Growing Stronger

Newcrest Annual Report 2011

This year has been one of significant transformation for Newcrest during which our asset portfolio has been greatly enhanced. The Lihir merger added a large, low cost producer with a 30 year reserve life and growth potential together with a substantial, highly prospective land package in West Africa. Drilling at Wafi-Golpu confirmed our belief that this asset could become one of the world's great orebodies.

Contents

Front cover/ Adam Ilaraki, Parts Controller, Mobile Maintenance & Planning, Lihir Operations

This page/ Processing facilities, Lihir Operations

About Newcrest

Our Assets

Opposite/ Lihir operation 900 kilometres north-east of Port Moresby, PNG

Right/ Telfer materials handling infrastructure

Below/ Ore haulage to the Cracow processing plant

Percentage owned by Newcrest

1/ **Cadia Valley** 100%

2/ **Lihir** 100%

3/ **Telfer** 100%

4/ **Gosowong** 82.5%

5/ **Wafi-Golpu** 50%

6/ **Hidden Valley** 50%

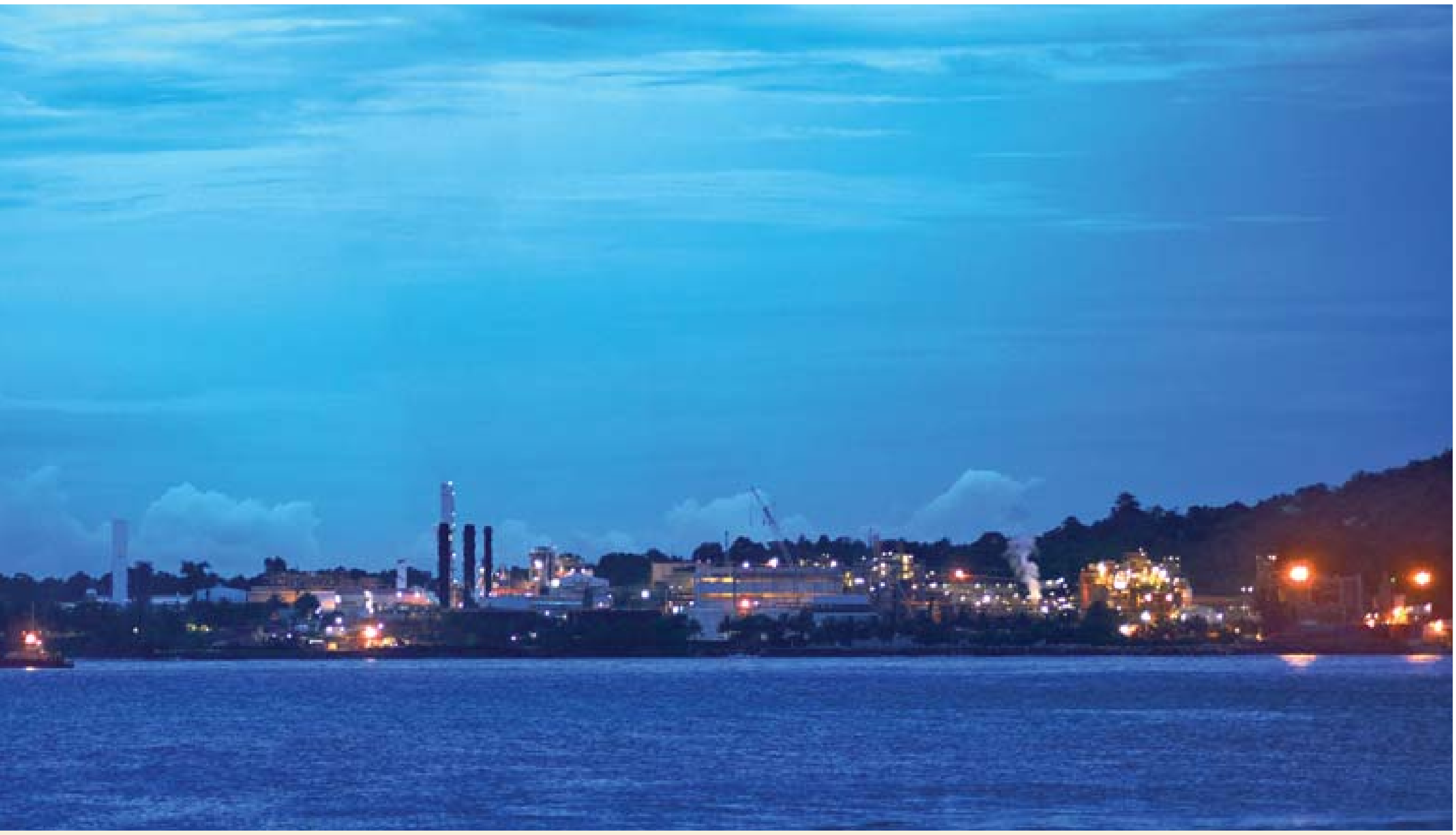
7/ **Bonikro** 89.9%

8/ **Namosi** 69.94%

9/ **Mt Rawdon** 100%

10/ **Cracow** 70%

Newcrest's value proposition is its portfolio of high-quality gold assets generating strong cash margins from long-life and predominantly low cost assets and a pipeline of projects to underpin growth over the next 10 years.



Newcrest is the largest gold producer listed on the Australian Stock Exchange and one of the world's top 10 gold mining companies by production, reserves and market capitalisation. Following the completion of the merger with Lihir Gold Limited (LGL) in September 2010, Newcrest operates 10 gold mines in four countries and has a workforce exceeding 16,000. Newcrest has a substantial reserve and resource base with current gold reserves representing more than 25 years of future production.

Newcrest pursues a strategy of delivering competitive shareholder returns by:

- maintaining a focus on gold;
- building a portfolio of predominately low cost, long-life gold assets through exploration and acquisition in known gold regions;
- optimising performance at each phase of the gold mining value chain (exploration, projects, operations);
- using its technical expertise across a range of mining and metallurgical processes;
- consistently improving environmental performance, community involvement and safety outcomes; and
- developing our people in technical, commercial and leadership aspects of the industry.

Newcrest focuses on long-term value creation with an emphasis on three key value drivers; maintaining low cash costs, growing reserves and production, and utilising capital efficiently. Its business model allows a seamless process of value creation through each stage of the value chain.

A successful exploration record of low cost discoveries and strategic merger and acquisition activity has enabled Newcrest to develop a portfolio of long-life and predominately low cost operations primarily in the Asia-Pacific region which produced 2.7 million ounces of gold in financial year 2011. Significant brownfield expansion projects are expected to underpin production growth to 4 million ounces of gold in financial year 2016. A range of greenfield projects, including the exciting Wafi-Golpu deposit in Papua New Guinea, provide further growth options in the medium and long term.

As an unhedged gold producer with low gearing and a strong operating cash flow, Newcrest's financial strength, coupled with extensive technical capability and a pipeline of organic growth opportunities ensure the company is well placed to deliver competitive returns to shareholders over the long term.

Results at a Glance

/ Successful merger with Lihir Gold Limited has contributed to a record profit and operating cash flow for the year

/ Group Mineral Resources up 9% to 147.5 million ounces of gold and 15% to 19.9 million tonnes of copper

/ Group Ore Reserves up 3% to 80.0 million ounces of gold and 6% to 8.36 million tonnes of copper

/ Record Statutory Profit – $908 million

/ Record Underlying Profit – $1,058 million

/ Full year dividend increased 20% to 30 cents per share, unfranked

/ Special dividend of 20 cents per share, unfranked

/ Cash flow from operations exceeded $1.7 billion

/ Strong EBITDA and EBIT margins 50% and 38% respectively

		12 months to 30 June 2011	12 months to 30 June 2010	% Change
Gold produced	(ounces)	**2,701,918**[1]	1,762,200	53
Copper produced	(tonnes)	**75,631**	86,816	(13)
Gold price realised	($ per ounce)	**1,378**	1,252	10
Sales revenue	($ million)	**4,102**	2,802	46
Operating EBIT	($ million)	**1,544**	1,139	36
Statutory Profit	($ million)	**908**	557	63
Underlying Profit	($ million)	**1,058**	776	36
Cash flow from operations	($ million)	**1,729**	1,303	33
Capital expenditure (cash flow basis including exploration)	($ million)	**2,294**	886	159
EPS on Underlying Profit	(cents)	**147.3**	160.5	(8)
Return on capital employed (ROCE)	(percent)	**11**	24	(13)
Gearing (Net Debt/Net Debt and Equity)	(percent)	**4**	(5)	(9)

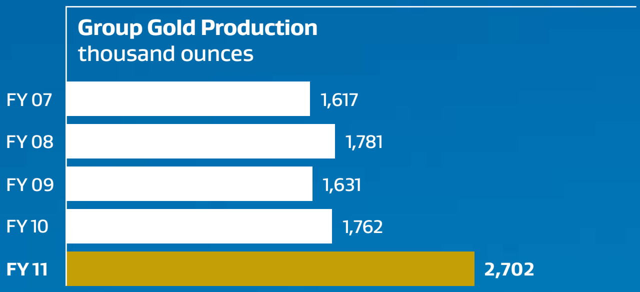
(All $ are Australian denominated unless stated otherwise)

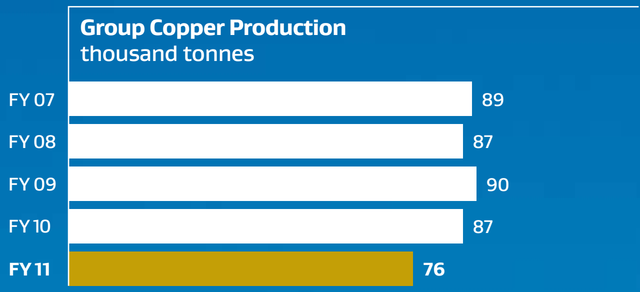
[1] Includes 12 months production from the former LGL sites.

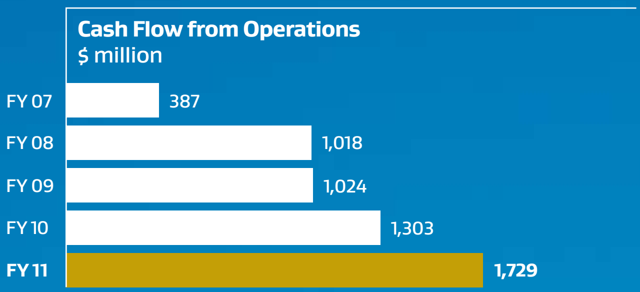
This page/ Mining at the Telfer gold mine

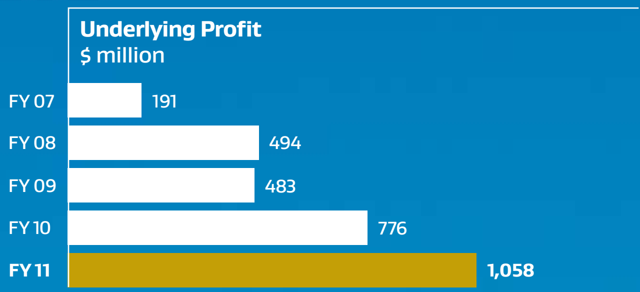
2,701,918

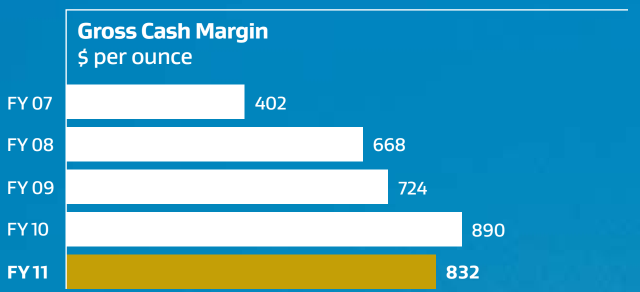
Gold produced (ounces)

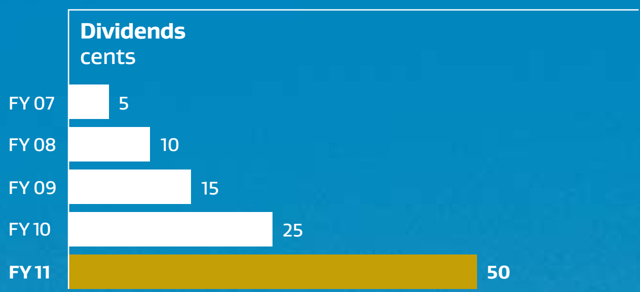












Chairman's Report

Above/ Lihir processing plant at night

Don Mercer/ Chairman

In July, we transitioned to a new Managing Director and Chief Executive Officer. Greg Robinson's experience and direct involvement in Newcrest's strategy and growth make him particularly well suited to lead Newcrest during the next phase of the company's development.

The past 12 months have been a significant period in Newcrest's development with the merger with Lihir Gold Limited (LGL) transforming the Company into one of the world's leading gold producers. We now have a large, diversified resource base, a portfolio of long-life, predominantly low-cost assets and a strong pipeline of organic growth options. This consolidates the initiatives of the previous three years which include Newcrest's purchase of a 50 percent interest in the Morobe Mining Joint Ventures in Papua New Guinea (the Hidden Valley mine and the Wafi-Golpu advanced exploration project), the commencement of construction of Australia's largest underground mine, Cadia East, and the successful commissioning of the Ridgeway Deeps mine.

During the year, the Company conducted a comprehensive review of its Corporate Strategy. We confirmed our focus on gold and large, long-life and predominantly low cost ('Tier one') assets primarily in the Asia-Pacific region. Newcrest will continue to be unhedged and to maintain a conservative balance sheet. Within that context a decision was taken to 're-house' Newcrest's smaller Australian mines at Cracow and Mt Rawdon into a new, growth-focused company to be formed through the proposed merger of Catalpa Resources Limited and Conquest Mining Limited, in which Newcrest will hold approximately 33 percent. The Board is of the view that, over time, this transaction will enable value optimisation from these assets.

During the year, a number of important changes were made to the Board and executive management.

In July, we transitioned to a new Managing Director and Chief Executive Officer, Greg Robinson, who succeeded Ian Smith. Greg joined Newcrest in 2006 as Chief Financial Officer and has been a member of the Board since late 2006. Greg's experience and direct involvement in Newcrest's strategy and growth make him particularly well suited to lead Newcrest during the next phase of the Company's development.

The Board would like to thank Ian Smith for the outstanding contribution he made to the success of Newcrest during the five years of his leadership of the Company.

In February 2011, Lady Winifred Kamit was appointed to the Board. Lady Kamit was a director of LGL until the merger between Newcrest and LGL and she brings to Newcrest extensive business experience and broad community knowledge of Papua New Guinea.

This year, global financial markets experienced significant volatility in response to concerns with the levels of sovereign debt in the United Sates and Eurozone countries. The current state of major economies, along with the impacts of high levels of sovereign debt and the restricted capacity of governments to provide economic stimulus have resulted in macroeconomic conditions likely to support a strong gold price environment over the short to medium term.

Newcrest's production growth over the next five years, coupled with a low cash cost profile over the same period, ensure the company is very well placed. We expect continued strong financial returns to shareholders.

Members were paid an interim unfranked dividend of 10 cents per share in April 2011 and the Board has determined that a final unfranked dividend of 20 cents per share will be paid in October. This 30 cent per share annual dividend is a 20 percent increase on the dividend paid last year.

A further special unfranked dividend of 20 cents per share will be paid in December, in relation to the year ended 30 June 2011. This reflects the Board's view that our shareholders should receive a direct cash benefit from the strong gold price where the company's financial position allows, having regard to future project and cash commitments.

The outlook for Newcrest remains positive. Our performance during the 2010–11 financial year ensures the company remains in a healthy financial position with strong profit margins and low debt. The company has two major growth projects to deliver over the next 18 months – the Cadia East panel cave and the Lihir plant expansion. These will help to underpin the company's production profile for the next 30 years. A well-balanced pipeline of further growth options, including the Wafi-Golpu project and highly prospective exploration acreage, ensure the company is favourably positioned for continued growth over the medium and long term.

Don Mercer/ Chairman

Managing Director's Review

Above/ Telfer processing facilities

Greg Robinson/ Managing Director and Chief Executive Officer

During the year, the Company conducted a comprehensive review of its Corporate Strategy. We confirmed our focus on large, long-life and predominantly low cost assets, primarily in the Asia-Pacific region. Newcrest will continue to be unhedged and will maintain a conservative balance sheet.

2011 has been a year of significant growth and transformation for Newcrest. During the year we successfully completed the merger with Lihir, we agreed to sell two smaller assets, achieved record gold production of 2.7 million ounces, delivered earnings of over $1 billion and operating cash flow of $1.7 billion. Pleasingly, we were able to reward shareholders with a full year dividend of 30 cents per share and a special dividend of 20 cents per share. Finally, Ian Smith retired and I became Chief Executive Officer of Newcrest. I would like to acknowledge Ian's considerable contribution to Newcrest over the past five years as CEO and as a valued colleague.

Newcrest is now the largest gold company in Asia and the third largest gold company in the world by market capitalisation. Importantly we have a profile of predominantly low cost and long-life assets coupled with a strong set of project opportunities to continue to grow our company. Newcrest operates mines in four countries and its workforce has increased to more than 16,000.

The Corporate Strategy was refreshed during the year. It reaffirms Newcrest's vision ('the Miner of Choice'), values and the Company's focus on low cost and predominantly long-life gold assets, in the Asia Pacific region and on people, innovation and technical capability.

Consistent with this strategy, Newcrest intends to sell its smaller Australian mines, Cracow (70 percent interest) and Mt Rawdon, to a company formed through the merger of Catalpa Resources Limited and Conquest Mining Limited, in exchange for a 33 percent interest in the merged entity.

With the growth in Newcrest, the Executive Committee has been strengthened and expanded. Brett Fletcher has joined the company as Executive General Manager (EGM) – PNG and Indonesian Operations, Lawrie Conway has been promoted to the role of EGM Commercial and West Africa, and Andrew Logan to EGM Strategy, Step Change and Technology. Gerard Bond has been appointed as Finance Director and will join the company in the near future.

The gold price continued to be very strong during the year. The price was driven principally by global economic and political volatility. Central Banks became net buyers of gold for the first time in two decades and physical demand remained strong. Copper also continues to benefit from strong demand, principally driven by China.

Overall costs generally met expectations for the year although, in line with the broader Australian minerals industry, input cost pressures from higher energy and labour prices continued. Newcrest's profit margin remained robust and the resultant strong operating cash flow was primarily reinvested back into growth projects. The balance sheet ended the year at 4 percent gearing with appropriate bank liquidity. The integration with Lihir went well and was completed ahead of schedule and the expected synergy benefits were achieved.

Significant progress was made on growth projects during the year. The Gosowong Expansion project was completed under budget. Construction of the Cadia East mine and the Lihir plant expansion progressed to forecast production schedule. Pre-feasibility studies commenced on development alternatives at Wafi-Golpu in Morobe Province PNG, Namosi in Fiji and O'Callaghans in Western Australia. Newcrest is expecting to invest over $2 billion in growth projects next financial year.

Exploration activities focused on projects and expanding existing operations. Very pleasing results were delivered at Wafi-Golpu, Lihir and Namosi. At Wafi-Golpu, the Mineral Resource was upgraded to around one billion tonnes containing 26.6 million ounces of gold and 9 million tonnes of copper and the exploration program continues to show enormous potential.

The Company continued the safety performance trend of previous years, recording a significant reduction in the Lost Time Injury Frequency Rate of 0.2, down from 0.6 the previous year, and a Total Recordable Injury Frequency Rate of 3.2, down from 5.8 the previous year.

However, sadly this record was overshadowed in August by a helicopter accident in Indonesia in which eight employees and contractors of PT Nusa Halmahera Minerals and the two helicopter crew members died. A full investigation is underway and extensive support has been provided for the families of the deceased.

Newcrest continues the practice of preparing an annual Sustainability Report in accordance with the Global Reporting Initiative G3 framework. Available on the Company's website, Newcrest has now been producing an external sustainability report for 10 years. Key activities in the Sustainability Report include: Telfer and Lihir renewing landowner agreements and in Indonesia the introduction of a new three-year regional development program with regional and provincial governments.

The proposed introduction of a carbon tax in Australia will place further upward pressure on energy and consumable costs, estimated to equate to between 1 percent and 3 percent of Newcrest's NPAT during the initial three-year period when the cost of carbon credits is fixed. A carbon tax can be expected to erode Australia's competitive position as a destination for capital for major project developments in the precious metals sector. Newcrest has been working for several years to reduce its energy consumption and will continue to seek effective mitigation opportunities, including allocating eligible credits from its offshore operations.

Newcrest's progress has been due to the dedication and drive of our employees and their commitment to delivering the Newcrest vision to be 'the Miner of Choice'. Our people and our vision will serve us well as we continue to implement our strategy and take full advantage of the opportunities we have created for our future.

Greg Robinson/ Managing Director and Chief Executive Officer

The Board

Don Mercer/

NON-EXECUTIVE CHAIRMAN

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

Mr Mercer was appointed Non-Executive Chairman of Newcrest on 26 October 2006. He is also Chairman of Air Liquide Australia Limited.

He is a former Managing Director and Chief Executive Officer of ANZ Banking Group and is a former Chairman of the Australian Institute of Company Directors Limited, The State Orchestra of Victoria, Australia Pacific Airports Corporation Limited and Orica Limited.

Greg Robinson/

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER (FROM 1 JULY 2011)

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

Prior to joining Newcrest, Mr Robinson was with the BHP Billiton Group from 2001 to 2006 where he held the positions of Chief Finance and Chief Development Officer, Energy. He was also a member of the Energy Executive Committee and Group Executive Committee. Before joining BHP Billiton, he was a Director of Investment Banking at Merrill Lynch & Co and headed the Asia Pacific Metals and Mining Group. Mr Robinson is a Director of the Minerals Council of Australia and St Vincent's Institute and a member of the Australian Institute of Company Directors.

Ian Smith/

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER (UNTIL 30 JUNE 2011)

Bachelor of Engineering (Hons) and Bachelor of Financial Administration.

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 President of the Australian Mines and Metals Association, was Chairman of the Minerals Council of Australia, and is a member of the Australian Institute of Company Directors.

Newcrest's Board has a range of skills, expertise and experience well suited to the Company's requirements.

Rick Lee/

NON-EXECUTIVE DIRECTOR

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

Mr Lee is Chairman of the Human Resources and Remuneration Committee and a member of the Audit and Risk Committee.

He is Chairman of Salmat Limited, C. Czarnikow Limited, the Australian Institute of Company Directors and Deputy Chairman of Ridley Corporation Limited. Mr Lee is a Director of Australian Rugby Union Limited and Ridley Corporation Limited. He was Chief Executive of NM Rothschild Australia Group and is a former Director of CSR Limited. Prior to this, he spent 16 years in the CSR sugar division.

John Spark/

NON-EXECUTIVE DIRECTOR

Bachelor of Commerce and Fellow of the Institute of Chartered Accountants.

Mr Spark is Chairman of the Audit and Risk Committee and a member of the Safety, Health and Environment Committee.

He is a registered company auditor and former Managing Partner of Ferrier Hodgson, Melbourne. Mr Spark is the Chairman of Ridley Corporation Limited and a former Director of ANL Limited and Baxter Group Limited. He has an extensive background in accounting, profit improvement and financial analysis.

Vince Gauci/

NON-EXECUTIVE DIRECTOR

Bachelor of Engineering (Mining).

Mr Gauci is a member of the Safety, Health and Environment and the Human Resources and Remuneration Committees.

He has over 40 years' experience in the global mining industry and was formerly the Managing Director of MIM Holdings Limited. Mr Gauci is currently the Chairman of Runge Limited, a Director of Liontown Resources Limited and Chairman of the Broken Hill Community Foundation.

Winifred Kamit/

NON-EXECUTIVE DIRECTOR

Bachelor of Arts and Bachelor of Laws.

Lady Kamit is a member of the Human Resources and Remuneration and the Safety, Health and Environment Committees.

She has extensive business experience and broad community knowledge of PNG. Lady Kamit is a senior partner with Gadens Lawyers in Port Moresby and served as a Director of Lihir Gold Limited from October 2004 until completion of Newcrest's acquisition of LGL in September 2010. She is a Director of Post Courier Limited, Nautilus Minerals Niugini Limited and Steamships Trading Company Limited, a Councillor of the Papua New Guinea Institute of National Affairs and Chairperson of Coalition for Change PNG, an initiative against violence against women and children.

Tim Poole/

NON-EXECUTIVE DIRECTOR

Bachelor of Commerce and Chartered Accountant.

Mr Poole is a member of the Audit and Risk, and the Human Resources and Remuneration Committees.

He is Non-Executive Chairman of Continuity Capital Partners Pty Limited, the Investment Committee of the industry superannuation fund AustralianSuper and the LEK Consulting Advisory Board. Mr Poole is a Director of Lifestyle Communities Limited, Victoria Racing Club Limited, Westbourne Capital Pty Ltd, AustralianSuper Pty Ltd and Westbourne Credit Management Limited. Mr Poole is a former Managing Director of Hastings Fund Management and Chairman of Asciano Limited.

Richard Knight/

NON-EXECUTIVE DIRECTOR

Bachelor of Science (Mining Engineering), Master of Science (Mine Production Management) and Chartered Engineer.

Mr Knight is Chairman of the Safety, Health and Environment Committee and a member of the Audit and Risk Committee.

He has extensive experience in the international mining industry. Mr Knight is a mining engineer and holds a Masters Degree in Mine Production Management. He is a former Executive Director of North Limited, was Chairman and CEO of the Iron Ore Company of Canada and CEO of Energy Resources of Australia Limited. Mr Knight is a former Director of OZ Minerals Limited, Zinifex Limited, St Barbara Limited, Portman Limited, Northern Orion Resources Inc and Asia Pacific Resources.

Operations

This page/ Ore haulage from the Telfer open pit

Newcrest's flagship Cadia Valley and Lihir operations are two of the longest life gold provinces in the world. Current expansion projects, once complete, will enable gold production of approximately 2 million ounces per year from these two operations.

