

Newcrest & the Gold Sector

**Brisbane Mining Club
26 April 2007**

**Ian Smith
Managing Director and CEO**



- ❑ Total refined gold production throughout history (~ 130,000 tonnes) would form a 20 metre cube (a six story building).**
- ❑ 75% of all gold ever produced has been extracted since 1910.**
- ❑ Central banks hold ~ 30,000 tonnes of gold.**
- ❑ Annual mine production is around 2,500 tonnes.**
- ❑ Queensland has produced 1,300 tonnes (1% of world supply).**



Largest Gold Mining Countries

Rank	Country	Tonnes of Production 1997	Tonnes of Production 2006
1, 1	South Africa	527	292
2, 2	USA	362	252
3, 5	China	163	247
4, 3	Australia	313	245
5, 9	Peru	75	205



Global Gold Sector Trends

Mine production dropping



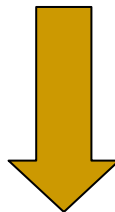
Down 3% to 2,471 Mt from 2005 to 2006

Major producers' share of total \$ spent on exploration down



Down 50% from 1997 to \$800M whilst total gold exploration spend was \$3.2 B.

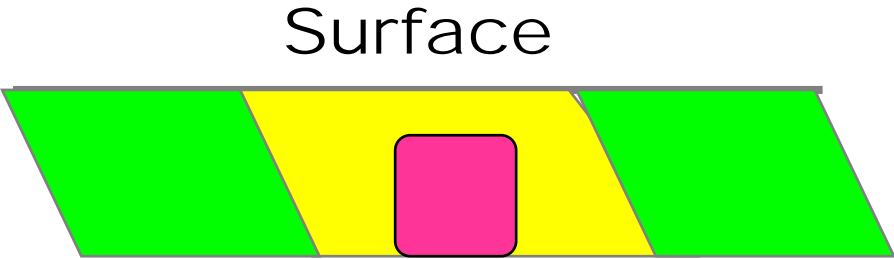
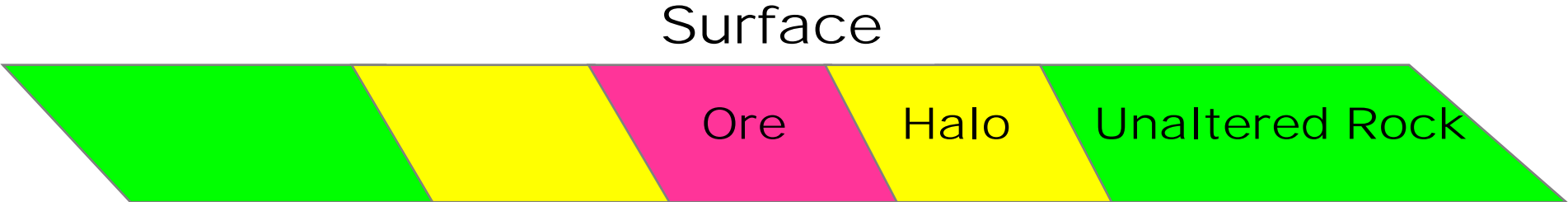
Rate of discovery dropping



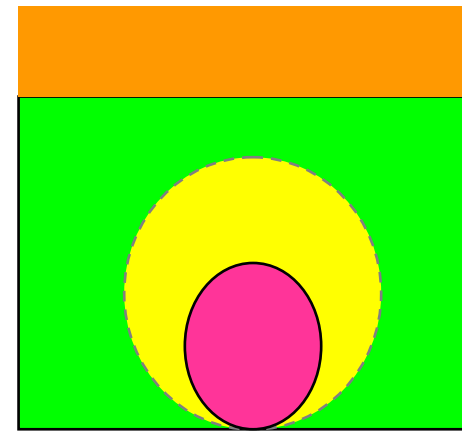
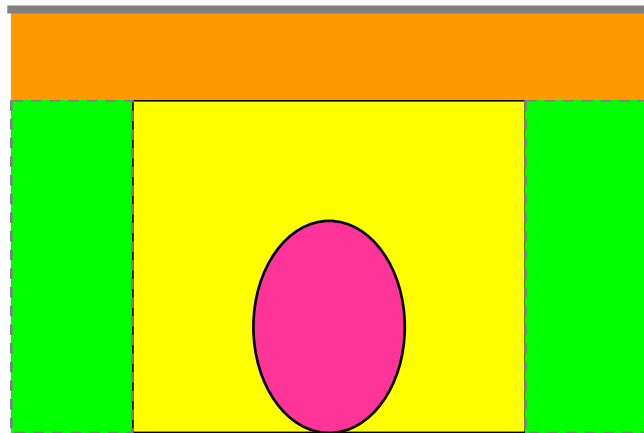
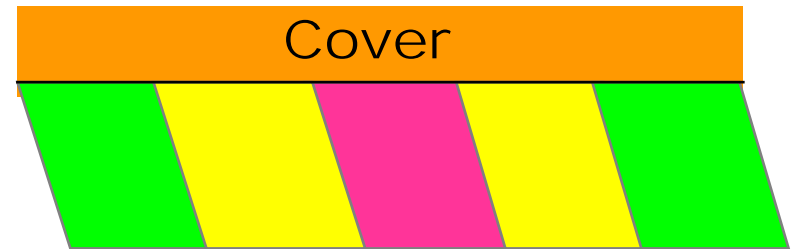
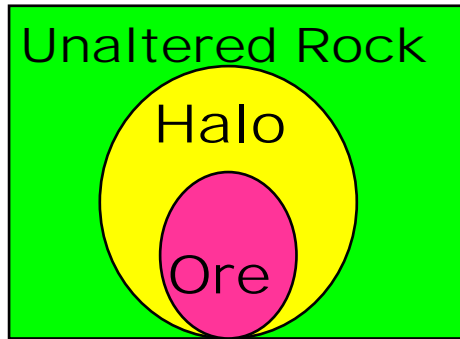
There were 84 'major' discoveries (>2.5Moz) made in the 1992 – 2005 period.....but only 17 of these have been discovered since 2000.



