Newcrest Mining
Concise Annual Report
2007

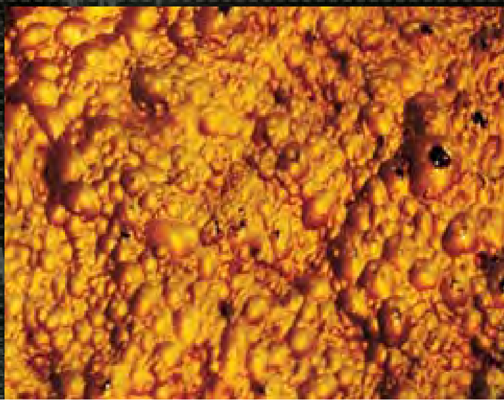
NEWCREST
MINING LIMITED

Newcrest is a leading gold and copper producer. It provides investors with an exposure to large, low-cost, long life and small, high margin gold and copper mines. It aims to be in the lowest quartile for costs. Newcrest has technical skills and mining experience to deliver strong financial returns and growth through exploration success.

Its vision is to be the 'Miner of Choice'. Social responsibility, safety and sustainability are the fundamental guideposts to that vision.

Contents

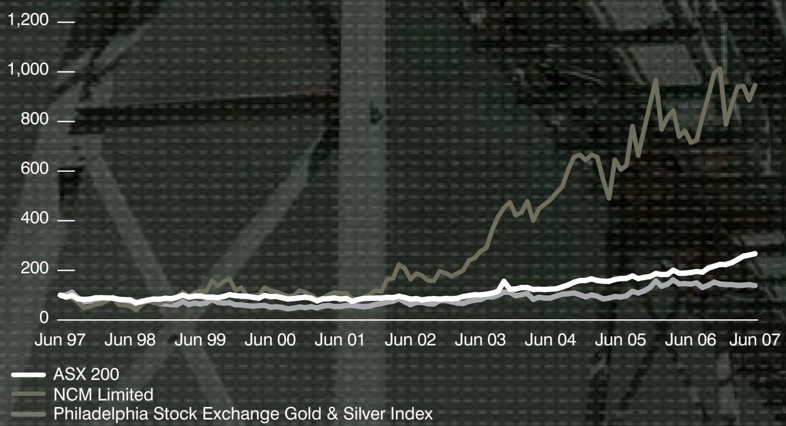
Annual General Meeting
The 27th Annual General Meeting of Newcrest Mining Limited will be held at the Grand Waldorf Ballroom, The Sebel Albert Park, 65 Queens Road, Melbourne, Victoria on Thursday 1 November 2007 at 10.00am.

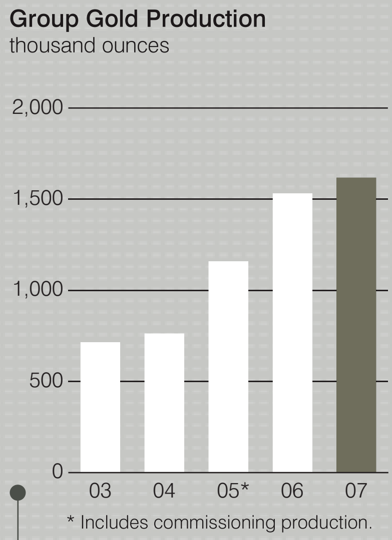


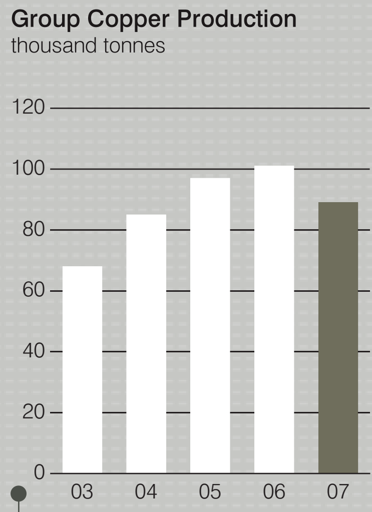
Key Achievements 2006–07

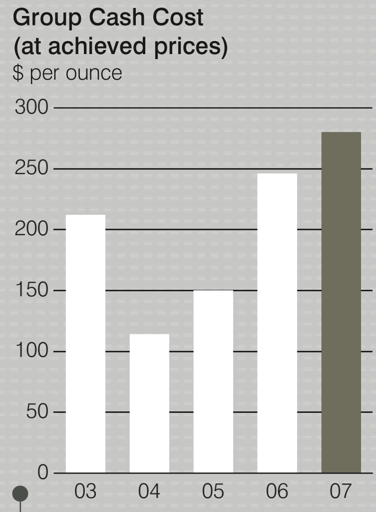
- Total gold production increased to over 1.6 million ounces
- Cash flow from operations increased by 47 percent to A$387.4 million
- Telfer and Gosowong (Kencana) underground mines commissioned
- Growth projects, including Cadia East, Ridgeway Deeps and Kencana, progressed
- Copper production unhedged since June 2007
- Renewal of executive management and Board
- A$2.042 billion Entitlement Offering to fund financial restructure (post 30 June 2007)

Relative Share Price Performance Index – 10 Years (A$)









6%
Increase

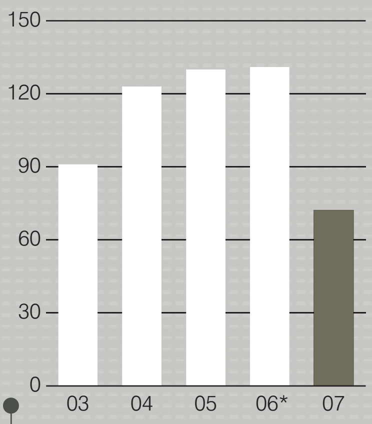
12%
Decrease

14%
Increase

Performance in brief 2006–07

- 1,617,251 ounces of gold and 88,940 tonnes of copper produced
- Group cash costs (at achieved prices) increased to A$280 per ounce
- Group total costs (at achieved prices) increased to A$419 per ounce
- Gold Ore Reserves remained the same at 33 million ounces of gold
- Copper Ore Reserves increased by 13 percent to 2.7 million tonnes
- Full year profit after tax was A$72 million
- Full year profit after tax and minority interest from continuing operations before hedge restructure was A$194.5 million
- Group safety and environmental performance improved
- Market capitalisation increased 9 percent to A$7.7 billion (as at 30 June)
- A five cent unfranked final dividend declared
- Ridgeway Deeps Project Development was approved
- Memorandum of Understanding to establish joint venture for gold/copper exploration at Namosi, Fiji
- Partial restructure of the gold hedgebook completed
- Legacy copper hedging positions completed
- Gearing reduced to 46 percent

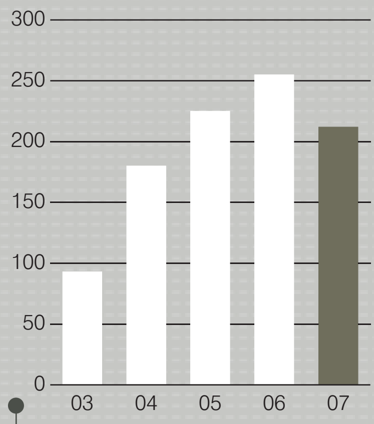
Profit/(Loss) After Tax
$ million



* Excludes profit on sale of Boddington interest.

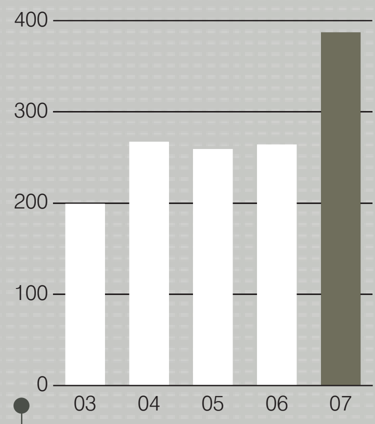
45%
Decrease

EBIT
$ million



18%
Decrease

Cash Flow from Operations
$ million



47%
Increase

		12 months to 30 June 2007	12 months to 30 June 2006
Gold produced	(ounces)	**1,617,251**	1,529,866
Copper produced	(tonnes)	**88,940**	100,521
Gold price realised	($ per ounce)	**682**	564
Sales revenue	($ million)	**1,555.0**	1,393.1
Operating EBITDA before hedge restructure	($ million)	**587.2**	456.6
Net profit after tax and minority interest	($ million)	**72.0**	349.5
Net profit after tax and minority interest from continuing operations	($ million)	**72.0**	131.3
Capital expenditure (cash flow basis including exploration)	($ million)	**400.7**	544.9
Basic earnings per share from continuing operations after minority interest	(cents per share)	**21.5**	39.6
Return on capital employed (ROCE) (EBIT/average capital employed)	(percent)	**5.9**	8.4
Net debt/(net debt plus equity)	(percent)	**46**	50

(All $ are Australian denominated unless stated otherwise.)

Chairman's Report

The 2006–07 period was a significant year for the Company as it consolidated further its position as Australia's leading independent gold producer.

This was achieved through the continued delivery of its growth strategy, as well as through a number of fundamental changes, which together have enhanced its capacity to generate wealth for shareholders.

In July 2006, the Board commenced the task of rebuilding the senior management team under the new Managing Director, Mr Ian Smith and Mr Greg Robinson, who joined the Company as the Executive Director Finance in November that year. The new management team, as well as a realigned management structure, is now in place and functioning well. Those changes have reinforced the culture of performance and accountability through all levels of the organisation and have been fundamental to the Company's improving operating profile.

At the same time, the Board initiated a process of its own renewal. This has enabled five new Directors, including a new Chairman, to be appointed bringing a wide variety of expertise, skills and fresh perspectives to the Board to add to the insight and depth of experience of those Directors who have served the Company so well to date. The Company acknowledges, and is grateful for, the contribution of those Directors who have stepped down during the year.

The Board has reaffirmed the Company's strategy of maintaining and improving Newcrest's position as a responsible and efficient producer of gold and copper. The Company's producing mines, particularly in the three major provinces at Cadia Valley, Telfer and Gosowong, will continue to underpin its position as one of the world's lowest cost major gold producers. They will also provide the stable operating platform that will provide the foundations for future growth. After a problematic beginning, the renewed Telfer operation has begun to perform in line with the Company's revised expectations, as management has gained a better understanding of the complex characteristics of the Telfer orebody.

The development projects in the Cadia Valley at Ridgeway Deeps and at the very large Cadia East deposit, as well as the Kencana expansion at Gosowong, will maintain the strong pipeline of growth projects in the short to medium term. Through those developments, the Company will consolidate its competitive advantage and add to its existing levels of production. The technical know how and human capital that the Company has built up to enable specialised underground mining techniques to be used in those new mines will also enhance the Company's competitive position.

Historically, exploration has been a key value driver for Newcrest. The commitment to both early stage and advanced exploration will be maintained and progressively increased. Early and advanced exploration plays will be sustained to ensure that an attractive profile for growth is maintained. The commitment to exploration will be supported by a new focus on early merger and acquisition opportunities.

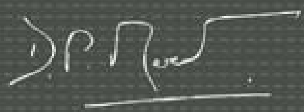
Newcrest's gold inventory of more than 55 million ounces of estimated resources and more than 33 million ounces of estimated reserves continues to place it among the leaders of the world gold companies. This inventory is a direct result of past successes in exploration and will underpin the Company's production profile for many years to come.

The 2006–07 period was a significant year for the Company as it consolidated further its position as Australia's leading independent gold producer.

While recent volatility in world capital markets is a reminder of the variability in price outlook for all commodities, Newcrest's strategy of positioning itself as a low cost producer in both gold and copper will ensure that it remains strongly competitive in all commodity price environments. In addition to gold's unique position as a store of value, the demand for gold, particularly from China and India, remains strong, as does the demand for copper from most developed and emerging economies.

In September 2007, the Company announced that it would undertake a Rights offering of new shares to shareholders to raise approximately $2,042 million. The proceeds will be used to restructure the Company's financial arrangements, and in particular to eliminate its gold hedge positions and reduce gearing to less than twenty percent. This strengthening of the Company's balance sheet will give it greater financial flexibility and free up cash flow. Importantly, as an unhedged producer it will provide shareholders with a greater exposure to spot gold and copper prices and, in combination with the reduced levels of debt, will enhance the Company's capacity to pursue new growth opportunities. At the time of writing, the Institutional component of the offering had been successfully completed raising $1,586 million. A further $456 million is to be raised through the Retail component, on a fully underwritten basis, by early October 2007.

The Board is confident that the Company has a bright future. The strategy which has served it so well in the past remains core to its future direction and will be maintained, with adjustments as necessary. The physical and financial assets are strong, and the Company is well served by a skilled workforce and a talented management team. The Board acknowledges and thanks all of the people at Newcrest for their efforts during the past year.



Donald Mercer
Chairman

Managing Director and Chief Executive Officer's Review

During 2006–07, considerable progress was made in improving operational, financial and business process performance at Newcrest. This resulted in record full year Group gold production in excess of 1,600,000 ounces and enabled the Company to maintain its position as a leading international gold company and one of the lowest cost global gold producers. Cash flow from operations increased by 47 percent to A$387 million and underlying net profit (before hedging accounting changes) increased 40 percent to $194.5 million.

The Cadia Valley, Gosowong and Cracow operations performed in line with plan, particularly in relation to production and costs. At Telfer, difficulties continued in delivering the expected levels of production from the estimated ore grades. Extensive studies and reviews throughout the year confirmed that adjustments to resource classification, grade calibrations, cut-off approach and dilution parameters were necessary in the supergene part of Telfer Main Dome. The outcome of this work has been applied to the primary mineralisation at Telfer, resulting in a net decrease in the Telfer Mineral Resource. We consider this to be a conservative approach that provides a more accurate estimate for the Telfer deposits, and raises our confidence that future production from Telfer will be in line with expectations.

Two underground mines were successfully commissioned during the year. At Gosowong, Newcrest's first offshore underground operation, the Kencana undercut-and-fill operation, commenced production. Commissioning of the Telfer Deeps sub-level cave mine commenced in August 2006, and by February 2007 had ramped up to its nameplate production rate of 4 million tonnes per annum in record time.

In June, approval for the Ridgeway Deeps gold and copper deposit was announced. This will be Newcrest's first block cave mining operation and is the first of three major developments in the Cadia Valley planned over the next ten years. Further development of Newcrest's caving capability is a significant competitive advantage. It will place Newcrest in a strong position to capitalise on the industry trend to deeper deposits mineable by low cost bulk underground mining methods.

Newcrest's pipeline of early stage projects was added to with announcement of an initial Mineral Resource at the Marsden project in New South Wales and establishment of a joint venture to explore for copper-gold in the highly prospective Namosi region of Fiji.

Newcrest continues to be faced with cost pressures and the challenges of the skills shortage, resulting from the current buoyant nature of the Australian resources sector, particularly in Western Australia. A number of attraction and retention initiatives have been put in place across the Company, including more attractive roster arrangements and provision of a broad range of training and development opportunities, to ensure that it competes as effectively as it can for those skills.

A review of Newcrest's strategy during the year reinforced the need to deliver competitive shareholder returns by focussing critically on each discrete phase of the mining value chain for gold within selected geographic areas. This value chain spans the exploration, development and operation of low cost, long life gold and gold-copper mines.

During the year, the five-year strategic planning process was successfully implemented across both operational and functional areas of the business. This provides the basis for improving productivity and reducing costs, and is underpinned by specific activities and projects throughout the business. Delivery of these projects is supported by the systematic application of business improvement methodologies, including Six Sigma© techniques and Lean© engineering principles.

During 2006–07, considerable progress was made in improving operational, financial and business process performance at Newcrest.

The new risk framework that I mentioned in last year's Annual Report was implemented during the year and has provided an improved basis for assessing and mitigating all risks, and particularly those with potential to be of high severity. While we set, and achieved, a safety target that was aggressive by industry standards, for which the Company and all of its workforce can be proud, the result was overshadowed by the tragic death of a contractor's employee in an underground vehicle accident at Telfer in late March. This event serves as a reminder to all at Newcrest that safety must remain our number one priority. We extend our sincere condolences to the members of the deceased's family.

Water management issues recently faced by the Company at Cadia serve as a reminder of the impact of potential climate change and severe drought conditions across much of Australia. During the coming year, water, energy and greenhouse gas emissions will become an increasingly important focus for the Company. Newcrest is committed to the sustainable and efficient use of all natural resources at each of its operations. The Company's environmental performance during the year remained strong and free of any major incidents.

Newcrest's community relations achievements were recently recognised with Cadia Valley Operations receiving two Excellence Awards at the NSW Minerals Council Environment and Community Conference. These awards are acknowledgement of the development and implementation of Cadia's Community Relations Strategy and successful engagement with the local communities. A key focus of the strategy is providing opportunities for the entire workforce to be involved in a broad range of community relations activities.

Newcrest's vision is to be the 'Miner of Choice' for all stakeholders, including our employees and contractors, the communities in which we operate and our shareholders. In all respects, during the coming year, we will continue to work to improve further our returns to shareholders and to build our standing as the 'Miner of Choice'.

Ian Smith
Managing Director and
Chief Executive Officer

Financial Report

The financial position of the Company during the year continued to improve with significantly higher cash flow and lower net debt. Reduced earnings compared with the previous year reflect the gold hedge position, increasing costs and a number of Other Income benefits in the 2006 financial year.

Financial focus during the year was on maximising shareholder returns by improving Newcrest's exposure to spot gold and copper prices, containing costs, funding capital expenditure and reducing debt. Management focus was strongly on delivering optimal outcomes across all the elements of the mining value chain in exploration, project delivery (capital management) and operations (productivity and cost improvements).

Greg Robinson
Finance Director

Equity Offering

On September 10, the Company announced its intention to raise $2.042 billion in equity using an accelerated pro-rata entitlement offer. The offering has been fully underwritten by UBS AG, Australia Branch and Goldman Sachs JBWere Pty Ltd. The proceeds will be used to pay down the gold hedge book liabilities and reduce borrowings.

The rationale for the reduction in Newcrest's gold hedging position and debt is to increase the Company's exposure to the spot gold price and provide a more flexible capital structure. The new capital structure will improve Newcrest's flexibility to fund project capital expenditure at existing sites, undertake growth opportunities and improve its credit profile. Newcrest has also put in place some price protection through the purchase of gold puts.

Summary of Financial Results

Net profit after tax and minority interest was $72.0 million (2006: $349.5 million). The reported results for 2006 included $218.2 million profit on sale of the Company's interest in the Boddington Joint Venture.

Excluding the 2006 profit on the sale of Boddington, net profit after tax and minority interest from continuing operations decreased 45 percent from $131.3 million to $72.0 million. Revenue and net profit include the impact of gold hedge restructures which are non-cash accounting adjustments. The net profit impact in the current year from gold hedge restructures was negative $122.5 million compared to the smaller amount in 2006 of $7.7 million. The Company's copper production will benefit from spot prices going forward with the expiry of all copper hedge positions in June 2007.

Please refer to the Discussion and Analysis of the Financial Statements on page 76 for a detailed review of the financial results.

Cash Flow Management

In November 2006, Newcrest restructured its gold hedge book to increase exposure to spot gold prices. This restructure left the total amount of gold ounces hedged the same, but reduced the amount of gold hedged in any one year to 700,000 ounces by extending the maturities two years until 2013.

This year, higher spot gold and copper prices combined with the reduction of hedged gold and copper contributed to higher operating cash flow for the Company, increasing from $263.8 million last financial year to $387.4 million this year.

Capital expenditure for the year was $340.8 million (2006: $487.9 million), a 30 percent reduction from last financial year. Capital expenditure was financed through operating cash flow. Two projects were completed during the year, namely Kencana underground and Telfer underground.

Capital expenditure next year will be focussed on the development of Ridgeway Deeps, and progressing new projects at Cadia East underground, Cadia East open pit and a second underground development at Kencana. Newcrest expects all capital expenditure will be financed through operating cash flows.

In addition to operating cash flows funding capital expenditure during the year, $93.3 million in net repayments were made on borrowings. This contributed to reducing gearing from 50 percent to 46 percent (on a net debt to net debt plus equity basis, excluding the hedge reserve). Over time, the equity offering discussed earlier will reduce gearing into a target range of 15 percent to 20 percent.

Dividends

Dividends have been maintained at 5 cents per share unfranked. The cash flow priority during the year has been to fund capital projects and reduce gearing.

With the equity offering proceeds reducing gearing and creating full spot gold price exposure, Newcrest will review future dividend payments after balancing operating cash flow with capital expenditure and maintaining a robust capital structure.

The financial highlights of the 2006–07 year are summarised in the following table:

	2007	2006
Net profit after tax from continuing operations and after minority interest	$72.0 million	$131.3 million
Net profit after tax from discontinued operation (Boddington)	–	$218.2 million
Total net profit after tax and minority interest	$72.0 million	$349.5 million
Basic earnings per share from continuing operations after minority interest	21.5 cents	39.6 cents
Return on members equity (net profit after tax)*	4.7 percent	8.9 percent
Gearing (net debt/net debt + equity)*	46 percent	50 percent
Cash flow from operating activities	$387.4 million	$263.8 million

* Calculations based on profit from continuing operations after minority interest and equity after excluding the hedge reserve.

Provinces

Tim Lehany
Executive General Manager Operations

Ron Douglas
Executive General Manager Projects

The Telfer operation comprises the Main Dome open pit mine and the Telfer Deeps underground mine. During the current phase of mining of the underground mineralisation, the selected mining method is sub-level caving, as used at Ridgeway. The Main Dome orebody extends to a depth of 1.3 kilometres below the surface, is open at depth and is subject to ongoing exploration.

Ore from both open pit and underground operations is processed in the concentrator that comprises a dual train comminution circuit followed by flotation and cyanide circuits. Copper concentrate containing elevated gold values is trucked to Port Hedland for export to smelters, primarily in the East Asia region.

Operations

In 2006–07, the focus at Telfer has been on determining reliable ore reserve estimates for the open pit and underground mines. Extensive work has also been undertaken to quantify grade reconciliation performance and to establish an achievable life-of-mine plan.

Substantial effort has also been applied to stabilising production, rationalising costs and improving overall mine performance.

Total production was 627,077 ounces of gold (2005–06: 650,016 ounces) and 27,820 tonnes of copper in concentrate (2005–06: 38,374 tonnes). Lower metal production in the 2006–07 year resulted from interruptions to production, lower gold recoveries and reduced copper grades in mill feed.

At achieved prices, the cash cost of production was $534 per ounce (2005–06: $315) and total cost was $732 per ounce (2005–06: $441). At spot prices, the cash cost of production was $429 per ounce (2005–06: $114) and total cost was $627 per ounce (2005–06: $240).

The major factors influencing costs were reduced production (including copper by-product credits), increased movements of waste and increases in the unit prices of key inputs.

The open pit mine produced 520,544 ounces of gold (2005–06: 639,607 ounces) and 18,841 tonnes of copper (2005–06: 37,775 tonnes). The decrease in open pit production primarily resulted from disruptions and lower head grades.

Production at the underground mine increased considerably to 106,533 ounces of gold (2005–06: 10,409 ounces) and 8,979 tonnes of copper (2005–06: 599 tonnes). This was due to higher throughput as underground production was ramped-up, coupled with increased copper grades.

During the year, mining and processing activities were adversely impacted by two major unplanned disruptions. These were a power supply outage in October, which resulted in lost production and additional operating costs, and a major cyclonic event in March, which resulted in a temporary suspension of mining activities in the base of the open pit and underground mine.

During the March weather interruption, ore production was temporarily halted, with mill feed supplemented with lower-grade stockpiled supergene ore that adversely affected recovery rates.

Notwithstanding these impacts, all physical feasibility parameters were achieved or exceeded, including mill throughput, material mined in the open pit, and the ramp-up of production from the underground mine.

In the open cut mine, ore was sourced from Stages 2 and 3 of the Main Dome pit. Mining volumes increased as new equipment was mobilised in accordance with mining plans. Towards the end of the year, mined grades increased as ore was mined from the lower benches of Stage 2 and upper benches of Stage 3 in Main Dome.

Oxide ores were treated on a dump leach pad and contributed 34,109 ounces of gold as dore.

In the underground mine, sub-level caving was successfully initiated, and ore was sourced from the undercut and first production level approximately 850 to 900 metres below surface.

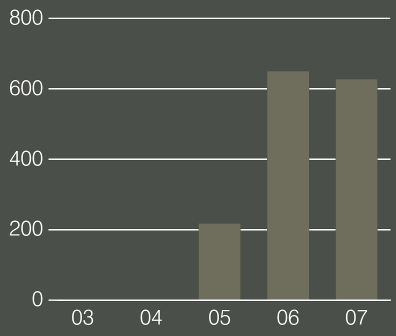
In July 2006, the underground ore handling system, comprising an underground crusher, transfer conveyor and haulage shaft, was commissioned. Ramp-up of underground mining progressed well, and by February 2007 the design annualised mining rate of 4 million tonnes per annum was achieved. Following the March cyclonic weather event, ore production was halted. It was re-established in April with the sub-level cave again reaching its design rate by June.

Success in stabilising concentrator performance resulted in improved recoveries and enhanced concentrate quality. An upgrade of the gravity gold recovery circuit was also commissioned.

Overall gold production is expected to increase to around 730,000 to 760,000 ounces during 2007–08, with unit operating costs declining as production is ramped-up and the cost profile of the mine optimised.

Page 10
Main dome, Telfer Open Pit.
Page 11 left
Ore haulage from the Telfer Open Pit.
Page 11 centre
Telfer processing facility.
Page 11 right
Gold pour at Telfer.

Telfer Gold Production
thousand ounces



2007 Telfer Statistics

Ownership			Newcrest Mining Limited 100 percent
Location			Pilbara Region, north-west Western Australia
Mine type			Open cut and underground
Material mined		61.1	million tonnes
Nominal treatment rate		17	million tonnes pa on hard ore
Tonnes treated		20.6	tonnes
Grade	Gold	1.16	grams per tonne
	Copper	0.21	percent
Recovery	Gold	76.9	percent
	Copper	65.3	percent
Production	Gold	627,077	ounces
	Copper	27,820	tonnes
Cash cost (at achieved prices)		$534	per ounce
Total cost (at achieved prices)		$732	per ounce

Telfer Province

Business Improvement Initiatives

The Newcrest Margin Improvement Program provided a focus for business improvement activities to be initiated across all areas of the Telfer operations during 2006–07.

A range of significant improvement initiatives were identified and successfully implemented, including:

- upgrade of the concentrator primary gravity gold recovery circuit
- a strategy to reduce the frequency of mill shutdowns (planned and unplanned)
- optimisation of haul truck payloads
- rationalisation of charter flights and work rosters to increase efficiencies.

There was a major drive to generate initiatives for further cost savings, with identified opportunities estimated to potentially reduce site costs by nearly 10 percent. Several of these were implemented during the year. Others will be implemented throughout 2007–08. The focus on identifying and implementing cost saving initiatives will be ongoing.

In 2007–08, the key focus at Telfer will be on stabilising and improving operational performance. Strategies to be implemented include:

- enhancing operational reliability by improving asset management and operating practices
- further streamlining plant processes
- enhancing metallurgical process controls to increase recovery rates.

To support the business improvement and cost reduction processes, advanced methodologies such as Six Sigma© techniques and Lean© engineering principles will be implemented across a range of projects at the Telfer operations.

Development Projects

Telfer Deeps Cave

The I30 reef in Telfer Deeps is currently being mined using the sub-level caving mining method. Studies are being undertaken to enhance the project business case by optimising the mining methodology.

Alternative mining methods are being investigated to reduce costs and increase production from the lower-grade stockwork ore beneath the current mining block.

Other concept studies

Additional studies were undertaken with a view to optimising the potential of the existing resource. These included analysing the economic viability of in-pit crushing, conveying and on-site production of gold metal and copper cathodes from concentrate. These studies are in the preliminary stage and will continue during 2007–08.

Exploration

During the coming year, targets identified in and around the Telfer Deeps sub-level cave will be drilled from underground.

Investigations beyond Main Dome continue to be focussed to the south-east, mostly on Trotmans Dome. Past drilling has been confined to depths between 100 and 200 metres below the surface. A three-dimensional electrical geophysical technique is being used to assist with the identification of drilling targets at greater depths. This program will continue during 2007–08.

Page 12
Conveyor belt for transport of material from underground to primary stockpiles.

Page 13 left
Pyrite Circuit thickener.

Page 13 centre
Dumping ore into Underground Crusher.

Page 13 right
Del Whaling, operating the Underground Jumbo Rig.

Cadia Valley is the largest gold and copper mining operation in New South Wales and one of Australia's largest gold producers. The province presently includes the Cadia Hill open cut mine and the Ridgeway underground mine. With a significant mineralised system to the east of Cadia Hill and a mineral resource below Ridgeway, Cadia Valley has the potential to underpin Newcrest's production for up to 30 years.

Cadia Hill is a major open cut operation that commenced production in 1998. The pit currently extends 500 metres below the original surface and lies within a north-west trending corridor that is approximately two kilometres wide and six kilometres long. Ore from the pit is transported by truck to a concentrator comprising primary crushing, coarse ore stockpiling, grinding and flotation circuits to produce a copper concentrate containing elevated gold levels. Concentrate is pumped to a filtration plant in Blayney where it is de-watered prior to being transported by rail to Port Kembla for export to smelters in the East Asia region.

Cadia Hill Operations

Cadia Hill performed in line with plan, achieving increased mill throughput and metal recoveries to offset expected lower head grades. This resulted in metal production comparable with that of the previous year. An additional 1.1 million tonnes of ore were processed compared with the previous year, reflecting improved mill availability.

At achieved prices, the cash cost of production was lower at $351 per ounce (2005–06: $386) and total cost was $484 per ounce (2005–06: $483). At spot prices, the cash cost of production was $109 per ounce (2005–06: $84) and total cost was $241 per ounce (2005–06: $181). Improved by-product credits, due to higher spot prices for copper continued to be an important influence on reported costs throughout the year.

Mining of Cutback 2 in the open pit resulted in lower mined grades during the first half of the year; however, grades improved materially during the second half as mining advanced to deeper sections of the pit. Grades were substantially in accordance with reserve expectations. Mining of Cutback 3 commenced in May 2007.

Improved availability and reliability of the haul truck and loader fleet was a key focus throughout the year. Loading fleet capacity is sufficient to deliver the 2007–08 production plan.

Gold production during the coming year is expected to increase to around 330,000 to 350,000 ounces, primarily as a result of higher head grades associated with the completion of Cutback 2. Increased copper head grade is also expected to result in higher copper production to around 24,500 to 26,000 tonnes.

