into temporary care and maintenance if workforce safety and/or potential supply constraints are not appropriately managed. Ongoing contingency planning by each site for a variety of COVID-19 scenarios includes potential care and maintenance. Internal and government travel approvals, quarantine measures and testing programs along with the global rollout of COVID-19 vaccination programs help to manage the potential risk of temporary health related care and maintenance.

Directors' Report continued

7. Risks continued

Health, Safety and Sustainability continued

Health and safety

There are numerous occupational health and safety risks associated with mining and metallurgical processes such as travel to and from operations, the operation of heavy and complex machinery in challenging geographic locations and exposure to hazardous substances. These hazards may cause personal injury and/or loss of life to Newcrest's personnel, suppliers, customers or other third parties, damage to property and contamination of the environment, which may result in the suspension of operations and the imposition of civil or criminal penalties, including fines, expenses for remediation and claims brought by governmental entities or third parties.

Newcrest has in place a full health, safety and environment management system with associated standards, tools and governance processes to ensure hazards are identified, effectively managed and that controls are effective.

Newcrest's Safety Transformation Plan has been designed to manage the fatality risks in the business by improving safety culture, increasing the effectiveness of critical controls and improving process safety by designing, building and maintaining Newcrest's operations to a higher standard.

Health and hygiene reviews are conducted with a view to identifying the risks to people. These include, but are not limited to, musculoskeletal disorders, fatigue, mental health illnesses and exposure to noise, diesel particulate matter, silica and acid mist. Unforeseen or past workplace exposures may lead to long-term health issues and potential compensation liabilities.

Newcrest has also established a program to review its approach to psychological safety risks associated with sexual harassment in the workplace, consistent with the recommendations of the Respect@Work: Sexual Harassment National Inquiry Report (2020) by the Australian Human Rights Commission.

The global nature of Newcrest's operation means that employees may be affected by mosquito borne diseases such as malaria, dengue fever or zika virus. Other potential health impacts include tuberculosis, and viral outbreaks causing respiratory disease such as the COVID-19 pandemic. The outbreak of communicable diseases and other adverse public health developments could adversely affect Newcrest's business operations and/or the businesses of its customers and suppliers which consequently could have a material adverse effect on Newcrest's business, financial condition and results of operations, particularly if such outbreaks and developments are inadequately controlled.

Environment and closure

Mining and processing operations and development activities have inherent risks and liabilities associated with potential harm to the environment and the management of waste products. Newcrest's activities are therefore subject to extensive environmental law and regulation in the various jurisdictions in which it operates. Compliance with these laws requires significant expenditure and non-compliance may potentially result in fines or requests for improvement actions from the regulator or could result in reputational harm.

Newcrest monitors its regulatory obligations on an ongoing basis and has systems in place to track and report against these requirements and commitments. This extends to voluntary commitments such as the Cyanide Code, the ICMM 10 Principles for Sustainable Development and the World Gold Council Responsible Gold Mining Principles.

Newcrest's operations may create a risk of exposure to hazardous materials. Newcrest uses hazardous material (for example, cyanide at some operations) and generates waste products that must be disposed of either through offsite facilities or onsite permitted landfills and waste management areas.

Mining and ore refining processes at Newcrest sites also generate waste by-products such as tailings to be managed (by the use of tailings storage facilities or, in the case of Lihir and as proposed at Wafi-Golpu, deep sea tailings placement) and waste rock (to be managed in waste rock dumps or in the case of Lihir, permitted barge dumping locations). Geochemical reactions within long-term waste rock dumps or low-grade ore stockpiles may also lead to the generation of acid and metalliferous drainage that needs to be managed. Appropriate management of waste is a key consideration in Newcrest's operations. There is still a risk that such hazardous materials and waste products may cause harm to the environment, which may subject Newcrest to regulatory action and financial penalties and may lead to disruptions of its operations and projects and cause it reputational harm.

Mining operations can also impact flows and water quality in surface and ground water bodies and remedial measures may be required to prevent or minimise such impacts. Impacts to biodiversity and air quality can also occur from these activities and requires active management and planning to minimise their adverse effects. The management of run-off water and the potential impacts of acid mine drainage is an important part of developing and operating mines, so as to mitigate the risk of entrained contaminants and sediment being dispersed into the receiving environment including rivers and ground water reservoirs.

Newcrest is required to close its operations and rehabilitate the lands that it disturbs during the exploration and operating phases in accordance with applicable mining and environmental laws and regulations. A closure plan and an estimate of closure and rehabilitation liabilities is prepared for each Newcrest operation. The closure and rehabilitation liability estimates are based on current knowledge and assumptions, however actual costs at the time of closure and rehabilitation may vary materially. In addition, adverse or deteriorating external economic conditions may bring forward mine closure and associated closure and rehabilitation costs.

The occurrence of an environmental incident has the potential to cause significant adverse reactions in the local community, which may impact Newcrest's reputation, result in additional costs, lead to disruptions of Newcrest's operations and projects or lead to regulatory action, which may include financial penalties.

In addition, environmental laws and regulations are continually changing. A number of governments or governmental bodies have introduced or are contemplating regulatory change in response to the potential impacts of climate change, including mandatory renewable energy targets or potential carbon trading or carbon price regimes. If Newcrest's environmental compliance obligations were to change as a result of changes in the laws and regulations, or if unanticipated environmental conditions were to arise at any of Newcrest's projects or developments, its expenses and provisions may increase, and its production may decrease, to reflect these changes. If material, Newcrest's operating and financial results and financial condition could be negatively impacted.

Directors' Report continued

7. Risks continued

Health, Safety and Sustainability continued

Failure to maintain community relations

Newcrest's relationship with the communities in proximity to its operations and on whose land it operates is an essential part of ensuring success of its existing operations, exploration and the construction and development of its projects. A failure to manage relationships with the communities may lead to local dissatisfaction, which, in turn, may lead to interruptions to Newcrest's operations, development projects and exploration activities. Specific challenges in community relations include community concerns over management of social, environmental, and cultural heritage impacts, increasing expectations regarding the level of benefits that communities receive, concerns focused on the level of transparency regarding the payment of compensation, and the provision of other benefits to affected landholders and the wider community. These expectations have gained momentum with an increasing focus on ESG and the degree to which companies undertake responsible community investment, respect the rights of Traditional Owners and First Nations Peoples, ensure responsible management of human rights risks, and deliver humanitarian support during natural disasters and health crises.

Typically, where Newcrest has exploration activities, development projects or operations, it enters into agreements with Indigenous communities, local landholders and the wider local community. These agreements may include (but are not limited to) compensation, co-management and other benefits and may be subject to periodic review. The negotiation and/or review of agreements, including components such as business development, participation, co-management, and compensation and other benefits involves complicated and sensitive issues, associated expectations and often competing interests, which Newcrest seeks to manage respectfully. The nature and subject matter of these negotiations may result in community unrest which, in some instances, results in interruptions to Newcrest's exploration programs, operational activities or delays to project implementation. Confidentiality clauses in agreements negotiated with Indigenous organisations may limit the ability of the parties including Indigenous communities to speak out on issues of concern. Newcrest proactively encourages parties to come together to better understand and work through issues collaboratively. This includes people speaking freely with each other about their concerns to reach a mutually acceptable resolution.

For example, the community agreements in place with customary landowners in relation to Newcrest's Lihir operation in Papua New Guinea have been the subject of several drawn out reviews. The duration of each review process is a result of the important and complex issues covered by the agreements and the competing interests of different landowner groups. During prior reviews, Lihir has experienced intermittent disruptions as a result of community unrest regarding the progress of the review negotiations and intra-community issues. Although community issues are generally resolved within a short period, there can be no assurance that further disputes will not arise with the customary landowners and other communities from time to time which, if prolonged, could lead to disruptions to Newcrest's operations and development projects.

In addition, there is a level of public concern relating to the perceived impact of mining activities on the environment and on the communities located near, and impacted by, such activities. Certain non-government and community-based organisations are vocal critics of the mining industry and its practices, including in relation to cultural heritage management, due diligence processes associated with human rights including modern slavery risk management, the use of hazardous substances in processing activities, and the use of deep sea tailings placement. Adverse publicity generated by non-government-organisations or others relating to extractive industries generally, or Newcrest specifically, could have an adverse impact on Newcrest's reputation or financial condition and may impact Newcrest's relationships with communities in proximity to its operations. No assurance can be given that incidents will not arise that generate community grievances associated with Newcrest's activities and potentially cause operational disruptions or delays to project development until resolved.

Indigenous peoples, engagement and Cultural Heritage

There is heightened public scrutiny of agreements between mining companies and Indigenous communities, how industry engages with Indigenous communities, and how companies manage cultural heritage with Indigenous communities.

Various international and national, state and provincial laws, regulations, codes, resolutions, conventions, guidelines, treaties, and other principles and considerations relate to the rights of Indigenous peoples, including the requirement to secure the Free, Prior and Informed Consent of these communities for Newcrest's activities. Some of these jurisdictions impose obligations on government with respect to the statutory rights of Indigenous people and/or impose non-statutory obligations that derive from these rights. Some mandate consultation with Indigenous people regarding actions which may affect Indigenous peoples, including actions to approve or grant mining rights or permits.

The obligations of government and private parties under the various international and national requirements, principles and considerations pertaining to Indigenous people continue to evolve and be defined. This is the case in British Columbia where Red Chris is located, Western Australia where Telfer and Haverton are located, in Papua New Guinea where Lihir and Wafi-Golpu are located, and in Fiji where the Namosi Joint Venture – Waisoi Project is located. In some countries, governments have, for example, introduced, or are contemplating, regulatory change to ensure the spirit and intent of the United Nations Declaration on the Rights of Indigenous Peoples is enshrined in legislation. Newcrest's current and future operations are subject to a risk that one or more groups of Indigenous people may oppose continued operation, further development, or new development of its projects or operations. Opposition by Indigenous people to Newcrest's activities may require modification of, or preclude operation or development of, its projects or may require the entering into of additional agreements with Indigenous people, beyond those to which Newcrest has previously entered into, which may result in additional costs. Claims and protests of Indigenous peoples may disrupt or delay activities, including permitting, at Newcrest's operations.

Human Rights

There is emerging legislation in multiple jurisdictions which is intensifying investor, shareholder and public scrutiny concerning human rights issues that include forced labour, child labour and other slavery-like practices; displacement of local communities, discrimination by race, age, gender, sexuality and other protected attributes, and underpayment for labour or services provided. Failure to identify and respond to human rights issues can lead to costly and disruptive legal action, investor divestment, negative publicity, reputational damage and significant financial loss.

Respect for human rights is considered a fundamental business responsibility under the UN Guiding Principles on Business and Human Rights (UNGPs) and is a reflected commitment in Newcrest's Human Rights Policy. In addition to the UNGPs, the 2018 Australian Modern Slavery Act has introduced a new statutory reporting requirement on the risk of modern slavery in the operations and supply chain of a reporting entity (and its owned and controlled entities). Under the Act, companies such as Newcrest must possess a clear policy on human rights management supported by best practices for responsible global conduct. This includes a focus on due diligence and the requirement to assess real and potential human rights issues, act on findings, track responses, and communicate how issues are being managed.

Human rights groups are increasingly scrutinising the extractive industry, particularly where the industry operates in more complex socioeconomic and socio-political jurisdictions. The extractive industry in these regions is particularly prone to complaints and/or legal disputes in connection with human rights risks associated with large scale land acquisition and resettlement of people; adverse environmental impacts; livelihoods and health; the use of migrant labour, child labour and forced labour; the use of private security firms; Indigenous peoples; and risks arising from operations in areas that are conflict affected areas and/or that host artisanal mining activities.

Directors' Report *continued*

REMUNERATION REPORT

19 August 2021

Dear Shareholder

On behalf of the Board of Newcrest, we are pleased to provide our Remuneration Report for the year ended 30 June 2021, for which we seek your support at our Annual General Meeting (**AGM**) in November 2021.

This report explains the links between Newcrest's Executive remuneration framework and outcomes and Newcrest's strategy and performance.

Year in review

During the 2021 financial year, Newcrest delivered a record free cash flow and increased dividends for the sixth consecutive year.

From an operating perspective, Newcrest's gold production was 4% lower than the prior period, with lower production reflecting the divestment of Gosowong in the prior period (March 2020), the expected decline in grade at Cadia, lower mill throughput at Lihir, and lower recoveries at Telfer. This decrease in gold production was partially offset by record annual ore tonnes mined and record mill throughput at Cadia, the inclusion of gold production attributable to Newcrest's 32% equity interest in Lundin Gold Inc. (the owner of the Fruta del Norte mine), twelve months of Red Chris production compared to ten and a half months in the prior period and higher mill throughput at Telfer.

Record copper production was 4% higher than the prior period, primarily driven by record annual mill throughput at Cadia, partially offset by lower grade and recovery at Telfer and Red Chris.

Newcrest's AISC was 6% higher than the prior period. Notwithstanding a higher AISC per ounce, Newcrest's AISC margin per ounce increased 31% from the prior period as a result of a higher realised gold price. Newcrest's record free cash flow of \$1,104 million was \$1,725 million higher than the prior period.

In line with Newcrest's purpose of creating a brighter future for people through safe and responsible mining, Newcrest delivered another twelve-month period free of fatalities or life-changing injuries and a low Total Recordable Injury Frequency Rate (**TRIFR**) per million hours worked.

Our survey of Organisational Health has shown a decline over the last two years. We recognise that there are several contributing factors and these will be areas of significant focus in the upcoming year as we continue to build an inclusive culture.

Newcrest's interim dividend of US15 cents, combined with the final dividend of US40 cents (to be paid on 30 September 2021), reflects a 120% increase on the prior year dividends.

KMP changes

On 1 October 2020, Sally-Anne Layman joined the Board as a Non-Executive Director to replace Xiaoling Liu who retired as a Non-Executive Director with effect from 11 November 2020. On 1 July 2021, Jane McAloon also joined the Board as a Non-Executive Director.

On 5 May 2021 it was announced that Gerard Bond would leave Newcrest shortly after his tenth year in the role in early 2022. A process is underway to select his successor.

As noted in the 2020 Remuneration Report, Maria Sanz Perez commenced in the role of Chief Legal Risk and Compliance Officer on 1 July 2020, succeeding Francesca Lee who retired on 31 July 2020.

Remuneration framework

The Board remains committed to ensuring that Newcrest's remuneration framework is aligned to the Company's strategy and performance and that it is effective in attracting, rewarding and retaining high calibre people and driving strong individual and Group performance in the interests of both the Company and its shareholders and in accordance with the Company's values and risk profile.

To this end, the structure of, and the performance conditions for, both the Short Term Incentives (**STIs**) and Long Term Incentives (**LTIs**) have been reviewed. Minor changes were made to the structure and performance conditions for the STIs for the 2021 financial year and the 2022 financial year, particularly in relation to the safety and sustainability performance conditions.

Remuneration outcomes

Despite the COVID-19 pandemic presenting many challenges in the 2021 financial year, the pandemic has not caused the Company to reduce workforce numbers and the incentive programs continued to operate as normal throughout the Company. The Company has adapted to the situation and with considerable effort by Management has ensured continued safe, profitable operation throughout the 2021 financial year, whilst implementing control measures to minimise the risk of infection to the workforce, their families and surrounding communities. Costs of around \$70 million were incurred to manage through the pandemic, exceeding budget by \$32 million, but these costs were not adjusted out of the results for incentive calculation purposes.

Given the performance of the business relative to expectations and the performance of the Executive team in the face of considerable pandemic related challenges, the Board considered above-target remuneration outcomes to be appropriate for the Executive team.

FY21 STI outcomes for Executive KMP ranged from 64.7% to 70.7% of the maximum possible award, driven in part by strong operational and financial performance that scored 149% of Target against a scorecard of business performance metrics (including particularly strong cashflow and progress against sustainability targets). In arriving at this result, and consistent with standard processes, the Board adjusted the score downwards by making a number of standard exclusions, including a significant portion of the favourable metal price movements. The Board also used discretion to make relatively minor adjustments to reverse the impacts of a seismic event at Telfer and one-off costs resulting from early extinguishment of debt.

65.7% of the 2017 LTIs vested during the 2021 financial year, representing performance for the three years to 30 June 2020. While Newcrest delivered a Total Shareholder Return of 35.4% over the period, this did not result in vesting under the relative Total Shareholder Return component of the LTI.

Following benchmarking undertaken by the Board's independent remuneration adviser against the ASX 11 – 40 companies, an ASX Custom Peer Group and major Global Gold comparators, as described at section 4.1 of this Report, no Executives received increases in total fixed remuneration (TFR) in the 2021 financial year other than the Chief People and Sustainability Officer, who received a 6.7% increase effective 1 October 2020 in recognition of the increase in scope of the role. The 2022 remuneration review was completed after the end of the 2021 financial year review. On the basis of a similar benchmarking review, no fixed remuneration increase will be made for Sandeep Biswas or Gerard Bond, but other Executives will receive fixed pay increases averaging 2.8%.

Board fees were also reviewed in light of benchmarking, and an increase of 5% came into effect on 1 January 2021, the first increase in base Board fees since 2011 (other than adjustments to reflect increases in the superannuation contribution). A further review was undertaken at the end of FY21 and it was determined that NED fees would remain unchanged for the 2022 financial year.

We continue to welcome shareholder feedback and thank you for your support.



Philip Aiken AM

Chairman, Human Resources and Remuneration Committee

Directors' Report *continued*

Remuneration Report

This Report details the remuneration arrangements in place for the key management personnel (**KMP**) of Newcrest, being those people who had authority for planning, directing and controlling the activities of the Company during the 2021 financial year.

The KMP for the 2021 financial year comprised all members of the Executive Committee and the Non-Executive Directors (**NEDs**).

This Report has been audited under section 308(3C) of the *Corporations Act 2001*.

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1. Key Management Personnel (KMP)

The following table sets out the Company's KMP during the 2021 financial year. Each of the KMP was KMP for all of the 2021 financial year, unless stated otherwise.

Name	Role	
Executive Directors		
Sandeep Biswas	Managing Director and Chief Executive Officer (CEO)	
Gerard Bond ⁽¹⁾	Finance Director and Chief Financial Officer (CFO)	
Other Executives		
Lisa Ali	Chief People & Sustainability Officer (CPSO)	
Craig Jones	Chief Operating Officer (COO) – Papua New Guinea	
Maria Sanz Perez	Chief Legal, Risk & Compliance Officer (CLRCO)	
Seil Song	Chief Development Officer (CDO)	
Philip Stephenson	Chief Operating Officer (COO) – Australia & Americas	
Suresh Vadnagra	Chief Technical & Projects Officer (CTPO)	
Former Executives		
Francesca Lee	Chief Legal, Risk & Compliance Officer (CLRCO)	1 Jul 20 – 31 Jul 20
Non-Executive Directors		
Peter Hay	Non-Executive Chairman	
Philip Aiken AM	Non-Executive Director	
Roger Higgins	Non-Executive Director	
Vickki McFadden	Non-Executive Director	
Peter Tomsett	Non-Executive Director	
Sally-Anne Layman	Non-Executive Director	1 Oct 20 – 30 Jun 21
Former Non-Executive Directors		
Xiaoling Liu	Non-Executive Director	1 Jul 20 – 11 Nov 20

(1) On 5 May 2021, it was announced that Gerard Bond would leave Newcrest in early 2022.

Subsequent to the end of the 2021 financial year, Jane McAloon joined the Board as a Non-Executive Director with effect from 1 July 2021.

2. Remuneration Snapshot

2.1. Key remuneration outcomes for the 2021 financial year

Executive Remuneration	STI Outcomes	LTI Outcomes	NED Remuneration
The Chief People and Sustainability Officer received an increase in TFR of 6.7%, effective 1 October 2020, in recognition of the increase in scope of the role. There was no change to TFR of any other Executive as part of the 2020 annual salary review process.	The average STI outcome for the 2021 financial year for Executives was 68.1% of the maximum opportunity, based on the assessment of business and personal measures.	During the 2021 financial year, 65.7% of the 2017 LTIs vested reflecting the Company's performance over the three year performance period to 30 June 2020. The 2018 LTIs (which were granted in the 2019 financial year) are expected to vest on or around 21 November 2021 and it is anticipated that the vesting levels will be in the range of 60% to 70%.	Following a benchmarking review of NED fees, base Board fees were increased by 5%, effective 1 January 2021. No change was made to Committee fees.

Directors' Report *continued*

2. Remuneration Snapshot *continued*

2.2. Actual Remuneration

The table below details the cash and value of other benefits actually received by the Executives in the 2021 financial year in their capacity as KMP. This is a voluntary disclosure to provide shareholders with increased clarity and transparency in relation to Executive remuneration. It includes the value of LTI Rights and STI Shares that vested during their period as KMP during the year. See section 9.1 for the statutory remuneration table that has been prepared in accordance with statutory obligations and Australian Accounting Standards.

Actual Executive Remuneration for the 2021 financial year

Executive	TFR ⁽¹⁾ US\$'000	STI Paid as cash ⁽²⁾ US\$'000	Other Benefits ⁽³⁾ US\$'000	LTI Rights Vested ⁽⁴⁾ US\$'000	Restricted STI Shares Vested ⁽⁵⁾ US\$'000	Sign On Rights Vested ⁽⁶⁾ US\$'000	Total US\$'000
Sandeep Biswas	1,792	752	20	2,392	1,137	–	6,093
Gerard Bond	747	253	3	563	371	–	1,937
Lisa Ali	588	42	112	–	–	–	742
Craig Jones	635	119	2	358	202	–	1,316
Maria Sanz Perez	597	–	224	–	–	–	821
Seil Song	560	40	3	75	–	–	678
Philip Stephenson	635	160	34	358	212	–	1,399
Suresh Vadnagra	635	–	282	–	–	78	995
Former Executive							
Francesca Lee	68	132	–	291	215	–	706

Notes to Actual Executive Remuneration

- (1) TFR (Total Fixed Remuneration) comprises base salary, superannuation contributions and payment of unused annual leave entitlements for former executives. For new or former Executives, TFR has been pro-rated for time served as KMP during the financial year.
- (2) Represents amounts paid for STIs relating to performance for the 2020 financial year. The cash component for the 2020 financial year was paid in October 2020.
- (3) Comprises cash payments for travel costs, relocation assistance, non-monetary benefits such as parking, insurance and applicable fringe benefits tax paid on benefits. It includes:
 - Payment of US\$112,000 (A\$150,000) in relocation support paid to Lisa Ali;
 - Payments totalling US\$224,000 (A\$300,000) in relocation support paid to Maria Sanz Perez;
 - Payments totalling US\$280,000 (A\$375,000) as a sign on bonus paid to Suresh Vadnagra (which was granted on his commencement in May 2020 in compensation for benefits forfeited on leaving his previous employer, and paid in the current financial year).
- (4) Represents 2017 LTIs that vested on 23 November 2020. The Shares issued on vesting remain subject to a one year holding lock (i.e. they are included in this column, but are not available for trading until 23 November 2021). The value of the Rights has been determined based on the share price at the close of business on the vesting date of A\$28.33 (US\$20.67).
- (5) On 12 March 2021, ordinary Newcrest shares were released by Pacific Custodians Pty Ltd as trustee for the Newcrest Employee Share Trust to:
 - Sandeep Biswas (39,094), Gerard Bond (12,816), Craig Jones (7,042) and Philip Stephenson (7,473) on vesting of restricted STIs awarded for the 2018 financial year.
 - Sandeep Biswas (22,019), Gerard Bond (7,139), Craig Jones (3,809) and Philip Stephenson (3,940) on vesting of restricted STIs awarded for the 2019 financial year.
 The value of the restricted STI Shares which vested has been determined based on the share price at the close of business on the vesting date of A\$24.02 (US\$18.61).
 On 26 October 2020, ordinary Newcrest shares were released by Pacific Custodians Pty Ltd as trustee for the Newcrest Employee Share Trust to Francesca Lee (6,473) on vesting of restricted STIs awarded for the 2018 financial year. The value of the restricted STI Shares which vested has been determined based on the share price at the close of business on the vesting date of A\$30.52 (US\$21.71).
 On 19 November 2020, ordinary Newcrest shares were released by Pacific Custodians Pty Ltd as trustee for the Newcrest Employee Share Trust to Francesca Lee (3,627) on vesting of restricted STIs awarded for the 2019 financial year. The value of the restricted STI Shares which vested has been determined based on the share price at the close of business on the vesting date of A\$28.31 (US\$20.65).
- (6) Represents the Sign On Rights issued to Suresh Vadnagra that vested on the 18 May 2021. The value of the Rights has been determined based on the share price at the close of business on the vesting date of A\$28.66 (US\$22.21).

TFR and Other Benefits have been translated from Australian dollars to US dollars using an average exchange rate of 0.7467. STI paid as cash, LTI Rights vested, Restricted STI Shares vested and Sign-on Rights vested have been translated at the rate applicable on the date of the event. For restricted STI Shares, the vesting date is the date the trading restriction is lifted.

2.3. Changes planned for the 2022 financial year

Executive Total Fixed Remuneration	STI	LTI	NED Remuneration
No fixed remuneration increase will be made for Sandeep Biswas or Gerard Bond. Other executives will receive fixed pay increases averaging 2.8%, following a benchmarking review.	Minor changes have been made to the STI Business measures for the 2022 financial year. These changes have been made to increase focus on key safety and sustainability metrics. Weightings remain broadly similar.	No material changes are proposed at this stage.	NED fees will remain unchanged for the 2022 financial year.

2.4. Currency

Unless otherwise indicated, the currency used in this Report is US dollars which represents Newcrest's reporting (presentation) currency.

Executive remuneration, which is paid in Australian dollars, is translated into US dollars for reporting purposes at a rate of A\$1.00:US\$0.7467. The TFR for Executives in Australian dollars is shown in section 5.1 to enable comparisons to be made in future years without the impact of changes in exchange rates. The NED fees in Australian dollars are shown in section 7.3.

3. Remuneration Governance

Board	Takes an active role in the governance and oversight of Newcrest's remuneration policies and has overall responsibility for ensuring that the Company's remuneration strategy aligns with Newcrest's short and long term business objectives and risk profile. The Board approves the remuneration arrangements for the CEO, upon recommendation from the Human Resources and Remuneration (HRR) Committee. No Executive is involved in deciding his or her own remuneration.
HRR Committee	Established by the Board to review, formulate and make recommendations to the Board in relation to matters within its Charter, including the remuneration arrangements of the CEO, Executives and the NEDs, and oversee the major components of the Board's approved remuneration strategy. The Charter for the HRR Committee is available on the Company's website: www.newcrest.com.au/about-us/corporate-governance. Current members of the HRR Committee are Phillip Aiken AM (Chairman), Vickki McFadden, Roger Higgins and Jane McAloon, who are each independent NEDs. All Directors are invited to attend HRR Committee meetings.
External Remuneration Consultants	Engaged by the HRR Committee to provide advice on remuneration related issues. During the 2021 financial year, KPMG provided advice, including: – benchmarking data for CEO, Executive and NED remuneration; and – information and insights with respect to market practices and trends in remuneration within ASX listed and global gold companies. KPMG did not provide a remuneration recommendation as defined by the <i>Corporations Act 2001</i>. The Company's External Remuneration Consultants Policy sets out protocols governing the engagement of external remuneration consultants.

Directors' Report *continued*

4. Executive Remuneration Framework

4.1. Remuneration Strategy and Guiding Principles

Our remuneration strategy is to provide market-competitive remuneration, having regard to the size and complexity of the Company, the scope of each role, and the impact the Executive can have on Company performance.

The guiding principles of our remuneration strategy are as set out below.

Strategy and Purpose	Values and culture	Shareholders	Performance	Market
Drive execution of key objectives, which align with the Company's strategy and short, medium and longer term performance objectives, and will deliver long term growth in shareholder value and is consistent with the Company's risk appetite. This includes our commitment to safety and sustainability.	Incorporate framework and processes that reinforce our values and culture.	Align interests of Executives with those of shareholders.	Provide appropriate levels of "at risk" performance pay to encourage, recognise and reward high performance.	Attract and retain talented, high performing Executives by reference to comparable roles.

Executive remuneration packages are benchmarked against comparable roles in:

- ASX listed companies with market capitalisations ranked between 11 – 40;
- a customised peer group comprising largely industrial, materials, energy and utilities companies of comparable scale and international complexity; and
- the following global gold mining companies: Yamana Gold Inc, Freeport-McMoran Copper & Gold, Agnico Eagle Mines Limited, AngloGold Ashanti Ltd, Barrick Gold Corporation, Gold Fields Ltd, Kinross Gold Corporation, Newmont Corporation, Kirkland Lake Gold Limited, Evolution Mining Limited and Northern Star Resources Limited.

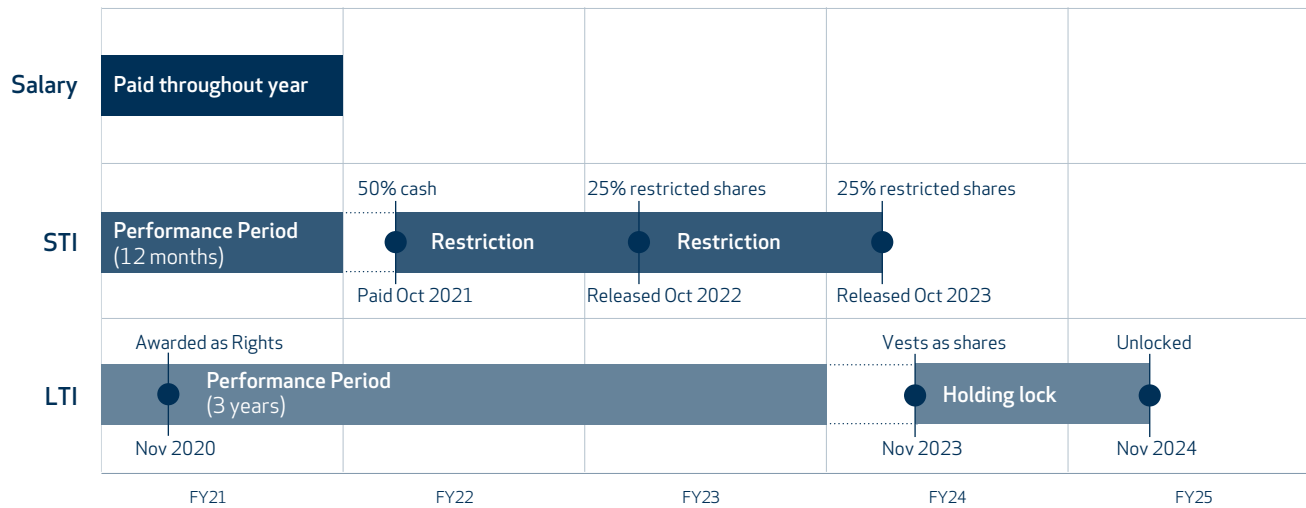
TFR is targeted at the 50th percentile for comparable roles and experience/skills, while the total remuneration package for each Executive (inclusive of both fixed and variable remuneration) is targeted at up to the 75th percentile for comparable roles and experience/skills.

4.2. Components of the Executive Remuneration Framework

The table below outlines the remuneration components for the 2021 financial year for all Executives. Further details regarding each of the remuneration components are provided in sections 4.3 to 4.5.