Past Discoveries



Future Discoveries



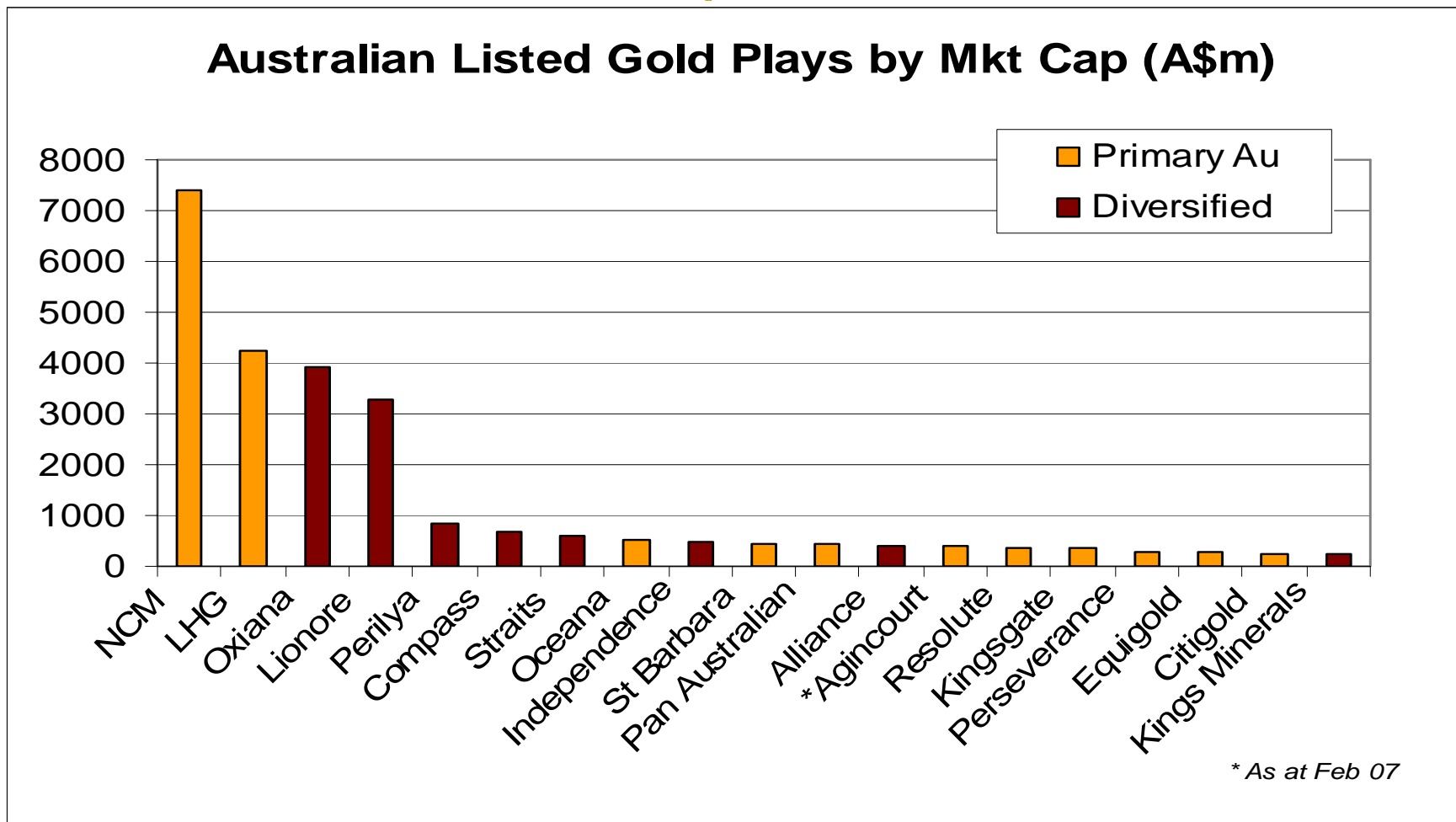
Projected Top 10 Australian Export Earners (2007- 2008)

Rank	Commodity	Value \$Billion
1	Coal	23
2	Iron Ore	20
3	Gold	11
4	Alumina, aluminium	10
5	Nickel	10
6	Crude Oil	8
7	Copper	6
8	LNG	6
9	Zinc	4
10	Beef/veal	4

