Newcrest

Moving Forward

Newcrest Mining Limited
Concise Annual Report 2003

NCM

Newcrest is a leader in the exploration, development and operation of gold and copper mines.
The Company's knowledge in each facet of mining continues to deliver growth opportunities and value to our shareholders. In 2003 Newcrest's strategy of focussing on low-cost, long-life mines continued with the strong performance of Ridgeway and commencement of construction of the large Telfer gold/copper mine. Exploration remains at the core of our corporate strategy.

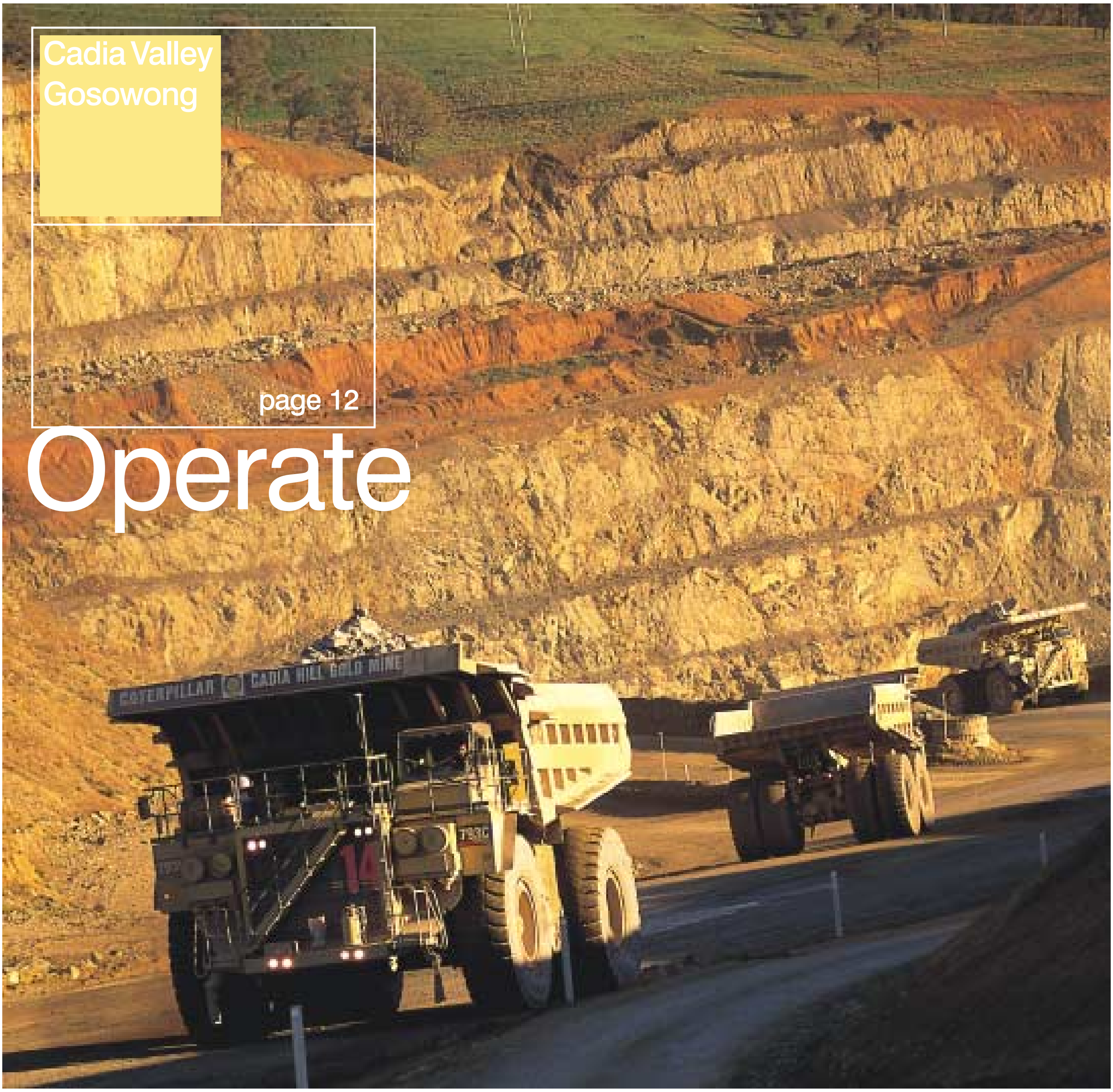
UDR1200 drill rig working on the
Junction Reefs tenements, Cadia

Newcrest Mining Limited
ABN: 20 005 683 625

Notice of Meeting

Notice is hereby given that the 23rd Annual General Meeting will be held at the Melbourne Exhibition Centre, Clarendon Street, Southbank, Melbourne on Wednesday 29 October 2003 at 10.00am.

Construction underway for foundations
of Ball Mill Train 2, Telfer



Haul trucks on the central ramp,
Cadia Hill Open Pit

Contents

Operational Performance

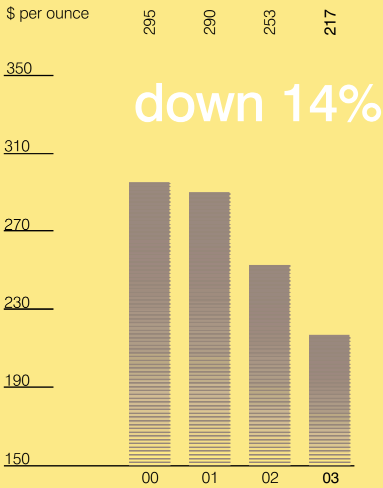
		12 months to 30 June 2003	12 months to 30 June 2002
Gold produced	(ounces)	**714,377**	664,626
Copper produced	(tonnes)	**67,738**	40,055
Gold sales	(ounces)	**724,584**	646,418
Gold price realised	($ per ounce)	**567**	559
Sales revenue	($ million)	**607.2**	479.7
Earnings before significant items, borrowing costs, tax, depreciation and amortisation	($ million)	**195.9**	145.2
Depreciation and amortisation	($ million)	**(97.6)**	(101.5)
Borrowing costs	($ million)	**(15.0)**	(10.7)
Significant items – gains/(losses)	($ million)	**37.0**	(105.6)
Profit/(loss) before tax	($ million)	**120.3**	(72.6)
Income tax (expense)/benefit	($ million)	**(29.2)**	21.4
Outside equity interests	($ million)	**1.1**	(1.8)
Net profit/(loss) after tax attributable to members of the Company	($ million)	**92.2**	(53.0)
Capital expenditure (cash flow basis including exploration)	($ million)	**265.3**	305.9
Cash and short-term deposits	($ million)	**101.1**	14.4
Total debt	($ million)	**485.1**	550.8
Earnings per share	(cents per share)	**29.6**	(19.2)
Return on capital employed (ROCE) excluding significant items (EBIT before significant items/average capital employed)	(percent)	**6.6**	3.7
Net debt/net debt plus equity	(percent)	**29.5**	49.9

(All $ are Australian denominated unless specifically stated otherwise.)

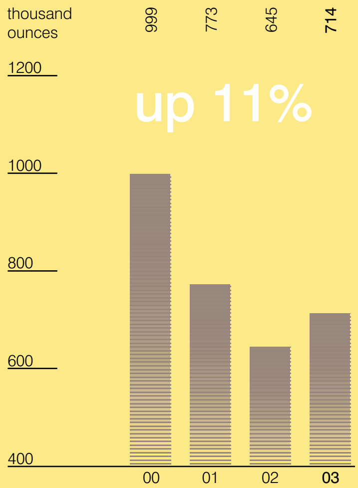
- Safety performance deteriorated with a fatality occurring on a farm lease at the Cadia Valley operations
- 714,377 ounces of gold and 67,738 tonnes of copper produced
- Group cash costs further reduced to A$217 per ounce
- Total costs reduced to A$356 per ounce
- Ridgeway performed strongly
- Telfer construction commenced after successful funding
- Full year after tax profit of A$92.2 million
- 5 cent fully franked dividend

For a five year summary see page 72

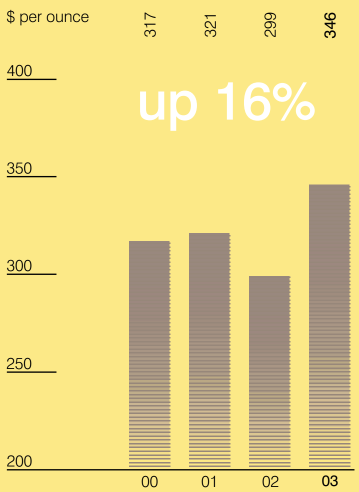
Group NAGIS Cash Cost



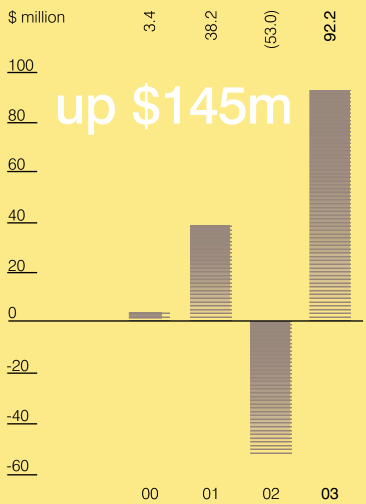
Group Gold Production



Group Cash Margin



Profit/(Loss) After Tax



Highlights 2002/03

Ian Johnson,
Chairman

In 2002/03 Newcrest continued to pursue its strategy of low-cost production through the efficient operation of its existing mines, the construction of new developments and a strong commitment to exploration.

Newcrest
Knowledge

Chairman's Review

The past year has been a successful one for Newcrest as it continued with its simple, long-term strategy of becoming one of the world's most efficient and low-cost producers of gold and copper. The focus on low cost remains paramount.

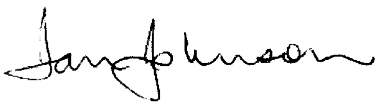
The consolidation of the gold industry in recent years has meant that the cost of growing through mergers and acquisitions has been high. Any merger and acquisition opportunities that Newcrest identified would have involved a deterioration of its position on the world-cost curve and were therefore unacceptable. Consistent with its strategy, Newcrest has focussed on the alternative of growing from within. This has meant a continued commitment to exploration and the ability to build and operate efficiently the small and large-scale mines identified through its exploration successes. The strategy is working well.

Cadia and Telfer are already major goldfields and they will continue to grow. The Cadia opencut and adjacent Ridgeway underground mines are clear evidence of the development and operating skills of Newcrest's people. It is those same people who are now addressing the challenge of building, and then operating, the new opencut and underground mines at Telfer.

These are big undertakings and your Board is confident they will be successfully completed, together with the new smaller but higher-grade operations at Cracow in Queensland and Toguraci in Indonesia.

The existing and emerging projects form a robust platform for the continued progress of your Company. In a year's time Newcrest can expect to be producing gold and copper at a cost even lower than it is today and at more than double its present level of production. The cash generated will permit rapid repayment of debt and provide the capacity to finance future growth. Already exploration has identified significant further opportunities at both Telfer and Cadia. Realising those opportunities will be a priority, enabling Newcrest to take advantage of the inherent cost advantage of developments around existing mine sites.

Underpinning all of this are the people of Newcrest. They are attracted by the opportunity to create real wealth through the discovery, development and operation of efficient mines. They have been responsible for the Company's progress to date and your Board is confident that this will continue.



Ian Johnson
Chairman

Managing Director and Chief Executive Officer's Report

For a number of years at Newcrest, we have been relying on our exploration team to provide the opportunities for growth. They have delivered two of the best goldmining fields in Australian history, Cadia and Telfer, and we are now in the middle of delivering successful projects based on those exploration achievements.

At the start of 2002/03, the Company faced a number of challenges. These were to:

- maintain our position as a leader in the industry on safety performance
- deliver the production and costs that the Feasibility Study had forecast for the newly commissioned underground operation at Ridgeway
- complete the final stages of the Telfer Feasibility Study for formal presentation to the Board for their endorsement
- quickly complete the funding component of the Telfer Feasibility Study once the Board had agreed to proceed
- make a good start to the Telfer construction once it commenced
- ensure the Cracow project was progressed to the point where development could begin
- complete the Toguraci project permit process to allow that project to proceed
- continue to replace reserves through further exploration success.

I am pleased to report that, over the year, the majority of these challenges has been met satisfactorily.

However, our safety program suffered a tragic setback on 24 June when Damian Pusterla was killed while working on a farm property at our Cadia Valley operations. Damian's death came as a terrible shock to all of us at Newcrest, especially the people at Cadia. We offer our deepest sympathy to Damian's wife Julie and her young children, Lauren, Brendan and Lilly, and hope that they have been able to find some peace during this sad time.

At the time of the incident, the Company was in the process of developing new initiatives to maintain our position as a leader in safety performance within the resources sector. Damian's death makes us even more determined to deliver ongoing improvements in this vital aspect of our business.

Operations

In terms of our operational performance, Ridgeway is now progressing strongly. It is gratifying to record that it only remains for the last percentage point of metallurgical recovery to be pursued for all the parameters of the Feasibility Study to be achieved. At the average spot price for gold in 2002/03, Ridgeway returned more than half the money spent in exploring and developing the mine. Underground drilling is being conducted to test the continuity of the orebody at depth, to enable us to determine the potential to extend the life of the mine. Drilling will continue in the current year.

The Telfer Feasibility Study was completed and indicated the potential for a mine with an estimated life of more than 20 years and very low costs in the commencement phase. Telfer could become the largest gold mine in Australia, with average annual production of over 800,000 ounces of gold and 30,000 tonnes of copper concentrate for many years. The project will consist of a substantial open pit, a sub-level caving operation underground and a new metallurgical plant capable of recovering both gold and copper. Significant infrastructure will be required, with the major item being a new power station fired by gas delivered via a purpose-built pipeline from the offshore Western Australian gas fields.

In addition, there is an emerging exploration story at Telfer. Funding has been allocated so that the area to the west of the planned underground operation can be properly assessed by drilling and bulk sampling. In due course, the results of this work will be incorporated into the Feasibility Study.

The Board approved the project and agreed that it would be constructed in two stages. The first stage comprises the open pit mine, the new metallurgical plant and the infrastructure, at a cost of A$976 million. The second stage will be the underground mine, which will cost A$215 million.

Long-term contracts covering the planned production well into the future have been put in place, with Asian smelters keen to buy the project output. Many of the smelters have been customers of ours at Cadia, and strengthening of these relationships by increasing our business through the Telfer production is a very positive outcome.

Tony Palmer,
Managing Director and
Chief Executive Officer

Newcrest Knowledge

Managing Director and Chief Executive Officer's Report (continued)

The funding of Telfer was crucial if we are to maximise the returns to our shareholders from this huge project. After considering many options, it was finally agreed to fund the project as follows:

- A$250 million of equity
- finance leases for the open pit mining equipment and the power station
- third-party ownership of the gas pipeline
- debt funding of the remainder of stage one.

Ultimately, it was determined that A$575 million would be sufficient, and on 17 March we were able to announce that a consortium of banks had agreed to supply the funds through a loan note subscription agreement. The announcement of the debt facility removed any doubt about funding the project, sparking a strong and sustained performance by the Company on the stock market.

An important part of the Telfer Feasibility Study was the implementation strategy, where the plan to develop the mine was put forward to the Board for consideration. We have established a good record in bringing on our new mines, with recent successes at Cadia, Ridgeway and Gosowong, all of which have performed in line with their feasibility studies. The Telfer implementation strategy required that all of the major pieces of equipment required for the project are on site prior to the cyclone season in the 2003/04 summer. Equipment such as mills, crushers, power stations and open pit mining equipment were ordered as early as possible to maximise the chances of timely delivery.

At the time of writing, almost one-third of the funds required to build stage one of Telfer had been expended, and up to three-quarters committed by way of contracts with the various suppliers and contractors. The indications are that the project is proceeding in line with the Feasibility Study and, while there is a huge amount of work remaining, a really strong start has been made. The atmosphere on site at Telfer is very business-like and there is a tangible determination to get the job done on time and within budget.

The Cracow project is also making excellent progress, with the Feasibility Study completed and agreed with our joint venture partner, Sedimentary Holdings Ltd. The necessary arrangements to allow the mining leases to be extended as required have been put in place with the Aboriginal stakeholders, satisfactorily completing the permit process. Construction of the underground mine is planned to commence in the September quarter, and the first ore development should be achieved in the current financial year. Production of gold doré is expected in the second half of the 2004 calendar year.

Permits necessary to allow the mining of the Toguraci orebody at Gosowong have been received and work on the project has commenced. Toguraci is just two kilometres from the Gosowong plant. It is anticipated that gold doré will be produced by the end of the 2003 calendar year.

One of the most difficult challenges we face is replacing the reserves that have been mined out and locating new projects that might offer growth opportunities into the future. I am pleased to report that we have been successful in replacing the reserves mined in 2002/03 and, significantly, at places such as Ridgeway Deeps, Cadia East/Far East, underground at Telfer, Kencana and Cracow, we have also located resources that offer opportunities to replace mined reserves and provide the platform for further growth.

Our greenfields exploration was again solid in 2002/03, although no new orebodies were located. Good progress was made at Ashburton and Trotmans Dome near Telfer, and the Board continues to support this very important aspect of our work. For greenfields exploration to be successful, patience and consistent funding from the Board are required, and we have both of these at Newcrest.

Financial performance

The Company reported an after tax profit of A$92.2 million for 2002/03, which compares to a loss after tax of A$53 million the previous year. Excluding adjustments relating to hedge book and exchange rate fluctuations, profit from normal operations was A$66.3 million (A$20.9 million).

The improved profit mainly resulted from increased sales volumes and lower costs of production. The achieved gold price was marginally higher at A$567 per ounce. The emergence this year of the low-cost Ridgeway mine had a significant effect on both volumes and costs in comparison with the previous year's higher-cost production including from the now depleted Gosowong mine. Copper production in 2002/03 also increased significantly to nearly 68,000 tonnes (40,000 tonnes), realising A$192.8 million at spot prices ($126.6 million).

Operating costs have been falling steadily over several years. In 2002/03, the cash costs of production were down to A$217 per ounce and the full costs of production were down to A$356 per ounce. At these levels, our major mining operations sit well within the lowest quartile of world production costs. Cash flow from operations for the year was A$199 million, which is A$108.7 million higher than last year, reflecting the successful commissioning of the Ridgeway mine.

Work continued during the year to simplify the hedge book. New hedging was undertaken to protect the large capital commitment to Telfer and, in accordance with policy, all of this was in the form of simple forwards. The mark-to-market of the hedge book improved from a negative A$754 million at the beginning of 2002/03 to a positive $84 million at year's end. This improvement was due mainly to the rise in the Australian/US exchange rate. Further simplification of the remnant hedge book will continue as opportunities arise.

The Statement of Financial Position shows a strengthening in the Company's asset base but also reflects an increasing trend in Accounting Standards to bring onto the Statement unrealised derivative transactions and other provisions not previously brought to account.

Earnings per share improved significantly to 29.6 cents and the Company's return on average capital employed rose to 6.6 percent from 3.7 percent. This improvement is pleasing but needs to increase further before it is acceptable. Dividends were held at five cents per share to conserve cash required to develop Telfer.

Sustainability

The Company has embraced the concept of sustainability and we are committed to developing long-term beneficial relationships with our key stakeholders. A highlight of 2002/03 was the release in October 2002 of our first Sustainability Report. We are proud of our social and environmental performance and will continue to publish reports in coming years to keep our stakeholders and others informed about our activities and initiatives in these areas.

A considerable amount of effort was applied in working towards our quest to achieve Industry best practice in safety and health but this is not fully reflected in the 2002/03 performance indicators. The Lost Time Injury Frequency Rate (LTIFR) rose from 2.2 to 3.0. While this result still compares favourably to the industry benchmark of 9.0, it is not acceptable. The broader based Total Recordable Injury Frequency Rate (TRIFR) also increased, from 16 to 28. We are developing new initiatives to reverse these trends and believe ongoing and sustained improvement is achievable.

Through 2002/03, our environmental performance continued to improve, as measured by the Australian Mining Industry Code for Environmental Management annual survey. Not only did our overall Company performance improve but each of our operations demonstrated improved performance. The environmental performance audits this year were certified by an independent third party, and it was gratifying to receive verification of our performance. A low level of environmental incidents was recorded, with a slight drop in numbers achieved against an increasing level of Company activity, particularly at Telfer.

Environmental approval for the Telfer project was gained, and the necessary management plans are being developed and implemented to ensure that our commitment to a high level of environmental performance is maintained.

A good relationship with local communities is essential to our overall business performance. In the Cadia Valley, an Open Day at the site once again proved successful in attracting visitors. The operation is focussing on sustaining the community relationships that have been developed over the past few years.

At Gosowong, we continue to support local communities as they re-establish themselves following past unrest. Our micro-loan facility is designed to provide small amounts of seed capital for local businesses, with an emphasis on developing programs that can operate independently of the mine and be sustainable in the future.

At Cracow, the Company and its joint venture partner, Sedimentary Holdings Ltd, have signed an Indigenous Land Use Agreement (ILUA) with the relevant Aboriginal communities, while at Telfer, the access agreements for the gas pipeline are in place. These agreements provide substantial opportunities for local Aboriginal groups. We have also been involved in supporting a training program for long-term unemployed Aboriginal people in the Pilbara and will continue to promote opportunities in this area.

Managing Director and Chief Executive Officer's Report (continued)

Objectives for 2003/04

Newcrest is on the verge of unparalleled growth that, importantly, is very much organic. With the commissioning of Telfer in calendar year 2004, we will double our production while continuing to be at the low end of the gold industry's cash-cost curve.

It is very important that all of our management policies and procedures reflect the Company's new status in the resources industry and that the outstanding potential of projects such as Cadia East/Far East and Telfer Deeps are understood as quickly as possible.

The Board and management have set the following targets for the 2003/04 financial year.

1. Involve our entire workforce, senior staff, site management, direct employees and contractors in a drive towards a target of zero lost time injuries across the Company.
2. Work hard with our stakeholders in and around our operating sites to ensure that the Company is seen as a responsible corporate citizen. The new arrangements in the Telfer and Cracow areas bring real opportunities to advance our relationship with Aboriginal communities and to help improve their quality of life.
3. Continue to ensure that the Company satisfies all its environmental obligations as a minimum target.
4. Maintain the continuous improvement mentality in management across every facet of the business.
5. Improve the financial performance of the Company.
6. Progress our brownfields exploration at Cadia East, Telfer Deeps, Cracow and Gosowong to ensure that the new production levels and cost structures can be at least maintained.
7. Continue to provide support and funds for the exploration group to heighten the chances of a new greenfields success.