Newcrest has a number of long-life, low cost assets in the Asia-Pacific region with a substantial resource and reserve base to underpin future gold production. The company's operations produced 2.7 million ounces of gold and almost 76 thousand tonnes of copper during the 2011 financial year. Current gold reserves represent more than 25 years' production.

At 30 June 2011, total Mineral Resources for the Group are estimated to contain 147.5 million ounces of gold and 19.9 million tonnes of copper. Total Ore Reserves are estimated to contain 80.0 million ounces of gold and 8.36 million tonnes of copper.

Newcrest's asset portfolio includes 10 operating mines using a variety of efficient predominantly low cost bulk mining methods for large orebodies together with selective underground mining methods to optimise high-grade epithermal deposits. Newcrest has experience in developing and commissioning both large scale and smaller operations.

In recent years, Newcrest has placed significant emphasis on investing in strategic research and development of world leading underground bulk mining technologies from early concept studies to full scale trials. Through this investment, Newcrest has advanced the technical development of caving and other mining methods with current applications at Ridgeway and Telfer, and planned applications at Cadia East and Wafi-Golpu.

Discovery of new orebodies remains an important element in Newcrest's strategy to maximise shareholder returns over the long term. A key objective of the company's exploration activities is to control large prospective mineral districts in order to secure long term mining operations, while enhancing the potential for further discoveries. The principal targets are large porphyry gold-copper, epithermal gold and sediment hosted gold deposits. Over the past 15 years, the Company has a established a solid record for the discovery of major gold deposits, including the current Cadia Hill, Cadia East, Ridgeway, Gosowong and Cracow operations.

Newcrest is currently evaluating three major prospects with significant metal endowments, namely Wafi-Golpu in PNG, Namosi in Fiji and O'Callaghans in Western Australia. Exploration activities are ongoing in Australia, Indonesia, PNG, Fiji and Côte d'Ivoire.

The Cadia East panel cave will be Australia's largest underground mine and will underpin production from Cadia Valley for at least the next 30 years.

Australia

Cadia Valley Province

The Cadia Valley province is located in central western New South Wales, 250 kilometres west of Sydney. It comprises the Cadia Hill open pit mine, the Ridgeway underground mine and ore processing facilities with the capacity to treat 24 million tonnes per year. It also incorporates the Cadia East project, currently in development. Cadia East comprises an underground mine and the expansion of ore processing capacity at Cadia Valley to 26 million tonnes per year. First production from Cadia East is expected during 2012. The Cadia Valley operations are 100 percent owned by Newcrest.

Production from Cadia Valley during the year ended June 2011 was 515,421 ounces of gold and 43,553 tonnes of copper at a cash cost of A$303 per ounce. At 30 June 2011, the Cadia Valley province Mineral Resource contains 43.4 million ounces of gold and 7.97 million tonnes of copper with a corresponding Ore Reserve containing 26.6 million ounces of gold and 4.22 million tonnes of copper.

Cadia Hill employs a conventional open pit mining method comprising drill, blast, load and haul and commenced production in 1998. It is one of the largest open pit gold-copper mines in Australia processing approximately 17 million tonnes per year of ore. The Cadia Hill pit is nearing completion and has a forecast mine life to early 2013.

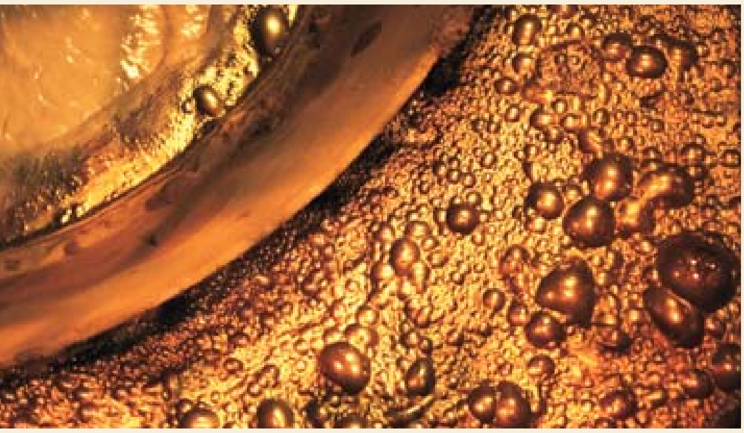
The Ridgeway gold-copper mine is located 3 kilometres from the Cadia Hill open pit. The two mines share a number of infrastructure facilities and services enabling the two adjacent concentrators to be efficiently operated as a single complex.

The top of the Ridgeway deposit lies approximately 500 metres below the surface and was discovered in 1996. Production commenced from the underground sub-level cave in April 2002 at a nominal rate of 4 million tonnes per year. The underground mining rate and concentrator throughput have since been increased to 6 million tonnes per year. In 2010 Ridgeway transitioned from the original sub-level cave operation to a block cave operation located beneath the sub-level cave.

The Cadia East project commenced in April 2010 and once complete will enable production from Cadia Valley operations to increase to around 800,000 ounces of gold and 100,000 tonnes of copper per year. It is based on the development of the Cadia East underground panel cave mine adjacent to the existing Cadia Hill open pit mine, and an expansion of the existing Cadia Valley processing plant capacity from 24 million tonnes per year to 26 million tonnes per year. The Cadia East underground panel cave mine will be Australia's largest underground mine and will underpin production from the Cadia Valley province for at least the next 30 years.

The Cadia East deposit is 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 approximately 1.9 kilometres below the surface. It was discovered before Ridgeway. It is one of the world's largest gold deposits, comprising a Mineral Resource of 2.3 billion tonnes containing 33.2 million ounces of gold and 6.59 million tonnes of copper, along with a current Ore Reserve containing 22.1 million ounces of gold and 3.63 million tonnes of copper.

Top/ Service truck operator, Carl Palmer, Cadia Valley
Middle/ Copper flotation circuit
Bottom/ Ore feed to process plant, Cadia Valley



The O'Callaghans tungsten and base metal deposit has the potential to reduce Telfer cash costs by up to A$150 per ounce.

Australia/ continued

Telfer Province

The Telfer gold mine is located in the Great Sandy Desert in the Paterson Province of Western Australia approximately 450 kilometres south-east of Port Hedland and 1,900 kilometres by road from Perth. Telfer is 100 percent owned by Newcrest.

Production for the year ended June 2011 was 621,291 ounces of gold and 32,078 tonnes of copper at a cash cost of A$674 per ounce. At 30 June 2011, the Telfer Mineral Resource contained 18.5 million ounces of gold and 1.12 million tonnes of copper, along with an Ore Reserve containing 11.9 million ounces of gold and 0.65 million tonnes of copper.

Discovered in 1971, Telfer became the cornerstone of Newcrest following the commencement of operations in 1977. The original gold mine operated until 2000 and produced almost 6 million ounces of gold. In October 2000 with the gold price less than US$300 per ounce, mining operations were suspended due to escalating costs, caused primarily by the prevalence of cyanide soluble copper encountered in the ore at the base of the Telfer open pit.

A comprehensive feasibility study was completed in October 2002, which established an optimum strategy for the mining and processing of ore from the Main Dome open pit as well as the Telfer Deeps underground mine located beneath the Main Dome pit The study sought to optimise the economic value of the deposit by treating copper as a by-product credit. The mine operation was officially re-opened in July 2005, following a two year construction period.

The operation comprises two mines, Telfer Open Pit and Telfer Underground. The open pit includes the Main Dome pit and the West Dome pit with mining activity currently focused on the Main Dome pit. The underground mine is located beneath the Main Dome pit with ore transported to the surface via a shaft hoisting system with a capacity of 6 million tonnes per year. Ore from the mining operations is combined in a large, twin-train flotation treatment plant which produces gold doré and a copper-gold concentrate.

The O'Callaghans poly-metallic deposit is located approximately 10 kilometres from the Telfer processing plant. A Mineral Resource and Ore Reserve containing tungsten, copper, zinc and lead was reported in 2010. A pre-feasibility study to assess development options for the O'Callaghans deposit is nearing completion. O'Callaghans has the potential to reduce Telfer cash costs by up to A$150 per ounce.

Queensland Operations

The Mt Rawdon operation is a single open pit gold and silver mine and process plant located in South East Queensland, approximately 80 kilometres south-west of Bundaberg. Mt Rawdon is 100 percent owned by Newcrest. Gold production commenced in February 2001 and the operation comprises conventional open pit mining methods of drill, blast, load and haul using a local mining contractor. The processing plant capacity is approximately 3.5 million tonnes per year.

Production for the year ended June 2011 was 89,636 ounces of gold and 125,044 ounces of silver at a cash cost of A$693 per ounce. At 30 June 2011, the Mt Rawdon Mineral Resource contained 1 million ounces of gold and 2.9 million ounces of silver and an Ore Reserve of 0.9 million ounces of gold and 2.5 million ounces of silver.

The Cracow gold mine is located in central Queensland, approximately 500 kilometres north-west of Brisbane. Gold production commenced in November 2004 and Newcrest holds a 70 percent interest in the mine with Catalpa Resources Limited holding a 30 percent interest.

Newcrest's share of production for the year ended June 2011 was 71,206 ounces of gold at a cash cost of A$658 per ounce. At 30 June 2011, the Cracow Mineral Resource contained 0.89 million ounces of gold with an Ore Reserve containing 0.24 million ounces of gold (100 percent).

In June 2011, Newcrest entered into an agreement to sell its interests in the Mt Rawdon and Cracow assets to a company to be formed through the merger of Catalpa Resources Limited and Conquest Mining Limited. Newcrest will receive shares in the merged entity as consideration for these assets and as a major shareholder, will have the opportunity to share in the growth of the merged entity. The transaction is expected to be completed in October 2011.

Top/ Confirming integrity of rock wall, Telfer Underground

Middle/ Cracow processing plant at night

Bottom/ The Telfer Gold mine moves around 50 million tonnes of material each year

Once completed, the Lihir plant expansion will enable production exceeding 1 million ounces of gold per year.

Papua New Guinea

Lihir Province

The Lihir operation is located on the island of Niolam, 900 kilometres north-east of Port Moresby in the New Ireland Province of PNG. It is one of the world's largest gold deposits with a current reserve life exceeding 30 years. The Lihir operation is 100 percent owned by Newcrest following the merger with Lihir Gold Limited in September 2010.

Production for the year ended June 2011 was 790,974 ounces of gold at a cash cost of A$419 per ounce. At 30 June 2011, the Lihir Mineral Resource contained 56.0 million ounces of gold with a corresponding Ore Reserve containing 31.0 million ounces of gold.

The Lihir deposit was discovered in 1982 and extensively drilled prior to mine construction in 1995 and the commencement of gold production in May 1997. The operation employs a conventional open pit mining method comprising drill, blast, load and haul and comprises a single orebody with three linked open pits – Minifie, Lienetz and Kapit. Ore is predominantly refractory sulphide ore which is treated using autoclaves and a pressure oxidisation process before the gold can be recovered by a conventional leach process. The flotation circuit was expanded in 2007, enabling the process plant to treat more than 6 million tonnes of ore per year.

A major expansion of the Lihir process plant, known as the Million Ounce Plant Upgrade, is currently underway with the objective of increasing gold production to in excess of 1 million ounces per year over the life of the operation. Construction is expected to be completed by the end of calendar year 2012. The expansion involves substantially replicating the existing process stream including installation of an additional autoclave and milling equipment, oxygen production capacity and leaching capacity.

Geothermal energy is harnessed at Lihir to cost effectively produce approximately 30 percent of the operation's current power requirements. Significant potential exists to increase geothermal power generation on the island and deep drilling to identify additional sources of this clean, efficient energy source are ongoing.

Notwithstanding extensive drilling since 1982 and a current reserve life exceeding 30 years, the potential for resource and reserve growth at Lihir remains robust. The limits to the mineralisation have not been fully defined and it remains open at depth, along strike and to the east.

Hidden Valley

Hidden Valley is a gold and silver mine located approximately 90 kilometres south-west of Lae in the Morobe Province, PNG. Regionally, the goldfields district of the Morobe Province covers a portion of the Papuan Orogenic belt, which hosts a number of world-class gold and copper-gold deposits including Porgera and Ok Tedi. Hidden Valley is part of the Morobe Mining Joint Ventures (MMJV) which are owned 50 percent by Newcrest and 50 percent by Harmony Gold Mining Company.

In May 2010, construction and commissioning of the Hidden Valley operation was completed and the production ramp-up commenced. At full capacity, the mine is expected to produce over 250,000 ounces of gold and 3.6 million ounces of silver per year (100 percent terms) over a projected 14 year mine life. Exploration potential in the immediate mine area is high and Newcrest is confident that the mine life can be extended.

Newcrest's 50 percent share of production for the year ended June 2011 was 100,232 ounces of gold and 673,031 ounces of silver at a cash cost of A$1,010 per ounce.

At 30 June 2011, the Hidden Valley Mineral Resource contained 5.4 million ounces of gold and 109.6 million ounces of silver (100 percent) along with an Ore Reserve containing 3.8 million ounces of gold and 70.6 million ounces of silver (100 percent).

Wafi-Golpu

Wafi-Golpu, located in the Morobe Province of PNG approximately 65 kilometres south-west of the town of Lae, is an advanced exploration project that forms part of the MMJV (Newcrest 50 percent share).

It comprises an extensive body of gold only epithermal style mineralisation (Wafi) and deeper porphyry related copper-gold mineralisation (Golpu and Nambonga). Exploration also demonstrates that these mineralised zones are spatially related to a central diatreme and that the mineralised zones remain open at depth and to the north.

Deep drilling undertaken over the past 12 months demonstrates that the Golpu porphyry deposit may be significantly larger than the reported resource. Results show strongly mineralised porphyry at depth and to the north with grades persisting well into metasediment wall-rocks.

At 30 June 2011, the Wafi-Golpu Mineral Resource contained 26.6 million ounces of gold and 9 million tonnes of copper (100 percent).

An extensive exploration drilling program is planned for financial year 2012 to test the extent of mineralisation that remains open to the north and further delineate the resource. A pre-feasibility study, currently in progress to evaluate the development alternatives for the Wafi-Golpu project, is expected to be completed by June 2012.

Top/ Aerial view of the Hidden Valley processing plant

Middle/ Adam Ilaraki, Gregory Maimbo, & Susan Kayver, Mobile Maintenance & Planning at Lihir

Bottom/ 30 percent of Lihir's power consummation is from Geothermal Energy

In the coming months, Newcrest will commence drill testing of prospects in its large, highly prospective land package in West Africa.

Other Provinces

Gosowong, Indonesia

The Gosowong gold mine is located on Halmahera Island, Indonesia and is operated by PT Nusa Halmahera Minerals which is owned jointly by Newcrest (82.5 percent interest) and PT Aneka Tambang, a company listed on the Indonesian Stock Exchange and the ASX (17.5 percent interest).

Gold mineralisation at Gosowong was discovered by Newcrest geologists in 1993 and comprises multiple high-grade epithermal deposits. Mining operations commenced in 1999, initially from the Gosowong open pit and subsequently from the Toguraci open pit. The Kencana underground mine is the current source of ore feed to the processing plant and represents the third Newcrest gold mine in the province.

The feasibility study and the environmental impact statement for the Kencana mine were approved by the Indonesian Minister of Mines in 2005 and the first gold production occurred in March 2006. Following an expansion in 2010, the Gosowong processing plant has a capacity of 575,000 tonnes per year and processes ore from the Kencana mine.

Production for the year ended June 2011 was 463,218 ounces of gold and 284,139 ounces of silver at a cash cost of A$329 per ounce.

The Gosowong province remains highly prospective and exploration activity to identify further epithermal vein structures and link zones is ongoing. At 30 June 2011, the Gosowong Mineral Resource contained 2.5 million ounces of gold and 3.4 million ounces of silver along with an Ore Reserve containing 2.1 million ounces of gold and 2.7 million ounces of silver.

Bonikro, Côte d'Ivoire

The Bonikro operation is located in the central-southern portion of the West African nation of Côte d'Ivoire, approximately 250 kilometres north-west of the commercial capital of Abidjan. Newcrest acquired a 89.9 percent interest in the Bonikro gold project, along with a large exploration portfolio in Côte d'Ivoire, in September 2010 through a merger with Lihir Gold Limited.

Construction of the Bonikro mine began in May 2007, with first gold production commencing in October 2008. The operation employs a conventional open pit mining method comprising drill, blast, load and haul. The predominant method of gold recovery is via carbon in leach technology, with some gold recovered via a gravity circuit.

Production for the year ended June 2011 was restricted to 49,940 ounces of gold following Newcrest's decision to suspend operations at Bonikro as a precaution during a period of civil unrest in Côte d'Ivoire following the presidential elections in November 2010.

At 30 June 2011, the Bonikro Mineral Resource contained 2.9 million ounces of gold with an Ore Reserve containing 1.1 million ounces of gold.

Newcrest is currently exploring numerous prospects within 30 kilometres of the Bonikro mine which have the potential to supplement the present mine plan. In addition, Newcrest holds rights to a very large package of exploration tenements in Côte d'Ivoire. These tenements cover approximately 17,000 square kilometres within the Birimian Greenstone belt, which is known to host a large number of significant gold deposits in the West African region.

Namosi, Fiji

The Namosi project, which is located approximately 30 kilometres west of Fiji's capital city, Suva, is centred on a district that has been periodically explored over the past 40 years and is highly prospective for copper-gold porphyry systems.

In late 2007, Newcrest signed a definitive joint venture agreement with Nittetsu Mining Co. Ltd and Mitsubishi Materials Corporation to establish the Namosi Joint Venture to explore for porphyry copper-gold and epithermal style gold mineralisation in the Namosi region of Fiji. Newcrest has a 69.94 percent interest in the Namosi Joint Venture and is the manager of the exploration activities.

At 30 June 2011, Namosi had Mineral Resources containing 7.7 million ounces of gold and 7.9 million tonnes of copper (100 percent), and Ore Reserves containing 3.9 million ounces of gold and 3.8 million tonnes of copper (100 percent).

A pre-feasibility study, currently in progress to evaluate the development alternatives for the Namosi project, is expected to be completed by June 2012.

Top/ Aerial view of Bonikro open pit, Côte d'Ivoire

Middle/ Exploration activities in Côte d'Ivoire

Bottom/ Seedling planting at Gosowong to rehabilitate mined areas

Mineral Resources and Ore Reserves

This page/ The Telfer gold mine, located in the Great Sandy Desert of Western Australia

Gold Resources increased by 9 percent with significant additions at Lihir and Wafi-Golpu. There were also significant increases to Gold Reserves at Lihir and Cadia East. Copper Reserves increased by 6 percent to 8.4 million tonnes.

Newcrest Mineral Resource and Ore Reserve estimates have been updated to reflect the net impact of depletions and additions during the period from July 2010 to June 2011, including additions to resources and reserves arising from the merger with Lihir Gold Limited (LGL) in September 2010.

The merger with LGL added 52.2 million ounces of gold to Newcrest's Mineral Resources or the equivalent of a 62 percent increase in Newcrest's June 2010 resource from 83.6 million ounces to 135.8 million ounces. The corresponding increase in Ore Reserves was 30.4 million ounces or 64 percent from 47.3 million ounces to 77.7 million ounces of gold.

Total Mineral Resources for the Group after mining depletion are estimated at 147.5 million ounces of gold and 19.9 million tonnes of copper. This represents a year-on-year increase (in addition to those attributable to the LGL merger) of 11.8 million ounces of gold (9 percent) and an increase of 2.66 million tonnes of copper (15 percent).

This result was driven by additions at Lihir (7.5 million ounces of gold), Wafi-Golpu, (5.3 million ounces of gold and 2.1 million tonnes of copper), Bonikro (0.5 million ounces of gold), Namosi (0.5 million ounces of gold and 0.46 million tonnes of copper) and at Telfer (Telfer West Dome 0.8 million ounces of gold and Telfer Vertical Stockwork Corridor 0.5 million ounces of gold). Elsewhere, changes were relatively minor and related to metal price increases and mining depletion.

Total Ore Reserves are estimated at 80.0 million ounces of gold and 8.36 million tonnes of copper. This represents a year-on-year increase (in addition to those attributable to the LGL merger) of 2.4 million ounces of gold (3 percent) and 0.48 million tonnes of copper (6 percent).

This result was driven by additions at Lihir (2.2 million ounces of gold), Cadia East (1.3 million ounces of gold and 0.22 million tonnes of copper) and at Bonikro (0.4 million ounces of gold). Maiden Ore Reserves were declared at Big Cadia (0.4 million ounces of gold and 0.12 million tonnes of copper) and Telfer Vertical Stockwork Corridor (0.7 million ounces of gold and 0.08 million tonnes of copper). Elsewhere, changes were relatively minor and related to metal price increases and mining depletion.

The Mineral Resource and Ore Reserve estimates for Telfer have been subject of a detailed review and update with the objective of 'de-risking' the Telfer resource and reserve estimates and delivering more predictable outcomes.

Metal price assumptions used for the majority of Newcrest Mineral Resources are US$900/oz for gold, US$2.50/lb for copper and US$15/oz for silver. Price assumptions for Ore Reserves are US$850/oz for gold, US$2.10/lb for copper and US$13.50/oz for silver. In the case of Gosowong and Cracow, a gold price of US$1,000/oz has been used to estimate Mineral Resources and Ore Reserves, acknowledging the shorter life of the deposits. Where appropriate, resources are also constrained spatially by a notional pit shell based on US$1,200/oz for gold and US$4.00/lb for copper or, for underground mining, by a shape based on the marginal cut-off grade used as a conservative measure to exclude non-contiguous mineralisation. Cost assumptions are based on the latest approved study for each deposit and are in Australian dollars for all Australian operations and United States dollars for all offshore operations.

Mineral Resources for the Morobe Mining Joint Ventures (MMJV) are based on Competent Persons statements provided by the MMJV. Ore Reserves for the MMJV are based on Competent Persons statements provided by Harmony Gold Mining Company Limited and Newcrest. MMJV resources and reserves are quoted as Newcrest's 50 percent interest.

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 were conducted on estimates for Telfer, Gosowong, Wafi-Golpu and Lihir.

Explanatory notes containing more detailed information on the methods and parameters used to estimate Mineral Resources and Ore Reserves are presented on the Newcrest website at www.newcrest.com.au//resources.asp

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. Minor molybdenum and silver mineralisation is also present. Ore is sourced by bulk mining methods from open pit and underground operations.

Cadia Hill Open Pit

The Cadia Hill open pit Mineral Resource decreased by 0.14 million ounces of gold with an increase in copper resources of 11 kilotonnes. Changes during the year included updated metal price assumptions and mining depletion.

Cadia Extended

Cadia Extended is a bulk underground resource located to the north-west of Cadia Hill beneath the backfilled Cadia Extended pit. The Cadia Extended Mineral Resource was re-evaluated using updated metal prices. There was no material change in the Cadia Extended Mineral Resources. Reserves have not yet been estimated for Cadia Extended underground.

Ridgeway Underground

Ridgeway Underground is a large-scale underground mine using block caving. The Ridgeway Mineral Resource model was updated in 2011, including updated metal price assumptions and mining depletion. The net result is a decrease in contained metal in Mineral Resources of 0.24 million ounces of gold and 32 kilotonnes of copper.

Changes from the June 2010 Ore Reserve are mining depletion during the period and updated metal price assumptions. The net result is a decrease in contained metal in Ore Reserves of 0.17 million ounces of gold and 47 kilotonnes of copper.

Big Cadia

Big Cadia, mined historically for magnetite and copper, is centred on an area of shallow historic workings located north of the Cadia Hill open pit and east of the Ridgeway Mine cave zone. The mineralisation is skarn style and has been evaluated as a gold and copper bearing Mineral Resource for future development by open pit mining. Changes during the year include an increase in metal price assumptions. The net result is an increase in contained metal in Mineral Resources of 0.04 million ounces of gold and 11 kilotonnes of copper.

The Big Cadia Ore Reserve is being reported for the first time. The Big Cadia Ore Reserve adds 0.40 million ounces of gold and 120 kilotonnes of copper to the total Cadia Valley reserves.

Cadia East Underground

Cadia East is a substantial low-grade, porphyry related gold and copper deposit that is located immediately east of, and separated from, Cadia Hill. Construction of the Cadia East mine progressed during the year. The planned mine is based on bulk underground extraction by panel caving methods. The Cadia East Mineral Resource is reported within a notional marginal outline from a value model consistent with the proposed bulk underground mining method. The entire content inside the value shell is reported as Mineral Resource. The Mineral Resource estimate for Cadia East is unchanged this year.

Differences between the 2010 and 2011 Ore Reserves relate to the application of higher metal price assumptions, exclusion of development, draw-bell and undercut material mined during the year, changes in extraction level layouts, revised estimation methods for dilution and mixing for cave production. The net result is an increase to the Ore Reserve of 1.3 million ounces of gold and 220 kilotonnes of copper.

TELFER PROVINCE (WA)

Gold and copper mineralisation in the Telfer Province is largely structurally controlled reefs, veins and stockwork hosted by sedimentary rocks. Ore processing facilities established during the redevelopment of Telfer allow the processing of the large gold and copper sulphide reserves. This year a Probable Ore Reserve for the Vertical Stockwork Corridor was added.

A full review and re-estimation of the model underpinning the Telfer Mineral Resource and Ore Reserve has been completed with the objective of 'de-risking' the Telfer resource and reserve estimates and delivering more predictable outcomes.

Main Dome Open Pit

The Main Dome deposit is the largest in the Telfer area and occurs as a series of stacked stratabound reefs and discordant stockwork within a folded dome structure in the host sediments. The deposit has been mined by both open pit and selective underground mining in the past.

Changes to the Main Dome Mineral Resource include mining depletion and a revised resource model. The Main Dome Mineral Resource has decreased by 2.0 million ounces of gold and 54 kilotonnes of copper since June 2010.

Material impacts on the Ore Reserve estimate are mainly due to the resource model update and mining depletion during the year. The net result is a decrease in contained metal in Ore Reserves of 2.1 million ounces of gold and 56 kilotonnes of copper compared to the 2010 estimate.