ABARE Outlook 2007



Australian gold sector 11 listed producers



In 1987 there were nearly 100 ASX listed gold producers



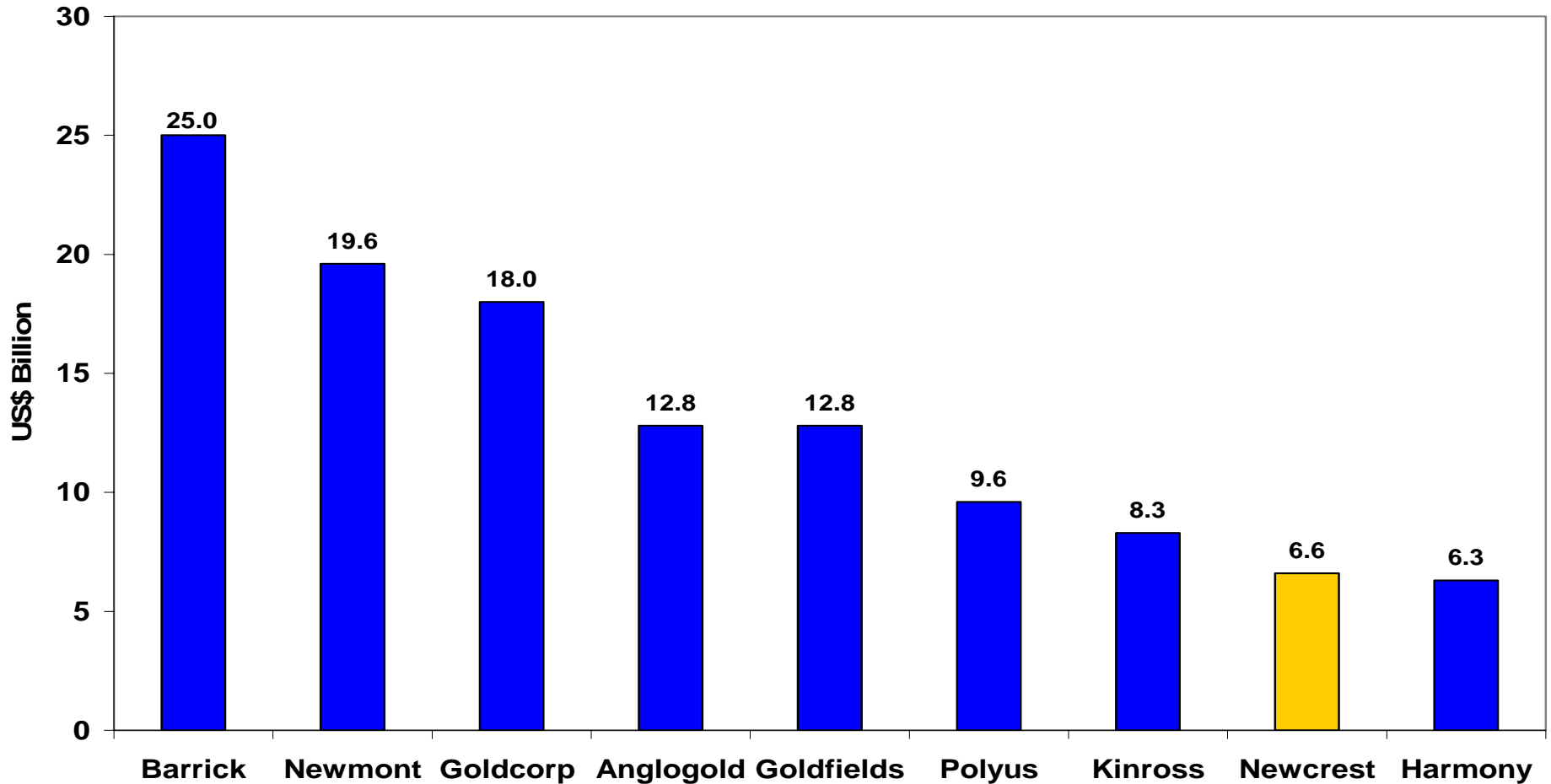
NEWCREST

- ❑ **Market capitalisation approximately AUS\$8Billion**
- ❑ **6 operating mines and 4 development projects**
- ❑ **Gold – 59 Moz Resources with 33 Moz Reserves**
- ❑ **Copper – 5.5 Mt Resources with 2.4 Mt Reserves**

Mineral Resources and Ore Reserves are as at 30 June 2006



Market Capitalisation of Major Gold Players



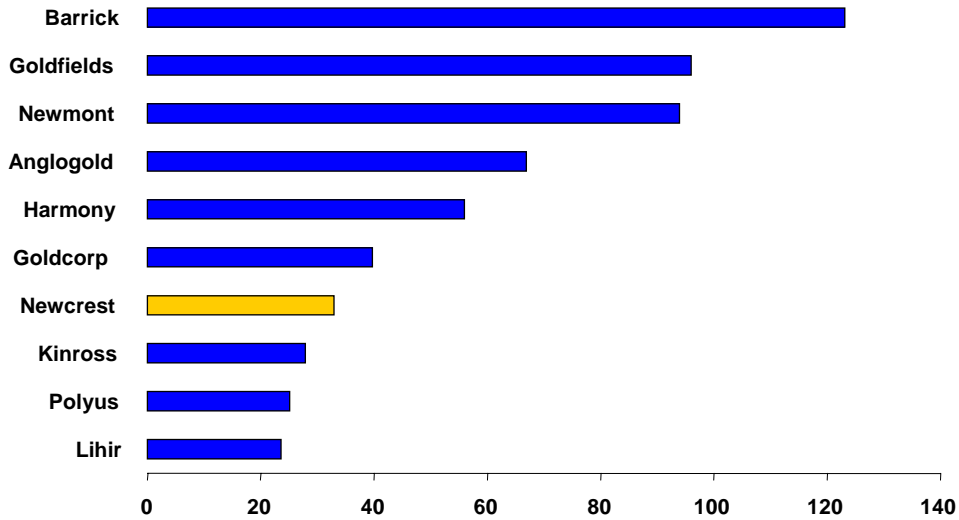
Source: Bloomberg as at 13 Apr 2007



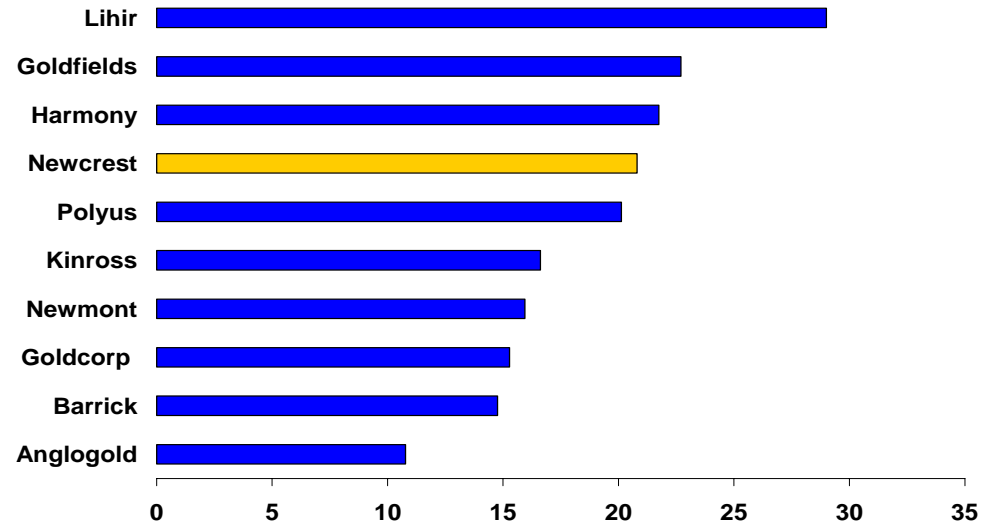
NEWCREST

Newcrest in a Global Context

Reserves (million ounces)



Reserve Life (years)