Our people

Thanks must go to our employees for their efforts throughout 2002/03. The Newcrest team has enhanced its reputation as discoverers of ore, as developers of projects based on that exploration success, and as operators of those projects. In addition, management was able to deliver on permit issues at Cracow, the Telfer pipeline, and the Environmental Impact Statements for Telfer and the Toguraci project, clearing the way for these projects to proceed.

We substantially achieved all we set out to do, and that can only happen when the management team is motivated and embraces the task with enthusiasm.

With Telfer coming on stream in the near future, our workforce will be greatly expanded. We are being careful to hire people who exhibit real enthusiasm to join with the existing team in moving the Company forward.

The Board is calling for further effort across the spectrum of our business activities and most especially in the area of safety. Nothing less than total commitment to achieving our targets is acceptable and I am confident that will be forthcoming.

We are looking forward to another year of improved performance and achievement at Newcrest.

Tony Palmer
Managing Director and
Chief Executive Officer

Senior Management

Bruce Price, Executive General Manager Project Development, responsible for Telfer development, previously built Gosowong and Ridgeway. Prior to that, over 10 years with Normandy Mining.

Tony O'Neill, Executive General Manager Operations and Marketing, responsible for Group mining operations, previously held senior mining roles at KCGM and WMC.

Dan Wood, Executive General Manager Exploration, a geologist with over 36 years' experience in a diverse range of commodities, both in Australia and overseas, including with BHP.

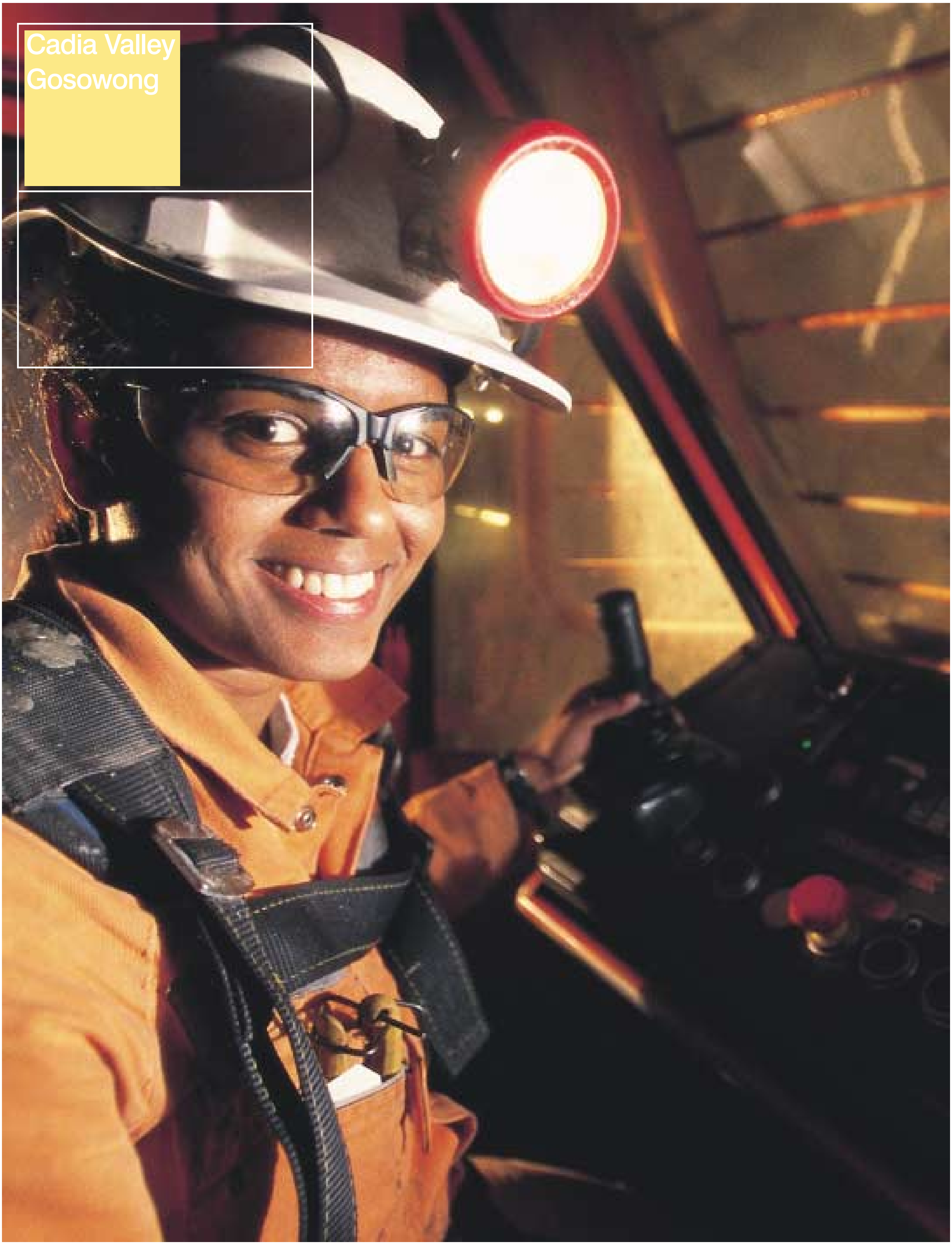
Bernard Lavery, Executive General Manager Corporate Services, a lawyer by training with a wide experience in corporate law, previously with WMC and Ashton Mining.

Jeff Smith, Executive General Manager Finance, previously held senior positions at WMC in accounting, taxation and strategic planning.

Peter Reeve, General Manager Corporate Affairs, a metallurgist with strong corporate finance and market experience at JBWere & Sons and previously corporate experience with the Shell/Billiton Group and CRA Ltd.

Peter Bird, General Manager Human Resources, a geologist previously in charge of investor relations at Normandy Mining and Newcrest Mining following a period as the Australian gold analyst at Merrill Lynch.

Cadia Valley Gosowong



Rathy Mahendran,
Mine Projects Engineer, Ridgeway Underground

Operations

Centre: Tim Lehany, General Manager, Cadia Valley Operations
Right: David Coates, Geologist, Blast hole logging, Cadia Hill Open Pit

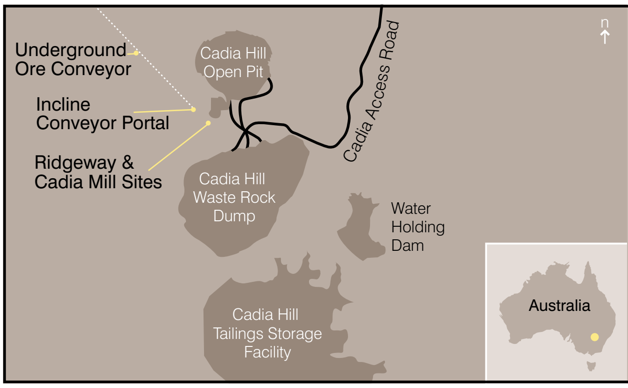
Newcrest's operational performance was dominated by the strong year at Ridgeway following its commissioning in March 2002. Newcrest's know-how in delivery of new projects and optimisation of operations underpins the timely returns on capital invested by the Company.

Marcia Lac,
Metallurgy Technician,
Ore Treatment, Cadia

Brett Vaughan,
underground miner,
fitting a rock bolt into the
boom of an underground
drill prior to installation

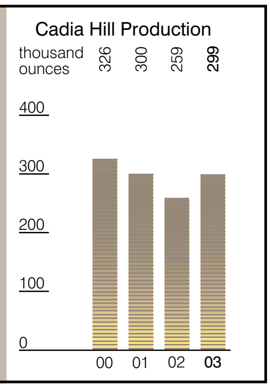
Gosowong Ore
Haulage

Operations



- Central NSW
- Opencut Gold/Copper Mine
- Nominal Treatment Rate 17 million tonnes pa
- 2003 Gold Production 298,848 ounces
- 2003 Copper Production 22,714 tonnes
- Cash Cost $344 per ounce
- Total Production Cost $483 per ounce

SCALE: 1cm = 1km



CADIA VALLEY OPERATIONS (CVO)

Cadia Hill Gold/Copper Mine

The Cadia Hill mine produced 298,848 ounces of gold (258,834 ounces) and 22,714 tonnes of copper (23,229 tonnes) during 2003. Strong focus on ensuring the forecast mining plan was achieved, resulted in better delivery of budget ore grade material to the concentrator.

The Cadia Hill Mine plan incorporated the Cadia Extended mine (previously Cadia Quarry) which was brought into production during the year.

The cash cost of production at Cadia Hill was $344 per ounce ($315 per ounce) with total costs of $483 per ounce ($473 per ounce).

Mining in the Cadia Hill pit continued with ore being mined between the 5565RL level and 5505RL level. The depth of the pit from original surface level is now 255 metres and will ultimately be 585 metres.

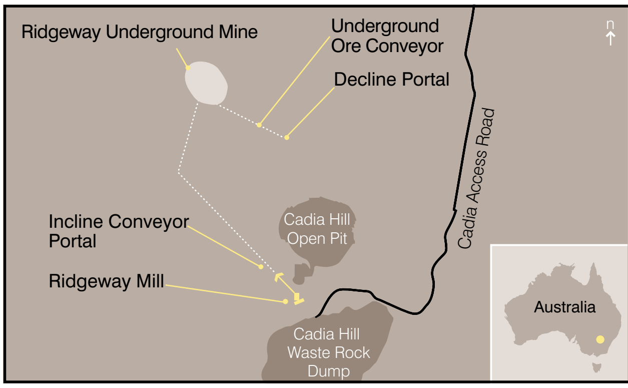
Mining of the new Cadia Extended satellite pit commenced on schedule in January and first ore was processed in February. The transition material in this pit was more complex than anticipated and posed minor processing issues.

Mining of the Cadia Hill pit North wall cutback commenced in September with a contract for the initial 3 million tonnes awarded to a contractor. The work was handed over to Cadia Hill Mining in February and has progressed according to plan with 8.7 million tonnes (of the cutback out of a total of 60 million tonnes) mined during the year.

The Cadia Hill mining fleet was expanded to undertake the planned elevated waste stripping activity (including the North Wall cutback) over the next three years. Material movement peaks at 98 million tonnes in the 2003/04 year. The mining fleet expansion takes the total Cat 793 haul trucks to 25. An additional diesel-hydraulic face shovel (Liebherr 996) and large Komatsu WA1200 wheel loader were deployed to meet the increased truck loading demand. An upgrade of the open pit drilling fleet was also initiated during the year as part of the site drive to reduce operating costs.

Mill throughput rates increased materially in the second half of the year as a result of a deliberate mine-to-mill strategy of increasing powder factors in ore shots in the open pit. Finer ore was presented to the semi-autogenous grinding (SAG) mill and throughput rates in excess of 2,200 tonnes per hour were achieved.

Efforts to improve recovery in the Cadia Hill concentrator focussed on directing more material to the concentrate regrind mill to use more of the mill's available power for mineral liberation. System modifications were commissioned in the second half of the year and an improvement to metal recoveries was achieved.



Central NSW

Underground Gold/Copper Mine

Nominal Treatment Rate 5 million tonnes pa

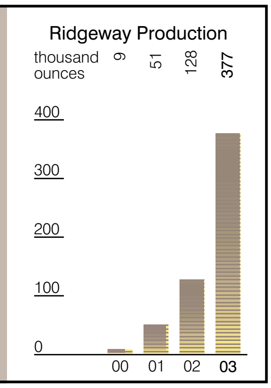
2003 Gold Production 377,539 ounces

2003 Copper Production 45,024 tonnes

Cash Cost $85 per ounce

Total Production Cost $239 per ounce

SCALE: 1cm = 1km



Ridgeway Gold/Copper Mine

Ridgeway is the Company's recently commissioned underground gold/copper mine in the Cadia Valley and is adjacent to the Cadia Hill open pit mine. 2002/03 was Ridgeway's first year of full operation and metal production of 377,539 ounces of gold (127,665 ounces) and 45,024 tonnes of copper (16,826 tonnes) was in line with plan.

Ridgeway's production ramp-up target of 4 million tonnes per annum was achieved three months after start-up. By December Ridgeway had reached a production rate of 5 million tonnes per annum and this was sustained for the remainder of the year.

The cash cost of production was $85 per ounce ($157 per ounce) with total costs of $239 per ounce ($292 per ounce). These costs incorporate the revenue from the copper by-product credits. Benchmarking of operational key performance indicators demonstrates that Ridgeway is amongst the most efficient underground mines in the world.

One of the key risks for the Ridgeway project was overcome when the sub-level cave zone reached the surface in September 2002 as connection of the cave zone with surface is essential for the operation of the SLC mining method. The systems monitoring the progression of the cave zone to the surface worked very well ensuring effective management of this risk.

The Ridgeway autogenous grinding (AG) mill was converted to a SAG operation with the introduction of grinding media in March. The conversion to a SAG operation was aimed at utilising the surplus available mill power to reduce grind size and improve metallurgical recovery at the elevated 5 million tonnes per annum throughput rate. While at an early stage, the results appear positive.

A drilling program to further define the Ridgeway orebody at depth continued through the year with 14.8 kilometres of diamond drilling completed. The program has the potential to significantly upgrade the resource tonnage at depth.

Operations (continued)

Initiatives in the Cadia Valley

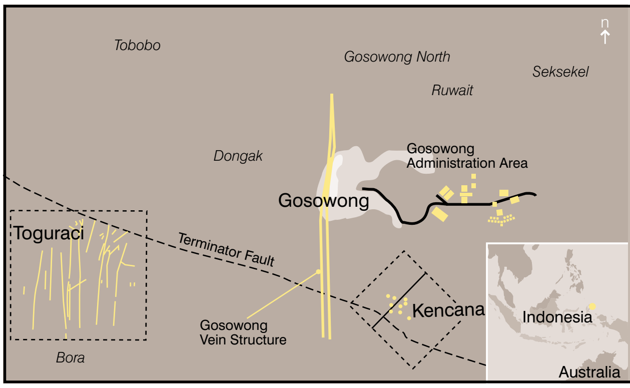
An extensive archaeological dig funded by CVO was undertaken prior to work commencing in the Cadia Extended pit and this work uncovered many artefacts. With mining now closer to the historic Cornish engine house and chimney (of State heritage significance), extensive strengthening of the stone structures was conducted and mining activity restricted until the strengthening work was complete.

The CVO public open day was held in April in conjunction with the Australian Gold Council's National Gold Mine Open Day and was again a great success with 2,800 people visiting the site that day. A further 2,000 visitors also attended educational site tours run for schools and other interest groups during the year.

Newcrest's ongoing involvement and support for the local region continued with more than $250,000 paid to community programs and sponsorships during the year including $75,000 to Careflight and $35,000 to the Orange Base Hospital for medical equipment.

A major site business improvement initiative was launched during the year with all employees involved in business improvement workshops. The workshops targeted improvements in the CVO business and were titled 'CVO Going for Gold'.

Strengthening of the Cadia Engine House and Chimney was required under the modified consent for the Cadia Extended project



Halmahera Island, Indonesia

Opencut Gold Mine

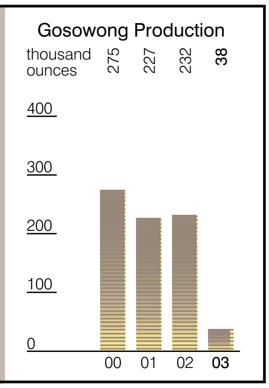
Nominal Treatment Rate 0.3 million tonnes pa

2003 Gold Production 37,878 ounces

Cash Cost $520 per ounce

Total Production Cost $532 per ounce

SCALE: 1cm = 0.5km



Gosowong Gold Mine (PT Nusa Halmahera Minerals 82.5 percent, PT Aneka Tambang 17.5 percent)

The Gosowong Mine on Halmahera Island in Indonesia continued operation until April 2003 when milling was suspended due to low ore stockpiles.

During 2003 Gosowong produced 37,878 ounces from low-grade stockpiles at a cash cost of $520 per ounce ($230 per ounce) and total costs of $532 per ounce ($419 per ounce). This increase in costs resulted from the depletion of high-grade ore from the exhausted Gosowong mine and the subsequent treatment of lower-grade stockpiled material. Over the full life of the mine Gosowong produced 772,018 ounces of gold and 812,815 ounces of silver at cash costs just above $200 per ounce.

Toguraci, a satellite project 2 kilometres west of the original Gosowong pit, was the subject of extensive negotiations during 2003 which were aimed at securing approval for the Toguraci mine to proceed. This approval was granted by the Indonesian Government in May 2003 and, as the only approval granted in the country, was a significant achievement for the operating team.

Mine development at Toguraci, which contains approximately 300,000 ounces of gold, has commenced with preliminary road access completed and pre-stripping of the mining area underway. Current plans have first production occurring in December 2004.

The exploration prospectivity remains high on the Company's contract of work with a high level of drilling activity at both Toguraci and Kencana.

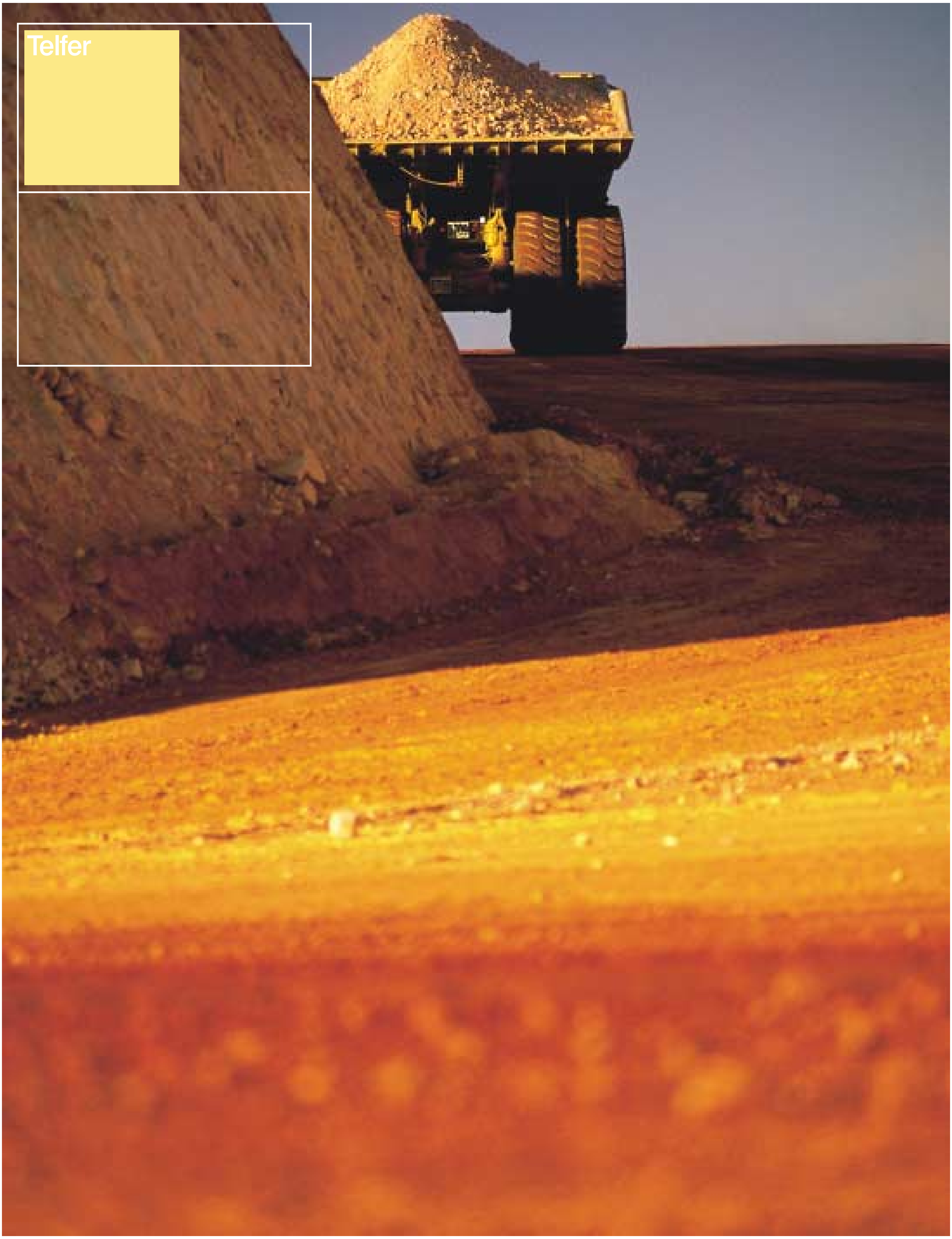
Community development in the local area continued throughout the year with projects such as the building or re-building of schools, funding of student and teacher learning aids and supply of school furniture continuing.

In the medical area, building and maintenance of hospitals and medical centres continued in conjunction with the supply of medicine and medical equipment. PTNHM also assisted in the establishment of local sustainable businesses and installed fresh water systems for domestic use.

The Company contributed over US$530,000 to these community initiatives during the 2003 year and continues to enjoy strong community support.

Gosowong recorded one lost time injury (LTI) for the period, ending a run of 2,502,940 man hours without a LTI.

Telfer



Haul truck in the Telfer
Open Pit

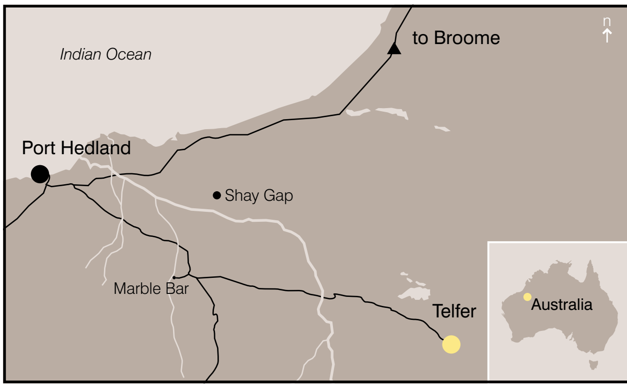
Development

L to R: Construction of Primary Crusher Train 2 – Telfer

Following the successful delivery of the Ridgeway project the Newcrest development team focussed on the massive Telfer redevelopment and completed a bankable Feasibility Study. Construction is 32 percent complete and at the year end was within the planned schedule and budget. Cracow and Toguraci developments were also progressed.