Cadia Valley Province

Ridgeway Operations

The Ridgeway underground mine, located adjacent to Cadia Hill, commenced operation in 2002. The Ridgeway orebody, which has no surface expression, lies approximately 500 metres below the surface and resembles an inverted teardrop measuring approximately 450 metres by 250 metres and extending in excess of 850 metres in depth. Ridgeway is a sub-level caving operation. Crushed ore from underground is delivered by conveyor to a surface stockpile, adjacent to the Ridgeway concentrator. Using similar processes to the adjacent Cadia Hill concentrator, gold and copper are recovered in a conventional flotation circuit to produce a copper concentrate containing elevated gold levels. Ridgeway concentrate is combined with the Cadia Hill concentrate before it is pumped to the filtration plant in Blayney where it is de-watered prior to being transported by rail to Port Kembla for export to smelters in the East Asia region.

Ridgeway delivered a robust performance as it continued to record high production levels while significantly reducing cash costs.

Total production was 314,028 ounces of gold (2005–06: 366,520 ounces) and 37,939 tonnes of copper (2005–06: 39,938 tonnes). The effect of expected lower head grades was partially offset by increased mill thoughput.

At achieved prices, the cash cost of production was negative $228 per ounce (2005–06: negative $52) and total cost was negative $112 per ounce (2005–06: $114). At spot prices, the cash cost of production was negative $544 per ounce (2005–06: negative $428) and total cost was negative $428 per ounce (2005–06: negative $263).

Ore production took place from five levels within the sub-level cave. The lowest level, situated 830 metres below surface, is the last production level before mining progresses below the crusher transfer horizon. As expected, gold and copper head grades have progressively decreased with depth.

Trucking of ore and waste from lower levels to the crusher will commence in 2007–08 when production from below the crusher transfer level is scheduled to begin.

In 2007–08, lower copper head grade is expected to result in copper production in the range of 34,500 to 35,500 tonnes, while gold production is forecast to be in the range 305,000 to 320,000 ounces.

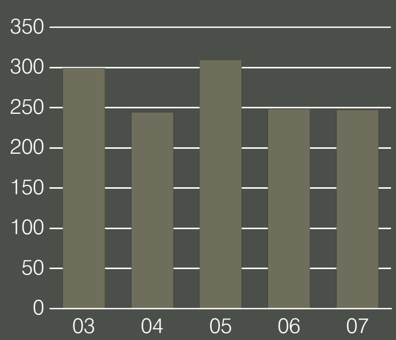
Page 14
Ore haulage from the Cadia Open Pit.

Page 15 left
Cadia Hill crushed ore stockpile and feed conveyor to the processing plant.

Page 15 centre
Copper concentrate slurry ready for transport to Blayney for processing.

Page 15 right
Peter Bennett, Production Supervisor, Ore Treatment, inspecting the Bore Mill.

Cadia Hill Gold Production
thousand ounces



2007 Cadia Hill Statistics

Ownership			Newcrest Mining Limited 100 percent
Location			Orange District, Central New South Wales
Mine type			Open cut
Material mined		47.2	million tonnes
Nominal treatment rate		17.0	million tonnes pa
Tonnes treated		16.6	million tonnes
Grade	Gold	0.58	grams per tonne
	Copper	0.16	percent
Recovery	Gold	79.7	percent
	Copper	89.3	percent
Production	Gold	246,661	ounces
	Copper	23,181	tonnes
Cash cost (at achieved prices)		$351	per ounce
Total cost (at achieved prices)		$484	per ounce

Cadia Valley Province

Business Improvement Initiatives

At the Cadia Valley Operations, the initial phases of the Margin Improvement Program have been completed. An audit conducted in May 2007 confirmed that annualised benefits in the order of $30 million had been achieved.

Continuous improvement activities have been maintained across all areas of Cadia Valley Operations. Significant initiatives implemented during the year included:

- changes to reagents in the Ridgeway flotation circuit
- modifications to the Cadia Hill grinding mill
- improvement of open pit mining fleet utilisation.

In 2007–08, the business improvement program will continue across a range of projects at Cadia Valley.

Training and skills development remain a key focus and, to support the business improvement program, Lean engineering principles and Six Sigma techniques will be applied across a range of site projects.

Development Projects

The future of Cadia Valley is underpinned by three significant development projects – Cadia East open pit, Cadia East underground and the recently approved Ridgeway Deeps underground.

Ridgeway Deeps

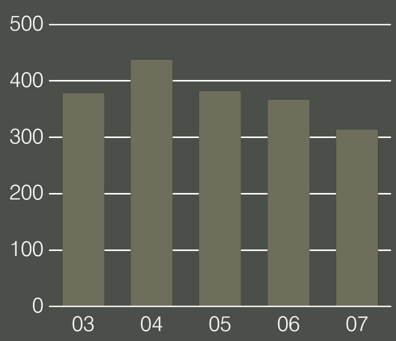
In June 2007, the Board of Newcrest approved the Ridgeway Deeps project, which will allow the development of a block cave below the current Ridgeway sub-level cave mine and extend the depth by 300 metres to approximately 1,300 metres below the surface. This will enable resources previously identified at depth to be economically exploited.

Ridgeway Deeps will be the first natural cave operation to be developed by Newcrest and will be the deepest block cave in Australia. The mine is forecast to produce in excess of 2.8 million gold equivalent ounces (1.6 million ounces of gold and 210,000 tonnes of copper) over a project life of 12 years.

The project will comprise underground mine development, extensions to the existing underground ore handling system and modifications to the processing plant. Important aspects of the Ridgeway Deeps project include application of bulk underground mining methods and advanced technologies such as automated, remotely controlled loaders. The capital cost is estimated to be $545 million, the majority of which will be spent over the next two financial years.

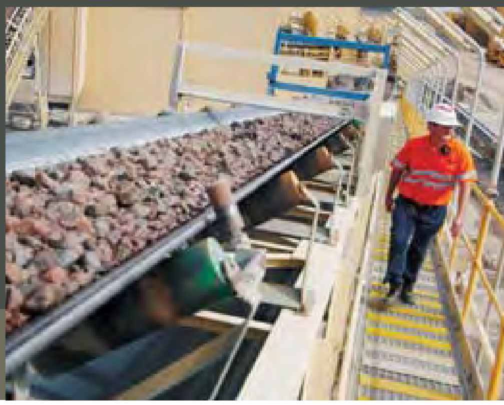
Project commissioning will occur progressively and Ridgeway Deeps is expected to reach its design production rate in 2010–11.

Ridgeway Gold Production
thousand ounces



2007 Ridgeway Statistics

Ownership			Newcrest Mining Limited 100%
Location			Orange District, Central New South Wales
Mine type			Underground
Material mined		5.9	million tonnes
Nominal treatment rate		5.6	million tonnes pa
Tonnes treated		5.7	million tonnes
Grade	Gold	2.00	grams per tonne
	Copper	0.73	percent
Recovery	Gold	85.7	percent
	Copper	90.6	percent
Production	Gold	314,028	ounces
	Copper	37,939	tonnes
Cash cost (@ achieved prices)		Negative $228	per ounce
Total cost (@ achieved prices)		Negative $112	per ounce



Development of the Ridgeway Deeps block cave will position the Company well for the future development of the larger Cadia East underground project.

The Cadia East project is based on a porphyry zone of gold-copper mineralisation adjacent to the eastern edge of the Cadia Hill orebody and extending up to 2.5 kilometres east. The system is up to 600 metres wide and extends to approximately 1.9 kilometres below the surface.

Exploration initially indicated that the area had the potential to be developed as an underground mine similar to Ridgeway; however, more recent drilling has confirmed the existence of a much larger zone of mineralisation. Initial mining studies indicated this larger mineralised zone is likely to support both open pit and underground mines.

It is expected that Cadia East will sustain production in the Cadia Valley well beyond the life of the current Cadia Hill open pit and Ridgeway underground operations.

Cadia East open pit

The Cadia East open pit resource is a large low-grade deposit suited to a bulk open-pit mining operation.

In August 2006, a pre-feasibility study commenced to assess the economics of developing the open pit resource. Approximately $10 million has been expended on data collection, geological modelling and metallurgical test work to enable a preferred business case to be identified for detailed feasibility analysis.

Current studies suggest that a production rate of approximately 15 million tonnes of ore per annum is sustainable from an open pit operation, and that clearing and pre-stripping prior to commencement of ore production will take approximately three years to complete. Mine life is estimated at eight years.

As the project is adjacent to the existing Cadia Hill open pit operation, a life-of-province approach is being applied, including co-ordination of mining fleet selection and operation, and scheduling ore production through the existing processing facilities.

It is expected that the results of the pre-feasibility study will be available in first half of 2007–08.

Page 16
Cadia Valley Operations Processing Plant, early morning.

Page 17 left
Westrac maintenance technicians, Peter Brady and Mark Hodder, conducting a maintenance check on an ore haulage truck.

Page 17 centre
Peter Bennett, Production Supervisor, Ore Treatment, inspecting material movement on the pebble crusher feed conveyor.

Page 17 right
Transport of ore from the Cadia Open Pit.

Cadia Valley Province

Cadia East underground

The Cadia East underground resource is a large, low-grade deposit suited to the application of bulk underground mining methods. With potential to produce at a rate approximately 22 million tonnes per annum, it is anticipated that Cadia East underground will be Australia's largest underground mining operation.

In early 2005, the Newcrest Board allocated $100 million for further investigation and study of the Cadia East deposit, including:

- development of 6.7 kilometres access decline and 6 kilometres of lateral development to provide access to the orebody for drilling and sampling
- more than 45 kilometres of resource drilling
- data collection and studies (geotechnical, mining and metallurgical) in order to establish the optimal mining and processing option.

Decline development commenced in May 2005 and in September 2006, equipment that permitted higher development advance rates was purchased. This resulted in the achievement of advance rates some 30 percent above industry benchmarks. The decline had advanced some 3.7 kilometres by the end of June 2007, and access to the orebody undercut level is scheduled to occur in late 2007.

Current analysis indicates that panel caving will deliver the best technical and economic outcomes. This method is best suited to ore bodies in which the horizontal dimensions exceed those that are suited for block caving. Ore extraction advances across the orebody as 'panels' are progressively developed, resulting in lower establishment costs for these large orebodies.

Completion of the Cadia East Underground development decline is scheduled for January 2008. This will allow underground resource drilling and bulk sampling to proceed. Completion of the pre-feasibility study is expected by mid 2009.

An additional resource has been identified beneath the Cadia East pit and above the panel cave. Investigations are currently under way to identify the most appropriate approach to recovering this mineralisation while maintaining the continuity of open pit production.

Ridgeway Deeps

Status		Implementation
Mineral Resource	3.0	million ounces gold
	0.38	million tonnes copper
Ore Reserve	1.8	million ounces gold
	0.22	million tonnes copper

Cadia East Open Pit

Status		Pre-feasibility stage
Mineral Resource	5.9	million ounces gold
	1.44	million tonnes copper
Ore Reserve	1.8	million ounces gold
	0.63	million tonnes copper

Cadia East Underground Project

Status		Pre-feasibility stage
Mineral Resource	15.5	million ounces gold
	2.24	million tonnes copper
Ore Reserve	8.9	million ounces gold
	1.05	million tonnes copper

Exploration

Mine-based exploration focussed on three strategic areas within Cadia Valley. At Ridgeway, drilling was targeted to define extensions of mineralisation to the east of the Ridgeway Deeps block cave resource. During the coming year, priorities will include closer definition drilling of the mineralisation below the currently planned block cave, as well as investigating an isolated high grade intercept north-east of the currently identified Ridgeway resource.

Deep drilling at Ridgeway West intersected similar alteration to that observed in the vicinity of the Ridgeway deposit; however, this is considered unrelated to the Ridgeway mineralisation. Additional deep drilling is planned to further investigate this area.

Drilling to define the limits of the Cadia East mineralised system continued, with focus on a higher-grade zone in the eastern part of the system and the upper western portion of the system below the open pit resource. This work confirmed continuity of the mineralisation in these directions. Drilling in these areas will continue in 2007.

The pace of exploration in the Cadia district has been moderated while a major research program on the geological setting of the presently known deposits is completed. This work is being conducted in conjunction with the Centre of Excellence in Ore Deposits at the University of Tasmania. Results from this project are expected to assist in the search for further deposits in the district.

Page 18
Ore at Ridgeway being dumped into the underground crusher.

Page 19 left
Loading of high-grade copper concentrate at Blayney for transportation to Port Kembla.

Page 19 right
Jeremy Craig, longhole driller, measuring the profile for drill hole preparation.

Cracow is a high-grade underground mine based on steeply dipping epithermal vein-style gold mineralisation. Production at Cracow commenced in November 2004. The current mine plan is based on three of the ten identified shoots, the Royal, the Crown and the Sovereign. The Royal is approximately 350 metres in strike length, the Crown has a strike length of approximately 300 metres and the Sovereign, which is currently being accessed, has a strike length of approximately 150 metres. These shoots average approximately 5 metres in width. Ore is trucked to the surface via a decline where it is delivered to a stockpile adjacent to the crushing plant prior to crushing and grinding. The ore is then processed in a conventional carbon-in-leach cyanide leach circuit to produce gold dore bars.

Operations

The second full year of operations at Cracow saw further improvements in mine production, mill throughput and gold production. This is attributed to continued focus on mine and mill optimisation and, in particular, initiatives emerging from the Margin Improvement Program.

A total of 116,683 ounces of gold was produced during 2006–07 of which 81,678 ounces was Newcrest's share of mine production. This was an increase of 5 percent above the previous years result (2005–06: 111,003 ounces – Newcrest's share 77,702 ounces). The cash cost of production was $343 per ounce (2005–06: $308) and total cost was $487 per ounce (2005–06: $421). The major factor that influenced cost was the lower grade of ore processed.

There was excellent correlation between the mine and mill estimated grade, both of which correlated well with plan.

During the year, decline advance totalled 1,127 metres. The majority of this development, 745 metres, occurred in the Crown deposit. Late in the year, initial decline access to the Sovereign deposit commenced, with 347 metres of decline completed by year end.

Orebody access and other infrastructure development for the Royal, Crown and Sovereign ore bodies totalled 1,006 metres.

The life-of-mine plan is regularly reviewed and, with the inclusion of the Sovereign, the current mine planning inventory is 1.6 million tonnes containing approximately 446,000 ounces of gold.

The remaining mine life is approximately five years. However, assessment of other shoots is expected to further extend mine life.

Cracow Province

Business Improvement Initiatives

The Margin Improvement Program at Cracow identified in excess of 40 initiatives, of which more than 30 have now been fully implemented. Coupled with other continuous improvement initiatives, this resulted in a 22 percent increase in mill throughput compared with the previous year.

In 2007–08, the business improvement program will continue across a range of activities at Cracow.

Training will remain an imperative and, to support the business improvement process, Six Sigma© techniques and Lean© engineering principles are being implemented across a range of site projects.

Exploration

Resource definition drilling was completed on part of the Kilkenny mineralisation and, in conjunction with step-out drilling, established the presence of two mineralised shoots, both of which are open at depth.

An Inferred Mineral Resource estimate (100 percent) of 870,000 tonnes grading 7.1 grams per tonne gold, for an in situ resource of 203,000 ounces of gold was established.

Further exploration work was also carried out on Klondyke North, Phoenix, Roses Pride, Fernyside and South and West of Royal shoots.

Exploration drilling in 2007–08 will focus on extensions to the major structures that host the presently identified ore bodies. The full strike extent of these structures has not been established; however, it is likely that less than half of this extent has been investigated so far, particularly to the south.

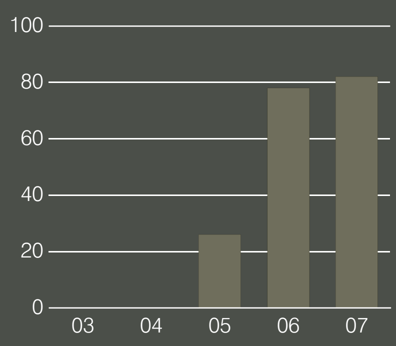
Page 20
Cracow Processing Plant at night.

Page 21 left
Ore haulage at the Cracow operation.

Page 21 centre
Fitting of a rockbolt into the boom of an underground drill prior to installation.

Page 21 right
Des Motlap, Roche Mining Jumbo Operator, boring an ore development heading at the Cracow underground mine.

Cracow Gold Production
thousand ounces



2007 Cracow Statistics

Ownership			Cracow Mining Joint Venture Newcrest Mining Limited 70 percent Lion Selection Group 30 percent
Location			Gladstone Region, Central Queensland
Mine type			Underground
Material mined		0.38	million tonnes
Nominal treatment rate		0.30	million tonnes pa
Tonnes treated		0.39	million tonnes
Grade	Gold	10.11	grams per tonne
Recovery	Gold	93.9	percent
Production	Gold	116,683	ounces (Newcrest share 81,678 ounces)
Cash cost		$343	per ounce
Total cost		$487	per ounce

Development of the Kencana mine, Newcrest's first underground mine in Indonesia, commenced in February 2005 with first ore from the K1 orebody mined in March 2006. Kencana is located approximately 1 kilometre south of the original Gosowong open pit within the highly prospective Gosowong province, which covers an area of approximately 30,000 hectares.

Due to ground conditions and variable orebody geometry, the undercut-and-fill mining method with cemented paste fill is used to mine the Kencana orebody. Ore is trucked to the surface where it is stockpiled adjacent to the treatment plant before being treated using a cyanide leach and Merrill-Crowe process to extract gold and silver to produce dore bars.

Operations

The ramp-up of production at Kencana, together with a significant increase in the grade of ore mined and higher throughput rates, resulted in a total of 347,780 ounces of gold being produced (2005–06: 187,316 ounces). The cash cost of production was $238 per ounce (2005–06: $377) and total cost was $301 per ounce (2005–06: $419). The higher grades and throughput rates, with a corresponding increase in metal production, were responsible for the improved cost performance on a dollar per ounce basis.

Commencement of ore production from Kencana underground operations resulted in head grade at the Gosowong mill increasing significantly to 37.36 grams per tonne (2005–06: 22.9 grams per tonne, when ore was mostly sourced from the Toguraci open pit). The grade of epithermal gold ore bodies can be highly variable in the short term, and in the case of Kencana can exceed 100 grams per tonne in some parts of the orebody.

The undercut-and-fill mining method is designed to achieve high ore recovery and is well suited for mining in difficult ground conditions such as those encountered at Kencana. A key feature of the method is the backfilling of mined areas with a cemented paste fill so that mining can proceed immediately beneath the filled zone. The paste fill is produced in a purpose-built plant adjacent to the mine.

During the year, the Kencana decline advanced 1.3 kilometres to a point where the sub-level 6 can be accessed.

During 2007–08, the commissioning of additional equipment and mining faces will enable access to multiple extraction levels within the orebody, leading to higher production and more flexibility in the mining plan. With higher throughput rates, production is forecast to increase to around 370,000 to 385,000 ounces.

Business Improvement Initiatives

Continuous improvement activities under the Margin Improvement Program were maintained across all areas of Gosowong, with significant initiatives, including:

- commissioning of a gravity circuit
- change of the concentrator feed classification system to enhance recoveries

Gosowong Province

- successful implementation of improvements to the underground mining methods.

In 2007–08, the business improvement program will continue to be applied to all activities at Gosowong.

Training and skills development will remain a high priority. Lean engineering principles and Six Sigma techniques are being implemented across a range of site based projects.

Development Projects

The Gosowong Extension project has the potential to add significant value to Gosowong and increase its producing life by around five years.

The Extension project is based on the development of the K2 and K Link high-grade epithermal gold deposits, located 450 metres below surface. These deposits are located approximately 200 metres vertically and 750 metres horizontally from the K1 orebody.

With initial studies indicating the viability of K2, the capital cost to take the project into production will be approximately US$80 million, including underground access, plant modifications and construction of additional site infrastructure.

It is anticipated that the existing K1 decline will enable rapid access to the K2 and K Link deposits. The preferred mining method is being evaluated as part of the pre-feasibility study. Ore will be treated at the existing process plant, following minor modifications.

The Extension project is expected to move through feasibility during 2008 with project implementation scheduled for 2009, confirming Gosowong as a world-class gold province.

Exploration

Exploration activity at Gosowong has focussed on upgrading and expanding the K2 deposit, adding 0.6 million ounces to the K2 resource. It has also provided an improved understanding of the Kencana mineralised system. Step-out drilling to test the K2 extension to the north is ongoing and has demonstrated continuation of mineralisation.

In K1, drilling to test extensions has commenced to the north and south, assessing both shallow and deep targets with some encouraging mineralisation intersected to date.

A target generation review has identified a number of significant targets in the Kencana district and further systematic exploration is planned in 2007–08.

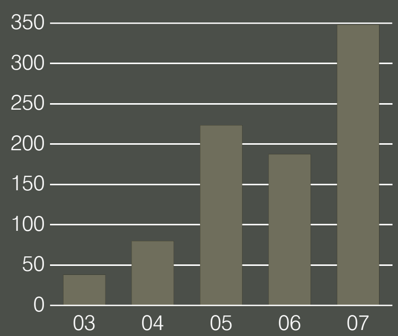
Discovery exploration activities at Gosowong are directed towards identifying other gold-bearing faults that might host high-grade gold mineralisation similar to that discovered at Kencana.

Electrical geophysical surveys, completed in the immediate Toguraci-Kencana environ south of the Tobobo River, are being used in conjunction with geological mapping to identify targets for discovery drilling.

Drilling to the north of the river has intersected narrow intervals of high-grade gold mineralisation in the hanging-wall rock to the south-east-trending Lempung Vein; however, the resource potential of this mineralisation appears modest at present.

Page 22
Gosowong mine site operating facility.
Page 23 left
Rehabilitated Gosowong waste dump.
Page 23 centre
Accommodation in staff village on-site at Gosowong.
Page 23 right
Gosowong based chartered helicopter.

Gosowong Gold Production
thousand ounces



2007 Gosowong Statistics

Ownership			PT Nusa Halmahera Minerals (Newcrest Mining Limited 82.5 percent PT Aneka Tambang 17.5 percent)
Location			Halmahera Island, North Maluku Indonesia
Mine type			Kencana – Underground
Material mined		0.69	million tonnes
Nominal treatment rate		0.37	million tonnes pa
Tonnes treated		0.31	million tonnes
Grade	Gold	37.36	grams per tonne
Recovery	Gold	94.2	percent
Production	Gold	347,780	ounces
Cash cost		$238	per ounce
Total cost		$301	per ounce

All numbers are on 100 percent basis.

Gosowong Extension Project

Status		Pre-feasibility stage
Mineral resource	1.5	million ounces gold
Ore reserve	1.3	million ounces gold

Namosi Prospect Overview

Ownership		Newcrest Mining Limited earning 65 percent
Location		South-eastern Viti Levu, Fiji
Status		Concept stage
Resource*	Gold	4 million ounces
	Copper	4 million tonnes

Namosi Prospect

Newcrest recently signed a Memorandum of Understanding with Nittetsu Mining Co. Ltd and Mitsubishi Materials Corporation to establish a joint venture to explore for copper-gold in the Namosi region of Fiji. Under the terms of the agreement, Newcrest can earn a 65 percent interest in the joint venture by funding exploration over a 4 to 5.5 year period.

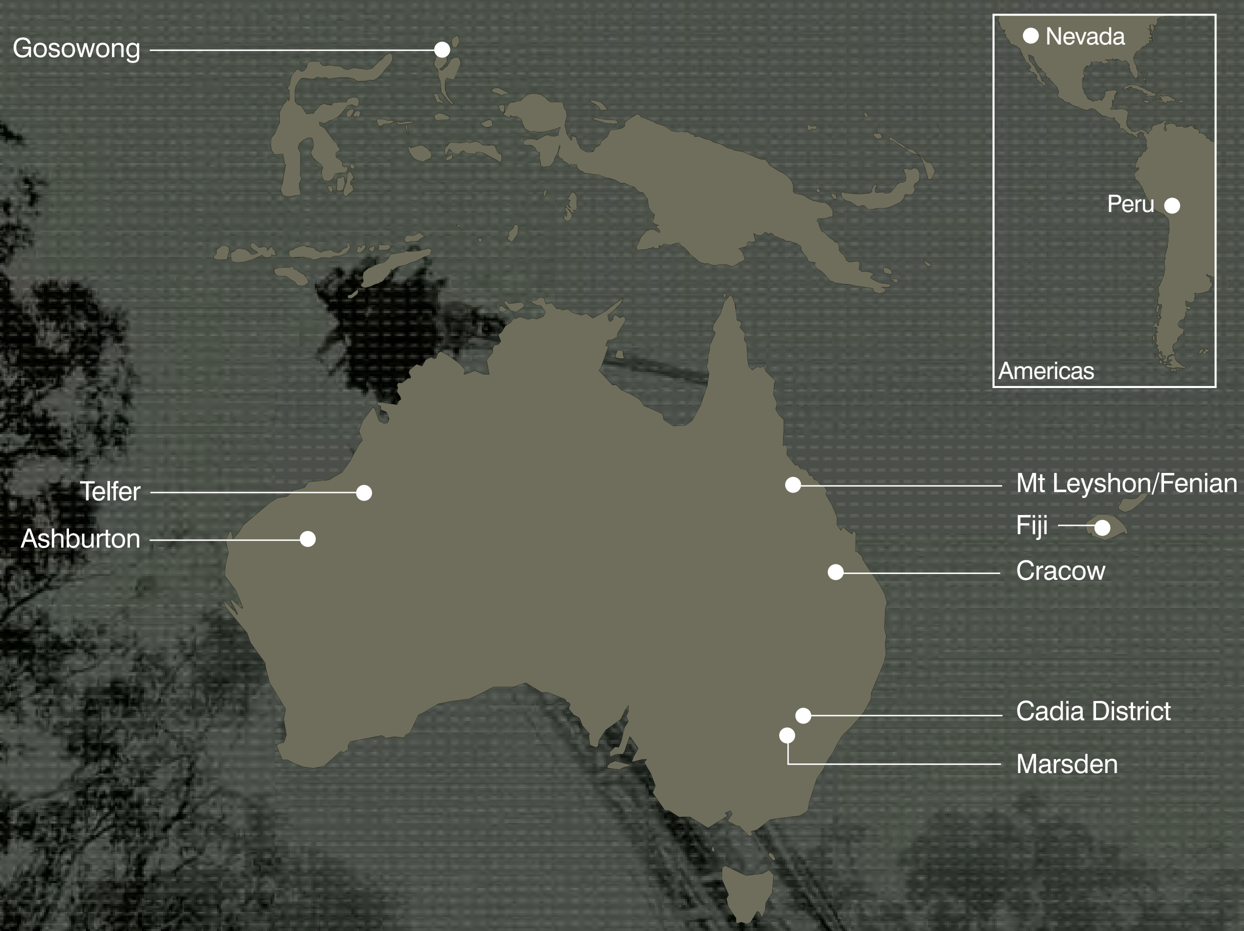
The Namosi tenement, which hosts a highly prospective large copper-gold porphyry mineralised system, is centred on the upper reaches of Waisoi Creek in south-eastern Viti Levu in Fiji, some 30 kilometres west of Fiji's capital city, Suva.

Namosi has a long history of mineral exploration, commencing in the 1850s with the discovery of pyrite. The potential for gold and base metals was established in the 1960s, and exploration led to the eventual discovery of the Waisoi deposits. Between 1991 and 1995, Placer Pacific conducted work, including drilling, and identified a low grade open pit copper gold resource in excess of 900 million tonnes* grading 0.43 percent copper and 0.14 grams per tonne gold, and conducted a feasibility study.

The immediate work program at Namosi will include concept level studies centred on previously identified mineralisation at Waisoi, as well as testing possible depth extensions of the Waisoi mineralisation. These studies will consider potential open pit and underground exploitation options, as well as evaluating the infrastructure, permitting and services requirements.

Additionally, the remainder of the large prospecting licence will be subjected to systematic exploration, which will include airborne geophysical surveys, geological mapping, sampling and drilling, with particular emphasis on the more than 15 significant copper and gold prospects already identified during reconnaissance level exploration within the broader Namosi tenement.

* Note: Placer Pacific estimate, 1994. Newcrest has not verified the classification of historic resource references and is not treating it as a JORC compliant resource verified by a Competent Person's Statement. Although this historical reference of resource potential may be relevant to recognising the potential of the district, it should not be relied upon.



Exploration

Discovery has been the key to Newcrest's growth

Dan Wood
Executive General Manager Exploration

Exploration

Strategy

Since inception, Newcrest has been an active and successful explorer and has based its strategy for growth on exploration discovery. As a result of the success of this strategy, Newcrest is one of the few major mining companies in the world that can claim to have discovered every deposit it is presently mining.

This discovery success was achieved through a combination of strong commitment to exploration effort and the consistent application of a simple, focussed discovery strategy.

The main elements of this strategy are to generally restrict exploration to known mineralised districts, apply good science and conduct extensive drilling. The primary focus of the Company's exploration effort has been directed to the discovery of large gold and gold-copper deposits, with a secondary focus on the discovery of smaller high-grade gold deposits.

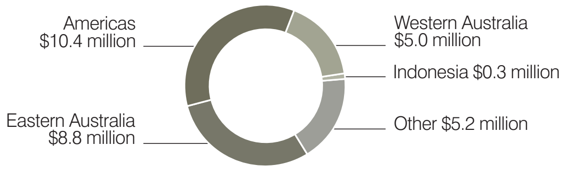
The success of this strategy is demonstrated by the mines Newcrest is operating and by the development projects that underpin its growth profile. The Company's success as the discoverer of major gold deposits was acknowledged in 2006 by Metals Economics Group, which concluded from a study of gold mining industry discoveries in the 1992–2005 period that: 'Only 11 of the 22 profiled companies reported major discoveries during the 1992–2005 period,' and that: 'Newcrest Mining has been the most successful, with total gold resources of 64.6 million ounces in five discoveries.' If the associated copper mineralisation in these discoveries is included as a gold-equivalent, the total amount of gold-equivalent resources discovered is a little over 98 million ounces.

Importantly, the dual focus of the Company's discovery strategy was also recognised when Metals Economics Group reported that during this period, on a metal-value grade basis, the Kencana deposit (as then established) discovery was second only in quality to the Red Lake gold discovery in Canada. In terms of average gold grade, however, Kencana was the richest gold deposit discovered in the world in the 1992–2005 period. Since 2006, the size of the Kencana deposit has increased, as the full extent of the K2 shoot has been defined by drilling.