Reserve life calculated as current Reserves divided by 2007 forecast production
Source: Company Data 13 Apr 2007



Operations



Operations

Cracow

- High grade epithermal underground mine
- Gold Production - 2005/06 111,003oz

Kencana

- High grade epithermal underground mine
- Gold Production - 2005/06 187,316oz

Cadia

- Open pit & sub-level cave underground mines
- 2005/06 - 614,832 oz & 62,147 t of copper

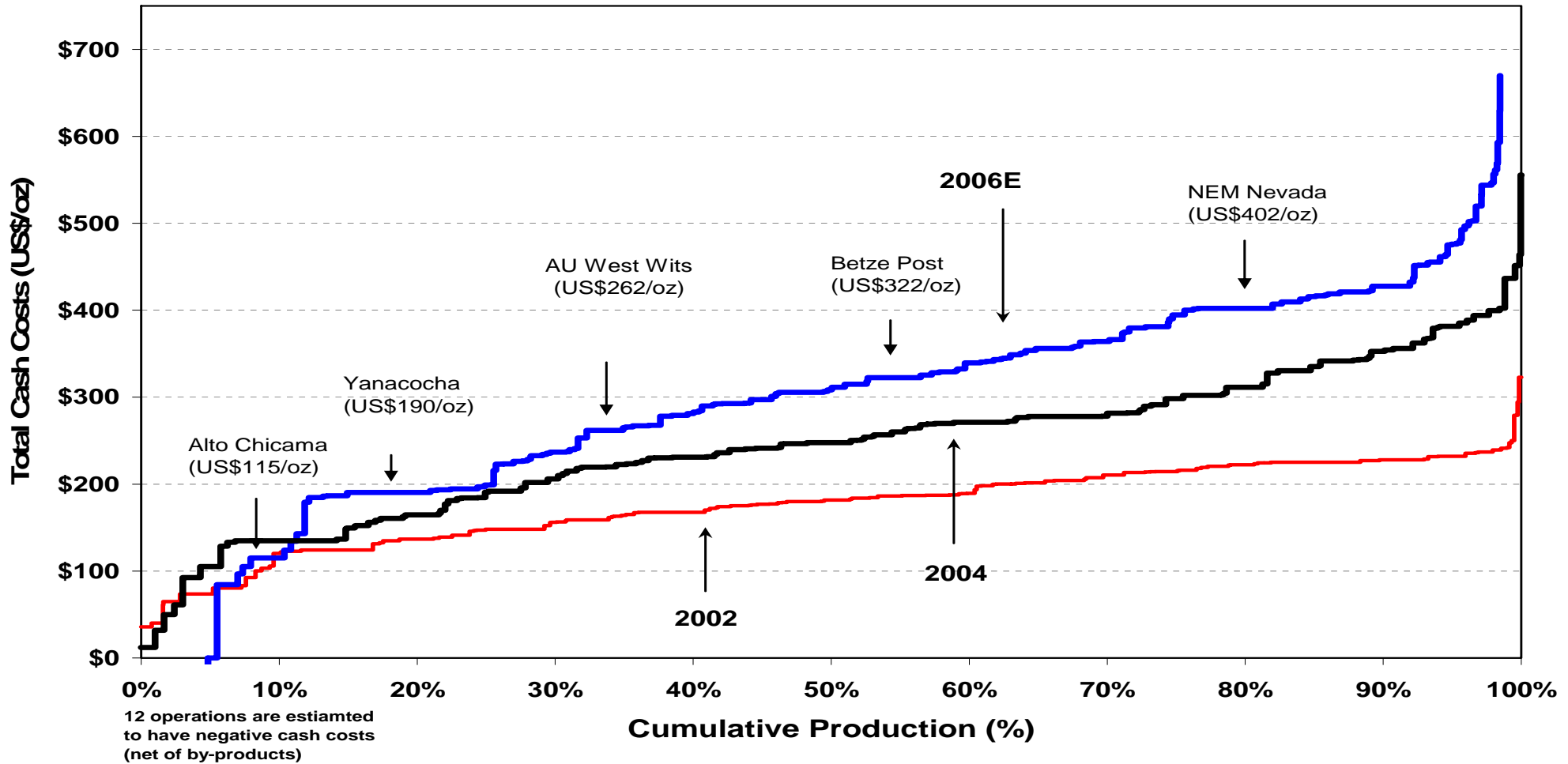
Telfer

- Open pit & sub-level cave underground mines
- 2005/06 - 650,016 oz & 38,374 t of copper