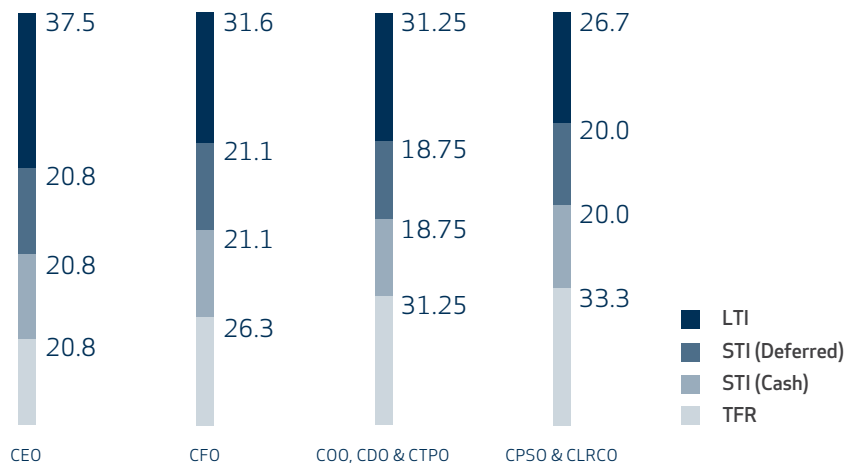
Remuneration Type	Fixed Remuneration	Variable/At-Risk Remuneration		
Component	Total Fixed Remuneration (TFR)	Short Term Incentive (STI)		Long Term Incentive (LTI)
Delivery	Cash	Equity		
Composition	Base salary plus superannuation contributions in line with statutory obligations, and any salary packaged amounts.	50% of STI award paid in cash after the financial year.	50% of STI award as shares, with one half restricted for one year and the other half for two years.	Rights with a 3 year vesting period and shares allocated on vesting subject to a one year holding lock.
		Outcomes based on a combination of business performance and personal measures. Subject to clawback and overarching Board discretion.		Outcomes based on ROCE, comparative cost position and relative TSR. Subject to clawback and overarching Board discretion.
Link with strategic objectives	Set to attract, retain, motivate and reward high quality executive talent to deliver on the Company's strategy.	Designed to: – align interests of shareholders and Executives through an appropriate level of "at risk" pay and by delivering 50% in restricted equity; – motivate and reward for increasing shareholder value by meeting or exceeding Company and individual objectives; and – support the financial and strategic direction of the business through performance measures.		Designed to: – align interests of shareholders and Executives through an appropriate level of "at risk" pay and by delivering 100% in equity; and – encourage Executives to focus on the key performance drivers which underpin the Company's strategy to deliver long term growth in shareholder value.

The diagram below illustrates how the different components of Executive remuneration provided in respect of the 2021 financial year are delivered over a four year period.



Newcrest's mix of remuneration components, expressed as a percentage of "maximum" earning opportunity, for current Executives for the 2021 financial year is illustrated in the following graphs. Although the components of TFR, STI and LTI are described separately, they should be viewed as part of an integrated package.

Remuneration Mix as a Percentage of Maximum FY21 (%)



The "at risk" components are subject to deliberately challenging financial and non-financial performance conditions. The potential "maximum" earning opportunity shown above is not expected to be achieved each year, but is designed to only be achieved in respect of exceptional performance. There is no STI awarded unless a threshold level of performance is achieved.

Directors' Report continued

4. Executive Remuneration Framework continued

4.3. Total Fixed Remuneration (TFR)

Feature	Description
Composition	TFR comprises base salary, superannuation contributions in line with statutory obligations, and any salary packaged amounts (for example, novated lease vehicles). TFR is paid in Australian dollars.
Relevant Considerations	TFR is determined on an individual basis, considering the scope of the role, the individual's skills and expertise, individual and group performance, market movements and competitiveness.
Review	TFR is reviewed annually. The Chief People and Sustainability Officer received an increase in TFR of 6.7%, effective 1 October 2020, in recognition of the significant increase in scope of the role, specifically the addition of Health, Safety, Environment and Security. There was no change to TFR of any other Executive as part of the 2020 annual salary review process. After the end of the financial year, a benchmarking review of TFR took place and Executives, other than Sandeep Biswas and Gerard Bond, will receive increases in fixed pay averaging 2.8% on 1 October 2021.

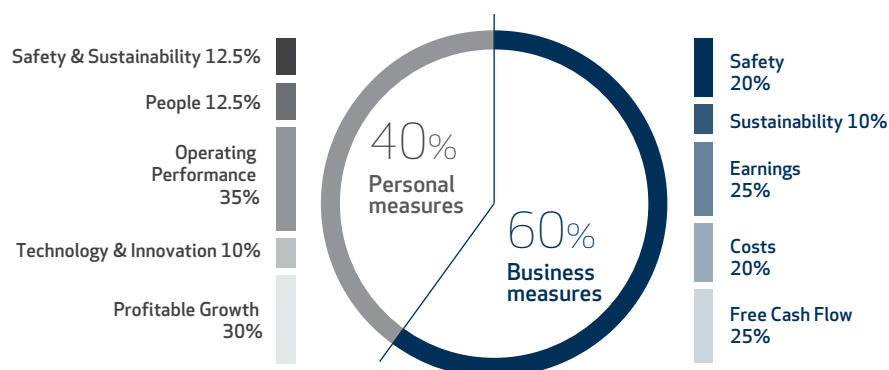
4.4. Short Term Incentive

4.4.1. Key features of the STI award for the 2021 financial year

Feature	Description
Participation	All Executives are eligible to participate.
Opportunity	For "at target" performance, the CEO has the opportunity to receive 100% of TFR; the CFO has the opportunity to receive 80% of TFR; and the other Executives have the opportunity to receive 60% of TFR. Each Executive has the opportunity to receive double the "at target" percentage for exceptional performance ('maximum' STI opportunity).
Rules	The STIs for the 2021 financial year are governed by the Equity Incentive Plan Rules.
Performance Period	The performance period is the financial year preceding the payment date of the STI. For the 2021 financial year, the performance period was 1 July 2020 to 30 June 2021.
Performance Conditions	Performance conditions are a mix of personal and business measures. Robust threshold, target and maximum targets are established for all measures to drive high levels of business and individual performance. The specific personal measures applicable to each KMP may change from year to year to reflect business priorities. The relative weightings of these categories may also change from year to year to best reflect each Executive's priorities. The annual budget generally forms the basis for the "target" performance set by the Board.

Further details in relation to the personal STI measures and the outcomes are described in section 5.3.1 and the business measures, are described in section 4.4.2.

The diagram below illustrates the indicative weighting of the performance conditions, using the CEO's FY21 personal conditions as an example.



Feature	Description
Calculation of STI Award to Executives	STI Amount (\$) = ((40% x personal outcome) + (60% x business outcome)) x "At Target" STI% x TFR Business and personal measures are scored out of 200%, with 50% for threshold performance, 100% for target performance and 200% for maximum performance. Business or personal measures that fail to meet the threshold target score 0%. If the overall average of the five personal measures is below 50%, the CEO (in the case of an award to the other Executives) or the Board (in the case of an award to the CEO) has the discretion not to make an STI award to that participant. Accordingly, the minimum value of the STI Award is nil.
Payment, Delivery and Deferral	For Executives, the STI for the 2021 financial year is delivered 50% in cash and 50% in restricted shares in October 2021, following finalisation of the audited annual Company results and the approval of all personal outcomes. Of the restricted component, half of the restricted shares is to be released after 12 months after the allocation date (in October 2022) and the remainder after two years after the allocation date (in October 2023). Restricted shares remain on foot if the Executive resigns before the shares are released from the restriction, unless the Board determines otherwise. During the restriction period, the Executives are entitled to dividends and voting rights attaching to their restricted shares. For allocation purposes, the value of each STI restricted share will be calculated using the five trading day volume weighted average price (VWAP) of Newcrest's share price immediately preceding the date of payment of the cash portion of the STI Award, unless such price is assessed as not being fairly representative of the market price, in which case an alternative and representative VWAP will be agreed by the HRR Committee.
Cessation of Employment	Except at the discretion of the Board: – if a participant resigns or is dismissed for cause during the Performance Period, the participant may not be eligible to receive an STI award for that financial year; – if a participant ceases employment for any other reason during the Performance Period, the STI award will be reduced on a pro rata basis, but will remain payable in the ordinary course; – if a participant is dismissed for cause while the restricted shares are subject to restrictions, the restricted shares will be forfeited; – if the participant resigns while the restricted shares are subject to restrictions, the participant will be entitled to retain their restricted shares and the shares will remain on foot for the balance of the restriction period and then be released. The Board will have the discretion to increase the STI restriction period for some or all of the STI restricted shares on foot, from 1 year to 2 years; – if the participant ceases employment for any other reason while the restricted shares are subject to restrictions, the participant will be entitled to retain their restricted shares and the shares will remain on foot for the balance of the restriction period and then be released.
Clawback	In general, the Board has the discretion to reduce or forfeit an STI award, or to seek recovery from a participant, if an event or circumstance has occurred which has resulted in an inappropriate benefit being conferred on a participant (including in the case of fraud, dishonesty, gross misconduct by the Executive or if the outcomes are the result of material error or misstatement of the financial accounts). The discretion may be exercised for a period of two years from the vesting or award date.
Overriding Board Discretion	The Board retains overriding discretion to adjust the final STI outcome. This is an important measure to ensure any STI award is appropriate in the circumstances.

Directors' Report continued

4. Executive Remuneration Framework continued

4.4. Short Term Incentive continued

4.4.2. STI performance conditions for the 2021 financial year in detail

Business measures for the 2021 financial year

Business Measure	Weighting	Reason the Performance Measure Was Adopted
Safety TRIFR ⁽¹⁾ (5%) Quality of Serious Incident Investigations (5%) ⁽²⁾ Critical Control Management (CCM) ⁽³⁾ Action Close Out on time (5%) Process Safety incident reviews (5%) ⁽⁴⁾	20%	The Company is committed to reinforcing a strong safety culture and improving safety leadership. As such, the measures and targets are reviewed annually to meet the aspirations of the Safety Transformation Plan. The combined measures maintain a focus on safety performance, as measured by TRIFR, drive critical actions and ensure effective controls are in place to help prevent fatalities and/or serious injuries.
Sustainability Greenhouse gas emissions (GHG) (5%) Improved water efficiency (5%)	10%	These measures were introduced to increase the focus on sustainability. They are intended to incentivise site development and implementation of emission reduction plans and water efficiency plans. They were chosen as methods of assessing sustainability performance because they are, as far as practicable, objective, measurable and an appropriate way to assess key components that contribute to the overall sustainability goals of the Company.
Earnings Adjusted Net Profit/(Loss) After Tax and Before Significant Items	25%	The earnings target is a direct financial measurement of the Company's performance, providing a strong alignment to the interests of shareholders. The results are based on the statutory profit of the Group adjusted for the effect of commodity prices, foreign exchange rates and other significant items determined by the Board which are considered to be outside the control of Management. It provides a strong reflection of production delivery, operational efficiency and cost management.
Costs AISC per ounce ⁽⁵⁾	20%	This measure is a highly relevant short and long term measure which is consistent with the Company's strategy of focussing on sustainable cash generation and profitability. It is the primary unit cost measure in the gold industry, and is visible and readily understood. It is based on publicly disclosed and reconciled results and is therefore a reliable measure for use by the Company, adjusted for the effect of commodity prices and foreign exchange rates and other significant items determined by the Board which are considered to be outside the control of Management.
Free Cash Flow (FCF)	25%	FCF is a highly relevant short and long term measure. It reflects cost and capital management and production efficiencies. FCF is necessary to fund growth opportunities, repay debt and ultimately pay dividends to shareholders. It is based on publicly disclosed and reconciled results and is adjusted for the effect of commodity prices and foreign exchange rates and other significant items determined by the Board which are considered to be outside the control of Management.

(1) TRIFR is the total number of recordable injuries per million hours worked. It is a lagging indicator of safety performance.

(2) Quality of Serious Incident Investigations focuses on assessing the quality of investigations and ensuring that actions arising as an outcome of an SPI investigation have been implemented.

(3) CCM action close out focuses on the timely completion of all actions identified following a Systems Verification (SV) or Field Critical Control Check (FCCC). CCM is the second pillar of Newcrest's Safety Transformation Plan and is focussed on verifying that effective controls are in place and working for every high risk task.

(4) Process Safety Improvement focuses on the completion rate of all actions detailed in each site's Process Safety Improvement Plan and targets wider system risks, such as operating plant designs, and chemical and energy hazards.

(5) All-In Sustaining Cost metrics as per World Gold Council Guidance Note on Non-GAAP metrics. Refer to section 6 of the Operating and Financial Review.

Personal measures for the 2021 financial year

For the 2021 financial year, the key elements of the personal performance measures for Sandeep Biswas were set by the Board to align with the Company's strategic goals and taking into account the Company's key material risks. The personal performance measures were selected to recognise the important role that the CEO plays in personally advancing the Company's strategic objectives of improving the safety, people and sustainability performance of the Company, its operating performance, profitable growth and technology and innovation.

The personal performance measures for other Executives for the 2021 financial year focussed on their areas of responsibility which, in the case of the operational Executives, included safety, people, production, operating performance and business improvement, material risk management, technology and innovation, sustainability and profitable growth. Non-financial targets are generally aligned to core values, including safety, organisational health and key strategic and growth objectives. If there is a fatality within the area of accountability of an Executive, the Board may exercise discretion to adjust the assessment of the personal safety measure, including a zero award, where appropriate.

Further detail as to the personal measures for the CEO, CFO and other Executives, and outcomes with respect to such measures is set out in section 5.3.1.

4.4.3. STIs for the 2020 financial year

The terms that applied to the 2020 financial year STI award in respect of the performance period from 1 July 2019 to 30 June 2020, were described in detail in the 2020 Remuneration Report.

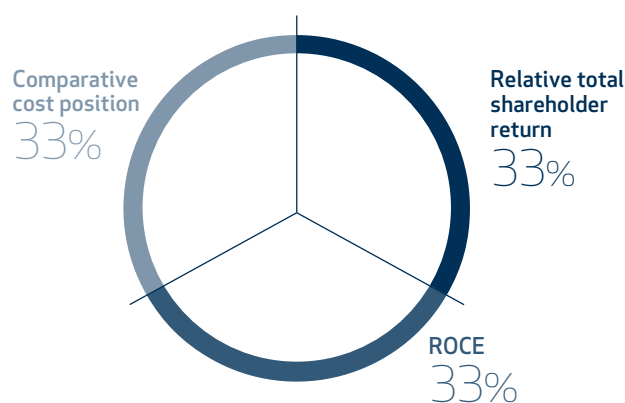
4.4.4. STIs for the 2022 financial year

Minor changes have been made to the STI Business measures for the 2022 financial year. These changes have been made to increase focus on key safety and sustainability metrics, specifically TRIFR, SPI Action Verification and Investigation Quality, and the timely completion of actions related to the abatement of Greenhouse Gases and Water Intensity. The overall weightings of the five categories (Safety, Sustainability, Earnings, Cost and Free Cash Flow) remain unchanged.

4.5. Long Term Incentive

4.5.1. Key features of the 2020 LTIs (under which Rights were issued during the 2021 financial year)

Feature	Description
Equity type	Allocations are in the form of rights to shares in the Company (Rights). Upon vesting, each Right is automatically exercised at a nil exercise price and the Executive receives one fully paid ordinary share for each Right (subject to a 12 month holding lock). As the Rights represent a participant's 'at risk' long term incentive component of their remuneration package, the Rights are granted at no cost to the participant. Rights are automatically exercised and do not have an expiry date.
Rules	The 2020 LTIs are governed by the Equity Incentive Plan Rules.
Maximum LTI Opportunity	The maximum LTI opportunity is 180% of TFR for the CEO, 120% of TFR for the CFO, 100% of TFR for the COOs, CDO and CTPO, and 80% of TFR for the other Executives. Section 4.2 indicates the value of the grants expressed as a percentage of the total remuneration package.
Grant Date	The grant date was 18 November 2020 and Rights will vest, subject to the satisfaction of the performance conditions, on 18 November 2023. The total number of Rights issued to, and held by, each Executive is summarised in section 9.4.
LTI Grant Value	For allocation purposes, the value of each Right was calculated based on the face value of the underlying security, using the five day VWAP of Newcrest's share price immediately preceding the grant date (A\$29.2146).
Performance period	The performance period is the three financial years commencing on 1 July 2020.
Performance Conditions	2020 LTI Rights issued are subject to the Performance Conditions shown below:



The Performance Conditions have been set to align with the long-term goals and performance of Newcrest and the generation of shareholder returns. Further details in relation to the Performance Conditions are detailed in section 4.5.2.

Vesting	Rights vest three years from the grant date subject to the Performance Conditions being met. Rights are automatically exercised on vesting. On vesting of the Rights, the Board has the discretion, subject to the Equity Incentive Plan Rules, to satisfy the vesting obligations by the issue of new shares, transfer of existing shares purchased on-market or by paying a cash equivalent amount. The practice in recent years has been to satisfy the vesting obligations by allocating shares purchased on-market.
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Directors' Report *continued*

4. Executive Remuneration Framework *continued*

4.5. Long Term Incentive *continued*

4.5.1. Key features of the 2020 LTIs (under which Rights were issued during the 2021 financial year) *continued*

Feature	Description
Holding lock	For Executives, shares received on the vesting and automatic exercise of Rights are subject to a 12 month holding lock.
Dividends	No dividends are paid on unvested Rights. Shares allocated on the vesting and automatic exercise of Rights and subject to the holding lock have the right to receive dividends (when applicable).
Clawback	In general, the Board has the discretion to reduce, forfeit or lapse an LTI award for a participant if an event or circumstance has occurred which has resulted in an inappropriate benefit being conferred on a participant (including in the case of fraud, dishonesty, gross misconduct by the Executive or if the outcomes are the result of material error or misstatement of the financial accounts). The discretion may be exercised for a period of two years from the vesting or grant date.
Cessation of employment	Except at the discretion of the Board: – if a participant gives a notice of resignation or is dismissed for cause, unvested Rights will lapse on cessation of employment; and – if a participant ceases employment for any other reason, a pro-rata number of unvested Rights will remain on foot and vest subject to satisfaction of the applicable performance conditions and any holding lock in the terms of grant. For all leavers, any restricted shares will be released after expiration of the holding lock period (subject to the Board exercising a discretion under the clawback policy).
Change of control	The Board may exercise its discretion to allow all or some unvested Rights to vest if a change of control event occurs. Where there is an actual change in control of the Company then, unless the Board determines otherwise, unvested Rights will immediately vest or cease to be subject to restrictions on a pro rata basis having regard to the portion of the vesting period that has elapsed.
Retesting	There is no retesting. Rights that do not vest based on performance over the three year performance period will lapse.
Overriding Board discretion	The Board retains overriding discretion to adjust the final LTI outcome. This is an important measure to ensure any LTI award is appropriate in the circumstances.

4.5.2. 2020 LTI performance conditions in detail

2020 LTI Performance Conditions

Component	Assessment	Reason for adoption of the Performance Measure
Comparative Cost Position The Company's measure for the Comparative Cost Position performance condition is the AISC per ounce, adopted by the Company in relation to costs reporting. The AISC per ounce incorporates costs related to sustaining production. Performance over the three year performance period, is compared against other entities based on data sourced from an independent provider selected by the Board. The entities that are included in the independent provider's database can change from year to year (such as where additional companies begin to report AISC, or where there are mergers and demergers). Cost performance for each of the three years of the performance period is averaged to determine the number of Rights that may be exercised in relation to this performance measure.	The vesting scale for this measure is as follows: – 0% vests if Comparative Costs are at or above the 50th percentile; – 40% vests if Comparative Costs are less than the 50th percentile; – 100% vests if Comparative Costs are below the 25th percentile. Straight line vesting occurs between these thresholds. The Comparative Costs measure will be assessed using peer data for the period from 1 July 2020 until 30 June 2023.	This measure is closely aligned to Newcrest's strategic objective to be a low cost producer and aligned to our relative value proposition for gold equity investors. The AISC per ounce result is a sound basis for the Company to use in assessing comparative cost as it is based on publicly disclosed results.

Component	Assessment	Reason for adoption of the Performance Measure
Return on Capital Employed (ROCE) ROCE is an absolute measure, defined as underlying earnings before interest and tax (EBIT), divided by average capital employed, being shareholders' equity plus net debt. For each of the three years of the performance period ROCE is averaged to determine the number of Rights that may be exercised in relation to this performance measure. Average capital employed is calculated as a simple average of opening and closing balances. If material equity transactions (for example, significant equity issuances or asset impairments) occur such that the simple average is not representative of actual performance, the average capital employed for the year is adjusted for the effect of these transactions. Average capital employed for the purpose of this calculation excludes approved capital invested in long-dated projects until commercial production is achieved, so as not to discourage Management's pursuit of long-dated growth options.	The vesting scale for this measure is as follows: – 0% vests if ROCE is less than 6%; – 30% vests if ROCE is 6%; – 100% vests if ROCE is 13% or more. Straight line vesting occurs between these thresholds. These targets, including the threshold of 6% ROCE, have been reviewed by the Board during the year and, on the basis that they remain appropriate, have been left unchanged. The targets are designed to exceed Newcrest's Weighted Average Cost of Capital whilst also incentivising returns that are higher than comparable industries in the prevailing economic conditions.	ROCE aligns Management action and company outcomes closely with long term shareholder value. ROCE provides a balance to the other LTI metrics as it serves as a counter to "buying" success. ROCE is also based on publicly disclosed and reconciled results and is therefore a sound basis for the Company to use in assessing value. Impairments are excluded from the capital base in the year in which they occur, such that the return is on a pre-impairment basis and LTI participants do not benefit from the impairment. However, the post impairment capital base is used in the calculation of returns in subsequent years so as to not de-incentivise current or new management.
Relative Total Shareholder Return (TSR) Relative TSR is a measure of performance over time that combines share price appreciation and dividends paid to show the total return to the shareholder, expressed as an annualised percentage. Relative TSR is a measure of the Company's TSR performance against that of other gold companies.	Relative TSR will be measured by comparing Newcrest's AUD share price performance against the S&P TSX Global Gold Index over three years. Rather than rely on spot price, the performance calculations will reference the six month period immediately prior to the start (1 January 2020 – 30 June 2020) and the end (1 January 2023 – 30 June 2023) of the performance period. The treatment of dividend and capital adjustments will be in accordance with the adjustments made by the data provider. The vesting schedule for this measure is detailed below. – 0% vests if Relative TSR is below the Index; – 50% vests if Relative TSR is equal to the Index; – 100% vests if Relative TSR exceeds the Index by 18 percentage points or more. Straight line vesting occurs between these thresholds.	The Relative TSR measure provides alignment between the outcomes of vesting of the 2020 LTIs and the returns experienced by shareholders, in order to specifically encourage outperformance against other gold mining companies. The S&P TSX Global Gold Index is the most appropriate comparison point for Newcrest to use for the Relative TSR measure because: – As a gold mining company, Newcrest's share price performance is significantly impacted by fluctuations in the gold price. Accordingly, it is appropriate to compare Newcrest's performance to that of other gold mining companies. – There are few ASX-listed gold mining companies which act as a directly relevant comparison to Newcrest given the differences in scale, and it is therefore considered that a comparison with international peers is more appropriate. – Rather than hand-pick a selection of peer gold mining companies from various stock exchanges globally, the Board considers that Newcrest's performance should be compared to the S&P TSX Global Gold Index as each of Newcrest's major peers are constituents in the S&P TSX Global Gold Index.

Directors' Report continued

4. Executive Remuneration Framework continued

4.5. Long Term Incentive continued

4.5.3. Outlook for 2021 LTI Performance Conditions (2022 financial year)

LTI Performance Conditions for the 2021 LTIs will be structurally identical to those which apply to the 2020 LTIs.

4.5.4. LTIs for past financial years

The terms that apply to the 2017, 2018, and 2019 LTIs, which vested or will vest in the 2021, 2022 and 2023 financial years respectively, are described in detail in the 2018, 2019 and 2020 Remuneration Reports respectively.

4.6. Sign-on arrangements

The following Sign-On arrangements for Executives were granted during the 2021 financial year to compensate for forgone entitlements. They are governed by the Equity Incentive Plan Rules.

Performance conditions were imposed to ensure that the Executive does not become entitled to the sign-on benefits in the event of underperformance. The CEO will assess performance against the relevant conditions, given that the Executives are direct reports to the CEO.

Recipient	Grant Date	Award	Vesting Date	Vesting/Payment Conditions
Maria Sanz Perez	27 July 2020	22,386 sign-on rights (face value of A\$700,000) with a nil exercise price, granted in compensation for benefits that were forfeited on leaving her previous employer. The Executive receives one fully paid ordinary share for each right that is automatically exercised. Any sign-on rights that do not vest at the end of the vesting period will lapse.	All sign-on rights are expected to vest in August 2021, subject to the Securities Dealing Policy.	Adequate performance and continuing employment (other than in limited circumstances).

As set out in the 2020 Remuneration Report:

- 7,000 sign-on rights were granted to Suresh Vadnagra in the 2020 financial year, in compensation for benefits forfeited on leaving his previous employer. Of these, 3,500 vested in the 2021 financial year. The remaining 3,500 sign-on rights granted to Suresh are due to vest on 18 May 2022 (or as soon as possible afterwards in accordance with Newcrest's Securities Dealing Policy), subject to adequate performance and continuing employment (other than in limited circumstances). The cash component of Suresh's sign-on arrangements is noted in section 9.1; and
- A\$150,000 cash was awarded to Lisa Ali on 28 August 2020 to provide for relocation support following the satisfactory completion of her probation period. This is also noted in section 9.1.

In addition, A\$300,000 cash was paid to Maria Sanz Perez to provide relocation support. Payments were made in two equal parts after commencement and the satisfactory completion of her probation period. This is also noted in section 9.1.

5. Remuneration Outcomes

5.1. Total Fixed Remuneration (TFR) for the 2021 financial year

Set out below is the TFR for the current Executives as at 30 June 2021, shown in Australian dollars. TFR comprises base salary and superannuation contributions and any salary packaged amounts (for example, novated lease vehicles). This information is provided in Australian dollars to enable comparisons to be made in future years, without the impact of changes in exchange rates. The increase in TFR for Lisa Ali was in recognition of the significant increase in scope of her role, specifically the addition of Health, Safety, Environment and Security.

Name	TFR A\$ 30 June 2021	TFR A\$ 30 June 2020	% Increase
Sandeep Biswas	2,400,000	2,400,000	0.0%
Gerard Bond	1,000,000	1,000,000	0.0%
Lisa Ali	800,000	750,000	6.7%
Craig Jones	850,000	850,000	0.0%
Maria Sanz Perez	800,000	–	–
Seil Song	750,000	750,000	0.0%
Philip Stephenson	850,000	850,000	0.0%
Suresh Vadnagra	850,000	850,000	0.0%

5.2. Newcrest's Financial Performance for the past 5 financial years

The following table provides a summary of the key financial results for Newcrest over the past five financial years.

Five Year Summary of Newcrest's Financial Performance

Year Ended 30 June	Measure	2021	2020	2019	2018	2017
Statutory profit	US\$ million	1,164	647	561	202	308
Underlying profit ⁽¹⁾	US\$ million	1,164	750	561	459	394
Cash flows from operating activities	US\$ million	2,302	1,471	1,487	1,434	1,467
Free cash flow ⁽²⁾	US\$ million	1,104	(621)	804	601	739
Free cash flow (before M&A activity) ⁽²⁾	US\$ million	1,125	670	878	828	829
EBITDA Margin	%	53.4	46.8	44.6	43.9	40.5
EBIT Margin	%	38.7	30.4	24.7	21.7	20.7
Net Debt to EBITDA ⁽³⁾	Times	(0.1)	0.3	0.2	0.7	1.1
ROCE	%	18.5	13.8	11.2	8.8	7.9
Gearing ⁽⁴⁾	%	(1.8)	6.8	4.9	12.2	16.6
Share price at 30 June ⁽⁵⁾	A\$	25.28	31.53	31.95	21.80	20.16
Earnings per share ⁽⁶⁾						
Basic	US cents/share	142.5	83.4	73.0	26.3	40.2
Underlying	US cents/share	142.1	83.1	72.8	59.8	51.4
Dividends ⁽⁷⁾	US cents/share	55.0	25.0	22.0	18.5	15.0
Gold produced	000's ounces	2,093	2,171	2,488	2,346	2,381
All-in sustaining cost ⁽⁸⁾	US\$/oz sold	911	862	738	835	787
Average realised gold price	US\$/oz	1,796	1,530	1,269	1,308	1,263

This table includes non-IFRS financial information. Refer to section 6 of the Operating and Financial Review for an explanation and reconciliation of non-IFRS terms.

(1) Underlying profit is profit after tax before significant items attributable to owners of the parent.

(2) Free cash flow is calculated as cash flow from operating activities less cash flow related to investing activities. Free cash flow (before M&A activity) is calculated as free cash flow excluding investing activities relating to M&A investments and business divestments.

(3) Net debt to EBITDA is calculated as net debt at the end of the reporting period divided by the rolling 12 month EBITDA.

(4) Gearing ratio is calculated as net debt at the end of the reporting period divided by net debt plus equity.

(5) Opening share price on 1 July 2016 was A\$23.00.

(6) Basic EPS is calculated as net profit after tax and non-controlling interests (statutory profit) divided by the weighted average number of ordinary shares. Underlying earnings per share is calculated as net profit after tax and non-controlling interests and before significant items (underlying profit) divided by the weighted average number of ordinary shares.

(7) Represents dividends determined in respect of the financial year.

(8) AISC metrics as per World Gold Council Guidance Note on Non-GAAP Metrics. See section 4.4.2 for further detail. Newcrest's AISC will vary from period to period as a result of various factors including production performance, timing of sales, the level of sustaining capital and the relative contribution of each asset.

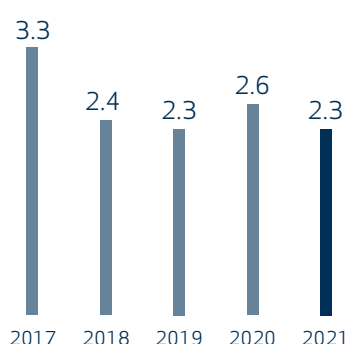
Directors' Report continued

5. Remuneration Outcomes continued

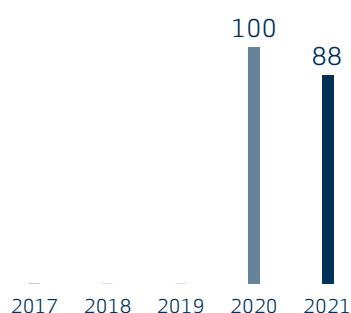
5.2. Newcrest's Financial Performance for the past 5 financial years continued

The graphs below show Newcrest's performance over the last five years for metrics used for multiple years to determine the business component of STI awards, before any adjustments as a result of the exercise of Board discretion. Where no values are shown in the graphs for particular years, they represent years where it was not a business performance measure for STI purposes.