L to R: Construction of Sag Mill Train 2 Pedestal and Reclaim Tunnel Train 2 – Telfer

Development



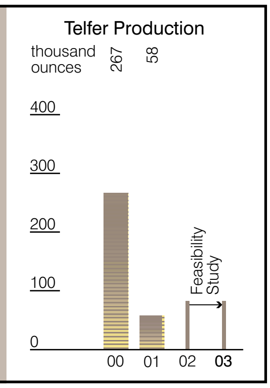
North-West Western Australia

Project construction underway

Reserve: 18.4 million ounces gold, 690,000 tonnes copper

Resource: 26 million ounces gold, 960,000 tonnes copper

SCALE: 1cm = 75km



Telfer Gold/Copper Project

The Telfer project, located in the East Pilbara region of Western Australia 450 kilometres inland from Port Hedland, commenced development during the year and will become a significant contributor to the Newcrest Group over the next two decades.

The Feasibility Study, completed in October 2002, confirmed the viability of the proposed project and Board approval was granted in October 2002 subject to the successful funding in place. Financing was completed in March 2003 and the first stage of the project comprising the redevelopment of the open pit mining operations and the construction of a new treatment plant commenced.

With the commissioning of the underground mining operations in the second stage of the development, Telfer will have the potential to become the largest gold mine in Australia with production expected to average 800,000 ounces of gold and 30,000 tonnes of copper per annum.

The project contains 18.4 million ounces of gold and 690,000 tonnes of copper and will consist of opencut and underground mines feeding a concentrator with nominal capacity of 17 million tonnes of ore per annum on hard rock. The expected mine life is 25 years.

Total capital cost for the project is estimated at $1,191 million, $976 million for the first stage and $215 million for the second stage. Stage 1 was 32 percent complete at year end.

During the year the upgrading of the Telfer access road was completed to ensure project access during the 2002/03 wet season. The site village was also upgraded to increase room capacity to 1,200 to allow for site construction activities. Manufacture of major plant and equipment items with long lead times was well advanced with the bulk of the open pit mining equipment delivered to site and deliveries of the major components for the grinding mills scheduled for the period July–November 2003.

Construction activities undertaken during the year included:

- Completion of the design definition engineering for the underground mine and commencement of the detailed design.
- The construction of the underground haulage shaft commenced with completion of both the pilot hole and the shaft collar. By year end, the shaft headframe fabrication was well underway.
- Commissioning of the majority of the new open pit mining equipment was completed and mining of open pit waste commenced.
- Preparation of the earthworks for the concentrator site was completed and the first concrete foundations poured in April.
- The manufacture of the gas turbines, gearboxes and alternators for the 141MW gas-fired power station was well advanced.

- Agreements in principle were reached for the supply of gas to the project and for the construction and operation of the Port Hedland to Telfer gas pipeline.
- All native title, heritage and environmental requirements for both the mine site and the infrastructure corridor, hosting the gas pipeline, were satisfied.

The majority of senior operations staff positions were filled and the open pit operating team recruited. At the end of June operating personnel on site totalled 400 people (including project support personnel) and the construction workforce totalled 350 people.

As part of the Telfer project, exploration work has continued to evaluate the previously identified extensions to the Telfer Deeps underground reserve. Drilling around the underground reserve, which contains 4 million ounces of the project's 18.4 million ounce total reserve, has identified potentially economic mineralisation in two zones:

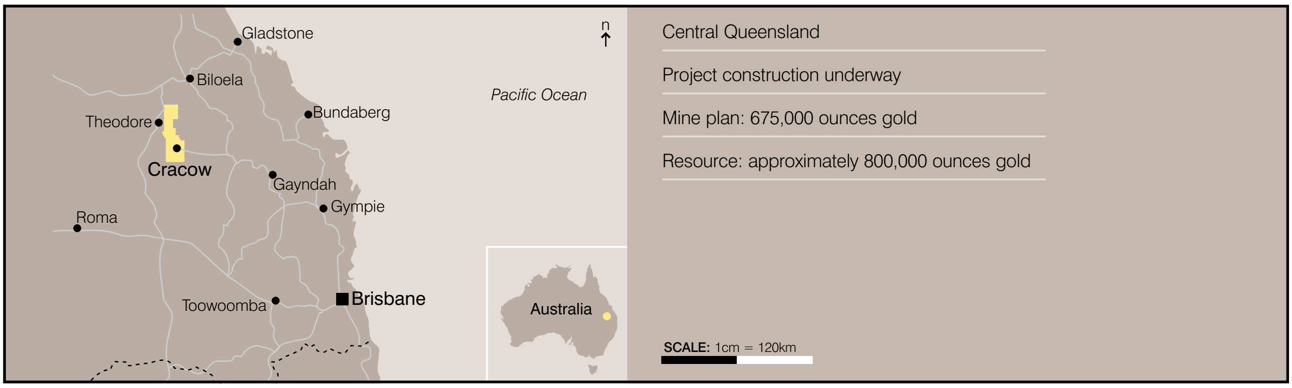
- The Western Flank Stockwork (WFS), and
- The Vertical Stockwork Corridor (VSC).

During the year a series of targeted drilling and bulk sampling programs continued which focussed on defining the potential gold and copper mineralisation on the western flank of the planned Telfer Deeps Sub-Level Cave (SLC). Drilling and bulk sampling activities in the WFS identified two styles of potentially economic mineralisation:

- Gold and copper mineralisation associated with North Dipping Veins and surrounded by lower-grade stockwork domains, and
- Gold and copper mineralisation associated with the Lower Limey Unit.

A review of the proposed underground Feasibility Study to consider the impact of the WFS was initiated during the year with the intention of updating the Feasibility Study for the underground section of the project by December 2003.

Development (continued)



Cracow Gold Project (Newcrest 70 percent, Sedimentary Holdings 30 percent)

During the year the Cracow Project Development Proposal was presented and approved by both joint venture party Boards to proceed to project development. The approval remained subject to execution of the relevant Joint Venture Agreements and to the establishment of an Indigenous Land Use Agreement (ILUA) between the joint venture parties and two indigenous claimant groups.

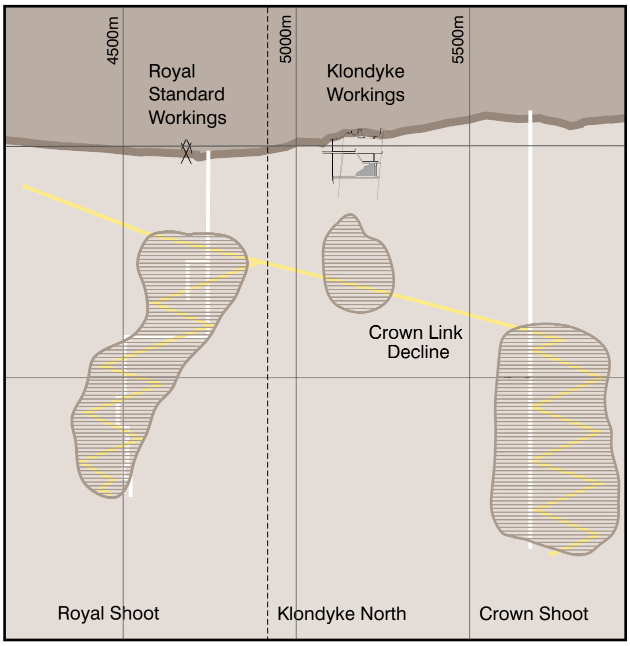
The Cracow project has a proposed mining plan which envisages 675,000 ounces of gold to be recovered over a seven year period at cash costs of around $220 per ounce. Exploration around the project tenements continues with results indicating that additional mineralised shoots exist.

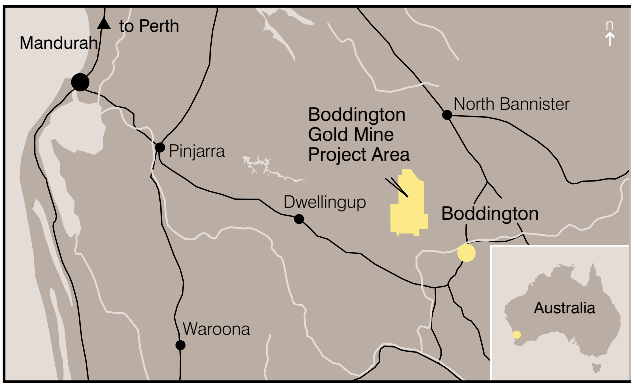
The ILUA was negotiated during the first half of the 2002/03 year and registered by the National Native Title Tribunal in June 2003. Mining Lease Application No. 80089 was granted for the project subsequent to year end.

Execution of the relevant agreements between the joint venture participants occurred subsequent to year end enabling project commencement. The agreements include the Cracow Mining Joint Venture Agreement, the Cracow Mining Joint Venture Management Agreement and the Agreement for Sale and Purchase of Cracow Assets.

Tenders for the surface earthworks, support infrastructure, first three years’ mining and process engineering have been received and will enable efficient commencement of the project construction phase. First production is expected in December 2004.

Cracow Project Underground Schematic





South-west Western Australia

Care and maintenance

Reserve: 10.9 million ounces gold

Resource: 19.7 million ounces gold

SCALE: 1cm = 15km

Boddington Gold/Copper Mine (Newcrest 22.2 percent, Newmont Australia 44.4 percent, Anglogold 33.3 percent)

Boddington Gold Mine remained on care and maintenance throughout the year. Assessment of the condition of the plant and facilities confirmed that care and maintenance preparations have been effective in maintaining the plant and facilities in sound condition. Recovery of minor quantities of residual gold from the processing plant was completed satisfactorily.

Exploration, targeting mineralisation outside the main Wandoo resource areas, was maintained throughout the year with $2.5 million (100 percent) spent.

The Boddington Gold Mine Joint Venture (BGMJV) participants signed restated project agreements which enabled the transfer of management of Boddington Gold Mine from Worsley Alumina Pty Ltd to a management company which is owned by the Joint Venturers in proportion to their respective interests in the BGMJV.

The BGMJV participants continue to assess the project with an update of the 2000 Feasibility Study, incorporating various processing changes, to be assessed during the coming year.

Newcrest will continue to pursue future growth opportunities such as the Boddington Expansion project, balancing the risk/reward equation with other potential new projects in order to optimise returns to shareholders.

Mineral Resources and Ore Reserves

Total Mineral Resources at year end, net of mining depletion, are estimated at 53 million ounces of gold and 3.8 million tonnes of copper, which is the same resource of gold and an increase of 0.1 million tonnes of copper compared with June 2002 (all in situ).

There was a major increase in Mineral Resources at Ridgeway with the discovery at Ridgeway Deeps of 1.4 million ounces of gold and 170 kilotonnes of copper contained.

Ore Reserves are estimated at 27.9 million ounces of gold, representing a modest overall decrease of 0.3 million ounces after depletion of 0.9 million ounces. Total Ore Reserves for copper are 1.4 million tonnes, a decrease of 0.04 million tonnes as compared with June 2002.

There was a major increase in Ore Reserves at Telfer where the Ore Reserve has been updated to reflect results of the Telfer Project Feasibility Study that was completed in October 2002.

Mineral Resources and Ore Reserves conform to the Australasian Code for Reporting of Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC). Ore Reserves are a subset of Mineral Resources. External and internal audits are conducted on completed estimates. All costs and prices are in Australian dollars unless stated otherwise. Relevant information on the methods and parameters used to estimate Mineral Resources and Ore Reserves are presented in the Newcrest Supplementary Information Booklet located in the Annual Report section on the Company's website at www.newcrest.com.au.

Cadia Hill

The Cadia Hill Mineral Resource and Ore Reserve have been depleted by mining activity during the reporting period. No other material changes have taken place. Net depletion was 13 million tonnes.

Mill adjusted reconciliation has indicated good performance of the resource and reserve models.

Cadia Extended

Cadia Quarry is now known as Cadia Extended.

During the year the Cadia Extended Mineral Resource was updated using the estimation methods previously applied. This resulted in a small grade reduction for the total resource; however this change did not affect the Ore Reserve.

Mining commenced at Cadia Extended in January 2003 with approximately 3 million tonnes depleted from the resource model to date. Cadia Extended has proved geologically more complex than anticipated in the transitional zone. This has resulted in a reduction in the quantity of metal recovered from the initial phase of mining in the Cadia Extended pit. Mining in this near surface zone was largely completed by year end and was progressing into fresher less complex material.

Cadia Stockpiles

Ore stockpiles were depleted by mining reclaim during the year. In addition, a proportion of the stockpiled low-grade open pit ore, equivalent to 5 percent of the low-grade stockpile tonnage, was removed from resources and reserves. This was due to localised oxidation which would have resulted in degraded flotation performance of material adjacent to stockpile edges. Net depletion was 3 million tonnes.

Ridgeway

The discovery of Ridgeway Deeps resulted in a significant increase to the Ridgeway Mineral Resource below the crusher level this year. The net increase attributable to this discovery was 29 million tonnes for 1.4 million ounces of gold and 170 kilotonnes of copper contained. These additional resource tonnes have been largely classified in the Inferred category. Drilling is ongoing to further define this resource.

Other material changes to the resource included mining related depletions (–4.2 million tonnes) and increases due to re-evaluation of economic parameters (+4.8 million tonnes). Incorporation of additional drilling above the crusher level also allowed resource categories to be upgraded in that part of the deposit.

The Ore Reserve estimate has been depleted by normal mining. Work has commenced to update the Ridgeway Ore Reserve to incorporate recent changes to the resource model. This is expected to be completed during the December quarter.

Cadia East/Far East

No change has been made to the Mineral Resource estimate for the conceptual opencut at Cadia East.

Also, no change has been made to the Mineral Resource estimate for the conceptual SLC underground mine at Cadia Far East.

Both the Cadia East and Cadia Far East Mineral Resources are contained within a continuous and massive porphyry style gold and copper mineralised system.

This system is located immediately adjacent to Cadia Hill and is separated from that deposit by a major post-mineral thrust fault. Exploration drilling to date has defined a steeply dipping tabular body over a strike length in excess of 2 kilometres. Ongoing exploration is designed to assist management to understand the full potential of the area so that a feasibility study can be commenced.

Conceptual mine planning work is ongoing to determine a preferred development option for the Cadia East system.

Telfer

The June 2003 Telfer Mineral Resource Statement is unchanged from the June 2002 Statement.

The Telfer Open Pit Resource is data constrained and open both laterally and at depth in Main Dome and West Dome.

The current Telfer Deeps resource is data constrained. Newcrest has completed bulk sampling above the proposed SLC to test the Feasibility Study grade estimate of the cave material. Results from this program are broadly in line with the Feasibility Study expectation. Recent bulk sampling and drilling to the west and beneath the current resource indicate potential for extension of mineralisation. Studies are in progress to evaluate this material and results continue to confirm the existence of further potentially economic mineralisation in these areas.

The Telfer Open Pit and Underground Ore Reserves have been revised in line with the results of the Telfer Project Feasibility Study that was completed in October 2002. This has resulted in an increase in the Telfer Ore Reserve of 0.5 million ounces of gold and an upgrade in Ore Reserve classification with a significant proportion of the Open Pit Ore Reserve now in the Proved Ore Reserve category.

The Telfer Open Pit Ore Reserve is constrained within pit designs based on optimisation shells generated using the profit algorithm approach and commodity prices of $500 per ounce for gold and $1.30 per pound for copper.

The Telfer Deeps mineralisation is amenable to a SLC mining method and the Ore Reserve was developed from mining outlines based on a series of break even boundaries for each production level. In arriving at the Ore Reserve for Telfer Deeps, the recovered tonnes and grade have been diluted in a manner consistent with industry practice for similar mining operations.

Studies to evaluate mining strategies for the potential extensions to the Telfer Deeps mineralisation are in progress. These studies are based on results from bulk sampling and drilling beneath and to the west of the planned SLC.

Boddington

There have been no revisions to the Boddington resource estimates and therefore Boddington Expansion Mineral Resource and Ore Reserve estimates and the Basement Mineral Resource estimates remain unchanged from those reported last year.

Exploration has been focussed on the search for a near-mine high-grade quartz vein both on Boddington Gold Mine tenements and adjoining joint venture tenements. A number of encouraging targets remain to be tested.

Gosowong/Toguraci

The Toguraci Ore Reserve has been developed with allowance made for mining dilution and minimum mining widths. Experience with mining the Gosowong pit provided a reference for developing the pit design and corresponding costs for Toguraci.

Resource definition drilling has commenced on the Kencana Vein with a resource estimate expected to be completed in the third quarter of 2003/04.

Cracow

The Crown Mineral Resource and the Royal Mineral Resource remain unchanged. The provision of decline access will permit underground resource definition drilling and an update of these resources during 2003/04.

Exploration has continued on Cracow Joint Venture tenements and a number of opportunities have been drilled and brought through to advanced targets.

Mineral Resources and Ore Reserves (continued)

Mineral Resources attributable to Newcrest as at 30 June 2003

	Measured Resource			Indicated Resource			Inferred Resource			Gold In situ	Copper In situ	Competent Person
Gold and Copper Resources	Dry Tonnes (million)	Gold Grade (g/t Au)	Copper Grade (% Cu)	Dry Tonnes (million)	Gold Grade (g/t Au)	Copper Grade (% Cu)	Dry Tonnes (million)	Gold Grade (g/t Au)	Copper Grade (% Cu)	(million ounces)	(kilo-tonnes)	
Cadia Hill	220	0.72	0.16	40	0.60	0.16				5.8	420	1
Cadia Extended	1.2	0.46	0.23	45	0.40	0.23	4.1	0.39	0.17	0.66	110	1
Cadia Stockpiles	11	0.44	0.14							0.15	15	1
Ridgeway	41	2.2	0.72	21	1.9	0.62	16	1.4	0.59	4.8	520	1
Ridgeway Stockpiles	0.023	3.2	0.90							0.0024	0.21	1
Cadia East							300	0.46	0.37	4.3	1,100	1
Cadia Far East							130	1.3	0.41	5.5	530	2
Telfer												
Open Pit	170	1.3	0.17	200	1.7	0.13	94	1.1	0.12	21	670	3
Underground				46	2.8	0.52	11	2.0	0.41	4.8	290	3
Satellites				0.72	4.2	0.06	1.7	2.6	0.08	0.24	1.9	3
Stockpiles				3.1	0.83	0.14				0.08	4.4	3
Total Gold and Copper	170	1.3	0.17	250	1.9	0.20	110	1.2	0.15	26	960	
Boddington												
Basement	0.081	1.8		0.12	2.1		0.022	9.0		0.02		4
Boddington Expansion	29	0.93	0.11	82	0.83	0.12	51	0.8	0.091	4.4	180	5
Total Gold and Copper	29	0.93	0.11	82	0.83	0.12	51	0.8	0.091	4.4	180	
Gosowong Stockpiles	0.09	2.7								0.01		6
Toguraci				0.19	40		0.15	10		0.30		6
Cracow							1.7	10		0.55		7
Total Gold and Copper										53	3,800	

1. C.F. Moorhead, 2. J.R. Holliday, 3. G.R. Howard, 4. K.P. Gleeson, 5. S. Williams, 6. G.N. Petersen, 7. J.F. Leckie/P. Creenaune

Rounding, conforming to the JORC Code, may cause some computational discrepancies. The gold and copper grade totals in the resources are weighted averages.

Information in this report which relates to Mineral Resources is based on and accurately reflects reports prepared by the Competent Person named beside the information. All these persons are full-time employees of Newcrest Mining Limited or the relevant subsidiary, except K.P. Gleeson, who is a full-time employee of BGM Management Company Pty Ltd and S. Williams, who is a full-time employee of Newmont Australia Limited, who consent to the inclusion of material in the form and context in which it appears. This resource report is compiled by J.F. Leckie, Chief Geologist Mining and Development, Newcrest Mining Limited. All the Competent Persons are Members or Fellows of The Australasian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists and have the relevant experience in relation to the mineralisation being reported on by them to qualify as Competent Persons as defined in the Australasian Code for Reporting of Mineral Resources and Ore Reserves.

Newcrest has retained Peter Stoker of Hackchester Pty Ltd to act as external auditor for the Newcrest Mineral Resources where Newcrest is the operator. External audits have been completed or are in progress, and Mr Stoker has stated that he is not aware of any issues which materially affect the reported Mineral Resources. Mr Stoker is a geologist with over 30 years experience in mine geology, Mineral Resource and Ore Reserve estimation, feasibility studies, project evaluation and mineral exploration.

Ore Reserves attributable to Newcrest as at 30 June 2003

	Proved Reserve			Probable Reserve			Gold In situ	Copper In situ	Competent Person
	Dry Tonnes (million)	Gold Grade (g/t Au)	Copper Grade (% Cu)	Dry Tonnes (million)	Gold Grade (g/t Au)	Copper Grade (% Cu)	(million ounces)	(kilo-tonnes)	
Gold and Copper Reserves									
Cadia Hill	170	0.77	0.18	5.3	0.37	0.20	4.1	300	1
Cadia Extended				13	0.50	0.25	0.20	33	1
Stockpiles	11	0.44	0.14				0.15	15	1
Total Gold and Copper	180	0.75	0.17	18	0.46	0.24	4.5	350	
Ridgeway									
Underground	9.0	3.1	0.84	29	2.1	0.68	2.8	270	1
Stockpiles	0.023	3.2	0.90				0.002	0.21	1
Total Gold and Copper	9.0	3.1	0.84	29	2.1	0.68	2.8	270	
Telfer*									
Main Dome	130	1.3	0.21	120	1.5	0.15	12	430	8
West Dome	37	1.0	0.08	49	1.1	0.08	3.0	55	8
Telfer Deeps				39	2.7	0.50	3.4	200	9
Total Gold and Copper	170	1.3	0.18	210	1.6	0.20	18	690	
Boddington									
Expansion	28	0.94	0.12	59	0.84	0.13	2.4	110	5
Total Gold and Copper	28	0.94	0.12	59	0.84	0.13	2.4	110	
Gosowong									
Stockpiles	0.09	2.7					0.01		6
Toguraci				0.15	43		0.21		6
Total Gold	0.09	2.7		0.15	43		0.22		
Total Gold and Copper							28	1,400	

1. C.F. Moorhead, 2. J.R. Holliday, 3. G.R. Howard, 4. K.P. Gleeson, 5. S. Williams, 6. G.N. Petersen, 7. J.F. Leckie/P. Creenaune, 8. M. Staples, 9. A. Pratt

Rounding, conforming to the JORC Code, may cause some computational discrepancies. The gold and copper grade totals in the reserves are weighted averages.