West Dome Open Pit

The West Dome deposit is located 2 kilometres north-west of the Main Dome deposit and is a continuation of the folded sedimentary sequence in a second sub-parallel structure. The West Dome Mineral Resource has been reviewed and re-estimated using the same approach as Main Dome. This has resulted in an increase in the West Dome Mineral Resource by 0.82 million ounces of gold and 57 kilotonnes of copper since June 2010.

Apart from a small parcel of ore taken for metallurgical test work purposes, no mining has taken place in the West Dome open pit during the year. Material impacts on the Ore Reserve estimate are mainly due to the resource model update. The net result is an increase in contained metal by 0.70 million ounces of gold and 22 kilotonnes of copper compared to the 2010 estimate.

Telfer Deeps Underground

The Telfer Deeps Underground comprises the operating sub-level cave (SLC) mine beneath the Main Dome open pit and planned operations for selective high-grade reef mining to the west and east of the SLC. Mineralisation styles are similar to elsewhere in the Telfer system, with gold and copper mineralisation occurring in stratabound reefs, cross cutting veins and stockwork zones around the reefs.

The changes between 2010 and 2011 for the Telfer Underground Mineral Resource are mining depletion, changes to the draw curve and the impact of changes to the cave footprint on cave stocks. The Telfer Underground Mineral Resource has decreased by 0.20 million ounces of gold and 17 kilotonnes of copper since June 2010.

The net change to contained metal in the Telfer Underground Ore Reserve estimate is a decrease of 0.63 million ounces of gold and 44 kilotonnes of copper, principally due to mining depletion and a review of diluted production grade estimation methodology.

Vertical Stockwork Corridor

The Vertical Stockwork Corridor (VSC) deposit lies directly below the existing Telfer Deeps Underground SLC. The resource has been expanded as a result of additional drilling completed during the year; no mining has occurred to date in the VSC. The contained metal in the VSC Mineral Resource increased by 0.48 million ounces of gold and 50 kilotonnes of copper.

The VSC Ore Reserve is being reported for the first time. The VSC Ore Reserve adds 0.69 million ounces of gold and 76 kilotonnes of copper to the total Telfer reserves.

O'Callaghans

The O'Callaghans poly-metallic deposit is located approximately 10 kilometres south of Telfer Gold Mine. Mineralisation containing economic quantities of tungsten, copper, zinc and lead has been identified approximately 300 metres below surface as a sub-horizontal layer of poly-metallic skarn (altered limestone) mineralisation up to 60 metres thick.

The O'Callaghans Mineral Resource and Ore Reserve remain unchanged from the previous year.

Satellite Deposits

The Telfer Satellite Mineral Resources comprise resource estimates for the Backdoor West, Dolphy, Big Tree and Camp Dome deposits. These resources represent potential additional ore feed to the current operation and/or satellite dump leach extraction with final metal recovery at the existing processing facilities. All Telfer satellites are located within a zone extending approximately 30 kilometres from the Telfer Gold Mine.

This is the first time a Mineral Resource has been reported for the Camp Dome deposit. The Camp Dome deposit is a satellite copper-only deposit located approximately 20 kilometres north of the Telfer Gold Mine. The Camp Dome Mineral Resource adds 52 kilotonnes of copper to the total Telfer resource.

No Ore Reserve has been estimated for the Camp Dome or Telfer Satellite deposits.

LIHIR PROVINCE (PNG)

The Lihir Gold Mine is located on Niolam Island, 900 kilometres north-east of Port Moresby in the New Ireland Province of Papua New Guinea. Lihir is a volcanic sea mount that rises steeply from sea level to approximately 600 metres above sea level. The Luise Caldera, in which all of the known ore deposits are located, is on the east coast of the island. The limits of the mineralisation have not been completely defined and are open at depth, along strike and to the east.

The Lihir Mineral Resource has been updated following a drilling program that increased the known mineralisation to the north and at depth. The Lihir Mineral Resource has increased by 7.5 million ounces of gold net of mining depletion since the previous Mineral Resource estimate. The increase is predominantly due to extension of the mineralisation in the Kapit area and revised metal prices.

Material impacts on the Lihir Ore Reserve estimate since the previous release in June 2009 (by Lihir Gold Limited) include an updated resource model and revised costs and depletion due to mining. The net change to contained metal in the Lihir Ore Reserve estimate is an increase of 2.2 million ounces of gold.

OTHER PROVINCES

Gosowong (Indonesia)

Gosowong is located on the island of Halmahera located in North Maluku Province in the eastern part of the Republic of Indonesia and 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.

Kencana

The Kencana mineralised system is a complex intersecting network of structures consisting of well-developed epithermal vein zones and link structures.

The Mineral Resources at Kencana have been updated to account for mining depletion and model adjustments. The net result is a decrease in contained metal in the Kencana Mineral Resource of 0.47 million ounces of gold. Similarly, the net decrease in contained metal in the Kencana Ore Reserve is 0.39 million ounces of gold due to a combination of updated Mineral Resource models and mining depletion.

Toguraci

The Toguraci Mineral Resource has been updated to account for additional resource drilling since June 2010. This has resulted in an increase in the Toguraci Mineral Resource of 0.19 million ounces of gold and an increase in the Ore Reserve of 0.13 million ounces of gold.

Gosowong Pit Cut-Back

The Gosowong pit cut-back Mineral Resource, estimated to contain 0.12 million ounces of gold, is located in the walls of the Gosowong open pit. The corresponding Ore Reserve estimate contains 0.11 million ounces of gold.

Gosowong Tailings Storage Facilities

A portion of economic grade tailings deposited into the Gosowong tails dam during the initial processing of the high-grade portion of the Kencana deposit have been classified as an Indicated Resource and an Ore Reserve.

Cracow Joint Venture (QLD)

Cracow is a joint venture between Newcrest Operations Limited (70 percent) and Sedimentary Holdings Ltd (a subsidiary of Catalpa Resources Limited) (30 percent). There are several shoots which comprise the Mineral Resource and Ore Reserve inventory at Cracow. The shoots are in various stages of mining from early development and stoping through to nearing completion.

Since June 2010, the Cracow Mineral Resources estimate has decreased by 0.09 million ounces. Revisions to resource models and the impact of mining depletion have resulted in a net increase in the Cracow Ore Reserve estimate of 0.01 million ounces of gold.

Marsden (NSW)

The Marsden copper-gold porphyry deposit is located between the NSW towns of Forbes and West Wyalong approximately 150 kilometres south-west of the Cadia Valley Operation. The Marsden resource model is unchanged from June 2010. There is a minor increase in the Marsden Mineral Resources of 0.04 million ounces of gold and an increase in Ore Reserves of 0.02 million ounces of gold and 14 kilotonnes of copper, mainly due to updated metal prices and operating cost assumptions.

Mt Rawdon (QLD)

Mt Rawdon gold deposit, located in central Queensland, is a volcaniclastic-hosted, low-grade gold deposit. The Mt Rawdon Mineral Resource has decreased by 0.32 million ounces of gold and 1.3 million ounces of silver since June 2010, mainly due to constraining the resource within a conceptual pit shell. Revisions to the geological model and a review of the mine designs have resulted in an increase in the Mt Rawdon Open Pit Ore Reserve estimate of 0.08 million ounces of gold.

Bonikro (West Africa)

The Ivory Coast Project comprises the Bonikro gold deposit, and the Hiré and Dougbafla structurally controlled narrow vein style deposits. Mineral Resources have been estimated for all three deposits and Ore Reserves have been estimated for the Bonikro deposit. Both the Bonikro and Hiré Mineral Resources have been updated since June 2010 with the inclusion of additional drilling. The Bonikro Mineral Resource has increased by 0.82 million ounces of gold and the Ore Reserve has increased by 0.38 million ounces of gold.

Namosi Joint Venture (Fiji)

The Namosi project is a joint venture between Newcrest, Nittetsu and Mitsubishi Materials, with Newcrest having a 69.94 percent interest in the joint venture. The Namosi tenement is located about 30 kilometres west of Fiji's capital city, Suva.

The Waisoi Mineral Resource has been updated based on additional drilling, which has also resulted in an upgrade to the resource classification. This, combined with changes in metal prices, has resulted in an increase in the Waisoi Mineral Resource by 0.47 million ounces of gold and 460 kilotonnes of copper (Newcrest's interest).

The Waisoi Ore Reserve has been revised to incorporate changes to the resource classification. This has resulted in an increase in the Waisoi Ore Reserve by 0.20 million ounces of gold and 202 kilotonnes of copper

The Wainaulo deposit lies in the Waivaka Corridor, which is a 5-kilometre long east-north-east trending zone of porphyry-related mineralisation. The Wainaulo Mineral Resource estimate is unchanged from June 2010. No Ore Reserve has been estimated for the Wainaulo deposit.

Morobe Mining Joint Ventures (PNG)

The Morobe Mining Joint Ventures comprise three 50:50 joint ventures between Newcrest and Harmony Gold Mining Company. Joint venture interests include the Hidden Valley and Wafi-Golpu tenements as well as significant exploration tenements on the Morobe coast.

The Hidden Valley Mine consists of the Hidden Valley Kaveroi and Hamata open pits located approximately 6 kilometres apart and an ore processing facility. Several changes have been incorporated in this Mineral Resource estimate, the most notable being an updated resource model for the Hidden Valley Kaveroi deposit. The combined impact of these changes is an increase in contained metal in Mineral Resources of 0.2 million ounces of gold and 3.6 million ounces of silver and an increase of 0.02 million ounces of gold and 3.3 million ounces of silver in Ore Reserves (50 percent Newcrest share).

The Wafi-Golpu Mineral Resource comprises the Wafi epithermal gold deposit, the Nambonga porphyry copper-gold deposit and the Golpu porphyry copper-gold deposit. The Wafi-Golpu Mineral Resource has been updated following a drilling program on the Golpu porphyry deposit designed to increase the known mineralisation along strike and at depth. The Wafi-Golpu Mineral Resource has increased by 5.3 million ounces of gold, 2.1 million tonnes of copper since June, 2010 (50 percent Newcrest share). These changes relate to extension of the mineralised system to the north. The Golpu Ore Reserve is based on a block cave design for the deposit and remains unchanged from that reported in 2010. An ongoing pre-feasibility study is expected to deliver an updated Ore Reserve in 2012.

2011 Mineral Resources

Gold and Copper Resources (# – includes stockpiles)	Measured Resource Dry Tonnes (million)	Measured Resource Gold Grade (g/t Au)	Measured Resource Copper Grade (% Cu)	Indicated Resource Dry Tonnes (million)	Indicated Resource Gold Grade (g/t Au)	Indicated Resource Copper Grade (% Cu)	Inferred Resource Dry Tonnes (million)	Inferred Resource Gold Grade (g/t Au)	Inferred Resource Copper Grade (% Cu)	Total Resource Dry Tonnes (million)	Total Resource Gold Grade (g/t Au)	Total Resource Copper Grade (% Cu)	Contained Metal Insitu Gold (million ounces)	Contained Metal Insitu Copper (million tonnes)	Com–petent Person
Cadia East Underground	–	–	–	2,200	0.44	0.29	100	0.35	0.18	2,300	0.44	0.28	33.2	6.59	1
Ridgeway Underground#	0.10	0.83	0.38	120	0.76	0.35	28	0.47	0.44	150	0.71	0.37	3.4	0.55	1
Other#	180	0.46	0.13	160	0.37	0.24	220	0.32	0.10	560	0.38	0.15	6.8	0.84	1
Total Cadia Province – Gold and Copper													**43.4**	**7.97**	
Main Dome Open Pit#	13	0.46	0.09	350	0.68	0.08	27	0.54	0.07	390	0.66	0.08	8.4	0.32	2
West Dome Open Pit	–	–	–	370	0.50	0.05	4.8	0.38	0.09	370	0.50	0.05	6.0	0.20	2
Telfer Underground	–	–	–	84	1.3	0.33	21	0.76	0.25	100	1.2	0.31	3.9	0.33	2
Other	–	–	–	0.57	4.2	0.03	16	0.28	0.34	16	0.42	0.33	0.2	0.05	2
O'Callaghans	–	–	–	69	–	0.29	9.0	–	0.24	78	–	0.29	–	0.22	2
Total Telfer Province – Gold and Copper													**18.5**	**1.12**	
Lihir#	84	2.4	–	650	2.1	–	94	1.8	–	830	2.1	–	56.0	–	3
Gosowong# *	–	–	–	4.6	16	–	0.21	12	–	4.8	16	–	2.5	–	4
Mt Rawdon#	–	–	–	37	0.87	–	0.18	0.64	–	37	0.87	–	1.0	–	5
Cracow (70%)#	0.19	9.7	–	0.73	7.7	–	2.2	5.5	–	3.1	6.3	–	0.6	–	6
Bonikro#	1.1	0.90	–	38	1.5	–	28	1.1	–	67	1.3	–	2.9	–	3
Namosi JV (69.94%)	–	–	–	1,300	0.11	0.34	270	0.10	0.39	1,600	0.11	0.35	5.4	5.54	3
Marsden	–	–	–	190	0.19	0.37	26	0.08	0.18	220	0.18	0.35	1.2	0.76	1
MMJV – Hidden Valley Operations (50%)#	3.5	1.8	–	45	1.5	–	8.0	1.2	–	57	1.5	–	2.7	–	7
MMJV – Wafi-Golpu/ Nambonga Project (50%)	–	–	–	410	0.76	0.94	99	1.0	0.70	510	0.82	0.89	13.3	4.52	8
Total Other Provinces– Gold and Copper													**85.7**	**10.8**	
Total Gold and Copper													**147.5**	**19.9**	

Silver Resources (# – includes stockpiles)	Measured Resource Dry Tonnes (million)	Measured Resource Silver Grade (g/t Ag)	Indicated Resource Dry Tonnes (million)	Indicated Resource Silver Grade (g/t Ag)	Inferred Resource Dry Tonnes (million)	Inferred Resource Silver Grade (g/t Ag)	Total Resource Dry Tonnes (million)	Total Resource Silver Grade (g/t Ag)	Contained Metal Insitu Silver (million ounces)	Competent Person
Cadia Valley Operations#	0.10	0.85	2,400	0.50	130	0.29	2,500	0.49	39.4	1
Gosowong# *	–	–	4.6	22	0.21	25	4.8	22	3.4	4
Mt Rawdon#	–	–	37	2.4	0.18	2.0	37	2.4	2.9	5
Cracow (70%)#	0.19	6.8	0.73	5.5	2.2	3.0	3.1	3.8	0.4	6
MMJV – Hidden Valley Operations (50%)#	3.5	30	45	31	8.0	24	57	30	54.8	7
MMJV – Wafi-Golpu/ Nambonga Project (50%)	–	–	370	1.3	60	1.3	430	1.3	17.5	8
Total Silver									**118.3**	

O'Callaghans Polymetallic Resources	Tonnes: Dry Tonnes (millions)	Grade: Tungsten Trioxide Grade (% WO_3)	Grade: Zinc Grade (% Zn)	Grade: Lead Grade (% Pb)	Contained Metal: Insitu Tungsten Trioxide (million tonnes)	Contained Metal: Insitu Zinc (million tonnes)	Contained Metal: Insitu Lead (million tonnes)	Competent Person
Measured	–	–	–	–	–	–	–	
Indicated	69	0.34	0.55	0.27	0.24	0.38	0.18	2
Inferred	9	0.25	0.15	0.07	0.02	0.01	0.01	
Total Polymetallic	**78**	**0.33**	**0.50**	**0.25**	**0.26**	**0.39**	**0.19**	

Note: Rounding may cause some computational discrepancies in totals.

147.5
Ounces of gold (millions)

19.9
Tonnes of copper (millions)

* The figures shown represent 100% of the Ore Reserve and Mineral Resource. Gosowong is owned and operated by Pt Nusa Halmahera Minerals, an incorporated joint venture between Newcrest (82.5%) and Pt Aneka Tambang (17.5%).

Cracow is an unincorporated joint venture between Newcrest (70%) and Catalpa Resources Limited (30%). Newcrest and Harmony Gold Mining Company Limited have a 50/50 ownership of the Morobe Mining Joint Ventures. Newcrest has a 69.94% share of the Namosi Joint Venture.

1. Geoff Smart, 2. Paul Dunham 3. Vik Singh, 4. Colin McMillan, 5. Tim Murphy, 6. Craig Irvine, 7. James Francis (MMJV), 8. Stuart Hayward (MMJV).

2011 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 Insitu Gold (million ounces)	Contained Metal Insitu Copper (million tonnes)	Com–petent Person
Cadia East Underground	–	–	–	1,200	0.58	0.31	1,200	0.58	0.31	22.1	3.63	1
Ridgeway Underground#	–	–	–	93	0.82	0.36	93	0.82	0.36	2.5	0.34	1
Other#	94	0.55	0.14	34	0.40	0.37	130	0.51	0.20	2.1	0.26	2
Total Cadia Province – Gold and Copper										**26.6**	**4.22**	
Main Dome Open Pit#	13	0.46	0.09	220	0.82	0.10	240	0.80	0.10	6.1	0.23	3
West Dome Open Pit	–	–	–	190	0.64	0.06	190	0.64	0.06	3.9	0.12	3
Telfer Underground	–	–	–	46	1.3	0.33	46	1.3	0.33	1.9	0.16	3
O'Callaghans	–	–	–	51	–	0.28	51	–	0.28	–	0.14	4
Total Telfer Province – Gold and Copper										**11.9**	**0.65**	
Lihir#	84	2.4	–	320	2.4	–	400	2.4	–	31.0	–	5
Gosowong#*	–	–	–	5.2	13	–	5.2	13	–	2.1	–	6
Mt Rawdon#	0.22	1.1	–	32	0.89	–	32	0.89	–	0.9	–	7
Cracow (70%)#	0.17	8.1	–	0.59	6.8	–	0.75	7.0	–	0.2	–	8
Bonikro#	1.1	0.90	–	26	1.3	–	27	1.3	–	1.1	–	7
Namosi JV (69.94%)	–	–	–	630	0.13	0.42	630	0.13	0.42	2.7	2.62	9
Marsden	–	–	–	98	0.29	0.48	98	0.29	0.48	0.9	0.47	2
MMJV – Hidden Valley Operations (50%)#	3.3	1.9	–	31	1.7	–	34	1.7	–	1.9	–	9
MMJV – Wafi-Golpu/ Nambonga Project (50%)	–	–	–	35	0.61	1.1	35	0.61	1.1	0.7	0.40	10
Total Other Provinces – Gold and Copper										**41.5**	**3.49**	
Total Gold and Copper										**80.0**	**8.36**	

Silver Reserves (# – includes stockpiles)	Proved Reserve Dry Tonnes (million)	Proved Reserve Silver Grade (g/t Ag)	Probable Reserve Dry Tonnes (million)	Probable Reserve Silver Grade (g/t Ag)	Total Reserve Dry Tonnes (million)	Total Reserve Silver Grade (g/t Ag)	Contained Metal Insitu Silver (million ounces)	Competent Person
Cadia Valley Operations#	–	–	1,300	0.54	1,300	0.54	21.9	1
Gosowong#*	–	–	5.2	16	5.2	16	2.7	6
Mt Rawdon#	0.22	1.9	32	2.5	32	2.5	2.5	7
Cracow (70%)#	0.17	5.8	0.59	12	0.75	10	0.2	8
MMJV – Hidden Valley Operations Project (50%)	3.3	31	28	35	32	35	35.3	9
Total Silver							**62.7**	

O'Callaghans Polymetallic Reserves	Tonnes: Dry Tonnes (million)	Grade: Tungsten Trioxide Grade (% WO_3)	Grade: Zinc Grade (% Zn)	Grade: Lead Grade (% Pb)	Contained Metal: Insitu Tungsten Trioxide (million tonnes)	Contained Metal: Insitu Zinc (million tonnes)	Contained Metal: Insitu Lead (million tonnes)	Competent Person
Proved	–	–	–	–	–	–	–	4
Probable	51	0.34	0.61	0.30	0.17	0.31	0.15	
Total Polymetallic	**51**	**0.34**	**0.61**	**0.30**	**0.17**	**0.31**	**0.15**	

Note: Rounding may cause some computational discrepancies in totals.

80.0
Ounces of gold (millions)

8.36
Tonnes of copper (millions)

Information in this report that relates to Mineral Resources and Ore Reserves is based on and accurately reflects reports prepared by the Competent Person named beside the information. All these persons, except Greg Job, James Francis and Stuart Hayward are full-time employees of Newcrest Mining Limited or the relevant subsidiary.

Greg Job is a full time employee of Harmony Gold Mining Company Limited. James Francis and Stuart Hayward are employed by the Morobe Mining JVs. Each Competent Person consents to the inclusion of material in the form and context in which it appears.

All the Competent Persons named are members of The Australasian Institute of Mining and Metallurgy and/or The Australian Institute of Geoscientists and posses relevant experience in relation to the mineralisation being reported on by them to qualify as Competent Persons as defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition).

1. Lino Manca, 2. Steven Butt, 3. Brett Cuthbert, 4. Andrew Logan, 5. David Grigg, 6. Allan Blair, 7. Nicholas Spicer, 8. Justin Woodward, 9. Anton Kruger, 10. Greg Job.

Corporate Governance

The Board believes that adherence by the Company and its people to the highest standard of corporate governance is critical in order to achieve its vision.

The Company's corporate governance practices in place during the year to 30 June 2011 are described below. This includes information required under the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (2nd edition) (ASX CGC principles).

1. BOARD OF DIRECTORS

Role and Responsibilities

The Board sets the Company's strategic goals and objectives and oversees the management and performance of the Company's business on behalf of its shareholders.

The parameters for exercise of the functions of the Board are contained in the Board Charter, which can be found at www.newcrest.com.au/corporate.asp. The role of the Board is not to manage the Company but to set, on behalf of the shareholders, the strategic direction of the Company and to review, oversee and monitor the management and performance of the business by the Company's senior executive team.

The role of the Company's senior executive team, being responsibility and authority for the day-to-day management of the Company, is formally set out in a Statement of Management Authorities and Responsibilities. This statement is agreed with the Board and is supported by a comprehensive framework of approval and authority limits.

Board Composition

Newcrest's Board currently comprises eight Directors: one Executive Director (the current Managing Director and CEO – Greg Robinson) and seven Non-Executive Directors.

Following the Company's merger with Lihir Gold Limited (LGL) in September 2010, the Board appointed Winifred Kamit (formerly a Director of LGL) as a Director on 2 February 2011. Ian Smith resigned as Director on 30 June 2011 upon stepping down as Managing Director and CEO.

Details of Directors' skills, experience and relevant qualifications and expertise, as well as the term of office held by each Director as at the date of this Report, are set out on pages 10–11.

The Board has determined that as a general rule a Non-Executive Director will not serve on the Board for more than 10 years. In keeping with the ASX Listing Rules, Directors are required to retire at the third Annual General Meeting (AGM) following their election, or re-election, and at least one Director must stand for election, or re-election, each year.

Selection and Appointment of Directors

The Board regularly reviews its membership to ensure that the Board as a whole has the range of business skills and expertise demanded by the Company's operations.

In April 2011, the Board undertook a detailed review of its membership, skills and experience and that of its Committees. As noted above, Winifred Kamit, a former director of LGL with extensive business experience and broad community knowledge of Papua New Guinea was appointed to the Board following the Company's acquisition of LGL.

When a Board position becomes vacant or additional Directors are required, suitable candidates are identified, using external professional advisers if necessary. The Board takes into account skills, experience and both gender and broader diversity considerations in making appointments. Candidates are considered and appointed by the full Board. Appointment of the Managing Director and Chief Executive Officer is made by the full Board, with professional advice sought as required.

Board Committees

The Board operates three standing Committees which provide a forum for more detailed analysis of key issues. The Board also operates a Board Executive Committee on an ad hoc basis. All Directors receive all Committee papers and minutes and are welcome to attend any Committee meeting. Each Committee reports its deliberations to the next Board meeting.

All members of the Remuneration Committee (Human Resources and Remuneration Committee) are independent, Non-Executive Directors as required by the ASX Listing Rules. Nominations to the Board are dealt with by the full Board as Directors consider that it is the most efficient way to deal with the selection and appointment practices of the Company. Further, ultimate responsibility for decision making in this area rests with the Board. For these reasons, the Board does not have a separate nominations committee.

The Committees of the Board, and their membership and functions follow. Each Committee has its own charter, which is available on the website at www.newcrest.com.au/corporate.asp.

Audit and Risk Committee

Members: John Spark (Chairman), Richard Lee, Tim Poole and Richard Knight.

Function: assists the Board to fulfil its responsibilities including with respect to the integrity of the Company's financial statements, compliance with all accounting and financial reporting obligations, risk management and internal control processes and effectiveness, and internal and external audit. The Committee oversees, reviews and makes recommendations to the Board with respect to the above matters. The Committee is chaired by, and is comprised of, Non-Executive Directors. The Committee's role is to review and advise the Board and it holds no delegated authorities from the Board except for approval of the following:

- scope and audit plan of the external auditors;
- the scope and program of the internal audit function; and
- the Company's material formal accounting policies and any change thereto.

Newcrest's Board believes that adherence by the Company and its people to the highest standard of corporate governance is critical in order to achieve its vision.

Human Resources and Remuneration Committee

Members: Richard Lee (Chairman), Winifred Kamit, Tim Poole and Vince Gauci (the Executive Directors, the Managing Director and CEO and the Director Finance may attend by invitation).

Function: assists the Board to fulfil its responsibilities with respect to the remuneration framework for all employees including executive managers and Executive Directors, the human resources and remuneration strategies policies and practices of the Company, the behavioural and cultural framework and practices of the Company, and oversight of organisational design including in relation to recruitment, talent identification, training and development, retention, succession and diversity including gender diversity.