Cash Costs

2002, 2004, and 2006E Cost Curves



Source: BMO Capital Markets



NEWCREST

Costs by Region

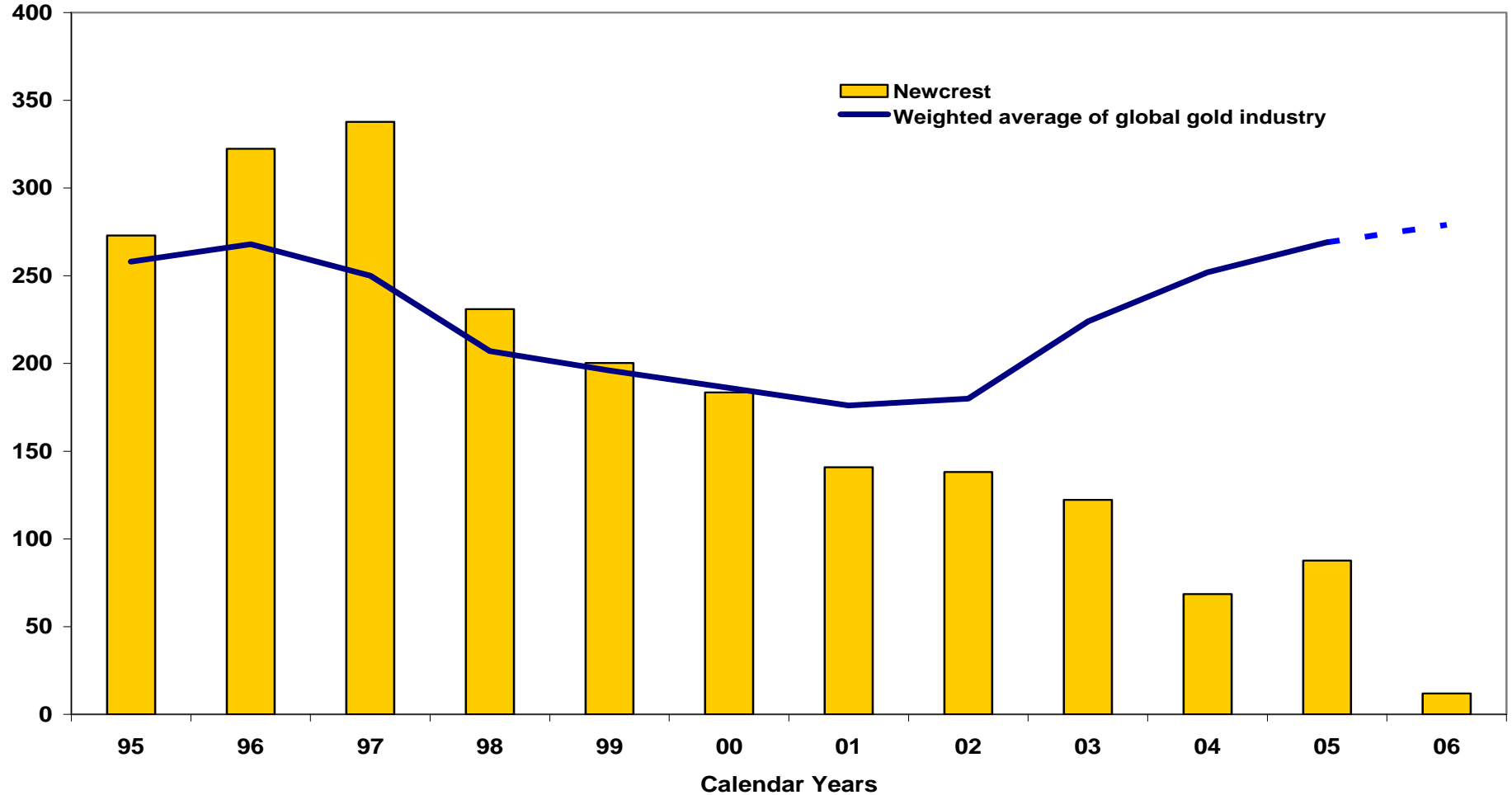
Comparison of Total Cash Costs by Region (US\$/oz)						
Region	By-Product Accounting					% Change
	2004A	2005A	2006E	2007E	2008E	2004-06E
Africa	254	282	325	346	332	28%
Asia	189	219	283	307	284	50%
Australia Pacific	222	238	261	295	280	18%
North America	267	292	315	319	319	18%
South Africa	332	365	374	367	362	13%
South America	98	104	71	104	71	(27%)
Total	242	257	264	282	267	9%