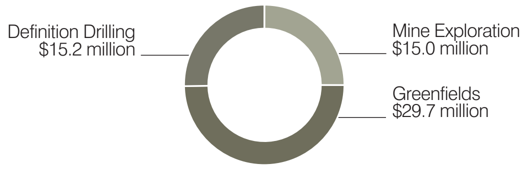
The only change to Newcrest's discovery strategy in recent years has been to include within its focus the search for deposits that are amenable only to underground mining. The Company was an early Australian gold industry leader in this search, as demonstrated by the discovery of the Ridgeway deposit at a depth of more than 500 metres below surface in late 1996, and the subsequent discoveries at Cracow and at Kencana in Indonesia.

Newcrest's discovery strategy is framed over a ten-year period. The strategy through to 2016 is to continue to pursue the dual discovery-target objective. This will be undertaken in regions where the business/political risk is acceptable and geological conditions are conducive to discovery. Underground mining targets will continue to be of interest based on Newcrest's growing experience and expertise in developing and operating large-scale underground mines.

Greenfields Exploration Expenditure
$29.7M



Total Exploration Expenditure
$59.9M



Greenfields exploration

Marsden, New South Wales
Widely-spaced resource definition drilling at the 100 percent-owned Marsden porphyry project, located 70 kilometres south-west of Forbes, enabled an initial Inferred Mineral Resource of 77 million tonnes, grading 0.3 grams per tonne gold and 0.50 percent copper for approximately 0.8 million ounces of gold and 0.38 million tonnes of copper.

Additional mineralisation of lower average gold and copper grades surrounds the Inferred Resource, but the drill-spacing in this mineralisation is presently too wide to permit a resource estimate.

The Marsden mineralisation occurs beneath approximately 100 metres of clay-rich transported alluvium and is truncated at its base by a relatively flat-lying fault, which restricts the body of mineralisation vertically to an average thickness of 100–150 metres.

Additional drilling will be conducted to expand the size of the presently-identified mineralisation and to seek additional mineralisation in the district.

Coalstoun, Queensland
Previous exploration in the Coalstoun area near Gayndah in south-east Queensland during the late 1960s and early 1970s identified a small body of low-grade porphyry copper mineralisation, surrounded by an extensive area of altered and, in places, brecciated sedimentary rocks.

Surface mapping and sampling have identified several areas of strong breccia development, some of which coincide with low-level gold-in-soil anomalies.

A hole drilled by Newcrest into a breccia to the south-east of the copper mineralisation has recorded weakly-mineralised breccia over a downhole interval of more than 300 metres.

Ashburton, Western Australia (earning up to 80 percent)
Drilling in late 2006 of geophysical anomalies to the south-east of the Mt Olympus mine (identified by electrical geophysical surveys) failed to detect mineralisation. Investigations in 2007 were focussed mostly on the Merlin and Xanadu areas, where previous drilling had recorded significant intervals of modest-grade gold mineralisation.

This drilling has assisted in identifying possible feeder faults to the known mineralisation, particularly at Merlin. Drilling in 2008 will investigate these faults for higher-grade gold mineralisation at depth.

Nevada, United States of America
Investigations in Nevada have been refocussed on a small number of projects where potential exists to discover large epithermal gold or porphyry-style gold-copper deposits.

Drilling at the Redlich project has intersected a relatively wide zone of weakly gold-mineralised breccia. Additional drilling is planned.

At the Gabbs project, drilling around the small Sullivan open pit has intersected modest grade porphyry-style gold copper mineralisation. Additional widely spaced drilling will be conducted to better understand the geology and distribution of the mineralisation at Sullivan.

Peru and Chile
Field investigations in southern Peru have identified several large areas that exhibit evidence of epithermal-style alteration and are gold-anomalous. Tenements have been acquired over some of these and it is expected that drilling will be conducted on two areas in 2008.

In Chile, drilling commenced on the 100 percent-owned Cristales project, located to the south of Antofagasta in northern Chile. Surface mapping and sampling have confirmed the presence of iron-oxide-related oxide-copper mineralisation, which may transition into iron-oxide copper-gold mineralisation at depth.

The information in this Report that relates to Exploration results is based on information compiled by Dan Wood, Executive General Manager Exploration for Newcrest Mining Limited, who is a Member of The Australasian Institute of Mining and Metallurgy and is a full-time employee of Newcrest Mining Limited. Mr Wood has sufficient experience relevant to the styles of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Wood consents to the inclusion in the Report of the matters based on this information in the form and context in which it appears.

Page 26
Diamond drilling at Cadia.

Mineral Resources and Ore Reserves

Total Mineral Resources for the Group, are estimated at 55.2 million ounces of gold and 5.65 million tonnes of copper. This represents a reduction of gold estimated in resource of 3.7 million ounces (-6 percent) and an increase in copper of 0.25 million tonnes (+5 percent).

This result is driven by a significant reduction at Telfer of approximately 4.9 million ounces of gold and 0.15 million tonnes of copper; offset by increases in gold at Kencana (Indonesia) totalling 0.6 million ounces and the addition of a new resource at Marsden (NSW) estimated at 0.8 million ounces of gold and 0.38 million tonnes of copper. Small increases at both Cadia Valley (NSW) and Cracow (QLD) largely offset production depletion at those sites. Adjustments made to the Telfer Mineral Resource give greater certainty about future performance and are explained in more detail below.

Total Group Ore Reserves depleted to June 30 2007 are estimated at 33.2 million ounces of gold and 2.70 million tonnes of copper, representing an increase of 0.7 million ounces of gold (+2 percent) and 0.26 million tonnes of copper (+11 percent).

Significant increases in Ore Reserves occurred at Cadia Valley with the addition of 1.7 million ounces of gold and 0.30 million tonnes of copper from the Cadia East Underground deposit. Kencana was responsible for the addition of 1.3 million ounces of gold. These increases were partially offset by reductions totalling 2.4 million ounces of gold and 0.06 million tonnes of copper at Telfer. There was also a small increase at Cracow with the addition of the Crown Shoot.

The accompanying statement of Mineral Resources and Ore Reserves conforms to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) 2004 Edition. Ore Reserves quoted are a subset of Mineral Resources. Independent external and internal reviews are conducted on all completed estimates. Unless stated otherwise, all financial assumptions are in Australian dollars. Cut-off grade calculations assume metal prices of $600 per ounce of gold and $1.60 per pound of copper with the exception of Kencana where USD $550 per ounce of gold is assumed. Mineral Resources, where appropriate, are constrained spatially within a notional $800 per ounce of gold and $2.00 per pound of copper shell. As is typical with epithermal deposits, both Cracow and Kencana contain amounts of silver. The Cadia East porphyry deposit contains some molybdenum in addition to the gold and copper reported.

More detailed information on the methods and parameters used to estimate Mineral Resources and Ore Reserves is presented in the Newcrest Supplementary Information Booklet located in the Annual Report on the Company's website at www.newcrest.com.au.

Cadia Province (NSW)

Mineralisation recognised to date in the Cadia Province is porphyry related gold and copper hosted in rocks of Ordovician age. Ore bodies are typically large tonnage low grade gold with strong copper by-product and minor base metal associations. Ore is sourced from bulk mining from open pit and underground sources. Products include gold in dore' recovered via gravity methods and a gold rich copper concentrate which is exported to customers via Port Kembla. Established processing capacity is in excess of 22 million tonnes per annum.

Cadia Hill Open Pit

Mining depletion was the only material change that occurred at Cadia Hill during the period. This resulted in a net reduction in the estimated Mineral Resource of 26.5 million tonnes containing 0.5 million ounces of gold and 0.04 million tonnes of copper. Similarly the estimated remaining Ore Reserve fell by 20.1 million tonnes containing 0.5 million ounces of gold and 0.04 million tonnes of copper. Some minor changes were made to the pit design necessary to mitigate geotechnical issues. Stockpiles during the period increased by approximately 7.7 million tonnes containing 0.1 million ounces of gold and 0.01 million tonnes of copper.

Cadia Extended

Cadia Extended was mined as a small satellite pit to Cadia Hill. In recent years this pit has been back filled with waste from Cadia Hill. The remaining Mineral Resource has now been re-estimated on the basis of possible underground extraction using bulk caving methods. This resulted in a net reduction of 18.8 million tonnes containing 0.2 million ounces of gold and 0.03 million tonnes of copper. Remnant Indicated Resource was also re-classified as Inferred Resource on the basis of changed mining assumptions. No Ore Reserve has been estimated for Cadia Extended.

Ridgeway Underground Sub-Level Cave

Ridgeway produced 5.7 million tonnes containing 0.4 million ounces of gold and 0.04 million tonnes of copper. The decrease in the Mineral Resource reflects mine depletion for production, a correction for an omission of approximately 3.0 million tonnes of cave stocks from the 2006 statement, and a small increase from resource re-estimation. The net Mineral Resource reduction is 1.8 million tonnes containing 0.03 million ounces of gold and 0.01 million tonnes of copper for the period.

Changes to the Ore Reserve included depletion for mine production, offset by an increased mining area on the final SLC level and an increase in the remaining production draw rate for the SLC from 130 percent to 150 percent. The net decrease in the Ore Reserve is 2.8 million tonnes containing 0.2 million ounces of gold and 0.02 million tonnes of copper compared to the 2006 statement.

Ridgeway Deeps Block Cave

Ridgeway Deeps Block Cave is located immediately below the existing Ridgeway SLC Mine. The Mineral Resource was re-estimated following a geological re-interpretation exercise resulting in an extension of the resource model at depth that yielded an increased resource of 20.0 million tonnes containing 0.5 million ounces of gold and 0.05 million tonnes of copper. The estimated Ore Reserve increased on a similar basis by 18.9 million tonnes containing 0.5 million ounces of gold and 0.07 million tonnes of copper. A Feasibility Study for Ridgeway Deeps was completed during the period and the project was approved for construction.

Cadia East Open Pit

No changes were made to the Mineral Resource and Ore Reserve estimates for the Cadia East Open Pit during the period. Pre-feasibility level studies were ongoing.

Cadia East Underground Panel Cave

Revised Mineral Resource and Ore Reserve estimates have been completed for the Cadia East Underground Project, located adjacent to existing operations in the Cadia Province. Deep diamond drilling undertaken in the period provided the basis for an additional 275 metres of strike length from the previous Inferred Resource to be upgraded to Indicated Resource classification for an estimated 174 million tonnes including 3.4 million ounces of gold and 0.58 million tonnes of copper. The total Mineral Resource increased by approximately 28.0 million tonnes and resulted in a small increase of 0.04 million tonnes of copper. Estimated gold in resource, however, fell by 0.06 million ounces due to identification of lower grades at the margins of the deposit.

The Cadia East Underground Ore Reserve is based on pre-feasibility level mining studies and selection of panel caving methodology. The underground component of the Cadia East Indicated Resource was previously converted to Probable Reserves. This Probable Ore Reserve was first published in June 2005 and updated in July 2006. The Ore Reserve was updated during the period to reflect the successful upgrade of Inferred to Indicated Resources, resulting in an estimated increase of 101 million tonnes of ore containing approximately 1.7 million ounces of gold and 0.30 million tonnes of copper. Cadia East is located entirely within the existing mining lease containing the Cadia Hill and Ridgeway operating mines. Underground access is well underway, thus enabling advanced investigation, feasibility studies and project execution.

Telfer Province (WA)

Gold and copper mineralisation recognised to date in the Telfer Province is largely structurally controlled reefs, veins and stockworks hosted by sedimentary rocks of Proterozoic age. Deep weathering depleted the copper in the upper parts of the Main Dome and West Dome orebodies allowing much of the historical gold production to be processed using gravity and cyanide leaching processes. Ore processing facilities have now been replaced to allow exploitation of the large gold and copper sulphide resources at Telfer with the bulk of production in the form of dore recovered from gravity and gold rich copper concentrate recovered from flotation. Concentrate is exported to customers via Port Hedland.

Telfer has under-performed since commissioning of the new processing facility. Mineral Resources and Ore Reserves have been adjusted in response to this; supported by extensive studies and reviews. Ore Reserve tonnes and grades reported are now based on expected mill feed over the life of the mines.

Main Dome Open Pit

The Telfer Main Dome Mineral Resource decreased by 2.0 million ounces of gold and 0.06 million tonnes of copper including stockpiles. Mining depletion accounted for 0.6 million ounces of gold and 0.02 million tonnes of copper from the pit and 0.3 million ounces of gold and 0.02 million tonnes of copper from stockpiles. This was offset by increases due to a revised cut-off algorithm resulting in the addition of 0.4 million ounces of gold and 0.03 million tonnes of copper.

Mineral Resources and Ore Reserves continued

After detailed reconciliation studies over the last 12 months, grade calibrations for both gold and copper in stockwork mineralisation were revised in the resource estimate resulting in a decrease of 1.5 million ounces of gold and 0.06 million tonnes of copper. In addition, all Measured Resource was re-classified to Indicated Resource to better reflect experience to date. The implementation of reduced calibrations negates a portion of the previous risk associated with the gold and copper resource estimate for Main Dome. Accordingly, some of the Inferred Resource in the reef associated mineralisation has been re-classified to Indicated Resource. This has no impact on the total 2007 resource base.

The Main Dome Ore Reserve was adjusted to reflect reduced Mineral Resource grades and revised classifications. In addition, cut-off criteria have been simplified and dilution parameters adjusted to reflect achievable mining practices. The net effect of these changes was to increase tonnage by 48 million tonnes and decrease grades by 0.23 grams per tonne gold and 0.02% copper. Mining depletion decreased the reserve by 16 million tonnes containing 0.6 million ounces of gold and 0.02 million tonnes of copper.

The net change in the Ore Reserve for the period including stockpile movements was a decrease of 0.8 million ounces of gold and 0.02 million tonnes of copper.

Telfer Underground

The Telfer Underground Mineral Resource decreased by 1.9 million ounces of gold and 0.07 million tonnes of copper net of depletion. Stockwork grade calibrations were reduced in line with findings from Main Dome open pit contributing a decrease of 1.7 million ounces to this result. The Telfer Deeps SLC Ore Reserve decreased by 1.0 million ounces of gold, 0.8 million ounces primarily due to change in calibrations and 0.2 million ounces due to depletion, and similarly 0.02 million tonnes of copper due to change in calibrations and 0.01 million tonnes of copper due to depletion.

West Dome Open Pit

No mining activity occurred at West Dome during the period. Technical results from Main Dome, however, have been applied as a conservative measure resulting in a decrease in the resource estimate of 1.1 million ounces of gold and 0.01 million tonnes of copper. Resource classifications have also been modified by downgrading all Measured Resources to Indicated Resource status. Given these resource changes the Ore Reserve estimate for West Dome decreased by 0.6 million ounces of gold and is now entirely classified as the Probable Reserve. These changes did not lead to any significant decrease in the copper reserve.

Emerging Provinces

Gosowong (Indonesia)

Gosowong is located on the island of Halmahera in North Maluku Province in the eastern part of the Republic of Indonesia. It is owned and operated by PT Nusa Halmahera Minerals, an incorporated joint venture between Newcrest (82.5 percent) and PT Aneka Tambang (17.5 percent). For the purpose of reporting Mineral Resources and Ore Reserves, Newcrest is reporting 100 percent of the assets. This is a change from previous convention of reporting 82.5 percent of the Mineral Resources and Ore Reserves for Gosowong. The impact of the change is an increase in Mineral Resource of 0.5 million ounces and, in the Ore Reserve, an increase of 0.2 million ounces.

Gosowong is emerging as a world class epithermal province with historical production of over 1.5 million ounces from the Gosowong and Toguraci open pits and the newly commissioned Kencana underground mine. Precious metal mineralisation in the Gosowong Province is characterised as low sulphidation-epithermal in nature. The gold grade is very high and is associated with similar levels of silver. Gosowong Province ores mined to date have proven to be without contamination issues and metallurgical recoveries greater than 95 percent have been demonstrated utilising conventional leaching methods. Prospectivity for further growth of Kencana and new discoveries in the region remain high.

After depletion, the Kencana Mineral Resources increased during the period by 0.5 million tonnes for 0.6 million ounces inclusive of stockpiles. Similarly the Ore Reserves increased by 1.3 million tonnes containing 1.4 million ounces of gold. Mining depletion in the K1 Mineral Resource accounted for a decrease of 0.4 million ounces of gold. Infill drilling and geological re-modeling added to the Mineral Resource with the net result being a 0.22 million ounce decrease in gold. All previous Inferred Resource has been upgraded to Indicated.

Infill drilling in the K2 shoot resulted in an increase in the Mineral Resource by approximately 0.8 million ounces and most of the mineralisation being classified as Indicated. Infill drilling will continue to convert the remaining Inferred Resource to Indicated. The K Link Inferred Mineral Resource remained unchanged at 0.2 million ounces of gold.

Ore Reserves for the expanded Kencana field comprises the K1 and K2 shoots. The reserve is based on the March 2007 mine design for K1 and the preliminary pre-feasibility designs for K2. Both orebodies employ underhand cut-and-fill mining methods. The net change in the Ore Reserve for the period including depletion was an increase of 1.4 million ounces of gold.

Mining of the Toguraci Open Pit was completed during the period. There are no Ore Reserves for the Toguraci Open Pit.

Cracow Gold Mine (QLD)

Cracow Gold Mine is an unincorporated joint venture between Newcrest (70 percent) and Sedimentary (30 percent) – a wholly owned subsidiary of Lion Selection Group. Newcrest reports 70 percent of the Mineral Resources and Ore Reserves at Cracow. Discovery of the early Permian age Royal, Crown, Sovereign and Kilkenny shoots have contributed 1.2 million ounces to the mineral endowment. This combined with historical production of 0.9 million ounces takes the total endowment of the Cracow Goldfield to over 2.0 million ounces. The gold shoots are structurally controlled, within steeply dipping low sulphidation epithermal veins that are hosted by andesitic volcanics and volcaniclastic sediments. The gold grade is high (>10g/t Au) and is associated with silver. Exploration along and definition of auriferous structures is continuing to focus on the highly prospective western side of the Cracow Goldfield. Ore mined to date through the Cracow mill shows an average gold recovery of 94 percent and silver recovery of 80 percent using conventional leaching methods.

Newcrest attributable Mineral Resources increased at Cracow by 0.5 million tonnes containing 0.04 million ounces of gold. Similarly, attributable Ore Reserves increased by 0.4 million tonnes containing 0.10 million ounces of gold. Material changes included mining depletion of the Royal and Crown shoots, upgrading of the Crown Shoot from Inferred to Indicated Resource status, and estimation of a new Mineral Resource for the Kilkenny Shoot.

The Ore Reserves for Cracow are comprised of the Royal and Crown shoots. The Royal shoot commenced ore production in August 2004 and milling commenced in November 2004. To date 0.6 million tonnes of ore has been successfully mined and milled from the Royal orebody. Production from the Crown Shoot in March 2006. To date 0.2 million tonnes of ore has been successfully mined and milled from the Crown Shoot. The net change in the Ore Reserve for the period was an increase of 0.2 million ounces of gold.

Marsden Discovery (NSW)

An initial Inferred Resource estimate has been made for a greenfields discovery at Marsden, located on Exploration Licence 5524 (Newcrest 100 percent) between Forbes and West Wyalong in Central Western NSW, Australia. Marsden is a body of porphyry-style Copper-Gold mineralisation hosted in intrusive rocks. The resource lies about 120m below the surface under un-mineralised riverine plain clays and sands and is terminated on the eastern side and at depth by a major, west-dipping regional fault called the Marsden Thrust, beneath which un-mineralised sedimentary rocks occur.

The Marsden Resource is reported on a 'value' basis (material above zero dollar cut-off) similar to that used for open pit Mineral Resources in Cadia Valley. The value estimation includes long-term revenue assumptions of $600 per ounce for gold and $1.60 per pound for copper, and incorporates mining costs based on similarities to Cadia Hill with allowance for cover stripping, expected mill recoveries, and anticipated realisation costs.
A notional $800 per ounce gold and $2.00 per pound copper pit shell is also used to spatially limit the resource. Additional drilling and concept studies are planned.

2007 Mineral Resources

Gold and Copper Resources (# – includes stockpiles)	Measured Resource			Indicated Resource			Inferred Resource			Total Resource			Contained Metal		
	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)	Dry Tonnes (million)	Gold Grade (g/t Au)	Copper Grade (% Cu)	Gold (million ounces)	Copper (million tonnes)	Competent Person
Cadia Hill Open Pit#	189.7	0.7	0.15	27.4	0.5	0.17	40.8	0.5	0.11	258.0	0.6	0.15	5.3	0.38	1
Cadia Extended							21.3	0.5	0.25	21.3	0.5	0.25	0.3	0.05	1
Ridgeway Sub Level Cave#	11.9	2.0	0.62	3.0	2.4	0.79				15.0	2.0	0.66	1.0	0.10	2
Ridgeway Deeps Block Cave	13.3	1.3	0.52	35.6	1.3	0.50	35.5	0.9	0.36	84.5	1.1	0.44	3.0	0.38	2
Cadia East Open Pit				223.3	0.4	0.37	211.5	0.5	0.29	434.8	0.4	0.33	5.9	1.44	3
Cadia East Underground				499.3	0.8	0.33	222.4	0.5	0.26	721.7	0.7	0.31	15.5	2.24	3
Total Cadia Province – Gold and Copper													**31.0**	**4.59**	
Main Dome Open Pit#	2.5	1.0	0.14	249.2	1.3	0.12	38.3	0.8	0.11	290.0	1.2	0.12	11.4	0.35	4
West Dome Open Pit				125.3	0.9	0.07	35.9	0.8	0.05	161.2	0.9	0.06	4.7	0.10	4
Telfer Underground				49.9	1.9	0.39	9.3	1.3	0.32	59.1	1.8	0.38	3.4	0.23	4
Telfer Satellite Deposits				0.6	4.2	0.03	1.7	2.6	0.08	2.3	3.0	0.07	0.2	0.00	4
Total Telfer Province – Gold and Copper													**19.6**	**0.68**	
Kencana Underground#*				2.4	35.7		0.4	27.5		2.8	34.6		3.2	N/A	5
Cracow Underground#**	0.4	11.2		0.5	8.0		1.4	7.3		2.3	8.2		0.6	N/A	6
Marsden Discovery							76.7	0.3	0.50	76.7	0.3	0.50	0.8	0.38	7
Total Other Provinces – Gold and Copper													**4.6**	**0.38**	
Total Gold and Copper													**55.2**	**5.65**	

1. Paul Dunham, 2. Geoff Smart, 3. Dean Collett, 4. Colin Moorhead, 5. Dale Sims, 6. James Francis, 7. John Holliday

* Newcrest reports 100% of the Mineral Resource at Kencana. Kencana is owned and operated by PT Nusa Halmahera Minerals, an incorporated joint venture between Newcrest (82.5%) and PT Aneka Tambang (17.5%).

** Newcrest reports 70% of the Mineral Resources at Cracow. Cracow Gold Mine is an unincorporated joint venture between Newcrest (70%) and Lion Selection Group (30%).

2007 Ore Reserves

Gold and Copper Reserves (# = includes stockpiles)	Proved Reserve Dry Tonnes (million)	Proved Reserve Gold Grade (g/t Au)	Proved Reserve Copper Grade (% Cu)	Probable Reserve Dry Tonnes (million)	Probable Reserve Gold Grade (g/t Au)	Probable Reserve Copper Grade (% Cu)	Total Reserve Dry Tonnes (million)	Total Reserve Gold Grade (g/t Au)	Total Reserve Copper Grade (% Cu)	Contained Metal (million ounces)	Contained Metal (million tonnes)	Competent Person
Cadia Hill Open Pit#	116.0	0.8	0.16	1.7	0.4	0.19	117.6	0.7	0.16	2.8	0.19	1
Ridgeway Sub Level Cave#	8.4	1.8	0.67	3.5	1.8	0.67	11.8	1.8	0.67	0.7	0.08	2
Ridgeway Deeps Block Cave	2.1	1.1	0.47	49.7	1.1	0.42	51.9	1.1	0.42	1.8	0.22	1
Cadia East Open Pit	–			143.2	0.4	0.44	143.2	0.4	0.44	1.8	0.63	3
Cadia East Underground	–			304.2	0.9	0.35	304.2	0.9	0.35	8.9	1.05	1
Total Cadia Province – Gold and Copper										**16.0**	**2.17**	
Main Dome Open Pit#	2.5	1.0	0.13	254.7	1.0	0.11	257.2	1.0	0.11	8.6	0.28	4
West Dome Open Pit	–			144.7	0.7	0.05	144.7	0.7	0.05	3.2	0.07	4
Telfer Underground	–			50.8	1.7	0.36	50.8	1.7	0.36	2.7	0.18	4
Total Telfer Province – Gold and Copper										**14.6**	**0.53**	
Kencana Underground#*	–			2.2	34.5		2.2	34.5	–	2.4	–	5
Cracow#**	0.4	10.2		0.3	7.9		0.7	9.1	–	0.2	–	6
Total Other Provinces – Gold										**2.6**	–	
Total Gold & Copper										**33.2**	**2.70**	

1. Geoff Dunstan, 2. Pasqualino Manca, 3. Matt Brinckley, 4. Jason May, 5. Robbie Whitworth, 6. Justin Woodward

* Newcrest reports 100% of the Ore Reserves at Kencana. Kencana is owned and operated by PT Nusa Halmahera Minerals, an incorporated joint venture between Newcrest (82.5%) and PT Aneka Tambang (17.5%).

** Newcrest reports 70% of the Ore Reserves at Cracow. Cracow Gold Mine is an unincorporated joint venture between Newcrest (70%) and Lion Selection Group (30%).

Health and Safety

Providing a healthy and safe environment is fundamental to the way we operate.

Community Relations

Throughout the year, Newcrest implemented a number of programs in consultation with local and regional communities.

Environment

The effective management of environmental issues is an integral part of Newcrest's operations.

Risk Management

Newcrest is focussed on maintaining a safe environment for its employees, operating and developing mines in line with good environmental practices, and embracing a strong sense of commitment to the local communities around its operations.

Tony Pooley
Head of Safety
Environment and Risk

Risk Management

Risk management is integrated into all facets of the business, including financial and project planning, operations, health and safety, environmental matters, and community relations.

Newcrest is committed to:

- ensuring that all material risks are identified and objectively assessed against accepted criteria and that appropriate control measures are implemented
- complying with all applicable laws, regulations, internal policies and contractual obligations as a minimum standard
- ensuring that all employees and contractors are informed about the risk policy and their responsibilities for its implementation
- implementing effective insurance strategies for transfer of residual risk
- continually striving to improve its performance and to periodically reviewing performance to identify areas for improvement
- implementing effective crisis management and business continuity plans.

Risk assessment is an integral part of decision-making at both corporate and operating levels. The methodology applied is Semi-Quantitative Risk Assessment (SQRA©), which is recognised and promoted by executive management as a robust process and valuable business tool that can drive better performance.

SQRA© is an in-depth risk assessment tool which generates quantitative risk assessments that allow cost-benefit decisions to be made. In relation to health, safety and environmental issues, it also seeks to demonstrate that risks have been managed to a point that is As Low As Reasonably Practicable (ALARP). To implement SQRA©, workshop teams within Newcrest develop detailed diagrams of all of the causes, controls and outcomes of the exposure under assessment. Questions relating to frequency, materiality, probability and outcomes of particular risks and their potential consequences are addressed. From this information, the frequency or likelihood of a material event occurring can be calculated and critical risk controls defined. The effectiveness of these controls is assessed and actions to address any modifications required are identified. These actions are then subject to cost-benefit review.

A Risk Lead Team is implementing SQRA© principles and practices throughout the organisation, with a Risk Reference Group being established at each site and at all other corporate locations to promote risk assessment on a day-to-day basis.

The risk management process outlined above allows all material business, safety and sustainability risks to be assessed.

In the area of community relations, the ENGAGE© process is used as a tool for identifying and assessing potential stakeholder issues in relation to Newcrest activities which may impact upon communities. This assists Newcrest to develop strategies for engaging with stakeholders on these issues.

Page 35
Ross Howard, Leading Hand Service Crew, Michael Fowler, Service Crew Member, and Adrian Short, Underground Superintendent, inspecting construction of works underground.

Risk Management **Health and Safety**

Newcrest is focussed on maintaining a safe environment for its employees, operating and developing mines in line with good environmental practices and embracing a strong sense of commitment to the local communities around its operations.

Newcrest's vision is to be the 'Miner of Choice'. Safety, social responsibility and sustainability are fundamental guideposts to that vision. Social responsibility embodies Newcrest's commitment to the communities and environments within which it operates.

In the past year, Newcrest has established programs to achieve continuous improvement of its performance in Health, Safety, Environment and Community (HSEC). These programs fall into three broad categories:

- Organisational initiatives intended to strengthen Newcrest's focus, strategic intent and follow-through on HSEC matters.
- Systems initiatives intended to ensure Newcrest has all of the controls in place to manage HSEC threats.
- Behavioural initiatives intended to ensure Newcrest's employees and contractors genuinely understand and are prepared to strive for sound HSEC outcomes.

The role of Head of Safety, Environment and Risk has been created, reporting directly to the Managing Director. Other organisational changes have been introduced to establish Centres of Excellence (with the objective of improving HSEC standards and consistency across the Company).

Health and safety performance

Providing a healthy and safe environment is fundamental to the way we operate.

The Target Zero program has encouraged an overall improvement in safety performance in 2006–07, based on injury statistics.

In 2006–07, the Lost Time Injury Frequency Rate (LTIFR) decreased by 16 percent, from 1.3 to slightly less than 1.1, as shown in the LTIFR graph on page 37. The LTIFR is the rate of lost time injuries per million exposure hours.

The Total Recordable Injury Frequency Rate (TRIFR) (being a measure per million exposure hours, which includes injuries leading to allocation of restricted work duties and injuries that are medically treated, but do not preclude employees from continuing to carry out their duties), decreased by 3 percent from 11.1 to 10.8, as shown in the TRIFR graph on page 37.

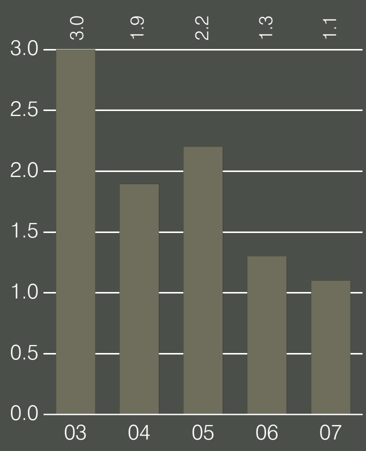
Fatality at Telfer

At Telfer on 26 March 2007, an employee of contractor Jetcrete Australia Pty Ltd died as a result of a vehicle accident in the underground mine. Newcrest is conducting a comprehensive investigation into this fatality to identify the cause of the accident and any actions that can be taken to prevent incidents of this nature. The West Australian Department of Consumer and Employment Protection is also conducting its own investigations. Newcrest and the owner of Jetcrete have arranged financial and other support for the deceased's family.