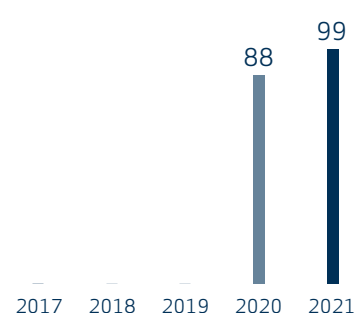
TRIFR



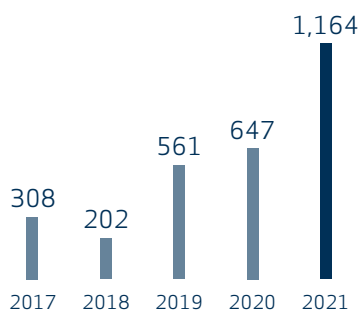
Quality of SPI Incident Investigations (%)



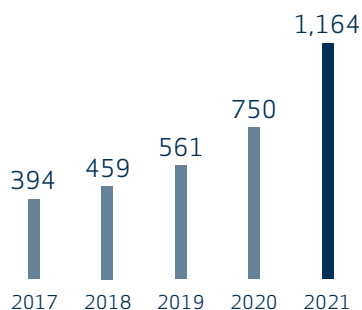
Critical Control Management Action Close Out (%)



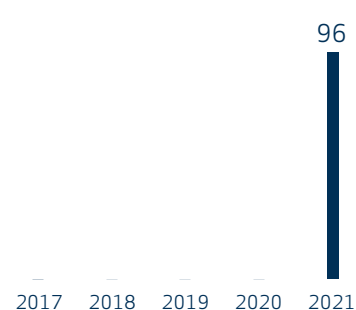
Statutory Profit (US\$m)



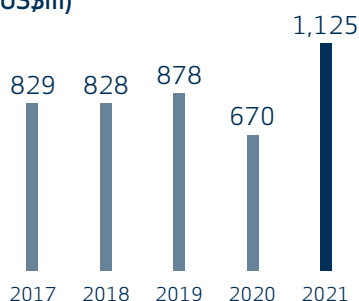
Underlying Profit (US\$m)



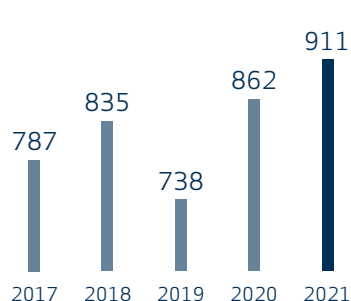
Process Safety Incident Reviews (%)



Free Cashflow before M&A Activity (US\$m)



AISC (US\$ per oz sold)



5.3. STI Outcomes for 2021 financial year

5.3.1. Performance against STI objectives

STI outcomes are determined based on business and personal performance. When assessing personal performance, as well as considering the outcomes, consideration is given to whether the outcomes have been achieved in a manner that is consistent with the Company's values and standards and risk management processes.

Element	Weight	Performance ⁽¹⁾			Description
		THRESHOLD	TARGET	MAXIMUM	
Business Measures	60%				
Safety (1) – TRIFR	3%			●	– TRIFR of 2.26 was below the target of 2.4.
Safety (2) – Quality of SPI Incident Investigations	3%		●		– 88% investigation quality and 98% action verification exceeded Target.
Safety (3) – Critical Control Management Action Close Out on time	3%			●	– 99% completion of CCM Action close outs on time, which was above the Maximum level.
Safety (4) – Process Safety incident reviews	3%		●		– 96% of Process Safety incident review actions were completed on time, which was above the Target.
Sustainability (1) – Greenhouse gas emissions	3%			●	– Abatement plans were developed ahead of schedule and more actions were closed on time than was required to achieve Maximum.
Sustainability (2) – Improved water efficiency	3%			●	– Efficiency plans were developed ahead of schedule and more actions were closed on time than was required to achieve Maximum.
Earnings – NPAT before significant items (US\$m)	15%		●		– Outcome of \$752m (above Target), inclusive of adjustments ⁽¹⁾ (which reduced the outcome from Maximum as per the reconciliation on the next page).
Cost – AISC/oz (US\$)	12%	●			– Outcome of \$993/oz (below Target), inclusive of adjustments ⁽¹⁾ (which reduced the outcome from above Target).
Cash flow: FCF (US\$m)	15%			●	– Outcome of \$848m, inclusive of adjustments ⁽¹⁾ (which reduced the outcome but still achieved Maximum).
Total Business outcome			●		– The total business outcome was 149% .
Personal Measures (Sandeep Biswas – CEO)	40%				
Safety and Sustainability	5%		●		– Excellent progress on Process Safety roadmap, actions and incidents, and good progress on embedding protocols for delivering on industry commitments.
People	5%	●			– Organisational Health was below minimum. – Gender diversity and organisational capability improved.
Operating Performance	14%		●		– Achieved Maximum for Free Cash Flow and Edge L4 cash delivery. Gold production was around Target and Risk Culture demonstrably matured.
Technology & Innovation	4%		●		– Exceeded Targets for probability weighted NPV for innovation portfolio and for progress of and towards breakthroughs, eg. high temperature explosives, automated mining, selective steep wall pits, in-mine sensing and hive mining.
Profitable Growth	12%		●		– Excellent exploration results at Red Chris and Havieron, and development well progressed. Most aspects of Cadia expansion on or ahead of Target.
Personal Measures (Gerard Bond – CFO)	40%				
Safety and Sustainability	3%			●	– Significantly exceeded targets on majority of Modern Slavery priorities.
People	5%	●			– Excellent talent management. – Missed Minimum for Organisational Health.
Operating Performance	16%		●		– Achieved Maximum for Free Cash Flow and Edge L4 cash delivery. Group site costs missed Minimum but Group capex was on scope and on budget.
Technology & Innovation	2%			●	– Significantly exceeded Target on Cadia's Power Purchase Agreement.
Profitable Growth	14%		●		– Exceeded Target on Business Development projects. Successful TSX listing and implementation.
Personal Measures (other Executives)	40%				
Individual measures based on initiatives and key project deliverables linked to company strategy and performance		●		●	– Outcomes against individual measures for the remaining Executives ranged from 0% (9% of all objectives) to 200% (10% of all objectives).

(1) As described in section 4.4.2, adjustments are for the effect of commodity prices, foreign exchange rates, transactions related to M&A activity and other items determined by the Board which are considered to be outside the control of Management and/or in the interests of shareholders. The Board uses guiding principles to apply adjustments consistently each year, where the Board considers it appropriate to do so. In FY21 the Board used discretion to make minor adjustments to the financial metrics to reverse the costs of a seismic event at Telfer and one-off costs resulting from early extinguishment of debt. COVID-19 led to additional unbudgeted costs (primarily related to labour, medical and accommodation) of \$32 million (pre-tax) and had further productivity impacts. The Board determined that no adjustment would be made to reflect these additional COVID-19 related costs. The unadjusted values for financial business metrics are NPAT (\$1,164m), FCF (\$1,104m) and AISC (\$911/oz).

Directors' Report continued

5. Remuneration Outcomes continued

5.3. STI Outcomes for 2021 financial year continued

5.3.1. Performance against STI objectives continued

A reconciliation of the Earnings measure outcome to statutory profit is detailed below:

	2021 US\$m	2020 US\$m
Statutory profit	1,164	647
Add back: Significant items after tax ⁽¹⁾	–	103
Underlying profit	1,164	750
Adjust: Board agreed adjustments ⁽²⁾	(412)	(285)
Earnings measure	752	465

(1) Refer to section 2.7 of the Operating and Financial Review for details of significant items.

(2) Represents adjustments for the effect of commodity prices, foreign exchange rates and other significant items determined by the Board which are considered to be outside the control of Management.

A reconciliation of the Free Cash Flow measure outcome to the statutory cashflow is detailed below:

	2021 US\$m	2020 US\$m
Cash flows from operating activities	2,302	1,471
Cash flows from investment activities	(1,198)	(2,092)
Free cash flow	1,104	(621)
Add back: M&A activity ⁽¹⁾	21	1,291
Free cash flow (before M&A activity)	1,125	670
Adjust: Board agreed adjustments ⁽²⁾	(277)	(256)
Free Cash Flow measure	848	414

(1) Refer to section 3 of the Operating and Financial Review for details.

(2) Represents adjustments for the effect of commodity prices, foreign exchange rates and other significant items determined by the Board which are considered to be outside the control of Management.

5.3.2. STI outcomes for all Executives for the 2021 financial year

The table below summarises achievement against the performance conditions and final STI outcomes for all Executives for the 2021 financial year.

Executive	% of STI Target Awarded ⁽¹⁾	Total STI Awarded ⁽²⁾ US\$'000	Proportion of Total STI Restricted (%) ⁽³⁾	% of Max STI Opportunity Forgone
Sandeep Biswas	139.8	2,505	50	30.1
Gerard Bond	139.8	835	50	30.1
Lisa Ali	135.4	485	50	32.3
Craig Jones	133.4	508	50	33.3
Maria Sanz Perez	134.6	482	50	32.7
Seil Song	137.4	462	50	31.3
Philip Stephenson	141.4	538	50	29.3
Suresh Vadnagra	133.8	510	50	33.1
Former Executives				
Francesca Lee	129.4	36	50	35.3

(1) The assessment against personal measures for the Executives (which represent 40% of the award) ranged from 50% to 65% of maximum.

(2) Amounts have been translated from Australian dollars to US dollars using the average exchange rate for the financial year.

(3) Proportion of the Total STI awarded which will comprise restricted shares.

5.4. Vesting Outcomes for 2017 LTIs

Following the completion of the performance period from 1 July 2017 to 30 June 2020, the 2017 LTI Rights vested on 23 November 2020 at 65.66% of maximum based on the assessment of performance against the applicable measures.

Element	Weighting	Performance Achieved	Percentage of Total LTI Award Vesting
Comparative Cost	33.3%	24th percentile (3-yr avg)	33.3%
ROCE	33.3%	12.7% (3-yr avg) ⁽¹⁾	32.3%
Relative Total Shareholder Return (TSR)	33.3%	NCM share price underperformed the S&P/TSX Global Gold Total Return Index by 6.5 percentage points over the period	0.00%
TOTAL VESTING			65.66% (34.34% lapsed)

(1) The 3-year ROCE average includes adjustments to FY18 consistent with adjustments that applied for the purposes of the STI for the 2018 financial year. This reflected adjustments for non-controllable items such as the 2017 Cadia seismic event. In addition, adjustments have been made to allow for Development Projects that are not yet in commercial production. This amounted to an average reduction in the Capital Employed of \$980m, representing approximately 12% of the pre-adjusted Capital Employed.

5.5. Estimated Vesting of LTI Rights in the 2022 financial year (2018 LTIs)

The 2018 LTI Rights are expected to vest on or about 21 November 2021. The vesting outcome is not yet known, but it is anticipated that it will be in the range of 60% to 70%. The performance conditions which apply to the 2018 LTIs are the same as for the 2017 LTIs detailed above, i.e.: Comparative Cost (33.3%), ROCE (33.3%) and Relative TSR (33.3%). Additional details on the performance standards attached to each performance condition were disclosed in the 2019 Remuneration Report.

6. Executive Service Agreements and Termination Arrangements for KMP

Remuneration and other terms of employment for the Executives are formalised in Executive Service Agreements (ESAs). Each of the ESAs provides for the payment of fixed remuneration, an opportunity to participate in incentive plans (performance based at risk remuneration), employer superannuation contributions, other benefits such as, death and disablement insurance cover via the Newcrest Superannuation Plan, and salary continuance cover. The ESAs do not have a fixed end date. The remuneration for each Executive during the 2021 financial year is detailed in sections 2.2 and 9.1, and positions held are detailed in section 1.

Set out below is a summary of the minimum notice periods for termination set out in the ESAs. The difference in notice period for the Executives arose due to a general change in policy.

	Executive notice	Newcrest notice	Notice for cause
Sandeep Biswas	3 months	12 months	Immediate
Gerard Bond	3 months	12 months	Immediate
Lisa Ali	6 months	12 months	Immediate
Craig Jones	6 months	12 months	Immediate
Maria Sanz Perez	6 months	12 months	Immediate
Seil Song	6 months	12 months	Immediate
Philip Stephenson	6 months	12 months	Immediate
Suresh Vadnagra	6 months	12 months	Immediate

On cessation of employment, STI or LTI awards vest, lapse or are forfeited in accordance with the relevant plan rules. Refer to sections 4.4 and 4.5 for further details.

During the 2021 financial year, one Executive, being Francesca Lee, ceased employment with the Company. The treatment of Francesca Lee's LTI and STI awards is set out in sections 9.1 and 9.2. No termination benefits were provided to Francesca Lee.

During the 2021 financial year, it was announced that Gerard Bond would leave Newcrest in early 2022. On cessation, under the terms of his employment agreement, Gerard Bond is entitled to receive payment in lieu of notice (where applicable) and his statutory entitlements (including accrued annual and long service leave), and retain a portion of his equity incentives (which will continue to be treated in accordance with the applicable terms of grant and plan rules). Details of Gerard Bond's arrangements will be disclosed in Newcrest's 2022 Remuneration Report.

Directors' Report *continued*

7. Non-Executive Directors' Remuneration

7.1. Remuneration Policy

The Non-Executive Director (NED) fees and other terms of appointment are set by the Board. NEDs are paid by way of a fixed Director's fee and Committee fees commensurate with their respective time commitments and responsibilities. The level and structure of the fees is based upon the need for the Company to attract and retain NEDs of suitable calibre, the demands of the role and prevailing market conditions.

In order to maintain impartiality and independence, NEDs do not receive any performance-related remuneration and are not entitled to participate in the Company's short and long term incentive schemes. NEDs are not provided with any retirement benefits, other than statutory superannuation contributions.

7.2. Fee Pool

The maximum amount of fees (including superannuation contributions) that can be paid to NEDs is capped by a pool approved by shareholders. At the Annual General Meeting held on 28 October 2010, shareholders approved the current aggregate fee pool of A\$2,700,000 per annum (US\$2,016,090).

7.3. Fee Structure

In reviewing the level of fees, the Board obtains independent market data from its remuneration adviser, KPMG, primarily (but not exclusively) in relation to ASX listed companies with market capitalisations ranked between 11–40. Base Board fees were increased by 5% with effect from 1 January 2021 as a result of the 2020 review. No change was made to Committee fees. No change is intended to be made to base Board or Committee fees during the 2022 financial year. The aggregate fees are currently 28% below the aggregate fee pool approved by shareholders.

The table below outlines the main Board and Committee fees as at 30 June 2021.

Fees (per annum) ⁽¹⁾	Chairman		Member	
	A\$'000	US\$'000	A\$'000	US\$'000
Board ⁽²⁾	630	470	210	157
Audit & Risk Committee	55	41	28	21
Safety & Sustainability Committee	44	33	22	16
HRR Committee	44	33	22	16

(1) Board and Committee fees have been translated from Australian dollars to US dollars using the average exchange rate for the 2021 financial year.

(2) The Chairperson of the Board does not receive any additional payments for his role as Chairman or Member of any Committee.

Under the Company's Constitution, NEDs may be reimbursed for reasonable travel, accommodation and other expenses incurred while engaged on the business of the Company. NEDs may also be remunerated for additional services, for example, if they undertake specialist or consulting work on behalf of the Company outside the scope of their normal Director's duties. No fees for additional services were paid to NEDs for the current or prior financial year.

8. Shareholdings

8.1. Minimum Shareholding Policy

The Company has a Minimum Shareholding Requirement Policy which requires that KMP hold at least the following value of Newcrest shares. The intent of the policy is to align the interests of KMP with those of our shareholders. Progress is monitored on a regular basis. As at 30 June 2021, each current KMP who has been KMP for at least the period set out below has met this requirement.

	Minimum requirement	Deadline for achieving shareholding (from the later of appointment or 1 July 2015)
CEO	100% of TFR in shares	5 years
Executives	50% of TFR in shares	5 years
NEDs	One year's total annual fees in shares	3 years

8.2. Executive Shareholdings

A summary of current shareholdings of Executives, including their closely related parties, as at 30 June 2021 are set out below.

Executive	Granted as remuneration				Closing balance ⁽⁵⁾	Value based on VWAP ⁽⁶⁾ A\$'000	Percentage of TFR %
	Opening balance ⁽¹⁾	STIs ⁽²⁾	LTIs ⁽³⁾	Net other movements ⁽⁴⁾			
Sandeep Biswas	524,482	33,852	115,747	(93,027)	581,054	16,795	700
Gerard Bond	155,541	11,386	27,259	(58,620)	135,566	3,918	392
Lisa Ali	–	1,874	–	–	1,874	54	7
Craig Jones	72,942	5,350	17,334	(48,911)	46,715	1,350	159
Maria Sanz Perez	–	–	–	7,000	7,000	202	25
Seil Song	–	1,804	3,606	(1,695)	3,715	107	14
Philip Stephenson	103,221	7,192	17,334	–	127,747	3,692	434
Suresh Vadnagra	–	–	–	3,500	3,500	101	12
Former Executives							
Francesca Lee	78,895	–	–	–	78,895	2,280	315

(1) Opening balance is as at 1 July 2020 for all Executives.

(2) Remuneration granted in FY21 includes shares allocated on 14 October 2020 in respect of 50% of an Executive's STI award for the STIs for the 2020 financial year. The number of shares granted was determined using the 5 day VWAP of A\$30.9806, calculated over the period 7 to 13 October 2020, being the five trading days prior to the date the cash STI payment was made.

(3) Represents the shares acquired on vesting and automatic exercise of 2017 LTI Rights.

(4) Net other movements represents the sale or purchase of shares.

(5) The closing balance is as at 30 June 2021 for current Executives, and as at the date of cessation of employment for former Executives.

(6) Based on VWAP for the period 1 July 2020 to 30 June 2021 of A\$28.9046.

8.3. Non-Executive Directors' Shareholdings

A summary of current shareholdings of NEDs, including their closely related parties, as at 30 June 2021 is set out below.

Non-Executive Directors	Opening balance ⁽¹⁾	Net other Movements ⁽²⁾	Closing balance ⁽³⁾	Value based on VWAP ⁽⁴⁾ A\$'000	Percentage of ongoing annual fees %
Peter Hay	56,318	873	57,191	1,653	262
Philip Aiken AM	18,411	285	18,696	540	196
Roger Higgins	13,675	–	13,675	395	143
Sally-Anne Layman	–	4,150	4,150	120	46
Vickki McFadden	11,272	174	11,446	331	115
Peter Tomsett	21,172	328	21,500	621	239
Former Non-Executive Directors					
Xiaoling Liu	14,172	–	14,172	n/a	n/a

(1) Opening balance is as at 1 July 2020.

(2) Net other movements represents the sale or purchase of shares or the acquisition of shares through the dividend reinvestment plan by Non-Executive Directors.

(3) For current Non-Executive Directors, the closing balance is as at 30 June 2021.

(4) Based on VWAP for the period 1 July 2020 to 30 June 2021 of A\$28.9046.

8.4. Securities Dealing Policy

The Company has a Securities Dealing Policy which prohibits the use by Directors, Executives and employees of hedging and derivatives such as caps, collars, warrants or similar products in relation to Newcrest securities, including shares acquired under the Company's equity incentive schemes, whether or not they are vested. The Policy also prohibits entry into transactions in associated products that operate to limit the economic risk of their security or interest holdings in the Company. Employees are not permitted to enter into margin loans in relation to Newcrest securities at any time without prior approval from the Chairman or Company Secretary. The Policy is available on the Company's website at <https://www.newcrest.com/about-newcrest/corporate-governance>.

Directors' Report continued

9. Statutory Tables

9.1. Executive Remuneration

Executives	Short Term				Long Term	Post-Employment	Share-Based Payments			Total US\$'000	Performance related % (J)
	Salary US\$'000 (A)	Short Term Incentive US\$'000 (B)	Other Cash Benefits US\$'000 (C)	Other Benefits US\$'000 (D)	Leave US\$'000 (E)	Superannuation US\$'000 (F)	LTI Rights US\$'000 (G)	STI Restricted Shares US\$'000 (H)	Other US\$'000 (I)		
2021											
Sandeep Biswas	1,776	1,253	9	11	40	16	3,087	1,543	–	7,735	76.1
Gerard Bond	731	418	–	3	27	16	803	512	–	2,510	69.0
Lisa Ali	588	243	37	–	31	–	258	243	–	1,400	53.1
Craig Jones	618	254	–	2	9	16	547	305	–	1,751	63.2
Maria Sanz Perez ⁽¹⁾	597	241	224	–	37	–	120	241	523	1,983	30.4
Seil Song	544	231	–	3	22	16	140	231	–	1,187	50.7
Philip Stephenson	618	269	16	18	38	16	547	322	–	1,844	61.7
Suresh Vadnagra	618	255	68	2	30	16	159	255	100	1,503	44.5
Former Executives											
Francesca Lee	44	18	–	–	(48)	1	(36)	73	–	52	105.8
Total	6,134	3,182	354	39	186	97	5,625	3,725	623	19,965	
2020⁽²⁾											
Sandeep Biswas	1,597	704	19	25	18	14	2,007	1,358	–	5,742	70.9
Gerard Bond	657	237	–	6	4	14	493	450	–	1,861	63.4
Lisa Ali	171	39	225	–	12	–	71	39	–	557	26.8
Craig Jones	549	111	–	2	22	14	323	227	–	1,248	53.0
Francesca Lee	473	124	–	4	9	14	270	231	–	1,125	55.6
Seil Song	144	38	–	2	11	4	–	38	–	237	32.1
Philip Stephenson	549	150	29	33	16	14	323	269	–	1,383	53.7
Suresh Vadnagra	67	–	190	–	5	2	–	–	17	281	0.0
Total	4,207	1,403	463	72	97	76	3,487	2,612	17	12,434	

(1) Appointed as KMP during the current year financial and therefore no prior year comparison is shown.

(2) Executive remuneration for the 2020 financial year excludes Executives who ceased being an Executive in the 2020 financial year. Total remuneration for these Executives in 2020 was US\$1,378,000.

The table above details the statutory remuneration disclosures as calculated with reference to the *Corporations Act 2001* and relevant accounting standards. All Executives are compensated in Australian dollars. Remuneration has been presented in US dollars, consistent with Newcrest's presentation currency. All remuneration components have been translated from Australian dollars to US dollars using an average rate of 0.7467 (2020: 0.6715).

An explanation of the relevant remuneration items included in the table is provided in the associated footnotes. The figures provided in relation to share based payments (columns H to J) are calculated in accordance with accounting standards and represent the amortised fair value of equity instruments that have been granted to Executives.

Notes to Executive Remuneration

- (A) Salaries comprise cash salary and available salary package options grossed up by related fringe benefits tax, where applicable, net of superannuation commitments, paid during the financial year. For former and new Executives, this balance is pro-rated for time served as KMP during the financial year. Refer to section 1 of this Report for further information as to the period for which each of the Executives was KMP during the 2021 financial year.
- (B) Short Term Incentive refers to cash amounts earned as STIs which are paid in the following financial year.
- (C) Other cash benefits comprise travel costs and sign on arrangements to Lisa Ali, Suresh Vadnagra and Maria Sanz Perez as outlined in section 4.6. The sign on arrangements are being expensed over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the Executive becomes fully entitled to the sign on arrangement.
- (D) Other benefits represents non-monetary benefits such as parking, insurance and applicable fringe benefits tax payable on benefits.
- (E) Represents leave entitlements, measured on an accruals basis, and reflects the movement in the entitlements over the year. For former Executives, this includes the reversal of long service leave expensed in prior years which did not vest upon cessation.
- (F) Represents company contributions to superannuation under the Superannuation Guarantee legislation (SGC).
- (G) Represents the amortisation of the fair value of LTI Rights over unissued shares. This is calculated in accordance with Australian Accounting Standard AASB 2 *Share-based Payments*. The Rights have been valued using a combination of the Monte Carlo simulation and Black-Scholes models. Valuations are as at the Grant Date and, for the portion of the awards that are not subject to market based hurdles such as TSR, are adjusted for the probability of hurdles being achieved. The amounts disclosed have been determined by allocating the value of the Rights evenly over the period from grant date to vesting date and, as a result, the table includes Rights that were granted in prior years.
- (H) Represents the 50% of the STI award granted to the Executives which is in the form of restricted shares (refer to section 4.4). Effective from the grant of STIs for the 2020 financial year, on cessation of employment, other than for dismissal for cause, all restricted shares granted as part of the STI remain on foot until the release from restriction date, including on resignation. Due to this change, the restricted shares granted in respect to the 2021 and 2020 financial year are expensed in the 2021 and 2020 financial year respectively. For STI awards granted prior to the 2020 financial year, the restricted amount is being expensed over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the Executive fully becomes entitled to the award. As a result, the table includes the accounting expense of deferrals from STIs awarded in prior years.
- (I) Represents Sign-On Rights issued to Suresh Vadnagra and Maria Sanz Perez as the equity component of their sign-on grant in accordance with their ESA, as detailed in section 4.6. The Rights are being expensed over the period in which the performance and service conditions are fulfilled, ending on the date on which the Executive becomes fully entitled to the award.
- (J) Represents performance related remuneration as a percentage of total remuneration. Performance related remuneration comprises cash Short Term Incentive, LTI Rights and STI Restricted Shares.

9.2. Executives – Changes in Rights Held during the 2021 financial year

Executives	Opening balance ⁽¹⁾	2020 LTIs	Other Grants	Rights Lapsed/ Forfeited ⁽²⁾	Vested and/or Exercised ⁽³⁾	Closing balance ⁽⁴⁾⁽⁵⁾
Sandeep Biswas	527,150	147,871 ⁽⁶⁾	–	(60,536)	(115,747)	498,738
Gerard Bond	129,220	41,075 ⁽⁶⁾	–	(14,257)	(27,259)	128,779
Lisa Ali	17,662	21,907	–	–	–	39,569
Craig Jones	84,604	29,095	–	(9,066)	(17,334)	87,299
Francesca Lee ⁽⁷⁾	70,969	–	–	(36,526)	(14,066)	20,377
Maria Sanz Perez	–	21,907	22,386	–	–	44,293
Seil Song	36,419	25,672	–	(1,887)	(3,606)	56,598
Philip Stephenson	84,604	29,095	–	(9,066)	(17,334)	87,299
Suresh Vadnagra	7,000	29,095	–	–	(3,500) ⁽⁸⁾	32,595

(1) The opening balance is as at 1 July 2020.

(2) Represents 2017 LTI Rights which lapsed or were forfeited (which were granted in the 2018 financial year).

(3) Represents 2017 LTI Rights that vested (which were granted in the 2018 financial year).

(4) The closing balance is assessed on 30 June 2021.

(5) These Rights are 'at risk' and will lapse or be forfeited in the event that the minimum prescribed conditions are not met by the Company or individual Executives, as applicable.

(6) Approval from Newcrest shareholders for the issuance of these Rights to Sandeep Biswas and Gerard Bond was obtained for the purpose of ASX Listing Rule 10.14 at the 2020 AGM.

(7) A pro-rated number of Rights held by Francesca Lee in the 2017, 2018 and 2019 LTI Plans were forfeited based on her cessation date of 31 July 2020.

(8) Suresh Vadnagra was granted 7,000 sign-on rights in the 2020 financial year, 3,500 of which vested in the 2021 financial year as detailed in section 4.6. The remaining 3,500 sign-on rights granted to Suresh are due to vest on 18 May 2022 (or as soon as possible afterwards in accordance with Newcrest's Securities Dealing Policy), subject to adequate performance and continuing employment (other than in limited circumstances).

Directors' Report *continued*

9. Statutory Tables *continued*

9.3. Executives – Total Value of Rights Granted and Exercised during the 2021 financial year

Executives	Accounting Fair Value of Rights Granted (A) US\$'000	Value for Rights Exercised (B) US\$'000
Sandeep Biswas	2,380	2,392
Gerard Bond	661	563
Lisa Ali	353	–
Craig Jones	468	358
Francesca Lee	–	291
Maria Sanz Perez	849	–
Seil Song	413	75
Philip Stephenson	468	358
Suresh Vadnagra	468	78

The following assumptions have been applied to the table:

- (A) The accounting value of the 2020 LTI Rights reflects the fair value of a Right on the Grant Date, being US\$16.09 multiplied by the number of Rights granted during the year. The accounting value of a Sign-on Right granted to Maria Sanz Perez reflects the fair value of the Rights on the Grant Date, being US\$22.16, multiplied by the number of Rights granted during the year. This amount represents the maximum value which will be expensed over the performance period. The minimum value is nil if the performance and/or service conditions are not met.
- (B) The 2021 Rights which were exercised were 2017 LTIs and Sign on Bonus. The value at the exercise date has been determined by the Company's share price at the close of business on the exercise date multiplied by the number of Rights exercised during the year ended 30 June 2021 (nil exercise price).

9.4. Executives – Source of Rights Held as at 30 June 2021

Financial Year	FY19	FY20	FY20	FY21	FY21	Balance at 30 June 2021
Type	2018 LTI	2019 LTI	Other	2020 LTI	Other	
Grant Date	21 Nov 18	19 Nov 19	29 May 20	18 Nov 2020	27 July 2020	
VWAP for grant ⁽¹⁾	A\$20.49	A\$30.84	A\$28.57	A\$29.21	A\$31.27	
Future financial years in which rights may vest	FY22	FY23	FY22	FY24	FY22	
Sandeep Biswas	210,793	140,074	–	147,871	–	498,738
Gerard Bond	48,795	38,909	–	41,075	–	128,779
Lisa Ali	–	17,662	–	21,907	–	39,569
Craig Jones	30,643	27,561	–	29,095	–	87,299
Francesca Lee ⁽²⁾	15,984	4,393	–	–	–	20,377
Maria Sanz Perez ⁽³⁾	–	–	–	21,907	22,386	44,293
Seil Song ⁽⁴⁾	17,568	13,358	–	25,672	–	56,598
Philip Stephenson	30,643	27,561	–	29,095	–	87,299
Suresh Vadnagra ⁽⁵⁾	–	–	3,500	29,095	–	32,595

(1) Five day VWAP of Newcrest's share price prior to the Grant Date is used to determine the number of Rights offered under the 2018 LTI, 2019 LTI and 2020 LTI. Five day VWAP of Newcrest's share price for sign-on shares is for the period prior to commencement of employment of Maria Sanz Perez on 1 July 2020.

(2) Rights held by Francesca Lee in the 2018 and 2019 LTI Plans have been pro-rated to her cessation date.

(3) 22,386 sign-on rights were granted to Maria Sanz Perez in part compensation for forgone equity awards with her previous employer. The number of sign-on rights granted was calculated based on a value of A\$700,000 (US\$496,000 divided by the VWAP of Newcrest's share price over the 5 trading days immediately prior to commencement of employment on 1 July 2020).

(4) All Rights granted to Seil Song under the 2018 and 2019 LTI Plans were granted as GM – Business Development. 50% of the Rights granted in both the 2018 and 2019 LTI Plans are not subject to Performance Conditions, and shares allocated on vesting are not subject to holding lock.

(5) 7,000 sign-on rights were granted to Suresh Vadnagra in part compensation for forgone equity awards with his previous employer. 3,500 sign-on rights vested as shares during FY21. The remaining 3,500 sign-on rights will vest during FY22.