Information in this report which relates to Ore Reserves is based on and accurately reflects reports prepared by the Competent Person named beside the information. All these persons are full-time employees of Newcrest Mining Limited or the relevant subsidiary, except K.P. Gleeson, who is an employee of BGM Management Company Pty Ltd; S. Williams, who is an employee of Newmont Australia Limited and M. Staples, who is an employee of Australian Mining Consultants Pty Ltd, contracting to Newcrest Mining Limited, who consent to the inclusion of material in the form and context in which it appears. This reserve report is compiled by D.J. Corp, Manager Business Development, Newcrest Mining Limited. All the Competent Persons are members of The Australasian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists and have the relevant experience in relation to the mineralisation being reported on by them to qualify as Competent Persons as defined in the Australasian Code for Reporting of Mineral Resources and Ore Reserves.

Goss Consulting Pty Ltd was engaged to conduct audits on the process used for Ore Reserve estimation for Cadia Hill, Cadia Extended, Ridgeway, Telfer and Toguraci. Goss Consulting is not aware of any issues with the process used which may materially affect the reported Ore Reserve.

*A small proportion (approximately 5 percent) of the Telfer Open Pit Reserve falls within pit increments which are dependent on the inclusion of Inferred Resources to meet the economic criteria for production. Newcrest has every expectation that further drilling that is planned will upgrade these Inferred Resources.

Cadia Valley
Gosowong
Telfer
Cracow
Ashburton

L to R: Graham Howard, Telfer Geology Manager, Markus Hope, Resource Definition Geologist and Phil Moffitt, Superintendent Geologist, Telfer Open Pit

Exploration

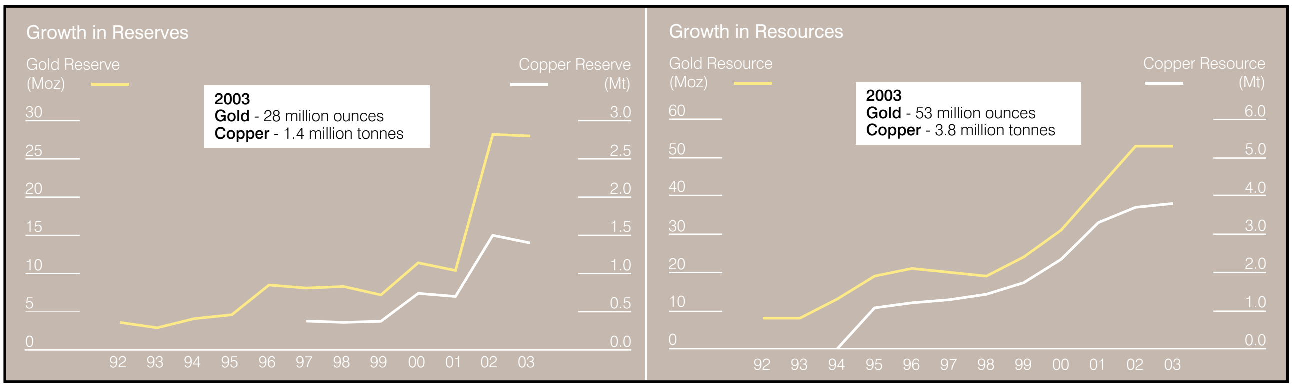
Left: Nicole Reid, Geological Assistant, and Ben Harper, Geologist, Newcrest Exploration
Centre: L to R: Ian Tedder, Principal Geologist, Dan Wood, EGM Exploration, John Holliday, Regional Exploration Manager, South East Australia
Right: Telfer diamond drill core

The ability of Newcrest's geological team to consistently replace reserves for the Group and to delineate new discoveries continued to endorse the Company's commitment to exploration as a core business discipline for Newcrest.

Defining mineralisation in the Telfer Open Pit

L to R: Mitchell Bland, Senior Geologist, Dan Wood, EGM Exploration, Anton Muryanto, Project Geologist

Exploration



Newcrest maintained its strong ongoing commitment to exploration on both greenfields and brownfields properties.

Exploration remains core to the Company's ambition of creating new wealth for its shareholders and is its preferred strategy for value-adding growth.

Newcrest's approach to its exploration activities is to obtain extensive tenement holdings over large mineralised systems with the aim of securing long-life mining operations. The regional exploration approach and the consequent long-term commitment of resources to these areas also creates the potential for repeat discoveries.

The success of Newcrest's exploration strategy is clearly reflected in Newcrest's mineral resource base which grew by more than 50 million ounces of gold and 4 million tonnes of copper between 1992 and July 2003.

Mine Area Exploration

Cadia District

In the Cadia district, exploration continued to determine the extent of mineralisation beneath the existing SLC at Ridgeway and to further define the extent of the Cadia East system.

At Ridgeway definition drilling confirmed the presence of potentially economic mineralisation and increased the estimated resource at Ridgeway, after mining depletion in 2002/03, from 3.7 million ounces of gold and 360,000 tonnes of copper to 4.8 million ounces of gold and 520,000 tonnes of copper.

Encouragingly, drill hole UR332 which intersected the Ridgeway Deeps mineralisation obliquely recorded 408 metres at 3.0 grams per tonne of gold and 0.71 percent copper indicating the potential for better grade mineralisation to continue at depth.

At Cadia East, which incorporates the Cadia Far East mineralisation, work focussed on definition of higher-grade zones suitable for future development.

Drilling to the east of Cadia Far East returned a downhole intersection of 76 metres grading 0.82 grams per tonne of gold and 1.2 percent copper indicating the presence of a new zone of higher-grade mineralisation. Further drilling is planned to determine the extent of this mineralisation.

In addition to drilling in these areas a number of development options, which included decline access to the Cadia East area, were explored with geotechnical studies conducted along the preferred underground access development route from the Ridgeway mine.

At the Junction Reefs joint venture area, which is along strike on the Cadia discovery corridor (Newcrest earning 51 percent), exploration focussed on the search for Ridgeway-style deposits. Prospects such as Gooley's North returned several encouraging intersections and warranted continuation of the program in this area.

Gosowong (82.5 percent)

At Gosowong a new discovery was made when drilling 1 kilometre south of the Gosowong pit discovered high-grade gold mineralisation at the Kencana prospect, which is hosted in a west-north-westerly trending fault zone.

The zone of mineralisation defined to date is approximately 300 metres long, 120 metres down dip with a thickness ranging from 3 – 23 metres and with gold grades of more than 100 grams per tonne. The Kencana mineralisation remains open at depth and along strike. Evidence of additional high-grade gold mineralisation has also been discovered at Kencana in the extension of the north-trending Gosowong vein zone.

An initial resource estimate for the Kencana mineralisation is expected to be completed by early calendar 2004.

At year end several drill rigs were drilling to establish the extent of the Kencana and Gosowong vein mineralisation. The search for additional mineralisation at the Toguraci prospect, where mine development is proceeding, continues.

Telfer District

The substantially improved understanding gained from the work at Telfer Main Dome and Telfer Deeps, as part of the Telfer development, was used to assist in the investigation of various Telfer regional exploration prospects.

A number of previously identified dome structures with characteristics similar to the Main Dome require additional and comprehensive evaluation. Exploration presently is concentrated at Trotmans Dome on the Backdoor prospect, located approximately 30 kilometres south-east of Telfer. The Backdoor prospect was first drilled in the late 1990s and reinterpretation of the drill data has identified a large breccia zone which is open at depth.

During the year drilling beneath the Backdoor prospect was aimed at testing the depth extent of the breccia and recent deep core drilling as part of this program recorded a best intersection of 21.5 metres at 3.4 grams per tonne of gold in hole BD22.

The mineralisation occurs in altered breccia. Deep core drilling will continue.

Greenfields Exploration

Cracow (70 percent)

Exploration during the year at Cracow focussed on the search for additional mineralised structures rather than definition drilling of the known shoots. This program resulted in the discovery of three new gold-mineralised structures – Sovereign, Empire and Phoenix and takes the total number of possible new gold shoots in the Cracow field to seven.

Closer-spaced, resource delineation and definition drilling will be conducted in 2003/04 to broadly delimit the Sovereign, Empire and Phoenix mineralisation and also establish the size of the resource previously discovered at Klondyke North.

The search for additional gold-mineralised structures will be continued in the Klondyke area and elsewhere in the Cracow goldfield in 2003/04.

Ashburton, W.A. (up to 70 percent)

At Ashburton the search for Carlin-style mineralisation continued with exploration focussed on the Cheela and Xanadu areas. These prospects are located about 100 kilometres north-west and 60 kilometres south-east of Paraburdoo, respectively.

Geochemical drilling in the Cheela area has identified several near-surface gold anomalies in oxidised sediments, extending over a distance of more than 25 kilometres. Results from follow-up drilling in the Cheela area were encouraging and included 40 metres at 1.8 grams per tonne of gold at the Electric Dingo prospect.

During the year Newcrest completed its obligations in the Ashburton JV and has now earned its 70 percent interest in the Electric Dingo prospect.

In the Xanadu area drilling has identified a gold anomaly over a distance of more than 4 kilometres at the Romulus/Remus prospect.

Outlook

As in 2002/03, exploration in 2003/04 will be focussed on a relatively small number of projects both domestically and offshore with key objectives of reserve replacement and generation of new exploration targets.

Drilling programs particularly at Ridgeway Deeps, Telfer Deeps, Cracow and Kencana are expected to provide positive results.

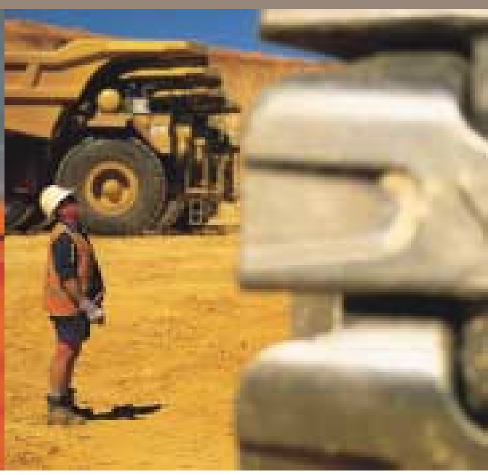
In addition, exploration opportunities in the Americas for both gold and copper discoveries will be assessed.

Lynn Olssen,
Project Geologist, Telfer

Ray Marinovic,
DTMT Safety Advisor, Telfer

David Coates, Geologist,
Cadia Hill Open Pit

Judy Galpin, Geologist,
Cadia Hill Open Pit



Haulage trucks in the
Telfer Open Pit

Michelle Boreham, Graduate Geotechnical
Engineer, Using the electronic tagging system
in the Ridgeway Underground



Our people

Left: John Allan, Group Manager, Environment
Centre: Marie-Louise Czech, Payroll Supervisor
Right: Grant Davidson, General Manager, Risk

Newcrest's commitment to technical excellence, especially in the fields of exploration, project development and operations ensures a high level of opportunity for the talented and motivated workforce employed by it.



Markus Zeimer, Senior Counsel

Don Runge, General Manager, Cracow

Paul Griffin, Production Superintendent, Concentrators, Cadia

Our People

Human Resources

At 30 June 2003 Newcrest had 932 direct employees (799 employees) and 1,010 contractors (795 contractors). The recruitment and continuous development of a high-quality workforce continues to be a priority for the Company.

At Telfer, all senior operations management roles have now been filled. The recruitment and training of professional and operational roles is well underway and is aligned with the construction-to-production mine schedule.

An employee opinion survey was conducted across the business to provide a measure of the organisational health of the Company and enable areas of concern from an employee perspective to be identified. Following the feedback of results, managers and employees have been working together to address agreed areas for improvement.

At CVO a series of 'Leading Change' workshops were conducted to facilitate the alignment of employees with CVO's vision and values. As with the employee survey, those workshops also saw the implementation of improvement actions.

A new performance management system was developed and implemented and a review of all corporate HR policies commenced. Those initiatives and those mentioned above, have all been undertaken with the objective of equipping the organisation with a workplace culture to effectively meet the significant period of growth ahead.

Safety and Health

Newcrest is committed to providing injury and disease-free workplaces for its employees and contractors and has continued in its quest to achieve 'Industry Best Practice' in safety and health.

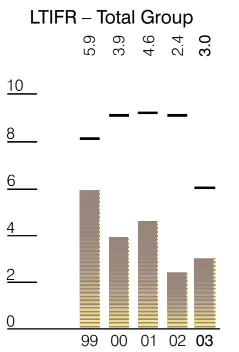
Although a considerable amount of effort has been applied across the Company to achieve these objectives, Newcrest's safety and health performance indicators have not fully reflected this. Management has recognised that to achieve and sustain the improvements needed to reach 'Industry Best Practice', new and innovative approaches to safety and health, focussing on leadership and the continued development of a 'culture of safety', are required.

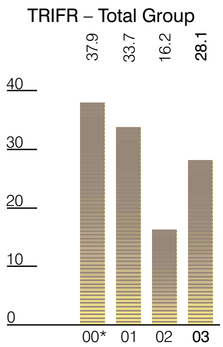
Regrettably, a fatality occurred at one of the Company's operations during the year. On 24 June 2003, Damian Pusterla, an employee of Ted Wilson & Sons (TWS), was killed by an electric shock when a mobile crane came into contact with an overhead power line on a pastoral property owned by Newcrest adjacent to CVO. TWS, a rural engineering firm, had been engaged to dismantle a shearing shed on the property which was in the subsidence zone of the Ridgeway underground mine.

A comprehensive investigation into the causes of this incident is being undertaken. When the findings are finalised, they will be communicated across Newcrest and the broader mining community, with the aim of preventing any further incidents of a similar nature.

The Group's overall key safety and health performance indicators show a slight deterioration in the excellent performance recorded the previous year:

- Lost Time Injury Frequency Rate (LTIFR) increased from 2.2 to 3.0 LTIs per million exposure hours. While this indicator still compares favourably to the most recent industry benchmark (i.e. the Australian Metalliferous Mining Industry LTIFR of 9.0 for 2001/02) this increase is not acceptable to Newcrest. The main pressure on this indicator was from the commencement of project development activities at Telfer.
- Total Recordable Injury Frequency Rate (TRIFR, previously known as Restricted Duties Injury Frequency Rate) increased from 16 to 28 RDIs per million exposure hours. The main reason for this increase was a significantly higher injury rate at Telfer.





*Data collection commenced in this year

Site Safety Performance

Site	LTIFR This Year	LTIFR Previous Year	TRIFR This Year	TRIFR Previous Year
Cadia	0.9	0.9	22.6	19.7
Ridgeway	1.8	3.0	23.3	14.2
Gosowong	1.3	0.0	11.4	4.0
Telfer Project	6.5	4.4	55.9	28.5
Boddington	0.0	11.9	16.5	59.4
Exploration	4.0	5.1	27.7	27.4
Total Newcrest	**3.0**	**2.2**	**28.1**	**15.6**

Lost Time Injury (LTI) – An injury where the person misses one or more full rostered shifts.
LTIFR – Number of LTIs per million hours worked.
Total Recordable Injury (TRI) – Any injury requiring more than first aid treatment.
TRIFR – Number of TRIs per million hours worked.

- The number of Serious Potential Injuries (SPIs) dropped from 23 in 2001/02 to 15 in 2002/03 which indicates that focus on management of major hazards across the Company is having a positive impact.

Significant achievements and activities for 2002/03 were:

- The strong performance of CVO and Exploration.
- Implementation of safety and health improvements identified through the safety and health management system reviews performed in 2001/02 at Cadia, Ridgeway and for the Exploration Group.
- Combination of the safety and health management systems following the amalgamation of Cadia and Ridgeway into CVO.
- Significant organisation cultural development at CVO, with a strong focus on people, communication and critical behaviours providing the basis to improve the safety record through involvement of people in the enhancement of the culture of safety.
- Implementation of safety and health management systems for the Telfer project phase, with particular emphasis on contractor management, compliance monitoring and communication.

The approach for the coming year is to:

- Fully implement safety and health management systems across all Newcrest operational and project development sites and measure the effectiveness through detailed safety and health audits.
- Benchmark the Company against 'World Class' safety management with particular focus on safety leadership and safety culture development.
- Enhance the sharing and learning culture across the Company, especially in regard to key safety and health procedures and initiatives, e.g. behaviour modification programs.

John Ford,
Environmental Technician,
collecting water samples
to test water quality in
Cadiangullong Creek

Environment

Newcrest has continued to enhance its environmental performance by identifying areas of key risk and ensuring that resources are prioritised in these areas. This improved performance was recognised by an independent third party assessment of our Australian Mining Industry (AMI) Code implementation survey which saw a 12 percent increase in our overall score. This places Newcrest at the upper end of results achieved in the mining industry. The focus in the year ahead will be on identifying opportunities to maintain this improvement.

Newcrest continues to promote the concept of sustainability, embracing a balance between economic prosperity, environmental quality and social responsibility. This process culminated in the release of our first public Sustainability Report in 2002. This report can be viewed on the Company's website at www.newcrest.com.au.

Highlights of the year's activities include:

- The number of reported environmental incidents fell slightly compared with the previous year (15 in 2003 compared with 16 in 2002). This was an excellent performance given the increase in construction activity at Telfer. A number of the incidents related to small hydrocarbon spills (<100 litres) and additional effort in the coming year will focus on an improved performance in this area.
- A major initiative was the release of our first Sustainability Report in October 2002. The report was in two parts – a short summary report in hardcopy which highlighted key achievements and issues and a more extensive electronic report, with access to a wide range of supporting documents. We plan to follow a similar approach in 2003, with the aim of increasing the amount of data available in the electronic version of the report.
- In keeping with our commitment under the AMI Code for Environmental Management, Newcrest completed its third Code Implementation Survey during the year. This survey measures the success of individual operations in implementing the various principles of the Code. Each of our operations showed significant improvement over the scores obtained in the 2001 survey. The results for each site (and the Group consolidated score) are shown in the table below.

Operation	Implementation (2002) (percent)	Implementation (2001) (percent)
Cadia Hill	65	59
Gosowong	63	57
Ridgeway	66	52
Newcrest	**64**	**57**

- The Telfer project received regulatory environmental approval during the year. Two impact assessment documents were prepared, one for the mine and borefield extensions and the other for the power supply and infrastructure corridor. Both elements of the project received approval from the Western Australian authorities in October 2002.

Financial Analysis

The Group reported an after tax profit from ordinary activities of $92.2 million which compares to a loss after tax from ordinary activities for the previous year of $53.0 million. The current year result includes significant items resulting in a pre-tax profit of $37.0 million ($25.9 million after tax) compared with significant losses in the previous year relating to provisions totalling $105.6 million ($73.9 million after tax). These items are discussed in more detail below. Excluding these significant items, the Group recorded a profit after tax from ordinary activities of $66.3 million ($20.9 million).

Operating Results

Summarised Operating Results are:

	Total Revenues		Results	
Geographical Segments	**2003 A$M**	**2002 A$M**	**2003 A$M**	**2002 A$M**
Cadia Valley Operations	579.1	332.3	149.0	50.1
Gosowong	23.6	134.3	2.2	32.5
Other Mines	0.7	15.1	–	4.4
Group revenue and expenses	9.8	1.4	(67.9)	(54.0)
Total revenue and results before tax	**613.2**	**483.1**	**83.3**	**33.0**
Tax			(18.1)	(10.3)
Outside equity interest			1.1	(1.8)
Profit after tax before significant items			66.3	20.9
Significant items (tax-effected)			25.9	(73.9)
Profit after tax			**92.2**	**(53.0)**

Notes:
1. Segment sales revenue and segment results by mine location include gold and copper sales at spot prices. Mine results do not include allocation of hedging and interest costs.
2. Group revenue and expenses included contribution from hedging, exploration expenditure, corporate costs and other revenue and expenditure items.

Operating Revenue

Total revenue for the year was $613.2 million, an increase of 27 percent on the previous year due to higher sales volumes and a higher achieved gold price.

The increase in gold revenue and copper by-product credits was due to a full maiden year of production from Ridgeway of 377,539 ounces (127,665 ounces). Ridgeway was officially opened on 19 April 2002 and is now fully commissioned and operating above name plate capacity.

Total sales were 724,584 ounces (646,418 ounces). The increase of 78,166 ounces was a result of:

- increase from the full year of production at Ridgeway 257,847 ounces;
- increased throughput at Cadia Hill 46,301 ounces;
- suspension of operations at Boddington (26,824 ounces); and
- decrease due to completion of processing high-grade ore at Gosowong (199,158 ounces).

The achieved gold price for the year was $567 per ounce ($559 per ounce). The achieved gold price excludes foreign exchange contracts and gold contracts that settled against the previous year's provision for surplus US dollar and gold hedge contracts and further losses recognised in relation to the provision for restructuring of hedge contracts.

The following table provides a breakdown of the achieved gold price between the contribution from the gold hedge book and foreign currency hedge book.

	Gold Book Outcome ($/oz)	FX Book Outcome ($/oz)	Achieved Gold Price ($/oz)	Spot Gold ($/oz)
2002/03	605	(38)	567	565
2001/02	667	(108)	559	548

The $62 per ounce reduction in the gold book outcome from 2001/02 is due to the settlement of sold call option contracts at strike prices between $500–520 per ounce.

The improvement in the exchange losses of $70 per ounce resulted from a decrease in the exchange losses on the US dollar foreign currency contracts to $27.5 million ($69.8 million). During the year, US dollar currency contracts delivered to Newcrest, Australian dollars at the rate of 0.74 cents which, when compared to the prevailing Australian and US dollar exchange rate on maturity of the contracts, resulted in exchange losses totalling $27.5 million. The improvement is due to appreciation of the Australian and US dollar exchange rates from the previous year and the decrease in the volume of US dollar contracts as the achieved gold price calculation excludes those contracts that were identified as surplus in the previous year. If these contracts were included, the adjusted outcome from the FX book would have been negative $95 per ounce resulting in an adjusted achieved gold price of $510 per ounce.

Copper production has become an increasing source of income to the Group following commissioning of Ridgeway in April 2002. Total spot by-product revenue from the sale of copper and silver increased by $66.6 million to $192.8 million as copper production for the year was 67,738 tonnes (40,055 tonnes). The achieved copper price for the period was $1.28 per pound ($1.27 per pound).

Operating Costs

The Company has been successful in driving costs down and thereby increasing the profit margin on each ounce of gold produced. Since 1997/98 cost of sales, before depreciation and amortisation charges, have fallen by 47 percent while cost of sales including depreciation and amortisation charges has fallen by 31 percent. The table below shows the trend over the last six years.