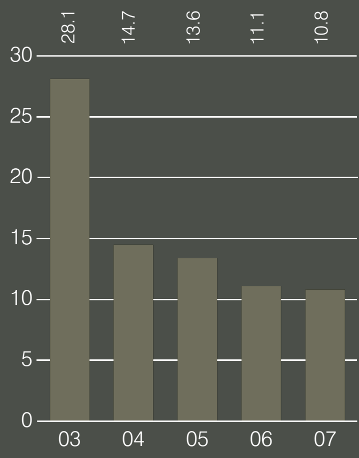
Site Safety Performance

	Lost Time Injury Frequency Rate (LTIFR)		Total Recordable Injury Frequency Rate (TRIFR)	
Site	2007	2006	2007	2006
Cadia Valley	**1.5**	1.5	**7.6**	14.7
Cracow	**0.0**	0.0	**12.2**	24.2
Gosowong	**0.3**	0.3	**1.9**	6.4
Telfer	**2.0**	4.1	**22.1**	13.1
Exploration	**1.4**	0.0	**14.9**	23.4
Total	**1.1**	**1.3**	**10.8**	**11.1**

LTIFR – Total Group



TRIFR – Total Group



Safety and health management system initiatives

As part of the ongoing Target Zero program, at each site a range of working groups, comprising representatives from management, staff and contractors, have focussed on specific areas of site safety and activities in 2006–07.

In addition, site audits were completed across the business against 24 health and safety standards. The results of these audits will be used to guide safety action planning by each operation. Semi-quantitative risk assessments using SQRA© were conducted for several of the major site hazards, and implementation of control measures resulting from those assessments has commenced.

Behavioural safety initiatives

Key Performance Indicators and 'league' tables that measure both lagging performance and leading indicators were established and trialled across Newcrest during the last quarter. The tables are designed to build a competitive team culture within the business to drive improved safety and health performance.

The Safe Behaviour Observation (SBO) process has also been implemented across all operations. Initial feedback has led to efforts to improve the quality of the SBOs, focussing on the root cause of unsafe acts (rather than just the acts), and empowering and training staff to lead safe behaviour observations in the workplace.

Employee wellness program

At Cadia Valley Operations, a 'Wellness for Life' program was initiated in the second half of 2006–07. This is a follow-up program to the existing employee wellness program that promoted healthy eating habits, increased exercise and a balanced approach to lifestyle choices.

Page 36
John McGuire, Training Officer conducting a safety and induction training session.

Risk Management **Community Relations**

Building and maintaining sound relationships with the communities surrounding Newcrest's operations is a key component of being the 'Miner of Choice'.

Throughout the year, Newcrest implemented a number of programs in consultation with local and regional communities. Some of these are described below.

Telfer

Indigenous employment

Newcrest's Indigenous Employment and Training Strategy (IEATS) recognises the inherent value of Indigenous Australian perspectives to its business and aims to position Newcrest as the employer of choice for Aboriginal people residing within the locale of its mining operations.

Throughout the year, Telfer employed 65 Aboriginal people, including 25 local Martu people and 11 from Marble Bar. Training was provided for 30 Aboriginal people within the local communities, all of whom subsequently gained employment.

Through the Strategy, Newcrest seeks to increase the employment and advancement of Indigenous Australians across all levels of mining and related work roles, reflecting its commitment to developing career pathways for Aboriginal employees.

The IEATS is based on building positive relationships with host communities while providing a mechanism for Aboriginal people to participate in Newcrest's workforce through employment and training. Newcrest is looking to engage local communities and organisations in actively supporting the development of skilled and semi-skilled Indigenous employees of both genders.

The IEATS is based on best practices, developed over a period of time, that have proved successful in other similar employment and training strategies. It is consistent with Newcrest's diversity strategy and overarching principles of access and equity, and falls in line with the general expectations of a broad cross section of the mining industry within Australia who embrace Indigenous employment.

Western Desert Dialysis Program

Newcrest is involved in a proposal to develop a respite dialysis program at the nearby Aboriginal community of Jigalong. Newcrest's involvement in this proposal reflects the strong cooperative relationship between Newcrest's Telfer operations and the local Martu community. Newcrest has led discussions to date with the Martu community, other miners in the area and government.

The proposed program involves the refurbishment of a house and installation of equipment to provide a local service to Aboriginal people in need of dialysis treatment who would otherwise need to relocate to Perth for that treatment. The proposed program will require government approval before it can be implemented.

Community support
Telfer community affairs personnel also assisted the local community with:

- training courses in mine entry, hospitality/mine support services and car and truck licences
- facilitation of a feasibility study into the construction of the Niminjarra Highway between the nearby Indigenous communities of Punmu and Parnngurr
- educational support, including a scholarship for a Martu youth to attend a Perth secondary college
- provision of a car and driver to the Bloodwood Tree association for use in an Indigenous driver training program
- contributions and support for the desert sport development program, including the Australian Football League's Western Desert Shield match, which is held as a curtain raiser to the Western Derby match between the two Western Australian AFL clubs
- the upgrade of sporting facilities, including a grass oval at Jigalong
- provision of a Community Development Officer and Business Development Officer to work with Port Hedland Indigenous community groups
- funding of three positions in the Western Desert Lands Aboriginal Corporation, which represents the Martu people.

Family days
During the year, Telfer commenced 'family day' visits that involved flying employees' spouses and children to the site on selected weekends, giving the families the opportunity to see first-hand conditions in the workplace. Positive feedback has been received on the program.

Cadia Valley

Cadia East Project community consultation
In July 2006, a community consultation program was initiated in relation to the proposed Cadia East mining development in Cadia Valley. A number of meetings have since been held with representatives of stakeholder groups in relation to the project proposals.

The aim of the consultation process is to identify areas where the objectives of Newcrest and the local communities are aligned, and any areas where they may differ, and to proceed with the establishment of a project that both parties can live with for decades to come.

At the community meetings, Newcrest outlined the broad concept proposals for mining Cadia East, including a range of options under consideration in the technical assessment. Project stakeholders, and most particularly the residents of Cadia and nearby Panuara districts, have been instrumental in shaping the progress of this assessment. The local residents have identified and prioritised the issues of most concern to them and offered viable alternatives to the project proposals put forward.

The above information and input from other sources contributed to a preliminary environmental assessment, which formed part of the development application to the NSW Department of Planning. Community consultation is an integral part of Cadia East development, and will continue throughout the assessment and approvals phase and into project implementation and operation.

Community programs
In addition to the targeted consultation process, ongoing community relations programs continued to be developed under the guidance of Cadia Valley's five-year Community Relations Strategy. Over the year, contributions totalling $337,000 were made to various community groups, health organisations, schools and charities. This support is provided through the Community Partnerships Program, which is administered by an on-site committee that includes four elected representatives from the workforce.

Major initiatives supported through the program included a fundraising campaign for construction of a Ronald McDonald House at the new Orange Base Hospital; the Learning for Life program conducted by The Smith Family in Orange; and the introduction of a pilot program to extend weekend bus services to disadvantaged districts of Orange to help address the social isolation issues in those areas.

Open Day
A public open day was held in April 2007 and approximately 2,600 people visited the Cadia Valley operations. An active program of site tours is also conducted throughout the year for educational, business and general interest groups.

Cracow

Cracow continues to engage with the local town community to identify opportunities to assist and enhance it. Activities include community volunteer work by Newcrest employees and participation in, and representation on, the Cracow Community Centre Committee (three out of four positions on the Committee are held by Newcrest employees, who donate their time to assist). Committee activities include organising fundraising events for the community, operating the club facilities and organising entertainment.

Newcrest also compiles, edits and pays for the printing of a local community newspaper.

The Cracow mine continues to meet its obligations under the Indigenous Land Use Agreement, which the traditional owners negotiated in 2004, with emphasis on providing education and employment opportunities.

Gosowong

Community relations activities at Gosowong during the year were directed towards contributions to local charities and the support of regional infrastructure projects, including road rebuilding, a port facility upgrade and improved availability of clean water. Five virgin coconut oil processing plants purchased during the year are being commissioned and will operate on a co-operative basis to supply local needs and create income for the communities.

In May 2007, the local government and community leaders agreed that Gosowong's community development initiatives be extended to fulfill broader corporate social responsibility objectives. The Community Development Program has subsequently been renamed the Corporate Social Responsibility (CSR) Program, and Newcrest agreed to contribute, from January 2007 1 percent of gross revenue from the Gosowong operations to fund program activities which will focus on sustainable development initiatives. The aim of the program is to empower local communities by developing goals and implementing action plans that will produce long-term sustainable development, particularly through the use of renewable natural resources.

Whilst some illegal miners continued to access the site outside the security wall during the year, this did not disrupt mining. A Memorandum of Understanding has been signed with the local police for support to be provided during any significant future encroachment. The Indonesian Government has placed the Gosowong site on the National Strategic Assets Register. This provides the site with added protection if faced with outside activities having the potential to impact operations.

Page 38
Local youngsters participating in a football clinic conducted during the Parnngurr Sports Carnival sponsored by Newcrest in association with WA Department of Sport and Recreation.

Risk Management **Environment**

The effective management of environmental issues is an integral part of Newcrest's operations. Significant aspects of the year's activities are detailed below.

Environmental incident data
The number of reported environmental incidents continued to decline, with 23 incidents reported in 2006–07 compared to 44 in the previous year. There were no Category IV or Category V incidents (the highest levels of significance in Newcrest's internal environmental incident classification system).

The majority of the environmental incidents reported relate to small process spills (8), water leaks (4) and minor hydrocarbon spills (3). A more meaningful measurement for year-on-year comparisons can be made using the number of hours worked during the year as an indicator of overall Group activity. On this basis, there was a continued decrease in environmental incidents per million work hours, from 3.91 in 2005–06 to 2.12 in 2006–07.

Energy usage/greenhouse emissions
Newcrest is a member of the Federal Government's Greenhouse Challenge Plus program. While Newcrest has undertaken a number of activities that have contributed to a reduction in energy usage and greenhouse gas emissions, the focus for 2006–07 was on establishing a comprehensive understanding of Newcrest's greenhouse gas emission profile, and providing a basis for developing a greenhouse emissions strategy.

Newcrest is also registered under the Federal Energy Efficiency Opportunities Act and Regulations 2006, as its energy use for the inaugural year 2005–06 was 12.6 petajoules (the trigger level is 0.5 petajoules). In December 2007, Newcrest will be submitting its assessment and reporting schedule in accordance with the requirements of the regulations.

In New South Wales, Cadia Valley is a designated Major Energy User under the NSW Energy and Utilities Administration Act, and accordingly has submitted an Energy Savings Action Plan to the NSW Department of Water and Energy.

Energy usage and greenhouse gas emission data are provided in Newcrest's annual Sustainability Report, which is available on the Newcrest website.

Global Reporting Initiative
Newcrest's Sustainability Report, which is based on the Global Reporting Initiative, provides a wide range of data on aspects of Newcrest's sustainability performance and provides links to more detailed supporting information. For the first time, aspects of the report were externally verified. Newcrest will look to enhance the verification process in future reports.

Cadia East project
Extensive baseline environmental assessment studies have commenced in the Cadia East project area. These studies cover groundwater, flora, fauna, aquatic ecosystem, surface water, Aboriginal and European heritage, air, noise, traffic and visual factors.

The results of these baseline studies will be used in environmental impact assessment modelling and to develop appropriate environmental management strategies. This information will be presented in the Cadia East environmental assessment document that forms part of the project approval process.

Water at Cadia Valley
At the end of June 2006, extreme drought conditions in central New South Wales led to water storages at Cadia Valley reaching critically low levels, causing particular concern for Cadia Hill operations. A number of potential on-site and off-site, have been investigated for both short-term supplies and longer-term security of supply.

Runoff from early winter rains and an agreement with Orange City Council in June 2007 for the provision of up to 450 megalitres of water have ensured adequate supplies until early 2008. Any further rainfall will improve on that position.

Telfer Eco-Hydrology study
The five-year Telfer Eco-Hydrology study, which is part of the mine's revised closure plan, is being undertaken to support the design and construction of landforms that are compatible with the unique physiography of the surrounding east Pilbara environment.

The study, which began in 2005–06 and was discussed in last year's Annual report, is well under way, with the construction of trial slope and surface plots designed around the local mesa-type landform and using a variety of treatments. Initial results are positive and, despite four significant cyclonic events, the trial area confirms the benefits of the technique.

Environment award for Gosowong

Gosowong has won a major environmental award from the Indonesian Department of Energy and Mineral Resources. The award was presented to mine representatives by the Minister of Energy and Mineral Resources, Dr Ir Purnomo Yusgiantoro, in December 2006.

With awards given for good mining practice in managing erosion control and sedimentation, Gosowong was judged in the category for companies that move more than 15 million tonnes of material per annum. Judging was based on field inspections, data verification and evaluation by a plenary committee. Gosowong was presented with a silver award (no gold award was presented)

At the ceremony, Gosowong also received a silver award for mine safety, which was judged on fatality numbers, safety statistics and the implementation of safety management systems. Gosowong was judged in the category for companies with more than 1,500 employees.

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Chantell Hosking, Environmental Scientist, inspecting the growth of topsoil mixture.

Board of Directors

Donald P. Mercer
Non-Executive Chairman

Bachelor of Science (Hons) and Master of Arts (Econ).

Mr Mercer is a former Managing Director and Chief Executive Officer of ANZ Banking Group and was appointed to the Board and elected Chairman in October 2006. Mr Mercer is Chairman of Orica Limited, Australia Pacific Airports Corporation Limited, The State Orchestra of Victoria, and former Chairman of Australian Institute of Company Directors Ltd. He is a Director of Air Liquide Australia Limited.

Other Directorships
Orica Limited
Australia Pacific Airports Corporation Limited
Air Liquide Australia Limited

Ian K. Smith
Managing Director and Chief Executive Officer

Bachelor of Engineering (Hons.) from the University of New South Wales, Bachelor of Financial Administration from the University of New England.

Mr Smith was formerly the Global Head of Operational and Technical Excellence of Rio Tinto plc, based in London, and prior to that was the Managing Director – Aluminium Smelting within the Rio Tinto Group. He commenced as CEO of Newcrest on 14 July 2006 and was appointed Managing Director on 19 July 2006. Mr Smith is also a member of the Australian Institute of Company Directors and Vice President of the Australian Mines and Metals Association.

Gregory J. Robinson
Finance Director

Bachelor of Science (Hons) Geology, Monash University and MBA, Columbia University

Mr Robinson is responsible for the Group's Finance function and leads Newcrest's strategy, planning and business development activities. Prior to joining Newcrest in November 2006, Mr Robinson was with the BHP Billiton Group for the period 2001–2006 where he held the positions of Project Director of the Corporation Alignment Project, Chief Finance and Chief Development Officer, Energy and Chief Financial Officer, Petroleum. He was also a member of the Energy Executive Committee and Group Executive Committee. Before joining BHP Billiton, Mr Robinson was Director of Investment Banking at Merrill Lynch & Co and headed the Asia Pacific Metals and Mining Group.

R. Bryan Davis
Non-Executive Director

Bachelor of Science Technology (Mining) from the University of NSW.

Mr Davis is a former Executive Director of Pasminco Limited. A Fellow of AusIMM and a member of the Australian Institute of Company Directors, Mr Davis was appointed to the Board in March 1998. He is a member of the Safety, Health and Environment Committee and the Audit and Risk Committee.

Other Directorships
OneSteel Limited
Coal & Allied Industries Ltd
Bendigo Mining Limited
– to January 2006
Indophil Resources N.L.
– to April 2005

Your directors as at 20 September 2007

Ronald C. Milne
Non-Executive Director

Member of Certified Practising Accountants Australia.

Mr Milne was appointed to the Board in November 1995 with a management career extending through the manufacturing, merchant banking and oil exploration industries. He is Chairman of the Audit and Risk Committee and a member of the Safety, Health and Environment Committee.

Other Directorships
Brambles Industries Limited
– to November 2004
Brambles Industries pic
– to November 2004

Michael A. O'Leary
Non-Executive Director

Bachelor of Science (Technology) from the University of NSW.

Mr O'Leary is a former Chairman and Managing Director of Argyle Diamond Mines and Hamersley Iron and former Director of CRA Limited and Rio Tinto plc. A Fellow of AusIMM and Fellow of the Australian Institute of Company Directors, he was appointed to the Board in September 2003. Mr O'Leary is Chairman of the Safety, Health and Environment Committee.

Other Directorships
Santos Limited
– to December 2006
Bank West Ltd
– to September 2004

Rick Lee
Non-Executive Director

Bachelor of Chemical Engineering (Hons), University of Sydney and Master of Arts (Econ), Oxford University.

Mr Lee is a former Chief Executive of NM Rothschild Australia Group. He is Chairman of Salmat Limited, Inteq Limited and Deputy Chairman of Ridley Corporation Limited. Mr Lee is also an independent member of the Board Trading and Risk Management Committee of Graincorp Limited and the Governor of the Institute of Neuromuscular Research. He was appointed to the Board in August 2007.

Other Directorships
CSR Limited
Salmat Limited
Ridley Corporation Limited
Cash Services Australia Pty Ltd
Australian Rugby Union Limited
North Shore Heart Research Foundation
Insurance Division of Wesfarmers Limited

Tim Poole
Non-Executive Director

Bachelor of Commerce, Melbourne University.

Mr Poole is a former Managing Director of Hastings Funds Management. He is a member of the Investment Committee of the industry superannuation fund AustralianSuper and a member of the LEK Consulting Advisory Board. Mr Poole was appointed to the Board in August 2007 and is a member of the Audit and Risk Committee.

Other Directorships
Asciano Group
Australian Infrastructure Fund
– to June 2007
Hastings Funds Management
– to June 2007
Victoria Racing Club

Corporate Governance

Newcrest's vision is to be the 'Miner of Choice' – to maintain its position as a leading producer of gold and copper, creating shareholder wealth in a manner which also benefits its employees and the communities and environment in which it operates. The Newcrest Board believes that adherence by the Company and its people to the highest standards of corporate governance is critical in order to achieve its vision.

Following is a summary of Newcrest's corporate governance practices during the year to 30 June 2007, in accordance with the Principles of Good Corporate Governance and Best Practice Recommendations issued by the Australian Stock Exchange Corporate Governance Council (ASX CGC Recommendations).

Principle 1 – Lay Solid Foundations for Management and Oversight

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.

These and other functions of the Board, have been formalised through the adoption of a formal Board Charter. The Board Charter can be found at www.newcrest.com.au/corporate.asp.

The Board Charter defines the Board's role and responsibilities in relation to strategic, financial, operational and governance matters. It makes it clear that the role of the Board is not to manage the Company, but to set, on behalf of the owners, the strategic direction of the Company, and to review, oversee and monitor the management and performance of the business by the Company's management team. In the context of the Board Charter, management is charged with the responsibility and authority for the day-to-day management of the Company and its operations. Its remit is formally set out, and agreed with the Board, in a Statement of Management Authorities and Responsibilities which is backed up by a comprehensive framework of management approval and authority limits.

All Directors 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, if necessary, at the Company's expense. All Directors are encouraged to visit the Company's operating sites annually.

To facilitate the execution of its responsibilities, the Board maintains two standing Committees, which provide a forum for a more detailed analysis of key issues. All Directors (including the Managing Director) receive all Committee papers and minutes and are welcome to attend any Committee meeting. Each Committee reports its deliberations to the next Board meeting.

During the 2006–07 period, the Board comprehensively reviewed its own processes and committee structures. As a result of that review, it discontinued the Remuneration Committee, the Finance Committee, and the Nomination, Governance and Ethics Committee. The work of those Committees is now dealt with by the Board itself or, where appropriate, by the Audit and Risk Committee. Specifically the Board determined that a separate nomination committee, as proposed in Recommendation 2.4, and a separate remuneration committee, as proposed in Recommendation 9.2, are not required. The Board determined that it itself is able to undertake the work of those committees and is best placed to do so having regard to the size of the Company, and that all decision-making authorities in relation to those aspects of the Board's role rest with the Board itself. The Board has structured its annual program of business to ensure that these matters are fully dealt with by it. The current Committees of the Newcrest Board, their membership and functions are as follows.

Audit and Risk Committee
Members: Ron Milne (Chairman), Bryan Davis, Tim Poole
Function: ensures compliance with all accounting and financial reporting obligations of the Group and reviews internal financial controls and the role of the internal and external auditors, including the independence of the external auditors, and the Company's risk management activities.

Bernard Lavery
Executive General Manager Corporate Services

Safety, Health and Environment Committee
Members: Michael O'Leary (Chairman), Ronald Milne, Bryan Davis
Function: monitors the Company's safety, health and environmental management practices and that the Company has appropriate policies in place to provide a framework for compliance with all relevant laws, regulations and standards.

The Charter for each Board Committee can be found at www.newcrest.com.au/corporate.asp. Details of the number of meetings of the Board and of each Committee held during the financial year, and of each Director's attendance at those meetings (as relevant), are set out on page 53 of this Report.

Principle 2 – Structure the Board to Add Value

Newcrest's Board currently comprises eight Directors – the Managing Director, Mr Ian Smith, the Executive Director Finance, Mr Greg Robinson and six Non-Executive Directors, being Mr Don Mercer (Chairman) and Messrs Bryan Davis, Ronald Milne, Michael O'Leary, Tim Poole and Richard Lee. Details of each Director's skills, experience and relevant qualifications and expertise, as well as the term of office held by that Director as at the date of this Report, are set out on pages 42 to 43. Dr Nora Scheinkestel was a Non-Executive Director until she retired on 31 August 2007. The Board has determined that as a general rule, and subject to current appointees completing their term of office, a Non-Executive Director will not serve on the Board for more than 10 years.

The Board has determined that all Non-Executive Directors, other than Mr Davis, are independent and free of any relationship which might conflict with the interests of the Company. In doing so, the Board has adopted the definition of independence set out in the ASX CGC Recommendations, and formed the view, that the materiality thresholds set out in that definition would be breached only if a Director received, as a consultant to the Company, fees exceeding $250,000 per annum, 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 an aggregate value exceeding 10 percent of Newcrest's annual revenue.

Based on the definition of independence set out in the ASX CGC Recommendations, the Board has determined that Mr Davis ceased to be an independent director during the year as a result of his employment by the Company in an executive capacity, as Interim Managing Director and Chief Executive Officer upon Mr Palmer's departure from the Company on 3 May 2006. Mr Davis acted in this role from 4 May to 19 July 2006, pending Mr Ian Smith's commencement as the Company's new Managing Director. Details of Mr Davis' remuneration during that time are set out on page 66 of this Report.

Mr Davis was granted leave of absence as a Non-Executive Director and stood down as a member of the Audit Committee during his tenure as Interim Managing Director and Chief Executive Officer. As a consequence, during that time, the Audit Committee comprised only two members, rather than three as recommended by the ASX CGC Recommendations. The Board did not appoint an additional Non-Executive Director to the Audit Committee during Mr Davis' tenure as Interim Managing Director and Chief Executive Officer (from 4 May to 19 July 2006) due to the short-term nature of his absence from the Committee. The Audit Committee met only once during that period.

The Board has also considered the potential impact of Mr Mercer's and Dr Scheinkestel's status as independent Non-Executive Directors of the Company, in view of their positions as Non-Executive Chairman and as a non-executive director of Orica Limited during the year. The Board has determined that, notwithstanding that Orica is a supplier of chemicals and explosives to Newcrest, Mr Mercer and Dr Scheinkestel each remained independent on the basis that the annual aggregate value of Newcrest's contracts with the Orica group is below the applicable materiality threshold adopted by the Board for the purpose of assessing Director independence, as outlined above.

The Board will continue to monitor the independence of each Director and the materiality thresholds that it has set to ensure that they remain appropriate.

The Board regularly reviews its membership to ensure that it offers 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 professional advice taken if necessary. Candidates are considered and appointed by the full Board. Appointment of the Managing Director is made by the full Board, with professional advice taken if necessary. All Board appointments are subject to shareholder approval.

Principle 3 – Promote Ethical and Responsible Decision-making

Ethics and Values
The Company has a formal Code of Conduct, which all Newcrest Directors, employees and contractors are required to observe, and a comprehensive range of corporate policies which detail the framework for acceptable corporate behaviour. These set out the procedures that personnel are required to follow in a range of areas, including share trading, employment practices and compliance. The Company policies are reviewed periodically.

Newcrest has formulated and adopted five key values to guide its Directors and employees in the conduct of the Company's activities.

- We act with integrity and honesty.
- We seek high performance in ourselves and others.
- We work together.
- We value innovation and problem solving.
- We care about people.

An extensive training program has been developed to educate employees in the Newcrest values and to encourage them to do the right thing in accordance with these values.

Directors' and employees' shareholdings and share trading are subject to the Company's Share Trading Policy, which restricts the times when a Director or employee can purchase or sell Company securities and prohibits short-term trading.

A copy of the Share Trading Policy, as well as the Company's Code of Conduct and other policies, can be found online at www.newcrest.com.au/corporate.asp.

Corporate Governance continued

Principle 4 – Safeguard Integrity in Financial Reporting

Newcrest's Managing Director and Executive Director Finance have each provided written statements to the Newcrest Board, in relation to both the half year to 31 December 2006 and the full financial year, that the Company's financial reports present a true and fair view of the Company's financial condition and operational results and are in accordance with relevant accounting standards, and that the Company's financial records have been properly maintained in accordance with the requirements of the Corporations Act.

In relation to the year ended 30 June 2007, the Company's Managing Director and Executive Director Finance have also provided a written statement to the Board that the integrity of the Company's financial statements is founded on a sound system of risk management and internal compliance and control, and that the system is operating effectively in all material respects.

Those statements support the Audit and Risk Committee in discharging its role of reviewing the integrity of Newcrest's financial reporting, and reporting to the Board on the status of the Company's risk management and control systems. The Audit and Risk Committee is given further assurance regarding the integrity of the Company's control systems through the internal audit program. The program is developed by management, approved by the Committee and implemented by the internal auditor, KPMG.

Ernst & Young has provided the Audit and Risk Committee with a confirmation of its independence for the financial year. During the financial year, Ernst & Young did not perform any non-audit services. The Newcrest policy on auditor independence sets out guiding principles to avoid circumstances where the independence of the Company's auditors may be impaired, namely where:

- the non-audit services would normally be subject to scrutiny as part of the external audit process
- the fees for the non-audit services would be considered significant compared to the audit fees
- the non-audit services could be considered to be in conflict with the role of the external auditor, by their nature or by their means of compensation.

Principle 5 – Make Timely and Balanced Disclosure

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. The Company has a formal Continuous Disclosure Policy in place to ensure that this occurs, a copy of which is available at www.newcrest.com.au/corporate.asp. Pursuant to the Policy, Company information considered to be material is announced immediately through the ASX, and key presentations given by Company personnel to investors and institutions are also lodged with the ASX. The Executive General Manager Corporate Services has primary responsibility for co-ordinating disclosure in accordance with the Policy.

All key communications are placed immediately on the Company website and, when necessary, provided directly to all shareholders. General and historical information about the Company and its operations is also available on the website.

Principle 6 – Respect the Rights of Shareholders

It is the Board's aim that the Company implements effective communication with its shareholders. Under the guidance of Newcrest's Company Secretary and its Head of Investor Relations, this is achieved through:

- complying with ASX listing rules and Corporations Act reporting requirements
- webcasting half year and full year financial results presentations
- ensuring continuous disclosure compliance
- holding an accessible and informative Annual General Meeting
- posting on the Company's website all other ASX announcements, including briefings to investors and analysts, and presentations by the Company to public forums.

At its Annual General Meeting the Company's auditors are available to answer questions relating to the audit of the Company's financial statements and the accounting policies adopted by the Company in the preparation of its financial statements. The Newcrest Chairman encourages shareholder questions at the Company's Annual General Meeting, and shareholders unable to attend are given the opportunity to submit questions to the Chairman prior to the meeting.

Principle 7 – Recognise and Manage Risk

The Board recognises that risk management and compliance are fundamental to sound management, and that oversight of such matters is a key responsibility of the Board. The Company has a formal Risk Management Policy approved by the Board and a comprehensive risk identification, evaluation and reporting system which seeks to identify, at the earliest opportunity, any significant business risks, the controls relevant to those risks and the effectiveness of the controls.

The Company has specific reporting and control mechanisms in place to manage material risks and a program to monitor compliance levels in key areas. A component of the internal audit program is the periodic auditing of control mechanisms in key areas. Reports are provided to the Audit Committee on the effectiveness of those mechanisms.

These reporting and control mechanisms underpin the written statements given by the Managing Director and Executive General Manager Finance to the Board each half year. Details of these statements are set out in the section of this corporate governance statement dealing with Principle 4.

Principle 8 – Encourage Enhanced Performance

The Company has in place a performance appraisal and remuneration system for the Board, the Board's Committees, individual directors and executives that is designed to encourage performance. Further details regarding the Newcrest performance management system for the period 2006–07 are set out in the Remuneration Report on pages 55 to 74. The Company also receives an annual confidential market report benchmarking Board and Company performance and standing relative to comparable 'peer group' companies.

Principle 9 – Remunerate Fairly and Responsibly

Board Remuneration

Remuneration of the Non-Executive Directors is fixed rather than variable. It is determined so that Board membership of an appropriate calibre is maintained and is in accordance with remuneration trends in the marketplace. Remuneration levels and trends are assessed with the assistance of professional independent remuneration consultants.

Total annual remuneration paid to all Non-Executive Directors may not exceed the maximum amount authorised by the shareholders in a general meeting (currently $1,300,000). The Board has also adopted a policy that each Director must personally hold a minimum of 3,000 shares in the Company as a measure to align Directors' personal interests with shareholders' interests. In addition to the fixed fees paid to Directors, they may receive remuneration for performing additional services such as serving on a Board Committee or undertaking special duties at the request of the Board. Details of fees paid to Non-Executive Directors are set out in the Remuneration Report on page 66.

Each Non-Executive Director appointed prior to 2003 entered into a deed with the Company which provides that, upon retirement, that Director will be eligible to receive a retirement benefit being an amount equivalent to the fees paid to that Director during their preceding three years, less superannuation benefits attributable to Company contributions. In 2003, the Board determined that the practice of providing retirement benefits be discontinued, and that all benefits accrued as at December 2003 should be frozen at that date.