This Committee complies with the ASX Listing Rule requirement that a remuneration committee be comprised solely of Non-Executive Directors. It has four members and is chaired by an independent Director. This composition avoids potential conflict on the part of Executive Directors and enhances investor and community confidence in its decisions. The Committee's role is to review and advise the Board and it holds no delegated authorities from the Board.

Safety, Health and Environment Committee

Members: Richard Knight (Chairman), Vince Gauci, Winifred Kamit and John Spark.

Function: assists the Board in its role of monitoring and reviewing, from a corporate governance perspective, the Company's practices in the areas of safety, health and environmental management practices. It monitors and reviews the Company's performance and approach to compliance with its policies and legal requirements in these areas, it reviews the Company's response on issues of concern or material non-compliance and recommendations from management in relation to industry trends and world standards, reports to the Board on the work and findings of the Committee and makes recommendations to the Board based on the Committee's findings. The Committee's role is to review and advise the Board and it holds no delegated authorities from the Board.

Board Executive Committee

Members: The Chairman, Managing Director and Chief Executive Officer and at least one other Non-Executive Director.

Function: acts as a delegate of the Board to make decisions where it is not practical or reasonable to convene the full Board. This Committee may also make recommendations to the Board with respect to matters of corporate significance which are not otherwise dealt with by other Board Committees. The Committee holds the full delegated authority of the Board.

Board Committee charters can be found at www.newcrest.com.au/corporate.asp. Details of the number of Board and Committee meetings held during the financial year in addition to each Director's attendance, are set out on page 41 of this Report.

The Board and the Company Secretary

The Board has appointed Stephen Creese as Company Secretary. All Directors have access to the services and advice of the Company Secretary. Details of the skills, experience and expertise of the Company Secretary are set out on page 41 of this Report.

Board Independence

The Board has determined that all Non-Executive Directors are independent and free of any relationship which might conflict with the interests of the Company, based on the Board's adoption of the ASX CGC Principles and application of pre-determined materiality thresholds, which are reviewed by the Board each year. None of the Directors is a consultant, or has an interest in any company or organisation which provides consultancy services to the Company or a member of the Newcrest Group, is a principal or partner of any professional adviser providing services to the Company or the Group either currently or at any time over the past three years, and no Director is a director or officer of a supplier or customer that holds or has held contracts with the Company.

All Directors are required to disclose their relevant interests and to give notice of any potential conflict of interest. The Board has in place processes for dealing with a conflict of interest or loss of independence by a Director, should that situation arise. The Board will continue to monitor the independence of each Director and will periodically review its approach to assessing Director independence.

Access to Independent Advice and Information

All Directors have direct access to all relevant Company information and to the Company's senior executives. The Board has adopted a formal policy which ensures that Directors also have access to independent legal, accounting, or other professional advice as necessary, at the Company's expense.

2. BOARD AND EXECUTIVE PERFORMANCE

Board Performance Evaluation

The Board undertakes an annual review of its own performance effectiveness and that of its Committees and individual Directors. This process is led by the Chairman based on a formal questionnaire and evaluation provided to each Board member. The outcomes of the evaluation are reviewed and considered by the Board and changes effected where required.

The Board completed its most recent reviews in December 2010 and April 2011. As a result, the Chairman concluded that the Board and its Committees were operating well, with no areas of concern to be addressed at that time. Consideration to improve the functionality and performance of the Board and its Committees occurs at regular intervals and the practice of having all Directors present at all Committees is strongly supported.

Executive Performance Evaluation

The Company has in place a performance appraisal system for executives that is designed to optimise performance. Details regarding the Newcrest performance management system for the period 2010–11 are set out in the Remuneration Report on pages 50–65.

Each of the Company's senior executives (including the Managing Director and Chief Executive Officer and the Finance Director) has undergone performance evaluation during the 2010–11 reporting period in accordance with the Company's Work Performance System.

3. DIRECTORS' FEES AND EXECUTIVE REMUNERATION

Directors' Fees

The Human Resources and Remuneration Committee deals with all matters relating to remuneration policy, and senior executive and employee remuneration levels.

Remuneration of Non-Executive Directors is fixed rather than variable so that Board membership of a high standard is maintained and market remuneration trends are reflected. Remuneration levels and trends are assessed every two years with the assistance of professional independent remuneration consultants, and adjusted where necessary to align with Board remuneration levels in comparable Australian listed companies.

The total annual remuneration paid to all Non-Executive Directors may not exceed the maximum amount authorised by the shareholders in general meeting (currently $2,700,000).

Non-Executive Directors 'Fee Pool'

Newcrest complies with the Listing Rule that superannuation contributions made by a listed entity for the benefit of Non-Executive Directors, and fees that a Non-Executive Director agrees to salary sacrifice (pre-tax), must be included in calculating the total amount of Directors' fees payable. The total 'fee pool' for Non-Executive Directors must be approved by ordinary shareholders.

Executive Remuneration

The Company's Remuneration Policy recognises the different levels of contribution within management to the short-term and long-term success of the Company. A significant proportion of each senior manager's remuneration is placed 'at risk' and is dependent upon both personal and Company performance formally appraised each year.

The Board has established with the Managing Director and Chief Executive Officer specific personal and corporate performance objectives for the short and long term. The performance of the Managing Director and Chief Executive Officer is formally assessed against these objectives annually. The assessment helps determine the level of 'at risk' remuneration paid to the Managing Director and Chief Executive Officer.

Following amendments to the Corporations Act (Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011), the Remuneration Committee must approve contracts with remuneration consultants. Recommendations by the consultant on remuneration for Key Management Personnel (as the Act defines that term) must be made to the Non-Executive Directors of the Remuneration Committee and not to any Executive Director. The remuneration consultant must include with the recommendation a declaration about whether the consultant's recommendation is made free from undue influence by the member or members of the Key Management Personnel to whom the recommendation relates.

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 50–65.

Executive Termination Benefits

Executive Service Agreements entered into after 24 November 2009 are subject to new rules pursuant to section 200E of the Corporations Act.

In 2010–11, Newcrest's Board undertook a full review of all existing Executive Service Agreements. The purpose of the review was to:

- ensure that termination-related entitlements and benefits under the Company's Executive Service Agreements comply with the provisions of Part 2 D.2, Division 2 of the Corporations Act;
- ensure that the terms of the Company's Executive Service Agreements are aligned with market practice for a company of Newcrest's size; and
- introduce a standardised form of Executive Service Agreement for all current and future executive Key Management Personnel, replacing the different forms of agreement previously entered into.

Following review and development of a revised form of Executive Service Agreement to satisfy the above objectives, Newcrest entered into new Executive Service Agreements with each of its executives. The key substantive change to the form of the Executive Service Agreement was the amount of termination benefits payable upon cessation of employment, introduced in response to the late 2009 changes to Part 2 D.2, Division 2 of the Corporations Act, which limited termination benefits payable to Key Management Personnel to an amount no greater than the average 12 month salary earned by the relevant Key Management Personnel in the three years prior to his or her cessation.

Further details of the above changes are set out in the Remuneration Report on pages 50–65 the Annual Report.

4. RESPONSIBLE AND ETHICAL BEHAVIOUR

Code of Conduct and Values

The Company's Code of Conduct reflects the Company's values and provides a framework within which its entire workforce functions, including interaction with stakeholders. This ensures the appropriate degree of integrity in the Company's dealings. Company employees have been trained in the values and expected behaviour under the Code to ensure compliance 'in action'.

The Company also has a comprehensive range of corporate policies which detail the framework for acceptable corporate behaviour and these are subject to periodical review.

Speak Out Policy

The Company has in place a Speak Out Policy which encourages employees and contractors to raise concerns or to report instances of misconduct or suspected misconduct on an anonymous basis. Complaints are referred to an independent third party service provider for initial consideration. Issues identified are then reported to Company management so that concerns can be addressed and, where appropriate, investigated further.

Securities Dealing Policy

The Company's Securities Dealing Policy meets the requirements of the ASX Listing Rule change (commencing 1 January 2011) which states that as a minimum, the policy must cover 'blackout periods', restrictions on trading by key management, trading which is not subject to the trading policy/excluded trades (e.g. dividend reinvestment plans), exceptional circumstances where trades will be permitted (e.g. severe financial hardship) and the procedure to obtain written consent for waiver.

The Company has amended its policy, effective 1 July 2011, by extending the blackout periods around the full year and half year results from the date immediately following the close of the half year and yearly results until the day following the release of these results to the ASX. A blackout period also applies from the date two weeks prior to the AGM until the day after it is held.

The Code and the above policies can be found at www.newcrest.com.au/corporate.asp.

5. SHAREHOLDER COMMUNICATION, CONTINUOUS DISCLOSURE AND MARKET COMMUNICATIONS

The Board recognises the importance of keeping the market fully informed of the Company's activities and of stakeholder communication in a timely, balanced and transparent manner. In this respect the Company complies with the new Listing Rule requirements concerning analyst briefings, which came into effect from 1 January 2011.

The Company's Continuous Disclosure Policy ensures that Company information considered to be material is announced immediately to the market through the ASX and key presentations given by Company personnel to investors and institutions are also lodged with the ASX. All releases made to the ASX are placed immediately on the Company's website. Other key communications are also placed immediately on the website, and provided directly to all shareholders as necessary. General and historical information about the Company and its operations is also available on the website.

Board policy is to achieve effective communication with shareholders through compliance with ASX Listing Rules and the Corporations Act reporting requirements, webcasting half year and full year financial results presentations, and the four production results at the end of each quarter. It holds an accessible and informative Annual General Meeting, posting all other ASX announcements and briefings (including investor, analyst and public forums) on the Company's website. It provides advance notice to analysts in respect of the briefings and posts the relevant corporate dates for the year on the website.

The Company maintains a record of meetings with analysts including the date, location and persons attending.

Shareholders may receive electronic versions of the Annual Report, other key shareholder communications and notices of meeting. Shareholders receive electronic advice on the Company's half year and annual financial results and the quarterly results.

The Company's auditors are available at the Annual General Meeting 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. Shareholder questions at the AGM and are encouraged by the Chairman. Any shareholders unable to attend may submit questions to the Chairman prior to the meeting.

6. DIVERSITY

Diversity at Newcrest is led by the Board, together with the Executive Committee (ExCo) Diversity Sub-Committee, and is driven by recognition that an inclusive culture and diverse workforce supports high performance. A workforce that more closely reflects the community in which it operates, better enables the Company to foster greater innovation, stronger problem-solving capability, enhanced community connections, increased morale, motivation and engagement. Newcrest benefits by bringing together talented people of different gender, age, ethnicity and cultural backgrounds who possess a diverse range of experiences and perspectives. In particular, this helps create an environment where innovative ideas support Newcrest to realise its potential and corporate goals in a global market.

Diversity at Newcrest means incorporating differences that relate to gender, age, ethnicity and cultural background. It also includes differences in background and life experience, communication styles, interpersonal skills, education, functional expertise and problem solving styles. It recognises that individuals are important and that each person has something unique to contribute to the Company.

Diversity and inclusion at Newcrest are business imperatives. The Company's approach is based on four key drivers:

- its vision – to be the 'Miner of Choice';
- its people – to attract, recruit, engage and retain diverse talent, and embed inclusive practices within each part of the employee life-cycle;
- its communities – for its workforce to reflect the communities in which it operates; and
- a high performance culture – to deliver leading industry performance by encouraging its people to incorporate creativity, innovation, continuous improvement and a high standard of ethics and effort into their work.

In December 2010 the Board's updated Diversity Policy was published on the Newcrest website at www.newcrest.com.au//companypolicies.asp.

Underpinned by its values, the policy outlines the ways the Company aims to support a diverse workplace – including treating employees fairly, setting measurable targets, ensuring legislative compliance and supporting diversity in its communities. The Company's Diversity Policy actively promotes a culture that values difference.

Other relevant standards and procedures have been reviewed and updated in light of the new diversity requirements, including flexible work arrangements and annual leave, which now reflects the ability to purchase annual leave.

The Board has set clear objectives to support the achievement of greater diversity within the organisation.

Progress is monitored quarterly and assessed annually via the ExCo Diversity Committee and the Human Resources and Remuneration Committee, which has its diversity responsibilities reflected in its charter. The commitment of the Board and senior management, together with the internal review mechanisms and procedures to support the process, are expected to deliver significant improvements in diversity measures over the next five years.

A number of these objectives, approved by the Board in 2010, relate to gender and are reported below:

1. To increase the proportion of women selected for the graduate program from 25 percent as of 31 December 2010 to 33.3 percent as at 31 December 2013.
2. That 33.3 percent of succession plans for all level 2 to level 5 roles will have at least one female included by 31 December 2013.
3. Establish a diversity sub-committee to provide oversight and report bi-annually to ExCo and the Board on the Company's diversity initiatives and programs.

These reportable measures have been selected to cover the three main focus areas for increasing the representation of women in the Company's workforce: attraction, retention and promotion. Level 2 to level 5 roles refer to management roles classified from Supervisor through to Executive General Manager.

Below is a summary of the Company's position in relation to these measures:

The proportion of women employees within the total organisation, and women in senior roles, are shown below:

Diversity Measure	30 June 2011 Status	31 Dec 2013 Measurable Objectives
To increase the proportion of women selected for the graduate program from 25% as of 31 December 2010 to 33.3% as at 31 December 2013.	26%	33.3%
That 33.3% of succession plans for all level 2 to level 5 roles will have at least one female included by 31 December 2013.	25%	33.3%
Establish a diversity sub-committee to provide oversight and report bi-annually to ExCo and the Board on the Company's diversity initiatives and programs.	Established	

Diversity Measure	Number of Women	Representation as a Percentage
Board	1	12.5%
Senior Executives	1	12.5%
Other employee groups	962	13%

Women represent 13.5 percent of the Company's Australian workforce with 7 percent in site based roles (which often involve fly-in fly-out employment arrangements). This compares favourably with the Equal Opportunity for Women in the Workplace Agency 2010 (EOWA) reported industry representation rate of 14.9 percent and 3 percent in site based roles, as reported in the Women in Mining Research conducted by the University of Queensland.

An extensive list of other measures, along with detailed action plans, have been developed and are being implemented to support the Company in further increasing diversity in the areas of age, ethnicity and cultural diversity. Additional measures and actions further support gender diversity. A Senior Diversity Specialist has been appointed to manage these programs across the Company.

The Company recognises the importance of diversity in contributing to the local communities in which it operates by creating and providing employment opportunities to those within the local communities. The overwhelming majority of employees at the Company's Indonesian, Papua New Guinean, West African and Fijian operations are nationals and locals. The Company is committed to developing its people across the group and to a workforce – including the leadership team – that reflects the communities in which it operates.

At Lihir Island, graduate, traineeship and apprenticeship programs currently provide access to formal employment training for around 300 people from the local and broader community, from within a total employment population of 1,971 employees.

In Western Australia, Newcrest – through the Telfer Aboriginal Training and Employment Strategy (TATE) – provides a range of training and employment opportunities to the local indigenous community. The program, which began in 2002, has resulted in more than 300 indigenous people, primarily members of the local Martu community, participating in training and employment programs. While many of those participating in training have been employed by the Company, others have accessed employment with other organisations as a direct result of the skills and knowledge they have gained through the training provided at Telfer. The implementation of a retention strategy designed to address the specific needs of this group of employees has contributed to improved retention. Currently, the Telfer team includes 52 indigenous employees.

Similarly, the Company's Queensland operations have actively supported indigenous traineeships, scholarships and cadetships with 16 percent of the Company's workforce at its Cracow operation identifying as being indigenous.

Since the merger with LGL in September 2010, the Company has appointed PNG Nationals at both management and senior management levels. At Gosowong, the Nationalisation Development Plan is developing future leaders and a graduate program is underway, with the first intake in 2012. More than 59 percent of managers at Gosowong are Indonesian, up from 38 percent in 2008.

The Company has a number of programs as part of its managerial leadership development. Its ongoing investment in the Frontline Manager and Superintendent Programs is contributing to the objective of building capability within the communities in which it operates. Frontline Management programs are operating across Australia, Indonesia and Papua New Guinea. The Superintendent program has involved participants travelling from these locations to participate in the two week residential program. A new initiative for managers across the Company has also commenced. This program offers significant opportunities for managers to broaden their perspective and strengthen their skill set.

These investments contribute to achieving the Company's diversity objectives and to its Vision of being 'Miner of Choice'.

7. RISK AND AUDIT MANAGEMENT

The Board recognises that risk management and internal controls are fundamental to sound management, and that oversight of such matters is a key responsibility of the Board. Newcrest has a detailed risk management and internal control framework incorporating policies and procedures, which set out the roles, responsibilities and guidelines for identifying and managing material business risks.

The Board reviews the effectiveness of management's implementation of risk management and of the internal control systems at least annually. The Audit and Risk Committee assists the Board with respect to oversight of risk management policy and of effective internal controls and risk management processes.

Management of Risk

Newcrest's Risk Management Framework is used to identify and evaluate risk events, establish robust controls and mitigation strategies, and to provide an assurance process in relation to effectiveness and implementation of these. The aim is to provide an overarching, uniform and consistent framework for identifying, assessing, monitoring and managing material business risks across the spectrum, being:

- strategic, corporate and commercial, major hazard (including operational, safety and environmental), and project management risks.

Risk profiles, including identification and assessment of related controls, are reviewed and updated by management and reported to the Audit and Risk Committee at least annually.

Internal Control Framework

Newcrest has controls in place that are designed to support the Risk Management Framework, safeguard the Company's interests and ensure the integrity of its financial reporting. Key controls include:

- An integrated, robust planning and budgeting process delivering a five-year strategic plan and linked detailed budget annually (both subject to the approval of the Board). Progress against performance targets is reported against monthly and supplemented regularly with forecast updates.
- A comprehensive capital approval process controlling the authorisation of capital expenditure and investments. Key capital decisions are subject to independent technical and commercial review.
- A system of delegated authorities that cascades authority levels for expenditure and commitments from the Board, the delegation to the Managing Director and Chief Executive Officer and the further cascading of authorities from the Managing Director and Chief Executive Officer to the rest of the organisation.
- Appropriate due diligence procedures for acquisitions and divestments.
- The annual preparation of a capital strategy document setting out the key capital structure, liquidity and cash flow at-risk objectives of the Company. In addition, Newcrest's treasury department has detailed policies for the management of debt and currency, investment of surplus cash and interest rate risk management.
- A system of financial control processes to ensure the integrity of financial reporting.
- Management provide the Board with a regular report on External Affairs and Community in addition to regular reporting to the Board.
- Each half year, the completion by management of a detailed internal control questionnaire covering financial stewardship, legal and risk issues.
- Regularly reviewed and tested crisis management and emergency management systems.

Internal Audit

The Company has an independent internal audit function, which is managed by the Manager Internal Audit, and supported by internal resources and external consultants. The Function undertakes audits of critical finance business and operational processes and tests key internal controls. The annual audit plan, which is approved by the Audit and Risk Committee, is structured to cover all material operating sites and processes on a rolling program. It is also based on an evaluation of all the risks to Newcrest. Findings are reported to senior management and the Audit and Risk Committee and corrective actions are monitored, reviewed and reported. Material findings are reported to the Board. The internal audit function and the Audit and Risk Committee have direct access to each other and have the necessary access to management to seek information and explanations.

Management Assurance

At the Board meeting to approve Newcrest's annual and half-yearly results in 2010–11, the Board received and considered written statements from the Managing Director and Chief Executive Officer and Director Finance in relation to Newcrest's system of risk oversight and management and internal compliance with internal controls. These assurance statements were supported by an internal process of compliance confirmations by Executive General Managers and General Managers responsible for operations and key functions.

The certificate of management assurance stated that the financial statements had been prepared in conformity with generally accepted accounting principles and that they gave a true and fair view of the state of affairs of the Company.

The certificate of assurance also stated that the risk management and internal compliance and control systems were operating effectively in all material respects in relation to the reporting of financial risks.

The Directors made appropriate enquiries of management, the Audit and Risk Committee and other relevant parties as to the content of the proposed financial statements and applied their knowledge of the affairs of the Company in reading and approving the accounts.

8. SUSTAINABILITY

Sustainability is an important part of Newcrest's vision to develop successful mining operations through balancing economic prosperity, environmental quality and social responsibility. Newcrest is a signatory to the Australian Minerals Industry Sustainability Code 'Enduring Value' and integrates environmental management into all facets of the business. A Sustainability Report detailing the Company's environmental and social performance is prepared each year. A copy of the Report for 2011 can be found on the website at www.newcrest.com.au/sus_report.asp

Financial Report

FOR THE YEAR ENDED 30 JUNE 2011

Directors' Report

The Directors present their report together with the consolidated financial report of the Newcrest Mining Limited Group, comprising the Company and its controlled entities, for the year ended 30 June 2011 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:

Don Mercer	Non-Executive Chairman
Greg Robinson	Managing Director and Chief Executive Officer (from 1 July 2011) Director Finance (to 30 June 2011)
Ian Smith	Managing Director and Chief Executive Officer (ceased 30 June 2011)
John Spark	Non-Executive Director
Rick Lee	Non-Executive Director
Tim Poole	Non-Executive Director
Richard Knight	Non-Executive Director
Vince Gauci	Non-Executive Director
Winifred Kamit	Non-Executive Director (appointed 1 February 2011)

All Directors held their position as a Director throughout the entire year and up to the date of this Report except as stated above.

CONSOLIDATED RESULT

The Statutory Profit of the Group for the year ended 30 June 2011 after income tax and non-controlling interest amounted to $908 million (2010: $557 million).

The Statutory Profit for 2011 includes a negative $150 million (2010: $219 million) impact due to the:

- Transfer of losses on restructured hedges and hedge close-out costs associated with the restructure in the 2007 financial year from equity reserves to the Income Statement;
- Other close-out related costs associated with the 2007 hedge restructure; and
- Business acquisition and integration costs associated with the acquisition of Lihir Gold Limited (LGL) on 30 August 2010.

The Underlying Profit[1] of the Group attributable to owners of the parent amounted to $1,058 million (2010: $776 million).

Reconciliation of Statutory Profit to Underlying Profit	Note	$M
Statutory Profit		**908**
Losses on restructured and closed-out hedge contracts (after tax)	4(j)	107
Other close-out related costs (after tax)	4(k)	2
Business acquisition and integration costs (after tax)	4(m)	41
		150
Underlying Profit		**1,058**

[1] Underlying Profit is profit after tax before hedge restructure and other significant items attributable to owners of the parent entity.

PRINCIPAL ACTIVITIES

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

DIVIDENDS

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

- Final unfranked dividend for the year ended 30 June 2010 of 20 cents per share, amounting to $153 million was paid on 22 October 2010;
- Interim unfranked dividend for the year ended 30 June 2011 of 10 cents per share, amounting to $76 million was paid on 15 April 2011;
- Final unfranked dividend for the year ended 30 June 2011 of 20 cents per share, amounting to approximately $153 million has been determined and is proposed to be paid on 21 October 2011 to shareholders registered by close of business on 30 September 2011;
- Special unfranked dividend for the year ended 30 June 2011 of 20 cents per share, amounting to approximately $153 million has been determined and is proposed to be paid on 16 December 2011 to shareholders registered by close of business on 25 November 2011.

OPERATING AND FINANCIAL REVIEW AND SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Refer to the Management Discussion and Analysis for the operating and financial review and for the significant changes in the state of affairs of the Group.

FUTURE DEVELOPMENTS

Refer to the Management Discussion and Analysis for information on likely developments and future prospects of the Group. Any further information of this nature has been omitted as it would unreasonably prejudice the interests of the Group.

SUBSEQUENT EVENTS

There are no other matters or circumstances which have arisen since 30 June 2011 that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

A copy of the Auditor's Independence Declaration as required under section 307C 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) – refer Note 25 to the financial statements. The Directors are satisfied that the provision of these services did not impair the Auditor's Independence.

ROUNDING OF AMOUNTS

Newcrest Mining Limited is a company of the kind referred to in ASIC Class Order 98/100, and in accordance with that Class Order amounts in the Directors' Report and the Financial Report are rounded to the nearest $1,000,000 except where otherwise indicated.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The operations of the Group are subject to environmental regulation under the laws of the Commonwealth and the states of Australia in which those operations are conducted and the countries in which it operates including Indonesia, Papua New Guinea, Côte d'Ivoire and Fiji. The Group 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 which apply to all mining operations and other operations of the Group. The environmental laws and regulations generally address the potential impact of the Group's activities in relation to water and air quality, noise, surface disturbance and the impact upon flora and fauna.

The Group 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 Group.

The number of events reported in each category during the year is shown in the accompanying table. In all cases environmental authorities were notified of those events where required and remedial action undertaken. One major environmental incident was recorded during the year which involved a fauna incident at the Telfer operation. There was an increase in the number of environmental incidents across the Group compared with the previous year reflecting in part the incorporation of the former LGL sites. A major program of work continued at Hidden Valley to address downstream impacts of increased sediment loads in the Watut River generated during mine construction.

Category	II	III	IV	V
2010 – No. of incidents	32	5	0	0
2011 – No. of incidents	63	14	1	0

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 which reviews the environmental and safety performance of the Group. The Directors are not aware of any environmental matters which would have a materially adverse impact on the overall business of the Group.

SHARE RIGHTS AND OPTIONS

During the year an aggregate of 343,086 rights were exercised, resulting in the issue of 343,086 ordinary shares of the Company for nil consideration. At the date of this Report there were 1,141,725 unissued shares under rights (1,176,963 at 30 June 2011).

In order to prevent dilution of its share capital through the exercise of rights under the Company's share-based payments plans and the Dividend Reinvestment Plan, the Company has determined that it will buy the corresponding number of shares on market as and when required. During the year 754,621 shares were bought back.

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 Group 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.

INFORMATION ON DIRECTORS

Details of the Directors' qualifications, experience and special responsibilities are set out on pages 10–11.