Other Major Costs

- $26.8 million of exploration costs were expensed in the year.
- Borrowing costs increased due to the completion of the Ridgeway project. Borrowing costs associated with this project, which were previously capitalised, are now being expensed.
- Net foreign exchange losses of $13 million arose from the effect of the appreciation of the Australian dollar on foreign currency concentrate receipts and translation of overseas subsidiary results.
- Other expenses of $3.7 million mainly comprise Gosowong and Boddington care and maintenance costs.

Significant Items

The Group result includes significant items totalling a net profit before tax of $37.0 million. This net gain consists of the following items:

- $7.2 million realised gain from the write-back of the surplus foreign currency contract provision made in the previous year relating to contracts that matured and settled in this financial year. $16.8 million write-back of the provision made in the previous year for foreign currency contracts that are still to be settled in 2003/04 representing the revaluation of this provision at the year end exchange rate.
- $24.7 million unrealised gain from the restatement of the US$80 million borrowing.
- $11.7 million expense recognised during the year from the ongoing treatment of previous year hedging restructures.

Excluding these significant items, the Group recorded a profit after tax from ordinary activities of $66.3 million ($20.9 million).

Statement of Financial Position

A major change impacting the Statement of Financial Position was the introduction of revised accounting standard AASB 1012 'Foreign Currency Translation', effective from 1 July 2002. From this date unrealised gains or losses on revaluation of foreign currency contracts will be recognised in the Statement of Financial Position. For Newcrest, the impact on the Company's accounts is to increase assets and liabilities by approximately $89.6 million. The foreign currency contracts will be translated at the spot exchange rate at each subsequent reporting period until maturity of the contracts.

	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03
Achieved gold price ($ per ounce)	590	623	616	623	559	567
Less cost of sales before depreciation and amortisation charges ($ per ounce)	421	354	299	302	260	221
Cash margin ($ per ounce)	169	269	317	321	299	346
Less depreciation and amortisation charges ($ per ounce)	99	121	138	144	154	135
Total margin	70	148	179	177	145	209

Financial Analysis (continued)

The Statement of Financial Position at 30 June 2003 has seen total assets increase by $463 million to $1,839 million with the increase mainly attributable to Telfer feasibility and construction expenditure and recording unrealised losses on foreign exchange contracts. Total liabilities have increased by $117.6 million reflecting the foreign currency exchange contracts liability and an increase in creditors associated with the Telfer development. This was partly offset by scheduled gold loan repayments and finance lease repayments.

Contributed equity increased by $256 million mainly due to the equity placement of 31.7 million shares raising a net $212.9 million.

The Statement of Financial Position has been substantially strengthened by the equity raising and debt repayments in the financial year. The net debt to net debt plus equity ratio has decreased from 50 percent to 30 percent.

Cash Flows

Cash flows from operations were $199.0 million, an increase of $108.7 million from the previous period mainly due to the higher production and lower per unit costs.

Cash flows from investing activities of a net $265.4 million included $199.6 million associated with the Telfer feasibility and construction.

Repayments of borrowings in the year were $87.0 million.

Cash flows from operations were not sufficient to meet the capital and exploration program and scheduled loan repayments. Therefore, the following additional funds were required to meet the above commitments: share placement generated $212.9 million and $37.3 million was received from the share purchase plan.

Telfer Financing

In March 2003 the Consolidated Entity raised A$575 million through a Multi-Currency Loan Note Subscription Agreement. Drawings are to be made in Australian and US dollars and interest is payable on a floating rate basis. The loan facility is scheduled to be fully repaid by June 2009 with the first repayment in December 2005 coinciding with the expected completion and commissioning of the Telfer underground operation. As at 30 June 2003, no drawings had been made under this loan facility.

Measures of Financial Performance

Other key measures of financial performance that demonstrate improvement in the Company's position are:

	2003	2002
Basic earnings per share (cents)	29.6	(19.2)
Return on average capital employed* (percent)	6.6	3.7
Return on members equity* (percent)	10.6	7.9
Net debt/net debt plus equity (percent)	30.3	49.9

* Return used in the calculations represents earnings before interest and tax (excluding significant items).

Corporate Governance

Corporate Governance

Although not required to do so until its 2004 Annual Report, the Company has elected to report against the ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations, for the period ended 30 June 2003.

The Board considers that the Company is in compliance in all substantial respects with the Principles and Best Practice Recommendations.

Set out below is an overview of the Company's corporate governance practices including those matters required to be addressed in the annual report by the Principles and Best Practice Recommendations. Additional information is available on the Company's website.

Board Role

On behalf of the shareholders, the Board:

- sets the Company's strategic goals and objectives.
- oversees the management and performance of the Company's business.
- determines broad issues of policy.
- sets an appropriate framework of corporate governance for management.

These and other functions of the Board, and by exception the functions of management, have been formalised through the adoption of a formal Board Charter.

Board Composition

Newcrest's Board currently comprises six Directors, five of whom are Non-Executive including the Chairman of Directors, and one of whom is the Managing Director. Details of each Director's skills, experience and relevant expertise are set out on page 47 of this Annual Report.

Adopting the definition suggested in the ASX Best Practice Recommendations, the Board has determined that all Non-Executive Directors, including the Chairman, are independent and free of any relationship which might conflict with the interests of the Company. In doing so the Board formed the view that the materiality thresholds set out in the ASX definition would be breached only if a Director received, as a consultant to the Company, fees exceeding $250,000 per annum or was a principal or partner of a professional adviser that billed more than $3 million per annum during the last three years, or was a director or officer of a supplier or customer that held contracts with the Company for value exceeding 10 percent of Newcrest's annual revenue. Although Mr Davis acted in the role of interim Chief Executive Officer for a period of four months during 2000 and Mr Johnson also acted in the role of Executive Chairman for a period of three months during 2001, pending in each case the appointment of a new Managing Director, the Board considers that the interim nature and shortness of each of those appointments has not compromised the independence of those Directors. The Board will monitor the independence of each Director and the appropriateness of the thresholds of independence that it has set, on an ongoing basis, to ensure that they remain appropriate to the Company's circumstances.

The Board regularly reviews its membership to ensure that it provides the range of business skills and expertise demanded by the Company's operations.

When a Board position becomes vacant or additional Directors are required, candidates are identified with the assistance of professional advice and are considered, at first instance, by the Nomination, Governance and Ethics Committee of the Board, and finally by the full Board. Directors are selected for their specialist skills and business backgrounds in order to create appropriate skill balance on the Board. In the case of the appointment or resignation of the Managing Director, decisions are made only by the full Board, with professional advice sought, as required. All Board appointments are subject to shareholder approval. As a general rule, a Non-Executive Director who has served on the Board for 12 or more years will not seek re-election.

All Directors of the Newcrest Board are required, as a matter of Board Policy, to own a minimum of 3,000 shares in the Company. In addition, all Non-Executive Directors are required to direct at least 10 percent of their Director's fees to purchase shares in the Company (at market prices) through the Non-Executive Directors' Share Plan, which was approved by shareholders at the Company's 1999 Annual General Meeting. Directors' shareholdings are subject to the Company's Share Trading Policy which restricts the times when a Director can purchase or sell Company stock and also prohibits short-term trading.

Board Function

The Board meets monthly and at such other times as the business of the Company requires. Each year at least one Board Meeting is held at one of the Company's mine sites.

At each regular meeting the Board reviews the performance of the Company, with particular emphasis on safety and environmental matters. As well as considering any major strategic or investment decisions, the Board reviews in detail principal aspects of the Company's operations and performance. This process involves receiving detailed presentations from management about key components of the Company's business.

Corporate Governance (continued)

The Board periodically reviews the Company's strategic direction and each year, together with senior management, conducts a structured strategic review of the Company's activities and its future direction.

To enhance the Board's capacity to monitor the full range of the Company's operations and to increase Directors' exposure to them, a number of Board Committees have been put in place.

The Committees can, where necessary, also provide a forum for more detailed consideration of issues of special importance.

The current Committee structure is:

Audit Committee

Ensures compliance with all accounting and financial reporting obligations of the Group and reviews internal financial controls, the role of the internal and external auditors, including the independence of the external auditors and the Company's risk management activities.

Compensation Committee

Deals with all matters relating to the Company's remuneration policy, executive and employee remuneration levels and remuneration matters generally.

Finance Committee

Formulates and monitors policies and procedures for treasury practices and considers the Company's funding requirements.

Nomination, Governance and Ethics Committee

Considers candidates for the Board, reviews corporate governance and compliance processes and monitors the ethical standards of the Company.

Safety, Health and Environment Committee

Ensures that the Company has in place appropriate policies and monitors the Company's practices in the areas of safety, health and environmental management.

Each Committee is comprised of selected Non-Executive Directors, one of whom acts as Committee Chairman. Memberships and attendance at meetings are detailed in the Directors' Report on page 45. Each Committee acts pursuant to a formal charter also approved by the Board. All Board Committee deliberations are reported to the Board at the earliest opportunity and, where necessary, recommendations of a Committee are submitted to the Board for a decision.

The Managing Director, although not formally a Committee Member, is invited to attend Committee meetings. Other Board members are also invited to attend if they wish to do so.

Directors of the Company have direct access to the Company's senior managers. The Board has adopted a formal policy which ensures that Directors also have access to independent external advisers where necessary. All Directors are encouraged to visit the Company's operating sites annually.

The Board has in place a formal process for evaluating its own performance. Through a combination of a written evaluation and interview process with each Director individually, as well as a collective Board review of the outcomes of that process, individual Director and Board performance are measured in key areas and opportunities identified where performance can be improved. The Company also receives each year a confidential market report of Board and Company performance and standing, relative to a peer group.

Board Remuneration

Total annual remuneration paid to all Non-Executive Directors may not exceed the maximum amount authorised by the shareholders in a general meeting (currently $800,000). Also each Non-Executive Director enters into a deed with the Company which provides that, upon retirement, that Director will be eligible to receive a retirement benefit. For Directors appointed prior to 2003 that benefit is an amount equivalent to the fees paid to a Director during their preceding three years. The Board has already determined that the practice of providing retirement benefits will be discontinued in the case of any new Director and is currently reviewing the situation for existing Directors.

Remuneration of the Non-Executive Directors is fixed, rather than variable, and is determined with regard to the need to maintain Board membership of an appropriate calibre and remuneration trends in the marketplace. Remuneration levels and trends are assessed with the assistance of professional independent remuneration consultants. The Board has adopted a policy that each Director must personally hold a minimum of 3,000 shares in the Company. In addition to the minimum shareholding, each Director is required to participate in the Non-Executive Directors' Share Plan pursuant to which at least 10 percent of each Director's annual remuneration must be used to buy shares in the Company, on market. Both of these measures strongly align Directors' personal interests with shareholders' interests.

From time to time individual Directors may be asked by the Board to devote extra time or undertake extra duties, usually involving their specialist skills or knowledge, to assist the Board monitor, review or direct key aspects of the business. As any Director who undertakes such extra duties does so only at the request and direction of the Board, rather than management, no conflict of interest or loss of independence arises.

Executive Remuneration

The Board has in place a formal Remuneration Policy which defines and directs the Company's remuneration practices for management. The Policy recognises the different levels of contribution within management to the short-term and long-term success of the Company. A key element of the Remuneration Policy is the principle of reward for performance with a significant proportion of each senior manager's remuneration placed 'at risk' to both personal and Company performance. Every employee undergoes a formal performance appraisal each year which is used, in part, to determine that employee's remuneration in the year ahead.

The 'at risk' component of management remuneration is made up of a short-term incentive plan and a long-term incentive plan. Under the short-term incentive plan a component of a senior manager's cash remuneration is only deliverable upon certain pre-determined personal performance criteria being satisfied. The long-term incentive component is comprised of options issued under the Executive Option Plan which was approved by shareholders at the Annual General Meeting in 1996. The plan incorporates the use of performance hurdles and progressive vesting mechanisms, both of which are reflective of contemporary remuneration practices and which align a proportion of management's remuneration with the level of returns to shareholders.

The Board has established with the Managing Director appropriate and specific personal and corporate performance objectives for the short and long term. The performance of the Managing Director is formally assessed against these objectives annually. The assessment is used to determine, in part, the level of 'at risk' remuneration paid to the Managing Director.

The extent to which 'at risk' remuneration is delivered to senior management or to the Managing Director varies, dependent upon amongst other factors, the performance of the Company's share price and overall shareholder returns, measured against its peer group of listed Australian gold companies. The Board is reviewing the future structure and operation of the 'at risk' component of management remuneration.

Risk Management and Compliance

The Board recognises that risk management and compliance are among its key responsibilities and are fundamental to the sound management of the business. The Company has a formal Risk Policy approved by the Board and a comprehensive reporting system which seeks to identify, at the earliest opportunity, any significant business risks.

The Company also has in place specific reporting and control mechanisms to manage significant risks and a formal compliance program to monitor compliance levels across a range of key areas. An internal audit function, which reviews and reports to the Board on the effectiveness of those mechanisms, is also maintained.

These reporting and control mechanisms underpin written certifications given by the Managing Director and Chief Financial Officer to the Board each half year that the Company's financial reports fairly reflect its financial condition and operational results and are in accordance with relevant accounting standards.

Ethics

The Board has adopted a formal Code of Ethics which all Newcrest Directors, employees and contractors are required to observe and which is published in internal Company publications.

The Company also has a comprehensive range of corporate policies which detail the framework for acceptable corporate behaviour. These set out procedures that employees are required to follow. The Company policies are reviewed periodically.

Communication with Stakeholders

The Board recognises the importance of keeping the market fully informed of the Company's activities and of communicating openly and clearly with all stakeholders. A formal Continuous Disclosure Policy is in place to ensure that information which might be relevant to the market is brought forward. Company information considered to be material is announced immediately through the Australian Stock Exchange. Key presentations given by Company personnel to investors and institutions are also lodged with the Australian Stock Exchange. Every effort is made to ensure that communications are clear and complete and that they address shareholders' needs for information. All key communications are placed immediately on the Company website and, where necessary, are mailed directly to all shareholders.

The Company has adopted the practice of alternating the location of its Annual General Meeting to facilitate the maximum possible attendance by shareholders. At each meeting the Company's auditors are available to answer questions relating to the auditing of the Company's financial statements.

Directors' Report

The Directors present their report together with the financial report of Newcrest Mining Limited ('the Company') and of the Consolidated Entity, being the Company and its controlled entities, for the year ended 30 June 2003 and the auditor's report thereon.

Directors

The Directors of the Company at any time during or since the end of the financial year are:

Ian R. Johnson, *Non-Executive Chairman*
Anthony J. Palmer, *Managing Director and Chief Executive Officer*
R. Bryan Davis, *Non-Executive Director*
Ronald C. Milne, *Non-Executive Director*
Ian A. Renard, *Non-Executive Director*
Nora L. Scheinkestel, *Non-Executive Director*

Appointment and Retirement of Directors

All Directors held their position as a Director throughout the entire year and up to the date of this Report. Details of the Directors' qualifications, experience and special responsibilities appear in the table on page 47.

Principal Activities

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

Consolidated Result

The profit of the Consolidated Entity for the year ended 30 June 2003 after income tax and outside equity interest amounted to $92,147,000 (2002 loss: $53,033,000).

Dividends

The following dividends of the Consolidated Entity have been paid, declared or recommended since the end of the preceding year:

- Final fully franked dividend for 30 June 2002 of 5 cents per share, amounting to $15,931,000 was paid on 18 October 2002.
- Final fully franked dividend for 30 June 2003 of 5 cents per share, amounting to approximately $16,346,000 has been declared and will be paid on 17 October 2003 to shareholders registered by close of business on 26 September 2003 (refer Note 6).

Review of Operations

Information on the operations of the Group during the year and the results of those operations are set out in the Annual Report.

Environmental Regulation

The operations of the Consolidated Entity in Australia are subject to environmental regulation under the laws of the Commonwealth and the States in which those operations are conducted. The operation in Indonesia is subject to environmental regulation under the laws of the Republic of Indonesia and the Province in which it operates. It is the policy of the Consolidated Entity to comply with all relevant environmental regulations in all countries in which it operates.

Each mining operation is subject to particular environmental regulation specific to the activities undertaken at that site as part of the licence or approval for that operation. There is also a broad range of industry specific environmental laws which apply to all mining operations and other operations of the Consolidated Entity. The environmental laws and regulations generally address the potential impact of the Consolidated Entity's activities in relation to water and air quality, noise, surface disturbance and the impact upon flora and fauna.

The Consolidated Entity has a uniform internal reporting system across all sites. All environmental events, including breaches of any regulation or law, are ranked according to their actual or potential environmental consequence. Five levels of incidents are recognised (based on Australian Standard AS4360): I (insignificant), II (minor), III (moderate), IV (major) and V (catastrophic). Data on Category I incidents are only collected at a site level and are not reported in aggregate for the Consolidated Entity.

The number of events reported in each category during the year are shown in the accompanying table. In all cases environmental authorities were notified of those events where required and remedial action undertaken.

Category	II	III	IV	V
2003 – No. of incidents	10	4	1	–
2002 – No. of incidents	14	2	–	–

The Managing Director reports to the Board at all meetings on all environmental and health and safety incidents. The Board also has a Safety, Health and Environment Committee which reviews the environmental and safety performance of the Consolidated Entity. The Directors are not aware of any environmental matter which would have a materially adverse impact on the overall business of the Consolidated Entity.

Significant Changes in the State of Affairs

Significant changes in the state of affairs of the Consolidated Entity that occurred during the financial year were as follows:

- Sales revenue increased 27 percent due to a full maiden year of production from Ridgeway resulting in 377,539 ounces produced (2002: 127,665 ounces). The Ridgeway mine was officially opened on 19 April 2002, is now fully commissioned and is operating above name plate capacity.
- In the previous year surplus foreign currency contracts in excess of anticipated net US dollar receipts were provided which resulted in a provision of $76,300,000. During the year, the appreciation of the Australian dollar resulted in a write-back to profit on this provision of $23,951,000 (refer Note 5).
- The Company has an unhedged US$80,000,000 loan. With the appreciation of the Australian dollar, this borrowing has been revalued at the end of the financial year resulting in an unrealised foreign exchange gain of $24,681,000 (refer Note 5).
- The mark to market of derivative financial instruments at 30 June 2003 was positive $84,800,000 (2002: negative $781,900,000). Including gold loan swap contracts the mark to market position was $38,700,000 (2002: negative $875,463,000).
- During the year, formal approval was given to redevelop the Telfer Mine. The approved Feasibility Study indicated that the open pit production will be achieved after budgeted expenditure of $976,000,000. The final development phase of the underground mine will be funded from internally generated cash flows at a cost of a further $215,000,000. These expenditures will take the total carrying value of the Telfer project, inclusive of pre-feasibility expenditure, to $1,360,000,000. Expenditure incurred and accrued in the year was $338,900,000.
- Capital raising in the year comprised an equity placement with financial institutions which resulted in 31,700,000 shares being issued, raising a net $212,846,000. A share purchase plan also raised an additional $37,283,000 in consideration for the issue of 7,014,041 shares.
- In March 2003 the Consolidated Entity raised A$575,000,000 through a Multi-Currency Loan Note Subscription Agreement with six banks. Drawings can be made in Australian and US dollars, and interest is payable on a floating rate basis. The loan is scheduled to be fully repaid by December 2009. As at 30 June 2003, no drawings had been made under this loan facility.

Subsequent Events

There are no other matters or circumstances which have arisen since 30 June 2003 that have significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial years.

Likely Developments and Expected Results

Disclosure of information regarding likely developments in the operations of the Consolidated Entity and the expected results of those operations in future financial years has not been included in this Report because disclosure of the information would be likely to result in unreasonable prejudice to the Consolidated Entity.

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 are:

Director	Directors' Meetings		Audit Committee Meetings		Compensation Committee Meetings		Finance Committee Meetings		Nomination, Governance & Ethics Committee Meetings		Safety, Health & Environment Committee Meetings	
	A	B	A	C	A	C	A	C	A	C	A	C
I. R. Johnson	13	13	–	–	3	3	–	–	4	4	–	–
A. J. Palmer	13	13	–	–	–	–	–	–	–	–	–	–
N. L. Scheinkestel	12	13	–	–	3	3	6	6	4	4	–	–
R. B. Davis	13	13	4	4	3	3	–	–	–	–	3	3
R. C. Milne	13	13	4	4	3	3	5	6	–	–	3	3
I. A. Renard	13	13	4	4	3	3	6	6	–	–	–	–

Column A – Indicates the number of meetings attended.
Column B – Indicates the number of meetings held whilst a Director.
Column C – Indicates the number of meetings held whilst a member.

The details of the functions and memberships of the Committees of the Board are presented in the Statement of Corporate Governance.