9.5. Non-Executive Directors Remuneration

		Short Term	Post Employment		
	FY	Board Fees US\$'000	Committee Fees US\$'000	Super-annuation ⁽¹⁾ US\$'000	Total ⁽²⁾ US\$'000
Non-Executive Directors					
Peter Hay	2021	443	–	16	459
	2020	389	–	14	403
Philip Aiken AM	2021	151	49	2	202
	2020	131	44	4	179
Roger Higgins	2021	137	49	16	202
	2020	120	44	14	178
Sally-Anne Layman	2021	104	22	13	139
	2020	–	–	–	–
Vickki McFadden	2021	137	57	16	210
	2020	120	52	14	186
Peter Tomsett	2021	137	37	16	190
	2020	120	33	14	167
Former Non-Executive Directors					
Xiaoling Liu	2021	54	13	–	67
	2020	127	33	7	167
Total	2021	1,163	227	79	1,469
	2020	1,007	206	67	1,280

(1) Represents Company contributions to superannuation under the SGC and insurance payments.

(2) Non-Executive Directors are compensated in Australian dollars. All remuneration components have been translated from Australian dollars to US dollars using an average rate of 0.7467 (2020: 0.6715).

9.6. Other Transactions with KMP

There were no loans made, guaranteed or secured, directly or indirectly, by the Company and any of its subsidiaries to KMP or their related parties during the year. There were no other transactions between the Company or any of its subsidiaries and any KMP or their related parties during the year.

Auditor's Independence Declaration



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Auditor's Independence Declaration to the Directors of Newcrest Mining Limited

As lead auditor for the audit of the financial report of Newcrest Mining Limited for the financial year ended 30 June 2021, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Newcrest Mining Limited and the entities it controlled during the financial year.

Ernst & Young

Trent van Veen
Partner
19 August 2021

Consolidated Financial Statements

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Consolidated Income Statement

For the Year Ended 30 June 2021

	Note	2021 US\$m	2020 US\$m
Revenue	5(a)	4,576	3,922
Cost of sales	5(b)	(2,805)	(2,568)
Gross profit		1,771	1,354
Exploration expenses	11	(69)	(64)
Corporate administration expenses	5(c)	(143)	(117)
Other income/(expenses)	5(d)	185	55
Share of profit/(loss) of associates	32	26	(37)
Write-down of property, plant and equipment	6	–	(20)
Major transaction and integration costs	6	–	(15)
Profit before interest and income tax		1,770	1,156
Finance income		27	19
Finance costs	5(e)	(129)	(190)
Net finance costs		(102)	(171)
Profit before income tax		1,668	985
Income tax expense	7(a)	(504)	(350)
Profit after income tax		1,164	635
Profit after tax attributable to:			
Non-controlling interests		–	(12)
Owners of the parent		1,164	647
		1,164	635
Earnings per share (cents per share)			
Basic earnings per share	8	142.5	83.4
Diluted earnings per share	8	142.1	83.1

The above Statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

For the Year Ended 30 June 2021

	Note	2021 US\$m	2020 US\$m
Profit after income tax		1,164	635
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to the Income Statement</i>			
Cash flow hedges			
Cash flow hedge (gains)/losses transferred to the Income Statement	24(a)	96	99
Cash flow hedge gains/(losses) deferred in equity		89	(266)
Income tax (expense)/benefit		(56)	50
		129	(117)
Investments			
Share of other comprehensive income/(loss) of associates	32	3	10
		3	10
Foreign currency translation			
Exchange gains/(losses) on translation of foreign operations, net of hedges of foreign investments and tax		447	(86)
		447	(86)
<i>Items that will not be reclassified to the Income Statement</i>			
Investments			
Fair value gain/(loss) of equity instruments held at fair value through other comprehensive income ('FVOCI')		4	(12)
		4	(12)
Other comprehensive income/(loss) for the year, net of tax		583	(205)
Total comprehensive income for the year		1,747	430
Total comprehensive income attributable to:			
Non-controlling interests		–	(12)
Owners of the parent		1,747	442
		1,747	430

The above Statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2021

	Note	2021 US\$m	2020 US\$m
Current assets			
Cash and cash equivalents		1,873	1,451
Trade and other receivables	14	215	254
Inventories	13	562	549
Other financial assets	23	131	65
Current tax assets		3	1
Other assets	15	51	52
Total current assets		2,835	2,372
Non-current assets			
Trade and other receivables	14	74	51
Inventories	13	943	1,024
Other financial assets	23	510	481
Property, plant and equipment	11	9,788	8,809
Goodwill	16	19	17
Other intangible assets	17	32	24
Deferred tax assets	18	54	65
Investment in associates	32	442	386
Other assets	15	17	13
Total non-current assets		11,879	10,870
Total assets		14,714	13,242
Current liabilities			
Trade and other payables		577	520
Borrowings	21	–	4
Lease liabilities	22	27	26
Provisions	19	172	129
Current tax liability		107	23
Other financial liabilities	23	68	116
Total current liabilities		951	818
Non-current liabilities			
Borrowings	21	1,635	2,013
Lease liabilities	22	35	32
Provisions	19	563	494
Deferred tax liabilities	18	1,364	1,114
Other financial liabilities	23	42	158
Total non-current liabilities		3,639	3,811
Total liabilities		4,590	4,629
Net assets		10,124	8,613
Equity			
Issued capital	26	12,419	12,403
Accumulated losses		(2,272)	(3,170)
Reserves	27	(23)	(620)
Equity attributable to owners of the parent		10,124	8,613
Non-controlling interests		–	–
Total equity		10,124	8,613

The above Statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2021

	Note	2021 US\$m	2020 US\$m
Cash flows from operating activities			
Profit before income tax		1,668	985
<i>Adjustments for:</i>			
Depreciation and amortisation	5(f)	673	644
Write-down of property, plant and equipment	6	–	20
Net finance costs	4(b)	102	171
Net fair value gain on Fruta del Norte finance facilities	25(b)	(118)	(1)
Net fair value movements on concentrate receivables		65	(31)
Exploration expenditure written off	11	69	64
Other non-cash items or non-operating items		32	43
Change in working capital	10(a)	90	(46)
Operating cash flows before interest and taxes		2,581	1,849
Interest received		61	17
Interest paid		(107)	(113)
Income tax paid		(233)	(282)
Net cash provided by operating activities		2,302	1,471
Cash flows from investing activities			
Payments for plant and equipment, development and feasibility		(940)	(529)
Production stripping expenditure		(148)	(147)
Exploration and evaluation expenditure		(115)	(113)
Information systems development		(20)	(15)
Net payment for acquisition of Red Chris	33(a)	–	(769)
Payment for acquisition of Fruta del Norte finance facilities	23(b)	–	(460)
Net receipts from Fruta del Norte finance facilities		38	1
Proceeds from sale of property, plant and equipment		8	2
Payments for investments in associates	32	(21)	(82)
Cash inflow on sale of subsidiary, net of cash held by the subsidiary	34(c)	–	20
Net cash used in investing activities		(1,198)	(2,092)
Cash flows from financing activities			
Proceeds from borrowings:			
– Bilateral bank debt	21	–	600
– Corporate bonds	21	–	1,134
Repayment of borrowings:			
– Bilateral bank debt	21	–	(600)
– Corporate bonds	21	(380)	(1,120)
– Repayment of other loans	10(b)	(3)	(29)
Proceeds from equity issue, net of costs		–	771
Payment for treasury shares	26	(10)	(25)
Other financing activities		(20)	(64)
Repayment of lease principal		(32)	(27)
Dividends paid:			
– Members of the parent entity		(240)	(154)
– Non-controlling interests		–	(23)
Net cash used in financing activities		(685)	463
Net increase/(decrease) in cash and cash equivalents		419	(158)
Cash and cash equivalents at the beginning of the year		1,451	1,600
Effects of exchange rate changes on cash held		3	9
Cash and cash equivalents at the end of the year		1,873	1,451

The above Statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2021

	Attributable to Owners of the Parent							Non-controlling Interests US\$m	Total US\$m
	Issued Capital US\$m	FX Translation Reserve US\$m	Hedge Reserve US\$m	Equity Settlements Reserve US\$m	Other Reserves US\$m	Accumulated Losses US\$m	Total US\$m		
2021									
Balance at 1 July 2020	12,403	(575)	(192)	123	24	(3,170)	8,613	–	8,613
Profit for the year	–	–	–	–	–	1,164	1,164	–	1,164
Other comprehensive income/(loss) for the year	–	447	129	–	7	–	583	–	583
Total comprehensive income for the year	–	447	129	–	7	1,164	1,747	–	1,747
Transactions with owners in their capacity as owners									
Share-based payments	–	–	–	14	–	–	14	–	14
Shares purchased	(10)	–	–	–	–	–	(10)	–	(10)
Dividends	–	–	–	–	–	(266)	(266)	–	(266)
Shares issued – Dividend reinvestment plan	26	–	–	–	–	–	26	–	26
Balance at 30 June 2021	12,419	(128)	(63)	137	31	(2,272)	10,124	–	10,124

The above Statement should be read in conjunction with the accompanying notes.

	Attributable to Owners of the Parent							Non-controlling Interests US\$m	Total US\$m
	Issued Capital US\$m	FX Translation Reserve US\$m	Hedge Reserve US\$m	Equity Settlements Reserve US\$m	Other Reserves US\$m	Accumulated Losses US\$m	Total US\$m		
2020									
Balance at 1 July 2019	11,641	(489)	(75)	112	26	(3,648)	7,567	64	7,631
Profit for the year	–	–	–	–	–	647	647	(12)	635
Other comprehensive income/(loss) for the year	–	(86)	(117)	–	(2)	–	(205)	–	(205)
Total comprehensive income for the year	–	(86)	(117)	–	(2)	647	442	(12)	430
Transactions with owners in their capacity as owners									
Shares issued – Equity raising (net of costs)	772	–	–	–	–	–	772	–	772
Share-based payments	–	–	–	11	–	–	11	–	11
Shares purchased	(25)	–	–	–	–	–	(25)	–	(25)
Dividends	–	–	–	–	–	(169)	(169)	(23)	(192)
Shares issued – Dividend reinvestment plan	15	–	–	–	–	–	15	–	15
Business divestment (Note 34)	–	–	–	–	–	–	–	(29)	(29)
Balance at 30 June 2020	12,403	(575)	(192)	123	24	(3,170)	8,613	–	8,613

The above Statement should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

INTRODUCTION

This section provides information about the overall basis of preparation that is considered to be useful in understanding these financial statements.

1. Corporate Information

Newcrest Mining Limited is a company limited by shares, domiciled and incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange ('ASX'), PNGX Markets Limited ('PNGX') and the Toronto Stock Exchange ('TSX'). The registered office of Newcrest Mining Limited is Level 8, 600 St Kilda Road, Melbourne, Victoria, 3004, Australia.

The nature of operations and principal activities of Newcrest Mining Limited and its controlled entities are exploration, mine development, mine operations and the sale of gold and gold/copper concentrate.

The financial report of Newcrest Mining Limited for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the Directors on 19 August 2021.

2. Basis of Preparation

(a) Overview

This financial report is a general purpose financial report, prepared by a for-profit entity, in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

The financial report also complies with International Financial Reporting Standards (IFRS) including interpretations as issued by the International Accounting Standards Board (IASB).

The financial report has been prepared on a historical cost basis, except for metal concentrate receivables, other financial assets and other financial liabilities which have been measured at fair value.

The financial report has been presented in United States (US) dollars and all values are rounded to the nearest US\$1,000,000 (US\$m) unless otherwise stated.

The accounting policies have been consistently applied by all entities included in the Group and are consistent with those applied in the prior year.

Discussion of the Group's significant accounting policies are located within the applicable notes to the financial statements.

(b) Adoption of New Accounting Standards Effective this Financial Year

There are no new accounting standards or interpretations that have been adopted for the first time in these financial statements.

(c) Basis of Consolidation

The consolidated financial statements include the financial statements of the parent entity, Newcrest Mining Limited, and its controlled entities (referred to as 'the Consolidated Entity' or 'the Group' in these financial statements). A list of significant controlled entities (subsidiaries) is presented in Note 28.

Control is achieved when the Group is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Specifically, the Group controls an investee if, and only if, the Group has all of the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Non-controlling interests in the results and equity of the entities that are controlled by the Group are shown separately in the Income Statement, Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity respectively.

Notes to the Consolidated Financial Statements *continued*

For the Year Ended 30 June 2021

2. Basis of Preparation *continued*

(d) Foreign Currency

Presentation and Functional Currency

The presentation currency of the Group is US dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The parent entity and the Group's Australian entities have a functional currency of Australian dollars. Lihir has a functional currency of US dollars and Red Chris has a functional currency of Canadian dollars.

Transactions and Balances

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. The subsequent payment or receipt of funds related to a transaction is translated at the rate applicable on the date of payment or receipt. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

All exchange differences in the consolidated financial statements are taken to the Income Statement with the exception of differences on certain US dollar borrowings (net of cash) held by entities with a functional currency of Australian dollars where the foreign currency components are designated as either cash flow hedges of future US dollar denominated sales or hedges of a net investment in a foreign operation. These are recognised in other comprehensive income and accumulated in a reserve until the forecast sales used to repay the debt occur (for cash flow hedges) or the foreign operation is disposed (for net investment hedges), at which time they are recognised in the Income Statement.

Translation

The assets and liabilities of subsidiaries with a functional currency other than US dollars (being the presentation currency of the group) are translated into US dollars at the exchange rate at the reporting date and the income statement is translated at the average exchange rate for the period. On consolidation, exchange differences arising from the translation of these subsidiaries, translation of net investments in foreign operations and of the US dollar borrowings (net of cash) designated as hedges of the net investment are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the Income Statement.

3. Critical Accounting Judgements, Estimates and Assumptions

Judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to Management. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The judgements, estimates and assumptions that potentially have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are found within the following notes:

- Note 11 – Exploration, evaluation and deferred feasibility expenditure
- Note 11 – Production stripping
- Note 11 – Units of production method of depreciation/amortisation
- Note 11 – Ore reserves and mineral resources
- Note 12 – Fair value of CGUs
- Note 13 – Net realisable value of ore stockpiles
- Note 18 – Recovery of deferred tax assets
- Note 19 – Mine rehabilitation provision
- Note 22 – Leases
- Note 24 – Valuation of Fruta del Norte ('FdN') finance facilities
- Note 25 – Valuation of power purchase agreement
- Note 36 – Share-based payments

PERFORMANCE

This section highlights the key indicators on how the Group performed in the current year.

4. Segment Information

The Group's operating segments are based on the internal management reports that are reviewed and used by the Group's Executive Committee in assessing performance. The operating segments represent the Group's operating mines and projects which are organised and managed according to their location and stage.

The Group's reportable operating segments are:

- Cadia, Australia
- Telfer, Australia
- Lihir, Papua New Guinea
- Red Chris JV (70% interest), Canada⁽¹⁾
- Gosowong, Indonesia⁽²⁾
- Exploration and Projects⁽³⁾

(1) Newcrest acquired a 70% interest in the Red Chris JV on 15 August 2019. Refer to Note 33.

(2) Newcrest divested its 75% share of Gosowong held through its holding in PT Nusa Halmahera Minerals on 4 March 2020. Refer to Note 34.

(3) Exploration and Projects mainly comprises projects in the exploration, evaluation and feasibility phase. It includes Haviron (40% interest, with Newcrest having met the Stage 3 expenditure requirement (US\$45 million) under its farm-in agreement with Greatland Gold plc and being entitled to earn an additional 20% interest). It also includes Wafi-Golpu JV (50% interest) in PNG, Namosi JV (72.74% interest) in Fiji, O'Callaghans in Australia and Newcrest's global greenfields exploration portfolio.

(a) Segment Results, Segment Assets and Segment Liabilities

The measurement of segment results is in line with the basis of information presented to the Group's Executive Committee for internal management reporting purposes. The performance of each segment is measured based on their Revenues, Costs, EBITDA and EBIT ('Segment Result').

Segment Revenues represent gold, copper and silver revenue, less related treatment and refining deductions. All segment revenue is from third parties.

EBITDA is earnings before interest, tax, depreciation, amortisation and significant items.

EBIT is earnings before interest, tax and significant items. The reconciliation of EBIT to profit before tax is shown in Note 4(b).

Capital Expenditure comprises payments for plant and equipment, production stripping expenditure, assets under construction, mine development and feasibility expenditure and information systems development.

Segment assets exclude intercompany receivables. Segment liabilities exclude intercompany payables.

The Group's investment in associates is included within the Corporate and Other segment.

Notes to the Consolidated Financial Statements continued

For the Year Ended 30 June 2021

4. Segment Information continued

(a) Segment Results, Segment Assets and Segment Liabilities continued

2021	Cadia US\$m	Telfer US\$m	Lihir US\$m	Red Chris US\$m	Total Operations US\$m	Exploration & Projects ⁽²⁾ US\$m	Corporate & Other ⁽³⁾ US\$m	Total Group US\$m
Gold	1,417	660	1,424	83	3,584	–	–	3,584
Copper	853	105	–	179	1,137	–	–	1,137
Silver	18	4	1	3	26	–	–	26
Treatment and refining deductions	(108)	(44)	–	(19)	(171)	–	–	(171)
Total revenue	2,180	725	1,425	246	4,576	–	–	4,576
EBITDA	1,615	137	590	79	2,421	(69)	91	2,443
Depreciation and amortisation	(199)	(104)	(277)	(70)	(650)	–	(23)	(673)
EBIT (Segment result)⁽¹⁾	1,416	33	313	9	1,771	(69)	68	1,770
Capital expenditure	571	65	299	127	1,062	31	26	1,119
Segment assets	4,017	296	5,508	1,151	10,972	679	3,063	14,714
Segment liabilities	848	355	1,383	148	2,734	81	1,775	4,590
Net assets/(liabilities)	3,169	(59)	4,125	1,003	8,238	598	1,288	10,124

Notes:

(1) Refer to Note 4(b) for the reconciliation of segment result to profit before tax.

(2) Includes net assets attributable to Wafi-Golpu JV of US\$452 million, Havieron of US\$72 million and Namosi JV of US\$25 million.

(3) Includes investment in associates, Fruta del Norte finance facilities and eliminations.

2020	Cadia US\$m	Telfer US\$m	Lihir US\$m	Red Chris ⁽²⁾ US\$m	Goso- wong ⁽³⁾ US\$m	Total Operations US\$m	Exploration & Projects ⁽⁴⁾ US\$m	Corporate & Other ⁽⁵⁾ US\$m	Total Group US\$m
Gold	1,336	528	1,196	60	158	3,278	–	–	3,278
Copper	547	92	–	139	–	778	–	–	778
Silver	10	3	–	1	2	16	–	–	16
Treatment and refining deductions	(91)	(44)	–	(15)	–	(150)	–	–	(150)
Total revenue	1,802	579	1,196	185	160	3,922	–	–	3,922
EBITDA	1,301	103	465	63	44	1,976	(64)	(77)	1,835
Depreciation and amortisation	(163)	(84)	(295)	(47)	(33)	(622)	–	(22)	(644)
EBIT (Segment result)⁽¹⁾	1,138	19	170	16	11	1,354	(64)	(99)	1,191
Capital expenditure	297	56	235	64	13	665	13	17	695
Segment assets	3,392	264	5,554	961	–	10,171	594	2,477	13,242
Segment liabilities	754	288	1,312	125	–	2,479	21	2,129	4,629
Net assets/(liabilities)	2,638	(24)	4,242	836	–	7,692	573	348	8,613

Notes:

(1) Refer to Note 4(b) for the reconciliation of segment result to profit before tax.

(2) In August 2019, the Group acquired a 70% interest in Red Chris. Refer to Note 33.

(3) In March 2020, Gosowong was divested. Refer to Note 34.

(4) Includes net assets attributable to Wafi-Golpu JV of US\$477 million, Havieron of US\$38 million and Namosi JV of US\$25 million.

(5) Includes investment in associates, Fruta del Norte finance facilities and eliminations.

	Note	2021 US\$m	2020 US\$m
(b) Reconciliation of EBIT (Segment Result) to Profit Before Tax			
Segment Result	4(a)	1,770	1,191
Finance income		27	19
Finance costs	5(e)	(129)	(190)
Net finance costs		(102)	(171)
Write-down of property, plant and equipment	6	–	(20)
Major transaction and integration costs	6	–	(15)
Significant items		–	(35)
Profit before tax		1,668	985
(c) Geographical Information			
Total Revenue⁽¹⁾			
Bullion⁽²⁾			
Australia		1,771	1,420
China (including Hong Kong)		–	253
Canada		17	–
Concentrate⁽³⁾			
Japan		1,727	1,356
Korea		387	309
Singapore		236	163
Switzerland		168	148
Philippines		109	115
United Kingdom		112	115
Other		49	43
Total revenue		4,576	3,922
Non-Current Assets⁽⁴⁾			
Australia		4,454	3,628
Papua New Guinea		5,554	5,578
Canada		1,449	1,236
USA		397	403
Other		25	25
Total non-current assets		11,879	10,870

(1) Revenue is attributable to geographic location, based on the location of customers. This location may differ to the port of destination.

(2) Bullion sales to one customer amounted to US\$521 million (2020: US\$439 million).

(3) Concentrate sales to one customer amounted to US\$967 million (2020: US\$783 million) arising from concentrate sales by Cadia and Telfer.

(4) Non-Current Assets includes deferred tax assets of US\$54 million (2020: US\$65 million).

Notes to the Consolidated Financial Statements *continued*

For the Year Ended 30 June 2021

5. Income and Expenses

	2021 US\$m	2020 US\$m
(a) Revenue		
Gold – Bullion	1,787	1,670
Gold – Concentrate	1,797	1,608
Gold – Concentrate treatment and refining deductions	(48)	(40)
Total gold revenue	3,536	3,238
Copper – Concentrate	1,137	778
Copper – Concentrate treatment and refining deductions	(120)	(108)
Total copper revenue	1,017	670
Silver – Bullion	1	3
Silver – Concentrate	25	13
Silver – Concentrate treatment and refining deductions	(3)	(2)
Total silver revenue	23	14
Total revenue⁽¹⁾	4,576	3,922
(b) Cost of Sales		
Site production costs ⁽²⁾	1,889	1,779
Royalties	143	119
Treatment and realisation	54	48
Inventory movements	69	–
	2,155	1,946
Depreciation and amortisation	650	622
Total cost of sales	2,805	2,568
(c) Corporate Administration Expenses		
Corporate costs	105	83
Corporate depreciation	23	22
Share-based payments	15	12
Total corporate administration expenses	143	117
(d) Other Income/(Expenses)		
Net fair value gain/(loss) on gold and copper derivatives and fair value movements on concentrate receivables	124	64
Net foreign exchange gain/(loss)	(57)	(6)
Net fair value movement on Fruta del Norte finance facilities	118	1
Other	–	(4)
Total other income/(expenses)	185	55

(1) Total revenue for the year ended 30 June 2021 comprises of revenue from contracts with customers of US\$4,675 million (2020: US\$4,004 million) and gold hedge losses of US\$99 million (2020: US\$82 million).

(2) Includes benefit of US\$8.9 million (2020: nil) in relation to the Canada Emergency Wage Subsidy (CEWS) and US\$0.2 million (2020: nil) in relation to the Canada Emergency Rent Subsidy (CER) recognised as part of the Canadian federal government's response to the COVID-19 health pandemic which is available to all eligible Canadian businesses.

	2021 US\$m	2020 US\$m
(e) Finance Costs		
Interest on loans	84	97
Interest on leases	2	2
Facility fees and other costs	17	15
Discount unwind on provisions (Note 19(b))	6	7
	109	121
Debt extinguishment and related costs	20	69
Total finance costs	129	190
(f) Depreciation and Amortisation		
Property, plant and equipment	642	627
Intangible assets	21	24
	663	651
Adjustments to inventory on hand or assets under construction	10	(7)
Total depreciation and amortisation expense	673	644
Included in:		
Cost of sales depreciation	650	622
Corporate depreciation	23	22
Total depreciation and amortisation expense	673	644
(g) Employee Benefits Expense		
Salaries, wages and other employment benefits	464	400
Defined contribution plan expense	37	30
Share-based payments	15	12
Redundancy expense	8	2
Total employee benefits expense	524	444

(h) Significant Accounting Policies

Revenue recognition

Revenue from the sale of goods is recognised when the Group satisfies its performance obligations under its contract with the customer, by transferring such goods to the customer's control. Control is generally determined to be when risk and title to the goods passes to the customer.

Bullion revenue is recognised at a point in time upon transfer of control to the customer and is measured at the amount to which the Group expects to be entitled which is based on the deal agreement.

Concentrate revenue is generally recognised upon receipt of the bill of lading when the goods are delivered for shipment under CIF Incoterms. The freight service on export concentrate contracts with CIF Incoterms represents a separate performance obligation to the transfer of the concentrate product itself and is separately disclosed where material.

The terms of metal in concentrate sales contracts with third parties contain provisional pricing arrangements whereby the selling price for metal in concentrate is based on prevailing spot prices on a specified future date after shipment to the customer (quotation period). Adjustments to the sales price occur based on movements in quoted market prices up to the date of final settlement. The period between provisional invoicing and final settlement is typically between one and four months. Revenue on provisionally priced sales is recognised based on the estimated fair value of the total consideration receivable and is net of deductions related to treatment and refining charges. Subsequent changes in fair value are recognised in the Income Statement each period until final settlement and presented as part of 'Other Income/Expenses'.

Interest income

Interest income on financial assets that are classified as fair value through profit and loss ('FVTPL') is accounted for on a contractual rate basis.

Notes to the Consolidated Financial Statements *continued*

For the Year Ended 30 June 2021

6. Significant Items

Significant items represent items of income or expense which are, either individually or in aggregate, material to Newcrest or to the relevant business segment and are either outside the ordinary course of business or are part of the ordinary activities of the business but unusual due to their size and nature.

Year ended 30 June 2021

There are no significant items for the year ended 30 June 2021.

Year ended 30 June 2020	Pre-Tax US\$m	Tax US\$m	After tax US\$m
Write-down of property, plant and equipment ⁽¹⁾	20	–	20
Write-down of tax assets ⁽¹⁾	–	37	37
Major transaction and integration costs ⁽²⁾	15	(4)	11
Debt extinguishment and related costs ⁽³⁾	69	(21)	48
Total significant items	104	12	116
Attributable to:			
Non-controlling interest ⁽⁴⁾			13
Owners of the parent			103
			116

(1) Represents a write-down of property, plant and equipment, and tax assets (collectively non-current assets) at Gosowong, following the classification of Gosowong as held for sale as at 31 December 2019. Refer to Note 34 for further details.

(2) Represents transaction costs for the acquisition of the Fruta del Norte finance facilities and business acquisition and integration costs in relation to Red Chris.

(3) Represents finance costs arising from the early repayment of US\$750 million of Newcrest's bonds which were due in November 2021 and the early repayment of US\$370 million of bonds which were due in October 2022.

(4) Relates to the write-down of non-current assets at Gosowong.

7. Income Tax Expense

	2021 US\$m	2020 US\$m
(a) Reconciliation of Prima Facie Income Tax Expense to Income Tax Expense per the Income Statement		
Accounting profit before tax	1,668	985
Income tax expense calculated at 30%	500	296
Recognition and de-recognition of deferred tax balances	17	5
Tax effect of (profit)/loss from equity accounted investments	(7)	10
Impact of tax rates applicable outside of Australia	(13)	2
Other items	7	(6)
<i>Adjustments on Significant items:</i>		
Write-down of tax assets	–	37
Write-down of property, plant and equipment	–	6
	–	43
Income tax expense per the Income Statement	504	350
(b) Income Tax Expense Comprises:		
Current income tax		
Current income tax expense	340	211
Adjustments to current income tax of prior periods	(30)	(19)
	310	192
Deferred tax⁽¹⁾		
Relating to origination and reversal of temporary differences	146	144
Adjustments to deferred tax of prior periods	48	14
	194	158
Income tax expense per the Income Statement	504	350

(1) Refer to Note 18(a) for movements in deferred taxes.

8. Earnings per Share (EPS)

EPS (cents per share)	2021 US¢	2020 US¢
Basic EPS	142.5	83.4
Diluted EPS	142.1	83.1

Earnings used in calculating EPS	2021 US\$m	2020 US\$m
Earnings used in the calculation of basic and diluted EPS:		
Profit after income tax attributable to owners of the parent	1,164	647

Weighted average number of shares	2021 No. of shares	2020 No. of shares
Share data used in the calculation of basic and diluted EPS:		
Weighted average number of ordinary shares used in calculating basic EPS	816,719,267	776,049,586
Effect of dilutive securities: share rights	2,425,239	2,406,282
Adjusted weighted average number of ordinary shares used in calculating diluted EPS	819,144,506	778,455,868

Rights granted to employees as described in Note 36 have been included in the determination of diluted earnings per share to the extent they are dilutive.

Notes to the Consolidated Financial Statements *continued*

For the Year Ended 30 June 2021

9. Dividends

	2021 US¢ per share	2021 US\$m	2020 US¢ per share	2020 US\$m
(a) Dividends declared and paid				
The following fully franked ordinary dividends were paid during the year:				
Final dividend:				
Paid 25 September 2020	17.5	143	–	–
Paid 26 September 2019	–	–	14.5	111
Interim dividend:				
Paid 25 March 2021	15.0	123	–	–
Paid 27 March 2020	–	–	7.5	58
	32.5	266	22.0	169

Participation in the dividend reinvestment plan reduced the cash amount paid during 2021 to US\$240 million (2020: US\$154 million).

(b) Dividend proposed and not recognised as a liability

Subsequent to year end, the Directors have determined to pay a final dividend for the year ended 30 June 2021 of US 40 cents per share, which will be fully franked. The dividend will be paid on 30 September 2021. The total amount of the dividend is US\$327 million.

(c) Dividend franking account balance

Franking credits at 30% as at 30 June 2021 available for subsequent financial years is US\$419 million (2020: US\$295 million).

10. Notes to the Consolidated Statement of Cash Flows

	2021 US\$m	2020 US\$m
(a) Operating Cash Flows Arising from Changes in:		
Trade and other receivables	(58)	(96)
Inventories	57	(11)
Trade and other payables	62	71
Provisions	25	(8)
Other assets and liabilities	4	(2)
Change in working capital	90	(46)

(b) Other Information

The repayment of other loans of US\$3 million (2020: US\$29 million), comprises of repayment of US\$4 million (2020: US\$42 million) less cash contribution from the Red Chris joint venture participant of US\$1 million (2020: US\$13 million).

RESOURCE ASSETS AND LIABILITIES

This section provides information that is relevant in understanding the composition and management of the Group's resource assets and liabilities.