INFORMATION ON COMPANY SECRETARY

Stephen Creese

Bachelor of Laws (Hons) and Bachelor of Arts

Mr Creese was appointed General Counsel and Company Secretary in November 2009 and subsequently appointed Executive General Manager, Corporate Affairs in September 2010. He is responsible for the Government, media, legal and company secretarial functions. Prior to joining Newcrest, he was with the Rio Tinto group for 29 years, where he worked in various legal and commercial roles, including that of General Counsel of Rio Tinto Limited between 1995 and 2008 and, subsequently, as Managing Director – Rio Tinto Australia. Mr Creese is also a part-time member of the Australian Takeovers Panel and the independent chair of the National Employment Services Association and is a member of the Australian Government's Critical Skills Investment Fund Advisory Board.

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:

	Directors' Meetings		Audit & Risk Committee Meetings		Human Resources & Remuneration Committee Meetings		Safety, Health & Environment Committee Meetings	
Director	A	B	A	C	A	C	A	C
Don Mercer	16	16	–	–	5	5	–	–
Ian Smith	15	16	–	–	–	–	–	–
Greg Robinson	16	16	–	–	–	–	–	–
John Spark	16	16	4	4	–	–	4	4
Rick Lee	16	16	4	4	6	6	–	–
Tim Poole	16	16	4	4	6	6	–	–
Richard Knight	16	16	4	4	–	–	3	3
Vince Gauci	16	16	–	–	6	6	4	4
Winifred Kamit	4	4	–	–	1	1	1	1

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.

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

DIRECTORS' INTERESTS

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

Director	Number of Ordinary Shares	Nature of Interest	Number of Rights Over Ordinary Shares
Don Mercer	15,546	Direct and Indirect	–
Greg Robinson	4,235	Direct	145,480
John Spark	18,105	Direct and Indirect	–
Rick Lee	22,447	Indirect	–
Tim Poole	4,235	Indirect	–
Richard Knight	20,000	Indirect	–
Vince Gauci	3,400	Indirect	–
Winifred Kamit	326	Indirect	–

Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS[1]

1. OVERVIEW

Newcrest had a transformational 2011 financial year with the successful acquisition and integration of Lihir Gold Limited (LGL), a good operational performance, strong reserve and resource growth and solid progress on development projects. These results culminated in record net profits, strong cash flows, a final dividend of 20 cents and low gearing. Newcrest also agreed to pay a special dividend of 20 cents per share.

On 30 August 2010, Newcrest assumed control of LGL following the successful acquisition by Scheme of Arrangement. The acquisition has created the third largest gold company in the world by market capitalisation (as at 11 August 2011) with 10 operating mines in four countries and a portfolio of advanced exploration projects. The integration of the merger was successfully completed during the year, with significant cost synergies captured with the rationalisation of the LGL head office, reduction in funding costs and optimisation of supply and logistics contracts.

Strong production results from Newcrest's existing operations and the inclusion of the former LGL assets for the 10 months from September 2010 to June 2011 have combined to deliver Newcrest a record full year production and financial results. Underlying Profit[2] for the 12 months ended 30 June 2011 of $1,058 million was an increase of 36% from the corresponding year. The Statutory Profit[3] increased by 63% from $557 million to $908 million. Operating cash flow for the year of $1,729 million was an increase of 33% on the prior year. Capital expenditure was $1,890 million for the year.

Gold production of 2,527,352 ounces was 43% higher than the corresponding year. This is primarily as a result of the inclusion of 10 months of production from Lihir Operations, Mt Rawdon and Bonikro and a full year of production from the newly commissioned operations at Ridgeway Deeps and Hidden Valley, PNG.

Copper production decreased from 86,816 tonnes to 75,631 tonnes, with lower production from Cadia Valley and Telfer. Cadia Valley copper and gold production was impacted by the rain events late in the 2010 calendar year on the Australian eastern sea board.

The average price for all metals increased sharply in US$ terms, with gold rising to US$1,360 per ounce (2010: US$1,106 per ounce) and copper to US$3.88 per pound (2010: US$3.02 per pound). The corresponding impact on A$ revenue was reduced somewhat due to the increasing strength of the A$ versus the US$, with an average rate during the year of $0.9871 (2010: $0.8808).

Group EBITDA[4] margin decreased slightly to 50% (2010: 52%), due to mine cost pressures and the new mix of assets in the portfolio. The Group EBIT[5] margin decreased to 38% (2010: 41%), due to the higher depreciation and amortisation expenses associated with the uplift applied to property, plant and equipment valuations and mineral rights resulting from the allocation of fair values as required under acquisition accounting for the former LGL assets.

Internal growth projects continued to progress well with total capital expenditure of $1,890 million for the current year. The Gosowong Extension Project was commissioned on time and US$32 million under the budget of US$206 million. Cadia East ($891 million) development is progressing to its production plan, with first commercial production expected mid-2012. The Lihir Million Ounce Plant Upgrade (MOPU) ($320 million) continued to plan with upgraded production expected in financial year 2013.

[1] All figures in this Report relate to businesses of the Newcrest Mining Limited Group ('Newcrest' or 'the Company') for the 12 months ended 30 June 2011 ('2011') compared with the 12 months ended 30 June 2010 (the 'prior year' or '2010'), except where otherwise stated. All reference to $ is a reference to Australian dollars unless specifically marked otherwise.

[2] Underlying Profit is profit after tax before hedge restructure and other significant items attributable to owners of the parent entity. Underlying Profit for 2010 has been restated from $764 million to $776 million, due to the exclusion of business acquisition costs incurred in 2010, to align with the current year disclosure.

[3] Statutory Profit is profit after tax attributable to owners of the parent entity.

[4] EBITDA is EBIT excluding depreciation and amortisation. EBITDA Margin is EBITDA divided by sales revenue.

[5] EBIT is Underlying Profit including non-controlling interests before tax, finance costs and finance income. EBIT Margin is EBIT divided by sales revenue.

Studies on new projects also progressed well during the year. As at 30 June 2011, the Toguraci Underground (Gosowong) was in feasibility and Wafi-Golpu (PNG) and Namosi (Fiji) were in the pre-feasibility stage. At Gosowong, preparations for a second underground mining front in the Toguraci area are progressing well with mining expected to commence during calendar year 2011. At Wafi-Golpu, impressive exploration drilling results have increased the Mineral Resource to 26.6 million ounces of gold and 9.0 million tonnes of copper. Newcrest expects Wafi-Golpu, Namosi and O'Callaghans will all progress through to feasibility during the 2012 financial year.

Exploration expenditure during the year of $126 million has been focussed on study projects, improving existing resource and reserve positions and greenfields exploration in Côte d'Ivoire. A high proportion of exploration expenditure continues to be capitalised ($71 million or 56% of expenditure) with particularly successful outcomes at Wafi-Golpu and Namosi. Exploration results at Gosowong and Telfer Deeps are promising and drilling will continue during calendar year 2011.

Newcrest's financial position remains very strong, with gearing at 30 June 2011 of 4% and undrawn bilateral debt facilities of US$600 million.

Newcrest continued the progressive increase in dividends to shareholders with an increase to 10 cents per share in its interim dividend declared on 11 February 2011 and a final unfranked dividend of 20 cents per share, plus a special unfranked dividend of 20 cents.

In June 2011, Newcrest entered into a conditional agreement to sell its 70% interest in the Cracow gold mine and its 100% interest in the Mt Rawdon gold mine to a company formed through the merger of Catalpa Resources Limited and Conquest Mining Limited in exchange for an approximate initial 38% interest in the Merged Entity. This interest will be diluted to approximately 33% following a planned equity raising by the Merged Entity. This transaction is expected to be implemented in October 2011.

2. DISCUSSION AND ANALYSIS OF OPERATING RESULTS AND THE INCOME STATEMENT

2.1 Lihir Gold Transaction

Newcrest acquired LGL by way of Scheme of Arrangement, and assumed effective management control on 30 August 2010.

The purchase consideration of $10.480 billion (US$9.3 billion) consisted of:

- 280,987,564 Newcrest shares issued at $35.40 per share; and
- Cash consideration of $0.533 billion.

Included in the Newcrest Underlying Profit for the current year is $328 million attributable to the ex-LGL business from the effective date of the acquisition to 30 June 2011.

Acquisition and integration related costs of $52 million were incurred in the current year. There will be further costs of approximately $4 million to be incurred in the 2012 financial year. The main costs comprise legal and advisor fees; integration program labour costs; redundancies; IT systems and process costs; and other integration costs related to training, branding, policies, and offices.

The integration will result in the previously announced target of A$85 million in annual recurring synergies being exceeded. To the end of June 2011, $63 million in synergies have been implemented, excluding one-off synergies of $6 million.

Synergy benefits will be realised predominantly in the following areas:

– Finance and Legal, through lower funding costs and listing fees;
– Organisation Design, from lower headcount from the rationalisation of corporate centre functions;
– Supply & Logistics, via lower costs associated with supply contracts and office consolidation; and
– Operations, lower costs from improved operating fleet productivities and material movement efficiencies as well as higher revenue from plant reliability, production rate and recovery improvements.

2.2 Profit Overview

For the year ended 30 June 2011, Newcrest reported a record Underlying Profit of $1,058 million, an increase of 36% over the corresponding year result of $776 million.

The significant increase in Underlying Profit is due to higher gold production and increased commodity prices. Sales revenue was higher due to the inclusion of the former LGL assets from September 2010, in addition to the commissioning of Hidden Valley, increases at Cadia Valley and Gosowong, and an increase in the gold, copper and silver prices. Gold sales volumes were 41.8% higher and the average gold price for the current year of A$1,378 per ounce (US$1,360) was 10.1% higher than the same period last year. Copper volumes sold were 15.3% lower, however a 15.5% increase in price during the year meant that overall copper revenue only decreased by 2.1% from the previous year. The average copper price for the year of A$3.93 per pound (US$3.88) compares to A$3.40 per pound (US$3.02) in the corresponding year.

Mine production costs were 65.3% higher than the prior year, with the inclusion of the former LGL assets from September 2010 and the commissioning of Hidden Valley. Excluding the impact of these newly acquired and/or commissioned assets, mine production costs have increased by 7.4%, with increasing energy prices and wage inflation applying cost pressures across the business. These cost increases have been partly offset by cost reductions due to the strengthening of the A$ lowering US$ input costs for operations, particularly in PNG and Indonesia.

Inventory stockpiles of $170 million reduced costs in the current year, compared to a $115 million reduction in the prior year. This is mostly due to a large increase in ore stockpiles at Lihir Operations, where mining activities exceeded mill capacity. Deferred mining adjustments in the prior year resulted in a charge to costs of $79 million, mostly relating to Cadia Hill as the open pit nears completion. In the current year, deferred mining adjustments were nil as Cadia Hill costs were offset by the deferral of costs associated with new cutback development at Telfer, Gosowong and the Ridgeway Halo development.

Exploration expenditure during the year was $126 million with $55 million charged to profit, an increase of $22 million over the prior year. The increase reflects a higher level of gross expenditure.

The record Statutory Profit for the year of $908 million was a 63% increase on the $557 million in the corresponding year. The Statutory Profit includes hedge restructure and close-out losses of $109 million resulting from Newcrest's September 2007 equity raising and subsequent hedge book close-out and debt repayment. These are non-cash items that accounting rules require to be amortised over the original hedge designation period. In addition, the Statutory Profit includes transaction and merger integration costs of $52 million pre-tax in relation to the LGL acquisition.

The table below outlines the key differences in Underlying Profit between the current year and the prior year, described in more detail later in this Report:

	$M	$M
Underlying Profit for the year ended 30 June 2010		**776**
Changes in revenues:		
Volume:		
Gold	887	
Copper	(100)	
Silver	10	
Price:		
Gold	396	
Copper	86	
Silver	21	1,300
Changes in mine costs:		
Mine production cost	(716)	
Deferred mining and inventory movement	134	
Treatment, realisation and royalty	(50)	
Depreciation	(200)	(832)
Other costs:		
Corporate administration	(15)	
Exploration	(22)	
Other revenue and Other income/expense	(29)	
Finance costs	(12)	(78)
Tax and non-controlling interest:		
Income tax expense	(95)	
Non-controlling interest	(13)	(108)
Underlying Profit for the year ended 30 June 2011		**1,058**

2.3 Revenue

		12 months to 30 June 2011	12 months to 30 June 2010	% Change
Production volumes				
Gold [(1), (2)]	oz	**2,527,352**	1,762,200	43.4
Copper [(2)]	t	**75,631**	86,816	(12.9)
Silver	oz	**1,895,610**	1,369,790	38.4
Sales volumes				
Gold	oz	**2,474,312**	1,745,130	41.8
Copper	t	**73,614**	86,876	(15.3)
Silver	oz	**1,891,811**	1,347,369	40.4
Realised prices				
Gold	A$/oz	**1,378**	1,252	10.1
Copper	A$/lb	**3.93**	3.40	15.5
Silver	A$/oz	**29.04**	18.32	58.5
Average AUD:USD		**0.9871**	0.8808	12.1
Revenue				
Gold	$m	**3,409**	2,126	60.3
Copper	$m	**638**	652	(2.1)
Silver	$m	**55**	24	129.2
Total sales revenue	$m	**4,102**	2,802	46.4

(1) The 12 months to 30 June 2010 includes pre-production ounces from Hidden Valley (24,682 ounces).
(2) The 12 months production to 30 June 2011 includes 3,320 pre-production gold ounces and 316 copper tonnes for the Cadia East project. These ounces have been capitalised and excluded from the unit cost calculations and profit and loss reporting.

The higher gold sales volumes and increased gold price have resulted in a significant increase in gold revenue. The higher copper price has been offset by the impact of lower copper sales volumes to lead to a 2.1% decrease in copper revenue compared to the prior year. Gold revenue represented 83.1% of Newcrest's overall sales revenue (2010: 75.9%).

Gold production and sales by site:

Ounces	12 months to 30 June 2011 Gold Production	12 months to 30 June 2011 Gold Sales	12 months to 30 June 2010 Gold Production	12 months to 30 June 2010 Gold Sales
Cadia	**364,196**	**353,575**	325,712	311,552
Ridgeway	**147,904**	**151,297**	171,974	170,887
Cadia East	**3,320**	**–**	–	–
Telfer	**621,291**	**588,724**	688,909	701,261
Gosowong	**463,218**	**465,900**	442,525	437,059
Cracow	**71,206**	**71,006**	71,932	71,455
Hidden Valley	**100,232**	**102,689**	61,148	52,916
Lihir Operations	**639,256**	**635,610**	–	–
Bonikro	**41,235**	**29,867**	–	–
Mt Rawdon	**75,494**	**75,644**	–	–
Total	**2,527,352**	**2,474,312**	1,762,200	1,745,130

Copper production and sales by site:

Tonnes	12 months to 30 June 2011 Copper Production	12 months to 30 June 2011 Copper Sales	12 months to 30 June 2010 Copper Production	12 months to 30 June 2010 Copper Sales
Cadia	**23,449**	**23,708**	29,110	28,804
Ridgeway	**19,788**	**19,811**	22,891	22,955
Cadia East	**316**	**–**	–	–
Telfer	**32,078**	**30,095**	34,815	35,117
Total	**75,631**	**73,614**	86,816	86,876

Silver production and sales by site:

Ounces	12 months to 30 June 2011 Silver Production	12 months to 30 June 2011 Silver Sales	12 months to 30 June 2010 Silver Production	12 months to 30 June 2010 Silver Sales
Cadia	**244,641**	**244,641**	227,906	227,905
Ridgeway	**177,389**	**177,389**	175,979	175,979
Telfer	**373,101**	**391,301**	446,174	446,174
Gosowong	**284,139**	**290,782**	254,976	261,699
Cracow	**38,170**	**38,125**	42,037	41,170
Hidden Valley	**673,031**	**665,892**	222,718	194,442
Bonikro	**3,145**	**–**	–	–
Mt Rawdon	**101,994**	**83,681**	–	–
Total	**1,895,610**	**1,891,811**	1,369,790	1,347,369

Total gold production increased 43.4% to 2,527,352 ounces compared to the previous full year result.

Movements by operation were as follows:

- The acquisition of the former LGL assets brought the following additions to Newcrest's production profile:
  - Lihir Operations 639,256 ounces
  - Bonikro 41,235 ounces
  - Mt Rawdon 75,494 ounces.

  Note that the production figures for the former LGL sites are for 10 months of production only, from acquisition date. Bonikro's production to November 2010 was strong before operations were suspended in December as a precautionary measure following disputed presidential elections in Côte d'Ivoire. Production resumed in May 2011.

  Lihir Operation's production was affected in the March quarter by unseasonably low rainfall limiting the supply of water to the process plant, cumulating in a negative impact to production of approximately 40,000 ounces. A high-voltage switchgear failure in the power station in June also further restricted plant operating capacity;
- Telfer production decreased 10% by 67,618 ounces as the mining of new stages in the open pit led to a lower grade and associated lower recovery rates, though this was partly offset by higher mill throughput;
- Cadia Hill's production increased 12% by 38,484 ounces due to access to higher grades in the bottom of the pit. However, record rainfall in December 2010 as well as significant rain events in early February 2011 blocked access to this ore during periods of the December and March quarters;
- Ridgeway's production decreased 14% by 24,070 ounces as the transition from the sub-level cave to Ridgeway Deeps block cave was completed. Ridgeway Deeps was successful in ramping up to an annualised design production rate of 6 million tonnes per annum;
- Cadia East produced 3,320 development ounces. Revenue is capitalised as part of the project;
- Gosowong's production increased 5% by 20,693 ounces, with the installation of a second SAG mill, and the debottlenecking of downstream gold extraction unit processes under the Gosowong Extension Project, enabling higher mill throughput and higher metal recoveries. By year's end, Gosowong was operating at record milling rates with opportunities for further optimisation;
- Hidden Valley's production (Newcrest 50% share) increased 64% by 39,084 ounces as the ramp-up to full production was completed, bringing higher gold feed grades, throughput and recoveries. Throughput and production was affected by belt failure on the overland conveyor in March, necessitating the trucking of ore to the process plant. The conveyor is expected to be operating by the end of September 2011.

Total gold revenue grew by 60.3% to $3,409 million (2010: $2,126 million). The average gold price of A$1,378 per ounce was 10.1% higher than the prior year (A$1,252 per ounce). The US$ gold price reached record highs (US$1,553 per ounce) during the year, however the impact on A$ revenue was reduced due to the continued strength of the A$ against the US$ (average rate for 2011 of $0.9871 compared to 2010 rate of $0.8808).

Group copper revenue decreased by 2.1% to $638 million due to lower sales volumes, though this was slightly offset by higher prices. The average copper price of A$3.93 per pound was 15.5% higher than the A$3.40 per pound in the prior year.

Silver revenue increased by $31 million to $55 million due to higher silver prices and higher silver ounces sold. Sales volumes increased by 40.4% to 1,891,811 ounces predominantly due to Hidden Valley continuing development to full production. The average silver price of A$29.04 per ounce was 58.5% higher than the A$18.32 per ounce in the prior year.

2.4 Costs

Mine cost of sales

$M	30 June 2011	30 June 2010	Change $M
Mine production costs by site			
Cadia Valley	**365**	358	7
Telfer	**606**	552	54
Gosowong	**145**	131	14
Cracow	**42**	37	5
Newly acquired/commissioned sites			
Hidden Valley	**123**	19	104
Lihir Operations	**404**	–	404
Bonikro	**57**	–	57
Mt Rawdon	**71**	–	71
Total	**1,813**	1,097	716

2.4 Costs (continued)

Overall mine production costs have increased 65.3% to $1,813 million, with the inclusion of 10 months of production costs for the former LGL assets, and the first full year of operating costs for Hidden Valley. Cost pressures are emerging due to labour shortages and higher commodity input prices, however, the ongoing strength of the A$ has helped mitigate these.

Cadia Valley Operation's costs have been stable this year, with reduced open pit mining activity largely offsetting the impact of input price increases. Cadia Hill pit is approaching the end of its mine life, resulting in planned lower material movements. Mining activity at Cadia Hill was also disrupted in quarter three by heavy rains. The cost impact of this lower mining activity is evident across all cost classes, in particular labour, mobile fleet maintenance and mining consumables. Also assisting the operation's costs is the Ridgeway Deeps underground mine, which is less labour intensive than the open pit.

Telfer's mine costs have increased by 9.8% this year. This year's open pit mining activity has focussed on finalising Stage 3 of the pit and then commencing Stage 7, with a reduction in total material mined and a subsequent reduction in direct mining costs. However, the introduction of contract waste stripping of Stage 4 in May 2011 has led to an increase in the mining unit cost. These costs will be capitalised and then amortised against the gold reserve. There has also been an increase in village and flight costs to support the overall increased site activity.

This year has seen the first full year of operations at the expanded Gosowong operation. The Gosowong Extension Project successfully implemented additional plant and electricity generation capacity, allowing for increased mill throughput with improved gold recoveries. This has resulted in an increase in variable costs such as electricity and milling consumables. In addition, the waste stripping of the Gosowong Open Pit Cutback commenced in September 2010. Overall cost movements at this site have been assisted by the ongoing strength of the A$, with the majority of costs denominated in US$ and therefore benefiting on translation to A$.

The current financial year is also the first full year of operation for Newcrest's joint venture operation at Hidden Valley in Papua New Guinea. This has been a challenging year, with higher costs evident across the operation as the asset moved from development into full production. These cost pressures were exacerbated by the failure of the overland conveyor (OLC) system in March 2011, necessitating the trucking of ore from the open pit to the process plant at substantially higher prices. The OLC is currently under repair, with testing in August and an anticipated return to full production in September 2011.

Production was suspended at the Bonikro mine for six months during the year due to civil unrest in Côte d'Ivoire. The 10 months of costs recorded for the current year include $23 million, primarily in fixed costs, incurred whilst the mine was on care and maintenance.

Site costs at Cracow and Mt Rawdon remain steady, with similar cost pressures in line with the other Australian operations.

$M	30 June 2011 Group	30 June 2011 New Assets	30 June 2011 Existing Assets	30 June 2010[1]	% Change[2] Increase/ (Decrease)	% Change[2] attributable to price	% Change[2] attributable to volume
Mine production costs	**1,813**	**655**	**1,158**	**1,078**	**7.4**	**6.4**	**1.0**
Employee Salaries	341	143	198	191	3.7	5.5	(1.9)
Maintenance incl Contract Labour	422	197	225	224	0.4	2.6	(2.3)
Mining Contracts	173	16	157	104	51.0	19.0	32.0
Fuel & Lubes	120	54	66	70	(5.7)	4.8	(10.5)
Utilities & Power	158	35	123	100	23.0	25.1	(2.1)
Liners & Grinding Media	113	16	97	102	(4.9)	(10.2)	5.3
Mining Consumables	251	113	138	142	(2.8)	3.0	(5.8)
Other Input Costs	235	81	154	145	6.2	6.2	0.0
Deferred mining costs	–	(37)	37	79	(53)		
Inventory movements	(170)	(138)	(32)	(115)	(72)		
Treatment & Realisation Costs	136	6	130	139	(6)		
Royalties	121	29	92	68	35		

[1] The prior year comparatives have been restated in line with the new Newcrest Group cost model. The primary movements are between 'Maintenance' and the 'Mining Contracts' cost classifications, with minor variances in other cost categories.

[2] The reported change percentages exclude the impact of the newly acquired and/or commissioned assets of LGL and the Morobe Mining Joint Venture, as these assets do not have comparative cost history.

Excluding the impact of the newly acquired and commissioned sites, mine production costs rose by 7.4%, with cost pressures emerging due to labour shortages, higher energy input prices and rising diesel prices. The continued strength of the A$ has seen price falls in general consumables and grinding media, however, strong demand for mining inputs has influenced pricing for mining consumables such as heavy equipment tyres and explosives. Ongoing cost control initiatives continue, with increased focus on maintenance planning and contractor management.

Employee costs are 3.7% higher due to wage pressure in all operations. The full impact of this has been offset by the continued reduction in operational labour at Cadia Valley, as the less labour intensive nature of the Ridgeway Deeps block cave has enabled labour to be transitioned to the Cadia East development and other operations in the Group.

Overall maintenance costs are stable, year on year, with higher contract labour plant maintenance costs and higher mobile fleet maintenance rates being mitigated by lower mobile fleet hours at Telfer and Cadia Hill open pits. The impact of these cost increases has been partly offset by lower chargeable hours, as fleet activity at both open pits is lower, in line with lower material movements.

The additional mining activity at Telfer (Stage 4 open pit waste stripping) and Cadia Valley (Ridgeway Halo development) is largely driving the overall increase in the 'Mining Contracts' cost category. While these costs are included as mining costs, they do not impact profit in the current year, as they relate to waste stripping only and have been deferred to the balance sheet. Equipment hire is also included in this area. Two hired mobile crushing plants were commissioned at Cadia Valley in quarter one of the current financial year to assist processing throughput by reducing the ore grind size and to provide additional crushing capacity during repairs to the primary crusher. This equipment has since been demobilised.

The 'Fuel & Lubes' cost category shows an overall decrease this financial year, with diesel consumption falling across the Group due to lower material movements at both the Cadia Hill and Telfer open pit mines. Fuel price increases for the Australian operations have been moderate this year, with exposure to rising fuel prices reduced with the implementation of hedge arrangements for the onshore operations. However, Gosowong has experienced input price increases of 44%, applying significant cost pressure to the operation.

Power costs have increased by 23%, driven by a combination of higher energy requirements due to processing circuit modifications at Cadia Valley and Gosowong, increased milling rates at Telfer and higher unit costs across the board. Cadia Valley previously benefited from a long term energy supply contract, with comparatively low unit rates. The current year is the first full year of the new contract terms, reflecting current market rates. At Gosowong, diesel is used to generate electricity for the processing plant, with the increase in electricity unit costs reflecting the increase in the diesel price.

Grinding media costs have reduced this year, with a decline in input prices offsetting an increase in consumption. Grinding media consumption has increased, consistent with increased throughput rates at Telfer and Gosowong and the additional milling capacity commissioned at Cadia Valley Operations and Gosowong. Contract prices for liners and grinding media have retreated from their peak during the prior financial year, due to successful implementation of group purchasing arrangements, combined with the strengthening A$.