Ian R. Johnson,
Non-Executive Chairman

Anthony J. Palmer,
Managing Director and
Chief Executive Officer

R. Bryan Davis,
Non-Executive Director

Ronald C. Milne,
Non-Executive Director

Ian A. Renard,
Non-Executive Director

Nora L. Scheinkestel,
Non-Executive Director

Information on Directors

	Qualifications, Experience and Special Responsibilities	Other Directorships
Ian R. Johnson *Non-Executive Chairman*	Bachelor of Science (Hons) from the University of New England. Former Chief Executive Officer of Newcrest Mining Limited. Former Group Executive of CRA Limited. Fellow of AusIMM and a Fellow of the Australian Institute of Company Directors. Appointed to the Board on 2 September 1998 and elected Chairman on 28 October 1998. A member of the Compensation and Nomination, Governance and Ethics Committees.	Director of Leighton Holdings Limited and John Holland Group Pty Ltd
Anthony J. Palmer *Managing Director and Chief Executive Officer*	Bachelor of Engineering (Hons) from the University of NSW. Former General Manager with WMC Ltd including responsibility for Olympic Dam project. Former Managing Director of Normandy Mining Ltd. and Danae Resources. Commenced as CEO and MD of Newcrest on 1 December 2001. Member of AusIMM.	Director of Australian Mines & Metals Association Inc
R. Bryan Davis *Non-Executive Director*	Bachelor of Science Technology (Mining) from the University of NSW. Former Executive Director of Pasminco Limited. Fellow of AusIMM and a member of the Australian Institute of Company Directors. Appointed to the Board in March 1998. A member of the Audit, Compensation and Safety, Health and Environment Committees.	Chairman of Indophil Resources N.L. Director of Coal & Allied Industries Ltd
Ronald C. Milne *Non-Executive Director*	Member of Certified Practising Accountants Australia. Appointed to the Board in November 1995 with a management career extending through the manufacturing, merchant banking and oil exploration industries. A member of the Audit, Compensation, Finance and Safety, Health and Environment Committees.	Director of Brambles Industries Limited, Brambles Industries PLC, J. Capital Pty Ltd and OPSM Protector Limited
Ian A. Renard *Non-Executive Director*	Bachelor of Arts and Master of Laws Degrees from the University of Melbourne. Consultant of Allens Arthur Robinson. Fellow of the Australian Institute of Company Directors. Appointed to the Board in May 1998. A member of the Audit, Compensation and Finance Committees.	Deputy Chancellor of the University of Melbourne. Director of CSL Limited, Hurstmead Pastoral Company Pty Ltd and Hillview Quarries Pty Ltd. Chairman of Melbourne Theatre Company
Nora L. Scheinkestel *Non-Executive Director*	Bachelor of Laws (Hons) and PhD from the University of Melbourne. A member of the Australian Institute of Company Directors. Appointed to the Board in August 2000 with a management background in international banking and project finance. An Associate Professor at the Melbourne Business School at the University of Melbourne. A member of the Compensation, Nomination, Governance and Ethics and Finance Committees.	Director of PaperlinX Ltd and Hydro Tasmania. Chairman of South East Water Ltd

Directors' Report (continued)

Directors' and Senior Executives' Emoluments

The Compensation Committee, consisting of the Non-Executive Directors, is responsible for making recommendations to the Board on remuneration policies and practices generally and specifically on remuneration packages and other terms of employment applicable to Executive Directors, Senior Executives and Non-Executive Directors of the Company. The broad remuneration policy objective is to ensure remuneration packages properly reflect employees' duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

Executive remuneration and other terms of employment are reviewed annually by the Compensation Committee having regard to performance against goals set at the start of the year, relevant comparative information and independent expert advice. As well as a base salary, remuneration packages include superannuation, resignation and retirement entitlements, performance related bonuses and fringe benefits. Executives are also eligible to participate in the Company's Share Option Plans. The ability to exercise options is conditional on the Consolidated Entity achieving certain performance hurdles.

Remuneration and other terms of employment for the Managing Director and certain Senior Executives are formalised in service agreements.

Remuneration of Non-Executive Directors is determined by the Board within the maximum amount approved by the shareholders from time to time. Non-Executive Directors do not receive any performance related remuneration and are not entitled to participate in the Company's Share Option Plans but are required to hold a minimum amount of shares and participate in the compulsory Non-Executive Director Share Plan. Non-Executive Directors are entitled to retirement benefits in accordance with a shareholder approved deed.

Executives are officers who are involved in, concerned in, or who take part in the management of the affairs of the Company and/or related bodies corporate.

Details of the nature and amount of each element of the emoluments of each Director of the Company and each of the Senior Executives of the Company and the Consolidated Entity receiving the highest emoluments are set out in the following tables.

Directors of the Company

Name		Directors' Base Fee/ Salary $	Superannuation Contributions $	Other Services $	Retirement(iii) Benefit Provisions $	Other(2) Benefits $	Incentive Payments $	Options(1)	Total $
I. R. Johnson	Non-Executive Chairman	206,250	17,551	–	52,052	–	–	–	275,853
A. J. Palmer	Managing Director	720,000	–	–	–	20,681	130,000	140,636	1,011,317
R. B. Davis	Non-Executive Director	92,500	7,875	15,000(ii)	38,902	–	–	–	154,277
R. C. Milne	Non-Executive Director	92,500	8,058	5,000(i)	30,698	–	–	–	136,256
I. A. Renard	Non-Executive Director	92,500	7,875	–	19,398	–	–	–	119,773
N. L. Scheinkestel	Non-Executive Director	92,500	7,875	–	80,917	–	–	–	181,292

(i) Comprises a payment of $5,000 for duties performed as Chairman of the Superannuation Policy Committee.
(ii) Mr Davis received $15,000 for consultancy services conducted at the request of the Board of the Company on normal commercial terms and conditions.
(iii) Upon retirement, Non-Executive Directors are entitled to be paid retirement benefits, being a lump sum payment equal to the sum of the fees received by the Director for the previous three years immediately before retirement. The amounts disclosed in Director's remuneration represent the provision recorded in the current year to maintain the Director's full entitlement on the above terms. These retirement benefits have been fully provided for.

Senior Executives of the Company and Consolidated Entity

Name		Base Salary (including Superannuation) $	Other Services $	Incentive Payments $	Options(1) $	Site, Housing & Rental Allowances $	Other Benefits(2) $	Total $
J. Smith	Executive General Manager Finance	585,000	180,000(3)	81,800	–	21,817	26,392	895,009
B. Price	Executive General Manager Project Development	416,150	–	127,200	40,669	28,679	27,538	640,236
J. Blake	General Manager Gosowong Mine	235,177	–	58,775	30,617	256,897	6,205	587,671
D. Wood	Executive General Manager Exploration	387,600	–	39,520	40,669	–	3,185	470,974
B. Lavery	Executive General Manager Corporate Services	376,400	–	38,380	40,669	–	5,151	460,600
T. O'Neill	Executive General Manager Operations and Marketing	384,204	–	19,500	34,019	–	5,151	442,874

The following Executives are also disclosed as they fall within the top five remuneration category because of termination payments:

Name		Base Salary $	Other Benefits(2) $	Incentive Payments $	Options(1) $	Termination Payments $	Leave Entitle-ments $	Total $
G. Scanlan	Former Executive General Manager Finance	7,645	99	–	27,650	1,402,607	227,982	1,665,983
G. Monkhouse	Former General Manager Human Resources	197,524	2,422	–	19,355	451,181	122,288	792,770

(1) Fair Value of Options
The Company has adopted the fair value measurement provisions of ASIC guidelines 03-202 'Valuing Options for Directors and Executives' and ED 108 'Share-based Payment' prospectively, for all options granted to Directors and relevant Executives, which have not vested as at 1 July 2002. The fair value of such grants is being amortised and disclosed as part of Director and Executive emoluments on a straight-line basis over the vesting period. No adjustments have been or will be made to reverse amounts previously disclosed in relation to options that never vest (i.e., forfeitures). Prior to 1 July 2002, the Company disclosed the fair value of option grants but did not allocate those values over the vesting period. Rather, the full fair value of the grant was disclosed as an emolument in the year of grant. As a result, included in the amounts disclosed above as option grant emoluments in relation to the 2003 financial year, are amounts related to options that vested during or over the 2003 financial year, which were granted in previous financial periods and were therefore disclosed as part of emoluments in the previous year as well. This is a one-off result of transitioning to allocation of such amounts to emoluments over the vesting period rather than disclosure of the full amount as emoluments in the year of the grant.

(2) Other benefits mainly comprise travel, parking, insurance and applicable fringe benefits tax payable on benefits.

(3) $180,000 was paid to a related party of Mr Smith for consultancy services provided by him for the period 8 July 2002 to 30 September 2002 in fulfilling the duties of the Executive General Manager Finance role on an interim basis. Mr Smith was appointed to the position on a full time basis from 1 October 2002.

Senior Management Share Options

'Share Options' in the case of the Company refers to those options granted to senior management, including the Executive Director, pursuant to the Newcrest Executive Option Plan. No person entitled to exercise any of the options had or has any right, by virtue of the options, to participate in any share issue of any other body corporate.

The Newcrest Executive Option Plan provides for the allocation of five year options with performance hurdles and exercise conditions. Under the Plan, options may not be exercised until after the second anniversary of the grant date and can only be exercised to a maximum of 25 percent of the options granted in each subsequent year to the exercise date, subject always to the performance hurdles being satisfied. Where the previous year's maximum entitlement was not exercised, accumulated entitlements to that anniversary date may be exercised. The exercise price at which these options are issued is based on the weighted average of the prices at which the Company's shares were traded on the Australian Stock Exchange during the one week period previous to issue date.

Details of options issued under the Newcrest Executive Option Plan and the balance exercisable under the Newcrest Executive Option Plan and Employee Share Option Plan at balance date are detailed in Note 21 to the full financial statements (contained in the 2003 Supplementary Information Booklet).

Directors' Report (continued)

Share Options Granted to Executive Directors and Most Highly Remunerated Officers

During or since the end of the financial year, the Company granted options over unissued ordinary shares to the following Executive Directors and Executive Officers as part of their remuneration:

		Number of Options Granted	Exercise Price $	Expiry Date	Discounted[1] Valuation $
Executive Director					
A. Palmer	Managing Director and Chief Executive Officer	250,000	6.62	6 Feb 2008	2.06
Other Executive Officers					
J. Smith	Executive General Manager Finance	–	–	–	–
J. Blake	General Manager Gosowong Mine	90,000	6.62	6 Feb 2008	1.65
B. Price	Executive General Manager Project Development	100,000	6.62	6 Feb 2008	1.65
D. Wood	Executive General Manager Exploration	100,000	6.62	6 Feb 2008	1.65
T. O'Neill	Executive General Manager Operations and Marketing	100,000	6.62	6 Feb 2008	1.65
B. Lavery	Executive General Manager Corporate Services	100,000	6.62	6 Feb 2008	1.65

All options granted to Executive Officers during the financial year were granted under the Newcrest Executive Option Plan. No options have been granted since the end of the financial year.

(1) Refer below to section 'Share Options – Valuation Methodology' for details on how the share options have been valued. The discounted valuation basis has been adopted and used in determining option values in Directors' and Senior Executives' remuneration.

Share Options – Performance Hurdles

Share options granted in the financial year to Executive Officers and Senior Management comprised a quantity of Tranche A options, which are subject to the following performance hurdle:

> '50 percent of options granted vesting upon the Total Shareholder Return ('TSR') growth of Newcrest Mining Limited ('Newcrest') meeting the TSR growth of the median of companies in the ASX 100 and increasing proportionately to 100 percent of options granted vesting upon the TSR growth of Newcrest meeting or exceeding the TSR growth of the 75th percentile of companies in the ASX 100.'

250,000 share options were granted to the Managing Director and Chief Executive Officer which comprised two Tranches of 125,000 share options each. Tranche B is subject to the following performance hurdle:

> *'The successful development and construction, under Mr Palmer's supervision, of the Telfer Open Pit Mine operation and the commissioning of that operation at an annual rate of 17 million tonnes per annum in the timeframe and within the budget approved by the Board for that development .'*

Tranche C is subject to the following performance hurdle:

> *'The successful development and construction, under Mr Palmer's supervision, of the Telfer Underground Mine operation and the commissioning of that operation at an annual rate of 4 million tonnes per annum in the timeframe and within the budget approved by the Board for that development .'*

Share Options – Valuation Methodology

The Directors' assessment of the fair value of options granted, for the purpose of reporting emoluments of Directors and Executive Officers is based upon independent advice.

The methodology used in valuing the options was as follows:

- The options were valued on the date of grant based on the relevant market parameters applying at that time.
- The options were first valued as if they were unrestricted, freely tradable options using an option pricing model which combines both Black-Scholes and binomial methodologies. It is on this basis that the Board determines this element of remuneration levels.
- To take into account the performance hurdles and forfeiture conditions attached to the options, a discount factor based on the probability estimate that the options will vest, was then applied to arrive at a final option valuation. This is the best estimate available of the cost to the Company for awarding the options.

On the basis of this methodology, the various tranches of options granted on 6 February 2003 have been valued as follows:

Tranche A Options	$1.65 per option
Tranche B Options	$2.06 per option
Tranche C Options	$2.06 per option

These are the values adopted in determining fair value from options awarded to the Managing Director and Senior Executives.

Share Options Granted

A total of 2,400,000 options were granted in February 2003. These options have a total valuation of $4,062,500.

Shares Issued on the Exercise of Options

During the year an aggregate of 1,214,350 options were exercised, resulting in the issue of 1,214,350 ordinary shares of the Company at an aggregate consideration of $3,673,000.

Directors' Interests

The relevant interest of each Director in the share capital of the Company, as notified by the Directors to the Australian Stock Exchange in accordance with Section 235(1) of the Corporations Act 2001, at the date of this Report, is as follows:

	Chief Entity or Related Body Corporate	Number of Ordinary Shares	Nature of Interest	Number of Options Over Ordinary Shares
I. R. Johnson	Newcrest Mining Limited	30,515	Direct and Indirect	–
A. J. Palmer	Newcrest Mining Limited	11,010	Direct	750,000
R. B. Davis	Newcrest Mining Limited	13,597	Direct and Indirect	–
R.C. Milne	Newcrest Mining Limited	7,503	Direct	–
I. A. Renard	Newcrest Mining Limited	14,805	Direct	–
N. L. Scheinkestel	Newcrest Mining Limited	68,326	Direct and Indirect	–

The Newcrest Non-Executive Directors' Share Plan was approved by shareholders on 28 October 1999. The Board adopted a policy which requires Non-Executive Directors to receive at least 10 percent of their annual remuneration by way of on-market acquired shares in the Company. Shares acquired by a Non-Executive Director under the Plan may not be sold for a period of three years after they are acquired, except if the Director retires from the Board or if the Board permits earlier sale.

Indemnification and Insurance of Directors and Officers

Pursuant to Article 103 of its Constitution, the Company insures and indemnifies its Directors and Officers, against liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors and Officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

Each Director named on page 44 of this Report and the Secretary, has entered into a Deed of Indemnity with the Company on these terms.

Insurance Premiums

Since the end of the previous financial year the Company has paid an insurance premium in respect of a contract insuring against liability of Directors and Officers in accordance with the Company's Constitution and the Corporations Act 2001.

The contract of insurance prohibits disclosure of the amount of the premium and the nature of the liability insured against. Each Director named on page 44 of this Report has paid the insurance premium in respect of cover which may apply in relation to liabilities of the type referred to in Section 199B of the Corporations Act 2001.

Rounding of Amounts

The Company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors.

Ian R. Johnson
Chairman

Anthony J. Palmer
Managing Director and Chief Executive Officer

29 August 2003, Melbourne

Discussion and Analysis of the Financial Statements

This discussion and analysis is provided to assist readers in understanding the concise financial report. The concise financial report has been derived from the full 2003 Financial Report of Newcrest Mining Limited.

The Newcrest Mining Limited Consolidated Entity consists of Newcrest Mining Limited and its controlled entities. The principal activities of the Newcrest Mining Limited Consolidated Entity during the financial year comprised exploration, development, mining and the sale of gold and gold/copper concentrate.

Statement of Financial Performance

Net profit after tax attributable to shareholders for the year was $92,147,000 (2002: loss of $53,033,000).

Major factors impacting the result for the current year are:

- The increase in gold revenue and copper by-product credits was due to a full maiden year of production from Ridgeway of 377,539 ounces (2002: 127,665 ounces). The Ridgeway mine was officially opened on 19 April 2002, is now fully commissioned and operating above name plate capacity.
- Total sales were 724,584 ounces (2002: 646,418 ounces). This increase of 78,166 ounces was a result of:
  - increase from the full year of production at Ridgeway (257,847 ounces);
  - increased throughput at Cadia Hill (46,301 ounces);
  - suspension of operations at Boddington (26,824 ounces); and
  - decrease due to completion of processing high grade ore at Gosowong (199,158 ounces).
- Per unit mine costs were lower than the previous year with cash costs of $217 per ounce ($253 per ounce) and production costs of $356 per ounce ($414 per ounce). The reduction in cash costs per ounce was due to the full year of production from Ridgeway and the resulting additional copper by-product revenue. Copper production for the year was 67,738 tonnes (2002: 40,055 tonnes). The achieved copper price for the period was $1.28 per pound (2002: $1.27 per pound).
- Corporate administration expenditure increased from the previous year due to resignation benefits payments from restructuring senior positions in the organisation.
- Borrowing costs increased due to the completion of the Ridgeway project. Borrowing costs associated with this project, which were previously capitalised, are now being expensed.
- Net foreign exchange losses of $13,001,000 arose from the effect of the appreciation of the Australian dollar on foreign currency concentrate receipts and translation of overseas subsidiary results.
- Other expenses mainly comprise Gosowong and Boddington care and maintenance.
- Surplus foreign currency contracts in excess of anticipated net US dollar receipts were provided for in the previous year resulting in a provision of A$76,300,000. During the year, the appreciation of the Australian dollar resulted in a write-back to profit on this provision of $23,951,000.
- The Company has an unhedged US$80,000,000 borrowing. With the appreciation of the Australian dollar, this borrowing has been revalued at the end of the financial year resulting in an unrealised foreign exchange gain of $24,681,000.
- Ongoing treatment of previous year hedging restructures involving gold, copper and gold lease rate contracts resulted in an expense of $11,681,000. $1,025,000 million has been released to operating revenue in the period resulting in a net increase to the provision of $10,656,000.

Statement of Financial Position

Assets

Current assets have increased by $75,998,000 to $237,952,000 due to the increase in cash from equity raisings partly offset by a decrease in trade debtors from timing of receipts from concentrate debtors.

Total non-current assets have increased by $387,029,000 to $1,601,064,000 mainly due to capital and feasibility expenditure on the Telfer project.

Liabilities

Current liabilities have increased by $83,067,000 to $316,602,000 primarily due to the increase in creditors relating to the Telfer project and US$16 million relating to the US dollar borrowing becoming due and payable in the next financial year.

Non-current liabilities at $637,387,000 have increased by $34,495,000 due to the requirement to record foreign exchange contract liabilities on balance sheet and increase in the deferred tax liability resulting from the current year profit. This has been partly offset by repayments of borrowings.

Equity
The increase in equity of $345,465,000 was due mainly to:

- Capital raising in the year comprised an equity placement with financial institutions which resulted in 31,700,000 shares being issued, raising a net $212,846,000. A share purchase plan also raised $37,283,000, exercise of options $3,673,000 and dividend reinvestment plan $2,179,000.
- Net profit of $92,147,000.

Statement of Cash Flows

Group cash balances for the year have increased from $14,365,000 to $101,065,000 mainly reflecting higher cash flows from operating activities and debt and equity raisings to meet cash flows from investing activities.

Cash Flows from Operating Activities
Cash flows from operating activities at $199,007,000 are $108,683,000 higher than 2002 due mainly to increase in sales receipts and by-product credits arising from increased production and lower per unit costs of production.

Cash Flows from Investing Activities
Net cash used in investing activities amounted to $265,349,000. Major areas of expenditure include:

- Telfer Project of $199,721,000.
- Exploration and evaluation expenditure of $33,340,000.
- Cadia Valley Operations expenditure of $28,321,000.

Cash Flows from Financing Activities
Capital expenditure programs were largely financed by capital raisings. Major movements in the cash flows from financing activities include:

- Repayment of borrowings consisted of:
  - $58,262,000 gold loan facility
  - $10,415,000 finance lease principal
  - $14,153,000 foreign exchange contracts on the US dollar borrowings.
  - $4,178,000 collateral loan.
- Capital raising in the year comprised an equity placement with financial institutions, which resulted in 31,700,000 shares being issued, raising a net $212,846,000. A share purchase plan also raised an additional $37,283,000 and $3,673,000 was raised from the exercise of options.

Statement of Financial Performance

For the year ended 30 June 2003	Note	Consolidated 2003 $'000	Consolidated 2002 $'000
Sales revenue	3	**607,222**	479,667
Cost of sales		**(452,282)**	(395,331)
Gross profit		**154,940**	84,336
Other revenues from ordinary activities	3	**5,966**	3,402
Exploration costs		**(26,760)**	(21,547)
Corporate administration costs		**(18,960)**	(15,263)
Borrowing costs	4	**(14,975)**	(10,660)
Net foreign exchange loss	4	**(13,001)**	(2,955)
Other expenditure		**(3,738)**	(3,551)
Written down value of assets sold	4	**(102)**	(854)
Provision for surplus foreign exchange and gold contracts	5	**23,951**	(80,564)
Unrealised foreign exchange gain on US dollar borrowing	5	**24,681**	–
Provision for hedging contract restructures	5	**(11,681)**	(25,000)
Profit/(loss) from ordinary activities before income tax expense		**120,321**	(72,656)
Income tax (expense)/benefit relating to ordinary activities		**(29,236)**	21,383
Profit/(loss) from ordinary activities after related income tax expense		**91,085**	(51,273)
Net (profit)/loss attributable to outside equity interest		**1,062**	(1,760)
Net profit/(loss) attributable to members of the parent entity		**92,147**	(53,033)
Total share issue expenses attributable to members of the parent entity recognised directly in equity		**(2,714)**	(2,239)
Total changes in equity other than those resulting from transactions with owners as owners attributable to members of the parent entity		**89,433**	(55,272)
Basic earnings per share (cents per share)	9	**29.6**	(19.2)
Diluted earnings per share (cents per share)	9	**29.3**	(19.2)

The Statement of Financial Performance is to be read in conjunction with the discussion and analysis on page 52 and the notes to the financial statements set out on pages 57 to 67.

Statement of Financial Position

At 30 June 2003	Consolidated 2003 $'000	2002 $'000
CURRENT ASSETS		
Cash assets	**101,065**	14,365
Receivables	**69,009**	99,108
Other financial assets	**134**	175
Inventories	**16,808**	25,396
Deferred foreign exchange contract loss	**24,481**	–
Other	**26,455**	22,910
Total Current Assets	**237,952**	161,954
NON-CURRENT ASSETS		
Receivables	**39,853**	20,038
Inventories	**8,851**	8,380
Property, plant and equipment	**562,042**	599,472
Exploration, evaluation and development	**761,595**	439,768
Deferred foreign exchange contract loss	**65,117**	–
Other	**163,606**	146,377
Total Non-Current Assets	**1,601,064**	1,214,035
TOTAL ASSETS	**1,839,016**	1,375,989
CURRENT LIABILITIES		
Payables	**181,215**	57,578
Interest bearing liabilities	**83,703**	66,706
Foreign exchange contract liabilities	**35,477**	48,500
Current tax liabilities	**–**	12,850
Provisions	**9,080**	24,826
Other	**7,127**	23,075
Total Current Liabilities	**316,602**	233,535
NON-CURRENT LIABILITIES		
Interest bearing liabilities	**401,405**	484,054
Foreign exchange contract liabilities	**65,117**	27,800
Deferred tax liabilities	**50,797**	20,648
Provisions	**48,540**	44,990
Other	**71,528**	25,400
Total Non-Current Liabilities	**637,387**	602,892
TOTAL LIABILITIES	**953,989**	836,427
NET ASSETS	**885,027**	539,562
EQUITY		
Contributed equity	**784,305**	528,324
Retained profits	**93,798**	3,251
Total parent entity interest	**878,103**	531,575
Total outside equity interest	**6,924**	7,987
TOTAL EQUITY	**885,027**	539,562

The Statement of Financial Position is to be read in conjunction with the discussion and analysis on page 52 and the notes to the financial statements set out on page 57 to 67.