Source: BMO Capital Markets, Company reports



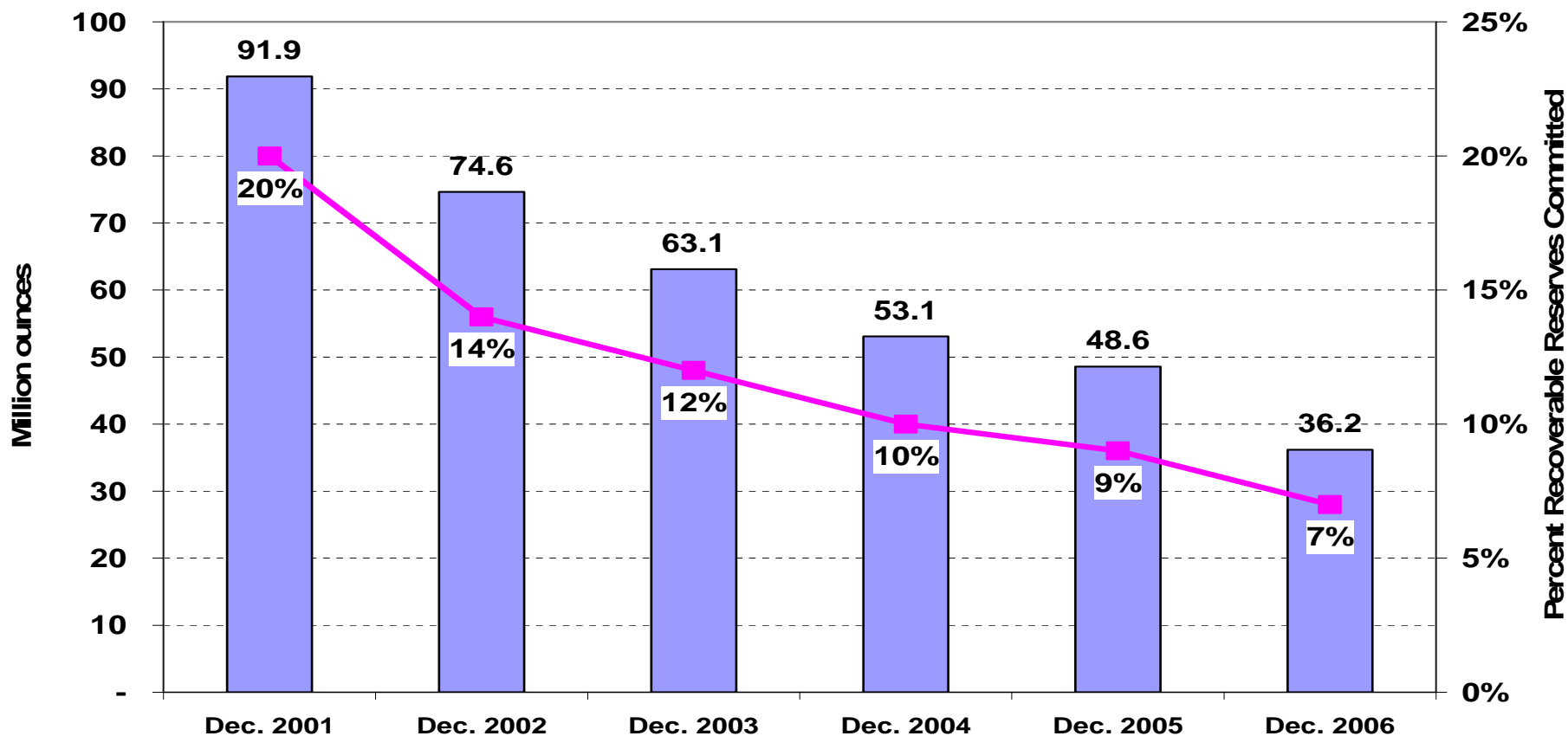
Cash Costs after By-product Credits

USD per ounce



Global Gold Hedging

Hedge Commitments - 12 Million Ounce Reduction in 2006



Source: BMO Capital Markets



Hedging

- Hedging – copper hedging finishes in June 07
- Gold hedging represents less than 40% of gold production in any calendar year post the Nov 06 partial hedgebook restructure
- Gold hedgebook expires in June 2013
- No intention to undertake any further gold hedging



Current Exploration Program

❑ Number of exploration projects

- 25 Australia
- 1 Indonesia
- 8 Nevada
- 4 Peru
- 1 Chile

❑ Percentage of budget spent on drilling and analysis

- 50% Australia
- 76% Indonesia
- 49% Nevada



Metals Economic Group ranked Newcrest as the most successful company in discovering major gold deposits between 1992 - 2005

Company	Attributable Additions	
	Gold (Moz)	Gold Equiv. (Moz)
Newcrest	64.6	98.4
Barrick Gold	48.7	59.3
Placer Dome	38.4	38.4
Buenaventura	22.3	31.4
Newmont Mining	22.0	28.2
Goldcorp	10.0	10.0
AngloGold Ashanti	6.5	6.5

Source: Metals Economics Group 2006 (Table E)