Costs incurred for mining consumables have declined by 2.8% in the current year. This cost category includes variable mining and milling costs such as heavy equipment tyres, explosives, and chemical reagents. Overall consumption of mining consumables has declined, consistent with the lower material movements at Cadia Hill and Telfer open pits, however tyre and explosives input prices have increased by approximately 5% this financial year. Input prices for chemical reagents have increased by a similar amount, combined with an increase in consumption at Telfer, due to both an increase in tonnes milled and an increase in chemical consumption rates per tonne due to processing harder ore. However, the overall increase in input price for this cost category is suppressed by the reduction in other US$ denominated input prices at Gosowong, due to the strengthening A$.

Other input costs include mine site overheads which have increased by 6.2% this year and are largely salary related. In addition, there have been increases in Telfer's fly-in fly-out costs with the implementation of additional flights for contract employees for the waste mining of Stage 4, and additional flights from the eastern states, as well as higher village costs for these additional employees. These increases in costs have been partly offset by continued savings in insurance premiums, which are denominated in US$ and have benefited from the strengthening of the A$.

The release of capitalised deferred mining costs have increased overall costs for the existing assets by $37 million in the current year, compared to an increase in costs of $79 million in the prior year. High deferred mining amortisation ($73 million) continued at Cadia Hill as the pit nears the end of production, however this charge has been offset by the deferral of costs incurred in waste stripping Stage 4 at Telfer ($25 million). Waste stripping of the Gosowong Cutback also commenced in the current year, resulting in the deferral of $12 million in mining costs.

An increase in inventories reduced mine cost of sales by $170 million for the combined Group ($115 million for the prior year.) Of the $170 million, $126 million relates to an increase in physical ore inventories at Lihir Operations, with material mined exceeding milling capacity. In addition, there has been an increase in gold in concentrate at year end due to the timing of shipments, further increasing the credit to mine cost of sales.

Treatment, Realisation and Royalty Costs

The treatment and refining costs (TCs/RCs) of $136 million includes bullion refining and transport costs of $6 million for the former LGL assets (10 months) and Hidden Valley (full year). The TCs/RCs of $130 million for the existing assets have decreased by 6.5% on the prior year – a combination of both lower concentrate production and lower TC/RC unit costs. TC/RC costs are priced in US$ and have benefited on translation to A$ due to the strengthening of the A$ against the US$. However, part of this cost saving has been offset by an increase in 'off the top deductions' due to the increase in spot metal prices. Concentrate ocean freight prices dropped in both US$ and A$ terms, reflecting increased vessel availability on the Australian seaboards.

Royalties of $121 million for the year are a $53 million increase on the prior year, consistent with the increase in gold and silver production and higher metal prices. This has been further impacted by an additional $16 million at Gosowong for the new three year Regional Development Program, as well as the inclusion of Community Social Responsibility contributions of $7 million for the year, which are based on a percentage of revenue.

Depreciation

Depreciation expense, included in cost of sales, increased by $200 million to $501 million. The majority of this increase was attributable to the former LGL assets and Hidden Valley, which were not included in the comparative year. There were also increases at Cadia Valley and Gosowong reflecting production generated from the newly developed Ridgeway Deeps mine and the increased capital base from the Gosowong Extension Project. Overall Group depreciation costs of $204 per ounce produced increased from $175 per ounce in the prior year.

Depreciation for the ex-LGL assets includes an uplift applied to property, plant and equipment valuations and mineral rights resulting from the allocation of fair values as required under acquisition accounting. The incremental impact of this fair value uplift amortisation is approximately US$85 per ounce for Lihir Operations, US$140 per ounce for Bonikro, and A$135 per ounce for Mount Rawdon.

Corporate Administration Costs

Corporate administration costs of $93 million was an increase of $15 million from the prior year. The corporate expenses include corporate costs of $70 million (2010: $61 million), depreciation of $14 million (2010: $8 million) and the accounting impact of share-based remuneration of $9 million (2010: $9 million). The increase in corporate costs was primarily due to an increase in head office staff following the integration of the ex-LGL head office.

Exploration

Total exploration expenditure for the year was $126 million (2010: $101 million), with $55 million charged against income compared to $33 million in the prior year. The current year capitalisation rate of 56% is still relatively high due to the continued concentration of the exploration effort on brownfields and reserve definition activity.

2.5 Other Revenue and Other Income/(Expense)

Other Revenue and Other Income/(Expense) was $nil (2010: $29 million).

	12 months ended	
$M	**30 June 2011**	30 June 2010
Other Revenue		
Finance income	**9**	12
JV management fees	**1**	1
	10	13
Other Income/(Expense)		
Net foreign exchange gain/(loss)	**(26)**	(15)
Fair value gain/(loss) on gold & copper derivatives	**15**	44
Cadia Valley royalty dispute	**11**	(11)
Other	**(10)**	(2)
	(10)	16
Other Revenue and Other Income/(Expense)	**–**	29

The foreign exchange loss of $26 million in the current year is mostly due to the effect of the strengthening A$:US$ exchange rate on US$ denominated concentrate debtors.

The fair value gain on gold and copper derivatives relates to the movements in spot prices impacting the quotational period adjustments in sales. Newcrest locks in the copper price for concentrate shipments at the time of sale to minimise this impact. Gold prices are not locked in at the time of shipment due to the shorter quotational period for gold (usually one month for gold versus three or four months for copper). With gold prices increasing the one month quotational period adjustments were positive.

2.5 Other Revenue and Other Income/(Expense) (continued)

In the prior year, the Group received an unfavourable ruling by the NSW Court of Appeal in respect to the mineral royalties dispute at Cadia Valley, and Newcrest provided for this exposure. The ruling has been subsequently overturned by the High Court of Australia on appeal by the Group, and the provision has been released in the current year.

The decrease in finance income was due to lower cash balances and interest rates held by the Group during the year.

2.6 Finance Costs

Finance costs of $45 million were $12 million higher than the prior year. This was due to higher commitment fees incurred on undrawn bilateral facilities. The Group increased its bilateral facilities in 2010 from US$600 million to US$1,100 million.

Interest of $2 million was capitalised during the year in respect to the Cadia East development project.

2.7 Income Tax Expense

The income tax expense in the current year on Underlying Profit was $392 million, resulting in an effective tax rate of 26%. The prior year tax expense on Underlying Profit was $297 million with an effective tax rate of 27%. The effective tax rate benefited from a Research and Development concession of $46 million (2010: $42 million) in relation to the prior year and a current year Research and Development concession of $7 million (2010: $16 million). The effective tax rate also benefited from lower tax rates in foreign jurisdictions of $9 million.

2.8 Hedge Restructure and Other Significant Items

Losses on Restructured and Closed-Out Hedges

During the 2008 financial year, Newcrest closed out its gold hedge book and realised the gold hedging losses and extinguished any future obligation with respect to the hedge contracts.

Accounting standards require the accumulated losses on the contracts closed out to remain deferred in the Hedge Reserve within equity. The losses in the Hedge Reserve are transferred to the Income Statement in future periods in line with the original sales to which they were designated. This resulted in a loss release profile as noted below. A pre-tax loss on restructured and closed-out hedge contracts of $153 million has been recognised in the year (2010: $295 million).

There are no liabilities remaining for the closed-out contracts and the profit impacts on the current and future years are all non-cash. The balance of the Reserve will be fully released to the Income Statement in 2012.

$M	Current 2011	To be released in 2012
Total hedge losses	**153**	7
Tax effect	**(46)**	(2)
After tax hedge losses	**107**	5

Other Close-Out Related Gains/(Losses)

The other close-out related impacts include:

- Fair value loss of $3 million on gold put options (2010: $12 million loss). Newcrest purchased the gold put options following the close-out of the gold hedge book in September 2007 in order to manage its exposure to commodity price risk. The put options over the remaining 500,000 ounces have a carrying value of nil. These are due to expire in 2012;
- No foreign exchange gain (2010: $12 million) on US dollar denominated borrowings designated as cash flow hedges. This relates to the gain crystallised on the repayment of US dollar denominated borrowings using proceeds from the equity raising undertaken in September 2007. The release of the gain to the Income Statement was completed in 2010.

Business Acquisition and Integration Costs

The LGL acquisition resulted in transaction and integration costs of $52 million for the year. Refer to Section 2.1 for additional detail.

3. DISCUSSION AND ANALYSIS OF THE CASH FLOW STATEMENT

3.1 Cash Flow – Operating Activities

Operating cash flow for the year increased by 33% to $1,729 million (2010: $1,303 million) driven by the higher sales volumes and prices and the impact of the LGL acquisition.

3.2 Cash Flow – Investing Activities

Net cash used in investing activities for the year of $2,294 million was an increase of $1,408 million over the prior year. The current year included net cash payments of $272 million in respect to the LGL acquisition.

Project capital expenditure during the year was focussed on projects at Cadia East ($891 million), MOPU ($320 million) and the Gosowong Extension ($57 million).

12 months ended 30 June 2011	$M
Capital Expenditure:	
Sustaining	359
Development	97
Projects – Constructions & Studies	1,434
	1,890
Payment for LGL (net of cash acquired)	272
Payment for investments	4
Interest capitalised on development projects	2
Exploration	126
Total	**2,294**

Exploration Expenditure

Exploration expenditure during the year has been focussed on near province opportunities, improving existing resource positions and converting these resources to reserves. During the year, this included:

- Wafi-Golpu – extensive resource definition drilling program on the Golpu porphyry deposit;
- Telfer – continued drilling of the Vertical Stockwork Corridor located below the Telfer Deeps sub-level cave mine;
- Gosowong – drilling to the north and south of the previously mined Toguraci open pit;
- Papua New Guinea – continued drilling at Lihir Operations; and
- Namosi – continued drilling in the Waivaka corridor.

Greenfield exploration programs were also active in Côte d'Ivoire and within the Morobe Province, PNG. New exploration programs commenced at Manus Island, PNG and Tandai, Sumatra.

A breakdown of exploration expenditure by nature was:

12 months ended 30 June 2011	$M
Greenfields	33
Brownfields	32
Reserve Definition	
– Telfer	10
– Gosowong	10
– Hidden Valley and Wafi-Golpu	24
– Lihir Operations	13
– Other	4
	61
Total	**126**

A breakdown of exploration expenditure by region was:

12 months ended 30 June 2011	$M
Australia	41
Indonesia	22
Papua New Guinea	48
Côte d'Ivoire	11
Fiji	4
Total	**126**

3.3 Cash Flow – Financing Activities

Cash flows used in financing activities were an inflow of $131 million, compared with an outflow of $131 million in the prior year. For the current year, this included:

– repayment of an LGL loan facility post-acquisition $52 million;

– net drawdown of $479 million on the bilateral facility to fund capital projects; and

– a substantial increase in the cash dividend payment to members of Newcrest from $82 million to $187 million. This reflects the higher dividend rate and the larger shareholder base post LGL acquisition.

4. DISCUSSION AND ANALYSIS OF THE BALANCE SHEET

4.1 Net Assets and Total Equity

Newcrest's Net Assets and Total Equity increased substantially during the year by $8,865 million to $13,875 million. This was driven by the equity-based merger with LGL which had an effective date of 30 August 2010.

The purchase price of $10,480 million on the merger date has been allocated to assets and liabilities as summarised in the first column of the table below. Key balances acquired include:

– Exploration, evaluation and development assets of $4,985 million, including mineral rights of $3,114;

– Goodwill of $4,370 million; and

– Deferred tax liabilities of $1,462 million.

Of the acquired assets, Lihir Operations and Côte d'Ivoire have functional currencies of US$, while Mt Rawdon has an A$ functional currency. The US$ denominated assets were translated to A$ on the effective merger date, using an FX rate of 0.8874. With the appreciation of the A$ against the US$ during the year, the acquired values described above were proportionately lower as at the 30 June 2011 reporting date, when the assets were restated at an FX rate of 1.0739, as summarised in the second column of the table below. The translation adjustment on the US$ denominated assets is held in the Foreign Currency Translation Reserve in the equity section of the balance sheet.

Business Acquisitions	Consolidated Fair Value on Acquisition 30 Aug 2010 $M	30 June 2011 $M
Assets		
Inventories	911	943
Property, plant and equipment	1,565	1,362
Exploration, evaluation and development	4,985	4,480
Goodwill on acquisition	4,370	3,621
Other assets	542	250
Total Assets	**12,373**	**10,656**
Liabilities		
Deferred tax liabilities	1,462	1,232
Other liabilities	378	330
Total Liabilities	**1,840**	**1,562**
Net Assets	**10,533**	**9,094**
Equity		
Non-controlling interests	(53)	(42)
Equity – Newcrest interest	**10,480**	**9,052**
Movement in Equity		
Profit after tax attributable to Newcrest		325
Movement in foreign currency translation		(1,753)
Total Movement in Equity		**(1,428)**

The acquired mineral rights are amortised in line with the consumption of reserves at the respective assets. Goodwill is not subject to amortisation and is assessed for impairment on an annual basis.

Newcrest has carry forward tax losses of $230 million recognised as an asset as at 30 June 2011. This is a net reduction of $41 million from 30 June 2010 and represents utilisation of losses by the Newcrest Australian group, the inclusion of losses from the Lihir Australian group and an increase in losses from the PNG Morobe Mining joint ventures.

The assets recognised on tax losses are as follows:

	$M
Newcrest Australian tax consolidated group	205
PNG Morobe Mining joint ventures	25
Asset on losses at 30 June 2011	**230**

4.2 Net Debt and Gearing

As at 30 June 2011, Newcrest had net debt, comprising total borrowings less cash, of $615 million, with a movement from the 30 June 2010 net cash position of $216 million, as outlined in the table below. The decrease in the cash balance during the year was largely due to the cash component of the Lihir acquisition and increase in the bilateral facility was for capital project funding.

	$M
Net debt at 30 June 2010	**(216)**
Net drawdown on USD bilateral facility	479
Retranslation of USD bilateral facility debt	(13)
Retranslation of USD private placement debt	(86)
Decrease in cash balances	458
Net movement in finance leases	(7)
Net movement in 2011	**831**
Net debt at 30 June 2011	**615**

The resulting gearing ratio (net debt to net debt plus equity) as at 30 June 2011 was 4% (30 June 2010: negative 5%).

$M	30 June 2011	30 June 2010
Total debt	**800**	427
Less cash and cash equivalents	**(185)**	(643)
Net debt	**615**	(216)
Equity	**13,875**	5,010
Net debt and equity	**14,490**	4,794
Gearing (net debt/net debt and equity)	**4%**	(5%)

4.3 Liquidity and Debt Facilities

Newcrest has US dollar bilateral facilities of US$1,100 million, with US$500 million drawn down as at 30 June 2011. These are unsecured revolving facilities with maturities ranging between December 2012 and February 2013. Interest is based on LIBOR plus a margin.

Newcrest also has US$350 million of long-term senior unsecured notes issued into the North American private placement market. The notes, comprising five tranches, have a repayment profile from May 2012 to May 2020. The vast majority of the notes are at an average fixed interest rate of 5.6%. The notes due for repayment in May 2012 of US$120 million (A$112 million) have been classified as current borrowings.

Directors' Report

REMUNERATION REPORT

1. INTRODUCTION

1.1 About this Report

This Remuneration Report forms part of the Directors' Report. It outlines the overall remuneration strategy, framework and practices adopted by the Company and the Group for the period 1 July 2010 – 30 June 2011 and has been prepared in accordance with Section 300A of the *Corporations Act 2001* and its regulations. This entire Remuneration Report is designated as audited.

In accordance with the *Corporations Act 2001*, remuneration details are disclosed for the Group's Key Management Personnel, which includes the five most highly remunerated Executives of the Company and the Group.

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, being the Company's Directors, whose names appear in Table 9, and the Executive Managers whose names appear in Table 10.

In sections of this Report where remuneration arrangements are dealt with separately for Directors and for Executive Managers, the term 'Directors' is used to refer to all Directors, Executive Directors refers to the Managing Director and Director Finance and the term 'Key Management Personnel' refers to Executive Managers only.

1.2 Overview of Contents

1.3 Executive Summary

In 2010–2011, the Board's remuneration strategy was:

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

Key developments during the year in the implementation and administration of the remuneration policy were:

1.3.1 The Board reviewed the form of the Executive Service Agreement offered to Key Management Personnel and amended its terms to standardise the Agreements and ensure that termination payments payable to Key Management Personnel would not exceed 12 months of base salary (averaged over three years). This amendment ensures that the Executive Service Agreements are in line with the *Corporations Act 2001* and applicable regulations, and best market practice. The Board negotiated and entered into the new form of Executive Service Agreements with each of its Key Management Personnel (other than Mr Ian Smith, Newcrest Managing Director and CEO, who stepped down from that role on 30 June 2011), to reflect the changes outlined above.

1.3.2 As in previous years, the Board determined that the Short Term Incentive (STI) Plan (formerly the Short Term Incentive Deferral Plan) would again operate as a 'cash only' plan in 2010–11.

1.3.3 The Board reviewed the purpose and effectiveness of deferring one third of the payments under the STI and concluded deferral created a temporal disconnect for Key Management Personnel between satisfaction of performance measures and receiving the award. Deferral of a portion of STI beyond the 12 month performance measurement period was therefore discontinued for the 2010–11 STI and beyond.

1.3.4 The Board determined to continue offering a Long Term Incentive (LTI) to Key Management Personnel in 2010–11. See Section 5.5.1 for details.

1.3.5 In relation to the Short and Long Term Incentive, the Company reviewed all performance measures following the merger in September 2010 with Lihir Gold Limited, and concluded that these remained appropriate, subject to amendment of the LTI Reserves Growth measure to include some consideration of copper reserves growth, reflecting the contribution copper makes to the Newcrest portfolio. As a result, the measure was amended in relation to the 2011 LTI to include the growth in copper reserves in the target – up to a maximum of 30% (measured as gold-equivalent reserves). The remaining 70% is growth in gold reserves. The Board determined that the reserves growth target will be 15 million ounces of gold over three years.

Further details of each of the above key changes are set out in the relevant sections of this Report.

2. REMUNERATION OVERVIEW 2010–11

2.1 Key Changes in 2010–11

Key changes to remuneration practices in 2010–11 are as outlined above.

2.2 Remuneration Policy

The Board's remuneration policy is to provide market-competitive levels of remuneration for all employees, including Non-Executive Directors, Executive Directors and Key Management Personnel, having regard to both the size and complexity of the Group, and the level of work and the impact that those employees can potentially have on Group performance.

The policy also seeks to align the interests of employees and shareholders by ensuring an appropriate level of at-risk performance pay right across the Company, linking incentives and performance measures to both Group and individual performance.

Performance linked compensation includes both short and long term incentives, and is designed to reward employees for increasing shareholder value by meeting or exceeding their group and, where applicable, individual objectives.

2.3 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 fairness in relation to prevailing market conditions.

Non-Executive Directors' fees are reviewed every two years and were reviewed by the Board in December 2010 and adjusted with effect from 1 January 2011. Details of current Non-Executive Directors' fees are set out in Section 4.4 of this Report.

In order to maintain independence and impartiality, Non-Executive Directors do not receive any performance-related remuneration.

2.4 Executive Director and Key Management Personnel

Executive Director and Key Management Personnel remuneration comprises both fixed and variable components. Fixed remuneration is set with reference to fixed remuneration paid by a comparator group of companies for comparable roles.

Variable equity and cash remuneration in 2010–11 was offered respectively under the LTI employee share plan and the STI Plan.

Details of the above incentive schemes are set out in Sections 5.4 and 5.5 of this Report.

3. HUMAN RESOURCES AND REMUNERATION COMMITTEE

3.1 Role of the Human Resources and Remuneration Committee

The role of the Human Resources and Remuneration Committee is to review, advise and formulate recommendations to the Board in relation to matters within its Charter, to refer these to the Board for determination, and to oversee implementation and administration of major components of the Company's Board approved remuneration strategy. The Charter is available on the Company's website www.newcrest.com.au.

3.2 Duties and Responsibilities

Duties and Responsibilities are set out in the Committee's Charter.

The key duties and responsibilities of the Committee are to assist the Board in the discharge of its responsibilities for oversight and approval of the human resources and remuneration policies and practices of the Group. It considers and makes recommendations to the Board in relation to:

- the oversight of organisational design and human capability at Newcrest commensurate and consistent with its strategic goals, including:
  a. its recruitment strategies and practices;
  b. the identification of talent including training and development;
  c. retention and succession; and
  d. diversity.
- the behavioural and cultural framework and practices of the Group;
- the human resources and remuneration strategies, policies and practices of the Group;
- the remuneration framework for all employees including in particular, Executive Managers, Executive Directors and Non-Executive Directors;
- the remuneration levels for Directors and Executive Managers, and contract terms, incentive arrangements and retirement and termination entitlements for all Executive Managers;
- the implementation and administration of major components of the Group's remuneration strategy such as share plans and incentive and bonus payments;
- performance management practices and outcomes; and
- engagement of remuneration consultants.

3.3 Composition

The Committee is appointed by the Board. It comprises four Non-Executive Directors: Rick Lee, who acts as the Committee Chairman, Vince Gauci, Tim Poole and Winifred Kamit. Rick Lee was appointed as Chairman with effect from January 2011, replacing Don Mercer, who stepped down from the Committee at that time. Winifred Kamit was appointed to the Committee in April 2011. All Board members may attend Committee meetings. The Executive Directors, the Executive General Manager People and Communications and specialist external consultants (as required) attend by invitation. Non-Executive Directors are permitted to consider remuneration arrangements applicable to themselves pursuant to an ASIC relief order.

A minimum of two Committee members is required for a quorum.

3.4 Meetings

The Committee meets as required but must meet at least three times a year to review the structure and implementation of the Group's remuneration strategy including:

- fixed remuneration;
- at risk remuneration including:
  a. short term cash incentives; and
  b. other equity-based remuneration.

Each of these components of remuneration is described later in this Report.

4. NON-EXECUTIVE DIRECTORS' REMUNERATION

4.1 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 Group's employee cash and equity remuneration schemes.

4.2 Fixed Fees

Non-Executive Directors, including the Chairman, are paid fixed fees for their services to the Group. Those fees are inclusive of any contribution to superannuation that a Non-Executive Director wishes to make or which the Group 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 Group 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 28 October 2010, at which shareholders approved an aggregate amount of $2,700,000 per annum.

Fixed Fees paid to Non-Executive Directors in 2010–11 are set out in Table 9.

4.3 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 Group outside the scope of their normal Director's duties.

Those members of the Audit and Risk Committee who undertook significant additional duties in relation to the acquisition of LGL and the Lihir Group of companies were paid additional fees in recognition of their contribution in addition to their normal duties as members of that Committee. Details of Board Committee fees paid during 2010–11 are included under the heading 'Committee Fees' in Table 9.

No other fees were paid to Non-Executive Directors during 2010–11, other than Committee membership fees which are discussed below.

4.4 Non-Executive Directors' Fees

The Group's practice is to review Non-Executive Director remuneration every two years. A review by an independent specialist remuneration consultant was undertaken in November 2010, including a process of benchmarking against independent Non-Executive Director fees paid by other ASX Top 20 and Top 25 companies respectively. The review concluded and recommended that Board and Committee fees should be adjusted to be positioned around the median for Top 30 companies and that recommendation has been adopted.

Current Non-Executive Director remuneration, (effective from 1 January 2011) comprises:

- base fees payable to the Board Chairman of $600,000 and to each Non-Executive Director of $200,000 per annum respectively;
- fees payable to Audit and Risk Committee Chair and Committee members of $50,000 and $25,000 respectively;
- fees payable to the Safety, Health and Environment Committee Chair and Committee members of $40,000 and $20,000 respectively; and
- fees payable to the Human Resources and Remuneration Committee Chair and Committee members of $40,000 and $20,000 respectively.

4.5 Requirement for Directors to Hold Shares

All Directors are required to hold shares in the Company. The number of shares to be held and the timeframe in which they are to be acquired are determined by the Board. Acquisition must comply with the Company's Securities Dealing Policy.

4.6 Retirement Benefits
Non-Executive Directors are not entitled to receive a retirement benefit. The practice of offering retirement benefits to Non-Executive Directors was discontinued from 31 December 2003.

5. EXECUTIVE DIRECTOR AND KEY MANAGEMENT PERSONNEL REMUNERATION

5.1 Executive Reward Structure
The Group's executive reward structure consists of the following three elements:

– fixed remuneration;

– at-risk cash remuneration; and

– at-risk equity-based remuneration.

5.2 Board Policy and Strategy on Executive Remuneration
In 2010–11 the Board retained the remuneration elements outlined above for Executive Directors and Key Management Personnel. The structure of remuneration arrangements for Key Management Personnel is, in broad terms, no different from those for other members of management across the Group. The main differences relate to the weighting for different components of their remuneration, with the proportion of at-risk remuneration increasing with seniority.

Newcrest's policy is to offer a highly competitive total remuneration package for Key Management Personnel, benchmarked against comparable companies in Australia and global mining companies.

5.3 Determining Fixed Remuneration
The Board annually reviews and determines fixed remuneration for the Executive Directors. The Managing Director does the same with respect to his direct reports, the Executive Management group, subject to the Board's oversight. The Executive Management review and recommend fixed remuneration for other Senior Management, for the Managing Director's approval.

The Group has engaged the services of independent and specialist remuneration consultants in formulating recommendations on fixed remuneration for Executive Directors and Key Management Personnel. Under the *Corporations Amendment* (Improving Accountability on Director and Executive Remuneration) *Act 2011* the engagement of remuneration consultants and reporting of any subsequent recommendations must be made directly to the Remuneration Committee. Although this legislation applies only to contracts entered into with remuneration consultants after 1 July 2011, the Board confirms that it has had regard to the principles of the legislation in respect of any remuneration recommendations made during the 2010–11 financial year.

Fixed remuneration paid to Executive Directors in 2010–11 is set out in Table 9 of this Report and Key Management Personnel fixed remuneration in 2010–11 is set out in Table 10 of this Report.

5.4 Determining Variable Cash Remuneration
The Board takes the view that employee incentive schemes are important elements of remuneration which provide tangible incentives to employees to improve the Group's performance in both the short term and the longer term. In turn, improved performance benefits shareholders.