Statement of Cash Flows

For the year ended 30 June 2003	Consolidated 2003 $'000	2002 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts in the course of operations	**608,266**	458,938
Cash payments in the course of operations	**(380,835)**	(354,725)
Interest received	**4,860**	1,567
Borrowing costs paid	**(15,019)**	(12,029)
Income taxes paid	**(18,265)**	(3,427)
Net cash provided by/(used in) operating activities	**199,007**	90,324
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	**(21,316)**	(8,858)
Proceeds from sale of non-current assets	**440**	14,379
Exploration and evaluation expenditure	**(33,340)**	(44,832)
Payments in respect of mine development	**(6,449)**	(14,423)
Payments in respect of mines under construction	**(151,425)**	(185,380)
Feasibility expenditure	**(49,706)**	(55,536)
Borrowing costs paid capitalised to development projects	**(2,895)**	(10,731)
Payments of research and development costs	**(658)**	(521)
Net cash provided by/(used in) investing activities	**(265,349)**	(305,902)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	**–**	158,936
Repayment of borrowings:		
Bank loans	**–**	(45,000)
Loans from bullion banks	**(4,178)**	(8,047)
Gold loan	**(58,262)**	(58,087)
Repayment of foreign exchange contracts hedging borrowings	**(14,153)**	–
Repayment of finance lease principal	**(10,415)**	(8,782)
Proceeds from share issues	**256,516**	158,812
Share and option issue costs paid	**(2,714)**	(2,239)
Dividends paid	**(13,752)**	(13,606)
Net cash provided by/(used in) financing activities	**153,042**	181,987
Net increase/(decrease) in cash held	**86,700**	(33,591)
Cash at the beginning of the financial year	**14,365**	47,956
Cash at the end of the financial year	**101,065**	14,365

The Statement of Cash Flows is to be read in conjunction with the discussion and analysis on page 53 and the notes to the financial statements on pages 57 to 67.

Notes to the Concise Financial Report

Note 1 Accounting Policies

This concise financial report has been derived from the Consolidated Entity's full 2003 Financial Report which complies with the Corporations Act 2001, Australian Accounting Standards and Urgent Issues Group Consensus Views. This concise financial report has been prepared in accordance with accounting standard AASB 1039 'Concise Financial Report', and the relevant provisions of the Corporations Act 2001.

The concise financial report does not and cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Consolidated Entity as the full financial report.

It has been prepared on the basis of historical costs and, except where stated, does not take into account changing money values or fair values of non-current assets.

These accounting policies have been consistently applied by each entity in the Consolidated Entity and, except where there is a change in accounting policy as set out in Note 2, are consistent with those of the previous year.

A full description of the accounting policies adopted by the Consolidated Entity may be found in the Consolidated Entity's full Financial Report.

Note 2 Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

(a) Adoption of Accounting Standard AASB 1044

The Consolidated Entity has adopted the new Accounting Standard AASB 1044 'Provisions, Contingent Liabilities and Contingent Assets' which has resulted in a change in the accounting for dividend provisions. Previously, the Consolidated Entity recognised a provision for dividend based on the amount that was proposed or declared after the reporting date. In accordance with the requirements of the new standard, a provision for dividends will only be recognised at the reporting date where the dividends are declared, determined or publicly recommended prior to the reporting date. The effect of the revised policy has been to increase consolidated opening retained profits and decrease provisions at the beginning of the financial year by $14,331,000.

(b) Adoption of Revised Accounting Standard AASB 1012

The Consolidated Entity has adopted the Revised Accounting Standard AASB 1012 'Foreign Currency Translation' effective for annual reporting periods beginning on or after 1 January 2002. The first time application of this standard resulted in recognition in the Statement of Financial Position of all foreign currency contracts, marked to the spot exchange rate at balance date. Previously, foreign currency contracts that qualified for hedge accounting were recorded off-balance sheet. As at 30 June 2003 this has resulted in $24,481,000 and $65,117,000 of current liability and non-current liability for the loss on foreign currency contracts respectively. These liabilities qualify for hedge accounting and the losses have been recorded as deferred assets and will be released to the Statement of Financial Performance when the underlying hedged event occurs.

(c) Deferred Lease Rate Income

Gains and losses under gold hedge contracts, intended to hedge specific production and where the hedged production has not been delivered at balance date, are deferred and recognised in the Statement of Financial Performance in accordance with the delivery of the production. In relation to gold lease rate allowances, deferred gains and losses have previously been recorded off-balance sheet. Consistent with recent developments in Accounting Standards, at 30 June 2003 this amount is brought on-balance sheet and resulted in the recording of a non-current debtor and non-current deferred income of $32,740,000. This amount is subject to movements in future gold lease rates and the spot gold price and will be revalued each reporting period.

Notes to the Concise Financial Report (continued)

Note 3 Revenue from ordinary activities

	Consolidated 2003 $'000	2002 $'000
Sales revenue		
Sale of gold	121,410	198,075
Sale of gold/copper concentrate	485,812	281,592
Total sales revenue	607,222	479,667
Other revenues		
Interest from other persons	4,928	1,473
Gross proceeds from sale of non-current assets	440	1,403
Net foreign exchange gains	–	–
Other revenue items	598	526
Total other revenues	5,966	3,402
Total revenue from ordinary activities	613,188	483,069

Note 4 Expenses and losses included in profit from ordinary activities before income tax expense

	Consolidated 2003 $'000	2002 $'000
Depreciation of:		
Property, plant and equipment	56,800	54,780
Amortisation of:		
Plant and equipment under finance leases	6,640	6,715
Mine development	31,936	23,227
Mines under construction	–	13,692
Mine leases	292	603
Deferred mining	949	1,025
Cadia royalty	966	1,473
Other deferred expenditure	15	–
Total depreciation and amortisation	97,598	101,515
Borrowing costs:		
Bank loans	11,726	15,618
Finance charges on capitalised leases	1,656	1,222
Other borrowing costs	4,488	4,551
Less: Capitalised borrowing costs	(2,895)	(10,731)
Total borrowing costs expensed	14,975	10,660
Other items:		
Operating lease rentals	3,359	709
Government royalties	15,603	10,690
Research and development expenditure	658	521
Provision for:		
Employee entitlements	6,377	6,376
Restoration and rehabilitation	3,454	5,244
Stores obsolescence	931	543
Other	143	2,168
(Gains)/losses:		
Net foreign exchange loss	13,001	2,955
Sales of assets		
Sales of assets have given rise to the following profits and (losses):		
Proceeds from sale of property, plant and equipment	440	1,403
Carrying value of property, plant and equipment sold	(102)	(854)
Profit/(loss) on sale of property plant and equipment	338	549

Note 5 Individually significant items charged/(credited) in operating profit from ordinary activities before income tax expense

	Consolidated 2003 $'000	2002 $'000
Foreign exchange gain on unhedged US dollar loan (i)	(24,681)	–
Liability for surplus foreign currency and gold contracts (ii)	(23,951)	80,564
Liability for hedging contract restructures (iii)	11,681	25,000
	(36,951)	105,564
Tax effect of significant items	11,085	(31,669)
Total significant items after tax	(25,866)	73,895
(i) Unrealised gain on unhedged US dollar loan:		
US$80,000,000 borrowing has been revalued to the spot foreign currency exchange rate at year end	24,681	–
(ii) Opening surplus foreign currency contract provision	76,300	–
Provision for surplus foreign currency contracts	–	76,300
Amounts paid in the current year on contracts that matured	(41,353)	–
Over provision written back	(23,951)	–
Closing surplus foreign currency contracts provision	10,996	76,300
(iii) Opening balance of hedge restructure provision	25,000	–
Losses recognised during the year	11,681	25,000
Provision released to income on maturity of contracts	(1,025)	–
Closing balance of hedge restructure provision	35,656	25,000

Note 6 Dividends

	Cents per share	Total amount $'000	Franked/ unfranked	Date of payment
Dividends recognised in the current year by the Company are:				
2003 – Dividend paid during the year				
2002 final dividend recognised when declared during the year. Refer to 'Changes in accounting policies' Note 2(a):				
Final – ordinary	5.0	15,931	Franked	18 Oct 2002
2002 – Dividend paid in previous financial year				
Final – ordinary	5.0	14,359	Franked	19 Oct 2001
Franked dividends declared or paid during the year were franked at the tax rate of 30 percent (2002: 30 percent)				
Subsequent events				
Dividends proposed and not recognised as a liability[1]:				
Since the end of the financial year, the Directors declared the following dividends:				
Final – ordinary	5.0	16,346	Franked	17 Oct 2003

(1) The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2003 and will be recognised in subsequent financial reports. Dividends proposed will be fully franked at the tax rate of 30 percent (2002: 30 percent).

Dividend franking account

30 percent franking credits are available to shareholders of Newcrest Mining Limited for subsequent financial years of $15,834,290 (2002: $22,662,000).

The above available amounts are based on the balance of the dividend franking account at year end adjusted for:

(a) franking credits that will arise from the payment of any current tax liability;

(b) franking debits that will arise from the payment of dividends recognised as a liability at year end;

(c) franking credits that will arise from the receipt of dividends recognised as receivables at year end; and

(d) franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.

Notes to the Concise Financial Report (continued)

Note 6 Dividends (continued)

Change in measurement of dividend franking account

In accordance with the New Business Tax System (Imputation) Act 2002, the measurement basis of the dividend franking account changed on 1 July 2002 from an after tax profits basis to an income tax paid basis.

The amount of franking credits available to shareholders disclosed as at 30 June 2003 has been measured under the new legislation and represents income tax paid amounts available to frank distributions. The balance disclosed as at 30 June 2002 has also been measured under the new legislation and represents after tax profits able to be distributed fully franked, at the current tax rate.

The change in the basis of measurement does not change the underlying value of franking credits or tax offsets available to shareholders from the dividend franking account.

Note 7 Financial Instruments

The Consolidated Entity uses derivative financial instruments in the normal course of business for the purpose of hedging its future production and sales and managing its commodity, foreign currency and interest rate exposures. The derivative financial instruments used by the Consolidated Entity are explained below.

(a) Commodity Contracts

(i) Gold Hedging and Commitments

The Consolidated Entity has entered into forward sales, put options and call options to hedge future production and sales. (The table excludes transactions to close out New Celebration hedging).

Australian Dollar Hedging Financial year ending 30 June 2003	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11+	30 June 2003 Total	30 June 2002 Total
Forward sales (1)										
A$ denominated (koz)	82	437	330	460	430	301	225	150	**2,415**	1,742
A$/oz	538	611	627	635	659	653	709	809	**650**	731
Forward purchases (2)										
A$ denominated (koz)	301	–	–	–	–	–	–	–	**301**	–
A$/oz	593	–	–	–	–	–	–	–	**593**	–
Put options purchased (3)										
Strike price A$450/oz–A$599/oz	693	443	453	251	176	110	50	–	**2,176**	2,294
Strike price A$600/oz–A$699/oz	–	30	180	320	330	205	–	–	**1,065**	1,005
Strike price greater A$700/oz	200	50	–	–	–	100	100	100	**550**	895
TOTAL	893	523	633	571	506	415	150	100	**3,791**	4,194
A$/oz	593	583	578	601	623	639	703	809	**609**	629
Gold loans (4)										
Gold Loan (koz)	104	84	68	68	68	68	68	104	**632**	750
A$/oz	488	488	488	488	488	488	488	488	**488**	488
Call options sold (5)										
A$ denominated (koz)	176	–	–	–	–	–	–	–	**176**	363
Strike price (A$/oz)	548	–	–	–	–	–	–	–	**548**	534
Contingent call options sold (5)										
Strike price A$450/oz–A$550/oz	535	412	382	192	80	–	–	–	**1,601**	1,991
Strike price A$551/oz–A$599/oz	36	50	100	180	180	215	50	–	**811**	882
Strike price greater A$600/oz	–	–	–	100	100	100	100	100	**500**	500
TOTAL	571	462	482	472	360	315	150	100	**2,912**	3,373
Strike price (A$/oz)	527	529	546	580	589	600	607	620	**562**	557
Ounces subject to in-triggers	260	210	100	100	100	100	50	–	**920**	1,281
In-trigger price (A$/oz)	550–600	550–695	695	695	695	695	695	–	**550–695**	550–625
Ounces subject to out-triggers	311	252	382	372	260	215	100	100	**1,992**	2,092
Out-trigger price (A$/oz)	440–500	440–550	440–550	440–550	440–558	440–550	440	440	**440–558**	440–550
Total hedged (includes gold loan, forwards & put options)										
A$ denominated (koz)	778	1,044	1,031	1,099	1,004	784	443	354	**6,537**	6,686
A$/oz	573	587	591	610	629	631	673	715	**615**	640
Total committed (includes forwards, gold loan, call options & contingent call options)										
A$ denominated (koz)	632	983	880	1,000	858	684	443	354	**5,834**	6,228
A$/oz	496	562	576	601	616	612	640	661	**590**	596

Note 7 Financial Instruments (continued)

(a) Commodity Contracts (continued)

(i) Gold Hedging and Commitments (continued)

US Dollar Hedging Financial year ending 30 June 2003	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11+	30 June 2003 Total	30 June 2002 Total
Forward sales (1)										
US$ denominated (koz)	–	68	285	344	333	383	–	–	**1,413**	–
US$/oz	–	333	330	350	341	355	–	–	**344**	–
Put options purchased (3)										
Strike Price US$490/oz–US$515/oz	100	30	–	–	–	–	–	–	**130**	230
US$/oz	501	506	–	–	–	–	–	–	**502**	505
Total hedged (includes gold loan, forwards & put options)										
US$ denominated (koz)	100	98	285	344	333	383	–	–	**1,543**	230
US$/oz	501	386	330	350	341	355	–	–	**358**	505
Total committed (includes forwards, gold loan, call options & contingent call options)										
US$ denominated (koz)	–	68	285	344	333	383	–	–	**1,413**	–
US$/oz	–	333	330	350	341	355	–	–	**344**	–
TOTAL										
Total hedged (includes gold loan, forwards & put options)										
A$ denominated (koz)	778	1,044	1,031	1,099	1,004	784	443	354	**6,537**	6,456
US$ denominated (koz)	100	98	285	344	333	383	–	–	**1,543**	230
TOTAL	878	1,142	1,316	1,443	1,337	1,167	443	354	**8,080**	6,686
Total committed (includes forwards, gold loan, call options & contingent call options)										
A$ denominated (koz)	632	983	880	1,000	858	684	443	354	**5,834**	6,228
US$ denominated (koz)	–	68	285	344	333	383	–	–	**1,413**	–
TOTAL	632	1,051	1,165	1,344	1,191	1,067	443	354	**7,247**	6,228

Transactions previously brought to account in the Statement of Financial Performance for New Celebration are:

Financial year ending 30 June 2003	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11+	30 June 2003 Total	30 June 2002 Total
Put options purchased (koz) (3)										
Strike price A$500/oz–A$599/oz	55	10	–	–	–	–	–	–	**65**	125
Strike price A$600/oz–A$699/oz	29	1	–	–	–	–	–	–	**30**	85
TOTAL	84	11	–	–	–	–	–	–	**95**	210
A$/oz	632	601	–	–	–	–	–	–	**628**	637
Forward purchases										
A$ denominated (koz)	84	11	–	–	–	–	–	–	**95**	210
A$/oz	576	587	–	–	–	–	–	–	**577**	567

(1) Forward sales represent contracts at which future production is sold at specific prices in Australian and US dollars and include:
- 250,000 ounces of variable price forwards that have a realisable price dependent upon the spot price at maturity; and
- 875,000 ounces of convertible put options that are purchased put options that can become forward sales if the spot price increases to defined levels ranging from $564 per ounce to $750 per ounce.

(2) Forward purchases have been undertaken as a part of the hedgebook restructure.

(3) Put options purchased provide the right, but not the obligation, to deliver gold at specific prices in Australian and US dollars if the spot price is less than the strike price at expiry date.

(4) The gold loan was monetised at A$488 per ounce in June 2000. Repayment obligations thereunder represent future commitments.

(5) Call options sold create an obligation to deliver gold at specific prices if the spot price is greater than the strike price at expiry date. All contracts are in Australian dollars. Contingent call options sold can become sold call options if the spot price increases to defined levels ranging from $550 per ounce to $695 per ounce.

The average hedged price per ounce in respect of 6,122,872 ounces (2002: 6,686,000 ounces) represents the estimated achieved gold price which includes a lease rate allowance of 1.6 percent (2002: 1.6 percent).

The tables exclude 130,000 ounces of Australian dollar spot deferred transactions and 437,500 ounces of US dollar spot deferred transactions designated against future production. They will be progressively converted into fixed forward transactions.

During the year 46,000 ounces of US dollar knock-out put options maturing in 2003/04 were closed out. A $2,981,173 gain resulting from the close-out will be brought to account over the original maturity profile.

Notes to the Concise Financial Report (continued)

Note 7 Financial Instruments (continued)

(a) Commodity Contracts (continued)

(ii) Copper Hedging

Financial year ending 30 June 2003	2003/04	2004/05	2005/06	2006/07	30 June 2003 Total	30 June 2002 Total
Forward sales (1)						
A$ denominated (kmt)	–	8.1	36.0	36.0	**80.1**	164.8
Price (A$/mt)	–	2,646	2,646	2,646	**2,646**	2,754
Contingent forward sales (2)						
A$ denominated (kmt)	–	–	–	–	–	32.4
Strike price (A$/mt)	–	–	–	–	–	2,877
Out-trigger price (A$/mt)	–	–	–	–	–	2,816–2,838
Total hedged						
A$ denominated (kmt)	–	8.1	36.0	36.0	**80.1**	164.8
Total committed (inc. contingent)						
A$ denominated (kmt)	–	8.1	36.0	36.0	**80.1**	197.2

(1) Forward sales represent contracts under which future production is sold at specific prices in Australian dollars.
(2) Contingent forward sales are forward sales that lapse if the spot price increases to the out-trigger price range.

During the year 33,100 million tonnes of copper forward sales and 16,550 million tonnes of copper ratchet forward sales maturing between 2003/04 and 2004/05 were closed out. A $7,031,708 gain resulting from the close out will be brought to account over the original maturity profile. In early July 2003, the remaining 8,100 million tonnes of copper contracts maturing in 2004/05 were closed out, realising a gain of A$180,000.

(b) Foreign Exchange Contracts

Revenue Hedging

The Consolidated Entity has entered into forward foreign currency exchange contracts, put option contracts and call option contracts to hedge potential forward sales commitments denominated in US dollars.

Financial year ending 30 June 2003	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	30 June 2003 Total	30 June 2002 Total
Forward sales (1)								
Principal (US$M)	–	–	–	–	–	–	–	19.8
Rate	–	–	–	–	–	–	–	0.7657
A$ Call options purchased (2)								
Principal (US$M)	59.0	120.0	120.0	90.0	20.0	10.0	**419.0**	468.0
Strike price	0.7570	0.7570	0.7570	0.7577	0.7590	0.7590	**0.7573**	0.7559
A$ Put options purchased (3)								
Principal (US$M)	–	–	–	–	–	–	–	50.0
Strike price	–	–	–	–	–	–	–	0.5150
A$ Put options sold (4)								
Principal (US$M)	–	–	–	–	–	–	–	13.1
Strike price	–	–	–	–	–	–	–	0.7419
Contingent A$ Put options sold (5)								
Principal (US$M)	59.0	120.0	120.0	90.0	20.0	10.0	**419.0**	454.9
Strike price	0.7570	0.7570	0.7570	0.7577	0.7590	0.7590	**0.7573**	0.7559
In-trigger price	0.61–0.64	0.62–0.65	0.63–0.66	0.63–0.67	0.66–0.68	0.67–0.68		
Total committed (inc. contingent)								
Principal (US$M)	59.0	120.0	120.0	90.0	20.0	10.0	**419.0**	487.8
Rate	0.7570	0.7570	0.7570	0.7577	0.7590	0.7590	**0.7573**	0.7559

Note 7 Financial Instruments (continued)

(b) Foreign Exchange Contracts (continued)

Revenue Hedging (continued)

In 2001/02 a provision was made to mark-to-spot the surplus foreign currency contracts maturing in 2003/04. This is an accounting provision only (refer Note 5). The table above excludes these surplus contracts which are no longer regarded as hedges. Details of these contracts are as follows:

	2003/04
A$ Call options purchased (US$M) (2)	61.0
Strike price	0.7570
Contingent A$ Put options sold (US$M) (5)	61.0
Strike price	0.7570

	$'000
Provision recorded at mark-to-spot (refer Note 5)	(10,996)
Mark to market valuation at 30 June 2003	(8,043)

Capital Hedging

The Consolidated Entity has entered into forward foreign currency exchange contracts to hedge anticipated capital purchases.

	2003/04
Forward purchases (US$M) (6)	84.4
Rate	0.6012
Forward purchases (EurM) (6)	9.7
Rate	0.5825

(1) Forward sales represent an obligation to sell US dollars in exchange for Australian dollars at a fixed price.
(2) A$ call options purchased provide the right, but not the obligation, to sell US dollars (and buy Australian dollars) if the spot price is greater than the strike price at expiry date.
(3) A$ put options purchased provide the right, but not the obligation, to buy US dollars (and sell Australian dollars) if the spot price is less than the strike price at expiry date.
(4) A$ put options sold create an obligation to sell US dollars (and buy Australian dollars) if the spot price is less than the strike price at expiry date.
(5) Contingent A$ put options sold create an obligation to sell US dollars (and buy Australian dollars) if the spot price falls to below trigger prices and subsequently remains less than the strike price at expiry date.
(6) Forward purchases represent an obligation to buy US dollars or Euros in exchange for Australian dollars at a fixed price.

(c) Interest Rate Risk

The Consolidated Entity is exposed to interest rate risk in respect of primary financial assets and liabilities, managed through derivative financial instruments such as gold lease rate swaps.