11. Property, Plant and Equipment

	Exploration & Evaluation Expenditure US\$m	Deferred Feasibility Expenditure US\$m	Assets Under Con- struction US\$m	Production Stripping US\$m	Right-Of-Use Assets US\$m	Mine Develop- ment ⁽¹⁾ US\$m	Plant and Equipment US\$m	Total US\$m
At 30 June 2021								
Cost	564	311	807	613	121	8,184	8,070	18,670
Accumulated depreciation and impairment	(80)	–	–	(276)	(61)	(4,022)	(4,443)	(8,882)
	484	311	807	337	60	4,162	3,627	9,788
Year ended 30 June 2021								
Carrying amount at 1 July 2020	419	280	377	272	56	3,905	3,500	8,809
Additions during the year	115	31	611	148	30	177	185	1,297
Expenditure written-off	(69)	(4)	–	–	–	–	–	(73)
Depreciation	–	–	–	(94)	(33)	(176)	(339)	(642)
Disposal of assets	–	–	–	–	–	–	(8)	(8)
Foreign currency translation	11	1	40	11	4	198	148	413
Reclassifications/transfers ⁽²⁾	8	3	(221)	–	3	58	141	(8)
Carrying amount at 30 June 2021	484	311	807	337	60	4,162	3,627	9,788

(1) Includes Mineral Rights at Lihir and Red Chris with a carrying value of US\$1,543m.

(2) Total reclassifications of US\$8 million relates to transfers to Other Intangible Assets (Note 17).

	Exploration & Evaluation Expenditure US\$m	Deferred Feasibility Expenditure US\$m	Assets Under Con- struction US\$m	Production Stripping US\$m	Right-Of-Use Assets US\$m	Mine Develop- ment ⁽¹⁾ US\$m	Plant and Equipment US\$m	Total US\$m
At 30 June 2020								
Cost	499	280	377	450	82	7,561	7,413	16,662
Accumulated depreciation and impairment	(80)	–	–	(178)	(26)	(3,656)	(3,913)	(7,853)
	419	280	377	272	56	3,905	3,500	8,809
Year ended 30 June 2020								
Carrying amount at 1 July 2019	351	272	292	201	–	3,394	3,306	7,816
Adoption of AASB 16 (Note 22)	–	–	–	–	53	–	–	53
Additions during the year	113	11	255	147	24	217	147	914
Expenditure written-off	(64)	(2)	–	–	–	–	–	(66)
Depreciation	–	–	–	(74)	(26)	(187)	(340)	(627)
Disposal of assets	–	–	–	–	–	–	(1)	(1)
Business acquisition (Note 33)	35	–	9	–	7	460	344	855
Business divestment (Note 34)	–	–	–	–	–	(20)	(6)	(26)
Write-down of assets (Note 6)	–	–	–	–	–	(13)	(7)	(20)
Foreign currency translation	–	(1)	(4)	(2)	(2)	(46)	(32)	(87)
Reclassifications/transfers ⁽²⁾	(16)	–	(175)	–	–	100	89	(2)
Carrying amount at 30 June 2020	419	280	377	272	56	3,905	3,500	8,809

(1) Includes Mineral Rights at Lihir and Red Chris with a carrying value of US\$1,557m.

(2) Total reclassifications of US\$2 million relates to transfers to Other Intangible Assets (Note 17).

Notes to the Consolidated Financial Statements *continued*

For the Year Ended 30 June 2021

11. Property, Plant and Equipment *continued*

Exploration, Evaluation and Deferred Feasibility Expenditure

Exploration and Evaluation

Exploration and evaluation expenditure related to areas of interest is capitalised and carried forward to the extent that:

- (i) Rights to tenure of the area of interest are current; and
- (ii) (a) Costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively by sale; or
- (b) Where activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Such expenditure consists of an accumulation of acquisition costs and direct exploration and evaluation costs incurred, together with an appropriate portion of directly related overhead expenditure.

The carrying value of capitalised exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying value may exceed its recoverable amount.

Deferred Feasibility

Feasibility expenditure represents costs related to the preparation and completion of a feasibility study to enable a development decision to be made in relation to an area of interest and are capitalised as incurred.

At the commencement of construction, all past exploration, evaluation and deferred feasibility expenditure in respect of an area of interest that has been capitalised is transferred to assets under construction.

Accounting Judgement, Estimates and Assumptions – Exploration, Evaluation and Deferred Feasibility Expenditure

Judgement is required to determine whether future economic benefits are likely, from either exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves. In addition to these judgements, the Group has to make certain estimates and assumptions. The determination of a Joint Ore Reserves Committee ('JORC') resource is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e. measured, indicated or inferred). The estimates directly impact when the Group capitalises exploration and evaluation expenditure. The capitalisation policy requires Management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves will be found. Any such estimates and assumptions may change as new information becomes available.

The recoverable amount of capitalised expenditure relating to undeveloped mining projects (projects for which the decision to mine has not yet been approved at the required authorisation level within the Group) can be particularly sensitive to variations in key estimates and assumptions. If a variation in key estimates or assumptions has a negative impact on recoverable amount it could result in a requirement for impairment or write-down.

Assets Under Construction

This expenditure includes net direct costs of construction, borrowing costs capitalised during construction and an appropriate allocation of attributable overheads. Expenditure is net of proceeds from the sale of ore extracted during the construction phase to the extent that this ore extracted is considered integral to the development of the mine.

After production commences, all aggregated costs of construction are transferred to mine development or plant and equipment as appropriate.

Production Stripping Expenditure

Stripping (waste removal) costs are incurred both during the development phase and production phase of operations. Stripping costs incurred during the development phase are capitalised as part of mine development costs. Stripping costs incurred during the production phase are generally considered to create two benefits:

- the production of ore inventory in the period – accounted for as a part of the cost of producing those ore inventories; or
- improved access to the ore to be mined in the future – recognised as 'production stripping asset', if the following criteria are met:
 - Future economic benefits (being improved access to the ore body) associated with the stripping activity are probable;
 - The component of the ore body for which access has been improved can be accurately identified; and
 - The costs associated with the stripping activity associated with that component can be reliably measured.

The amount of stripping costs deferred is based on the ratio obtained by dividing the amount of waste tonnes mined by the quantity of gold ounces contained in the ore for each component of the mine. Stripping costs incurred in the period are deferred to the extent that the actual current period waste to contained gold ounce ratio exceeds the life of component expected waste to contained gold ounce ratio ('life of component') ratio.

A component is defined as a specific volume of the ore body that is made more accessible by the stripping activity and is determined based on mine plans. An identified component of the ore body is typically a subset of the total ore body of the mine. Each mine may have several components, which are identified based on the mine plan.

The production stripping asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the ore within an identified component, plus an allocation of directly attributable overhead costs.

The production stripping asset is depreciated over the expected useful life of the identified component of the ore body that is made more accessible by the activity, on a units of production basis. Economically recoverable reserves are used to determine the expected useful life of the identified component of the ore body.

Accounting Judgement – Production Stripping

The life of component ratio is a function of the mine design and therefore changes to that design will generally result in changes to the ratio. Changes in other technical or economic parameters that impact reserves will also have an impact on the life of component ratio even if they do not affect the mine design. Changes to production stripping resulting from a change in life of component ratios are accounted for prospectively.

Mineral Rights

Mineral rights comprise identifiable exploration and evaluation assets, mineral resources and ore reserves, which are acquired as part of a business combination or a joint arrangement acquisition and are recognised at fair value at date of acquisition. Mineral rights are attributable to specific areas of interest and are amortised when commercial production commences on a units of production basis over the estimated economically recoverable reserves of the mine to which the rights relate.

Plant and Equipment and Mine Development Cost

Plant and equipment and mine development is carried at cost less accumulated depreciation and any accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, and any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and for qualifying assets (where relevant), borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Construction cost for mine development includes expenditure in respect of exploration, evaluation and feasibility, previously accumulated and carried forward in relation to areas of interest in which development or construction is underway.

Depreciation and Amortisation

Items of plant and equipment and mine development are depreciated over their estimated useful lives.

The Group uses the units of production basis when depreciating mine-specific assets which results in a depreciation charge proportional to the depletion of the anticipated remaining life of mine production. Each item's economic life has due regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which it is located.

For the remainder of assets, the straight line method is used, resulting in estimated useful lives between 3 – 20 years, the duration of which reflects the specific nature of the asset.

Estimates of remaining useful lives, residual values and depreciation methods are reviewed annually for all major items of plant and equipment and mine development. Any changes are accounted for prospectively.

When an asset is surplus to requirements or no longer has an economic value, the carrying amount of the asset is reviewed and is written down to its recoverable amount or derecognised.

Accounting Estimates and Assumptions – Units of Production Method of Depreciation/Amortisation

The Group uses the units of production basis when depreciating/amortising mine-specific assets which results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining life of mine production. Each item's economic life, which is assessed annually, has due regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which it is located. These calculations require the use of estimates and assumptions. Any change in these estimates and assumptions are accounted for prospectively.

Accounting Estimates and Assumptions – Ore Reserves and Mineral Resources

The Group estimates its mineral resources and ore reserves annually at 31 December each year, and reports in the following February. The Group's Annual Mineral Resources and Ore Reserves Statement conforms with the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* by the Australasian Joint Ore Reserves Committee Code (the JORC code 2012) and National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (NI 43-101) of the Canadian Securities Administrators.

The estimated quantities of economically recoverable reserves are based upon interpretations of geological models and require assumptions to be made regarding factors such as estimates of short and long-term exchange rates, estimates of short and long-term commodity prices, future capital requirements and future operating performance. Changes in reported reserves estimates can impact the carrying value of property, plant and equipment (including exploration and evaluation assets), the provision for rehabilitation obligations, the recognition of deferred tax assets, as well as the amount of depreciation charged to the Income Statement.

Notes to the Consolidated Financial Statements *continued*

For the Year Ended 30 June 2021

12. Impairment of Non-Financial Assets

(a) Impairment Testing

Impairment tests are performed when there is an indicator of impairment or impairment reversal and performed at least annually for cash generating units ('CGUs') with goodwill recognised as an asset. Newcrest conducts a review of the key drivers of the recoverable amount of CGUs annually, which is used as a source of information to determine whether there is an indicator of impairment or reversal of previously recognised impairments. Other factors, such as changes in assumptions in future commodity prices, exchange rates, production rates, input costs and impacts of carbon price scenarios are also monitored to assess for indications of impairment or reversal of previously recognised impairments. Where an indicator of impairment or impairment reversal exists, a detailed estimate of the recoverable amount is determined.

CGUs represent a grouping of assets at the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Generally, this results in the Group evaluating its CGUs as individual mining operations, which is consistent with the Group's representation of operating segments.

During the year the Group revised upwards its future gold price estimates, resulting in an impairment reversal indicator for the Lihir and Telfer CGUs. There were also indicators of impairment at Lihir. Consequently, a detailed estimate of the recoverable amounts of both CGUs was undertaken. A range of valuation outcomes were assessed having regard to scenarios and sensitivity analysis conducted on a number of assumptions. As a result of this analysis, it was concluded that no impairment or impairment reversal was required as at 30 June 2021 for either CGU.

Goodwill is recognised in the Red Chris CGU following its acquisition in 2020. A detailed estimate was determined of the recoverable amount of Red Chris as at 30 June 2021 and it was concluded no impairment was required.

In relation to the impacts of the COVID-19 pandemic, Newcrest has been able to continue operating at all CGUs during the year. Whilst there have been disruptions to the movements of workers to some assets and additional costs have been incurred in relation to risk management protocols at all sites, the Group has concluded that the COVID-19 impacts do not represent an indicator of impairment for any CGU.

(b) Basis of Impairment and Impairment Reversal Calculations

An impairment loss is recognised when a CGU's carrying amount exceeds its recoverable amount. The recoverable amount of each CGU has been estimated on the basis of fair value less costs of disposal ('Fair Value'). The costs of disposal have been estimated based on prevailing market conditions.

For CGUs that have previously recognised an impairment loss, an impairment reversal is recognised for non-current assets (other than goodwill) when the Fair Value indicates that the previously recognised impairment has been reversed. Such a reversal is limited to the lesser of the amount that would not cause the carrying amount to exceed its recoverable amount or the value that would have been determined (net of depreciation) had no impairment loss been recognised.

Fair Value is estimated based on discounted cash flows using market-based commodity price and exchange rate assumptions, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements, based on the CGU's latest life of mine ('LOM') plans. For business planning, including new acquisitions and key capital expenditures, carbon price scenarios are included in sensitivity analysis at \$25 per tonne of CO₂-e, and at \$50 a tonne of CO₂-e for jurisdictions where there is no regulated carbon price. In certain cases, where multiple investment options and economic input ranges exist, Fair Value may be determined from a combination of two or more scenarios that are weighted to provide a single Fair Value that is determined to be the most indicative. When plans and scenarios used to estimate Fair Value do not fully utilise the existing mineral resource for a CGU, and options exist for the future extraction and processing of all or part of those resources, an estimate of the value of unmined resources, in addition to an estimate of value of exploration potential, is included in the estimation of Fair Value.

The Fair Value estimates are considered to be level 3 fair value measurements (as defined by accounting standards, refer Note 25(a)) as they are derived from valuation techniques that include inputs that are not based on observable market data. The Group considers the inputs and the valuation approach to be consistent with the approach taken by market participants.

Estimates of quantities of recoverable minerals, production levels, operating costs and capital requirements are sourced from the Group's planning and budgeting process, including LOM plans, latest short-term forecasts and CGU-specific studies.

(c) Key Judgements, Estimates and Assumptions

Accounting Estimates and Assumptions – Fair Value of CGUs

Significant judgements, estimates and assumptions are required in determining estimates of Fair Value. This is particularly so in the assessment of long life assets. It should be noted that the CGU Fair Values are subject to variability in key assumptions including, but not limited to, gold and copper prices, exchange rates, discount rates, production profiles and operating and capital costs. A change in one or more of the assumptions used to estimate Fair Value could result in a change in a CGU's Fair Value.

The table below summarises the key assumptions used in the carrying value assessments as at 30 June 2021, and for comparison also provides the equivalent assumptions used in 2020:

Assumptions for financial year	As at 30 June 2021					As at 30 June 2020				
	2022	2023	2024	2025	Long term (2026+)	2021	2022	2023	2024	Long term (2025+)
Gold (US\$ per ounce)	\$1,750	\$1,700	\$1,550	\$1,500	\$1,500	\$1,550	\$1,500	\$1,450	\$1,400	\$1,350
Copper (US\$ per pound)	\$3.75	\$3.50	\$3.30	\$3.30	\$3.30	\$2.35	\$2.60	\$2.70	\$2.80	\$3.00
AUD:USD exchange rate	\$0.78	\$0.78	\$0.77	\$0.76	\$0.75	\$0.68	\$0.70	\$0.72	\$0.72	\$0.75
CAD:USD exchange rate	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.74	\$0.76	\$0.77	\$0.79	\$0.79
USD:PGK exchange rate	K3.51	K3.51	K3.51	K3.51	K3.51	K3.44	K3.44	K3.44	K3.44	K3.44

Commodity prices and exchange rates estimation approach

Commodity price and foreign exchange rates are estimated with reference to external market forecasts and reviewed at least annually. The rates applied have regard to observable market data including spot and forward values, and to market analysis including equity analyst estimates.

Metal prices

Newcrest has increased its US dollar gold price estimates and its US dollar copper prices applied as at 30 June 2021. These changes were to align with observable market data, taking into account spot prices during the 2021 financial year and Newcrest's analysis of observable market forecasts for future periods.

AUD:USD exchange rate

The AUD:USD exchange rate estimates for the 2022 to 2025 financial years have increased from 2020, reflecting spot prices during the 2021 financial year and Newcrest's analysis of observable market forecasts for future periods. Newcrest has maintained its long-term AUD:USD exchange rate estimates.

CAD:USD exchange rate

Newcrest has increased its CAD:USD exchange rate estimates for all future periods, reflecting spot prices during the 2021 financial year and Newcrest's analysis of observable market forecasts for future periods.

USD:PGK exchange rate

Newcrest has increased its USD:PGK exchange rate estimates for all future periods, reflecting spot prices during the 2021 financial year and Newcrest's analysis of observable market forecasts for future periods.

Discount rate

In determining the Fair Value of CGUs, the future cash flows were discounted using rates based on the Group's estimated real after tax weighted average cost of capital ('WACC') for each functional currency used in the Group, with an additional premium applied having regard to the geographic location of, and specific risks associated with the CGU.

CGU	Functional Currency	2021	2020
Cadia, Telfer	AUD	4.50%	4.50%
Lihir	USD	6.00%	6.00%
Red Chris	CAD	4.50%	4.50%

The Group uses a capital asset pricing model to determine its estimated real after tax WACC. There were no changes in the current period to inputs and assumptions used in the capital asset pricing models.

Production activity and operating and capital costs

LOM production activity and operating and capital cost assumptions are based on the Group's latest forecasts and longer-term LOM plans. These projections can include expected operating performance improvements reflecting the Group's objectives to maximise free cash flow, optimise and reduce operational activity, apply technology and improve capital and labour productivity.

Notes to the Consolidated Financial Statements *continued*

For the Year Ended 30 June 2021

12. Impairment of Non-Financial Assets *continued*

(d) Sensitivity Analysis

Impairments have previously been recognised for the Lihir CGU in 2013 and 2014. Following the review of Lihir's recoverable amount as at 30 June 2021, and in recognising no requirement for asset impairment or impairment reversal, the Group has determined that the Lihir carrying amount as at 30 June 2021 is within a range that approximates its Fair Value.

Impairments have previously been recognised for the Telfer CGU in 2013, 2014 and 2018 and an impairment reversal was recognised for Telfer in 2015. Following the review of Telfer's recoverable amount as at 30 June 2021, and in recognising no requirement for asset impairment or impairment reversal, the Group has determined that the Telfer carrying amount as at 30 June 2021 is within a range that approximates its Fair Value. Telfer remains a complex, low-grade, mid-to-high cost operation with a relatively high annual gold production level. Telfer's Fair Value has high sensitivity to the AUD gold price, operating cost, capital cost and reserve and resource model conversion assumptions and changes in these assumptions can have material impacts relative to Telfer's Fair Value.

Any variation in the key assumptions used to determine the Fair Value of the Lihir and Telfer CGUs would result in a change of the estimated Fair Value. If the variation in assumption had a negative impact on Fair Value, it could indicate a requirement for impairment of non-current assets. If the variation in assumption had a positive impact on Fair Value, it could indicate a requirement for an impairment reversal of CGUs (where applicable).

Red Chris was acquired during the prior year at Fair Value. Any variation in the key assumptions used to determine the Fair Value of the Red Chris CGU that had a negative impact on Fair Value could indicate a requirement for impairment of non-current assets.

It is estimated that the following reasonably possible changes in the key assumptions would have the following approximate impact (increase or decrease) on the Fair Value of each of these CGUs in its functional currency as at 30 June 2021:

\$ million in functional currency	Lihir US\$	Telfer A\$	Red Chris C\$
US\$100 per ounce change in gold price	950	70	150
US\$0.10 per pound change in copper price	n/a	5	110
0.25% increase/decrease in discount rate	145	minor	60
\$0.05 increase/decrease in AUD:USD rate	275	65	n/a
\$0.05 increase/decrease in CAD:USD rate	n/a	n/a	280
\$0.10 increase/decrease in USD:PGK rate	90	n/a	n/a
5% increase/decrease in operating costs from that assumed	335	55	105

It must be noted that each of the sensitivities above assumes that the specific assumption moves in isolation, whilst all other assumptions are held constant. In reality, a change in one of the aforementioned assumptions may accompany a change in another assumption which may have an offsetting impact (for example, a decline in the US dollar gold price accompanied with a decline in the Australian dollar compared to the US dollar). Action is also usually taken by Management to respond to adverse changes in economic assumptions that may mitigate the impact of any such change.

13. Inventories

	2021 US\$m	2020 US\$m
Current		
Ore stockpiles	145	133
Gold in circuit	25	40
Bullion and concentrate	52	60
Materials and supplies	340	316
Total current inventories⁽¹⁾	562	549
Non-Current		
Ore stockpiles	943	1,024
Total non-current inventories⁽¹⁾	943	1,024

(1) Total inventories include inventories held at net realisable value of US\$18 million (2020: US\$1 million).

Ore stockpiles, gold in circuit, bullion and concentrate are physically measured or estimated and valued at the lower of cost and net realisable value. Cost represents the weighted average cost and includes direct costs and an appropriate portion of fixed and variable production overhead expenditure, including depreciation and amortisation, incurred in converting materials into finished goods. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Ore stockpiles which are not scheduled to be processed in the twelve months after the reporting date are classified as non-current inventory. The Group believes the processing of these stockpiles will have a future economic benefit to the Group and accordingly values these stockpiles at the lower of cost and net realisable value.

Materials and supplies are valued at the lower of cost and net realisable value. Any allowance for obsolescence is determined by reference to stock items identified.

Accounting Judgement and Estimate – Net Realisable Value of Ore Stockpiles

The computation of net realisable value for ore stockpiles involves significant judgements and estimates in relation to timing and cost of processing, commodity prices, foreign exchange rates, recoveries and the timing of sale of the bullion and concentrate produced. A change in any of these assumptions will alter the estimated net realisable value and may therefore impact the carrying value of ore stockpiles.

14. Trade and Other Receivables

	2021 US\$m	2020 US\$m
Current		
Metal in concentrate receivables	128	194
GST receivable	54	30
Receivable from joint venture partners ⁽¹⁾	22	19
Other receivables	11	11
Total current receivables	215	254
Non-Current		
Receivable from joint venture partners ⁽¹⁾	46	23
Other receivables	28	28
Total non-current receivables	74	51

(1) Represents right to reimbursement from the Red Chris joint venture partner for its share of Red Chris' liabilities and a receivable from the Havieron joint venture partner.

Metal in concentrate receivables are initially and subsequently measured at fair value and are generally expected to settle within one to four months. Fair value movements are recognised in the Income Statement and presented as part of 'Other Income/Expenses'.

GST and other receivables are initially measured at fair value then subsequently at amortised cost, less an allowance for doubtful debts. GST and other current receivables are expected to settle within one to twelve months.

Notes to the Consolidated Financial Statements *continued*

For the Year Ended 30 June 2021

15. Other Assets

	2021 US\$m	2020 US\$m
Current		
Prepayments and other	51	52
Total current other assets	51	52
Non-Current		
Prepayments and other	5	3
Non-current tax assets	12	10
Total non-current other assets	17	13

16. Goodwill

	2021 US\$m	2020 US\$m
Opening balance	17	–
Business acquisition ⁽¹⁾	–	17
Foreign currency translation	2	–
Closing balance	19	17

(1) Goodwill recognised as part of the acquisition of Red Chris. Refer to Note 33.

Goodwill represents the excess of the fair value of consideration paid for the business acquisition over the fair value of the net identifiable assets acquired and liabilities assumed. Goodwill is measured at cost and is not amortised. It is tested annually for impairment.

17. Other Intangible Assets

Information Systems Development	2021 US\$m	2020 US\$m
Cost	235	194
Accumulated amortisation and impairment	(203)	(170)
	32	24

Costs incurred in developing information technology systems and acquiring software are capitalised as intangible assets. Amortisation is calculated on a straight line basis over the useful life, ranging from three to seven years.

18. Deferred Tax

(a) Movement in Deferred Taxes

	Opening Balance at 1 July US\$m	Acquisitions & divestments US\$m	(Charged)/ credited to income US\$m	(Charged)/ credited to equity US\$m	Translation US\$m	Closing Balance at 30 June US\$m
2021						
Deferred tax relates to the following:						
– Revenue losses recognised	56	–	(7)	–	5	54
– Property, plant and equipment	(1,231)	–	(107)	–	(34)	(1,372)
– Provisions	41	–	9	–	4	54
– Other	85	–	(96)	(36)	1	(46)
Net deferred taxes	(1,049)	–	(201)	(36)	(24)	(1,310)
Reflected in the statement of financial position as follows:						
Deferred tax assets						54
Deferred tax liabilities						(1,364)
Net deferred taxes						(1,310)
2020						
Deferred tax relates to the following:						
– Revenue losses recognised	60	–	(3)	–	(1)	56
– Property, plant and equipment	(1,141)	(14)	(83)	–	7	(1,231)
– Provisions	44	3	(5)	–	(1)	41
– Other	153	(21)	(70)	30	(7)	85
Net deferred taxes	(884)	(32)	(161)	30	(2)	(1,049)
Reflected in the statement of financial position as follows:						
Deferred tax assets						65
Deferred tax liabilities						(1,114)
Net deferred taxes						(1,049)

(b) Unrecognised Deferred Tax Assets

Deferred tax assets have not been recognised in respect of:

- capital losses with a tax effect of US\$145 million (2020: US\$129 million); and
- revenue losses and temporary differences with a tax effect of US\$80 million (2020: US\$197 million)

because it is not probable that the Group will have sufficient future assessable income and/or capital gains available against which the deferred tax asset could be utilised. This is partly due to restrictions that limit the extent to which the losses can be applied to future taxable income in future periods.

(c) Tax Consolidation

The Company and its wholly-owned Australian subsidiaries are part of a tax consolidated group. Newcrest Mining Limited is the head entity of the tax consolidated group. The tax losses attributable to the Australian entities are available for offsetting against future profits of the tax consolidated group. These tax losses are subject to restrictions that limit the extent to which the losses can be applied against future taxable income. Notwithstanding these restrictions, these losses do not have an expiry date.

Notes to the Consolidated Financial Statements *continued*

For the Year Ended 30 June 2021

18. Deferred Tax *continued*

(d) Significant Accounting Policies

Current Income Tax

Current tax assets and liabilities for the current and prior year are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current year's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred Income Tax

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the statement of financial position. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

Deferred tax liabilities are recognised for taxable temporary differences. Deferred tax assets are recognised for deductible temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them:

- Arise from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- Are associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured based on the expected manner of recovery of the carrying value of an asset or liability. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity.

Accounting Judgements, Estimates and Assumptions – Recovery of Deferred Tax Assets

Judgement is required to determine whether deferred tax assets are recognised in the statement of financial position. Deferred tax assets, including those arising from un-utilised tax losses, require Management to assess the likelihood that the Group will generate sufficient taxable earnings in future periods in order to recognise and utilise those deferred tax assets. Judgement is also required in respect of the expected manner of recovery of the value of an asset or liability (which will then impact the quantum of the deferred tax assets or deferred tax liabilities recognised) and the application of existing tax laws in each jurisdiction.

Estimates of future taxable income are based on forecast cash flows from operations and existing tax laws in each jurisdiction. These assessments require the use of estimates and assumptions such as exchange rates, commodity prices and operating performance over the life of the assets. To the extent that cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets reported at the reporting date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions and recover/utilise deferred tax assets in future periods.

19. Provisions

	Note	2021 US\$m	2020 US\$m
Current			
Employee benefits	(a)	149	108
Mine rehabilitation	(b)	8	6
Other	(c)	15	15
Total current provisions		172	129
Non-Current			
Employee benefits	(a)	10	12
Mine rehabilitation	(b)	553	482
Total non-current provisions		563	494

Provisions (other than those relating to employee benefits) are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(a) Employee Benefits

Liabilities for wages and salaries, annual leave and any other employee benefits are measured at the amounts expected to be paid when the liabilities are settled.

Amounts expected to settle within twelve months are recognised in 'Current Provisions' (for annual leave and salary at risk) and 'Trade and Other Payables' (for all other employee benefits) in respect of employees' services up to the reporting date. Costs incurred in relation to non-accumulating sick leave are recognised when leave is taken and are measured at the rates paid or payable.

The liability for long service leave and other long-term benefits is measured at the present value of the estimated future cash outflows resulting from employees' services provided up to the reporting date.

Long-term benefits not expected to be settled within twelve months are discounted using the rates attaching to high quality corporate bonds at the reporting date, which most closely match the terms of maturity of the related liability.

(b) Mine Rehabilitation

The Group records the present value of the estimated cost of legal and constructive obligations to rehabilitate locations where activities have occurred which have led to a future obligation to make good. The nature of rehabilitation activities includes dismantling and removing structures, rehabilitating mine sites, dismantling operating facilities, closure of tailings and waste sites and restoration, reclamation and revegetation of affected areas.

Typically, the obligation arises when the asset is installed or the ground/environment is disturbed at the mining location. When the liability is initially recorded, the present value of the estimated cost is capitalised as part of the carrying amount of the related mining assets. Over time, the discounted liability is increased for the change in the present value based on a discount rate that reflects current market assessments. Additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding asset and rehabilitation liability when incurred. Although the ultimate cost to be incurred is uncertain, the Group has estimated its costs based on feasibility and engineering studies using current restoration standards and techniques.

The unwinding of the effect of discounting the provision is recorded as a finance cost in the Income Statement. The carrying amount capitalised as a part of mining assets is depreciated/amortised over the life of the related asset.

Costs incurred that relate to an existing condition caused by past operations but do not have a future economic benefit are expensed as incurred.

Accounting Estimate – Mine Rehabilitation Provision

Significant estimates and assumptions are required in determining the provision for mine rehabilitation as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate the mine sites. Factors that will affect this liability include changes in technology, changes in regulations, price increases, changes in timing of cash flows which are based on life of mine plans and changes in discount rates. When these factors change or become known in the future, such differences will impact the mine rehabilitation provision in the period in which they change or become known.

Notes to the Consolidated Financial Statements *continued*

For the Year Ended 30 June 2021

19. Provisions *continued*

(b) Mine Rehabilitation *continued*

Movements in Mine Rehabilitation provision	2021 US\$m	2020 US\$m
Opening balance	488	361
Business acquisition (Note 33)	–	73
Business divestment (Note 34)	–	(32)
Movements in economic assumptions and timing of cash flows	3	10
Change in cost estimates ⁽¹⁾	39	83
Paid/utilised during the year	(6)	(6)
Unwinding of discount	6	7
Foreign currency translation	31	(8)
Closing balance	561	488
Split between:		
Current	8	6
Non-current	553	482
	561	488

(1) The change for 2021 primarily relates to an increase in estimated closure costs at Telfer, following an update to Telfer's mine closure plan. The change for 2020 primarily relates to an increase in estimated closure costs at Lihir, following an update to Lihir's mine closure plan.

(c) Other Provisions

Other provisions comprise of community obligations and other miscellaneous items.

CAPITAL STRUCTURE AND FINANCIAL RISK MANAGEMENT

This section outlines the Group's capital and financial management policies and significant capital and financial risk management activities that have been implemented during the year. This includes the Group's exposure to various risks and how these could affect the Group's financial position and performance, as well as how the Group is managing those risks.

20. Capital Management and Financial Objectives

Newcrest's capital structure consists of cash and cash equivalents, equity and debt (borrowings and lease liabilities).

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 to provide returns to shareholders. Newcrest looks to maintain a conservative level of balance sheet leverage.

From a financial policy perspective, Newcrest looks to:

- Target an investment grade credit rating throughout the cycle;
- Maintain a leverage ratio (Net Debt to EBITDA) of less than 2.0 times;
- Maintain a gearing ratio of below 25%; and
- Maintain cash and committed undrawn bank facilities of at least US\$1.5 billion, with approximately one-third of that amount in the form of cash.

At 30 June, the Group's position in relation to these metrics were:

Metric	Policy 'looks to' be	2021	2020
Credit rating (S&P/Moody's)	Investment grade	BBB/Baa2	BBB/Baa2
Leverage ratio (Net debt to EBITDA)	Less than 2.0 times	(0.1)	0.3
Gearing ratio	Below 25%	(1.8%)	6.8%
Cash and committed undrawn facilities (US\$)	At least \$1.5bn, of which ~ 1/3 is in the form of cash	\$3.87bn (\$1,873m cash)	\$3.45bn (\$1,451m cash)

Detail of the calculation of the capital management performance ratios is provided below:

Leverage Ratio	2021 US\$m	2020 US\$m
(Net cash) or net debt (Note 21)	(176)	624
EBITDA (Note 4)	2,443	1,835
Leverage ratio	(0.1) times	0.3 times

Leverage Ratio is calculated as net cash or net debt at the end of the reporting period divided by the rolling 12 month EBITDA. Refer to Note 4, Segment Information, for the definition of EBITDA.