To ensure that Newcrest's remuneration policy fully supports the Group's commitment to high performance and to continue to attract high calibre talent, remuneration levels must be competitive, but oriented more towards variable, performance-based incentives that provide reward only where robust performance hurdles are met to increase shareholder value.

The STI Plan (see 5.4.1) is a short term incentive program, based on both Group and individual employee performance-related measures. Incentive payments in relation to performance over the 1 July 2010 to 30 June 2011 performance period are to be made in October 2011.

The LTI Plan (see 5.5.1) complements the STI Plan with measures that help further drive long term performance within Newcrest.

5.4.1 Short Term Incentive Plan
The STI Plan is designed to help drive performance within the Group by providing a vehicle for rewarding Senior Management and Executives. The performance measures are a combination of Group and individual measures, with a slight weighting towards individual performance, chosen to directly align the individual's reward to the Group's strategy, performance and resultant shareholder value.

The amount of the entitlement is based on a percentage range of each participant's fixed remuneration. The total potential STI available is set at a level so as to provide sufficient incentive to individuals to achieve and exceed operational targets and group objectives.

In 2010–11, the Board determined that the STI offered for the 1 July 2010 to 30 June 2011 performance period (2011 STI) would be 'cash only', in line with previous years. Equity continues to be offered to Senior Management and Key Management Personnel through the LTI Plan.

The Board also resolved to award the 2011 STI without a deferred component. Previously, STI participants were granted an up-front cash entitlement (two thirds) and a deferred entitlement (one third) subject to restrictions for a period of two years after award. The Board reviewed the purpose and effectiveness of deferral under the STI and concluded deferral created a temporal disconnect for Key Management Personnel between satisfaction of performance measures and receiving the award. This is because the nature of the performance measures for the STI were such that the Board were able to accurately confirm and measure the performance shortly following the end of the performance period.

In addition, the 2011 STI Plan Rules have been amended so that payment of the STI is not accelerated on cessation of employment, but instead is paid in the normal STI cycle, and pro-rated for the portion of the performance period completed prior to cessation. This is to ensure that a STI is only paid where performance over the period meets, or exceeds, the agreed performance measures. The Board determined that pro-rata treatment should extend to all employees other than those who resign or are dismissed for cause.

In respect of the 2011 STI, at-target performance for Key Management Personnel was set at 60% of fixed remuneration. At maximum, around 44% of the outcome depends on Group performance and around 56% on personal performance measured against a set of Key Performance Indicators established with the Managing Director. The Group performance measures and outcomes for 2010–11 are set out in Table 7.

Table 1 contains a summary of key features of the STI Plan.

Table 1: 2011 Short Term Incentive Plan

Summary of Short Term Incentive Plan	
What is the 2011 Short Term Incentive Plan?	An incentive plan under which eligible employees are granted a cash amount which is based on a percentage range of each participant's fixed remuneration (determined according to seniority and ability to influence the performance of the Group), and assessed according to performance against a combination of Group and individual measures, with a slight weighting towards individual performance.
When is the 2011 STI grant paid to eligible employees?	The STI amount will be paid to each participant in October 2011, following assessment of performance against the applicable measures during the 2010–11 performance period.
Who participates in the 2011 STI?	The Executive Directors, Key Management Personnel, management and supervisory employees participate in the 2011 STI. In 2010–11, the Board determined to extend the STI to supervisor level employees to encourage and reward high performance.
Why does the Board consider the 2011 STI an appropriate incentive?	A STI is a globally recognised form of reward for management, aimed at ensuring focus and alignment with Group goals and strategy. Based on both Group and individual measures, and in conjunction with other factors, the Board believes that it helps encourage and reward high performance.
In what circumstances are 2011 STI entitlements forfeited?	Where a participant is either dismissed for cause, resigns from employment, or is guilty of fraud, prior to conclusion of the performance period, the STI amount will be forfeited upon cessation of employment.
What happens to 2011 STI entitlements upon a change of control in the Group?	Upon a change of control event, the Board must determine the extent, if any, to which early vesting on a full or a pro-rated basis is the appropriate outcome in all the circumstances.
What are the performance conditions under the 2011 STI?	Group performance measures relate to: – safety; – earnings; and – costs; plus – one further discretionary Group performance measure determined annually. The 'Safety' measure is based on 50% of Total Recordable Injury Frequency Rate (TRIFR) and 50% on actioning of safety risk list. The measures quantify how much of the primary and secondary safety risk lists must be actioned to achieve the measures. The safety measure is seen as critical to the successful operation of the Group's business. 'Earnings' relates to targets for NPAT and minority interests before significant items. The earnings target is a direct financial measurement of the Company's performance. 'Costs' relates to unit production costs before credits; total production costs before by-product revenue credits divided by total gold production. The cost measurement is intended to improve the profitability of the business. The results are adjusted to remove 70% of the impact of commodity price and foreign exchange movements. Personal performance measures relate to: – three objectives in key areas of an employee's broader area of responsibility; and – a fourth discretionary objective developed by each participant's manager. These four objectives are agreed annually between participant and manager under the Group's Work Performance System (WPS) and/or documented on an STI Calculation Worksheet held in a secure environment on the Newcrest HR Portal. 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. The performance measures will generally be role specific and focus on areas or projects most closely related to the role, but above and beyond the performance expected on a day to day basis. The key area objectives aim to encourage exceptional performance in the areas that will help drive the Company's longer term strategy. The discretionary component is based on achievement of personal goals and overall work performance. Performance metrics are measured for the financial year immediately preceding the date of award of the relevant STI entitlements.
What is the relationship between Group performance and allocation of STI?	Performance against Group objectives is measured in the range of 0% to 125%, and a minimum performance threshold must be exceeded to achieve a positive outcome. Overall Group performance is measured as the simple average of achieved performance against the four Group objectives. Performance against each personal performance objective is measured on a scale of 0%–160% 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 Group performance multiplied by personal performance. The actual award of STI is calculated by multiplying the overall performance rating by a participating employee's target STI.
What is the period over which Group performance is assessed?	The assessment period is the 1 July to 30 June financial year preceding the grant date of the STI.

5.5 Determining Variable Equity-Based Remuneration

The Board reviews and adjusts on an annual basis the content and balance of equity-based remuneration to ensure the effectiveness of equity incentives and to recognise the potential impact on the Group of Senior Executive employees.

The amount of equity remuneration received by employees is performance-dependent and will vary according to the extent to which the related Group performance measures are met.

All equity-based remuneration is 'at risk' and will lapse or be forfeited, if the prescribed performance conditions are not met by the Group.

The Board has directed that shares forming part of the Group's equity remuneration are to be bought on-market by the Company (or issued by the Company as new capital and bought back) to avoid any long term dilution of shareholder value.

The Company's Securities Dealing Policy, in compliance with applicable ASX requirements, prohibits the use by employees of derivatives such as caps, collars, warrants or similar products in relation to Newcrest securities, including shares acquired under the Group's equity incentive schemes, whether or not they are vested. The Directors and the Company Secretary are not permitted to enter into margin loans in relation to Newcrest securities at any time and other designated employees must seek approval from the Company Secretary if they intend to enter into such transactions. The Securities Dealing Policy forms part of each employee's terms of employment. Compliance by Non-Executive Directors, Executive Directors and other Key Management Personnel is monitored through the Company's Compliance Assurance Questionnaires and certification process each year.

Table 2 shows the composition of equity-based Remuneration for 2010–11.

Table 2: Equity-Based Remuneration as a Percentage of Fixed Remuneration for Executive Directors and Key Management Personnel in 2010–11

	Managing Director	Director Finance	Key Management Personnel
Total Equity-Based Remuneration (maximum award)	100%	100%	60%

5.5.1 Long Term Incentive Plan

The LTI scheme was offered to Executive Directors and Key Management Personnel in 2010–11. The Group performance measures, over a three year vesting period, were three equally weighted performance measures, being:

– Comparative Cost Position;

– Reserves Growth; and

– Return on Capital Employed (ROCE).

Each LTI measure was chosen by the Board as it is a key driver of Group performance, Reserves Growth and Comparative Cost Position being drivers of shareholder value in a gold mining company, and ROCE being a direct measure of capital efficiency.

These measures were used to assess LTI performance in 2008 and 2009. Following completion of Newcrest's acquisition by Scheme of Arrangement of LGL in September 2010, the Board undertook a full review of the suitability of these measures going forward, given Newcrest's increased size and changed financial and production profile following the completion of the acquisition.

The Board concluded that the Comparative Cost Position and ROCE measures remained appropriate in their present form, but that the Reserves Growth measure should be amended to include copper reserves growth, which contributes to Newcrest remaining a bottom quartile cost producer and from which Newcrest sources a significant proportion of its revenue, but which have not previously been taken into account in assessing Newcrest's performance against the Reserves Growth measure.

Improvements to the 2011 LTI Plan

The 2011 LTI Plan Rules have been amended so that rights granted under the plan do not accelerate on early termination of employment. Rather, the LTI now provides that, in the event of termination of employment for reasons other than cause (or resignation), the normal LTI vesting cycle, pro-rated for the portion of the performance period completed prior to cessation, will apply. By amending the LTI plan to remove accelerated vesting, the Board ensures that a participant will only receive an award where long term performance hurdles are achieved.

The Board also determined that pro-rata treatment should extend to all employees other than those who resign or are dismissed for cause (previously pro-rata retention applied only where employment had ceased as a result of death, incapacity, retirement or redundancy).

The Board has agreed to extend the above amendments retrospectively to the 2009 and 2010 LTI grants (which have not yet vested) for Ron Douglas, Colin Moorhead, Debra Stirling and Stephen Creese, and to alter the LTI plans of the four Executives accordingly. These changes have been agreed to in connection with re-negotiation of the Executive Service Agreements for each of the above Key Management Personnel, details of which are set out in Section 7.2, and are expected to come into effect during the financial year ending 30 June 2012. There is no change in the fair value of each of the LTI grants immediately prior to and after the amendments. Table 3 contains a summary of the LTI's key features, including further details of the above measures.

Table 3: Long Term Incentive Plan

Summary of Long Term Incentive Plan	
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 Group achieving a performance hurdle over a set performance period.
Who participates in the LTI?	The Executive Directors, Key Management Personnel 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 Group performance and to align the long-term interests of shareholders, Senior and Executive Management and the Group, by linking a significant proportion of participating employees' remuneration at risk, to the Group's future performance, currently assessed over a three year period from the date of grant of the related 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 entitles the holder to subscribe for one ordinary share. Performance Rights will not vest if minimum performance conditions are not met.
In what circumstances are LTI entitlements forfeited?	The LTI amount will be forfeited upon cessation of employment prior to conclusion of the performance period in circumstances where a participant is either dismissed for cause, resigns from employment, or is guilty of fraud.
What are the performance conditions under the LTI?	Rights issued under the Plan are subject to three performance measures based on: – Comparative Cost Position; – Reserves Growth; and – Return on Capital Employed (ROCE). Performance against each of these measures over the three year vesting period accounts for one third of any grant made to participants. The results are independently audited. Comparative Cost Position is a relative measure of the Group's cash cost of production after any by-product credits, compared to other global producers. The GFMS Precious Metals Cost Service is an independent web-based service, updated quarterly, which offers access to industry cost and production data. The gold section of the GFMS Service captures cost and production data for around 200 operating mines controlled by 90 companies, accounting for 1,400 tonnes of annual gold mine production (approximately two thirds of global gold production annually). GFMS data is used for performance measurement over the LTI's three year vesting period. The comparison is made by ranking the Group's performance against all other producers included in the GFMS Precious Metals Cost Service in accordance with their cash costs of production. All measurements are verified by an independent third party. Reserves Growth is an absolute performance measure which refers to the growth in total in situ ore reserves at the end of each performance period, net of mining depletion. Reserves growth is an absolute and objective measure, based on independently reviewed reserves figures which are reported in the Company's annual accounts. Broadly, the increase in reserves will determine the number of rights granted. ROCE is an absolute measure, defined as underlying earnings before interest and tax (EBIT), divided by Capital Employed, being shareholders' equity plus net debt. One third of LTI rights vest to the extent to which the ROCE performance condition is satisfied each year of the performance period. As this is an internal Newcrest performance measure all results are verified by an independent third party.
What is the relationship between Group performance and allocation of Performance Rights?	**Comparative Cost Position** Performance against this measure accounts for one third of Rights which may vest in any grant of LTI entitlements: – at or above the 50th percentile leads to a zero award of these Rights; – less than the 50th percentile but at or above the 25th percentile leads to a 50% award of Rights; – below the 25th percentile but at or above the 10th percentile leads to an 80% award of Rights; – below the 10th percentile leads to a 100% award of these Rights; and – straight line vesting occurs between each of these thresholds.

Table 3: Long Term Incentive Plan (continued)

Summary of Long Term Incentive Plan

What is the relationship between Group performance and allocation of Performance Rights?	**Reserves Growth** Performance against this measure accounts for one third of Rights which may vest in any grant of LTI entitlements. – Less than 10% growth leads to a zero award of these Rights; – 10% growth leads to a 50% award of these Rights; – Greater than 10% growth up to 30% growth. Award of these Rights is calculated pro-rata with an additional 2.5% of Rights vesting for each percentage point above 10% growth; and – 30% growth or more leads to a 100% award. **ROCE** Performance against this measure accounts for one third of Rights which may vest in any grant of LTI entitlements. – ROCE below 7% leads to a zero award of these Rights; – ROCE from 7% and below 17% leads to an award of 10% of these Rights per percentage point above 7%; and – ROCE at or above 17% leads to 100% of these Rights vesting.
When do the Performance Rights vest?	Performance Rights vest (i.e. may be exercised) three years after the date of grant, provided performance conditions are met.
What is the period over which Group performance is assessed?	The assessment period is the three financial years commencing on 1 July in the year the grant is issued.
How are shares provided to participants under the LTI?	Once Performance Rights have vested, shares are either issued by the Company to eligible LTI participants as new capital and bought back to avoid any long term dilution of shareholder value, or transferred from the Company's share plan trust, having previously been bought on market by the trustee.
Why did the Board choose the above performance hurdles?	The Board considers that these performance measures are key factors which impact on the share price and which drive the value of the Group over the long term.
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 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 re-tested?	No, the performance conditions are only tested once at the end of the three 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 2.

5.5.2 Medium Term Incentive (MTI)

The MTI scheme offered participants Restricted Rights to receive ordinary fully paid shares in the Company after a three year vesting period – based on the Company's Total Shareholder Return (TSR) performance against a comparator group of companies in the financial year immediately prior to the date of grant of those rights. The MTI has not been offered to Executive Directors and Key Management Personnel since 2007 and has been discontinued as an incentive scheme. All Restricted Rights issued to Executive Directors and Key Management Personnel under the MTI in prior periods have now vested. The exercise period for these Restricted Rights will expire on 9 November 2012.

Table 4: Executive Share Plan Performance Hurdles 2008 and 2009

The following is a summary of performance hurdles that relate to the 2008 and 2009 Share Plan awards that are yet to vest. Table 14 provides detail of all Share Plan awards, including those that have vested, but have not yet been exercised.

Note: 2011 awards are scheduled to be made in November 2011.

Year	Grant Date	Performance Hurdle
2009 (LTI)	10 Nov 2009	The performance hurdles are based on Reserves Growth, Comparative Cost Position and ROCE. (Refer to Table 3 for details).
2008 (LTI)	11 Nov 2008	As for 2009

5.6 Lihir Acquisition Bonus

On 30 August 2010, the Company assumed day to day management of LGL following approval of the Scheme of Arrangement.

In light of the work undertaken by certain key Executives up to completion of the merger, and additional responsibilities as a result of significant subsequent growth in the Company's size and operations, the Board determined an acquisition bonus for those employees, including certain Key Management Personnel involved, to be appropriate.

The successful merger has created the third largest gold company in the world by market capitalisation, with operations across five countries. The merger is expected to result in an $85 million benefit to the Group as a result of related synergies, complementary portfolios, operational and technical capabilities, leading to significant growth opportunities and increased shareholder value.

Table 5 outlines the acquisition bonuses provided to the relevant Key Management Personnel.

Table 5: Lihir Acquisition Bonus

Name	Lihir Acquisition Bonus
Ian Smith	$750,000
Ron Douglas	$100,000
Colin Moorhead	$100,000
Debra Stirling	$100,000
Stephen Creese	$100,000
Greg Jackson	$50,000

6. RELATIONSHIP OF INCENTIVES TO NEWCREST'S FINANCIAL PERFORMANCE

Performance measures since the November 2008 LTI have been based on a combination of the Group's Reserves Growth, Comparative Cost Position and ROCE over a three year performance period.

The LTI performance measures are based on key business drivers, which should result in superior financial performance. Over the past five years, the Company has performed strongly with respect to each of these. In assessing the achievement of performance measures, the Board takes into account performance of the Group both in the current year and over a number of years for the purposes of the LTI. Over the past five years, basic earnings per share has grown at an average rate per annum of approximately 41.4%. Over the same period, there has been a continued increase in other measures, year on year, including dividend yield (moving from a 5 cent dividend in 2007 to a 50 cent dividend in 2011) and the Company share price (increasing from $22.85 in 2007 to $37.71 at 30 June 2011).

Table 6 reflects the underlying financial performance of the Company for the period 30 June 2006 to 30 June 2011.

Table 6: Newcrest's Financial Performance

Year Ended 30 June	2007	2008	2009	2010	2011
Basic Earnings Per Share (EPS)[1] (cents)	19.4	30.8	53.0	115.2	**126.4**
Dividends (cents)[2]	5.0	10.0	15.0	25.0	**50.0**
Share Price at 30 June ($)	22.85	29.30	30.51	35.10	**37.71**
Share Price Increase[3] ($)	1.77	6.45	1.21	4.59	**2.61**

[1] Basic EPS is calculated as net profit after tax and non-controlling interests divided by the weighted average number of ordinary shares.
[2] Dividends includes special dividends.
[3] Share price movement during the financial year.

In relation to the STI awarded for 2010–11, the Group's performance against the Group performance objectives for Executive Directors and Key Management Personnel is set out in Table 7. It shows that overall, the Group's performance was at 89% of the target, reflecting above-target performance for earnings, safety and costs. Performance above or below target results in a percentage of target outcome based on a scale of pro-rating pre-determined by the Board. The outcome for each of the Executive Directors and Key Management Personnel for 2010–11 has been determined by the overall personal performance multiplied by the Group's overall performance.

Table 7: Performance Objective for Year Ending 30 June 2011 (Executive Directors and Key Management Personnel)

Performance Objective	Target	Outcome	Percentage of Target Achieved
Safety Total Recordable Injuries and Frequency Rate (TRIFR) for Newcrest (total recordable injuries per million work hours)	<5.5	3.6	125% as a whole (50% weighting)
Safety Risk List (% Action)[1]	10% Risk Reduction Actions Overdue	100% Risk Reduction Actions on Time	125% (50% weighting)
Earnings (Adjusted Net Profit after Tax and Significant Items)[2]	A$727 million	A$672 million	63%
Costs (Total Production Costs per ounce before by-product revenue credits divided by total gold production)	A$969/oz	A$1,060/oz	53%
Discretionary Component[3]			115%
Overall Company Performance (including discretionary component)			89%

[1] The Safety List comprises risk reduction actions that have been developed as part of the risk assessment process conducted on the major safety hazards across the Group.
[2] Actual earnings are adjusted to remove 70% of the revenue differential between actual and budget commodity prices and exchange rates when compared to Target Earnings. Significant Items represent hedge restructure and close-out impacts.
[3] 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.

7. EXECUTIVE SERVICE AGREEMENTS

7.1 Overview and Summary

Remuneration and other key terms of employment for the Executive Directors and Key Management Personnel are formalised in the Executive Service Agreements.

Table 8 lists each of the executives who was party to an Executive Service Agreement during 2010–11 and provides a high level overview of some key terms.

Table 8: Executive Service Agreements

Name	Term of Agreement	Fixed Annual Remuneration[1] $	Notice Period by Executive	Notice Period by Newcrest	Termination Payment[1]
Ian Smith Managing Director and Chief Executive Officer[2]	Open	2,350,000	3 months	12 months	12 month average base salary
Greg Robinson Director Finance[3]	Open	1,350,000	3 months	12 months	12 month average base salary
Greg Robinson Managing Director and Chief Executive Officer	Open	2,000,000	6 months	12 months	12 month average base salary
Stephen Creese Executive General Manager Corporate Affairs	Open	820,000	3 months	12 months	12 month average base salary
Ron Douglas Executive General Manager Projects	Open	780,000	3 months	12 months	12 month average base salary
Brett Fletcher Executive General Manager PNG and Indonesian Operations	Open	780,000	3 months	12 months	12 month average base salary
Greg Jackson Chief Operating Officer	Open	900,000	3 months	12 months	12 month average base salary
Colin Moorhead Executive General Manager Minerals	Open	770,000	3 months	12 months	12 month average base salary
Peter Smith Executive General Manager Australian and African Operations	Open	780,000	3 months	12 months	12 month average base salary
Debra Stirling Executive General Manager People and Communications	Open	750,000	3 months	12 months	12 month average base salary
Geoff Day Executive General Manager PNG and Indonesian Operations[4]	Open	730,000	3 months	12 months	Nil

(1) Subject to compliance with other conditions as set out in the Corporations Act, the maximum termination payment is calculated as being the employee's average base salary over the previous three years.

(2) Stepped down as MD and CEO on 30 June 2011.

(3) Appointed MD and CEO on 1 July 2011.

(4) Resigned from Newcrest on 4 February 2011

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 Executives' fixed annual remuneration as at 30 June 2011.

7.2 Executive Service Agreements Entered into in 2010–11

In 2010–11, Newcrest's Board undertook a full review of all existing Executive Service Agreements. The purpose of the review was to:

– ensure that termination-related entitlements and benefits under the Company's Executive Service Agreements comply with the provisions of Part 2 D.2, Division 2 of the Corporations Act;

– ensure that the terms of the Company's Executive Service Agreements are aligned with market practice for a company of Newcrest's size; and

– introduce a standardised form of Executive Service Agreement for all current and future executive Key Management Personnel, replacing the different forms of agreement previously entered into.

Following review and development of a revised form of Executive Service Agreement to satisfy the above objectives, Newcrest entered into new Executive Service Agreements with each of its Executives (listed in Table 8).

For Key Management Personnel who had commenced employment with the Company in 2010 and 2011 and had either not previously entered into a Newcrest Executive Service Agreement, or had entered into such an Agreement post commencement, namely Brett Fletcher, Greg Jackson and Peter Smith, the changes either did not or did not materially affect their contractual rights and employment terms.

With respect to other Key Management Personnel who had commenced employment with Newcrest prior to 2010, namely Stephen Creese, Ron Douglas, Colin Moorhead and Debra Stirling, the Board considered that this change materially diminished each Executive's rights and entitlements. The key substantive change to the form of the Executive Service Agreement for these Executives was to the amount of termination benefits payable upon cessation of employment, introduced in response to the late 2009 changes to Part 2 D.2, Division 2 of the Corporations Act, which limited termination benefits payable to Key Management Personnel to an amount no greater than the average 12 month salary earned by the relevant Key Management Personnel in the three years prior to his or her termination.

As a result of this change, the new Executive Service Agreement limited termination benefits to an amount within the statutory 'cap' referred to above.

The Executive Service Agreements previously entered into by these Executives had provided for entitlements upon cessation including:

– 12 months notice of termination; or

– payment in lieu of notice of 12 months base salary plus compensation for incentive entitlements forgone during the notice period; and

– in some cases, payment in lieu of equity or cash incentives forfeited as a result of cessation.

7.3 Executive Retention Arrangements

The acquisition of LGL, the growth of the Group and the departure of Ian Smith meant the Board were concerned with retaining a number of key executives. These executives have been identified as individuals necessary to drive the Company's post acquisition business plan and achieve the successful integration and benefits of the LGL acquisition. The following retention payment has been offered to Stephen Creese, Ron Douglas, Colin Moorhead and Debra Stirling.

A retention payment in three parts, being:

– $75,000 Payable June 2011;

– $100,000 Payable June 2012;

– $125,000 Payable June 2013.

The entitlement to receive each tranche of the retention payment is conditional on each executive maintaining at least a 'satisfactory' rating in his or her performance reviews, throughout the periods outlined above, as well as continuing to be employed at least at their current level by the Company at the relevant payment date.

7.4 Executive Director Service Agreements

7.4.1 Ian Smith

Ian 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 entered into a Service Agreement.

The terms of the Service Agreement under which Ian Smith was employed are summarised below.

The appointment was for an indefinite duration. Ian Smith was entitled to resign at any time on giving three months written notice, and the Company was entitled to terminate his employment on giving 12 months written notice, or payment in lieu of notice.

The Agreement set out Ian Smith's duties and responsibilities.

– Base salary of $2,350,000 per annum to be reviewed annually;

– STI of 60% of base salary at target, up to a maximum of 120% of base salary dependent upon Ian Smith meeting specified personal and Group performance targets, where 120% is only achievable for 'outstanding' performance;

– Ian Smith has also been entitled to participate in the LTI plan with an award of up to 100% of base salary;

– Statutory entitlements apply upon termination of employment of accrued annual and long service leave together with any superannuation benefits.

On 11 February 2011, the Company announced that Ian Smith would step down as Managing Director and Chief Executive Officer with effect from 1 July 2011 and that Greg Robinson would succeed him. Ian will remain employed with the Company until the end of December 2011.

The terms of Ian Smith's remuneration for the period from 11 February 2011 to 31 December 2011 are summarised below.