Executive Remuneration

The Board has a formal Remuneration Policy in place which defines and directs the Company's remuneration practices. During the year, the Board approved a change to the Policy which resulted in a variation to the short-term incentive components of executive remuneration, and in particular how corporate and personal performance are measured and used in combination to determine an employee's entitlement to a short term incentive. Details of that change are set out in the Remuneration Report on pages 55 to 61. During the year, the Board reviewed and reaffirmed the Policy and the way in which executive remuneration is structured, with the result that the underlying principles of risk and reward for performance remain unchanged. The Remuneration 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' – that is, dependent upon 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 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.

Details of the Company's policies and practices in relation to both Director and employee remuneration, and how they relate to Company performance, are set out in the Remuneration Report on pages 55 to 68.

Principle 10 – Recognise the Legitimate Interest of Stakeholders

Newcrest has a formal Code of Conduct, which sets out 12 standards for appropriate ethical and professional behaviour for Directors and employees of the Company, and which confirms the values that underpin all of Newcrest's relationships with its stakeholders.

Sustainability is an important part of Newcrest's vision to be the 'Miner of Choice' and to develop successful mining operations through balancing economic prosperity, environmental quality and social responsibility. Newcrest is a signatory to the AMI Code for Environmental Management (2000). A Sustainability Report detailing the Company's environmental and social performance is prepared each year. A copy of the Report can be found on the website at www.newcrest.com.au/sus_report.asp.

Concise Financial Report
For the year ended 30 June 2007

The 2007 Concise Financial Report is an extract from the full Financial Report for the year ended 30 June 2007. The financial statements and specific disclosures included in the Concise Financial Report have been derived from the full Financial Report.
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 Newcrest Mining Limited and its controlled entities as the full Financial Report.

2007 Full Financial Report
A copy of Newcrest Mining Limited's 2007 Annual Financial Report, together with the Independent Audit Report, is available to all shareholders free of charge upon request. The financial statements can be requested by telephone, by internet or email.

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 2007 and the Auditor's Report thereon.

Directors

The Directors of the Company at any time during the financial year were, and until the date of this report are:

Donald P. Mercer
Non-Executive Chairman
(appointed 26 October 2006)

Ian R. Johnson
Non-Executive Chairman
(resigned 26 October 2006)

Ian K. Smith
Managing Director and Chief Executive Officer
(appointed 19 July 2006)

R. Bryan Davis
Non-Executive Director

Ronald C. Milne
Non-Executive Director

Michael A. O'Leary
Non-Executive Director

Ian A. Renard
Non-Executive Director
(resigned 15 September 2006)

Nora L. Scheinkestel
Non-Executive Director

Rick Lee
Non-Executive Director
(appointed 14 August 2007)

Tim Poole
Non-Executive Director
(appointed 14 August 2007)

Greg J. Robinson
Executive Director Finance
(appointed 23 November 2006)

Appointment and Qualifications of Directors

Details of the Directors' qualifications, experience and special responsibilities are detailed below. All Directors held their position as a Director throughout the entire year and up to the date of this Report except as follows:

- R. Bryan Davis was acting Managing Director and Chief Executive Officer for the period 4 May 2006 to 19 July 2006.
- Ian K. Smith was appointed Chief Executive Officer on 14 July 2006 and as Managing Director on 19 July 2006.
- Ian A. Renard was a Non-Executive Director from the beginning of the financial year up to his resignation on 15 September 2006.
- Ian R. Johnson was the Non-Executive Chairman from the beginning of the financial year up to his resignation on 26 October 2006.
- Donald P. Mercer was appointed Non-Executive Chairman on 26 October 2006.
- Greg J. Robinson was appointed Executive Director Finance on 23 November 2006.
- Rick Lee was appointed Non-Executive Director on 14 August 2007.
- Tim Poole was appointed Non-Executive Director on 14 August 2007.

Company Secretary

Bernard J. Lavery – Bachelor of Laws and Bachelor of Jurisprudence.

Mr Lavery has been the Company Secretary of Newcrest Mining Limited for 10 years.

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 2007 after income tax and minority interest amounted to $72.0 million (2006: $349.5 million). The net profit after tax for 2007 includes a negative $122.5 million impact of the November 2006 hedge restructure and previous restructures (2006: $7.7 million). 2006 includes a positive $218.2 million profit from the sale of the Boddington Gold Mine Joint Venture Interest.

Dividends

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

- Final unfranked dividend for the year ended 30 June 2006 of 5 cents per share, amounting to $16.7 million was paid on 13 October 2006.
- Dividend of $11.3 million (2006: $2.2 million) was paid to the minority shareholder of Newcrest's Indonesian operation.
- Final unfranked dividend for the year ended 30 June 2007 of 5 cents per share, amounting to approximately $16.8 million has been declared and will be paid on 27 September 2007 to shareholders registered by close of business on 6 September 2007 (refer Note 3).

Operating and Financial Review

Overview of Operating Results for the Year

Net profit after tax and minority interest was $72.0 million (2006: $349.5 million). The reported results for 2006 included $218.2 million profit on sale of the Consolidated Entity's 22.22 percent interest in the Boddington Gold Mine Joint Venture. Net profit after tax from continuing operations and after minority interest was $72.0 million (2006: $131.3 million).

Hedging commitments reduced the Consolidated Entity's ability to fully benefit from the higher spot gold and copper prices resulting in an achieved gold price of $682 per ounce (2006: $564 per ounce) and an achieved copper price of $2.94 per pound (2006: $2.22 per pound). Average spot prices for the period were $814 per ounce and $4.08 per pound for gold and copper respectively (2006: $708 per ounce and $3.69 per pound).

In November 2006, the Consolidated Entity completed a partial restructure of its gold hedgebook by deferring the delivery of 1.6 million ounces of existing hedges from earlier years into later years. The principal purpose of the restructure was to adjust hedging commitments to achieve a better balance of exposure to spot gold prices and to reduce the percentage of production hedged for any one year.

Revenue and net profit include the impact of gold hedge restructures which are non-cash accounting adjustments. The net profit impact in the current year was negative $122.5 million (2006: $7.7 million loss). Details of the impact on profit, revenue and expenses from hedge restructures are provided in Note 2(h) to the Concise Financial Statements.

The November 2006 hedge book restructure did have a positive impact on cash flow. Cash flow from operating activities increased by $123.6 million from the previous year to $387.4 million in 2007. For cash flow, the percentage of gold settled against lower priced gold forwards decreased from 93 percent last financial year to 55 percent this year.

Sales revenue increased to $1,555.0 million (2006: $1,393.1 million) due to the higher volumes and stronger prices. Higher sales volumes were achieved from Gosowong, with the first full year of production from Kencana underground, and Telfer with the commissioning of its underground operation on 1 November 2006. These were partly offset by lower production from Cadia Valley Operations with the mining of lower grade material.

Overall the Consolidated Entity's operating costs were impacted by an increase in mining costs associated with a higher proportion of Telfer production in the cost base and continued pressure on input costs at our other operations.

The financial highlights of the 2006–07 year are summarised in the following table:

	2007	2006
Net profit after tax from continuing operations and after minority interest	**$72.0 million**	$131.3 million
Net profit after tax from discontinued operation (Boddington)	–	$218.2 million
Total net profit after tax and minority interest	**$72.0 million**	$349.5 million
Basic earnings per share from continuing operations after minority interest	**21.5 cents**	39.6 cents
Total basic earnings per share after minority interest	**21.5 cents**	105.3 cents
Return on members equity (Net profit after tax)*	**4.7 percent**	8.9 percent
Gearing (Net Debt/Net Debt + Equity)*	**46 percent**	50 percent
Cash flow from operating activities	**$387.4 million**	$263.8 million

*Calculations based on profit from continuing operations after minority interest and equity after excluding the Hedge Reserve (refer Statement of Changes in Equity).

Further information on the operating results are included in the Chairman's Report, Managing Director and Chief Executive Officer's report and the Financial Statements section of the Annual Report and the discussion and analysis section in the Concise Accounts.

Review of Financial Condition

The financial condition of the Consolidated Entity improved substantially in the current year. Increased production levels and a restructure of the hedge book provided greater exposure to the higher spot prices for commodities. The increased cash flow from operations enabled repayments to debt facilities and a reduction in gearing.

The Consolidated Entity's gearing ratio (net debt/(net debt + equity)), adjusted to exclude the hedge reserve from equity, reduced to 46 percent at 30 June 2007 from 50 percent at 30 June 2006. The Consolidated Entity met all of its financial covenants during the year.

The Group's Net Assets and Total Equity increased during the current year by $780.1 million. This was mostly due to a reduction in the mark to market value of the hedge book recorded on balance sheet at 30 June 2007 by $576.4 million net of deferred taxes. In addition, Net Assets and Total Equity increased due to a foreign exchange gain on US$ denominated debt (net of deferred taxes) of $127.4 million and net profit after tax for the year of $72.0 million.

The Consolidated Entity's exposure to spot commodity prices will be further enhanced in future periods following the fulfilment of its legacy copper hedging commitments in June 2007.

Further information on the financial condition of the Consolidated Entity is included in the Financial Statements section of the Annual Report and the discussion and analysis section in the Concise Accounts.

Likely Developments, Business Strategies and Future Prospects

The Consolidated Entity anticipates that increased production levels across the operations portfolio will have a positive impact on key financial results and measures in the 2007–08 full financial year. The most significant areas of development, strategies and prospects for Newcrest are:

- Stabilised production from Telfer. A full year of production from the underground should contribute to higher throughputs. Good quality primary ore from the open pit and underground should improve recoveries.
- Kencana is expected to increase production through higher throughput and improved grade.
- Higher grades and better recoveries are expected from Cadia Hill in 2007–08.
- Pre-feasibility and feasibility work to continue at Cadia East Open Pit, Cadia East Underground and Kencana 2/Link.
- Development work to continue at Ridgeway Deeps.
- Increased commitment to exploration activities.
- Focus on business improvement initiatives at all operating sites.

Further information on likely developments and future prospects for the operations of Newcrest known to the date of this report have also been covered in further detail in the Chairman's Report and the Managing Director and Chief Executive Officer's Report, which are included in the Annual Report. Any further information of this nature has been omitted as it would unreasonably prejudice the interests 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:

(i) A substantial change in the leadership of the Consolidated Entity with the appointment of a new Chief Executive Officer and Managing Director in July 2006 and a new Non-Executive Chairman in October 2006. Subsequent Senior Management changes occurred, including the appointment of a new Executive Director Finance in November 2006.

(ii) The Consolidated Entity achieved a record full year Group gold production of 1,617,251 ounces. This included increased production from Gosowong with the first full period for the Kencana underground plus initial production from the Telfer underground which was commissioned in November 2006.

(iii) A partial restructure of the hedgebook was completed in November 2006 whereby the delivery of 1.6 million ounces from existing hedges were deferred from earlier years into later years. The primary purpose of the restructure was to adjust hedging commitments to achieve a better balance of exposure to spot gold prices and to reduce the percentage of production hedged for any one year. The restructure resulted in an increase in cash flow from operations of $160.6 million in the current year. At current spot prices, the impact of the restructured hedgebook on the Consolidated entity's cash flow will continue to be positive in the early years. The accounting treatment of this restructure requires that the hedges are accounted for based on their original maturity profile irrespective of whether the contracts have been effectively deferred into future periods. As a result, a non-cash accounting adjustment is required in the Income Statement.

(iv) The Consolidated Entity announced on 27 June 2007 that it had approved the development of the Ridgeway Deeps gold and copper deposit. The development will transition the existing mining operations in the Ridgeway sub-level cave to the lower cost block mining method. The Ridgeway Deeps mine is expected to produce over 2.8 million gold equivalent ounces (1.6 million ounces of gold and 210,000 tonnes of copper) over the total project life of 12 years. The mine will transition from Ridgeway to Ridgeway Deeps ore over the next 2 financial years and will reach full production in 2009–10. The capital cost of the project is A$545.0 million.

(v) Newcrest Mining Limited has updated its Mineral Resources and Ore Reserves estimates for the year ended 30 June 2007.

Group Mineral Resources are estimated at 55.2 million ounces of gold and 5.65 million tonnes of copper which, compared with June 2006, is a decrease of 3.7 million ounces of gold and an increase of 0.25 million tonnes of copper. Group Ore Reserves are estimated at 33.2 million ounces of gold and 2.70 million tonnes of copper which, compared with June 2006, is an increase of 0.7 million ounces of gold and an increase of 0.26 million tonnes of copper.

The key points of the 2007 statement are:

- Group Mineral Resources decreased by 3.7 million ounces to 55.2 million ounces of gold and increased by 0.25 million tonnes to 5.65 million tonnes of copper.
- Group Ore Reserves increased by 0.7 million ounces to 33.2 million ounces of gold and by 0.26 million tonnes to 2.70 million tonnes of copper.
- Telfer Mineral Resources have been reduced by 4.9 million ounces of gold and 0.15 million tonnes of copper. Ore Reserves have been reduced by 2.4 million ounces of gold and 0.06 million tonnes of copper. This adopts a more conservative position with respect to contained metal and expected production outcomes.
- Kencana underground Ore Reserves increased to 2.4 million ounces of gold. The increase is partly due to a policy change of reporting 100 percent from 82.5 percent of Ore Reserves (increase 0.2 million ounces of gold). Newcrest's economic interest remains at 82.5 percent.
- Cadia East Underground Ore Reserves increased by 1.7 million ounces to 8.9 million ounces of gold and by 0.30 million tonnes to 1.05 million tonnes of copper.
- Ridgeway Deeps block cave Ore Reserve increased by 0.5 million ounces to 1.8 million ounces of gold and by 0.07 million tonnes to 0.22 million tonnes of copper.
- Initial Mineral Resource estimates for porphyry style mineralisation discovered near Marsden (NSW) contain 0.8 million ounces of gold and 0.38 million tonnes of copper.

Subsequent Events

On 17 August 2007, the Directors of Newcrest Mining Limited declared a final unfranked dividend on ordinary shares in respect of the 2007 financial year. The total amount of the dividend is $16.8 million, which represents an unfranked dividend of 5 cents per share. The dividend has not been provided for in the 30 June 2007 financial statements.

On 14 August 2007 Mr Tim Poole and Mr Rick Lee were each appointed as Non-Executive Directors of the Company. On the same date Dr Scheinkestel also advised of her intention to step down as Non-Executive Director, with effect from 31 August 2007.

There are no other matters or circumstances which have arisen since 30 June 2007 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.

Environmental Regulation and Performance

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. The Consolidated Entity releases an annual Sustainability Report.

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 are also a broad range of industry specific environmental laws that 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 was undertaken. There was a decrease in Category II (minor) incidents compared with the previous year. The reduction occurred across all sites where improved focus on hydrocarbon management and improved controls on the process plant reduced small spills.

Category	II	III	IV	V
2007 – No. of incidents	21	2	-	-
2006 – No. of incidents	40	4	-	-

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

Information on Directors

Donald P. Mercer

Non-Executive Chairman

Bachelor of Science (Hons) and Master of Arts (Econ).

Mr Mercer is a former Chairman of the Australian Institute of Company Directors Limited, and a former Managing Director and Chief Executive Officer of ANZ Banking Group. He was appointed Non-Executive Chairman of Newcrest Mining Limited on 26 October 2006.

Other Directorships:

Mr Mercer is Chairman of Orica Limited, Australia Pacific Airports Corporation Limited and The State Orchestra of Victoria. He is a Director of Air Liquide Australia Limited.

Ian K. Smith

Managing Director and Chief Executive Officer

Bachelor of Engineering (Hons.) from the University of New South Wales, Bachelor of Financial Administration from the University of New England.

Mr Smith was formerly the Global Head of Operational and Technical Excellence of Rio Tinto plc, based in London, and prior to that was the Managing Director – Aluminium Smelting within the Rio Tinto Group. He commenced as CEO of Newcrest Mining Limited on 14 July 2006 and was appointed Managing Director on 19 July 2006. Mr Smith is also a member of the Australian Mines and Metals Association.

Greg J. Robinson

Executive Director Finance

Bachelor of Science (Hons) Geology, Monash University and MBA, Columbia University.

Mr Robinson is responsible for the Group's Finance function and leads Newcrest's strategy, planning and business development activities. Prior to joining Newcrest Mining Limited he was with the BHP Billiton Group for the period 2001–2006 where he held the positions of Project Director of the Corporation Alignment Project, Chief Finance and Chief Development Officer, Energy and Chief Financial Officer, Petroleum. He was also a member of the Energy Executive Committee and Group Executive Committee. Before joining BHP Billiton, he was Director of Investment Banking at Merrill Lynch & Co and headed the Asia Pacific Metals and Mining Group.

R. Bryan Davis

Non-Executive Director

Bachelor of Science Technology (Mining) from the University of NSW.

Mr Davis is a former Executive Director of Pasminco Limited. A Fellow of AusIMM and a member of the Australian Institute of Company Directors, Mr Davis was appointed to the Board in March 1998. He is a member of the Safety, Health and Environment Committee and the Audit and Risk Committee.

Other Directorships:

Director of Onesteel Limited from December 2004 and Director of Coal & Allied Industries Limited from September 2000. Previously Chairman of Bendigo Mining Limited from September 2004 to January 2006 and Indophil Resources N.L. from November 2000 to April 2005.

Ronald C. Milne

Non-Executive Director

Member of Certified Practising Accountants Australia.

Mr Milne was appointed to the Board in November 1995 with a management career extending through the manufacturing, merchant banking and oil exploration industries. He is Chairman of the Audit and Risk Committee and a member of the Safety, Health and Environment Committee.

Other Directorships:

Previously a Director of Brambles Industries Limited from June 1985 to November 2004 and of Brambles Industries plc from August 2001 to November 2004.

Michael A. O'Leary

Non-Executive Director

Bachelor of Science (Technology) from the University of NSW.

Mr O'Leary is a former Chairman and Managing Director of Argyle Diamond Mines and Hamersley Iron and former Director of CRA Limited and Rio Tinto plc. A Fellow of AusIMM and Fellow of the Australian Institute of Company Directors he was appointed to the Board in September 2003. Mr O'Leary is Chairman of the Safety, Health and Environment Committee.

Other Directorships:

Previously a Director of Santos Limited from October 1996 to December 2006, and Director and Deputy Chairman of Bank West Limited from May 1996 to September 2004.

Nora L. Scheinkestel

Non-Executive Director

Bachelor of Laws (Hons) and PhD from the University of Melbourne.

Dr Scheinkestel is an experienced company director with a background in international project and structured financing. She was appointed to the Board in August 2000. Dr Scheinkestel is an Associate Professor at the Melbourne Business School and a Fellow of the Australian Institute of Company Directors. She is a member of the Audit and Risk Committee and former Chairman of the now disbanded Nomination Committee.

Other Directorships:

Director of PaperlinX Limited (since February 2000), AMP Limited (since September 2003), AMP Capital Group (since February 2004) and Orica Ltd (from August 2006). Previous directorships include Mayne Group Limited (July 2005 – November 2005), Mayne Pharma Limited (November 2005 – February 2007), North Limited, IOOF Funds Management, Medical Benefits Fund of Australia Limited and Chairman and Directors of various energy and water utilities.

Rick Lee

Non-Executive Director

Appointed to the Board on 14 August 2007.

Bachelor of Chemical Engineering (Hons) from University of Sydney and Master of Arts (Econ) as a Rhodes Scholar, from Oxford University.

Mr Lee is Chairman of Salmat Limited, Inteq Limited, and Deputy Chairman of Ridley Corporation Limited. He is a Director of CSR Limited, Cash Services Australia Pty Limited, Australian Rubgy Union Limited, Insurance Division of Wesfarmers Limited and North Shore Heart Research Foundation. Mr Lee is also an Independent Member of the Board Trading and Risk Management Committee of Graincorp Limited, the Governor of the Institute of Neuromuscular Research and a former Chief Executive of NM Rothschild Australia Group.

Tim Poole

Non-Executive Director

Appointed to the Board on 14 August 2007.

Bachelor of Commerce from University of Melbourne and he is a Chartered Accountant.

Mr Poole is Chairman of Asciano Group. and Director of Victorian Racing Club. Mr Poole is also a Member of the Investment Committee of the industry superannuation fund Australian Super and a Member of the LEK Consulting Advisory Board. Formerly he was the Managing Director of Hastings Funds Management.

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 and Risk Committee Meetings		Remuneration Committee Meetings*		Finance Committee Meetings*		Nomination, Governance and Ethics Committee Meetings*		Safety, Health and Environment Committee Meetings	
	A	B	A	C	A	C	A	C	A	C	A	C
I. R. Johnson (resigned 26 October 2006)	5	5	–	–	3	3	–	–	1	1	–	–
D. Mercer	8	8	–	–	–	–	–	–	–	–	–	–
I. K. Smith	13	13	–	–	3	3	–	–	–	–	–	–
G. J. Robinson	8	8	–	–	–	–	–	–	–	–	–	–
N. L. Scheinkestel	11	13	4	4	2	3	1	1	1	1	–	–
R. B. Davis	12	13	5	5	2	3	–	–	–	–	2	2
R. C. Milne	13	13	5	5	3	3	1	1	–	–	2	2
I. A. Renard (resigned 15 September 2006)	3	3	1	1	3	3	–	–	1	1	–	–
M. A. O'Leary	13	13	–	–	3	3	1	1	–	–	2	2

*The Remuneration, Finance and Nomination, Governance and Ethics Committees were disbanded during the year.

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.

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 Rights/Options over Ordinary Shares
D. Mercer	Newcrest Mining Limited	11,241	Direct and Indirect	–
I. K. Smith	Newcrest Mining Limited	3,000	Direct and Indirect	211,998
G. J. Robinson	Newcrest Mining Limited	3,000	Direct and Indirect	16,252
R. B. Davis	Newcrest Mining Limited	16,736	Direct and Indirect	–
R.C. Milne	Newcrest Mining Limited	10,576	Direct and Indirect	–
N. L. Scheinkestel	Newcrest Mining Limited	74,313	Direct and Indirect	–
M. A. O'Leary	Newcrest Mining Limited	14,522	Direct and Indirect	–
R. Lee	Newcrest Mining Limited	6,000	Direct and Indirect	–
T. Poole	Newcrest Mining Limited	3,000	Direct and Indirect	–

REMUNERATION REPORT

Remuneration Report

1. About this Report

This entire Remuneration Report is designated as audited.

This Remuneration Report forms part of the Directors' Report. It outlines the overall remuneration strategy, framework and practices adopted by Newcrest Mining Limited (the **Company**) for the 1 July 2006 – 30 June 2007 year and has been prepared in accordance with Section 300A of the *Corporations Act 2001*, Regulation 2M and Schedule 5B of the Corporations Regulations 2001, AASB 124 *Related Party Disclosures* and ASX Corporate Governance Principle 9.

Key Management Personnel as defined in AASB 124 comprise the Company's Directors, whose names appear in Table 10, and the Executive General Managers whose names appear in Table 11. In sections of this report where remuneration arrangements are dealt with separately for Directors and for Executive General Managers, the term Directors is used and the term Key Management Personnel refers to Executive General Managers only.

2. Summary

2.1 Remuneration Policy and Strategy

In November 2006, the Board determined that the Remuneration Committee should be discontinued and that remuneration policy and strategy should become the responsibility of the full Board.

The Board, through its remuneration policy and strategy in 2006–07, has sought to provide market-competitive levels of remuneration for Executive General Managers, the Executive Director Finance and the Managing Director, having regard to both the level of work and the impact that those employees can potentially have on Company performance. The policy seeks to align the interests of employees and shareholders by linking levels of incentive and reward to both Company and individual performance, to encourage retention of capable employees and to achieve an appropriate balance of risk and reward.

2.2 Non-Executive Directors

Non-Executive Directors' fees are set based upon the need to attract and retain individuals of appropriate calibre, reflecting the demands of the role and prevailing market conditions. In order to maintain independence and impartiality, Non-Executive Directors do not receive any performance-related remuneration.

2.3 Executive Directors and Executive General Managers

Executive Directors' and Executive General Managers' remuneration comprises both a fixed and variable component. Fixed remuneration is set with reference to fixed remuneration paid by a comparator group of companies for comparable roles. Variable remuneration comprises an annual cash incentive scheme described as Salary at Risk (SaR) and equity remuneration awarded under Medium Term Incentive (MTI) and Long Term Incentive (LTI) employee share plans. Variable remuneration is awarded based on a combination of pre-determined personal and Company performance targets. Details of these targets and their weightings, which differ for each component of variable remuneration, are set out in this Report.

3. Non-Executive Directors' Remuneration

3.1 Policy – Independence and Impartiality

In order to maintain impartiality and independence, Non-Executive Directors do not receive any performance-related remuneration and are not entitled to participate in the Company's employee share plans.

3.2 Fixed Fees

Non-Executive Directors, including the Chairman, are paid fixed fees for their services to the Company. Those fees are inclusive of any contribution to superannuation that a Non-Executive Director wishes to make or which the Company is required by law to make on behalf of a Non-Executive Director. The level and structure of fees is based upon:

- the need for the Company to be able to attract and retain Non-Executive Directors of an appropriate calibre;
- the demands of the role; and
- prevailing market conditions.

The aggregate amount of fees paid is within the overall amount approved by shareholders in general meeting. The last determination made was at the Annual General Meeting held on 27 October 2005, at which shareholders approved an aggregate amount of $1,300,000 per annum.

Fees paid to Non-Executive Directors in 2006–07 are set out in Table 10.

3.3 Additional Services

Under the Company's Constitution, Non-Executive Directors may be remunerated for additional services, for example, if they undertake specialist or consulting work on behalf of the Company outside the scope of their normal Director's duties. Rule 59 of the Company's Constitution expressly states that committee work undertaken by a Director constitutes additional services.

In early 2007 the Board approved the payment of fees to Non-Executive Directors for participation on Board Committees. Fees are $15,000 per annum for each Committee member and $30,000 for each Committee Chairman. The Company currently has two Board Committees, the Audit and Risk Committee and the Safety, Health and Environment Committee. Details of Board Committee fees paid during 2006–07 are included under the heading 'Other Benefits/Services' in Table 10.

In 2006–07, in addition to fees received as a member of Board Committees, Mr Ron Milne was paid an amount of $5,000, for acting as Chairman of the Company's Superannuation Policy Committee.

Mr Bryan Davis also received remuneration from the Company in addition to his Board Committee fees whilst acting as Interim Chief Executive Officer and Managing Director from 3 May 2006 to 19 July 2006. Details of that remuneration are set out in Table 10.

No other fees were paid to Non-Executive Directors during 2006–07.

3.4 Non-Executive Directors' Share Plan

Each Non-Executive Director was previously required to participate in the compulsory Non-Executive Directors' Share Plan pursuant to which a minimum 10 percent of each Non-Executive Director's fees had to be used to buy shares in the Company, on market, at the prevailing market price (with no discount). In June 2007, the Board resolved to suspend the operation of the Non-Executive Directors' Share Plan with effect from 1 July 2007.

All Directors, including the Managing Director and Executive Director Finance, are required to hold a minimum of 3,000 shares in the Company. Such shares must be acquired no later than one month after a Director is appointed to the Board subject to the Company's share trading policy.

Directors' shareholdings are set out in Table 17.

3.5 Retirement Benefits

During 2003 the Board made a decision to discontinue, as from 31 December 2003, the practice of paying Non-Executive Directors a retirement benefit. Each of the Non-Executive Directors in office at that time, whose retirement benefits were contractually established in their formal terms of engagement with the Company, agreed to have those benefits consisting of a cash payment and the amount of each individual's Company-funded superannuation, frozen with effect from 31 December 2003 in respect of the services they had provided up to that date. Retirement benefits will not be provided to any new Non-Executive Director, nor to Mr O'Leary who was appointed in September 2003 after the decision to discontinue the retirement benefits scheme had been taken. Each Non-Executive Director eligible for a retirement benefit will receive, on retirement, an amount consisting of the frozen cash payment amount, less the value (at 31 December 2003), of any Company-funded superannuation entitlement. In 2006–07, frozen retirement benefits were paid to Ian Johnson ($483,580) and Ian Renard ($221,876) upon retirement from the Board.

4. Executive Directors' and Senior Executives' Remuneration

4.1 Executive Reward Structure

The Company's executive reward system consists of the following three elements:

- fixed remuneration;
- Salary at Risk; and
- Equity-based remuneration.

(SaR and Equity-based remuneration together are known as **variable remuneration**)

Table 1: Overview of the Company's Fixed and Variable Remuneration System

	Variable Remuneration		
		Equity-based Remuneration Based on a combination of the MTI and LTI	
Fixed Remuneration	Salary at Risk (SaR)	Medium Term Incentive (MTI)	Long Term Incentive (LTI)
Fixed Remuneration includes cash salary, superannuation, site allowances (where applicable) and any benefits (grossed up where necessary to include Fringe Benefits Tax) provided under a salary sacrifice arrangement.	SaR is an annual performance-dependent cash payment determined by personal and company performance relative to target performance. Above-target performance leads to an above-target payment, and below-target performance to a below-target payment.	The MTI plan, which was introduced in 2005 in response to the sharp tightening of labour markets in the resources sector, is designed to retain highly productive and capable employees and to provide a level of reward commensurate with corporate performance measured over a 1 year performance period.	The LTI plan is designed to encourage superior performance in employees with their level of personal reward directly linked to the interests of shareholders, measured over a 3 year performance period.
Short term		Medium term	Long term
Cash based remuneration		Equity based remuneration	
No risk	At Risk		

4.2 Board Policy and Strategy on Executive Remuneration

The Board has adopted a policy and strategy on remuneration which apply to Executive General Managers; the Executive Director Finance; and the Managing Director. The structure of remuneration arrangements for the above Company employees is, in broad terms, no different from those for other senior management in the Company. The main differences relate to the weighting and trigger points for the receipt of different components of their remuneration.

The key principles of the Executive Reward Strategy during 2006–07 were:

- to provide market competitive levels of remuneration to employees having regard both to the level of work and to the impact those employees can potentially have on the Company's performance;
- to reward and recognise the personal performance of employees;
- to adopt performance measures which align performance incentives of employees with the interests of shareholders;
- to retain capable employees; and
- to adopt a remuneration structure that provides the appropriate balance in risk and reward sharing, between each participating employee and the Company.

4.3 Determining Fixed Remuneration

The Board annually reviews and determines fixed remuneration for the Managing Director and Executive Director Finance. The Managing Director does the same with respect to Key Management Personnel, who in turn review and recommend fixed remuneration for other senior management, to the Managing Director.

In 2006–07 the Board's policy was to position fixed remuneration plus SaR (at target performance) at around the 75th percentile of Fixed Remuneration plus performance bonuses paid, measured by a comparator group of companies, in relation to Key Management Personnel. The comparator group included those companies used in the comparator group for the MTI (see Table 4 for details).