Gearing Ratio	2021 US\$m	2020 US\$m
(Net cash) or net debt (Note 21)	(176)	624
Equity	10,124	8,613
Total capital (Net (cash)/debt and equity)	9,948	9,237
Gearing ratio	(1.8%)	6.8%

Gearing ratio is calculated as net cash or net debt at the end of the reporting period divided by net cash or net debt plus equity.

Notes to the Consolidated Financial Statements *continued*

For the Year Ended 30 June 2021

21. Net Cash/Debt

Newcrest obtains access to funds from financial institutions and debt investors in the form of committed revolving facilities and corporate bonds. As at 30 June 2021, all of Newcrest's borrowings were unsecured.

Borrowings are initially recognised at fair value and subsequently at amortised cost. Borrowings are net of transaction costs incurred. Borrowings are classified as non-current liabilities where Newcrest has an unconditional right to defer settlement or is not due to be settled for at least 12 months from the year end.

Cash and cash equivalents comprise cash at bank and short-term deposits.

Net Cash/Debt	Note	2021 US\$m	2020 US\$m
Other loans	(a)	–	4
Total current borrowings		–	4
Corporate bonds	(b)	1,650	2,030
Less: capitalised transaction costs on facilities		(15)	(17)
Total non-current borrowings		1,635	2,013
Total Borrowings		1,635	2,017
Lease liabilities (current)		27	26
Lease liabilities (non-current)		35	32
Total lease liabilities		62	58
Total Debt	(e)	1,697	2,075
Cash and cash equivalents		(1,873)	(1,451)
Net (cash)/debt		(176)	624

(a) Other Loans

Other loans represent interest-bearing liabilities acquired as part of the Red Chris acquisition. This facility was fully repaid in November 2020.

(b) Corporate Bonds ('Notes')

In each of November 2011 and October 2012, Newcrest issued US\$1,000 million in US dollar corporate bonds (Notes). In May 2020, Newcrest issued a further US\$1,150 million in US dollar Notes. All of the Notes were issued in accordance with Rule 144A and Regulation S of the Securities Act of the United States.

In May 2020 and June 2020, Newcrest repurchased all of the US\$750 million of the November 2011 Notes due in November 2021 and US\$370 million of the US\$750 million Notes due in October 2022. In April 2021, Newcrest repurchased the remaining US\$380 million of the Notes due in October 2022.

The Notes consist of:

Maturity	Coupon Rate	2021 US\$m	2020 US\$m
October 2022	4.20%	–	380
May 2030	3.25%	650	650
November 2041	5.75%	500	500
May 2050	4.20%	500	500
		1,650	2,030

(c) Bilateral Bank Debt

As at 30 June 2021, the Group had bilateral bank debt facilities of US\$2,000 million (2020: US\$2,000 million) with 13 banks (2020: 13 banks). These are committed unsecured revolving facilities, individually negotiated and documented with each bank but with similar terms and conditions.

The facilities are on normal terms and conditions and include certain financial covenants. Interest is based on LIBOR plus a margin, which varies amongst the lenders. In March 2021, the Group renegotiated the facilities and extended the maturity profiles. As at 30 June 2021 and 30 June 2020 these facilities were undrawn.

The maturity date profile of these facilities is shown in the table below:

Facility Maturity (financial year ending)	2021 US\$m	2020 US\$m
June 2022	–	1,076
June 2024	1,077	924
June 2026	923	–
	2,000	2,000

(d) Financing Facilities

The Group has access to the following unsecured financing facilities at the end of the financial year.

	Facility Utilised US\$m	Facility Unutilised US\$m	Facility Limit US\$m
2021			
Corporate bonds ⁽¹⁾	1,650	–	1,650
Bilateral bank debt facilities	–	2,000	2,000
	1,650	2,000	3,650
2020			
Corporate bonds ⁽¹⁾	2,030	–	2,030
Bilateral bank debt facilities	–	2,000	2,000
Other loans ⁽²⁾	4	–	4
	2,034	2,000	4,034

(1) The corporate bonds are at fixed interest rates.

(2) Other loans represented interest-bearing liabilities acquired as part of the Red Chris acquisition. This facility was fully repaid in November 2020.

(e) Movement in Debt

Movement in total debt during the year was as follows:

Debt	2021 US\$m	2020 US\$m
Opening balance	2,075	1,995
Adjustment: Lease liabilities recognised as a result of adopting AASB 16 Leases on 1 July 2019	–	53
Adjusted opening balance	2,075	2,048
<i>Movements:</i>		
Drawdown of bilateral bank debt facilities	–	600
Repayment of bilateral bank debt facilities	–	(600)
Issuance of corporate bonds	–	1,134
Repurchase of corporate bonds	(380)	(1,120)
Business acquisition – Lease liabilities (Note 33)	–	10
Business acquisition – Other loans (Note 33)	–	46
Payment of lease principal	(32)	(27)
Repayment of other loans	(4)	(42)
Non-cash movements ⁽¹⁾	38	26
Net movement	(378)	27
Closing balance	1,697	2,075

(1) Represents non-cash movements in lease liabilities (including additions, modifications and terminations), amortisation of transaction costs and foreign exchange movements during the period.

Notes to the Consolidated Financial Statements *continued*

For the Year Ended 30 June 2021

22. Leases

The Group has lease contracts for various items of property, plant and equipment used within its operations and office premises. Leases for property includes the Group's office premises and have lease terms ranging from 1 to 10 years. Leases for operations include equipment hire and contractor provided equipment. These assets have lease terms ranging between 1 to 5 years.

(a) Right-of-use Assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are presented in property, plant and equipment and are subject to impairment assessment.

Refer to Note 11 for the quantum of the Group's right-of-use assets.

(b) Lease Liabilities

Below is a summary of the movement in the Group's lease liabilities.

Lease Liabilities	2021 US\$m	2020 US\$m
Opening balance	58	–
Adjustment: Lease liabilities recognised as a result of adopting AASB 16 Leases on 1 July 2019	–	53
Adjusted opening balance	58	53
<i>Movements:</i>		
Additions during the year	32	14
Lease modifications	1	9
Business acquisition (Note 33)	–	10
Lease payments	(34)	(29)
Interest accretion	2	2
Foreign currency translation	3	(1)
Net movement	4	5
Closing balance	62	58
Split between:		
Current	27	26
Non-current	35	32
	62	58

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. Lease components are separately identified to non-lease components of contracts where applicable.

(c) Short-term Leases and Leases of Low-value Assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the low-value asset recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

During the year, the Group incurred short-term lease expenses of US\$42 million (2020: US\$33 million). The value of leases of low-value assets was not material. Furthermore, the Group's commitment for short-term leases not provided for in the financial statements at the reporting date was not material.

(d) Other

The Group is party to certain service contracts that contain contractor provided equipment leases. These leases include mix of payments arrangements, including both fixed and productivity-based payments based on performance. During the year, the Group incurred US\$10 million (2020: US\$14 million) of productivity-based lease payments that were not required to be included in the measurement of the lease liability. The Group's commitment for future cash outflows relating to such payments was not material.

Accounting Judgement and Estimate – Leases

Judgement is required when assessing whether a contract is or contains a lease. In exercising this judgement, the Group refers to the rights conferred to it in the contract, such as whether it conveys the right to control, or the right to direct the use of an identified asset.

Judgement is also required in determining the lease term, in particular for service contracts that contain contractor provided equipment leases. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

23. Other Financial Assets and Liabilities

Other Financial Assets/(Liabilities)		2021 US\$m	2020 US\$m
Fuel forward contracts ⁽¹⁾		19	–
FdN finance facilities	(b)	112	65
Total other financial assets – current		131	65
FdN finance facilities	(b)	397	396
Contingent consideration asset ⁽²⁾		25	9
Power purchase agreement	(c)	2	–
Other financial assets ⁽³⁾		86	76
Total other financial assets – non-current		510	481
Gold AUD forward contracts ⁽⁴⁾		(68)	(108)
Fuel forward contracts ⁽¹⁾		–	(8)
Total other financial liabilities – current		(68)	(116)
Gold AUD forward contracts ⁽⁴⁾		(42)	(158)
Total other financial liabilities – non-current		(42)	(158)

(1) Net fair value gain of US\$19 million (2020: US\$8 million loss). Refer Note 24 (a)(ii).

(2) Relates to the fair value of contingent consideration recognised on the sale of Bonikro in 2018.

(3) Instrument is designated as fair value through other comprehensive income ('FVOCI') and is not in a hedging relationship.

(4) Net fair value loss of US\$110 million (2020: US\$266 million loss). Refer Note 24 (a)(i).

Notes to the Consolidated Financial Statements *continued*

For the Year Ended 30 June 2021

23. Other Financial Assets and Liabilities *continued*

(a) Significant Accounting Policies

(i) Non-derivative financial assets

Initial recognition and measurement

The Group holds financial assets in the form of facilities agreements and offtake arrangements. These assets have been classified as fair value through profit and loss ('FVTPL') as the cash flows arising are subject to variability due to commodity pricing and production volumes and do not meet the criteria for amortised cost or FVOCI income classification.

Financial assets at FVTPL are initially recognised at fair value. The initial fair value of acquired financial assets is their purchase price. Directly attributable transaction costs are expensed as incurred in the statement of profit or loss.

Subsequent measurement

Financial assets at FVTPL are measured at fair value as at each reporting date through profit and loss. The Group's policy on financial assets at FVTPL is to separately present:

- Interest income calculated on a contractual rate basis; and
- All other changes in fair value.

(ii) Fair value measurement

The Group measures financial assets and financial liabilities at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy described in Note 25(a).

(iii) Derivative financial instruments and hedging

The Group uses derivative financial instruments to manage certain market risks. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in the Income Statement immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of recognition in the Income Statement depends on the nature of the hedge relationship.

For instruments in hedging transactions, the Group formally designates and documents the relationship between hedging instruments and hedged items at the inception of the transaction, as well as its risk management objective and strategy for undertaking various hedge transactions.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in Other Comprehensive Income ('OCI') and accumulated in the Hedge Reserve in equity. Any gain or loss relating to an ineffective portion is recognised immediately in the Income Statement. Amounts accumulated in the Hedge Reserve are transferred to the Income Statement in the periods when the hedged item affects the Income Statement, for instance when the forecast sale that is hedged takes place.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, if it no longer qualifies for hedge accounting or if the Group changes its risk management objective for the hedging relationship. At that point in time, any cumulative gain or loss on the hedging instrument recognised via OCI remains deferred in the Hedge Reserve until the original forecasted transaction occurs. When the forecasted transaction is no longer expected to occur, the cumulative gain or loss that was deferred in the Hedge Reserve is recognised immediately in the Income Statement.

If a hedging instrument being used to hedge a commitment for the purchase or sale of gold or copper is redesignated as a hedge of another specific commitment and the original transaction is still expected to occur, the gains and losses that arose on the hedging instrument prior to its redesignation are deferred and included in the measurement of the original purchase or sale when it takes place. If the hedging instrument is redesignated as a hedge of another commitment because the original purchase or sale transaction is no longer expected to occur, the gains and losses that arose on the hedge prior to its redesignation are recognised in the Income Statement at the date of the redesignation.

(b) Fruta del Norte Finance Facilities

In April 2020, Newcrest acquired the gold prepay and stream facilities and an offtake agreement in respect of Lundin Gold Inc.'s ('Lundin Gold') Fruta del Norte ('FdN') mine in Ecuador for US\$460 million.

The Group has determined that the agreements represent financial assets, to be measured at fair value with changes in the fair value being recorded in profit or loss. Further detail on the fair value measurement process is provided in Note 25(b). Details of the agreements are as follows:

Gold Prepay Credit Agreement ('GPCA')

The GPCA is a non-revolving credit facility with a face value of US\$150 million to be repaid in cash based on the value of 218,500 oz of gold (as adjusted for the risk collar described below). Key terms of the agreement are:

- Repayment through 19 quarterly cash payments equivalent to 11,500 oz of gold (with the volume adjusted for the risk collar) at the price of gold starting from December 2020 and concluding in June 2025.
- The risk collar is based on an average gold price for three months leading to any quarterly payment. Should this average gold price be >US\$1,436 per ounce or < US\$1,062 per ounce, the amount of the next quarterly payment is reduced or increased, respectively by 15%.

Stream Credit Facility Agreement ('SCFA')

The SCFA is a non-revolving credit facility with a face value of US\$150 million to be repaid in cash based on the FdN mine gold and silver production. The amount of each monthly payment is the sum of the following:

- 7.75% of refined gold processed in the prior month, multiplied by the excess of the gold price over US\$400 per ounce (subject to an inflationary adjustment), until 350,000 ounces is reached; and
- 100% of refined silver processed in the prior month, multiplied by the excess of the silver price over US\$4 per ounce (subject to an inflationary adjustment), until 6 million ounces is reached.

Lundin Gold also has the option to repay (i) 50% of the remaining Stream Credit Facility on June 30, 2024 for \$150 million and/or (ii) the other 50% of the remaining Stream Credit Facility on June 30, 2026 for \$225 million.

Both the GPCA and SCFA have a stated interest rate of 7.5%. Repayments in excess of the principal and stated interest rate amount is classified as finance income.

Offtake Agreement

The offtake agreement allows Newcrest to acquire 50% of refined gold production from FdN, up to a maximum of 2.5 million ounces at a price determined based on delivery dates and a defined quotational period. Purchases of gold under the Offtake agreement and the subsequent sale are recognised in Other Income/Expense.

(c) Power Purchase Agreement

During the year, the Group entered into a 15-year renewable Power Purchase Agreement ('PPA') in relation to Cadia. The PPA will act as a partial hedge against future electricity price increases and will provide Newcrest with access to large scale generation certificates which the Group intends to surrender to achieve a reduction in its greenhouse gas emissions.

The Group has determined that the PPA represents a derivative financial instrument and has designated this as a cash flow hedging instrument. It has been accounted for in accordance with the accounting policy outlined in Note 23(b)(iii).

Potential sources of hedge ineffectiveness that may affect the hedging relationship during the term are variations to generation volume assumptions, credit risk and counterparty/construction risk.

Detail on the fair value measurement process is provided in Note 25(c).

24. Financial Risk Management

Newcrest is exposed to a number of financial risks, by virtue of the industry and geographies in which it operates and the nature of the financial instruments it holds. The key risks that could adversely affect Newcrest's financial assets, liabilities or future cash flows are:

- a) Commodity and other price risks
- b) Foreign currency risk
- c) Liquidity risk
- d) Interest rate risk
- e) Credit risk

Further detail of each of these risks is provided below, including Management's strategies to manage each risk. These strategies are executed subject to Board approved policies and procedures and administered by Group Treasury.

(a) Commodity and Other Price Risks

(i) Gold and copper price

All of Newcrest's gold and copper production is sold into global markets. The market prices of gold and copper are key drivers of Newcrest's capacity to generate cash flow. Newcrest is predominantly an unhedged producer and provides its shareholders with exposure to changes in the market price of gold and copper.

The fair valuation of the FdN finance facilities, which is accounted for at fair value through profit or loss, is impacted by fluctuations in gold prices.

Newcrest does undertake selected financial risk management activities to mitigate specific gold and copper price risks, as follows:

Provisionally priced concentrate sales and gold and copper forward sales contracts

The terms of metal in concentrate sales contracts with third parties contain provisional pricing arrangements whereby the selling price for metal in concentrate is based on prevailing spot prices on a specified future date after shipment to the customer (quotation period or 'QP'). The QP exposure is typically between one and four months. Revenue of provisionally priced sales is recognised based on the estimated fair value of the total consideration receivable. Subsequent changes in fair value are recognised in the Income Statement each period until final settlement and presented as part of 'Other Income/Expenses'. Refer to Note 5(d).

As at 30 June 2021, 220,000 gold ounces and 46,000 copper tonnes were subject to QP adjustment (2020: 233,000 gold ounces and 41,000 copper tonnes).

In order to minimise the short-term revenue volatility impact of QP adjustments, particularly across reporting periods, the Group historically took out gold and copper forward contracts at the time of concentrate shipments to lock in the price. These forward contracts were not designated into hedge relationships with the fair value adjustments at reporting date recognised in the Income Statement as part of 'Other Income/Expenses'. During the prior year, Newcrest ceased entering into such forward contracts.

Partial hedging of Telfer future gold sales

Newcrest has put in place hedges for a portion of the Telfer mine's future planned gold production. Telfer is a large scale, low grade mine and its profitability and cash flow are both particularly sensitive to the realised Australian dollar gold price. Having regard to the favourable spot and forward prices at the time, hedging instruments in the form of Australian dollar gold forward contracts were put in place in 2016 to 2018 to secure margins on a portion of future planned production to June 2023, to support investment in cutbacks and mine development.

The Telfer AUD gold forward contracts have been designated as cash flow hedging instruments with a hedge ratio of 1:1 to the underlying price risk on gold sales. Potential sources of hedge ineffectiveness that may affect the hedging relationship during the term are variations to forecast production timing and volume assumptions and credit risk.

Notes to the Consolidated Financial Statements continued

For the Year Ended 30 June 2021

24. Financial Risk Management continued

(a) Commodity and Other Price Risks continued

(i) Gold and copper price continued

As of 30 June 2021, the Group is holding AUD gold forward contracts with the following maturity:

	2021			2020		
	Quantity (ounces) ('000s)	Weighted Average Price A\$	Fair Value US\$m	Quantity (ounces) ('000s)	Weighted Average Price A\$	Fair Value US\$m
Gold AUD forward contracts maturing:						
Less than 12 months	204	1,902	(68)	217	1,864	(108)
Between 1–2 years	138	1,942	(42)	204	1,902	(97)
Between 2–3 years	–	–	–	138	1,942	(61)
Total	342	1,918	(110)	559	1,897	(266)

These forward contracts are measured at fair value with the effective portion of fair value movements being recognised in OCI and accumulated in the 'Cash flow hedge reserve' in equity. There was no hedge ineffectiveness recognised in the Income Statement during the year.

(ii) Fuel and Electricity price

The Group's input costs are exposed to price fluctuations, in particular to diesel and heavy fuel oil prices. To mitigate this risk, the Group has entered into short-term fuel forward contracts to fix certain diesel and heavy fuel oil costs in line with budget expectations.

These fuel forward contracts have been designated as cash flow hedging instruments with a hedge ratio of 1:1 to the underlying price risk on fuel purchases. Potential sources of hedge ineffectiveness that may affect the hedging relationship during the term include differences in the pricing structure of the physical (hedged) item and the hedging instrument, the volume of physical delivery becoming misaligned with the volumes hedged, and credit risk.

	2021			2020		
	Quantity ('000s)	Weighted Average Price US\$	Fair Value US\$m	Quantity ('000s)	Weighted Average Price US\$	Fair Value US\$m
Forward contracts maturing in:						
Less than 12 months						
Diesel (barrels)	402	62	7	350	65	(6)
Heavy fuel oil (tonnes)	142	327	12	115	267	(2)
Total fair value			19			(8)

These fuel forward contracts are measured at fair value with the effective portion of fair value movements being recognised in OCI and accumulated in the 'Cash flow hedge reserve' in equity. The hedge ineffectiveness recognised in the Income Statement during the year was immaterial.

The Group's input costs are exposed to price fluctuation in electricity prices. During the year, the Group entered into a power purchase agreement with respect to the Cadia mine. Refer to Note 23(c) for further details.

(iii) Financial impacts of hedges

The impact of hedged items designated in hedging relationships on the Income Statement and OCI, is as follows:

		Gain/(loss) reclassified from OCI to Income Statement	
Cash flow hedges	Line item in the Income Statement	2021 US\$m	2020 US\$m
Telfer gold sales	Revenue – Total gold revenue	(99)	(82)
Diesel	Cost of sales – Site production costs	(3)	(6)
Heavy fuel oil	Cost of sales – Site production costs	6	(11)
Total		(96)	(99)

(iv) Sensitivity analysis

The following table summarises the sensitivity of financial assets and financial liabilities held at the reporting date to movement in the gold price with all other variables held constant. The movements for gold and copper are based on reasonably possible changes, over a financial year, using an observed range of actual historical rates for the preceding five year period.

Post-tax gain/(loss)	Impact on Profit ⁽¹⁾ Higher/(Lower)		Impact on Equity ⁽²⁾ Higher/(Lower)	
	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m
Gold				
Gold +15% (2020: +15%)	41	43	(63)	(104)
Gold -15% (2020: -15%)	(41)	(43)	63	104
Copper				
Copper +15% (2020: +15%)	45	26	–	–
Copper -15% (2020: -15%)	(45)	(26)	–	–

(1) Represents the impact of the movement in commodity prices on the balance of the financial assets and financial liabilities at year end.

(2) For derivatives which are in an effective hedging relationship, all fair value movements are recognised in Other Comprehensive Income.

The sensitivity of the exposure of diesel and heavy fuel oil prices on financial assets and financial liabilities at year end has been analysed and determined to be not material to the Group.

The sensitivity of the exposure of gold prices on the FdN finance facilities has been disclosed as part of Note 25(b). The sensitivity of the exposure of electricity prices on the Cadia PPA has been disclosed as part of Note 25(c).

Notes to the Consolidated Financial Statements *continued*

For the Year Ended 30 June 2021

24. Financial Risk Management *continued*

(b) Foreign Currency Risk

The Group undertakes transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. The Group's revenue is primarily denominated in US dollars whereas a material proportion of costs (including capital expenditure) are collectively in Australian dollars, PNG Kina and Canadian dollars. The Group has entities that have AUD, CAD and USD functional currencies.

The Group's Statement of Financial Position can also be affected materially by movements in the AUD:USD and the CAD:USD exchange rate. Measuring the exposure to foreign exchange risk is achieved by regularly monitoring and performing sensitivity analysis on the Group's financial position.

The carrying amounts of the Group's US dollar denominated financial assets and liabilities in entities which do not have a US dollar functional currency at the reporting date are as follows:

US Dollar Denominated Balances	2021 US\$m	2020 US\$m
Financial Assets		
Cash and cash equivalents	344	1,213
Trade and other receivables	174	222
Related party receivables	53	47
Derivatives	19	–
Other financial assets	25	–
	615	1,482
Financial Liabilities		
Payables	18	28
Borrowings	1,635	2,030
Lease liabilities	9	8
Derivatives	–	8
	1,662	2,074
Gross Exposure	(1,047)	(592)
Net investment in US dollar functional currency entities	1,635	1,142
Net Exposure (inclusive of net investment in foreign operations)	588	550

Net investment hedges

The Group seeks to mitigate the effect of its foreign currency exposure by borrowing in US dollars. The entity which undertakes the majority of the Group's borrowing activities has an AUD functional currency. Where considered appropriate the US dollar denominated debt (net of cash) is designated as a net investment in foreign operations.

Exchange gains or losses upon subsequent revaluation of US dollar denominated borrowings and cash from the historical draw down rate to the period end spot exchange rate are recognised through Other Comprehensive Income and deferred in equity in the Foreign Currency Translation Reserve and will be released to the Income Statement if the foreign operation is sold.

As at 30 June 2021, US dollar borrowings of US\$1,635 million were designated as a net investment in foreign operations (2020: US dollar borrowings (net of cash) of US\$1,142 million).

Sensitivity analysis

The following table details the Group's sensitivity arising in respect of translation of financial assets and financial liabilities to a 5% movement (2020: 5%) in the Australian dollar against the US dollar at the reporting date, with all other variables held constant. The impact of the movement in other currencies against the US dollar is immaterial. The percentage sensitivity is based on reasonably possible changes, over a financial year, using the observed range of actual historical rates for the preceding five-year period.

Post-tax gain/(loss)	Impact on Profit After Tax Higher/(Lower)		Impact on Equity Higher/(Lower)	
	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m
AUD/USD +5% (2020: +5%)	(19)	(17)	(81)	(40)
AUD/USD -5% (2020: -5%)	19	17	81	40

Significant assumptions used in the foreign currency exposure sensitivity analysis above include:

- Reasonably possible movements in foreign exchange rates;
The reasonably possible movement of 5% (2020: 5%) was calculated by taking the AUD spot rate as at the reporting date, moving this spot rate by 5% (2020: 5%) and then re-converting the AUD into USD with the "new spot-rate". This methodology reflects the translation methodology undertaken by the Group.
- The translation of the net assets in subsidiaries has not been included in the sensitivity analysis as part of the equity movement.

(c) Liquidity Risk

Newcrest is exposed to liquidity risk, being the possibility that it may not be able to access or raise funds when required.

Liquidity risk is managed centrally to ensure sufficient liquid funds are available to meet the Group's financial commitments, such as through the following management actions:

- Targeting to maintain cash and committed undrawn bank facilities of at least US\$1,500 million, with approximately one-third of that amount in the form of cash.
- Targeting to maintain an investment grade credit rating.
- Forecasting cash flows relating to operational, investing and financing activities, including sensitivity analysis to test multiple scenarios.
- Managing repayment maturities to avoid excessive refinancing in any period.
- Maintaining funding flexibility with committed available credit lines with a variety of counterparties.
- Managing credit risk related to financial assets.

The Group maintains a balance between continuity of funding and flexibility through the use of cash, loans and committed available credit facilities, and equity market raisings. Included in Note 21 is a list of committed undrawn credit facilities that the Group has at its disposal to manage liquidity risk.

The following table reflects all contractually fixed repayments and interest resulting from recognised financial liabilities at the reporting date, including derivative financial instruments and leases. For derivative financial instruments the market value is presented, whereas for the other obligations the respective undiscounted cash flows for the respective upcoming financial years are presented.

	Less than 6 months US\$m	Between 6-12 months US\$m	Between 1-2 years US\$m	Between 2-5 years US\$m	Greater than 5 years US\$m	Total US\$m
2021						
Payables	577	–	–	–	–	577
Borrowings	26	35	71	213	2,684	3,029
Derivatives	25	24	42	–	–	91
Lease liabilities	15	15	20	14	4	68
	643	74	133	227	2,688	3,765
2020						
Payables	520	–	–	–	–	520
Borrowings	30	43	87	600	2,755	3,515
Derivatives	60	56	97	61	–	274
Lease liabilities	15	14	13	15	6	63
	625	113	197	676	2,761	4,372

Notes to the Consolidated Financial Statements *continued*

For the Year Ended 30 June 2021

24. Financial Risk Management *continued*

(d) Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates primarily relates to the Group's cash and debt obligations that have floating interest rates. The Group is also subject to interest rate risk with respect to the fair value of the FdN finance facilities, which are accounted for at fair value through profit or loss (refer Note 25(b)). The Group's interest rate exposure together with the effective interest rate for each class of financial assets and financial liabilities at the reporting date is summarised as follows:

	2021			2020		
	Floating Interest US\$m	Fixed Interest US\$m	Effective Interest Rate %	Floating Interest US\$m	Fixed Interest US\$m	Effective Interest Rate %
Consolidated						
Financial Assets						
Cash and cash equivalents	1,873	–	0.2	1,451	–	0.6
FdN finance facilities ⁽¹⁾	–	266	7.5	–	299	7.5
Other receivables	17	–	8.1	–	–	–
	1,890	266		1,451	299	
Financial Liabilities						
Corporate bonds	–	1,650	4.3	–	2,030	4.3
Lease liabilities	–	62	4.4	–	58	4.3
Other loans	–	–	–	4	–	3.6
	–	1,712		4	2,088	
Net exposure	1,890	(1,446)		1,447	(1,789)	

(1) The principal component of the GPCA and SCFA are subject to interest at the contractual rate.

The other financial assets and financial liabilities of the Group not included in the above table are non-interest bearing and not subject to interest rate risk.

The sensitivity of this exposure has been analysed and determined to be not material to the Group.

(e) Credit Risk

The Group's exposure to credit risk arises from the potential default of the counterparty to the Group's financial assets, which comprise cash and cash equivalents, trade and other receivables, the FdN finance facilities and derivative financial instruments.

The Group limits its counterparty credit risk on investment funds by dealing only with banks or financial institutions with credit ratings of at least A- (S&P) equivalent and rated at least BBB (S&P) equivalent for derivative financial instruments. Credit risk is further limited by ensuring diversification with maximum investment limits based on credit ratings. Counterparty credit risk on investment funds and derivative exposures is monitored on a continual basis.

All concentrate customers who wish to trade on credit terms are subject to a credit risk analysis at least annually. The Group obtains sufficient collateral (such as a letter of credit) from customers where determined appropriate, as a means of mitigating the risk of financial loss from defaults. At the reporting date the value of collateral held was US\$32 million (2020: US\$41 million).

Receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There were no material impairments of receivables as at 30 June 2021 or 30 June 2020.

The majority of the Group's receivables at the reporting date are due from concentrate customers in Japan. There have been no credit defaults with these customers in recent history. At the reporting date there were no other significant concentrations of credit risk with concentrate customers.

The FdN finance facilities, which were acquired in April 2020 are due from Lundin Gold, which operates the FdN gold mine in Ecuador. The Group limited its credit risk on the facilities by acquiring a customary lender security covenant package, which includes a requirement for Lundin Gold to seek approvals from the senior lenders and Newcrest as subordinated lender under the Facilities for any material amendments to the mine plan, financial model and operating budget of the FdN mine. Newcrest also ranks ahead of ordinary equity holders with regard to preference of cash flows from the FdN mine.

(f) Financial Assets and Financial Liabilities

The following tables disclose the carrying amounts of each class of financial assets and financial liabilities at year end, classified between amortised cost, fair value through profit or loss and fair value through other comprehensive income ('OCI').

	Amortised cost US\$m	Fair Value through profit or loss ⁽¹⁾ US\$m	Fair Value through OCI ⁽²⁾ US\$m	Total US\$m
2021				
Financial Assets				
Cash and cash equivalents	1,873	–	–	1,873
Trade and other receivables – current	87	128	–	215
Trade and other receivables – non-current	74	–	–	74
FdN finance facilities – current	–	112	–	112
FdN finance facilities – non-current	–	397	–	397
Other financial assets – current	–	–	19	19
Other financial assets – non-current	–	25	88	113
	2,034	662	107	2,803
Financial Liabilities				
Trade and other payables	577	–	–	577
Borrowings – non-current	1,635	–	–	1,635
Lease liabilities – current	27	–	–	27
Lease liabilities – non-current	35	–	–	35
Other financial liabilities – current	–	–	68	68
Other financial liabilities – non-current	–	–	42	42
	2,274	–	110	2,384

	Amortised cost US\$m	Fair Value through profit or loss ⁽¹⁾ US\$m	Fair Value through OCI ⁽²⁾ US\$m	Total US\$m
2020				
Financial Assets				
Cash and cash equivalents	1,451	–	–	1,451
Trade and other receivables – current	60	194	–	254
Trade and other receivables – non-current	51	–	–	51
FdN finance facilities – current	–	65	–	65
FdN finance facilities – non-current	–	396	–	396
Other financial assets – non-current	–	9	76	85
	1,562	664	76	2,302
Financial Liabilities				
Trade and other payables	520	–	–	520
Borrowings – current	4	–	–	4
Borrowings – non-current	2,013	–	–	2,013
Lease liabilities – current	26	–	–	26
Lease liabilities – non-current	32	–	–	32
Other financial liabilities – current	–	–	116	116
Other financial liabilities – non-current	–	–	158	158
	2,595	–	274	2,869

(1) The Trade and other receivables in this classification relates to concentrate receivables.