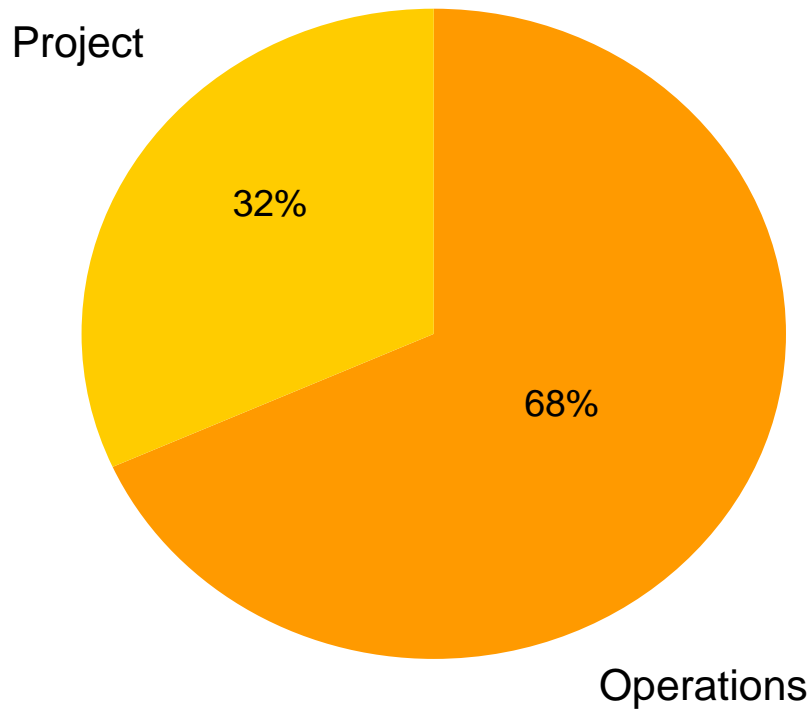


NEWCREST

Reserves at 30 June 2006

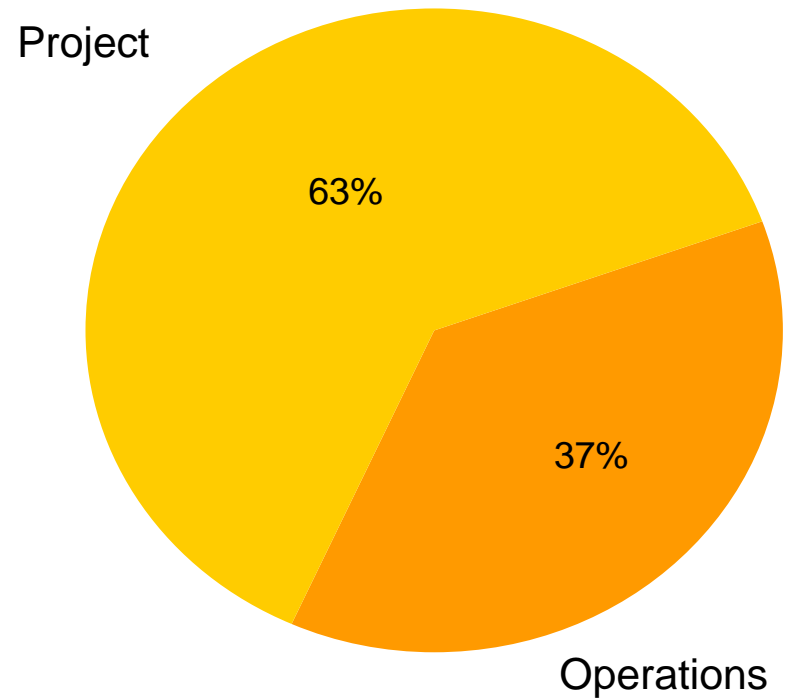
Gold

33 million tonnes



Copper

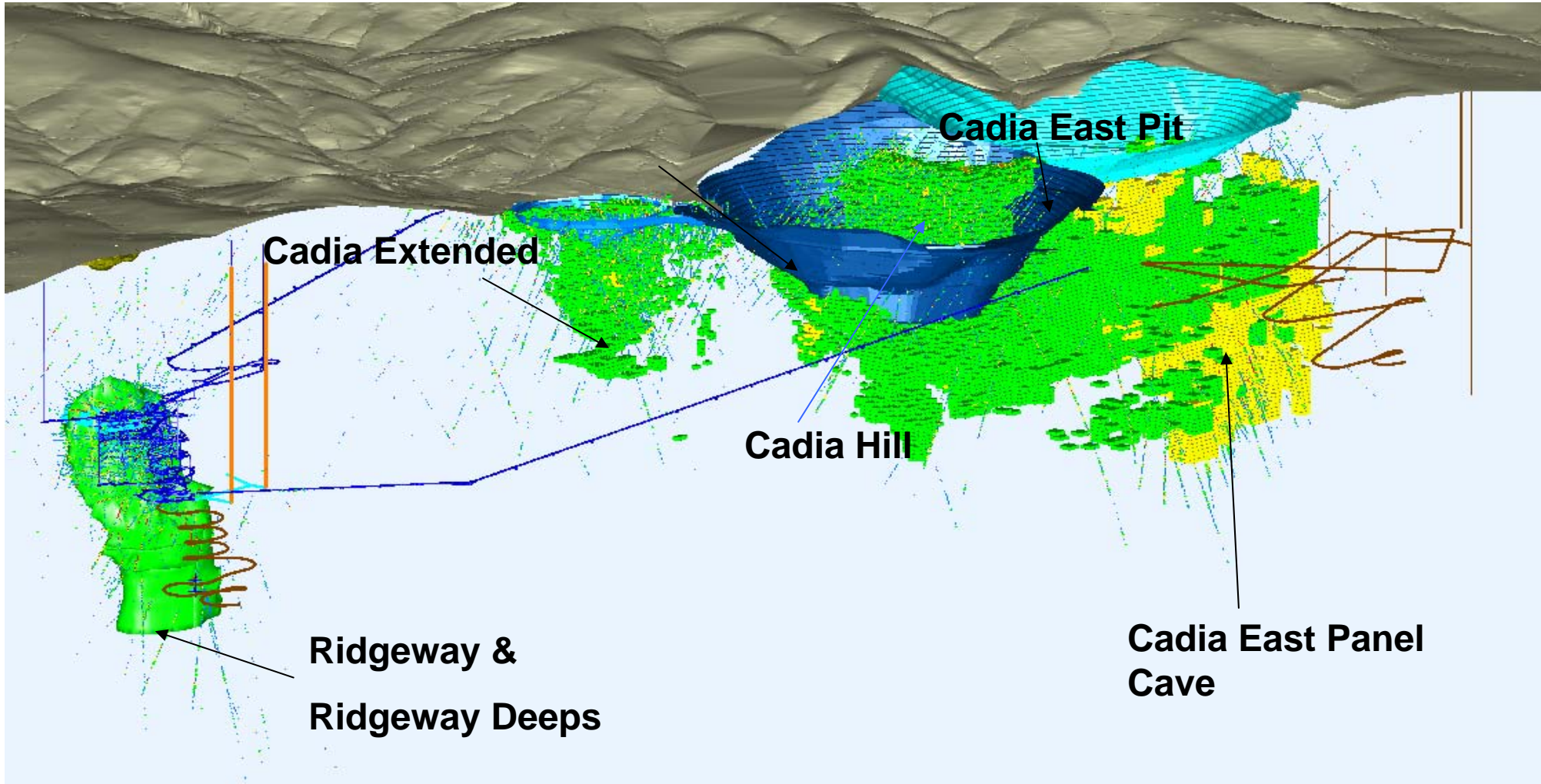
2.4 million tonnes



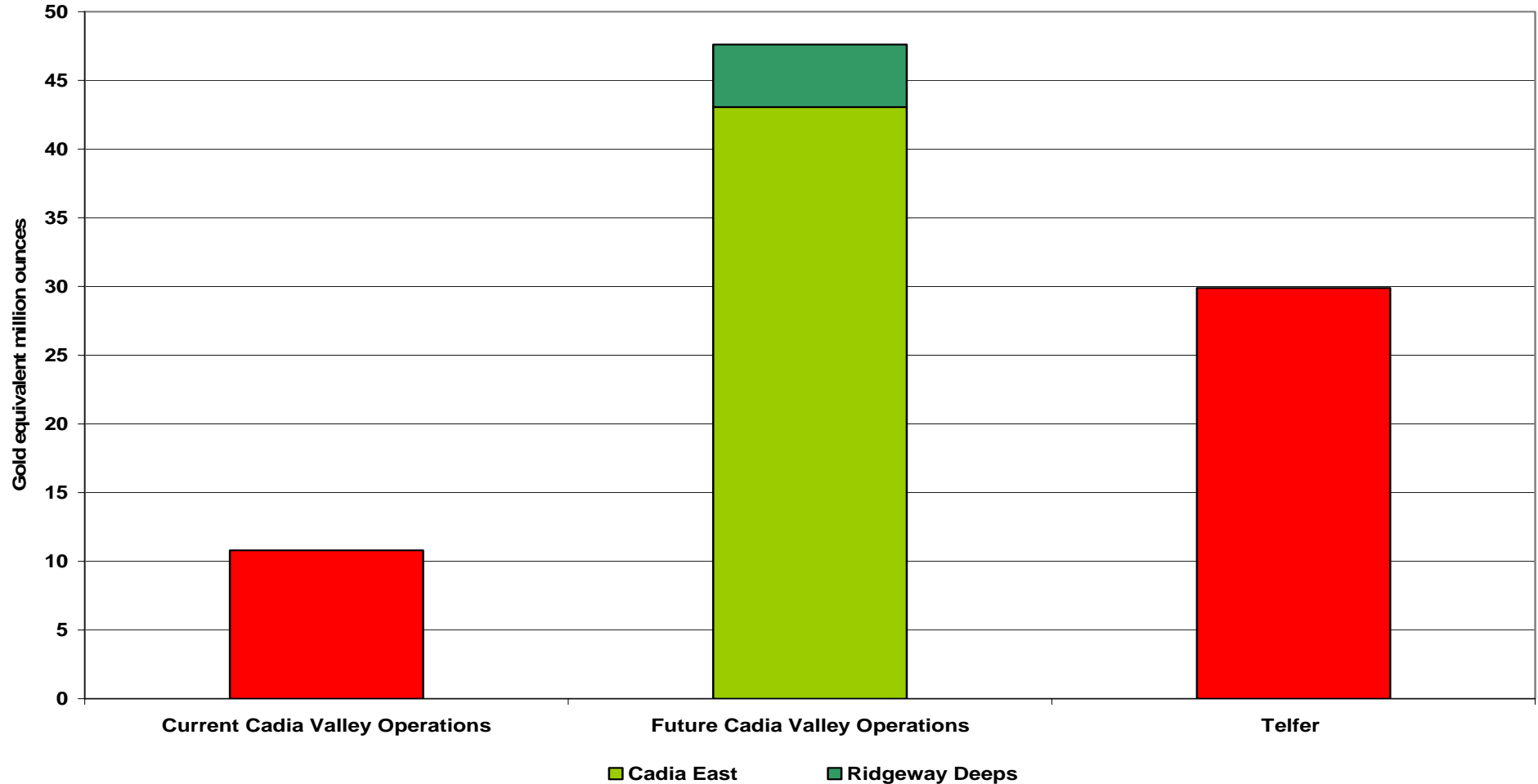
Projects comprise: Ridgeway Deeps, Cadia East Underground & Open Pit