The Company drew on the services of independent and specialist remuneration consultants in formulating recommendations on fixed remuneration for Key Management Personnel.

4.4 Determining Variable Remuneration

The Board takes the view that SaR and the MTI/LTI are important elements of remuneration which provide tangible incentives for participating employees to improve the Company's performance in both the short-term and the long term, for the benefit of shareholders.

SaR depends entirely on Company and individual (personal) performance against short-term performance measures as set out in Section 4.4.1 below.

The MTI depends entirely on the performance of the Company as measured by relative Total Shareholder Returns (TSR) over the financial year immediately preceding its award, as described in Table 4 below.

The LTI depends entirely on the long-term performance of the Company as measured by relative TSR over a 3 year performance period commencing on the date on which the LTI is awarded, as described in Table 5 below.

TSR is the growth in the Company's share price over the financial year ending 30 June, plus dividends notionally reinvested. The share price is measured as the volume weighted average share price for the six months ending 30 June in the relevant year, compared with the same period a year earlier. Details of historic TSR and TSR for 2006–07 are set out in Table 7.

4.4.1 Salary at Risk (SaR)

SaR was last awarded in November 2006 in relation to individual and Company performance during 2005–06. For Key Management Personnel, SaR at-target performance was set at 50 percent of fixed remuneration. One-third of the target depended on Company performance and two-thirds on personal performance against a set of Key Performance Indicators established with the Managing Director. The measure of Company performance was Net Profit After Tax (NPAT).

In September 2006 the Board revised SaR. Key differences from its prior application include the following:

- the range of awards is from 0 percent to 100 percent of fixed remuneration where 100 percent is awarded for outstanding personal performance and Company performance must be at or above the maximum level pre-determined by the Board;
- overall performance is measured by Company performance multiplied by personal performance;
- Company performance is measured by 3 SMART (Specific, Measurable, Achievable, Relevant and Time-bound) objectives covering safety, earnings and costs, plus a discretionary measure; and
- personal performance is measured by 3 SMART objectives that capture the key goals for the year, plus a discretionary measure.

The revised SaR is intended to provide a sharper focus on the key performance expected from the Company and individual employees and to provide a more balanced measure of Company performance. The revised SaR is summarised in Table 2 below.

Note that the revised SaR was not applied in November 2006 and will be applied for the first time in or around October 2007 in relation to performance during 2006–07.

Table 2: Salary at Risk

Summary of SAR

What is SaR?	An annual cash incentive plan linked to both personal performance and Company performance measures.
Who participates in the SaR?	Employees in permanent full-time management positions, senior management, Executive General Managers, the Executive Director Finance and the Managing Director.
Why does the Board consider the SaR an appropriate incentive?	Company and individual performance criteria were chosen so that each SaR participant has an incentive to achieve high personal performance and to contribute to high Company performance.
What are the key features of the SaR?	Award of cash incentives dependent on achievement of Company performance measures and personal performance measures in each case known as SMART (Specific, Measurable, Achievable, Relevant and Time-bounded) objectives. Actual award of SaR results directly from the actual measured performance achieved at year's end, and is paid in November each year in relation to the prior year's financial performance.
What are the performance conditions?	Company performance measures relate to: • safety: • earnings; and • costs; plus • one further discretionary Company performance measure determined annually. Personal performance measures relate to: • 3 SMART objectives in key areas not being part of an employee's day to day job; and • a fourth discretionary SMART objective developed by each participant's manager. These four objectives are agreed annually between participant and manager under the Company's Work Performance System (WPS). Each performance measure (other than the discretionary measure) has an upper limit that caps the performance measure and a threshold below which the measured performance is zero.
Is SaR awarded when Company performance falls below the minimum threshold performance level?	An award may be made in these circumstances if a participating employee satisfied the one discretionary Company performance measure and achieved a positive outcome in their personal performance measures.
What percentage of base salary may be awarded as SaR?	The Managing Director, Executive Director Finance and Executive General Managers may receive between 0 percent and 100 percent of fixed remuneration depending on performance. Senior management and other participating employees receive varying percentages set according to the strategic value and seniority of their roles.
What is the performance measurement testing period?	1 year.
How is a participant's entitlement to SaR calculated?	Performance against Company SMART objectives is measured in the range of 0 percent to 125 percent and a minimum performance threshold must be exceeded to achieve a positive outcome. Overall Company performance is measured as the simple average of achieved performance against the four Company SMART objectives. Performance against each personal performance objective is measured on a scale of 0 percent – 160 percent and the overall personal performance is measured as the simple average of the outcomes on the above four personal measures. Overall performance is calculated as Company performance multiplied by personal performance. The actual award of SaR is calculated by multiplying the overall performance rating by a participating employee's target SaR.

4.4.2 Equity-based Remuneration

In 2006–07, the Board determined to adjust the content and balance of equity-based remuneration by setting combinations of MTI and LTI which seek to sharpen their effectiveness as an incentive and to recognise the potential impact on the Company of very senior employees. Table 3 shows the composition of equity-based remuneration.

Table 3: Equity-based Remuneration as a percentage of Fixed Remuneration for Key Management Personnel

	Managing Director	Executive Director Finance	Executive General Manager
Total Equity-based Remuneration (maximum award)	75%	50%	50%
MTI	15%	30%	30%
LTI	60%	20%	20%

Table 4 – Medium Term Incentive (MTI)

Summary of MTI

What is the MTI?	An annual incentive plan under which eligible employees are granted rights to receive ordinary fully paid shares in the Company (Restricted Rights). The award of Restricted Rights is determined by the Company's performance in the financial year immediately prior to the date the award is granted. Once awarded, the Restricted Rights vest at the end of three years provided the employee is employed by the Company throughout the vesting period (subject to limited exceptions outlined below) and achieves minimum acceptable personal performance.
Who participates in the MTI?	The Managing Director, the Director Finance, Key Management Personnel, senior management and other selected high-performance personnel.
Why does the Board consider the MTI an appropriate incentive?	The MTI is designed to link Company performance, individual performance and retention by putting a significant proportion of participating employees' remuneration at risk.
What are the key features of the MTI?	• Restricted Rights under the MTI are conditional entitlements for the holder to subscribe for fully paid ordinary shares in the Company. • No amount is payable by the participant upon grant of the Restricted Rights (unless the Board determines otherwise), or upon exercise of the Restricted Rights once vested. • Each Restricted Right initially entitles the holder to subscribe for one ordinary share, although that is subject to adjustment in the case of any rights issues or other capital restructure that may occur. • Unvested Restricted Rights are forfeited upon cessation of employment, except in limited circumstances including death, incapacity, redundancy or retirement in which case participants (or in case of death, their representatives) are entitled to exercise those Restricted Rights on a pro-rata basis according to the amount of the vesting period which has elapsed.
What are the performance conditions under the MTI?	• Performance is measured according to the Company's Total Shareholder Returns (TSR) measured against the TSR of a comparator group of companies over the previous financial year. • The award of the MTI in 2006 was based on the comparator group listed below in this table. From 2007 onwards, the comparator group of companies is a group pre-selected by the Board from the FTSE Gold Mine Index. A list of these companies used in the case of the LTI award in 2006 is set out below in Table 5 (LTI). • For participants to receive any grant of Restricted Rights, the Company's TSR performance must be at or above the median performance of the TSR of the comparator group. • The TSR results are obtained by an independent third party, from data provided by Standard and Poor's.
What is the relationship between Company performance and allocation of Restricted Rights?	In terms of the relationship between Company performance and the allocation of Restricted Rights: • 0 percent allocation occurs if the Company TSR performance is below the threshold 50th percentile of the TSR for the comparator group; • 30 percent allocation occurs if the Company TSR performance is at the 50th percentile of the TSR for the comparator group; • 100 percent allocation occurs where the 75th percentile (or greater) is achieved; and • Straight line allocation between the 50th and 75th percentile occurs.
What is the period over which Company performance is assessed?	The financial year immediately prior to the date of grant of Restricted Rights.
Are MTIs awarded where performance falls below a minimum threshold?	No, MTI is awarded if Newcrest's performance based on TSR in the relevant period falls below the 50th percentile of the TSR for the comparator group; and/or a participant's performance is ranked below 'Meets Most Requirements' in the Company's Work Performance System (WPS).

Table 4: Medium Term Incentive (MTI) continued

Summary of MTI

How are shares provided to participants under the MTI?	Once Restricted Rights have vested, shares are either bought on market or transferred to eligible MTI participants.
Why did the Board select a TSR performance hurdle?	TSR was chosen as a performance hurdle for the MTI because it incorporates capital returns as well as dividends notionally reinvested and was therefore considered as the most appropriate means of measuring Company performance.
Is the benefit of participation in the MTI affected by changes in the share price?	Yes, participants in the MTI will be affected in the same way as all other shareholders by changes in the Company's share price. The remuneration value participants receive through participation in the MTI will be reduced if the share price falls during the vesting period and will increase if the share price rises over the period.
Are the performance conditions retested?	No, the performance conditions are only tested once, at the end of the one year performance period.
What is the maximum number of Restricted Rights that may be granted to an MTI participant?	The maximum number of Restricted Rights that may be granted is determined by the level of Equity-based remuneration applicable to each participant. This component is determined as a percentage of base salary commencing at 15 percent, 30 percent for senior management, and 50 percent for Key Management Personnel including the Executive Director Finance and 75 percent for the Managing Director.
Which companies are in the TSR Comparator Group?	The comparator group used for the award of MTI in November 2006 comprised Alinta Ltd, Australian Gas Light Ltd, Boral Ltd, Coal and Allied Industries Ltd, CSL Ltd, James Hardie Ltd, Leighton Holdings Ltd, Lend Lease Ltd, Lion Nathan Ltd, Mirvac Group Ltd, Oil Search Ltd, Orica Ltd, Origin Energy Ltd, Santos Ltd, Toll Holdings Ltd and Transurban Ltd. Future awards will use the same comparator group as used for the LTI (see below in Table 5).

Table 5: Long Term Incentive (LTI)

Summary of LTI

What is the LTI?	An incentive plan under which eligible employees are granted rights to receive ordinary fully paid shares in the Company (Performance Rights). The entitlement is contingent on the Company achieving a performance hurdle over a set performance period.
Who participates in the LTI?	The Managing Director, the Executive Director Finance, Key Management Personnel, Executives and senior management participate in the LTI.
Why does the Board consider the LTI an appropriate incentive?	The LTI is designed to reward participants for Company performance and to align the long-term interests of shareholders, senior and executive management and the Company, by linking a significant proportion of participating employees' remuneration at risk, to the Company's future performance, currently over a 3 year period from the date of grant of Performance Rights.
What are the key features of the LTI?	• Performance Rights issued under the LTI are conditional entitlements for the holder to subscribe for fully paid ordinary shares in the Company. • No amount is payable by the participant upon grant of the Performance Rights (unless the Board determines otherwise), or upon the exercise of the Performance Rights once vested. • Each Performance Right initially entitles the holder to subscribe for one ordinary share although that is subject to adjustment in the case of any rights issue or other capital restructures that may occur. • Unvested Performance Rights are forfeited upon cessation of employment with the Company, except in limited circumstances including death, incapacity, redundancy or retirement in which case participants (or in the case of death, their representatives) are entitled to exercise those Rights pro-rated according to the amount of the performance period which has elapsed and the extent to which the performance hurdle has been met.
What are the performance conditions under the LTI?	• Performance is measured according to the Company's comparative Total Shareholder Return (TSR) measured against the TSR of a comparator group of companies over a predetermined period (currently three years) commencing on the date on which Performance Rights are granted. • For Performance Rights to vest, the Company's performance must be at or above the median performance of the TSR of the comparator group. • The TSR results are obtained by an independent third party, from data provided by Standard & Poor's.

Table 5: Long Term Incentive (LTI) continued

Summary of LTI

Which companies are in the TSR comparator group?	The TSR comparator group is comprised of a select group of companies in the FTSE Gold Mine Index at the time of any award of LTI. In the case of the LTI award made in November 2006 this group comprised Barrick Gold, Newmont, AngloGold Ashanti, Gold Fields, Gold Corp, Polyus Gold, Glamis Gold, Harmony, Zijin Mining Group H, Kinross Gold, Buenaventura ADR, Meridian Gold, Lihir Gold, Centerra Gold, IAMGOLD, DRD Gold, Cambior, Resolute Mining and Randgold.
What is the relationship between Company performance and allocation of Performance Rights?	In terms of the relationship between Company performance and the allocation of Performance Rights: • 0 percent allocation occurs if Company TSR performance is below the threshold 50th percentile of the TSR of the comparator group; • 50 percent allocation occurs if the Company TSR performance is at the 50th percentile of the TSR of the comparator group; • 100 percent allocation occurs when the 75th percentile (or greater) is achieved; and • Straight line allocation between the 50th and 75th percentile occurs.
What is the vesting period for the LTI?	Performance Rights vest in participants (i.e. may be exercised) 3 years after the date of grant, provided performance conditions are met.
What is the period over which Company performance is assessed?	The assessment period is three years following the date of grant of Performance Rights.
Are LTIs awarded when Company performance falls below the minimum threshold performance level?	No, LTI is awarded if Newcrest's performance based on TSR in the relevant period falls below the median of the TSR for the TSR comparator group.
How are shares provided to participants under the LTI?	Once Performance Rights have vested, shares are either bought on market or transferred to eligible LTI participants.
Why did the Board choose a TSR performance hurdle?	TSR was chosen as a performance hurdle for the LTI because it incorporates capital returns as well as dividends notionally reinvested and it was therefore considered by the Board as the most appropriate means of measuring Company performance.
Is the benefit of participation in the LTI affected by changes in the share price?	Yes, participants in the LTI will be affected in the same way as all other shareholders by changes in the Company's share price. The remuneration value participants receive through participation in the LTI will be reduced if the share price falls during the vesting period and will increase if the share price rises over the period.
Are the performance conditions retested?	No, the performance conditions are only tested once at the end of the 3 year performance period.
What is the maximum number of Performance Rights that may be granted to an LTI participant?	The maximum number of Performance Rights that may be granted is determined by the level of Equity based remuneration applicable to each participant. See Table 3.

Table 6: Executive Share/Option Plan Performance Hurdles 2001–2006

The following is a summary of performance hurdles that relate to Option and Share Plan awards for the period 2001 to 2006. Note: 2007 awards are scheduled to be made in November 2007.

Year	Grant Date	Performance Hurdle
2006 (MTI)	3 Nov 2006	The performance hurdle is based on the TSR ranking of the Company. If at a grant date the TSR ranking of the Company is: (a) less than the 50th percentile of the TSR for the comparator group, the number of rights which is granted is zero; (b) equal to the 50th percentile of the TSR for the comparator group, the number of rights which is granted is 30 percent of the rights comprised in the grant; (c) equal to or greater than the 75th percentile of the TSR for the comparator group, the number of rights which is granted is 100 percent of the rights comprised in the grant; (d) greater than the 50th percentile and less than the 75th percentile, then in addition to the rights exercisable under paragraph (b) above, further rights are granted, the number being calculated on a straight line basis.
2006 (LTI)	3 Nov 2006	The performance hurdle is based on the TSR ranking of the Company over a three year period. If at a performance measurement date the TSR ranking of the Company is: (a) less than the 50th percentile of the TSR for the comparator group, the number of rights which is granted is zero; (b) equal to the 50th percentile of the TSR for the comparator group, the number of rights which is granted is 50 percent of the rights comprised in the grant; (c) equal to or greater than the 75th percentile of the TSR for the comparator group, the number of rights which is granted is 100 percent of the rights comprised in the grant; (d) greater than the 50th percentile and less than the 75th percentile, then in addition to the rights exercisable under paragraph (b) above, further rights are granted with the number being calculated on a straight line basis.
2006 (MD and CEO)	14 July 2006	The performance hurdle is the achievement of initial performance objectives by Mr Smith during the first 180 days in his role as Managing Director and Chief Executive Officer and was agreed with Mr Smith upon his employment with the Company. In February 2007 the Board reviewed Mr Smith's performance against his initial performance objectives and determined that the performance hurdle had been met. As a result the Rights have vested, in accordance with their terms but will not become convertible to ordinary shares in the Company until the third anniversary of his appointment.
2005 (MTI)	8 Nov 2005	The performance hurdle is based on the TSR ranking of the Company. If at a grant date the TSR Ranking of the Company is: (a) less than the 50th percentile of the TSR for the comparator group, the number of rights which is granted is zero; (b) equal to the 50th percentile of the TSR for the comparator group, the number of rights which is granted is 50 percent of the rights comprised in the grant; (c) equal to or greater than the 75th percentile of the TSR for the comparator group, the number of rights which is granted is 100 percent of the rights comprised in the grant; (d) greater than the 50th percentile and less than the 75th percentile of the TSR for the comparator group, then in addition to the rights exercisable under paragraph (b) above, further rights are granted with the number being calculated on the basis that for each whole percentile point above the 50th percentile, a further 2 percent of rights comprised in the parcel are granted.
2004 (LTI)	5 Nov 2004	The performance hurdle is based on the TSR ranking of the Company. If at a performance date the TSR ranking of the Company is: (a) less than the 50th percentile of the TSR for the comparator group, the number of rights which vest is zero; (b) equal to the 50th percentile of the TSR for the comparator group, the number of rights which vest is 50 percent of the rights comprised in the grant; (c) equal to or greater than the 75th percentile of the TSR for the comparator group, the number of rights which vest is 100 percent of the rights comprised in the grant; (d) greater than the 50th percentile of the TSR for the comparator group, and less than the 75th percentile, then in addition to the rights exercisable under paragraph (b) above, further rights vest, with the number being calculated on the basis that for each whole percentile point above the 50th percentile, a further 2 percent of rights comprised in the parcel are granted vest.

Table 6: Executive Share/Option Plan Performance Hurdles 2001–2006 continued

Year	Grant Date	Performance Hurdle
2003	2 Dec 2003 6 Feb 2003	The performance hurdle is based on the TSR ranking of the Company. If at a performance date the TSR ranking of the Company is: (a) less than the 50th percentile of the TSR for the comparator group, the number of options comprised in the relevant tranche which may be exercised is zero; (b) equal to the 50th percentile of the TSR for the comparator group, the number of options which may be exercised is 50 percent of the total number of options comprised in the relevant tranche; (c) equal or greater than the 75th percentile of the TSR for the comparator group, the number of options which may be exercised is 100 percent of the total number of options comprised in the relevant tranche; (d) greater than the 50th percentile and less than the 75th percentile, the number of options which may be exercised is calculated on a pro-rata, straight line basis between 50 percent to 100 percent of the total number of options comprised in the relevant tranche.
2001	8 Nov 2001(A) 8 Nov 2001(B)	**Parcel 'A'** Options – TSR growth of the Company must have at least equalled the median TSR growth of the companies in the group of companies (excluding Newcrest) at the Grant Date comprised in the S&P/ASX 200 and classified in the Global Industry Classification Standard Gold Sub-Industry within the Materials Accumulation Index ('Gold Index'). Any company removed from the **'Gold Index'** at any time after Grant Date shall not thereafter be included in the comparator group. **Parcel 'B'** Options – TSR growth of the Company over the period from grant date to the performance date must exceed 10 percent per annum compound growth.

5. Relationship of Incentives to Newcrest's Financial Performance

MTI/LTI allocations are tied to Company performance. Company performance for MTI/LTI has been measured by Total Shareholder Returns (TSR). Table 7 sets out the Company's performance in TSR for the period 30 June 2003 to 30 June 2007. LTI and MTI outcomes have been aligned to, and reflect, TSR performance.

Table 7: Newcrest's Financial Performance

Year Ended 30 June	2003	2004	2005	2006	2007
Basic Earnings Per Share (EPS)* (cents)	29.6	37.5	39.4	39.6	21.5
Dividends (cents)	5.0	5.0	5.0	5.0	5.0
Share Price at 30 June ($)	7.65	13.78	17.38	21.08	22.85
Share Price Increase** ($)	0.07	6.13	3.60	3.70	1.77
Total Shareholder Returns*** (%)	16.5	82.4	32.8	38.4	2.0

* Basic EPS is calculated as net profit after tax from continuing operations, after minority interests divided by the weighted average number of ordinary shares.

** Share price movement during the financial year.

*** Defined as the growth in the share price over the financial year ending 30 June plus dividends notionally reinvested. The share price is measured as the volume weighted average share price for the six months ending 30 June compared with the same period a year earlier.

In relation to MTI, the TSR performance achieved in 2005–06 was at the 69th percentile, resulting in 82.5 percent of the maximum award of Restricted Shares being made. Table 11 sets out details of the MTI awarded to Key Management Personnel.

In relation to SaR awarded for 2005–06, the Company's NPAT performance was below the level required to trigger payment of the Company performance component of SaR. This meant that SaR payments made to Key Management Personnel in 2006-07 in relation to the 2005–06 year were solely determined by their performance against the Key Performance Indicators applicable to their personal performance.

In relation to SaR awarded for 2006–07, the Company's performance against the Company performance objectives for Key Management Personnel is set out in Table 8. It shows that overall, the Company's performance was at 115 percent of the target, reflecting above-target performance for earnings and costs and at-target performance in relation to safety. Performance above or below target results in a percentage of target outcome based on a scale of pro-rating predetermined by the Board. The outcome for each of the Key Management Personnel for 2006–07 will be determined by the overall personal performance multiplied by the Company's overall performance.

Table 8: Performance Objective for Year Ending 30 June 2007 (Key Management Personnel)

Performance Objective	Target	Outcome	Percentage of Target achieved
Safety Lost Time Injury Frequency Rate (LTIFR) for Newcrest as a whole (Lost time injuries per million work hours)	1.1	1.096	100%
Earnings (Net Profit after Tax and Minority Interest) (1)	A$50 million	A$53.0 million	125%
Costs (Total Production Costs per ounce at an achieved copper price)	A$452/oz	A$419/oz	118%
Discretionary Component (2)			115%
Overall Company Performance (including discretionary component)			115%

(1) Actual earnings are adjusted for commodity price and exchange rate impacts when compared to Target earnings.

(2) The discretionary component is a discretionary assessment by the Board of the overall performance of the Company in areas other than safety, earnings and costs.

6. Executive Service Agreements

6.1 Overview & Summary

Remuneration and other key terms of employment for the Executive Directors and Key Management Personnel (with the exception of Mr J. Smith) are formalised in service agreements. The terms of the service agreements for current and former Executive Directors and Key Management Personnel are summarised in the following table.

Table 9: Executive Service Agreements

Name	Term of Agreement	Fixed Annual Remuneration (1) $	Notice Period by Executive	Notice Period by Newcrest	Termination Payment (2)
I. Smith (Commenced 14 July 2006)	Open	1,700,000	3 months	12 months	1.0 times total annual remuneration
G. Robinson (Commenced 3 November 2006)	Open	850,000	3 months	12 months	1.0 times total annual remuneration
D. Wood	Open	602,400	3 months	24 months	2.0 times total annual remuneration
B. Lavery	Open	523,700	3 months	24 months	2.0 times total annual remuneration
R. Douglas (Commenced 8 May 2007)	Open	602,400	3 months	12 months	1.0 times total annual remuneration
Former Executives					
B. Davis (3) (4 May 2006 to 19 July 2006)	Fixed	2,400,000	1 month	1 month	nil
J. Smith (Until 28 February 2007)	Open	708,800	n/a	n/a	n/a
P. Hallam (Until 28 February 2007)	Open	602,400	3 months	24 months	2.0 times total annual remuneration
M. Butlin (Until 28 February 2007)	Open	531,600	3 months	24 months	2.0 times total annual remuneration
T. O'Neill (Until 22 June 2007)	Open	787,500	3 months	24 months	2.0 times total annual remuneration

(1) Fixed salary, inclusive of the required superannuation contribution amount, is reviewed annually by the Board following the end of the financial year. The amounts set out above are the Executive's fixed annual remuneration as at 30 June 2007.

(2) Termination payment if Newcrest terminates the Executive's employment other than for cause.

(3) Due to the short-term nature of his appointment, Bryan Davis was not entitled to receive any SaR payments or to participate in either the MTI or LTI Plans.

6.2 Executive Service Agreements entered into in 2006-07

6.2.1 Mr Ian Smith

Mr Smith commenced employment with the Company as Chief Executive Officer on 14 July 2006 and was appointed to the Board as Managing Director on 19 July 2006, pursuant to a letter of appointment and has entered into a Service Agreement the terms of which are summarised below.

- The appointment is for an indefinite duration. Mr Smith may resign at any time on giving three (3) months written notice, and the Company may terminate Mr Smith's employment on giving twelve (12) months written notice, or payment in lieu of notice.
- The Agreement sets out Mr Smith's duties and responsibilities.
- Base salary of $1,700,000 per annum to be reviewed annually.
- Salary at Risk (SaR) of up to 100 percent of base salary dependent upon Mr Smith meeting specified personal and Company performance targets, where 100 percent is only achievable for 'outstanding' performance.
- Mr Smith was offered a sign on award of 165,000 Performance Rights under the Company's 2004 Executive Performance Share Plan, as an incentive to join the Company. The performance hurdle for those Rights was the achievement of initial performance objectives determined in advance by the Board. The performance hurdle was measured as part of an interim review of Mr Smith's performance undertaken by the Board in February 2007. The initial performance objectives were determined by the Board to have been achieved and the Performance Rights will vest and become convertible to Newcrest ordinary shares on the third anniversary of Mr Smith's appointment. The deferred vesting of Performance Rights provides alignment between Mr Smith's interests and those of shareholders during the 3 year period. If a change of control occurs, the Performance Rights can vest prior to the third anniversary. The award of the initial Performance Rights was approved by shareholders at the 2006 Annual General Meeting.
- Mr Smith will also be offered an annual award in accordance with the Company's Remuneration Policy in relation to MTI and LTI equal to 75 percent of base salary.
- Award of the annual MTI and LTI are subject to shareholder approval.
- Statutory entitlements apply upon termination of employment of accrued annual and long service leave together with any superannuation benefits.

6.2.2 Mr Greg Robinson

Mr Robinson commenced employment with the Company as Executive General Manager Finance and Chief Financial Officer on 3 November 2006 and was appointed to the Board as Executive Director Finance on 23 November 2006, pursuant to a letter of appointment and has been provided with a Service Agreement the terms of which are summarised below.

- The appointment is for an indefinite duration. Mr Robinson may resign at any time on giving three (3) months written notice, and the Company may terminate Mr Robinson's employment on giving twelve (12) months written notice, or payment in lieu of notice.
- The Agreement sets out Mr Robinson's duties and responsibilities.
- Base salary of $850,000 per annum to be reviewed annually.
- Salary at Risk (SaR) of up to 100 percent of base salary dependent upon Mr Robinson meeting specified personal and Company performance targets, where 100 percent is only achievable for 'outstanding' performance.
- Mr Robinson will also be offered an annual award in accordance with the Company's Remuneration Policy in relation to MTI and LTI equal to 50 percent of base salary.
- Award of annual MTI and LTI are subject to shareholder approval.
- Statutory entitlements apply upon termination of employment of accrued annual and long service leave together with any superannuation benefits.

6.2.3 Mr Ron Douglas

Mr Douglas commenced employment with the Company on 8 May 2007, pursuant to a letter of appointment and has been provided with a Service Agreement the terms of which are summarised below.

- The appointment is for an indefinite duration. Mr Douglas may resign at any time on giving three (3) months written notice, and the Company may terminate Mr Douglas' employment on giving twelve (12) months written notice, or payment in lieu of notice.
- The Agreement sets out Mr Douglas' duties and responsibilities.
- Base salary of $602,400 per annum to be reviewed annually.
- Salary at Risk (SaR) of up to 100 percent of base salary dependent upon Mr Douglas meeting specified personal and Company performance targets, where 100 percent is only achievable for 'outstanding' performance.
- Mr Douglas will also be offered an annual award in accordance with the Company's Remuneration Policy in relation to MTI and LTI equal to 50 percent of base salary.
- Statutory entitlements apply upon termination of employment of accrued annual and long service leave together with any superannuation benefits.