(2) Relates to Telfer AUD gold hedges, fuel hedges and other equity investments.

Notes to the Consolidated Financial Statements *continued*

For the Year Ended 30 June 2021

25. Fair Value Measurement

(a) Fair Value Measurements Recognised in the Statement of Financial Position

For financial assets and liabilities carried at fair value, the Group uses the following to categorise the fair value method used, as defined by IFRS 13 *Fair Value Measurement*.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). Valuation inputs include forward curves, discount curves and underlying spot and futures prices.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group's financial assets and liabilities which are measured at fair value on a recurring basis, are categorised as follows:

Financial assets and liabilities measured at fair value	Level 1 US\$m	Level 2 US\$m	Level 3 US\$m	Total US\$m
2021				
Concentrate receivables	–	128	–	128
FdN finance facilities (Note 25(b))	–	–	509	509
Power purchase agreement (Note 25(c))	–	–	2	2
Other financial assets	86	19	25	130
Telfer AUD gold hedges	–	(110)	–	(110)
	86	37	536	659
2020				
Concentrate receivables	–	194	–	194
FdN finance facilities (Note 25(b))	–	–	461	461
Other financial assets	76	–	9	85
Telfer AUD gold hedges	–	(266)	–	(266)
Other financial liabilities	–	(8)	–	(8)
	76	(80)	470	466

There were no transfers between levels during the year.

(b) Fair Value of FdN Finance Facilities

In April 2020, Newcrest acquired the GPCA, SCFA and Offtake Agreement in relation to Lundin Gold Inc's Fruta del Norte ('FdN') mine (refer Note 23(b)). Each of these financial instruments are classified as Level 3 as their valuation includes significant unobservable inputs. The following table summarises the fair value of these financial assets on an aggregated basis.

Movements in Fair Value	2021 US\$m	2020 US\$m
Opening balance	461	–
Acquisition value	–	460
Net receipts during the period	(92)	(2)
Accrued interest	22	2
Fair value adjustments	118	1
Closing balance	509	461
Split between:		
Current	112	65
Non-current	397	396
	509	461

Valuation measurement and key assumptions

The GPCA and SCFA are valued based on a discounted cash flow model, whilst the Offtake Agreement valuation is based on Monte Carlo simulation to determine the margin achieved on sales associated with this agreement (which is then incorporated into a discounted cash flow model). The valuation requires Management to make certain assumptions about the model inputs, including gold prices, discount rates and FdN production profiles. The probabilities of the various estimates within the range can be reasonably assessed and are used in Management's estimate of fair value for these financial assets.

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements.

Unobservable inputs	Inputs	Relationship of unobservable inputs to fair value
Gold price	The Group's carrying value assessment gold price assumption (refer Note 12(c))	An increase or decrease in gold prices of 10% applied to the gold price assumptions for the term of the agreements would change the fair value of the asset by +US\$50 million/-US\$51 million (30 June 2020: +US\$49 million/-US\$19 million)
Discount rate	8.5%	An increase or decrease in the discount rate of 1% would change the fair value of the asset by -US\$18 million/+US\$19 million (30 June 2020: -US\$19 million/+US\$20 million)
FdN production profile	FdN mine plan	An increase or decrease in the production profile of 10% would change the fair value of the asset by +US\$14 million/-US\$21 million (30 June 2020: +US\$18 million/-US\$26 million)

The sensitivity of the exposure of silver prices on the FdN finance facilities has been analysed and determined to be not material to the Group.

Accounting Estimates and Assumptions – Fair Value of FdN finance facilities

Significant judgements, estimates and assumptions are required in determining estimates of Fair Value for the FdN finance facilities. It should be noted that the Fair Value is subject to variability in key assumptions including, but not limited to, gold prices, discount rates and FdN production profiles. A change in one or more of the assumptions used could result in a material change in the estimated Fair Value of the FdN finance facilities.

(c) Fair Value of Power Purchase Agreement

Movements in Fair Value	2021 US\$m	2020 US\$m
Opening balance	–	–
Acquisition value	–	–
Fair value adjustments	2	–
Closing balance	2	–
Split between:		
Current	–	–
Non-current	2	–
	2	–

Valuation measurement and key assumptions

The PPA is valued based on a discounted cash flow model. The valuation requires Management to make certain assumptions about the model inputs, including future electricity prices, discount rates and expected generation volumes associated with the contracts. The probabilities of the various estimates within the range can be reasonably assessed and are used in Management's estimate of fair value for these financial assets.

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements.

Unobservable inputs	Inputs	Relationship of unobservable inputs to fair value
Electricity prices	Forward electricity price assumptions	An increase or decrease in electricity prices of 10% applied to the electricity price assumptions for the term of the agreements would change the fair value by +US\$7 million/-US\$7 million

Notes to the Consolidated Financial Statements *continued*

For the Year Ended 30 June 2021

25. Fair Value Measurement *continued*

(c) Fair Value of Power Purchase Agreement *continued*

The sensitivity of the exposure to future generation volumes and the rate used to discount future cash flows has been analysed and determined to be not material to the Group.

Accounting Estimates and Assumptions – Fair Value of Power Purchase Agreement

The valuation of PPAs required a number of significant assumptions, including assumptions about forward electricity prices, future generation volumes, credit and liquidity adjustments and the rate used to discount future cash flows. A change in one or more of the assumptions used could result in a material change in the estimated Fair Value of the Power Purchase Agreement.

(d) Fair value of financial instruments carried at amortised cost

The carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair value, except as detailed in the following table:

	Carrying amount		Fair value ⁽¹⁾	
	2021 US\$m	2020 US\$m	2021 US\$m	2020 US\$m
Financial Liabilities				
Borrowings:				
Fixed rate debt – Corporate Bonds	1,635	2,013	1,940	2,330

(1) The fair value is a level 2 valuation. Fair values of the Group's fixed rate borrowings are determined by using discounted cash flow models that use discount rates that reflect the issuer's borrowing rate as at the end of the reporting period.

26. Issued Capital

(a) Movements in Issued Capital

	2021 US\$m	2020 US\$m
Opening balance	12,403	11,641
Shares issued – equity raising ⁽¹⁾	–	784
Share issue costs	–	(13)
Tax effect of issue costs	–	1
Equity raising net of issue costs	–	772
Shares issued – dividend reinvestment plan	26	15
Shares repurchased and held in treasury ⁽²⁾	(10)	(25)
Total issued capital	12,419	12,403

(1) In May and June 2020, Newcrest raised a total of A\$1,200 million (US\$784 million) from an equity raising comprising an institutional placement of A\$1,000 million (US\$646 million) and a share purchase plan of A\$200 million (US\$138 million). A total of 46,874,992 fully paid ordinary shares were issued at a price of A\$25.60 (US\$16.73) per share.

(2) During the year, the Newcrest Employee Share Plan Trust ('Trust') purchased a total of 500,000 (2020: 1,193,157) fully paid ordinary Newcrest shares at an average price of A\$24.41 (US\$18.92) per share (2020: average price of A\$31.40 (US\$22.22) per share). The shares were purchased on-market to be held by the Trustee on behalf of the Trust to satisfy the future entitlements of the holders of performance rights (and any other rights to acquire shares) under Newcrest's current and future employee incentive schemes.

(b) Number of Issued Ordinary Shares

	2021 No.	2020 No.
Comprises:		
– Shares held by the public	814,745,123	813,819,599
– Treasury shares	2,544,569	2,252,295
Total issued shares	817,289,692	816,071,894
Movement in issued ordinary shares for the year		
Opening number of shares	813,819,599	766,613,683
Shares issued under:		
– Shares issued – equity raising ⁽¹⁾	–	46,874,992
– Shares repurchased and held in treasury ⁽²⁾	(500,000)	(1,193,157)
– Share plans ⁽³⁾	207,726	802,570
– Dividend reinvestment plan	1,217,798	721,511
Closing number of shares	814,745,123	813,819,599
Movement in treasury shares for the year		
Opening number of shares	2,252,295	1,861,708
– Purchases	500,000	1,193,157
– Allocated pursuant to share plans	(207,726)	(802,570)
Closing number of shares	2,544,569	2,252,295

(1) In May and June 2020, Newcrest raised a total of A\$1,200 million (US\$784 million) from an equity raising comprising an institutional placement of A\$1,000 million (US\$646 million) and a share purchase plan of A\$200 million (US\$138 million). A total of 46,874,992 fully paid ordinary shares were issued at a price of A\$25.60 (US\$16.73) per share.

(2) During the year, the Newcrest Employee Share Plan Trust ('Trust') purchased a total of 500,000 (2020: 1,193,157) fully paid ordinary Newcrest shares at an average price of A\$24.41 (US\$18.92) per share (2020: average price of A\$31.40 (US\$22.22) per share). The shares were purchased on-market to be held by the Trustee on behalf of the Trust to satisfy the future entitlements of the holders of performance rights (and any other rights to acquire shares) under Newcrest's current and future employee incentive schemes.

(3) Represents rights exercised under the Company's share-based payments plans and executive service agreements. Refer to Note 36 for share-based payments.

Issued ordinary share capital is classified as equity and is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares and the associated tax are recognised directly in equity as a reduction of the share proceeds received.

(c) Significant Accounting Policies**Treasury Shares**

The Group's own equity instruments, which are purchased on-market for later use in employee share-based payment arrangements (Treasury shares), are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Notes to the Consolidated Financial Statements *continued*

For the Year Ended 30 June 2021

27. Reserves

	Note	2021 US\$m	2020 US\$m
Equity settlements reserve	(a)	137	123
Foreign currency translation reserve	(b)	(128)	(575)
Hedge reserve	(c)	(63)	(192)
Other reserves	(d)	31	24
Total reserves		(23)	(620)

(a) Equity Settlements Reserve

This reserve is used to recognise the fair value of rights and options issued to employees in relation to equity-settled share-based payments.

(b) Foreign Currency Translation Reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of subsidiaries which do not have a functional currency of USD. The reserve is also used to record exchange gains and losses on hedges of the net investment in foreign operations. Refer Note 24(b).

(c) Hedge Reserve

The hedge reserve is used to record the effective portion of changes in the fair value of cash flow hedges (refer Note 24). The components of the hedge reserve at year end were as follows:

Component	Note	2021 US\$m	2020 US\$m
Gold forward contracts – Telfer	24(a)	(110)	(266)
Fuel forward contracts	24(a)	19	(8)
Power purchase agreement	25(c)	2	–
		(89)	(274)
Tax effect		26	82
Total Hedge Reserve		(63)	(192)

(d) Other Reserves

Other Reserves are used to record Newcrest's share of other comprehensive income/(loss) of associates (refer Note 32) and changes in the fair value of equity instruments held at fair value.

GROUP STRUCTURE

This section provides information relevant to understanding the structure of the Group.

28. Controlled Entities

Controlled entities are consolidated from the date on which control commences until the date that control ceases. All intercompany balances and transactions, including unrealised gains and losses arising from intra-group transactions, have been eliminated in preparing the consolidated financial statements. The Group comprises the following significant entities:

Entity	Notes	Country of Incorporation	Percentage Holding	
			2021 %	2020 %
Parent Entity				
Newcrest Mining Limited		Australia		
Subsidiaries				
Cadia Holdings Pty Limited	(a)	Australia	100	100
Contango Agricultural Company Pty Ltd		Australia	100	100
Newcrest Finance Pty Limited	(a)	Australia	100	100
Newcrest International Pty Ltd	(a)	Australia	100	100
Newcrest Operations Limited	(a)	Australia	100	100
Newcrest West Africa Holdings Pty Ltd	(a)	Australia	100	100
Newgen Pty Ltd		Australia	100	100
Niugini Mining (Australia) Pty Ltd	(a)	Australia	100	100
Newcrest Insurance Pte Ltd	(b)	Singapore	100	100
Gryphus Pte Ltd		Singapore	100	100
Orion Co-V Pte Ltd		Singapore	100	100
PT Nusantara Bintang Management		Indonesia	100	100
Newcrest (Fiji) Pte Limited	(b)	Fiji	100	100
Newcrest Exploration (Fiji) Pte Limited	(b)	Fiji	100	100
Lihir Gold Limited	(b)	Papua New Guinea	100	100
Newcrest PNG 2 Limited	(b)	Papua New Guinea	100	100
Newcrest PNG 3 Limited	(b)	Papua New Guinea	100	100
Newcrest PNG Exploration Limited	(b)	Papua New Guinea	100	100
Newcrest Resources, Inc.		USA	100	100
Newroyal Resources, Inc.		USA	100	100
Newcrest USA Finance LLC	(c)	USA	100	–
Newcrest Canada Inc.		Canada	100	100
Newcrest Canada Holdings Inc.		Canada	100	100
Newcrest Canada Services Inc.		Canada	100	100
Newcrest Red Chris Mining Limited	(b)	Canada	100	100
Newcrest Chile SpA		Chile	100	100
Newcrest Ecuador S.A.	(b)	Ecuador	100	100

Notes:

(a) These controlled entities are a party to a Deed of Cross Guarantee. Refer Note 30 for further information.

(b) Audited by affiliates of the Parent entity auditors.

(c) These entities were incorporated during the year.

Notes to the Consolidated Financial Statements *continued*

For the Year Ended 30 June 2021

29. Parent Entity Information

The summarised Income Statement and Statement of Financial Position in respect to the parent entity ('Company') is set out below.

	Company	
	2021 US\$m	2020 US\$m
(a) Income Statement		
Profit/(loss) after income tax	496	478
Other comprehensive income/(loss)	610	(87)
Total comprehensive income/(loss) for the year	1,106	391
(b) Statement of Financial Position		
Current assets	99	85
Non-current assets	8,024	6,991
Total assets	8,123	7,076
Current liabilities	277	170
Non-current liabilities	559	489
Total liabilities	836	659
Net assets	7,287	6,417
Issued capital	12,419	12,403
Equity settlements reserve	137	123
Foreign currency translation reserve	(56)	(666)
Accumulated losses	(5,213)	(5,443)
Total equity	7,287	6,417
(c) Commitments		
Capital expenditure commitments	9	9

(d) Guarantees and Contingent Liabilities

The Company and certain Australian controlled entities have entered into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the controlled entities under certain provisions of the *Corporations Act 2001*. Further details are included in Note 30. At the reporting date, no amounts have been recognised in the financial information of the Company in respect of this Deed on the basis that the possibility of default is remote.

30. Deed of Cross Guarantee

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 dated 17 December 2016, the wholly-owned controlled entities detailed in Note 28 are relieved from the *Corporations Act 2001* requirements for preparation, audit, and lodgement of financial reports, and Directors' Report.

It is a condition of the Class Order that the Company and each of its eligible controlled entities enter into a Deed of Cross Guarantee ('Deed'). The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the controlled entities under certain provisions of the *Corporations Act 2001*. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The controlled entities have also given similar guarantees in the event that the Company is wound up.

In May 2016, the Company and its eligible controlled entities entered into a new Deed.

A consolidated Income Statement and consolidated Statement of Financial Position, comprising the Company and controlled entities which are a party to the Deed, after eliminating all transactions between parties to the Deed is set out below.

	Consolidated	
	2021 US\$m	2020 US\$m
Income Statement		
Revenue	2,905	2,381
Cost of sales	(1,453)	(1,222)
Gross profit	1,452	1,159
Exploration costs	(36)	(31)
Corporate administration costs	(135)	(111)
Dividend income from subsidiaries	–	55
Other income/(expenses)	125	67
Share of profit/(loss) of associate	(4)	(2)
Impairment reversal/(loss)	(11)	48
Profit before interest and income tax	1,391	1,185
Finance income	6	12
Finance costs	(125)	(185)
Profit/(loss) before income tax	1,272	1,012
Income tax expense	(348)	(286)
Profit/(loss) after income tax	924	726

Notes to the Consolidated Financial Statements *continued*

For the Year Ended 30 June 2021

30. Deed of Cross Guarantee *continued*

Statement of Financial Position	Consolidated	
	2021 US\$m	2020 US\$m
Current assets		
Cash and cash equivalents	374	1,298
Trade and other receivables	144	197
Inventories	205	174
Other financial assets	19	–
Other assets	15	20
Total current assets	757	1,689
Non-current assets		
Other receivables	123	99
Investment in subsidiaries	7,276	6,234
Property, plant and equipment	4,107	3,346
Other intangible assets	26	21
Deferred tax assets	54	56
Other financial assets	113	85
Other assets	5	3
Investment in associates	91	75
Total non-current assets	11,795	9,919
Total assets	12,552	11,608
Current liabilities		
Trade and other payables	621	993
Provisions	112	79
Current tax liability	93	22
Lease liabilities	18	20
Other financial liabilities	69	116
Total current liabilities	913	1,230
Non-current liabilities		
Borrowings	1,634	2,013
Provisions	297	238
Deferred tax liabilities	341	194
Lease liabilities	21	21
Other financial liabilities	42	158
Total non-current liabilities	2,335	2,624
Total liabilities	3,248	3,854
Net assets	9,304	7,754
Equity		
Issued capital	12,419	12,403
Accumulated losses	(2,842)	(3,500)
Reserves	(273)	(1,149)
Total equity	9,304	7,754

31. Interest in Joint Operations

The Group has interests in the following significant unincorporated joint arrangements, which are accounted for as joint operations under accounting standards.

Name	Country	Principal Activity	Note	Ownership Interest	
				2021	2020
Wafi-Golpu JV	Papua New Guinea	Mineral exploration	(a)	50.0%	50.0%
Namosi JV	Fiji	Mineral exploration	(b)	72.74%	72.49%

Interest in Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation, its share of assets, liabilities, revenue and expenses from those operations and revenue from the sale of its share of the output from the joint operation or from the sale of the output by the joint operation.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the standards applicable to the particular assets, liabilities, revenues and expenses.

(a) Wafi-Golpu Joint Venture

The Wafi-Golpu JV is owned 50% by the Group and 50% by Wafi Mining Limited, whose ultimate holding company is Harmony Gold Mining Company Limited. Pursuant to the JV agreement, key operational decisions of the JV require a minimum 70% (effectively unanimous) vote and therefore the Group has joint control. For segment reporting, Wafi-Golpu is included within the 'Exploration and Projects' segment.

Under the conditions of the Wafi-Golpu exploration tenements, the PNG Government ('the State') has reserved the right to take up (prior to the commencement of mining) an equity interest of up to 30% of any mineral discovery within the Wafi-Golpu tenements. The right is exercisable by the State once at any time prior to the commencement of mining. If the State exercises this right, the exercise price is a pro rata share of the accumulated exploration expenditure. Once the right is exercised, the State is responsible for its proportionate share of ongoing exploration and project development costs. During February 2012, the State indicated its intention to exercise its option. As at 30 June 2021, this option has not been exercised. In the event the option is exercised in full, Newcrest's interest in the Wafi-Golpu JV would be reduced to 35%.

The carrying value of the Group's interest in the Wafi-Golpu JV as at 30 June 2021 is US\$452 million (2020: US\$477 million).

(b) Namosi Joint Venture

The Namosi JV was established between the Group and two other parties under the Namosi Joint Venture agreement in November 2007. Pursuant to this JV agreement, key operational decisions of the JV require a unanimous vote and therefore the Group has joint control. For segment reporting, the Namosi JV is included within the 'Exploration and Projects' segment.

The carrying value of the Group's interest in the Namosi JV as at 30 June 2021 is US\$25 million (2020: US\$25 million).

Notes to the Consolidated Financial Statements *continued*

For the Year Ended 30 June 2021

32. Investment in Associates

Movements in investment in associates	2021 US\$m	2020 US\$m
Opening balance	386	333
Acquisition – Lundin Gold Inc	8	79
Acquisition – SolGold plc	10	–
Acquisition – Antipa Minerals Ltd	3	3
Total acquisitions	21	82
Share of profit/(loss)	26	(37)
Share of other comprehensive income/(loss)	3	10
Foreign currency translation	6	(2)
Closing balance	442	386

An associate is an entity that is neither a subsidiary nor joint arrangement, over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The Group's investment in associates is accounted for using the equity method.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on its investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the Income Statement.

(a) Details of Associates

Associate	Country of Incorporation	Interest		Carrying Amount	
		2021 %	2020 %	2021 US\$m	2020 US\$m
Lundin Gold Inc	Canada	32.0%	32.0%	349	309
SolGold plc	United Kingdom	13.5%	13.6%	86	72
Azucar Minerals Ltd	Canada	19.9%	19.9%	2	2
Antipa Minerals Ltd	Australia	9.9%	9.9%	5	3
				442	386

Lundin Gold Inc's ('Lundin Gold') Fruta del Norte ('FdN') mine commenced commercial production in the prior year. The remaining associates are in the exploration and/or mine development phase and do not currently generate revenue. Further details are as follows:

(b) Investment in Lundin Gold Inc

Lundin Gold is a Canadian based mine development and operating company, operating the FdN gold mine in Ecuador. Lundin Gold is listed on the Toronto Stock Exchange ('TSX') and the Nasdaq Stockholm.

On 26 March 2018, Newcrest acquired a 27.1% equity interest in Lundin Gold for US\$251 million (inclusive of transaction costs of US\$1 million), following a share subscription agreement entered into on 24 February 2018. The Group's current interest is 32.0%. The Group has appointed two directors to the Board of Lundin Gold.

In April 2020, Newcrest acquired the FdN finance facilities. This did not have an impact on the Group's equity interest in Lundin Gold. Refer to Note 23(b).

The following table discloses summarised financial information of the Group's investment in Lundin Gold Inc.

Lundin Gold's Statement of Financial Position	2021 US\$m	2020 US\$m
Current assets	405	176
Non-current assets	1,186	1,231
Current liabilities	(296)	(183)
Non-current liabilities	(563)	(657)
Net assets	732	567
Proportion of Newcrest's ownership	32.0%	32.0%
Carrying value calculated per ownership percentage	234	181
Fair value adjustment	115	128
Carrying amount	349	309

The FdN mine commenced commercial production in February 2020. Lundin Gold had revenue during the year of US\$664 million (100% basis) (2020: US\$50 million).

As at 30 June 2021, the Group held 74,350,738 shares (2020: 73,504,145) with a market value of US\$624 million (2020: US\$685 million) based on the closing share price on the TSX.

(c) Investment in Other Associates

SolGold Plc ('SolGold') is an Australian based, copper gold exploration and future development company with assets in Ecuador, the Solomon Islands and Australia. SolGold is listed on the London Stock Exchange ('LSE') and the TSX. As at 30 June 2021, the Group held 309,309,996 shares (2020: 281,216,471 shares) with a market value of US\$122 million (2020: US\$73 million) based on the closing share price on the LSE.

Azucar Minerals Ltd ('Azucar') is a mineral exploration company listed on the TSX. The associates' assets include the El Cobre copper/gold porphyry project near Veracruz, Mexico. As at 30 June 2021, the Group held 14,674,056 shares (2020: 14,674,056 shares) with a market value of US\$1 million (2020: US\$2 million) based on the closing share price on the TSX.

Antipa Minerals Ltd ('Antipa') is an Australia mineral exploration company listed on the ASX, with exploration assets in the Paterson Province of Western Australia. As at 30 June 2021, the Group held 310,010,163 shares (2020: 228,472,719 shares) with a market value of US\$10 million (2020: US\$4 million) based on the closing share price on the ASX.

The Group has a right (but not an obligation) to appoint a Director to the Board of each of these associates.

33. Acquisition of Red Chris

On 15 August 2019, the Group completed the acquisition of a 70% interest in Red Chris with TSX-listed Imperial Metals Corporation ('Imperial'), following the signing of an Asset Purchase Agreement ('APA') on 10 March 2019 and the Red Chris Joint Venture Agreement ('Red Chris JVA') on 15 August 2019.

The Red Chris mine is a copper-gold porphyry with an operating open-pit. The acquired property comprises 23,142 hectares of land with 77 mineral tenures in British Columbia, Canada. The acquisition aligns with Newcrest's stated strategic goal of building a global portfolio of Tier 1 orebodies.

The acquisition was structured via an unincorporated arrangement. The Group has operatorship of Red Chris pursuant to the Red Chris JVA. Under the Red Chris JVA, the Group has rights to its share of the assets and obligations for its share of the liabilities of the arrangement rather than a right to a net return. In addition, as the operator (manager) of Red Chris, the Group has a direct legal liability for the entire balance of certain liabilities and a right to reimbursement by Imperial for its share of that liability.

This arrangement is not within the scope of AASB 11 *Joint Arrangements*. The Group has recognised its interest in assets and liabilities, revenue from the sale of its share of the output by the unincorporated arrangement, and associated expenses in accordance with the applicable accounting standard. All such amounts have been measured in accordance with the terms of the JVA, which is generally in proportion to the Group's 70% interest in the arrangement with the exception of the liabilities for which the Group has a direct legal liability. These liabilities are recognised at 100% along with a receivable due from Imperial for its 30% share of the liability.

These amounts have been recorded in the Group's financial statements on the appropriate lines.

Notes to the Consolidated Financial Statements *continued*

For the Year Ended 30 June 2021

33. Acquisition of Red Chris *continued*

(a) Consideration

The final consideration paid was US\$769 million as shown in the table below:

	30 Jun 2020 US\$m
Consideration paid in respect to:	
Property, plant and equipment ⁽¹⁾	804
Less: Debt and working capital balances ⁽²⁾	(35)
Cash consideration paid	769

(1) Inclusive of rehabilitation provision.

(2) The debt (assumed equipment loans and other interest-bearing liabilities) and working capital balances were subject to adjustment under the APA which was finalised in 2020.

(b) Fair Values

Details of the fair values at the date of acquisition (15 August 2019) are set out below:

	Final Fair Value US\$m
Assets and Liabilities Acquired	
Receivables	50
Inventories	30
Property, plant and equipment	855
Deferred tax assets	10
Total assets	945
Trade and other payables	(37)
Debt – Lease liabilities	(10)
Debt – Other interest-bearing liabilities	(46)
Provisions	(73)
Deferred tax liabilities	(27)
Total liabilities	(193)
Fair value of identifiable net assets	752
Goodwill on acquisition	17
Fair value of net assets	769

The goodwill reflects the requirement to record deferred tax balances for the difference between the assigned values and the tax bases of assets acquired and liabilities assumed in the business combination. Goodwill is not deductible for tax purposes.

(c) Other Information

Refer to Note 4 *Segment Information* for details of the segment result of Red Chris.

Business acquisition and integration costs of US\$5 million were incurred in the prior year. These have been expensed in the Income Statement within 'Transaction and integration costs'. Refer Note 6.

34. Business Divestment

Divestment of Gosowong

On 31 January 2020, Newcrest signed an agreement to sell 100% of Newcrest Singapore Holdings Pte Limited ('NSH') which owns a 75% interest in PT Nusa Halmahera Minerals ('PT NHM'), which operates the Gosowong mine (Gosowong) in Indonesia, and 100% of PT Puncakbaru Jayatama ('PT PJ'), which employs exploration personnel in Indonesia, to PT Indotan Halmahera Bangkit ('Indotan') for consideration comprising:

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

The sale of NSH followed a strategic review of the asset by Newcrest and to comply with the amended Gosowong Contract of Work which required Newcrest to sell down to at least 49% of PT NHM by 30 June 2020.

As a result of the sale agreement, the assets and liabilities of Gosowong and PT PJ were classified as 'held for sale' with effect from 31 December 2019. The carrying value of Gosowong was compared to its fair value less costs to sell and this resulted in a write-down of non-current assets of US\$57 million after taking into account the sales proceeds less transaction costs. The write-down attributable to Newcrest for its 75% interest in Gosowong is US\$44 million.

The sale was completed on 4 March 2020 and Gosowong and PT PJ were deconsolidated from that date. The sale agreement had an economic effective date of 31 December 2019 and as a result, the cash generated during the period 31 December 2019 to 4 March 2020 was to the benefit of the acquirer. This amounted to US\$10 million.

(a) Impact on Income Statement

The impact of the divestment on the Income Statement was as follows:

	Note	2021 US\$m	2020 US\$m
Consideration		-	90
Less: Transaction costs		-	(5)
Net proceeds		-	85
Written down value of net assets sold	34(b)	-	114
Less: Written down value of net assets attributable to non-controlling interests		-	(29)
Written down value of net assets sold (75%)		-	85
Total gain/(loss) on business divestment		-	-

Refer to Note 4 *Segment Information* for details of the segment result of Gosowong for the period 1 July 2019 to 4 March 2020.

Notes to the Consolidated Financial Statements *continued*

For the Year Ended 30 June 2021

34. Business Divestment *continued*

(b) Net Assets Disposed

The carrying value of the net assets of Gosowong disposed of in 2020 is as follows:

Book Value on Divestment	2021 US\$m	2020 US\$m
Assets		
Cash and cash equivalents	–	35
Trade and other receivables	–	20
Inventories	–	37
Property, plant and equipment	–	26
Current and non-current tax assets	–	59
Other assets	–	20
Total Assets⁽¹⁾	–	197
Liabilities		
Trade and other payables	–	23
Provisions	–	60
Total Liabilities	–	83
Net assets divested	–	114
Attributable to:		
Non-controlling interest (25%)	–	29
Owners of the parent (75%)	–	85
	–	114

(1) Total assets is inclusive of a US\$57 million write-down to property, plant and equipment and tax assets as per Note 6. Of this amount, US\$13 million is attributable to non-controlling interest.

(c) Impact on Statement of Cash Flows

The cash inflow on divestment of Gosowong in 2020, net of cash held by the subsidiaries was as follows:

	2021 US\$m	2020 US\$m
Cash consideration received	–	60
Less: Transaction costs paid	–	(5)
Less: Cash and cash equivalents divested	–	(35)
Total	–	20

OTHER

This section includes additional financial information and other disclosures that are required by the accounting standards and the *Corporations Act 2001*.

35. Contingencies

(a) Bank Guarantees

The Group has negotiated a number of bank guarantees in favour of various government authorities and service providers. The total nominal amount of these guarantees at the reporting date is US\$157 million (30 June 2020: US\$144 million).

(b) Other Matters

The companies in the Group are recipients of, or defendants in, certain claims, proceedings and/or complaints made, commenced or threatened. In the opinion of the Directors, all such matters are of such a kind, or involve such amounts, that they are not anticipated to have a material effect on the financial position of the Group if disposed of unfavourably or are at a stage which does not support a reasonable evaluation of the likely outcome of the matter.

36. Share-Based Payments

The Group provides benefits to employees (including Executive Directors) in the form of share-based compensation, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). The Group operates a number of share-based payment plans, including:

- Executive Performance Share Plan ('LTI Plan')
- Employee Share Acquisition Plan ('ESAP')
- Share Match Plan
- Sign-On Share Plan
- Short Term Incentive Deferral Plan ('STI Deferral Plan')

(a) Executive Performance Share Plan (LTI Plan)

The Executive Performance Share Plan (also referred to as the Long Term Incentive ('LTI') plan) entitles participants to receive rights to ordinary fully paid shares in the Company (Performance Rights). The Executive General Managers (including Key Management Personnel), General Managers and Managers participate in this plan.