Cadia Valley Province



Cadia Projects - 48M Gold Equivalent Ozs



- Mineral Resources as at 30 June 2006 converted at A\$600/oz & A\$1.60/lb

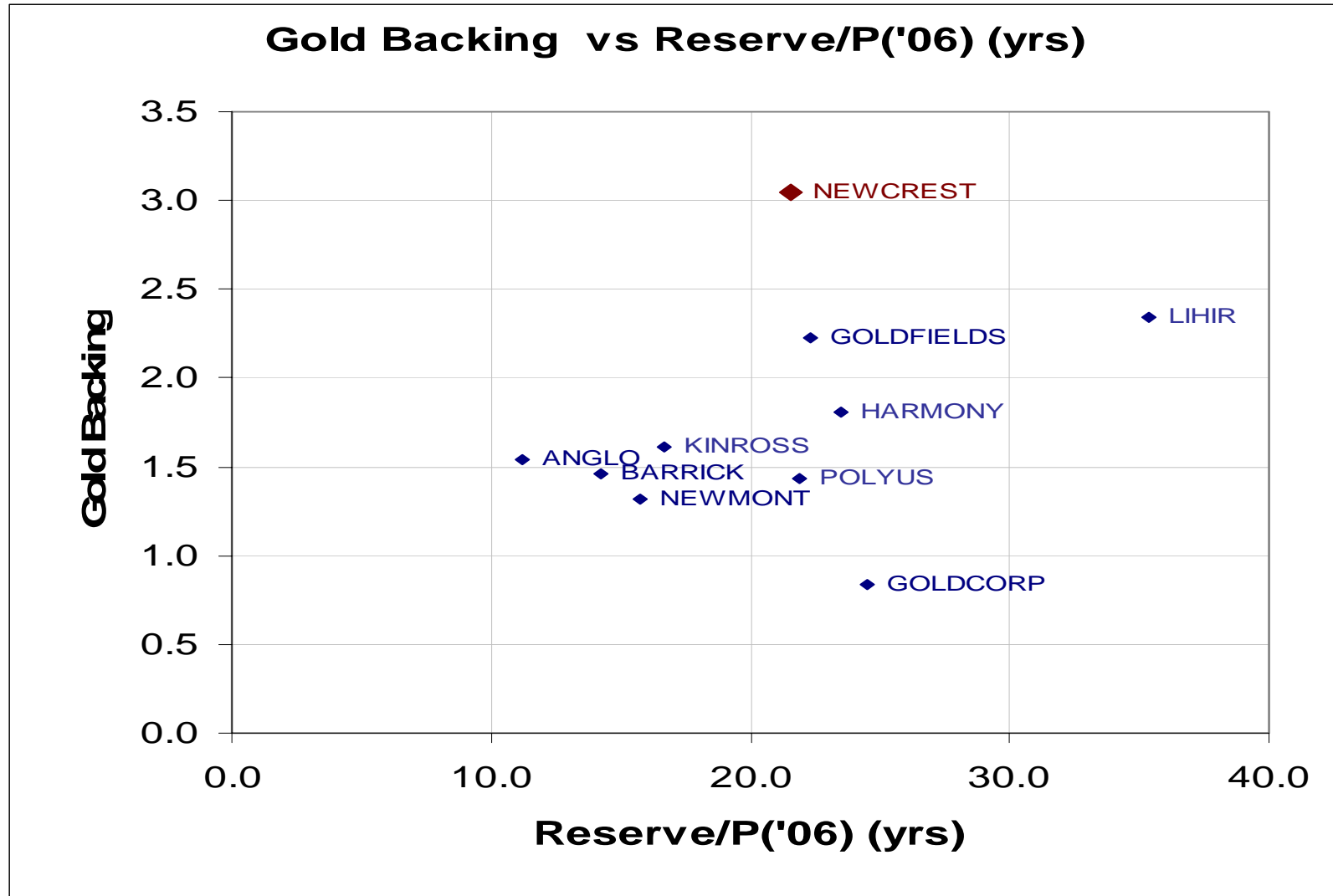


Gosowong - K2 extension

- ❑ Extension of existing decline from K1 to K2 and K-Link
- ❑ Halmahera Contract of Works covers an area of 30,000 hectares
 1. 7% undergone moderate exploration
 2. 93% preliminary exploration activity and no drilling
- ❑ Additional Mineral Resources and an initial Ore Reserve expected by mid 2007
- ❑ Use existing processing plant with minor upgrades
- ❑ Production commence by mid 2009. Combined K1 & K2 sustained above 300,000oz pa for over 6 years



High Margin Long Life Reserves



Gold Backing = Net Spot Value of Reserves / Enterprise Value

Net Spot Value of Reserves = (spot gold of US\$625/oz – 2006 cash costs) x current reserves

Enterprise Value = market capitalisation + Net Debt



Desalination?

Every drop of seawater contains approximately 1 billion gold atoms.



The ocean may contain 70 million tonnes of gold.