7. Remuneration Details

7.1 Directors

Details of the nature and amount of each major element of the remuneration of each Director of the Company are as follows:

Table 10: Directors' Remuneration

	Short term			Post Employment	Share-based Payments					
$'000	Salary & Fees (A)	Salary at Risk (B)	Other Benefits/ Services (C)	Superannuation Contributions (D)	Value of Options (E)	Value of Performance Rights (F)	Termination Benefits (G)	Total	Equity Compensation Value % (H)	Performance Related Remuneration % (I)
2006–07										
Executive Director										
I.K. Smith (Chief Executive Officer and Managing Director) Appointed 19 July 2006	1,597	978	6	42	–	1,224		3,847	31.8	57.2
R.B. Davis (Interim Chief Executive Officer and Managing Director from 4 May 2006 to 19 July 2006)	49	–	2	75	–	–		126	–	–
G.J. Robinson (Executive Director Finance) Appointed 23 November 2006	524	489	4	42	–	62		1,121	5.5	49.2
Non-Executive Directors										
D.P. Mercer (Chairman) Appointed 26 October 2006	261	–	4	23	–	–		288	–	–
I.R. Johnson (Chairman) Resigned 26 October 2006	95	–	33	9	–	–		137	–	–
R.B. Davis (Until 3 May 2006, resumed 19 July 2006)	125	–	15	11	–	–		151	–	–
R.C. Milne	131	–	28	12	–	–		171	–	–
I.A. Renard Resigned 15 September 2006	25	–	0	3	–	–		28	–	–
N.L. Scheinkestel	131	–	8	12	–	–		151	–	–
M.A. O'Leary	143	–	15	0	–	–		158	–	–
	3,081	1,467	115	229	–	1,286		6,178		
2005–06										
Executive Director										
A.J. Palmer (Chief Executive Officer and Managing Director) Employment ceased 3 May 2006	1,327	–	15	83	–	–	4,735	6,160	0.0	0.0
R.B. Davis (Interim Chief Executive Officer and Managing Director from 4 May 2006)	307	–	–	74	–	–	–	381	–	–
Non-Executive Directors										
I.R. Johnson (Chairman)	345	–	33	23	–	–	–	401	–	–
R.B. Davis (Until 3 May 2006)	105	–	–	10	–	–	–	115	–	–
R.C. Milne	125	–	55	12	–	–	–	192	–	–
I.A. Renard	125	–	–	12	–	–	–	137	–	–
N.L. Scheinkestel	125	–	32	12	–	–	–	169	–	–
M.A. O'Leary	130	–	19	7	–	–	–	156	–	–
	2,589	–	154	233	–	–	4,735	7,711		

See Table 11 for explanation of notes (A) – (I)

7.2 Other Key Management Personnel

Details of the nature and amount of each major element of remuneration for the Company's Key Management Personnel are as follows:

Table 11: Key Management Personnel Remuneration

	Short term			Post Employment	Share-based Payments					
$'000	Salary & Fees (A)	Salary at Risk (B)	Other Benefits/ Services (C)	Superannuation Contributions (D)	Value of Options (E)	Value of Performance Rights (F)	Termination Benefits (G)	Total	Equity Compensation Value % (H)	Performance Related Remuneration % (I)
2006–07										
D. Wood Executive General Manager Exploration	485	346	4	111	134	108	–	1,188	20.4	49.5
B. Lavery Executive General Manager Corporate Services	412	301	6	105	134	94	–	1,052	21.7	50.3
R. Douglas Executive General Manager Development and Projects (Commenced on 8 May 2007)	72	–	1	17	–	–	–	90	–	–
Former Executives										
J. Smith Executive General Manager Finance (Employment ceased 28 February 2007)	363	–	–	101	–	–	1,299	1,763	–	–
T. O'Neill Executive General Manager Operations (Employment ceased 22 June 2007)	750	–	6	12	–	–	2,600	3,368	–	–
M. Butlin Executive General Manager Organisation Effectiveness (Employment ceased 28 February 2007)	284	–	4	64	–	–	797	1,149	–	–
P. Hallam Executive General Manager Development and Projects (Employment ceased on 28 February 2007)	289	–	4	105	–	–	1,193	1,591	–	–
	2,655	647	25	515	268	202	5,889	10,201		
2005–06										
J. Smith Executive General Manager Finance	562	151	–	101	81	60	–	955	14.8	30.6
T. O'Neill Executive General Manager Operations and Marketing	630	151	5	12	143	54	–	995	19.8	35.0
D. Wood Executive General Manager Exploration	457	128	4	109	143	51	–	892	21.7	36.1
B. Lavery Executive General Manager Corporate Services	405	111	5	87	143	44	–	795	23.5	37.5
M. Butlin Executive General Manager Organisation Effectiveness	406	113	5	96	–	45	–	665	6.8	23.8
P. Hallam Executive General Manager Development and Projects	466	128	5	100	–	53	–	752	7.0	24.1
	2,926	782	24	505	510	307	–	5,054		

Notes to Tables 10 and 11:

(A) Salary & Fees comprise cash salary and available salary package options grossed-up by related fringe benefits tax, where applicable. The Company's minimum required superannuation contributions made on behalf of Directors and Key Management Personnel are disclosed separately.

(B) Salary at Risk relates to the Managing Director's, Finance Director's and Key Management Personnel's performance in the 30 June 2007 year and for comparatives, the 30 June 2006 year. Allocations of SaR for 2006–07 shown in Tables 10 and 11 are estimates based on what those allocations would be if the personal performance of each of the Managing Director, Finance Director and Key Management Personnel was assessed to be at target level. The Company's performance was assessed at 115 percent (refer Table 8). Actual award levels will be determined in or around October 2007. Mr Douglas, who joined the Company on 8 May 2007, will not qualify for an SaR allocation in relation to 2006–07.

(C) Includes additional services provided by Directors plus non-monetary benefits to Directors and Key Management Personnel such as travel, parking and applicable fringe benefits tax payable on benefits.

(D) Represents company contributions to superannuation under the Superannuation Guarantee legislation (SGC) and any additional contribution made through salary sacrifice by Executive Directors and Key Management Personnel.

(E)(F) The total value of options and rights included in remuneration for the year is calculated as follows:

- The fair value of options is calculated at the grant date using an option pricing model which combines both Black-Scholes and binomial methodologies. To determine the amount disclosed as remuneration, the fair value is allocated evenly over the period from the grant date to the vesting date.
- The fair value of rights, comprising rights over unissued shares, granted under the Restricted Share Plan and Executive Performance Share Plan has been valued as European call options as at grant date, making use of the Black-Scholes formula for option valuation.
- The following factors and assumptions were used in determining the fair value of options and rights on the grant date:

	Rights LTI Nov 2006	Rights MTI Nov 2006	Rights MD & CEO July 2006	Rights MTI Nov 2005	Rights LTI Nov 2004	Options – Dec 2003	Options – Feb 2003	Options – Nov 2001
Fair Value*	$18.19	$23.81	$19.52	$18.78	$10.55	$4.11	$2.06	$0.70
Exercise Price	–	–	–	–	–	$12.29	$6.62	$3.36
Estimated Volatility	36%	36%	36%	34%	33%	37%	43%	46%
Risk-free interest rate	5.99%	5.99%	5.99%	5.42%	5.25%	6.33%	4.97%	4.80%
Dividend Yield	0.40%	0.40%	0.40%	0.40%	0.40%	0.39%	0.75%	1.5%
Expected life of award/option	3 years	3 years	3 years	3 years	3 years	5 years	5 years	5 years

*Fair Value has been calculated and audited by an independent third party.

(G) Termination benefits include payments in lieu of notice, applicable STI and LTI, and payments for statutory and accrued annual leave and long service leave entitlements.

(H) Represents the value of options and rights included in remuneration as a percentage of total remuneration.

(I) Represents performance related remuneration as a percentage of total remuneration.

8. Options and Rights Held by Executive Directors and Key Management Personnel

8.1 Options

All options refer to options over ordinary shares of the Company, which are exercisable on a one-for-one basis under the Executive Share Option Plan.

There were no new options granted during the 2006–07 year.

The movements during the year in the number of options over ordinary shares in the Company held by each Executive Director and each of the Key Management Personnel, as part of their remuneration, are as follows:

Table 12: Movement in Options for Executive Directors and Key Management Personnel 2006–07

					Movement During the Year						
Key Management Personnel	Grant Date	Expiry Date	Exercise Price	Balance at 1 July 2006	Options Exercised	Amount Paid to Exercise Options	Options Lapsed	Balance at 30 June 2007	Options Vested during the year	Vested and Exercisable at 30 June 2007	Non-Vested
D. Wood	8-Nov-01 Parcel A	8-Nov-06	$3.36	100,000	(100,000)	$336,000	–	–	25,000	–	–
	8-Nov-01 Parcel B	8-Nov-06	$3.36	40,000	(40,000)	$134,400	–	–	12,500	–	–
	6-Feb-03	6-Feb-08	$6.62	100,000	–	–	–	100,000	25,000	75,000	25,000
	2-Dec-03	2-Dec-08	$12.29	98,000	–	–	(2,500)	95,500	22,500	45,500	50,000
Total				338,000	(140,000)	$470,400	(2,500)	195,500	85,000	120,500	75,000
B. Lavery	8-Nov-01 Parcel A	8-Nov-06	$3.36	50,000	(50,000)	$168,000	–	–	25,000	–	–
	8-Nov-01 Parcel B	8-Nov-06	$3.36	25,000	(25,000)	$84,000	–	–	12,500	–	–
	6-Feb-03	6-Feb-08	$6.62	100,000	–	–	–	100,000	25,000	75,000	25,000
	2-Dec-03	2-Dec-08	$12.29	98,000	–	–	(2,500)	95,500	22,500	45,500	50,000
Total				273,000	(75,000)	$252,000	(2,500)	195,500	85,000	120,500	75,000
Former Executives											
J. Smith	2-Dec-03	2-Dec-08	$12.29	98,000	(45,500)	$559,195	(27,500)	25,000	22,500	–	25,000
Total				98,000	(45,500)	$559,195	(27,500)	25,000	22,500	–	25,000
T. O'Neill	8-Nov-01 Parcel A	8-Nov-06	$3.36	100,000	(100,000)	$336,000	–	–	25,000	–	–
	8-Nov-01 Parcel B	8-Nov-06	$3.36	50,000	(50,000)	$168,000	–	–	12,500	–	–
	6-Feb-03	6-Feb-08	$6.62	100,000	(75,000)	$496,500	(25,000)	–	25,000	–	–
	2-Dec-03	2-Dec-08	$12.29	98,000	(45,500)	$559,195	(52,500)	–	22,500	–	–
Total				348,000	(270,500)	$1,559,695	(77,500)	–	85,000	–	–

8.2 Rights

All conditional entitlements refer to Restricted Rights and Performance Rights over ordinary shares of the Company, which are exercisable on a one-for-one basis.

The movements in the year in the number of Rights over ordinary shares in the Company held by each Executive Director and Key Management Personnel, as part of their remuneration, are as follows:

Table 13: Movement in Restricted Rights and Performance Rights for Executive Directors and Key Management Personnel 2006–07

Executive Directors and Key Management Personnel	Grant Date	Type	Share Price at Grant Date	Balance at 1 July 2006	Rights Granted	Rights Exercised	Rights Lapsed	Balance at 30 June 2007	Vested and Exercisable at 30 June 2007	Non-Vested
I. Smith	14-Jul-06		$19.52	–	165,000	–	–	165,000		165,000
	3-Nov-06	MTI	$24.10	–	4,117	–	–	4,117		4,117
	3-Nov-06	LTI	$24.10	–	42,881	–	–	42,881		42,881
G. Robinson	3-Nov-06	MTI	$24.10	–	4,245	–	–	4,245		4,245
	3-Nov-06	LTI	$24.10	–	12,007	–	–	12,007		12,007
D. Wood	5-Nov-04		$17.30	9,512	–	–	–	9,512		9,512
	8-Nov-05		$18.98	4,890	–	–	–	4,890		4,890
	3-Nov-06	MTI	$24.10	–	4,013	–	–	4,013		4,013
	3-Nov-06	LTI	$24.10	–	7,294	–	–	7,294		7,294
B. Lavery	5-Nov-04		$17.30	8,232	–	–	–	8,232		8,232
	8-Nov-05		$18.98	4,251	–	–	–	4,251		4,251
	3-Nov-06	MTI	$24.10	–	3,489	–	–	3,489		3,489
	3-Nov-06	LTI	$24.10	–	6,340	–	–	6,340		6,340
J. Smith	5-Nov-04		$17.30	10,976	–	–	(2,496)	8,480		8,480
	8-Nov-05		$18.98	5,753	–	–	(5,753)	–		–
	3-Nov-06	MTI	$24.10	–	4,720	–	(4,720)	–		–
	3-Nov-06	LTI	$24.10	–	8,580	–	(8,580)	–		–
T. O'Neill	5-Nov-04		$17.30	9,512	–	–	(9,512)	–		–
	8-Nov-05		$18.98	5,753	–	–	(5,753)	–		–
	3-Nov-06	MTI	$24.10	–	5,244	–	(5,244)	–		–
	3-Nov-06	LTI	$24.10	–	9,535	–	(9,535)	–		–
M. Butlin	5-Nov-04		$17.30	8,232	–	–	(1,872)	6,360		6,360
	8-Nov-05		$18.98	4,315	–	(1,884)	(2,431)	–		–
	3-Nov-06	MTI	$24.10	–	3,541	–	(3,541)	–		–
	3-Nov-06	LTI	$24.10	–	6,436	–	(6,436)	–		–
P. Hallam	5-Nov-04		$17.30	9,942	–	–	(2,261)	7,681		7,681
	8-Nov-05		$18.98	4,890	–	(2,135)	(2,755)	–		–

8.3 Performance Conditions for Options and Rights

Table 14: Value of Options, Restricted Rights and Performance Rights

Directors and Key Management Personnel	(A) Value at Grant Date $'000	(B) Value at Exercise Date $'000	(C) Value at Lapse Date $'000	(D) Total of Columns A–C $'000
I. Smith	4,099	–	–	4,099
G. Robinson	319	–	–	319
D. Wood	228	2,309	(33)	2,503
B. Lavery	198	1,364	(33)	1,529
R. Douglas	–	–	–	–
J. Smith	268	407	(766)	(90)
T. O'Neill	298	4,243	(1,689)	2,853
M. Butlin	201	–	(321)	(120)
P. Hallam	–	–	(113)	(113)

Table 14 above shows the total value of any Restricted Rights, Performance Rights or options granted, exercised and lapsed in 2006-07 in relation to Executive Directors and Key Management Personnel based on the following assumptions:

(A) The value of Restricted Rights and Performance Rights at grant date reflects the fair value of a Right multiplied by the number of performance or restricted Rights granted during 2007 (refer footnotes E&F to Tables 10 & 11).

(B) The value at exercise date has been determined by the Company's share price at the close of business on the exercise date less the option or right exercise price multiplied by the number of options or rights exercised during 2007.

(C) The value at lapse date has been determined by the share price at the close of business on the date of the Restricted Right, Performance Right or Option lapsed, less the exercise price multiplied by the number of performance or restricted rights or options that lapsed during the year.

Performance conditions for Restricted Rights, Performance Rights and Options are set out in Table 15 below.

Table 15: Executive Directors and Key Management Personnel – Options granted between 8 November 2001 and 2 December 2003, The following is a summary of Performance Hurdles that relate to Option and Share Plan awards for the period 2001 to 2006. Note: 2007 awards are scheduled to be made in November 2007.

Note: Refer Table 6 for a summary of the applicable Performance Hurdles.

Grant Date	Expiry Date	Comparative Group	Strike Price	Performance Date (for Options and LTI) or Vesting Date (for MTI)	Performance Achieved	Percentage Vested
3 Nov 2006 (LTI)	3 Nov 2011	**Newcrest's TSR ranking against FTSE Gold Index**	Nil	3 Nov 2009	To be determined	n/a
2 Nov 2006 (MTI)	3 Nov 2011	**Select Group referred to in the Performance Condition** (TSR ranking on sliding scale)	Nil	3 Nov 2009	69th percentile resulting in 82.5% of the maximum award of Rights	100% on 3 Nov 2009
14 July 2006 (MD & CEO)	14 July 2009	**Performance objectives agreed with Board**	Nil	14 January 2007	Fully achieved and will become convertible to ordinary shares on 14 July 2009	100%
8 Nov 2005 (MTI)	8 Nov 2010	**Select Group referred to in the Performance Condition** (TSR ranking on sliding scale)	Nil	8 Nov 2008	53rd percentile resulting in 38.2% of the maximum award of Rights	100% on 8 Nov 2008
5 Nov 2004 (LTI)	5 Nov 2009	**Select Group referred to in the Performance Condition** (TSR ranking on sliding scale)	Nil	5 Nov 2007	To be determined	n/a
2 Dec 2003	2 Dec 2008	**S&P/ASX 100 Index** (TSR ranking on sliding scale)	$12.29	2 Dec 2005 2 Dec 2006 2 Dec 2007 4 Sep 2008	71st percentile 70th percentile To be determined To be determined	92% 90% n/a n/a
6 Feb 2003	6 Feb 2008	**S&P/ASX 100 Index** (TSR ranking on sliding scale)	$6.62	6 Feb 2005 6 Feb 2006 6 Feb 2007 9 Nov 2007	>75th percentile >75th percentile >75th percentile To be determined	100% 100% 100% n/a
8 Nov 2001 Parcel B	8 Nov 2006	**Newcrest's TSR** (Compound growth per annum)	$3.36	8 Nov 2003 8 Nov 2004 8 Nov 2005 10 Aug 2006	>75th percentile >75th percentile >75th percentile >75th percentile	100% 100% 100% 100%
8 Nov 2001 Parcel A	8 Nov 2006	**S&P/ASX 200 GICS gold companies** (TSR growth vs comparator group)	$3.36	8 Nov 2003 8 Nov 2004 8 Nov 2005 10 Aug 2006	>75th percentile >75th percentile >75th percentile >75th percentile	100% 100% 100% 100%

Table 16: Short Term Incentive and Allocation of the 2006 Equity Grant

Executive Director/ Key Management Personnel	Short Term Incentive (A) as a percentage of maximum STI: Percentage Awarded	Percentage Forfeited	Long Term Incentive (B) (Estimates of the maximum remuneration amounts which could be received under the 2006 performance rights grants in future years): 2007–08 $'000	2008–09 $'000	2009–10 $'000	Maximum Total $'000
I. Smith	57.5	42.5	1,379	1,379	147	2,906
G. Robinson	57.5	42.5	106	106	37	248
D. Wood	57.5	42.5	74	74	25	173
B. Lavery	57.5	42.5	64	64	22	150
R. Douglas	n/a	n/a	–	–	–	–

(A) Estimates only (refer note (B) to Tables 10 & 11.
To be awarded a STI of 100 percent an Executive has to have met outstanding personal performance and Company performance must be at or above the maximum level pre-determined by the Board. At target personal performance and Company performance will result in an award of 50 percent of the maximum STI;

(B) The maximum value in future years has been determined in relation to the grant of performance rights in 2007 based on the valuation performed at grant date and amortised in accordance with applicable accounting standard requirements. The minimum value of the grant is $nil if the performance conditions are not met. No options were granted in 2007.

9. Shares Held by Directors and Key Management Personnel

Table 17: Directors' Shareholdings (shares held both directly and indirectly)

Directors	Balance at 1 July 2006	Received as Remuneration	Acquired Pursuant to Non-Executive Directors' Share Plan	Acquired on Exercise of Options	Net Change Other	Balance at 30 June 2007
I. K. Smith	–	–	–	–	3,000	3,000
G. J. Robinson	–	–	–	–	3,000	3,000
D. P. Mercer	–	–	1,241	–	10,000	11,241
R. B. Davis	16,082	–	615	–	39	16,736
R. C. Milne	9,924	–	652	–	–	10,576
N. L. Scheinkestel	73,482	–	652	–	179	74,313
M. A. O'Leary	13,812	–	676	–	34	14,522
Total	113,300	–	3,836	–	16,252	133,388

See the Directors' Report for the Directors' shareholdings as at the date of this Report.

Table 18: Key Management Personnel Shareholdings

Key Management Personnel	Balance at 1 July 2006	Received as Remuneration	Acquired on Exercise of Rights or Options	Net Change Other	Balance at 30 June 2007
D. Wood	86,325	–	140,000	(76,000)	150,325
B. Lavery	–	–	75,000	(75,000)	–
R. Douglas	–	–	–	–	–
Total	86,325	–	215,000	(151,000)	150,325

Share Rights and Options

During the year an aggregate of 2,032,222 options were exercised, resulting in the issue of 2,032,222 ordinary shares of the Company at an aggregate consideration of $12.7 million.

At the date of this report there were 1,983,400 unissued shares under rights and options (1,993,723 at 30 June 2007).

Auditor Independence and Non-audit Services

A copy of the Auditor's Independence declaration as required under section 370C of the *Corporations Act 2001* is attached. During the year, additional accounting advice and other assurance-related services were provided by Ernst & Young (auditor to the Company). The Directors are satisfied that the provision of these services did not impair the Auditor's Independence.

Indemnification and Insurance of Directors and Officers

Newcrest maintains a Directors' and Officers' insurance policy that, subject to some exceptions, provides insurance cover to past, present or future Directors, Secretaries or Executive Officers of the Consolidated Entity and its subsidiaries. The Company has paid an insurance premium for the policy. The contract of insurance prohibits disclosure of the amount of the premium and the nature of the liabilities insured.

Rounding of Amounts

Newcrest Mining Limited is a company of the kind referred to in the Australian Securities and Investments Commission class order 98/100, dated 10 July 1998 (amended by ASIC 05/641) and issued pursuant to section 341(1) of the *Corporations Act 2001*. As a result, amounts in the Financial Report are rounded to the nearest $100,000, except where otherwise indicated.

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

D.P. Mercer

Donald P. Mercer
Chairman

Ian K. Smith
Managing Director and
Chief Executive Officer

17 August 2007
Melbourne

Auditor's Independence Declaration Statement to the Directors of Newcrest Mining Limited

ERNST & YOUNG

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8 Exhibition Street
Melbourne VIC 3000
Australia

GPO Box 67
Melbourne VIC 3001

Tel 61 3 9288 8000
Fax 61 3 8650 7777

Auditor's Independence Declaration to the Directors of Newcrest Limited

In relation to our audit of the financial report of Newcrest Mining Limited for the year ended 30 June 2007, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Alan I Beckett
Partner
17 August 2007

Liability limited by a scheme approved under Professional Standards Legislation

Discussion and Analysis of the Financial Statements

Review of Results

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 2007 Financial Report of Newcrest Mining Limited.

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

Overview of Operating Results for the Year

Net profit after tax and minority interest was $72.0 million (2006: $349.5 million). The reported results for 2006 included $218.2 million profit on sale of the Consolidated Entity's 22.22 percent interest in the Boddington Gold Mine Joint Venture.

Net profit after tax and minority interest from continuing operations decreased 45 percent from $131.3 million to $72.0 million.

Revenue and net profit include the impact of gold hedge restructures which are non-cash accounting adjustments. The net profit impact in the current year was negative $122.5 million (2006: $7.7 million loss). Details of the impact on profit, revenue and expenses from hedge restructures are provided in Note 2(h) to the Concise Financial Report.

A partial restructuring of the hedge book was undertaken in November 2006. The objective of restructuring the hedge book was to increase exposure to higher spot gold prices to enable additional cash flow for debt reduction and capital reinvestment. To gain this exposure, the delivery of 1.6 million ounces relating to existing hedges from the initial four years were deferred into the three subsequent years, resulting in a more acceptable risk profile for Newcrest. The cash flow impact in the current year of the hedge book restructures was positive by $160.6 million.

Both gold production and gold sales volume were higher than 2006. Gold production increased 5.7 percent and gold sales volume increased by 8.6 percent to 1.627 million ounces compared to the previous year. In the current financial year, sales were higher than production with a resultant draw down on mineral inventory. Higher gold sales volumes were driven by an improved production performance from Gosowong offsetting minor movements at other sites.

Copper production and sales were lower compared to the prior financial year. Copper production declined by 11.5 percent and Copper sales volume declined 15.4 percent compared to the previous year. Copper production at Cadia Valley operations was in line with plan, while Telfer suffered from grade and recovery issues.

Revenue benefited from improved achieved gold and copper prices. The average spot price received increased by 15 percent to $814 per oz ($708 per oz). On a cash flow basis, after the hedge restructure, gold sales hedged for the year decreased to 55 percent compared to 93 percent in the prior corresponding year.

Revenue also benefited from higher achieved copper prices and a reduced percentage of copper tonnes hedged. The spot price of copper increased 10.6 percent to $4.08 per pound ($3.69 per pound) and tonnes hedged reduced from 90 percent to 40 percent. Newcrest's legacy copper hedging commitments were completed in June 2007.

Pressure on key input costs, higher unit costs at Telfer and higher depreciation expenses had a negative impact on profitability. The prior year benefited from copper pricing finalisation on prior year shipments and higher other income associated with valuation of gold lease rates.

The financial highlights of the 2006–07 year are summarised in the following table:

	2007	2006
Net profit after tax from continuing operations and after minority interest	$72.0 million	$131.3 million
Net profit after tax from discontinued operations (Boddington)	–	$218.2 million
Total net profit after tax and minority interest	$72.0 million	$349.5 million
Basic earnings per share from continuing operations after minority interest	21.5 cents	39.6 cents
Total basic earnings per share after minority interest	21.5 cents	105.3 cents
Return on members equity (Net profit after tax)*	4.7 percent	8.9 percent
Gearing (Net Debt/Net Debt + Equity)*	46 percent	50 percent
Cash flow from operating activities	$387.4 million	$263.8 million

* Calculations based on profit from continuing operations after minority interest and equity after excluding the hedge reserve.

Discussion and Analysis of the Income Statement

Key factors impacting the result for continuing operations in the current year are:

Gold Sales Revenue

Total gold revenue increased significantly to $1,110.4 million (2006: $845.4 million) as a result of higher achieved prices plus an increase in sales volumes. Spot prices received were A$814 per ounce (2006: A$708 per ounce) however the settlement of hedge book commitments resulted in an achieved gold price received for 2007 of A$682 per ounce (2006: A$564 per ounce).

Total gold sales ounces, excluding sales of gold produced during pre-commissioning of Telfer underground, were 1,626,979 (2006: 1,498,526). This increase of 128,453 ounces was mainly as a result of:

- increase of 181,965 ounces at Gosowong due to the commencement of production at the Kencana underground operation;
- decrease of 63,914 ounces from lower grade material at Ridgeway;
- increase of 16,731 ounces from Telfer due to the commencement of production from the underground operation partly offset by lower throughput and lower grade material from the open pit;
- decrease of 13,650 ounces from lower throughput and grade at Cadia Hill; and
- increase of 7,320 ounces from Cracow.

Gold sales were higher than production resulting in a reduction in mineral inventory. The accounting impact for the November 2006 hedge restructure was a negative charge of $158.0 million to sales. Although accounting revenue was lower by this amount, the cash benefit from the de-hedged ounces was $160.6 million.

Copper and Silver Sales Revenue

Total copper by-product revenue for 2007 increased to $573.0 million (2006: $515.2 million) due to increased realised prices partly offset by lower sales volumes from Telfer and Ridgeway. The higher average spot copper price received in 2007 of A$4.08 per pound (2006: A$3.69 per pound) was offset by the delivery of copper hedge book commitments which resulted in an achieved copper price received for the Consolidated Entity of A$2.94 per pound (2006: A$2.22 per pound).

Silver revenue increased to $20.8 million (2006: $14.1 million) due to higher spot prices received. The prior year benefited from favourable pricing adjustments on prior year shipments of $29.4 million compared with $1.9 million in the current year.

Losses on Restructured Hedges

The non-cash accounting adjustment to sales revenue due to the November 2006 hedge restructure plus previous hedge restructures was a loss of $151.1 million (2006: $11.0 million loss).

Other Revenue Factors

The combination of other revenue and other income was $22.9 million (2006: $48.3 million). This was lower due to a reduction in the mark-to-market movement on the gold lease swap rate in the current period to a gain of $1.6 million (2006: $27.8 million gain) and a foreign exchange gain in the corresponding year of $5.6 million. These were partly offset by a $12.3 million refund in the current year of prior year royalty payments from Cadia Valley Operations.

Profit from Sale of Boddington Interest

In the corresponding year, a net profit after tax of $218.2 million was made on the disposal of the Consolidated Entity's 22.22 percent interest in the Boddington Gold Mine Joint Venture.

Costs

Gross mine costs (before by-product revenue) and per unit cash costs were higher compared to the prior year. The increase was principally due to higher costs experienced at the Telfer site and to a lesser extent cost pressures on key inputs at all sites. Telfer experienced higher costs during the current year attributable to specific operational factors and one-off cost impacts. These included the ramp up of the Telfer underground operation, a power outage suffered in October 2006 and associated ongoing incremental costs and cyclonic rainfall events experienced in March 2007. Cost increases for labour, explosives, fuel and maintenance activities continue to be experienced across the operations.

Depreciation and amortisation increased to $224.4 million (2006: $186.6 million). The unit rate of depreciation increased from $125 per oz to $138 per oz due mainly to the commissioning of the Telfer underground mine.

Gross borrowing costs were higher at $96.7 million (2006: $89.8 million). Interest of $84.4 million (2006: $75.4 million) was expensed and $12.3 million (2006: $14.4 million) was capitalised. The increase in interest costs was mainly due to higher average interest rates compared to the corresponding year. Total finance costs include an expense of $23.9 million for the unwinding of discount relating to the 2006 hedge restructure (2006: $Nil).

Administration costs of $38.2 million excluding depreciation (2006: $42.9 million) were lower mainly due to the costs associated with corporate restructuring and redundancies in the corresponding year.

Total exploration expenditure for the year was $59.9 million (2006: $57.0 million) with $47.2 million being charged against income compared to $41.7 million in the previous year. Exploration capitalised for the year related to Kencana, Cadia East and Cracow.

Other expenses of $26.7 million (2006: $8.5 million) mainly comprised a foreign exchange loss of $18.5 million (2006: $5.6 million gain reported in other income). The loss in the current year was due to the impact of the strengthened AUD on the restatement of US$ denominated concentrate receivables. In addition, other expenses included equity settled compensation expense of $5.5 million (2006: $4.5 million).

Income tax expense in the current year of $10.4 million (2006: $46.9 million) resulted in an effective tax rate of 10.4 percent (2006: 25.5 percent). The decrease is primarily due to increased deductions for research and development allowances including adjustments to amounts provided in the prior year for this item.

Discussion and Analysis of the Balance Sheet

The group's Net Assets and Total Equity increased during the current year by $780.1 million. This was mostly due to a reduction in the mark to market value of the hedge book recorded on balance sheet at 30 June 2007 by $576.4 million net of deferred taxes. In addition, Net Assets and Total Equity increased due to a foreign exchange gain on US$ denominated debt (net of deferred taxes) of $127.4 million and net profit after tax for the year of $72.0 million.

Net debt, comprising total borrowings less cash, of $1,319.6 million (2006: $1,476.7 million) was reduced by $157.1 million during the current year. This was due to the foreign exchange gain on US$ denominated debt of $182.0 million (before tax) and net repayments on borrowings of $93.3 million partly offset by a lower cash balance as at 30 June 2007. The gearing ratio of net debt to net debt plus equity decreased from 50 percent to 46 percent as at 30 June 2007. (Equity is adjusted to remove the impact of the hedge reserve).

Discussion and Analysis of the Cash Flow Statement

Cash Flow – Operating Activities

Cash flow from operating activities increased significantly to $387.4 million (2006: $263.8 million).

Cash flow increased due to higher sales and increased exposure to higher priced spot sales. The November hedge book restructure resulted in a reduction of hedged gold ounces for the year from 93 percent to 55 percent.

Payments to suppliers and employees increased due to continued pressure on labour, fuel and maintenance costs across all operations and the higher operating costs base of the Telfer operation.

Increased borrowing costs were mostly due to higher average interest rates.

Cash Flow – Investing Activities

Capital expenditure for the year was $340.8 million (2006: $487.9 million), a 30 percent reduction from the last financial year. Major areas of capital expenditure during the financial year were:

- Development expenditure of $138.0 million, primarily relating to Telfer Underground and Kencana;
- Project expenditure of $63.0 million, including Ridgeway Deeps and Cadia East;
- Sustaining capital of $75.0 million; and
- Capitalised pre-commissioning and borrowing costs of $64.8 million.

In addition, total exploration and province development expenditure was $59.9 million.

Cash Flows – Financing Activities

Capital expenditure programs were financed through operating cash flows. During the year, $93.3 million in net repayments were made on borrowings, conversely cash was reduced by $118.7 million to $34.3 million. Total debt reduced by $275.8 million due to the $182.0 million benefit from restatement of US Dollar debt.

Major movements in cash flows from financing activities included:

- $41.6 million repayment of Nippon USD loan;
- $33.5 million repayment of the Gold loan;
- $8.4 million net repayment from US Bilateral debt facilities;
- $5.7 million net repayment of loan from minority interest;
- $4.5 million repayment of finance lease principal; and
- $12.7 million of funds were received from the exercise of share options.