The vesting conditions for the Performance Rights granted in the 2021 financial year for Executive General Manager comprised a service condition and three equally weighted performance measures, being:

- Comparative Cost Position;
- Return on Capital Employed (ROCE); and
- Relative Total Shareholder Return ('TSR').

These measures are consistent with the prior year. Each LTI measure was chosen by the Board as it is a key driver of group performance. Performance against each of these measures over the three year vesting period determines the grant made to participants. There is no ability to re-test performance under the Plan after the performance period.

The vesting conditions for the General Managers comprise a service condition and 50% of the rights have performance measures as noted above. The vesting conditions for Managers comprise service conditions only.

Notes to the Consolidated Financial Statements *continued*

For the Year Ended 30 June 2021

36. Share-Based Payments *continued*

(a) Executive Performance Share Plan (LTI Plan) *continued*

The assessed fair value at grant date of the Performance Rights granted under the LTI plan is independently determined using an option pricing model. The model inputs included:

	2021	2020
Fair value – Executive General Managers	A\$21.98	A\$26.85
Fair value – General Managers	A\$23.89	A\$28.62
Fair value – Managers	A\$25.80	A\$30.38
Grant date	18 Nov 2020	19 Nov 2019
Share price at grant date	A\$28.95	A\$31.30
Expected life of right	3 years	3 years
Exercise price	Nil	Nil
Risk-free interest rate	0.1%	0.7%
Annualised volatility	30.0%	30.0%
Expected dividend yield	1.2%	1.0%

The rights have been valued using a combination of the Monte Carlo simulation and Black-Scholes models. The fair value of the rights granted is adjusted to reflect market vesting conditions. Non-market conditions are included in the assumptions about the number of rights that are expected to become exercisable and are updated at each reporting date. The impact of the revision to original estimates is recognised in the Income Statement with a corresponding adjustment to equity.

Upon the exercise of rights, the balance of the equity settlements reserve relating to those rights remains in the Equity Settlements Reserve.

Accounting Estimates and Assumptions – Share-Based Payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value of equity instruments at the date at which they are granted. The fair value is determined by an external valuer using an option pricing model, using the assumptions detailed above.

(b) Movements in the Number of Rights issued under the LTI Plan

Detailed information about Performance Rights is set out below:

		Movement in Number of Rights During the Year				
Grant date	Exercise date	Beginning of year	Granted	Exercised	Forfeited	End of year
2021						
18 Nov 2020	18 Nov 2023	–	796,941	–	(22,012)	774,929
19 Nov 2019	19 Nov 2022	673,484	–	–	(49,892)	623,592
21 Nov 2018	21 Nov 2021	851,769	–	–	(55,373)	796,396
21 Nov 2017	15 Nov 2020	680,356	–	(363,089)	(317,267)	–
Total		2,205,609	796,941	(363,089)	(444,544)	2,194,917
2020						
19 Nov 2019	19 Nov 2022	–	745,324	–	(71,840)	673,484
21 Nov 2018	21 Nov 2021	991,914	–	–	(140,145)	851,769
21 Nov 2017	15 Nov 2020	752,278	–	–	(71,922)	680,356
15 Nov 2016	15 Nov 2019	656,216	–	(533,634)	(122,582)	–
Total		2,400,408	745,324	(533,634)	(406,489)	2,205,609

All Performance Rights have a nil exercise price. The number of performance rights exercisable at year end is nil (2020: nil).

(c) ESAP, Share Match Plan and Sign-On Share Plan

Under the ESAP, eligible employees are granted shares in the Company for no cash consideration. All Australian resident permanent employees who have been continuously employed by the Group for a period of at least one year, and are not eligible for the LTI Plan, are able to participate in the ESAP.

Under the Share Match Plan, eligible employees may contribute up to A\$4,950 to acquire shares in the plan year. At the time of acquisition of shares, the Company grants a matching Right to an ordinary share for each share acquired. The Rights vest three years after grant subject to satisfaction of certain conditions including continuous employment.

To support Newcrest's ability to attract and/or retain suitable executives and senior managers, it is sometimes necessary to offer sign-on incentives. Such incentives are consistent with market practice in the industry. Rights awarded under the Sign-on Share Plan vest over periods up to three years and are subject to continued employment and/or performance.

The number of shares and rights granted under these plans during the year was not material to the Group. The number of rights outstanding at year end was 230,322 (2020: 200,673).

(d) STI Deferral Plan

This plan applies to certain employees including Key Management Personnel. Under the STI Deferral Plan, for eligible employees, 50% of the payment is provided in cash with the remaining 50% deferred into shares. The number of shares calculated is based on the Company's volume weighted average share price during the five trading days immediately preceding the date of payment of the cash portion. Half the shares are released after 12 months and the remainder after 2 years.

During the year, 73,488 shares were granted in respect of this plan (2020: 120,208 shares).

37. Key Management Personnel

(a) Remuneration of Key Management Personnel and Directors

	2021 US\$'000	2020 US\$'000
Short-term	11,099	8,819
Long-term	186	77
Post-employment	176	172
Termination benefit	–	335
Share-based payments expense	10,009	6,456
Total	21,470	15,859

(b) Loans and Other Transactions with Key Management Personnel

There are no loans made to Key Management Personnel, or their related entities, by the Group.

Notes to the Consolidated Financial Statements *continued*

For the Year Ended 30 June 2021

38. Auditors' Remuneration

	2021 US\$'000	2020 US\$'000
The auditor of the Group is Ernst & Young Australia.		
(a) Fees to Ernst & Young Australia		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities ⁽¹⁾	2,748	1,568
Fees for assurance services required by legislation to be provided by the auditor	–	–
Fees for other assurance and agreed-upon-procedures services:		
– Transaction accounting services	56	342
– Sustainability assurance services	142	162
– Audit-related assurance services	8	266
	206	770
Fees for other services:		
– Sustainability services	31	13
– Tax and other due diligence services	4	74
	35	87
Total	2,989	2,425
(b) Fees to Other Member Firms of Ernst & Young Australia		
Fees for auditing the financial report of any controlled entities	302	308
Fees for other assurance and agreed-upon-procedures services	–	13
Total	302	321
Total fees to Ernst & Young	3,291	2,746
(c) Fees to Other Auditors		
Audit or review of financial reports of subsidiaries	24	22

(1) During the course of 2021, the Company requested that the external auditor adopt an enhanced control approach to the audit which resulted in an increase in audit fees. The Company does not anticipate that this will be a recurring cost but may periodically enhance the audit scope above the required level of auditing standards to test the rigour of the control environment by the external auditor.

39. New Accounting Standards and Interpretations

New accounting standards and interpretations issued but not yet effective and not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the Group in the period of initial application. They have been issued but are not yet effective and are available for early adoption at 30 June 2021, but have not been applied in preparing this financial report.

Reference & Title	Application date for the Group	Impact on Group
Amendment to Accounting Standard AASB 116: Property, Plant and Equipment	1 July 2022	(a)

(a) Amendment to Accounting Standard AASB 116: Property, Plant and Equipment

Under AASB 116 Property, Plant and Equipment, net proceeds from selling items produced while constructing an item of property, plant and equipment are deducted from the cost of the asset. AASB 116 was amended to prohibit an entity from deducting from the cost of an item of property, plant and equipment, the proceeds from selling items produced before that asset is available for use. An entity is also required to measure production costs of the sold items by applying AASB 112 Inventories. Proceeds from selling any such items, and the cost of those items, are recognised in profit or loss in accordance with applicable standards.

The Group expects to adopt this amendment from 1 July 2021. These amendments are applied retrospectively, but only to items of property, plant and equipment that are 'ready to use' on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments – 'ready to use' meaning the asset is in the location and condition necessary to be capable of operating in the manner intended by Management.

The impact of early adoption of this amendment is not considered material to the Group.

40. Commitments

Capital Expenditure Commitments	2021 US\$m	2020 US\$m
Capital expenditure commitments	429	183

This represents contracted capital expenditure.

41. Events Subsequent to Reporting Date

Subsequent to year end, the Directors have determined to pay a final dividend for the year ended 30 June 2021 of US 40 cents per share, which will be fully franked. The dividend will be paid on 30 September 2021. The total amount of the dividend is US\$327 million. This dividend has not been provided for in the 30 June 2021 financial statements.

There have been no other matters or events that have occurred subsequent to 30 June 2021 that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Directors' Declaration

In accordance with a resolution of the Directors of Newcrest Mining Limited, we state that:

1. In the opinion of the Directors:
 - (a) The financial statements, notes and additional disclosures included in the Directors' Report designated as audited, of the Group are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
 - (ii) Complying with Australian Accounting Standards and *Corporations Regulations 2001*.
 - (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
 - (c) The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board as disclosed in Note 2(a).
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2021.
3. In the opinion of the Directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 28 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed of Cross Guarantee.

On behalf of the Board



Peter Hay
Chairman

19 August 2021
Melbourne



Sandeep Biswas
Managing Director and Chief Executive Officer

Independent Auditor's Report



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Independent Auditor's Report to the Members of Newcrest Mining Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Newcrest Mining Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, the notes to the financial statements, including a summary of significant accounting policies, and the Directors' Declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2021 and of its consolidated financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Independent Auditor's Report continued



1. Assessment of the carrying value of non-current assets

Why significant	How our audit addressed the key audit matter
At 30 June 2021 the Group's consolidated statement of financial position includes property, plant and equipment of \$9,788 million, goodwill of \$19 million and other intangible assets of \$32 million. Group policy is to assess for indicators of impairment and impairment reversal annually or more frequently if indicators of impairment exist, for each cash generating unit (CGU), excluding those containing goodwill, which are tested for impairment at least annually. As at 30 June 2021: - An assessment of indicators of impairment or impairment reversal was required to be undertaken by the Group and impairment testing was performed for the Lihir, Telfer and Red Chris CGUs, as set out in Note 12. - The fair value of the Lihir, Telfer and Red Chris CGUs determined by the Group was supported by sensitivity analysis taking into consideration the forecast gold and copper prices, discount rates, foreign exchange rates, the historical performance and future mine plans including capital expenditure requirements. No impairment charge was required following this assessment. - The Group also considered if previous impairment of the Telfer and Lihir CGU assets, other than goodwill, should be reversed, concluding that an impairment reversal was not required. Determination as to whether or not an impairment charge or reversal relating to an asset or CGU involves significant judgement about the future results and plans for each asset and CGU. Further disclosures relating to the assessment of impairment can be found at Note 12 of the financial report.	We evaluated the Group's assessment of indicators of impairment or impairment reversal and the Group's calculations of the recoverable amount of each CGU within their impairment testing. With the involvement of our valuation specialists, we assessed the reasonableness of the board approved cash flow projections, the value ascribed to unmined resources, exploration potential and key macro-economic assumptions used in the impairment models. The Group used internal and external experts to provide geological, metallurgical, mine planning and technological information to support key assumptions in the impairment models. We have examined the information provided by the Group's experts, including assessment of the competence, qualifications and the objectivity of the internal and external experts, the methodology applied, and we have also substantiated the information supporting the inputs used in the impairment models. We also assessed the reasonableness of the forecast cashflows against the past performance of the CGU's. We assessed key assumptions such as gold and copper prices, discount rates, foreign exchange rates, mine operating costs and capital expenditures and performed sensitivity analysis around the key drivers of the cash flow projections. Having determined the change in assumptions (individually or collectively) that would be required for the CGU's to record an impairment charge or reversal, we considered the likelihood of such a movement in those key assumptions arising. In addition, we assessed the adequacy of the disclosures included at Note 12.



2. Mine rehabilitation provisions

Why significant	How our audit addressed the key audit matter
The Group has rehabilitation obligations to restore and rehabilitate land and environmental disturbances created by mine operations, including exploration and development activities. These obligations are determined through regulatory and legislative requirements across multiple jurisdictions in addition to policies and processes set by the Group. At 30 June 2021, the Group has recorded \$561 million as mine rehabilitation provisions. The estimation of mine rehabilitation provisions is highly complex and judgemental with respect to the timing of the activities, the associated economic assumptions and estimated cost of the future activities. Disclosure in relation to mine rehabilitation provisions can be found at Note 19 of the financial report.	We evaluated the Group's determination of the mine rehabilitation provision for each mine. The Group has used internal and external experts to support the estimation of the mine rehabilitation provisions. With the support of our environmental specialists we assessed the competence, qualifications and objectivity of the internal and external experts and assessed the reasonableness of the assumptions in the closure plans and cost estimates used by the Group's internal and external experts, and that the information provided by the Group's internal and external experts has been appropriately reflected in the calculation of the mine rehabilitation provisions. We assessed the reasonableness of economic assumptions, such as the discount and inflation rates that were applied in the calculations. We assessed the adequacy of the disclosures included at Note 19.

Information Other than the Financial Report and Auditor's Report

The directors are responsible for the other information. The other information comprises the information included in the Group's 2021 Annual Report other than the financial report and our auditor's report thereon. We obtained the Directors' Report that is to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report *continued*



Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Newcrest Mining Limited for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Trent van Veen
Partner
Melbourne
19 August 2021

Matthew Honey
Partner

Shareholder Information

Issued Capital (on 1 September 2021)

Title of Class	Number of Shareholders	Number of Shares
Ordinary	73,748	817,289,692

Twenty Largest Shareholders as at 1 September 2021

Name	Number of Shares	% Issued Capital
1 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	373,581,813	45.71
2 J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	141,741,797	17.34
3 CITICORP NOMINEES PTY LIMITED	123,379,503	15.10
4 NATIONAL NOMINEES LIMITED	25,108,224	3.07
5 BNP PARIBAS NOMS PTY LTD <DRP>	17,879,201	2.19
6 BNP PARIBAS NOMINEES PTY LTD <Agency Lending DRP A/C>	11,997,948	1.47
7 BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	7,161,717	0.88
8 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-Comnwlth Super Corp A/C>	5,618,002	0.69
9 BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	4,151,001	0.51
10 CITICORP NOMINEES PTY LIMITED <Colonial First State Inv A/C>	3,336,525	0.41
11 BNP PARIBAS NOMINEES PTY LTD <IB AU Noms Retail Client DRP>	2,885,425	0.35
12 PACIFIC CUSTODIANS PTY LIMITED <Employee Share Tst A/C>	2,068,252	0.25
13 BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	1,556,605	0.19
14 PACIFIC CUSTODIANS PTY LIMITED <NCM Plans Ctrl>	1,475,404	0.18
15 MCCUSKER HOLDINGS PTY LTD	1,455,000	0.18
16 ARGO INVESTMENTS LIMITED	1,390,410	0.17
17 NATIONAL NOMINEES LIMITED <DB A/C>	1,358,484	0.17
18 MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	1,251,821	0.15
19 AMP LIFE LIMITED	1,159,528	0.14
20 ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <Custodian A/C>	1,037,401	0.13
Total	729,594,061	89.27

Substantial Shareholders¹ as at 1 September 2021

Name	Number of Shares	% Issued Capital
Allan Gray Australia Pty Ltd and its related bodies corporate	80,781,402 ²	9.9
BlackRock Group	74,694,796	9.14
The Vanguard Group, Inc. and its controlled entities	40,870,755	5.001

1. As notified to Newcrest under section 671B of the *Corporations Act 2001*.

2. This number includes 129,339 American Depositary Receipts.

Distribution of Shareholders as at 1 September 2021

Size of Holding	Number of Shareholders	Number of Shares	% Issued Capital
1 – 1,000	56,885	17,288,713	2.12
1,001 – 5,000	14,645	31,592,336	3.87
5,001 – 10,000	1,460	10,223,217	1.25
10,001 – 100,000	693	15,284,432	1.87
100,001 and Over	65	742,900,994	90.90
Total	73,748	817,289,692	100.00

The number of shareholders holding less than a marketable parcel of ordinary shares was 3,471 (based on the closing market price on 1 September 2021).

Unquoted Equity Securities as at 1 September 2021

The number of performance rights on issue under Newcrest's Equity Incentive Plan was 2,371,520 and the number of holders of those performance rights was 795.

Restricted Securities or Securities subject to Voluntary Escrow

Newcrest currently has no restricted securities or securities subject to voluntary escrow.

Voting Rights

Each ordinary shareholder present at a general meeting (whether in person, by proxy or by representative) is entitled to one vote on a show of hands or, on a poll, one vote for each fully paid ordinary share held.

The Company encourages shareholders to express their views on the conduct of business by speaking at shareholder meetings or by writing to the Chairman of the Board of Directors.

Dividends

The Board has determined a final dividend of US 40 cents per share for the year ended 30 June 2021. An interim dividend of US 15 cents per share was paid on 25 March 2021.

Mandatory Direct Credit of dividends applies to shareholders with a registered address in Australia, Papua New Guinea or New Zealand. Those shareholders are unable to receive their dividend by way of cheque. Shareholders should provide or update their bank account details online or via a relevant form (see below Online Share Registry Information).

The Dividend Reinvestment Plan (DRP) remains in place and will be offered to shareholders according to the terms of the DRP. A copy of the DRP Rules is on the Company's website at www.newcrest.com.

On Market Buy-Back

Newcrest currently has no on-market buy-back program.

American Depositary Receipts

Newcrest may also be traded in the form of American Depositary Receipts (ADRs). Each ADR represents one Newcrest ordinary share. The program is administered on behalf of the Company by The Bank of New York Mellon. Contact details are set out in the Corporate Directory Section of this Report, which is inside the back cover.

ADR holders are not members of the Company but may instruct The Bank of New York Mellon as to the exercise of voting rights pertaining to the underlying shareholding.

During the 2021 financial year, the net movement for ADRs was an increase of 546,485 and at year-end a net 6,518,906 ADRs were outstanding.

Investors

Investors can access Newcrest's market releases, reports, presentations, dividend history, shareholder information, key dates, the Interactive Analyst Centre™ and other information through the investor section on the Company's website (www.newcrest.com/investors).

Shareholder Information *continued*

Online Share Registry Information

Visit the Company's Share Registry, Link Market Services, at www.linkmarketservices.com.au to access a wide variety of your holding information, make the following changes online or download forms.

You can:

- check your current holding and balances;
- update your electronic communication instructions;
- update your address and bank details;
- confirm whether you have lodged your Tax File Number (TFN), Australian Business Number (ABN) or exemption;
- check transaction and dividend history;
- enter your email address;
- download a variety of instruction forms; and
- add or update DRP instructions.

You can access your holding via your Portfolio login (you will need your password). If you do not have a Portfolio login please register for a Portfolio. To register, you will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN), which you will find on your holding record. You will also need the postcode recorded on your holding record.

Share Registry Contact Information

You can also contact the Company's Share Registry by calling 1300 554 474 within Australia or +61 1300 554 474 from outside Australia. More Share Registry contact details are set out in the Corporate Directory section of this Report, which is inside the back cover.

Annual Report

You can access a full copy of the Annual Report online at www.newcrest.com. If you no longer wish to receive a hard copy of the Annual Report, log into your shareholding or contact our Share Registry to update your communication instructions.

Five Year Summary

For the 12 months ended 30 June ⁽¹⁾	2021	2020	2019	2018	2017
Gold Production (ounces)					
Cadia ⁽²⁾	764,895	843,338	912,777	599,717	619,606
Lihir	737,082	775,978	932,784	955,156	940,060
Telfer	416,138	393,164	451,991	425,536	386,242
Red Chris ⁽³⁾	45,922	38,933	–	–	–
Fruta del Norte ⁽⁴⁾	129,285	16,422	–	–	–
Gosowong ⁽⁵⁾	–	103,282	190,186	251,390	295,876
Bonikro ⁽⁶⁾	–	–	–	114,555	128,327
Hidden Valley ⁽⁷⁾	–	–	–	–	10,520
Total	2,093,322	2,171,118	2,487,739	2,346,354	2,380,630
Copper Production (tonnes)	142,724	137,623	105,867	77,975	83,941
Silver Production (ounces)	944,521	983,431	1,004,507	935,856	1,168,812
All-In Sustaining Cost (US\$ per ounce)⁽⁸⁾	911	862	738	835	787
Cash Flow (US\$m)					
Cash flow from operations	2,302	1,471	1,487	1,434	1,467
Capital expenditure	1,119	695	531	541	582
Exploration expenditure	115	113	78	72	58
Free cash flow ⁽⁹⁾	1,104	(621)	804	601	739
Profit and Loss (US\$m)					
Sales revenue	4,576	3,922	3,742	3,562	3,477
Depreciation and amortisation	673	644	746	791	689
Income tax expense	504	350	272	118	164
Net profit after tax:					
– Statutory profit ⁽¹⁰⁾	1,164	647	561	202	308
– Underlying profit ⁽¹¹⁾	1,164	750	561	459	394
Earnings per share and dividends (US cents per share)					
Earnings per share (EPS):					
– Basic EPS on statutory profit	142.5	83.4	73.0	26.3	40.2
– Basic EPS on underlying profit	142.5	96.7	73.0	59.8	51.4
Dividends ⁽¹²⁾	55.0	25.0	22.0	18.5	15.0
Financial Position (US\$m)					
Total assets	14,714	13,242	11,837	11,480	11,583
Total liabilities	4,590	4,629	4,206	4,018	4,049
Total equity	10,124	8,613	7,631	7,462	7,534
Ratios					
Leverage ratio (times) ⁽¹³⁾	(0.1)	0.3	0.2	0.7	1.1
Gearing (%) ⁽¹⁴⁾	(1.8)	6.8	4.9	12.2	16.6
Return on Capital Employed (%) ⁽¹⁵⁾	18.5	13.8	11.2	8.8	7.9
Issued Capital (million shares) at year end	817	816	768	768	767
Gold Inventory (million ounces)⁽¹⁶⁾					
Ore Reserves ⁽¹⁷⁾	49	52	54	62	65
Measured and Indicated Mineral Resources ^{(17),(18)}	97	100			
Inferred Mineral Resources ^{(17),(18)}	11	9.5			

Five Year Summary *continued*

Footnotes:

- 1 All financial data presented in this summary is quoted in US dollars unless otherwise stated.
- 2 Outcome for 2017 includes pre-commissioning production.
- 3 Represents Newcrest's 70% share of the unincorporated Red Chris Joint Venture. Production outcomes for 2020 are reported from the date of acquisition (15 August 2019).
- 4 Represents Newcrest's attributable share of 32%, through its 32% equity interest in Lundin Gold Inc.
- 5 Production from Gosowong is shown up to the divestment date of 4 March 2020.
- 6 Production from Bonikro is shown up to the divestment date of 28 March 2018.
- 7 Production from Hidden Valley includes two months of production up to the economic effective disposal date of 31 August 2016.
- 8 Includes Newcrest's 32% attributable share of Fruta del Norte through its 32% equity interest in Lundin Gold Inc.
- 9 Free cash flow is calculated as cash flows from operating activities less cash flows relating to investing activities.
- 10 Statutory profit is profit after tax attributable to the owners of the parent.
- 11 Underlying profit is profit or loss after tax before significant items attributable to owners of the parent.
- 12 Dividends declared/determined in respect of each financial year.
- 13 Calculated as net debt divided by EBITDA of the preceding 12 months. Calculated as at 30 June.
- 14 Calculated as net debt divided by net debt and total equity. Calculated as at 30 June.
- 15 Calculated as EBIT to average total capital employed.
- 16 Ore Reserves are as at 31 December 2020 for 2021, 31 December 2019 for 2020, 31 December 2018 for 2019, 31 December 2017 for 2018 and 31 December 2016 for 2017. Measured and Indicated Mineral Resources and Inferred Mineral Resources are as at 31 December 2020 for 2021 and 31 December 2019 for 2020.
- 17 In August 2021, Newcrest announced an updated Ore Reserve and Mineral Resource estimate for Cadia East (refer Newcrest release titled "Cadia PC1-2 Pre-Feasibility Study delivers attractive returns" dated 19 August 2021). The reserves for Cadia East comprise a portion of the reserves for the Cadia operations. The estimates included in that release are not reflected in the estimates quoted on this page (as estimates for the remainder of the Cadia operations have not been updated since their effective date) and supersede the estimates for Cadia East included in Newcrest's release titled "Annual Mineral Resource and Ore Reserves Statement – 31 December 2020" dated 11 February 2021.
- 18 Measured and Indicated and Inferred Mineral Resource estimates are not stated under columns 2019, 2018 and 2017 as estimates for these years were prepared prior to Newcrest's secondary listing on the Toronto Stock Exchange in October 2020 and are not in accordance with NI 43-101. The Mineral Resource estimates as at 31 December 2019 were restated and republished in Newcrest's release titled "Annual Mineral Resources and Ore Reserves Statement – as at 31 December 2020" dated 11 February 2021.

Disclaimers

Forward Looking Statements

This document includes forward looking statements and forward looking information within the meaning of securities laws of applicable jurisdictions. Forward looking statements can generally be identified by the use of words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "targets", "outlook" and "guidance", or other similar words and may include, without limitation, statements regarding estimated reserves and resources, certain plans, strategies, aspirations and objectives of management, anticipated production, study or construction dates, expected costs, cash flow or production outputs and anticipated productive lives of projects and mines. 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.

These forward looking statements involve known and unknown risks, uncertainties and other factors that may cause Newcrest's actual results, performance and achievements or industry results to differ materially from any future results, performance or achievements, or industry results, expressed or implied by these forward-looking statements. 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 Newcrest operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation. For further information as to the risks which may impact on Newcrest's results and performance, please see the risk factors included in the Operating and Financial Review included in the Appendix 4E and Financial Report for the year ended 30 June 2021 which is available to view at www.asx.com.au under the code "NCM" and on Newcrest's SEDAR profile.

Forward looking statements are based on Newcrest's good faith assumptions as to the financial, market, regulatory and other relevant environments that will exist and affect Newcrest's business and operations in the future. Newcrest 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 Newcrest. Readers are cautioned not to place undue reliance on forward looking statements, particularly in the current economic climate with the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic. Forward looking statements in this document speak only at the date of issue. Except as required by applicable laws or regulations, Newcrest 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's results are reported under International Financial Reporting Standards (IFRS). This document includes non-IFRS financial information within the meaning of ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information' published by ASIC and within the meaning of Canadian Securities Administrators Staff Notice 52-306 – Non-GAAP Financial Measures.

Such information includes: 'Underlying profit' (profit or loss after tax before significant items attributable to owners of the Company); 'EBITDA' (earnings before interest, tax, depreciation and amortisation, and significant items); EBIT (earnings before interest, tax and significant items); 'EBITDA Margin' (EBITDA expressed as a percentage of revenue); 'EBIT Margin' (EBIT expressed as a percentage of revenue); 'ROCE' ('Return on capital employed' and calculated as EBIT expressed as a percentage of average total capital employed (net debt and total equity)); 'Interest coverage ratio' (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)); 'Net debt to EBITDA' (calculated as net debt divided by EBITDA for the preceding 12 months); 'Free Cash Flow' (calculated as cash flow from operating activities less cash flow related to investing activities, with Free Cash Flow for each operating site calculated as Free Cash Flow before interest, tax and intercompany transactions); 'Free Cash Flow before M&A activity' (being 'Free Cash Flow' excluding acquisitions, investments in associates and divestments); and 'AISC' (All-In Sustaining Cost) and 'AIC' (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.

These measures are used internally by Newcrest management to assess the performance of the business and make decisions on the allocation of resources and are included in this document 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. Such non-IFRS financial information/non-GAAP financial measures do not have a standardised meaning prescribed by IFRS and may be calculated differently by other companies.

Although Newcrest believes these non-IFRS/non-GAAP financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information/non-GAAP financial measures included in this document. 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, available on Newcrest's website, the ASX platform and SEDAR.

Reliance on Third Party Information

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

Ore Reserves, Mineral Reserves and Mineral Resources 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 2001* 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 is in accordance 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 Reserves and Mineral Resources estimates comply with the JORC Code.

Newcrest is also subject to certain Canadian disclosure requirements and standards, as a result of its secondary listing on the Toronto Stock Exchange (TSX), including the requirements of National Instrument 43-101 (NI 43-101). Investors should note that it is a requirement of Canadian securities law that the reporting of Mineral Reserves and Mineral Resources in Canada and the disclosure of scientific and technical information concerning a mineral project on a property material to Newcrest comply with NI 43-101. Newcrest's material properties are currently Cadia, Lihir and Wafi-Golpu.

Competent Person's Statement

The information in this document (other than on pages 29 to 41) that relates to Mineral Resources and Ore Reserves (other than for Red Chris, Haviron and Cadia East on Page 22) has been extracted from the release titled "Annual Mineral Resources and Ore Reserves Statement – 31 December 2020" dated 11 February 2021 (the original MR&OR release) and has been prepared in accordance with the requirements of Appendix 5A of the ASX Listing Rules by Competent Persons.

The information in this document (other than on pages 29 to 41) that relates to Mineral Resources for Red Chris has been extracted from the release titled "Newcrest announces its initial Mineral Resource estimate for Red Chris" dated 31 March 2021 (the original Red Chris release), which has been prepared in accordance with the requirements of Appendix 5A of the ASX Listing Rules by a Competent Person.

The information in this document (other than on pages 29 to 41) that relates to Haviron Mineral Resources has been extracted from the release titled "Initial Inferred Mineral Resource estimate for Haviron of 3.4Moz of gold and 160kt of copper" dated 10 December 2020 (the original Haviron resource release) and has been prepared in accordance with the requirements of Appendix 5A of the ASX Listing Rules by Competent Persons.

The information on Page 22 that relates to Ore Reserves at Cadia East has been extracted from the release titled "Cadia PC1-2 Pre-Feasibility Study delivers attractive returns" dated 19 August 2021 (the original Cadia East release), which has been prepared in accordance with the requirements of Appendix 5A of the ASX Listing Rules by Competent Persons.

Disclaimers continued

The original MR&OR release, the original Red Chris release, the original Havieron release and the original Cadia East release (together, the original releases) are available to view at www.asx.com.au under the code "NCM" and on Newcrest's SEDAR profile. Newcrest confirms that it is not aware of any new information or data that materially affects the information included in the original releases and that all material assumptions and technical parameters underpinning the estimates in the original releases 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 releases.

Technical and Scientific Information

The technical and scientific information in this document relating to Wafi-Golpu and Lihir was reviewed and approved by Craig Jones, Newcrest's Chief Operating Officer Papua New Guinea, FAusIMM and a Qualified Person as defined in NI 43-101.

The technical and scientific information in this document relating to Cadia was reviewed and approved by Philip Stephenson, Newcrest's Chief Operating Officer Australia and Americas, FAusIMM and a Qualified Person as defined in NI 43-101.

Corporate Directory

Investor Information

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Stock Exchange Listings

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Toronto Stock Exchange (Ticker NCM)

PNGX Markets Limited (Ticker NCM)

New York ADRS (Ticker NCMGY)

Share Registry

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www.mybnymdr.com

Company Events

Annual General Meeting

**10 November 2021 at 10:30am
(Melbourne time)**

Visit our website at www.newcrest.com to view our: key dates; current share price; market releases; annual, quarterly and financial reports; operations, project and exploration information; corporate, shareholder, employment and sustainability information.