The Consolidated Entity's interest rate risk exposures together with the effective interest rate for each class of financial assets and financial liabilities at balance date are summarised as follows:

		Fixed interest rate maturing in:					Average Interest Rate	
30 June 2003	Floating interest rate $'000	1 Year or less $'000	Over 1-5 Years $'000	More than 5 Years $'000	Non Interest Bearing $'000	Total $'000	Floating(*) %	Fixed %
Financial Assets								
Cash	50,099	–	–	–	4	51,103	2.06	–
Bills receivable	–	49,962	–	–	–	49,962	–	4.92
Bullion awaiting settlement	–	–	–	–	7,849	7,849	–	–
Accounts receivable – trade & other	–	–	–	–	49,243	49,243	–	–
Outside equity interest loan receivable	–	–	–	–	5,786	5,786	–	–
Financial Liabilities								
Trade and other creditors	–	–	–	–	181,215	181,215	–	–
Finance lease liabilities	25,056	4,209	18,538	9,392	–	57,195	5.80	6.72
Bank loans	120,103	49,137	141,621	117,052	–	427,913	2.02	2.71(i)

Notes to the Concise Financial Report (continued)

Note 7 Financial Instruments (continued)

(c) Interest Rate Risk (continued)

30 June 2002	Floating interest rate $'000	Fixed interest rate maturing in: 1 Year or less $'000	Over 1-5 Years $'000	More than 5 Years $'000	Non Interest Bearing $'000	Total $'000	Average Interest Rate: Floating(*) %	Fixed %
Financial Assets								
Cash	14,365	–	–	–	–	14,365	4.75	–
Bullion awaiting settlement	–	–	–	–	9,217	9,217	–	–
Accounts receivable – trade & other	–	–	–	–	103,124	103,124	–	–
Outside equity interest loan receivable	–	–	–	–	6,805	6,805	–	–
Financial Liabilities								
Trade and other creditors	–	–	–	–	57,578	57,578	–	–
Finance lease liabilities	33,126	5	9,274	1,039	–	43,444	5.97	0.24
Bank loans	141,243	58,263	157,239	150,571	–	507,316	2.85	2.71(i)
Bullion bank borrowings	4,178	–	–	–	–	4,178	4.97	–

(*) Floating interest rates represent the most recently determined rate applicable to the instrument at balance date.

(i) The interest rate on the gold loan can increase from 2.71 percent to 10.05 percent from August 2003 for each dollar the spot gold price at the date quarterly interest payments are due is above $600 per ounce to a maximum of $750 per ounce.

Gold Lease Rate

Hedging instruments involve the borrowing of gold for future repayment. The cost of borrowing gold is the gold lease rate. The Company manages its exposure to movements in gold lease rates through a number of mechanisms one of which is to prepay, through adjustment to the future deliverable price, a large portion of the expected short-term gold lease rate.

As an additional element of many of these arrangements, the future deliverable price has been enhanced by incorporating into the arrangements a further mechanism where the cost of borrowing increases (indexed) by forfeiting the prepaid rate if predetermined gold price barriers are breached. The barriers have been set above the spot price of gold prevailing at the date of entering the transaction. Substantial decreases in the future deliverable price can result in the event that the barriers are breached.

The Consolidated Entity has borrowed approximately 70 percent of gold on a floating basis under its forward sales contracts and has embedded a prepaid rate into this borrowing. The future deliverable price per ounce in respect of gold hedging is on the basis of an assumed lease rate equal to the prepaid rate of currently 1.6 percent (2002: 1.6 percent). The allowance is subject to indexation based upon increases in the spot price of gold.

(i) Gold Lease Rate Arrangements

The table below sets out the average increase over the floating cost of borrowing the gold in terms of the fixed rate received/paid at certain gold prices.

Exposure as at Year Ending	Notional Principal (oz)	Max Net Ave Allowance Receivable/ Payable <A$550/oz %	Max Net Ave Allowance Receivable/ Payable >A$750/oz %
2002/03	6,122,872	1.68	0.61
2003/04	5,458,311	1.70	0.63
2004/05	4,655,559	1.72	– 1.27
2005/06	3,708,307	1.75	– 1.50
2006/07	2,331,750	1.78	– 2.37
2007/08	1,540,000	1.84	– 2.61
2008/09	780,000	1.85	– 3.38
2009/10	343,750	1.81	– 4.19
2010/11	26,000	1.80	– 4.20

(ii) Gold Hedging Lease Rate Swaps

Gold lease rate arrangements entered into where the Consolidated Entity pays fixed interest represent arrangements in respect of the hedging of gold lease rates. The table below discloses the fixed interest payable.

Year of Maturity	Weighted Average Fixed Lease Rate %	Notional Principal (ounces) 2003	Notional Principal (ounces) 2002
	Pay fixed		
2002	1.06	–	610,000
2003	1.25	300,000	300,000
2004	1.25	300,000	300,000
2005	1.25	300,000	300,000
2006	1.25	200,000	200,000

Note 7 Financial Instruments (continued)

(d) Credit Risk

Credit exposure represents the extent of credit related losses that the Consolidated Entity may be subject to on amounts to be exchanged with counterparties under derivative financial instruments, or to be received from financial assets.

Credit risk is reported net by counterparty, provided a legally enforceable master netting agreement exists and is netted across products.

(i) On-Balance Sheet

The Consolidated Entity's maximum exposures to credit risk at reporting date in respect of financial assets of the Consolidated Entity recognised on the balance sheet, excluding investments in shares, is the carrying amount as recognised in the Statement of Financial Position.

Bills of exchange, which have been purchased at a discount to face value, are carried on the balance sheet at the discounted amount plus interest accrued to balance date. The total credit risk exposure of the Consolidated Entity is the carrying amount of these bills receivable.

(ii) Off-Balance Sheet

The Consolidated Entity, while exposed to credit related losses in the event of non-performance by counterparties to financial instruments, does not expect any of its counterparties to fail to meet their obligations given their high credit ratings. The credit exposure is represented by the net fair value of contracts with a positive fair value.

The Consolidated Entity's aggregate exposure on derivative financial instruments with a net positive fair value is:

	30 June 2003 $'000	30 June 2002 $'000
Australian dollars	**54,600**	171

(iii) Concentrations of Credit Risk

The Consolidated Entity endeavours to minimise credit risk by undertaking transactions with a range of counterparties of good credit rating. Concentrations of credit risk that arise from derivative financial instruments exist for groups of counterparties when they have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

(e) Net Fair Value

(i) On-Balance Sheet

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying value. The gold loan has a carrying value equivalent to $488 per ounce being the price drawn down. Gold borrowings are not revalued to reflect movement in the spot price. The fair value of gold borrowings based on the spot rate at reporting date of $519 per ounce is $327,930,264.

The net fair value of other monetary financial assets and financial liabilities is based upon market prices, where a market exists, or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

Listed equity investments have been valued by reference to market prices prevailing at balance date.

(ii) Off-Balance Sheet

The valuation of off-balance sheet financial instruments reflects the estimated net realisable value or replacement value of the instruments, assuming an orderly execution in normal market conditions. Fair value is based on either listed market prices or quotes from external counterparties.

(iii) The Aggregate Net Fair Values of all Financial Instruments

Net fair value of all financial instruments	Note	30 June 2003 $'000	30 June 2002 $'000
Gold hedge contracts	1	**182,300**	(393,900)
Copper hedge contracts	2	**(6,800)**	(86,000)
Foreign currency contracts	3	**(90,700)**	(302,000)
Gold loan swap contracts	4	**(46,100)**	(93,563)
Total		**38,700**	(875,463)

1. Gold hedge contracts have been designated against future production and are employed to secure future commodity prices in either Australian or US dollar terms. The net fair value includes the fair value of gold lease rate contracts and the associated cumulative gain.
2. Copper hedge contracts have been designated against future production and are employed to secure future commodity prices in Australian dollar terms.
3. Foreign exchange hedge contracts have been designated against:
   - Future production and are entered into to secure anticipated future net US dollar income into Australian dollars; and
   - Future capital expenditure and are entered into to eliminate exposure to movements in US dollars and Euros.

   Revised Accounting Standard AASB1012 'Foreign Currency Translation' is effective for annual reporting periods beginning on or after January 2002. The first time application of this revised standard resulted in recognition on the balance sheet of all foreign currency contracts, marked to the spot exchange rate at balance date (refer Note 2(b)).
4. Gold loan swap contracts are designated against the gold loan and have been entered into to minimise exposure to gold lease rates.

The net unrealised loss positions of the hedge contracts reflect the opportunity cost of the financial instruments relative to the prevailing market as at balance date. The unrealised loss also reflects the estimated cost of unwinding the financial instruments in the event that production does not occur as planned, again relative to the prevailing market as at balance date. Unrealised losses will change over time as underlying market rates change.

Notes to the Concise Financial Report (continued)

Note 8 Segment Information

Geographical Segments (Primary Reporting Format based on location of mine sites)

2003	Cadia Valley Operations $'000	Gosowong(iv) $'000	Telfer(iii) $'000	Boddington(ii) $'000	Group & Unallocated $'000	2003 Total $'000
Sales revenue (i)	579,092	23,418	–	60	4,652	607,222
Other revenue	4	198	420	252	5,092	5,966
Total segment revenue	579,096	23,616	420	312	9,744	613,188
Segment result (i)	149,023	2,183	–	38	(30,923)	120,321
Income tax expense	–	–	–	–	(29,236)	(29,236)
Net profit/(loss)	149,023	2,183	–	38	(60,159)	91,085
Segment assets	976,400	37,900	557,400	8,600	258,716	1,839,016
Segment liabilities	523,800	4,200	166,500	18,500	240,989	953,989
Acquisition of segment assets	39,186	4,350	328,094	569	25,883	398,082
Depreciation and amortisation of segment assets	95,933	276	–	–	1,389	97,598
Other non-cash expenses	8,131	1,482	–	(227)	1,519	10,905
Significant revenues or (expenses) (refer Note 5)	24,681	–	–	–	12,270	36,951

2002	Cadia Valley Operations $'000	Gosowong(iv) $'000	Telfer(iii) $'000	Boddington(ii) $'000	Group & Unallocated $'000	2002 Total $'000
Sales revenue (i)	331,443	134,287	–	14,681	(744)	479,667
Other revenue	864	–	81	352	2,105	3,402
Total segment revenue	332,307	134,287	81	15,033	1,361	483,069
Segment result (i)	50,062	32,502	–	4,436	(159,656)	(72,656)
Income tax expense	–	–	–	–	21,383	21,383
Net profit/(loss)	50,062	32,502	–	4,436	(138,273)	(51,273)
Segment assets	1,045,000	35,000	211,400	8,900	75,689	1,375,989
Segment liabilities	94,300	10,400	19,200	19,000	693,527	836,427
Acquisition of segment assets	175,662	1,085	57,343	53	679	234,822
Depreciation and amortisation of segment assets	55,456	42,788	–	1,574	1,697	101,515
Other non-cash expenses	7,248	1,707	–	1,016	4,360	14,331
Significant revenues or (expenses) (refer Note 5)	–	–	–	–	(105,564)	(105,564)

(i) Segment sales revenue and segment results by mine location includes gold and copper sales at spot prices. Mine results do not include allocation of hedging and interest costs.
(ii) Operations at Boddington were suspended in November 2001 and the mine was placed on care and maintenance.
(iii) Operations at Telfer were suspended in September 2000 and this mine was placed on care and maintenance. During this financial year, formal approval was given to redevelop Telfer.
(iv) Operations at Gosowong were suspended in April 2003 and this mine was placed on care and maintenance until the development of Toguraci commences.

Note 8 Segment Information (continued)

Geographical Segments (based on location of customers)

	Sales Revenue from External Customers	
	2003 $'000	2002 $'000
Australia – Bullion	**97,992**	66,997
Other Asia – Bullion	**23,418**	131,078
Japan – Concentrate	**373,431**	265,424
Other Asia – Concentrate	**112,381**	–
Europe – Concentrate	–	16,168
Total	**607,222**	479,667

Business Segments (Secondary Reporting Format)

The Consolidated Entity operates predominantly in one business segment being the gold mining industry and derives its revenue from the sale of gold and gold/copper concentrate.

Note 9 Earnings per Share

	Consolidated	
	2003	2002
Basic earnings per share (cents per share)	**29.6**	(19.2)
Diluted earnings per share (cents per share)	**29.3**	(19.2)

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

	Consolidated	
	2003 $'000	2002 $'000
Net profit/(loss) after income tax	**91,085**	(51,273)
Adjustments:		
Net profit/(loss) attributable to outside equity interest	**1,062**	(1,760)
Earnings used in calculating basic earnings per share	**92,147**	(53,033)

	No. of shares	No. of shares
Weighted average number of ordinary shares used in calculating basic earnings per share:	**311,423,514**	276,723,487
Effect of dilutive securities:		
Share options	**2,793,263**	–
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	**314,216,777**	276,723,487

Note 10 Subsequent Events

There are no other matters or circumstances which have arisen since 30 June 2003 that have significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial years.

Directors' Declaration

In the opinion of the Directors of Newcrest Mining Limited, the accompanying concise financial report of the Consolidated Entity, comprising Newcrest Mining Limited and its Controlled Entities for the year ended 30 June 2003, set out on pages 54 to 67:

(a) Has been derived from or is consistent with the full financial report for the financial year; and

(b) Complies with Australian Accounting Standard AASB 1039 'Concise Financial Reports'.

(c) In the Directors' opinion;
  i. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable and the companies and the parent entity who are party to the deed of cross guarantee described in note 29 of the full financial statements, will together be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed of Cross Guarantee dated 6 November 1992 and
  ii. The financial statements and notes are in accordance with the Corporations Act 2001, including Sections 296 and 297.

This statement has been made in accordance with a resolution of Directors.

I R Johnson

Ian R Johnson
Chairman

Anthony J Palmer
Managing Director and Chief Executive Officer

29 August 2003
Melbourne

Independent Audit Report

To the members of Newcrest Mining Limited

Scope

The Concise Financial Report and Directors' Responsibility
The concise financial report comprises the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows, accompanying notes to the financial statements and the Directors' declaration for Newcrest Mining Limited (the Company) and the Consolidated Entity, for the year ended 30 June 2003. The Consolidated Entity comprises both the Company and the entities it controlled during the year.

The Directors of the Company are responsible for preparing a concise financial report that complies with Accounting Standard AASB 1039 'Concise Financial Reports', in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the concise financial report.

Audit Approach
We conducted an independent audit on the concise financial report in order to express an opinion on it to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the concise financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control and the availability of persuasive, rather than conclusive, evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the concise financial report is presented fairly in accordance with Accounting Standard AASB 1039 'Concise Financial Reports'. We formed our audit opinion on the basis of these procedures, which included:

- testing that the information in the concise financial report is consistent with the full financial report, and
- examining, on a test basis, information to provide evidence supporting the amounts, discussion and analysis and other disclosures in the concise financial report that were not directly derived from the full financial report.

We have also performed an independent audit of the full financial report of the Company for the year ended 30 June 2003. Our audit report on the full financial report was signed on 29 August 2003 and was not subject to any qualification. For a better understanding of our approach to the audit of the full financial report, this report should be read in conjunction with our audit report on the full financial report.

Independence

We are independent of the Company and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. In addition to our audit of the full and concise financial reports, we were engaged to undertake the services disclosed in the notes to the financial statements of the full financial report. The provision of these services has not impaired our independence.

Audit opinion

In our opinion, the concise financial report of Newcrest Mining Limited complies with Accounting Standard AASB 1039 'Concise Financial Reports'.

Ernst & Young

P I Buzzard
Partner

Melbourne
29 August 2003

Shareholder Information

Capital

Share capital comprised 327,331,261 shares on 29 August 2003.

Shareholder Details

At 29 August 2003 the Company had 20,877 ordinary shareholders.

There were 337 shareholdings with less than a marketable parcel of $500 worth of ordinary shares (based upon a market price of $9.20 as at 29 August 2003).

Newcrest Top 20 Shareholders at 29 August 2003

Name	Units	Issued Capital %
National Nominees Limited	77,053,865	23.54
JP Morgan Nominees Australia Limited	59,333,635	18.13
Westpac Custodian Nominees Limited	52,484,041	16.03
ANZ Nominees Limited	27,886,419	8.52
Citicorp Nominees Pty Limited	19,678,374	6.01
RBC Global Services Australia Nominees Pty Limited	8,919,364	2.72
Commonwealth Custodial Services Limited	6,317,141	1.93
Queensland Investment Corporation	5,691,906	1.74
Cogent Nominees Pty Limited	5,683,648	1.74
HSBC Custody Nominees (Australia) Limited	5,342,131	1.63
AMP Life Limited	4,055,450	1.24
Westpac Financial Services Limited	4,028,816	1.23
ANZ Managed Investments Ltd	1,975,657	0.60
Government Superannuation Office	1,626,571	0.50
Victorian WorkCover Authority	1,220,580	0.37
Transport Accident Commission	1,025,523	0.31
BNP Paribas	762,654	0.23
Pan Australian Nominees Pty Limited	721,033	0.22
Citicorp Nominees Pty Limited	645,068	0.20
Permanent Trustee Aust Ltd (Sydney)	613,149	0.19
	285,065,014	**87.09**

Substantial Shareholders at 29 August 2003

Name	Units	Issued Capital %
ING Investment Management	18,420,857	5.63
Merrill Lynch Investment Managers	16,595,066	5.07

Voting Rights

Each ordinary shareholder is entitled to one vote for each 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 Company has declared a fully franked dividend of 5 cents per share. The dividend is payable to shareholders on 17 October 2003. Shareholders registered as at the close of business on 26 September 2003 will be eligible for the dividend. A Dividend Reinvestment Plan at market price will be offered to shareholders.

US Investor Information

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 and enquiries should be directed in writing to: The Bank of New York, 101 Barclay Street, New York, NY 10286.

ADR holders are not members of the Company but may instruct The Bank of New York as to the exercise of voting rights pertaining to the underlying shareholding.

During the year 199,022 ADRs were issued and at year end a net 3,638,418 ADRs were outstanding.

Reporting to Shareholders

Newcrest is committed to clear reporting and disclosure of the Company's activities to our shareholders.

Share Registry Information

You can do so much more online

Did you know that you can access and even update information about your holdings in Newcrest Mining Limited via the internet?

Visit ASX Perpetual's website **www.asxperpetual.com.au** and access a wide variety of holding information, make some changes online or download forms. You can:

- Check your current and previous holding balances
- Choose your preferred Annual Report option
- Update your address details
- Update your 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
- Check the share prices and graphs
- Download a variety of instruction forms
- Subscribe to email announcements.

You can access this information via a security login using your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as well as your surname (or company name) and postcode (must be the postcode recorded on your holding record).

Don't miss out on your dividends

Dividend cheques that are not banked are required to be handed over to the State Trustee under the Unclaimed Monies Act. You are reminded to bank cheques immediately.

Better still, why not have us bank your dividend payments for you

How would you like to have immediate access to your dividend payment? Your dividend payments can be credited directly into any nominated bank, building society or credit union account in Australia.

Not only can we do your banking for you, but dividends paid by direct credit hit your account as cleared funds, thus allowing you to access them on payment date.

Contact Information

You can also contact the Newcrest Mining Limited share registry by calling 1300 554 474 or from outside Australia +61 3 9615 9947.

Share Registry contact details are contained in the Corporate Directory of this Report on the inside back cover.

Newcrest Mining Limited
Five Year Summary

For the 12 months ending 30 June	2003	2002	2001	2000	1999
Gold Production – Newcrest Share (ounces)					
Cadia Hill	**298,848**	258,834	300,255	326,035	253,670
Ridgeway	**377,539**	127,665	50,688	9,015	–
Gosowong	**37,878**	232,297	226,900	274,943	–
Telfer	**–**	–	58,374	267,039	351,151
New Celebration	**–**	–	86,379	70,506	52,160
Boddington	**112**	25,830	50,756	51,077	53,858
Total	**714,377**	644,626	773,352	998,615	710,839
Expenditure ($'000)					
Exploration	**38,840**	44,832	51,421	65,426	75,632
Capital	**366,127**	210,540	144,733	109,011	143,935
Profit and Loss ($'000)					
Sales revenue	**607,222**	479,667	581,306	697,487	457,369
Income from mining	**233,578**	170,588	204,100	291,912	172,588
Interest – net	**(10,047)**	(9,187)	(14,506)	(21,818)	(11,649)
Depreciation and amortisation	**(97,598)**	(101,515)	(111,733)	(141,413)	(85,397)
Exploration	**(26,760)**	(21,547)	(22,366)	(37,654)	(43,863)
Income tax (expense)/benefit	**(29,236)**	21,383	(12,087)	7,085	(11,333)
Net earnings attributable to shareholders	**92,147**	(53,033)	38,154	3,394	21,594
Basic earnings per share (cents per share)	**29.6**	(19.2)	15.6	1.4	9.0
Dividend paid or provided	**16,346**	15,931	14,028	12,132	–
Financial Position ($'000)					
Current assets	**237,952**	161,954	181,135	202,869	123,090
Non-current assets	**1,601,064**	1,214,035	1,035,593	928,640	938,542
Current liabilities	**316,602**	233,535	252,919	143,906	91,123
Non-current liabilities	**637,387**	602,492	515,610	574,956	551,597
Shareholders' equity	**885,027**	539,562	448,199	412,647	418,912
Financial Performance (percent)					
Return on average capital employed (ROCE)	**6.6**	3.7	7.2	11.3	4.4
Issued Capital (million shares)					
Weighted average	**311.4**	276.7	244.4	242.5	242.3
Gold Sales					
Gold sales (ounces)	**724,584**	646,418	792,382	993,446	694,219
Mine cost of sales before depreciation and amortisation ($'000)	**159,943**	167,908	238,913	296,589	245,754
Mine cost of sales before depreciation and amortisation ($ per ounce)	**221**	260	302	299	354
Gold Price ($ per ounce)					
Received	**567**	559	623	616	623
Spot	**565**	548	506	448	456
Gold Inventory (million ounces)					
Reserves	**28**	28	10.4	11.4	7.2
Resources	**53**	53	42	31	24

Corporate Directory

Investor Information

Registered and Principal Office
Level 9
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Telephone: (61 3) 9522 5333
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General Manager Corporate Affairs

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Stock Exchange Listings

Australian Stock Exchange (Ticker NCM)
New York ADRs (Ticker NWCNY)

Share Registry

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Email: registrars@asxperpetual.com.au
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Indonesia
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Company Events

29 October 2003
Annual General Meeting at 10.00 am
Melbourne Exhibition Centre
Clarendon Street, Southbank, Melbourne

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