Dividends Paid

Dividends paid of $24.5 million comprised:

- A final dividend payment of five cents per share amounting to $16.7 million was paid to Newcrest shareholders on 13 October 2006 in respect of the 30 June 2006 financial year, however, the Dividend Reinvestment Plan reduced the actual cash amount paid to $13.8 million; and
- A dividend of $10.7 million was paid to the minority shareholder of Newcrest's Indonesian operation during the financial year.

Income Statement

For the year ended 30 June 2007	Note	Consolidated 2007 $M	2006 $M
Continuing Operations			
Operating sales revenue	2(a)	**1,706.1**	1,404.1
Losses on restructured hedges	2(a)	**(151.1)**	(11.0)
Total sales revenue		**1,555.0**	1,393.1
Site operating costs		**(1,250.7)**	(1,086.6)
Gross profit		**304.3**	306.5
Other revenue	2(b)	**6.0**	5.8
Other income	2(c)	**16.9**	42.5
Exploration costs		**(47.2)**	(41.7)
Corporate administration costs		**(41.6)**	(45.2)
Other expenditure		**(26.7)**	(8.5)
Operating profit		**211.7**	259.4
Finance costs	2(f)	**(84.4)**	(75.4)
Finance costs – unwind discount relating to hedge restructure	2(h)	**(23.9)**	–
Profit before income tax expense		**103.4**	184.0
Income tax (expense)		**(10.4)**	(46.9)
Profit/(loss) after tax from continuing operations		**93.0**	137.1
Discontinued Operations			
Profit after tax from discontinued operations		**–**	218.2
Profit after income tax		**93.0**	355.3
Attributable to:			
Minority interest		**21.0**	5.8
Members of the parent entity		**72.0**	349.5
		93.0	355.3
Earnings per share (EPS) (cents per share)	4		
• Basic EPS for profit for the year attributable to ordinary equity holders of the parent		**21.5**	105.3
• Basic EPS for profit from continuing operations attributable to ordinary equity holders of the parent		**21.5**	39.6
• Diluted EPS for profit for the year attributable to ordinary equity holders of the parent		**21.4**	104.5
• Diluted EPS from continuing operations attributable to ordinary equity holders of the parent.		**21.4**	39.2
Dividends per share (cents per share)	3	**5.0**	5.0

The income statement is to be read in conjunction with the discussion and analysis and accompanying notes to the financial statements.

Balance Sheet

At 30 June 2007	Consolidated 2007 $M	2006 $M
Current assets		
Cash and cash equivalents	**34.3**	153.0
Trade and other receivables	**298.9**	245.1
Inventories	**163.4**	178.2
Financial derivative assets	**386.2**	35.1
Tax receivable	**4.1**	16.2
Other	**99.4**	24.6
Total current assets	**986.3**	652.2
Non-current assets		
Other receivables	**9.1**	9.4
Inventories	**1.6**	1.8
Property, plant and equipment	**1,472.0**	1,434.2
Exploration, evaluation and development	**1,351.9**	1,241.3
Deferred tax asset	**514.8**	638.3
Other	**286.9**	280.2
Total non-current assets	**3,636.3**	3,605.2
Total assets	**4,622.6**	4,257.4
Current liabilities		
Trade and other payables	**216.4**	233.5
Interest bearing loans and borrowings	**35.0**	65.4
Financial derivatives and other financial liabilities	**500.8**	634.6
Income tax payable	**4.8**	0.5
Provisions	**32.3**	30.5
Total current liabilities	**789.3**	964.5
Non-current liabilities		
Interest bearing loans and borrowings	**1,318.9**	1,564.3
Financial derivatives and other financial liabilities	**1,060.1**	1,192.3
Deferred tax liabilities	**396.7**	267.5
Provisions	**47.9**	32.2
Other	**68.9**	75.9
Total non-current liabilities	**2,892.5**	3,132.2
Total liabilities	**3,681.8**	4,096.7
Net assets	**940.8**	160.7
Equity		
Issued capital	**834.5**	819.0
Retained earnings	**711.5**	656.2
Reserves	**(626.7)**	(1,327.4)
Parent entity interest	**919.3**	147.8
Minority interest	**21.5**	12.9
Total equity	**940.8**	160.7

The Balance Sheet is to be read in conjunction with the discussion and analysis and the accompanying notes to the financial statements.

Statement of Changes in Equity

As at 30 June 2007	Consolidated							
	Attributable to Equity Holders of the Parent						Minority Interest	
	Issued Capital $M	Foreign Currency Translation Reserve $M	Hedge Reserve $M	Equity Settlements Reserve $M	Retained Earnings $M	Total $M	$M	Total Equity $M
Balance at 1 July 2005*	802.4	(3.3)	(437.3)	4.5	323.3	689.6	9.0	698.6
Deferred FX loss on hedge of USD borrowings	–	–	(34.0)	–	–	(34.0)	–	(34.0)
Deferred (loss) on cash flow hedges	–	–	(1,236.7)	–	–	(1,236.7)	–	(1,236.7)
Foreign currency translation	–	1.9	–	–	–	1.9	0.4	2.3
Deferred tax on items taken directly to equity	–	(0.6)	374.0	–	–	373.4	(0.1)	373.3
Total income/(expense) recognised directly in equity	–	1.3	(896.7)	–	–	(895.4)	0.3	(895.1)
Net profit for the year	–	–	–	–	349.5	349.5	5.8	355.3
Total recognised income/(expense) for the year	–	1.3	(896.7)	–	349.5	(545.9)	6.1	(539.8)
Share-based payments	–	–	–	4.1	–	4.1	–	4.1
Exercise of options	13.4	–	–	–	–	13.4	–	13.4
Shares issued under the Dividend Reinvestment Plan	3.2	–	–	–	–	3.2	–	3.2
Dividend paid	–	–	–	–	(16.6)	(16.6)	(2.2)	(18.8)
Balance at 30 June 2006	**819.0**	**(2.0)**	**(1,334.0)**	**8.6**	**656.2**	**147.8**	**12.9**	**160.7**
Balance at 1 July 2006	819.0	(2.0)	(1,334.0)	8.6	656.2	147.8	12.9	160.7
Deferred FX gain/(loss) on hedge of USD borrowings	–	–	177.4	–	–	177.4	–	177.4
Deferred gain/(loss) on cash flow hedges	–	–	820.2	–	–	820.2	–	820.2
Foreign currency translation	–	(12.3)	–	–	–	(12.3)	(2.4)	(14.7)
Deferred tax on items taken directly to equity	–	3.7	(293.8)	–	–	(290.1)	0.7	(289.4)
Total income/(expense) recognised directly in equity	–	(8.6)	703.8	–	–	695.2	(1.7)	693.5
Net profit for the year	–	–	–	–	72.0	72.0	21.0	93.0
Total recognised income/(expense) for the year	–	(8.6)	703.8	–	72.0	767.2	19.3	786.5
Share-based payments	–	–	–	5.5	–	5.5	–	5.5
Exercise of options	12.7	–	–	–	–	12.7	–	12.7
Shares issued	2.8	–	–	–	–	2.8	0.6	3.4
Dividends paid	–	–	–	–	(16.7)	(16.7)	(11.3)	(28.0)
Balance at 30 June 2007	**834.5**	**(10.6)**	**(630.2)**	**14.1**	**711.5**	**919.3**	**21.5**	**940.8**

* The Consolidated Entity has applied AASB 132 and AASB 139 from 1 July 2006 which resulted in ($432.0M) being initially recognised in equity.

The above consolidated statement of changes in equity should be read in conjunction with the discussion and analysis and the accompanying notes to the financial statements.

Statement of Cash Flows

For the year ended 30 June 2007	Consolidated 2007 $M	2006 $M
Cash flows from operating activities		
Receipts from customers	**1,709.9**	1,384.8
Payments to suppliers and employees	**(1,223.8)**	(1,038.6)
Interest received	**4.5**	4.6
Interest paid	**(81.2)**	(56.8)
Income taxes (paid)/refunded	**(22.0)**	(30.2)
Net cash provided by operating activities	**387.4**	263.8
Cash flows from investing activities		
Payments for property, plant and equipment	**(116.7)**	(105.6)
Proceeds from sale of non-current assets	**0.7**	3.2
Exploration and evaluation expenditure	**(59.9)**	(57.0)
Payments in respect of mine development	**(154.9)**	(28.6)
Payments in respect of mines under construction	**–**	(295.7)
Feasibility expenditure	**(56.9)**	(45.4)
Interest capitalised to development projects	**(12.3)**	(12.6)
Cash received on disposal of interest in joint venture	**–**	224.6
Net cash (used in) investing activities	**(400.0)**	(317.1)
Cash flows from financing activities		
Proceeds from borrowings:		
USD Bilateral debt	**393.7**	525.2
Loan from minority interest	**0.3**	6.2
Repayment of borrowings:		
Bank loan	**–**	(78.5)
USD 364 day loan	**–**	(165.0)
USD loan	**(41.6)**	(23.6)
Gold loan	**(33.5)**	(33.3)
Loan from minority interest	**(5.7)**	–
USD Bilateral debt	**(402.0)**	–
Repayment of finance lease principal	**(4.5)**	(87.3)
Proceeds from share issues	**12.7**	13.4
Dividends paid	**(24.6)**	(15.5)
Net cash (used in)/provided by financing activities	**(105.2)**	141.6
Net increase/(decrease) in cash and cash equivalents	**(117.8)**	88.3
Cash and cash equivalents at the beginning of the financial year	**153.0**	64.6
Effects of exchange rates to changes on cash held	**(0.9)**	0.1
Cash and cash equivalents at the end of the financial year	**34.3**	153.0

The statement of cash flows is to be read in conjunction with the discussion and analysis and the accompanying notes to the financial statements.

Notes to the Concise Financial Report

Note 1 Accounting Policies

This Concise Financial Report has been prepared in accordance with the *Corporations Act 2001*, Accounting Standard AASB 1039: *Concise Financial Reports* and applicable Australian Interpretations. The financial statements and specific disclosures required by AASB 1039 have been derived from the Consolidated Entity's full Financial Report for the financial year. Information included in the Concise Financial Report is consistent with the Consolidated Entity's full Financial Report, and is presented in Australian dollars.

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.

A full description of the accounting policies adopted by the Consolidated Entity may be found in the Consolidated Entity's full Financial Report. These accounting policies have been consistently applied by each entity in the Consolidated Entity.

The full Financial Report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001.* The consolidated financial statements of the Group also complies with International Financial Reporting Standards ('IFRSs') including interpretations adopted by the International Accounting Standards Board.

Note 2 Revenue and Expenses

	Consolidated	
	2007 $M	2006 $M
Specific items		
Profit before income tax expense includes the following revenues, income and expenses whose disclosure is relevant in explaining performance of the Consolidated Entity:		
2.(a) Sales Revenue		
Gold	**1,110.4**	845.4
Copper	**573.0**	515.2
Silver	**20.8**	14.1
Concentrate adjustments from prior year sales	**1.9**	29.4
Total operating sales revenue	**1,706.1**	1,404.1
Losses on restructured hedges	**(151.1)**	(11.0)
Total sales revenue	**1,555.0**	1,393.1
2.(b) Other revenue		
Interest from other persons	**4.5**	4.6
Joint venture management fees	**1.5**	1.2
	6.0	5.8
2.(c) Other income		
Profit on sale of non-current assets	**0.3**	–
Net foreign exchange gain	**–**	5.6
Royalty refund (1)	**12.3**	–
Fair value adjustment on gold lease rate swaps	**1.6**	27.8
Fair value adjustment on 'copper sales' forward exchange contracts (2)	**2.7**	–
Other	**–**	9.1
Total other income	**16.9**	42.5
Sales of assets:		
Sales of assets have given rise to the following profits/(losses):		
Proceeds from sale of plant and equipment	**0.7**	3.2
Carrying value of plant and equipment sold	**(0.4)**	(4.8)
Profit/(loss) on sale of plant and equipment	**0.3**	(1.6)

(1) The refund received during the year related to the prior year royalties paid. The refund was due to a change in the calculation basis for royalty payments which now includes the impact of hedging.

(2) Fair value adjustment on copper forward sales contracts.

Note 2 Revenue and Expenses continued

	Consolidated 2007 $M	2006 $M
Expenses		
2.(d) Depreciation and amortisation:		
Depreciation of:		
Property, plant and equipment	137.7	114.6
Plant and equipment under finance leases	3.1	6.2
Amortisation of:		
Mine development	81.5	66.0
Add/(Less) capitalised to inventory on hand	2.1	(0.2)
Depreciation and amortisation expense	224.4	186.6
2.(e) Employee benefits expense		
Defined benefit plans expense	(0.5)	(0.4)
Equity settled share-based compensation payments	5.5	4.1
Termination benefits expense	5.9	7.9
Defined contribution plan expense	15.4	14.6
Other employment benefits	138.8	126.0
	165.1	152.2
2.(f) Finance costs:		
Interest Costs:		
Interest on loans	89.9	82.8
Finance leases	0.5	4.7
Other:		
Borrowing costs	2.7	1.1
Unwind of rehabilitation provision discount	3.6	1.2
	96.7	89.8
Less: capitalised borrowing costs	(12.3)	(14.4)
Total finance costs expensed	84.4	75.4
2.(g) Other items:		
Operating lease rentals	4.7	5.6
Government royalties	49.5	58.4
Research and development expenditure	–	0.2
Stores obsolescence	0.3	0.2
2.(h) Hedge restructure		
Net impact on profit, revenue and expenses from hedge restructure:		
Release of losses relating to restructured hedges	158.0	–
(Gains)/losses from prior period hedge contract restructures	(6.9)	11.0
Total losses recorded in sales revenue	151.1	11.0
Finance costs – unwind of discount relating to hedge restructure	23.9	–
Net profit impact before tax	175.0	11.0
Applicable income tax (benefit)	(52.5)	(3.3)
Total net impact on profit after tax from hedge restructures	122.5	7.7

Note 3 Dividends Paid and Proposed

	Cents per share	Total amount $M	Franked/ unfranked	Date of Payment
Dividends recognised in the current year by the Company are:				
2007 – Dividend paid during the year for the 30 June 2006 year				
Final – ordinary	5.0	16.7	Unfranked	13 Oct 2006
2006 – **Dividend paid during the year for the 30 June 2005 year**				
Final – ordinary	5.0	16.6	49% Franked	14 Oct 2005
Subsequent events				
Dividend proposed and not recognised as a liability:				
Since the end of the financial year, the Directors declared the following dividends:				
Final – ordinary	5.0	16.8	Unfranked	27 Sept 2007

Dividend franking account

	Consolidated 2007 $M	2006 $M
Franking credit balance		
Franking credits available for the subsequent financial year are:		
Franking account balance as at the beginning of the financial year at 30% (2006: 30%)	**1.2**	2.9
Current year tax payment installments and adjustments	**(1.1)**	1.8
Franked dividends paid	–	(3.5)
Franking account balance as at the end of the financial year	**0.1**	1.2

Note 4 Earnings Per Share (EPS)

EPS (cents per share)	Consolidated 2007	2006
Basic EPS	**21.5**	105.3
Diluted EPS	**21.4**	104.5
Basic EPS from continuing operations	**21.5**	39.6
Diluted EPS from continuing operations	**21.4**	39.2
Basic EPS from discontinued operation	–	65.7
Diluted EPS from discontinued operation	–	65.2

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

	Consolidated 2007 $M	2006 $M
Profit after income tax from continuing operations attributable to equity holders of the parent	**72.0**	131.3
Profit after income tax from discontinued operation	–	218.2
Earnings attributable to ordinary equity holders of the parent used in calculating basic EPS	**72.0**	349.5
	No. of shares	**No. of shares**
Weighted average number of ordinary shares used in calculating basic EPS	334,188,763	331,868,645
Effect of dilutive securities:		
Share options	1,605,251	2,686,239
Adjusted weighted average number of ordinary shares used in calculating diluted EPS	335,794,014	334,554,884

Note 5 Segment Information

The Consolidated Entity's primary segment reporting format is geographical segments as the Consolidated Entity's risk and rates of return are affected predominantly by the location of the mine sites. The operating businesses are organised and managed separately according to their location.

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

2007	Cadia Valley Operations $M	Gosowong (iv) $M	Telfer (iii) $M	Boddington (ii) $M	Cracow $M	Group and Unallocated $M	2007 Total $M
External Sales revenue (i)	1,013.4	295.4	764.2	–	69.0	(587.0)	1,555.0
Other revenue	–	–	–	–	–	6.0	6.0
Total segment revenue	1,013.4	295.4	764.2	–	69.0	(581.0)	1,561.0
Segment result (i)	526.7	180.8	149.2	–	27.7	(781.0)	103.4
Income tax expense	–	–	–	–	–	(10.4)	(10.4)
Net profit	526.7	180.8	149.2	–	27.7	(791.4)	93.0
Segment assets	1,255.7	168.9	2,213.4	–	149.9	834.7	4,622.6
Segment liabilities	266.0	46.8	114.5	–	0.4	3,254.1	3,681.8
Other segment information							
Acquisition of segment assets	94.2	21.2	224.0	–	13.0	56.9	409.3
Depreciation and amortisation of segment assets	70.0	20.0	116.2	–	11.2	7.0	224.4

2006	Cadia Valley Operations $M	Gosowong (iv) $M	Telfer (iii) $M	Boddington Discontinued $M	Cracow $M	Group and Unallocated $M	2006 Total $M
External Sales revenue (i)	1,026.0	127.3	754.6	–	55.5	(570.3)	1,393.1
Other revenue	–	–	–	–	–	5.8	5.8
Total segment revenue	1,026.0	127.3	754.6	–	55.5	(564.5)	1,398.9
Segment result (i)	505.7	53.9	263.8	(0.2)	22.5	(439.2)	406.5
Income tax expense	–	–	–	–	–	(51.2)	(51.2)
Net profit	505.7	53.9	263.8	(0.2)	22.5	(490.4)	355.3
Segment assets	1,131.9	148.9	2,087.0	–	106.8	782.8	4,257.4
Segment liabilities	268.2	40.0	93.2	–	0.1	3,695.2	4,096.7
Other segment information							
Acquisition of segment assets	97.5	73.1	309.5	5.7	39.7	18.4	543.9
Depreciation and amortisation of segment assets	90.9	6.4	77.3	–	6.6	5.4	186.6

Notes:

(i) Segment sales revenue and segment results by mine location includes gold and copper sales at unhedged 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. On the 21 March 2006, Newcrest Mining sold its interest in the joint venture.

(iii) Telfer underground operations commenced in November 2006.

(iv) Gosowong consists of the Kencana underground which commenced operations in Q4 2006 and Toguraci open pit operation (prior year).

Note 5 Segment Information continued

Geographical Segments (based on location of customers)

	Sales Revenue from External Customers	
	2007	2006
	$M	$M
Australia – Bullion	352.7	263.0
Other Asia – Bullion	295.3	127.3
Japan – Concentrate	934.7	992.2
Korea – Concentrate	262.6	283.9
Other Asia – Concentrate	259.9	172.9
Europe – Concentrate	32.8	121.7
Hedge losses included in revenue	(431.9)	(556.9)
Losses on restructured hedges	(151.1)	(11.0)
Total Sales Revenue	**1,555.0**	1,393.1

Business Segments (Secondary Reporting Format)

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

Note 6 Subsequent Events

On 17 August 2007, the Directors of Newcrest Mining Limited declared a final unfranked dividend on ordinary shares in respect of the 2007 financial year. The total amount of the dividend is $16.8 million, which represents an unfranked dividend of five cents per share. The dividend has not been provided for in the 30 June 2007 financial statements.

On 14 August 2007, Mr Tim Poole and Mr Rick Lee were each appointed as Non-Executive Directors of the Company. On the same date Dr Scheinkestel also advised of her intention to step down as Non-Executive Director, with effect from 31 August 2007.

There are no other matters or circumstances which have arisen since 30 June 2007 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:

(a) The Concise Financial Report of the consolidated entity for the year ended 30 June 2007 is in accordance with Accounting Standard AASB 1039 *Concise Financial Reports*;

(b) The financial statements and specific disclosures included in this Concise Financial Report have been derived from the full Financial Report for the year ended 30 June 2007;

(c) 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 to the deed of cross guarantee described in note 29 of the full Financial Report, 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

(d) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2007.

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

Donald P. Mercer
Chairman

17 August 2007
Melbourne

Ian K. Smith
Managing Director and Chief Executive Officer

ERNST & YOUNG

Ernst & Young Building
8 Exhibition Street
Melbourne VIC 3000
Australia

GPO Box 67
Melbourne VIC 3001

Tel 61 3 9288 8000
Fax 61 3 8650 7777

Independent auditor's report to the members of Newcrest Mining Limited

The accompanying concise financial report of Newcrest Mining Limited comprises the balance sheet as at 30 June 2007, the income statement, statement of changes in equity and cash flow statement for the year then ended and related notes, derived from the audited financial report of Newcrest Mining Limited for the year ended 30 June 2007. The concise financial report also includes discussion and analysis. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

Directors' Responsibility for the Concise Financial Report

The Directors are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports*, and the *Corporations Act 2001.* This responsibility includes establishing and maintaining internal controls relevant to the preparation of the concise financial report; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Newcrest Mining Limited for the year ended 30 June 2007. Our audit report on the financial report for the year was signed on 17 August 2007 and was not subject to any modification. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039 *Concise Financial Reports* and whether the discussion and analysis complies with the requirements laid down in AASB 1039 Concise Financial Reports.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion, the concise financial report, including the discussion and analysis of Newcrest Mining Limited for the year ended 30 June 2007 complies with Accounting Standard AASB 1039 *Concise Financial Reports*.

Ernst & Young

Ernst & Young

Alan I Beckett
Partner
Melbourne
17 August 2007

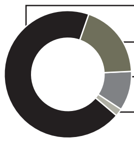
Liability limited by a scheme approved under Professional Standards Legislation

Shareholder Information (2007)

Capital (on 31 August 2007)

Share Capital	335,286,861
Ordinary shareholders	24,884
Shareholdings with less than a marketable parcel of $500 worth of ordinary shares	602
Market price	$24.50

Shareholder Breakdown



Newcrest Top 20 Investors at 31 August 2007

Name	Current Balance	Issued Capital %
1. HSBC Custody Nominees (Australia) Limited	97,089,653	28.96
2. National Nominees Limited	64,676,829	19.29
3. J P Morgan Nominees Australia	43,728,123	13.04
4. ANZ Nominees Limited	37,300,336	11.12
5. Citicorp Nominees Pty Limited	31,642,330	9.44
6. Queensland Investment Corporation	4,655,837	1.39
7. Citicorp Nominees Pty Limited	3,328,081	0.99
8. UBS Nominees Pty Ltd	3,187,665	0.95
9. Cogent Nominees Pty Limited	2,454,744	0.73
10. HSBC Custody Nominees	2,274,658	0.68
11. AMP Life Limited	1,918,733	0.57
12. Suncorp Custodian Services Pty Limited	1,381,969	0.41
13. Bainpro Nominees Pty Limited	1,087,517	0.32
14. Merrill Lynch (Australia) Nominees Pty Ltd	911,058	0.27
15. RBC Dexia Investor Services Australia Nominees Pty Limited	720,416	0.21
16. Bond Street Custodians Limited	580,195	0.17
17. Australian Reward Investment Alliance	576,252	0.17
18. UBS Wealth Management Australia Nominees Pty Ltd	503,627	0.15
19. Fleet Nominees Pty Limited	483,091	0.14
20. UCA Growth Fund Limited	400,000	0.12
Total	**298,901,114**	**89.15**

Substantial Shareholders at 31 August 2007

Capital Group	48,657,911	14.56
Commonwealth Bank	32,249,723	9.62
Merrill Lynch & Co. Inc	31,878,733	9.52

Investor Categories

Ranges	Investors	Securities	Issued Capital %
1–1,000	16,839	6,720,416	2.00
1,001–5,000	7,224	14,610,822	4.36
5,001–10,000	458	3,280,934	0.98
10,001–100,000	296	7,742,590	2.31
100,001 and Over	67	302,932,099	90.35
Total	**24,884**	**335,286,861**	**100.00**

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 an unfranked dividend of 5 cents per share. The dividend is payable to shareholders on 27 September 2007. Shareholders registered as at the close of business on 6 September 2007 will be eligible for the dividend. The Dividend Reinvestment Plan remains in place and will be offered to shareholders at market price.

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: BNY – Mellon Shareowner Services, Investor Services, P.O. Box 11258, Church Street Station, New York, NY 10286–1258.

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 the net movement for ADRs was positive 11,392,973 and at year end a net 19,193,123 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 Link Market Services' website www.linkmarketservices.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
- elect to receive financial reports electronically
- 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.

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 (0)2 8280 7111. Share registry contact details are contained in the Corporate Directory of this Report on the inner back cover.

Five Year Summary

For the 12 months ending 30 June	2007	2006	2005	2004	2003
Gold Production (ounces)	1,617,251*	1,529,866*	1,157,520	761,780	714,377
Cash costs at achieved prices ($ per ounce)	280	245	150	114	212
Total costs at achieved prices ($ per ounce)	419	365	275	263	350
Net Profit after tax ($M)	72	349	130	123	92
– continuing operations ($M)	72	131	130	123	92
– discontinued operation ($M)	–	218	–	–	–
Return on Capital Employed (percent)	5.9	8.4	8.8	9.6	6.6
Gold Production – Newcrest Share (ounces)					
Cadia Hill	**246,661**	248,312	308,516	244,261	298,848
Cracow	**81,678**	77,702	26,128*	–	–
Ridgeway	**314,028**	366,520	382,034	438,026	377,539
Telfer	**627,077***	650,016*	217,740*	–	–
Gosowong	**347,807**	187,316	223,102	79,493	37,878
Boddington	**–**	–	–	–	112
Total	**1,617,251**	1,529,866	1,157,520	761,780	714,377
Copper Production (tonnes)	**88,940**	100,521	96,785	84,758	67,738
Costs per ounce					
By–product basis (NAGIS)					
Cash costs at achieved prices ($ per ounce)	**280**	245	150	114	212
Total costs at achieved prices ($ per ounce)	**419**	365	275	263	350
Co–product basis					
Gold cash costs ($ per ounce)	**399**	332	304	289	331
Copper cash costs ($ per lb)	**1.96**	1.85	1.07	0.77	0.75
Total gold costs ($ per ounce)	**486**	398	377	379	426
Total copper costs ($ per lb)	**2.38**	2.22	1.32	1.01	0.96
Cash Flow Expenditure ($M)					
Exploration	**60**	57	46	45	33
Capital	**341**	488	641	710	232
Profit and Loss ($M)					
Sales revenue	**1,555**	1,393	972	703	596
Cash flow from operations	**387**	264	259	267	199
Depreciation and amortisation	**(224)**	(187)	(134)	(111)	(98)
Income tax (expense)/benefit#	**(10)**	(47)	(61)	(51)	(29)
Net profit after tax ($M)	**72**	349	130	123	92
– continuing operations ($M)	**72**	131	130	123	92
– discontinued operations ($M)	**–**	218	–	–	–
Basic earnings per share (cents per share)#	**21.5**	39.6	39.4	37.5	29.6
Basic earnings per share (cents per share)	**21.5**	105.3	39.4	37.5	29.6
Dividend paid (cents per share)	**5**	5	5	5	5
Financial Position ($M)					
Total assets	**4,623**	4,257	3,104	2,566	1,839
Total liabilities	**3,682**	4,097	1,973	1,566	954
Shareholders' equity	**941**	161	1,131	1,000	885
Return on Capital Employed (percent)	**5.9**	8.4	8.8	9.6	6.6
Issued Capital (million shares) at year end	**335.3**	333.1	330.6	328.6	311.4
Gold Inventory (million ounces)					
Reserves	**33**	33	33	28	28
Resources	**55**	59	61	62	53

* Includes commissioning production.
# From continuing operations.

Corporate Directory

Investor Information

Registered and Principal Office
Newcrest Mining Limited
Level 9
600 St Kilda Road
Melbourne, Victoria 3004
Australia
Telephone: +61 (0)3 9522 5333
Facsimile: +61 (0)3 9525 2996
Email:
corporateaffairs@newcrest.com.au
Internet: www.newcrest.com.au

Company Secretary
Bernard Lavery
Level 9
600 St Kilda Road
Melbourne, Victoria 3004
Australia
Telephone: +61 (0)3 9522 5371
Facsimile: +61 (0)3 9521 3564
Email: bernard.lavery@newcrest.com.au

Stock Exchange Listings
Australian Stock Exchange
(Ticker NCM)
New York ADRs
(Ticker NCMGY)

Share Registry
Link Market Services Limited
Level 9
333 Collins Street
Melbourne, Victoria 3000
Australia

Postal Address
Locked Bag A14
Sydney South, New South Wales 1235
Australia
Telephone: 1300 554 474
+61 (0)2 8280 7111
Facsimile: +61 (0)2 9287 0303
+61 (0)2 9287 0309*
*For faxing of Proxy Forms only.

Email:
registrars@linkmarketservices.com.au
Internet: www.linkmarketservices.com.au

ADR Depositary
BNY – Mellon Shareowner Services
Investor Services
P.O. Box 11258
Church Street Station
New York, NY 10286-1258
Telephone: Toll Free for domestic callers:
1-888-BNY-ADRS or 1-888-269-2377
International Callers: +1-212-815-3700
Email: shareowners@bankofny.com
Internet: http://www.adrbny.com

Other Offices

Brisbane
Exploration Office
Newcrest Mining Limited
Level 2
349 Coronation Drive
Milton, Queensland 4064
Australia
Telephone: +61 (0)7 3858 0858
Facsimile: +61 (0)7 3217 8233

Perth
Exploration Office &
Telfer Project Group
Newcrest Mining Limited
Hyatt Business Centre
Level 2
30 Terrace Road
East Perth, Western Australia 6004
Australia
Telephone: +61 (0)8 9270 7070
Facsimile: +61 (0)8 9221 7340

Company Events
1 November 2007
Annual General Meeting at 10.00am
Grand Waldorf Ballroom
The Sebel Albert Park
65 Queens Road
Melbourne, Victoria 3004

Visit our website at **www.newcrest.com.au** to view our key dates and features; current share price; market releases; annual, quarterly and financial reports; operations, project and exploration information; corporate, shareholder, hedging, employment and sustainability information.

Concise Annual Report
This is the Company's Concise Annual Report for 2007. The full Financial Report and Auditor's Report are available to members free of charge upon request.