– Ian Smith remains on base salary of $2,350,000 inclusive of statutory superannuation until 31 December 2011. The level of base salary has not been reviewed or increased for Ian Smith for the stated period and continues at the level for the previous year;

– For the financial year ended 30 June 2011, Ian Smith is entitled to the STI in accordance with the plan rules;

– The deferred component of the existing 2009 Short Term Incentive Deferral Plan was paid in July 2011 in accordance with the plan rules;

– The deferred component of the existing 2010 Short Term Incentive Deferral Plan will be forfeited in accordance with the plan rules;

– His rights to receive ordinary fully paid shares under the 2008 Long Term Incentive Plan remain subject to original plan rules and are expected to vest in November 2011;

– Ian Smith will forfeit his 63,977 and 58,824 rights to receive ordinary fully paid shares under the 2009 and 2010 LTI plans respectively.

In addition to the above, Ian Smith will receive a payment of $2,250,000 upon departure on 31 December 2011. The value of the termination benefits will be less than 12 months average base salary, as calculated under Part 2 D.2, Division 2 of the Corporations Act.

Ian Smith is not entitled to any rights under the 2011 LTI plan.

7.4.2 Greg Robinson

Greg 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 Director Finance on 23 November 2006.

The terms of the Service Agreement under which Greg Robinson was employed as Executive General Manager Finance and Chief Financial Officer are summarised below.

The appointment was for an indefinite duration. Greg Robinson was entitled to resign at any time on giving three months written notice, and the Company was entitled to terminate his employment on giving 12 months written notice, or payment in lieu of notice.

7. EXECUTIVE SERVICE AGREEMENTS (continued)

7.4.2 Greg Robinson (continued)

The Agreement set out Greg Robinson's duties and responsibilities.

- Base salary of $1,350,000 per annum to be reviewed annually;
- STI of 60% at target, with a maximum of up to 120% of base salary dependent upon him meeting specified personal and Group performance targets, where 120% is only achievable for 'outstanding' performance;
- Greg Robinson has also been entitled to participate in the LTI plan with an award of up to 100% of base salary;
- Statutory entitlements apply upon termination of employment of accrued annual and long service leave together with any superannuation benefits.

Effective 1 July 2011, Greg Robinson was appointed Managing Director and Chief Executive Officer.

The terms of the new Service Agreement under which Greg Robinson is employed are summarised below.

The appointment is for an indefinite duration. Greg Robinson may resign at any time giving six months written notice, and the Company may terminate his employment on giving 12 months written notice, or payment in lieu of notice.

The Agreement sets out Greg Robinson's duties and responsibilities.

The terms of remuneration payable to Greg Robinson include:

- Base salary of $2,000,000 per annum to be reviewed annually;
- STI of 60% at target with a maximum of up to 120% of base salary dependent upon meeting specified personal and Group performance targets, where 120% is achievable only for 'outstanding' performance;
- LTI in accordance with the Group's LTI plan, equal to 100% of base salary;
- Statutory entitlements of accrued annual and long service leave and any superannuation benefits, apply upon termination of employment.

8. REMUNERATION DETAILS

8.1 Directors

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

Table 9: Directors' Remuneration

	Short Term					Post-Employment	Share-Based Payments				
Directors	Salary & Fees (A) $'000	Committee Fees (B) $'000	Salary at Risk (C) $'000	Other Cash Benefits (D) $'000	Non-Monetary Benefits (E) $'000	Super-annuation (F) $'000	Value of Rights (G) $'000	Termination Benefit (H) $'000	**Total $'000**	Equity Compensation Value (I) %	Performance Related Remuneration (J) %
2010–11											
Executive Directors											
Ian Smith Managing Director and Chief Executive Officer	2,302	–	965	750	6	15	377	2,250	**6,665**	5.7	20.1
Greg Robinson Director Finance	1,274	–	1,153	–	6	15	910	–	**3,358**	27.1	61.4
Non-Executive Directors											
Don Mercer Chairman	527	–	–	–	–	13	–	–	**540**	–	–
John Spark	166	95	–	–	–	16	–	–	**277**	–	–
Rick Lee	166	66	–	–	–	16	–	–	**248**	–	–
Tim Poole	166	56	–	–	–	16	–	–	**238**	–	–
Richard Knight	178	56	–	–	–	7	–	–	**241**	–	–
Vince Gauci	166	35	–	–	4	15	–	–	**220**	–	–
Winifred Kamit	77	13	–	–	–	6	–	–	**96**	–	–
	5,022	**321**	**2,118**	**750**	**16**	**119**	**1,287**	**2,250**	**11,883**		
2009–10											
Executive Directors											
Ian Smith Managing Director and Chief Executive Officer	2,186	–	2,113	–	6	14	1,666	–	**5,985**	27.8	63.1
Greg Robinson Director Finance	1,086	–	1,225	–	6	14	754	–	**3,085**	24.4	64.1
Non-Executive Directors											
Don Mercer Chairman	466	–	–	–	–	14	–	–	**480**	–	–
John Spark	146	50	–	–	–	14	–	–	**210**	–	–
Rick Lee	146	33	–	–	4	14	–	–	**197**	–	–
Tim Poole	152	33	–	–	–	8	–	–	**193**	–	–
Richard Knight	146	48	–	–	–	14	–	–	**208**	–	–
Vince Gauci	146	30	–	–	–	14	–	–	**190**	–	–
	4,474	**194**	**3,338**	**–**	**16**	**106**	**2,420**	**–**	**10,548**		

See Section 8.3 for explanation of notes (A) – (J).

8.2 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 10: Key Management Personnel Remuneration

Key Management Personnel	Short Term: Salary & Fees (A) $'000	Short Term: Salary at Risk (C) $'000	Short Term: Other Cash Benefits (D) $'000	Short Term: Non-Monetary Benefits (E) $'000	Post-Employment: Super-annuation (F) $'000	Share-Based Payments: Value of Rights (G) $'000	**Total $'000**	Equity Compensation Value (I) %	Performance Related Remuneration (J) %
2010–11									
Executives									
Ron Douglas EGM Projects	721	443	175	6	15	343	**1,703**	20.1	46.2
Colin Moorhead EGM Minerals	713	483	175	6	15	332	**1,724**	19.3	47.3
Debra Stirling EGM People & Communications	686	416	175	6	15	321	**1,619**	19.8	45.5
Stephen Creese EGM Corporate Affairs	713	586	175	6	15	186	**1,681**	11.1	45.9
Greg Jackson Chief Operating Officer	821	481	50	6	15	198	**1,571**	12.6	43.2
Peter Smith EGM Australian & African Operations Commenced 30 Aug 10	640	313	–	6	13	67	**1,039**	6.4	36.6
Brett Fletcher EGM PNG & Indonesian Operations Commenced 28 Mar 11	200	114	–	2	4	37	**357**	10.4	42.3
Former Executives									
Geoff Day[1] EGM PNG & Indonesian Operations Resigned 4 Feb 2011	465	(212)	–	4	8	(295)	**(30)**	N/A	N/A
	4,959	**2,624**	**750**	**42**	**100**	**1,189**	**9,664**		
2009–10									
Executives									
Ron Douglas EGM Projects	666	473	–	–	14	299	**1,452**	20.6	53.2
Colin Moorhead EGM Minerals	666	511	–	6	14	285	**1,482**	19.2	53.7
Debra Stirling EGM People & Communications	616	526	–	6	14	280	**1,442**	19.4	55.9
Geoff Day COO Offshore Operations	666	355	–	6	14	216	**1,257**	17.2	45.4
Greg Jackson COO Australian Operations Commenced 18 Jan 2010	304	219	–	–	7	80	**610**	13.1	49.0
Stephen Creese General Counsel & Company Secretary Commenced 30 Nov 2009	390	442	–	3	8	80	**923**	8.7	56.6
Former Executives									
Bernard Lavery EGM Corporate Services & Company Secretary Ceased 10 Dec 2009	264	–	–	3	6	123	**396**	31.1	31.1
	3,572	**2,526**	**–**	**24**	**77**	**1,363**	**7,562**		

[1] Geoff Day resigned on 4 February 2011 and forfeited his share rights and his deferred component of his Short Term Incentive. Any share-based payments expense previously recognised under AASB 2 in respect of the rights has been reversed. The deferred component of his STI in respect of FY2009 and FY2010 has been reversed.

8.3 Notes to Tables 9 and 10:

(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) Represents fees paid to Non-Executive Directors for participation in Board Committees and other Committees.

(C) Short Term Incentive relates to the Executive Directors and Key Management Personnel performance in the 2010–11 year and for comparatives, performance in the 2009–10 year (of which one third is deferred for two years).

The amount disclosed for Ian Smith in 2011 is net of the forfeiture of $704,000 of the deferred component of the Short Term Incentive relating to the 2009–10 year. This amount was disclosed as remuneration in 2009–10.

(D) Comprises:

– amounts paid to Key Management Personnel as retention bonuses, as outlined in Section 7.3.

– amounts paid to the Managing Director and Chief Executive Officer and Key Management Personnel for work in relation to the acquisition of Lihir Gold Limited, as outlined in 5.6.

(E) Represents non-monetary benefits to Directors and Key Management Personnel such as non-business travel, parking and applicable fringe benefits tax payable on benefits.

(F) Represents Company contributions to superannuation under the Superannuation Guarantee legislation (SGC).

(G) The fair value of rights, comprising rights over unissued shares, granted under the Executive Performance Share Plan has been valued using a Black-Scholes option pricing model.

The following factors and assumptions were used in determining the fair value of rights on the grant date:

Table 11: Fair Value of Rights	Rights LTI Nov 2010	Rights LTI Nov 2009	Rights LTI Nov 2008	Rights LTI Nov 2007	Rights MTI Nov 2007	Rights LTI Nov 2006	Rights MTI Nov 2006	Rights MD & CEO Jul 2006
Fair value[1]	$41.66	$34.63	$22.00	$23.38	$35.64	$18.19	$23.81	$19.52
Exercise price	–	–	–	–	–	–	–	–
Estimated volatility	30%	40%	40%	36%	36%	36%	36%	36%
Risk-free interest rate	5.09%	5.04%	3.97%	6.69%	6.69%	5.99%	5.99%	5.99%
Dividend yield	0.50%	0.50%	0.20%	0.20%	0.20%	0.40%	0.40%	0.40%
Expected life of award/option	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years

[1] Fair Value has been calculated by an independent third party.

(H) Represents amounts payable to the Chief Executive Officer, including Ian Smith's termination payment as outlined in Section 7.4.1.

(I) Represents the value of rights included in remuneration as a percentage of total remuneration.

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

9. RIGHTS HELD BY EXECUTIVE DIRECTORS AND KEY MANAGEMENT PERSONNEL

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 12: Movement in Rights for Executive Directors and Key Management Personnel 2010–11

					Movements During the Year				As at 30 June 2011	
KMP	Grant Date	Type	Share Price at Grant Date	Balance at 1 July 2010	Rights Granted	Rights Exercised	Rights Lapsed	Balance at 30 June 2011	Vested and Exercisable	Non-Vested[1]
I. Smith[2]	14 Jul 06	LTI	$19.52	165,000	–	(165,000)	–	–	–	–
	3 Nov 06	MTI	$24.10	8,845	–	–	–	8,845	8,845	–
	3 Nov 06	LTI	$24.10	42,881	–	–	–	42,881	42,881	–
	9 Nov 07	MTI	$35.85	7,373	–	–	–	7,373	7,373	–
	9 Nov 07	LTI	$35.85	35,446	–	–	(1,418)	34,028	34,028	–
	11 Nov 08	LTI	$22.13	100,048	–	–	–	100,048	–	100,048
	10 Nov 09	LTI	$35.15	63,977	–	–	–	63,977	–	63,977
	10 Nov 10	LTI	$42.29	–	58,824	–	–	58,824	–	58,824
				423,570	**58,824**	**(165,000)**	**(1,418)**	**315,976**	**93,127**	**222,849**
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	–
	9 Nov 07	MTI	$35.85	4,915	–	–	–	4,915	4,915	–
	9 Nov 07	LTI	$35.85	8,862	–	–	(354)	8,508	8,508	–
	11 Nov 08	LTI	$22.13	50,024	–	–	–	50,024	–	50,024
	10 Nov 09	LTI	$35.15	31,988	–	–	–	31,988	–	31,988
	10 Nov 10	LTI	$42.29	–	33,793	–	–	33,793	–	33,793
				112,041	**33,793**	**–**	**(354)**	**145,480**	**29,675**	**115,805**
C. Moorhead	3 Nov 06	MTI	$24.10	1,932	–	–	–	1,932	1,932	–
	3 Nov 06	LTI	$24.10	1,005	–	–	–	1,005	1,005	–
	9 Nov 07	MTI	$35.85	3,768	–	–	–	3,768	3,768	–
	9 Nov 07	LTI	$35.85	1,941	–	–	(78)	1,863	1,863	–
	11 Nov 08	LTI	$22.13	18,554	–	–	–	18,554	–	18,554
	10 Nov 09	LTI	$35.15	11,864	–	–	–	11,864	–	11,864
	10 Nov 10	LTI	$42.29	–	10,814	–	–	10,814	–	10,814
				39,064	**10,814**	**–**	**(78)**	**49,800**	**8,568**	**41,232**
R. Douglas	9 Nov 07	MTI	$35.85	3,195	–	(3,195)	–	–	–	–
	9 Nov 07	LTI	$35.85	5,760	–	(5,530)	(230)	–	–	–
	11 Nov 08	LTI	$22.13	18,554	–	–	–	18,554	–	18,554
	10 Nov 09	LTI	$35.15	11,864	–	–	–	11,864	–	11,864
	10 Nov 10	LTI	$42.29	–	10,964	–	–	10,964	–	10,964
				39,373	**10,964**	**(8,725)**	**(230)**	**41,382**	**–**	**41,382**
D. Stirling	9 Nov 07	MTI	$35.85	3,097	–	–	–	3,097	3,097	–
	9 Nov 07	LTI	$35.85	5,583	–	–	(223)	5,360	5,360	–
	11 Nov 08	LTI	$22.13	17,190	–	–	–	17,190	–	17,190
	10 Nov 09	LTI	$35.15	10,992	–	–	–	10,992	–	10,992
	10 Nov 10	LTI	$42.29	–	10,513	–	–	10,513	–	10,513
				36,862	**10,513**	**–**	**(223)**	**47,152**	**8,457**	**38,695**
S. Creese	10 Nov 09	LTI	$35.15	11,864	–	–	–	11,864	–	11,864
	10 Nov 10	LTI	$42.29	–	10,814	–	–	10,814	–	10,814
				11,864	**10,814**	**–**	**–**	**22,678**	**–**	**22,678**
G. Jackson	10 Nov 09	LTI	$35.15	11,864	–	–	–	11,864	–	11,864
	10 Nov 10	LTI	$42.29	–	12,766	–	–	12,766	–	12,766
				11,864	**12,766**	**–**	**–**	**24,630**	**–**	**24,630**
P. Smith	10 Nov 10	LTI	$42.29	–	10,964	–	–	10,964	–	10,964
				–	**10,964**	**–**	**–**	**10,964**	**–**	**10,964**
B. Fletcher	10 Nov 10	LTI	$42.29	–	9,845	–	–	9,845	–	9,845
				–	**9,845**	**–**	**–**	**9,845**	**–**	**9,845**
Former KMP										
G. Day	11 Nov 08	LTI	$22.13	18,554	–	–	(18,554)	–	–	–
	10 Nov 09	LTI	$35.15	11,864	–	–	(11,864)	–	–	–
	10 Nov 10	LTI	$42.29	–	10,964	–	(10,964)	–	–	–
				30,418	**10,964**	**–**	**(41,382)**	**–**	**–**	**–**

(1) All equity-based remuneration is 'at risk' and will lapse or be forfeited, in the event that minimum prescribed performance conditions are not met by the Company or individual employees, as applicable.

(2) Ian Smith will forfeit his 63,977 and 58,824 rights to receive ordinary fully paid shares under the Nov 2009 and Nov 2010 LTI plans respectively. Refer Section 7.4.1.

9.1 Performance Conditions for Rights

Table 13: Value of Rights

Executive Directors and Key Management Personnel	Value at Grant Date (A) $'000	Value at Exercise Date (B) $'000	Value at Lapse Date (C) $'000
Ian Smith	2,451	6,923	62
Greg Robinson	1,408	–	15
Ron Douglas	457	344	10
Colin Moorhead	451	–	3
Debra Stirling	438	–	10
Stephen Creese	451	–	–
Greg Jackson	532	–	–
Peter Smith	457	–	–
Brett Fletcher	410	–	–
Geoff Day	457	–	1,562

Table 13 shows the total value of any Rights granted, exercised and lapsed in 2010–11 in relation to Executive Directors and Key Management Personnel based on the following assumptions:

(A) The value of Rights at grant date reflects the fair value of a right multiplied by the number of Rights granted during 2010–11. (Refer Note (G) to Tables 9 and 10).

(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 right exercise price multiplied by the number of rights exercised during 2010–11.

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

Performance conditions for Rights are set out in Table 14.

Table 14: Executive Directors and Key Management Personnel – Rights granted between the 2005–06 and 2009–10 years

Note: Refer to Table 3 for a summary of the applicable Performance Hurdles for the 2008–2010 LTI.

Grant Date	Expiry Date	Comparator Group	Strike Price	Performance Date (for LTI) or Vesting Date (for MTI)	Performance Achieved	Percentage Vested
10 Nov 2010 (LTI)	10 Nov 2015	Performance Conditions referred to in the Plan Rules	Nil	10 Nov 2013	To be determined	N/A
10 Nov 2009 (LTI)	10 Nov 2014	Performance Conditions referred to in the Plan Rules	Nil	10 Nov 2012	To be determined	N/A
11 Nov 2008 (LTI)	11 Nov 2013	Performance Conditions referred to in the Plan Rules	Nil	11 Nov 2011	To be determined	N/A
9 Nov 2007 (LTI)	9 Nov 2012	Newcrest's TSR ranking against FTSE Gold Index	Nil	9 Nov 2010	73rd percentile resulting in 96% of the maximum award of Rights	100%
9 Nov 2007 (MTI)	9 Nov 2012	Select Group referred to in the Performance Condition (TSR ranking on sliding scale)	Nil	9 Nov 2010	69th percentile resulting in 83.2% of the maximum award of Rights	100%
3 Nov 2006 (LTI)	3 Nov 2011	Newcrest's TSR ranking against FTSE Gold Index	Nil	3 Nov 2009	82nd percentile resulting in 100% of the maximum award of Rights	100%
3 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%
14 July 2006 (MD & CEO)	14 July 2011	Performance objectives agreed with Board	Nil	14 Jan 2007	Fully achieved became convertible to ordinary shares on 14 July 2009	100% on 14 July 2009
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

Table 15: Short Term Incentive and Allocation of the November 2010 Equity Grant

	Short Term Incentive (A)		Long Term Incentive (B)			
	As a percentage of maximum STI		Estimates of the maximum remuneration amounts which could be received under the Nov 2010 performance rights grants in future years			
Executive Directors and Key Management Personnel	Percentage Awarded	Percentage Forfeited	2011–12 $'000	2012–13 $'000	2013–14 $'000	Maximum Total $'000
Ian Smith[1]	59.2%	40.8%	–	–	–	–
Greg Robinson	71.2%	28.8%	469	469	196	1,134
Ron Douglas	47.3%	52.7%	152	152	63	367
Colin Moorhead	52.3%	47.7%	150	150	63	363
Debra Stirling	46.2%	53.8%	146	146	61	353
Stephen Creese	59.5%	40.5%	150	150	63	363
Greg Jackson	44.5%	55.5%	177	177	74	428
Peter Smith	40.1%	59.9%	152	152	63	367
Brett Fletcher	46.7%	53.3%	137	137	57	331

[1] Ian Smith will forfeit his rights to receive ordinary fully paid shares under the Nov 2010 LTI plan. Refer to Section 7.4.1.

(A) To be awarded a STI of 120% an Executive has to have met outstanding personal performance and Group performance must be at or above the maximum level pre-determined by the Board. Personal performance and Group performance each at target will result in an award of 50% of the maximum STI.

(B) The maximum value in future years has been determined in relation to the grant of Performance Rights in November 2010, 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.

Directors' Report

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

Don Mercer
Chairman

12 August 2011
Melbourne

Greg Robinson
Managing Director and
Chief Executive Officer

Auditor's Independence Declaration

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

In relation to our audit of the financial report of Newcrest Mining Limited for the financial year ended 30 June 2011, 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

Ernst & Young

Rodney Piltz
Partner
Melbourne
12 August 2011

Income Statement

FOR THE YEAR ENDED 30 JUNE 2011

	Note	Consolidated 2011 $M	2010 $M
Operating sales revenue	4(a)	**4,102**	2,802
Cost of sales	4(b)	**(2,401)**	(1,569)
Gross profit		**1,701**	1,233
Exploration expenses	14	**(55)**	(33)
Corporate administration expenses	4(c)	**(93)**	(78)
Other revenue	4(d)	**1**	1
Other income/(expenses)	4(e)	**(10)**	16
Operating profit before finance costs		**1,544**	1,139
Finance income		**9**	12
Finance costs	4(f)	**(45)**	(33)
Profit before tax, restructure and other significant items		**1,508**	1,118
Losses on restructured and closed-out hedge contracts	4(j)	**(153)**	(295)
Other close-out related costs	4(k)	**(3)**	(12)
Foreign exchange gain on US dollar borrowings	4(l)	**–**	12
Business acquisition and integration costs	4(m)	**(52)**	(12)
Profit before income tax		**1,300**	811
Income tax expense	5(b)	**(334)**	(209)
Profit after income tax		**966**	602
Profit after tax attributable to:			
Owners of the parent		**908**	557
Non-controlling interest		**58**	45
		966	602
Profit after tax attributable to owners of the parent comprises:			
Profit after tax attributable to owners of the parent		**908**	557
Losses on restructured and closed-out hedge contracts (after tax)	4(j)	**107**	206
Other close-out related costs (after tax)	4(k)	**2**	9
Foreign exchange gain on US dollar borrowings (after tax)	4(l)	**–**	(8)
Business acquisition and integration costs (after tax)	4(m)	**41**	12
Profit after tax before hedge restructure and other significant items attributable to owners of the parent ('Underlying Profit')		**1,058**	776
Earnings Per Share (EPS) (cents per share)	7		
Basic earnings per share		**126.4**	115.2
Diluted earnings per share		**126.2**	114.9
Earnings per share on Underlying Profit:			
Basic earnings per share		**147.3**	160.5
Diluted earnings per share		**147.1**	160.1

The above statement should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2011

	Note	Consolidated 2011 $M	Consolidated 2010 $M
Profit after income tax		**966**	602
Other comprehensive income			
Cash flow hedges			
US dollar debt cash flow hedge deferred in equity		**–**	3
Other cash flow hedges deferred in equity		**1**	1
Losses on restructured hedge contracts transferred to the Income Statement	4(j)	**153**	295
Foreign exchange gains on US dollar borrowings transferred to the Income Statement	4(l)	**–**	(12)
Income tax expense/(benefit)	5	**(47)**	(86)
		107	201
Foreign currency translation			
Foreign currency translation	24(b)	**(1,926)**	(31)
		(1,926)	(31)
Other comprehensive income/(loss) for the year, net of tax		**(1,819)**	170
Total comprehensive income/(loss) for the year		**(853)**	772
Total comprehensive income/(loss) attributable to:			
Owners of the parent		**(887)**	728
Non-controlling interest		**34**	44
		(853)	772

The above statement should be read in conjunction with the accompanying notes.

Statement of Financial Position

AS AT 30 JUNE 2011

	Note	Consolidated 2011 $M	Consolidated 2010 $M
Current assets			
Cash and cash equivalents	8(a)	**185**	643
Trade and other receivables	9	**441**	280
Inventories	10	**691**	267
Derivative and other financial assets	11	**15**	40
Other assets	12	**210**	181
Total current assets		**1,542**	1,411
Non-current assets			
Other receivables	9	**2**	9
Inventories	10	**710**	153
Property, plant and equipment	13	**3,310**	1,764
Exploration, evaluation and development	14	**7,675**	2,556
Goodwill	15	**3,621**	–
Other intangible assets	16	**61**	83
Deferred tax assets	5	**230**	271
Derivative and other financial assets	11	**9**	3
Other assets	12	**122**	84
Total non-current assets		**15,740**	4,923
Total assets		**17,282**	6,334
Current liabilities			
Trade and other payables	17	**432**	209
Borrowings	18	**116**	6
Provisions	19	**170**	78
Derivative financial liabilities	20	**7**	17
Income tax payable		**92**	16
Other liabilities	21	**–**	1
Total current liabilities		**817**	327
Non-current liabilities			
Borrowings	18	**684**	421
Provisions	19	**232**	88
Deferred tax liabilities	5	**1,674**	488
Total non-current liabilities		**2,590**	997
Total liabilities		**3,407**	1,324
Net assets		**13,875**	5,010
Equity			
Issued capital	22	**13,569**	3,640
Retained earnings	23	**2,171**	1,492
Reserves	24	**(1,964)**	(178)
Parent entity interest		**13,776**	4,954
Non-controlling interest		**99**	56
Total equity		**13,875**	5,010

The above statement should be read in conjunction with the accompanying notes.

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2011

	Note	Consolidated 2011 $M	2010 $M
Cash flows from operating activities			
Receipts from customers		**4,013**	2,756
Payments to suppliers and employees		**(2,157)**	(1,358)
Interest received		**12**	10
Interest paid		**(32)**	(31)
Income taxes paid		**(107)**	(74)
Net cash provided by operating activities	8(b)	**1,729**	1,303
Cash flows from investing activities			
Payments for property, plant and equipment		**(356)**	(100)
Mine under construction, development and feasibility expenditure		**(1,531)**	(632)
Exploration and evaluation expenditure		**(126)**	(101)
Information systems development		**(3)**	(53)
Acquisition of subsidiary, net of cash acquired	34	**(272)**	–
Payment for investments		**(4)**	–
Interest capitalised to development projects		**(2)**	–
Net cash (used in) investing activities		**(2,294)**	(886)
Cash flows from financing activities			
Proceeds from borrowings:			
– US dollar bilateral debt		**614**	–
Repayment of borrowings:			
– US dollar bilateral debt		**(135)**	–
– Other debt		**(52)**	–
Net repayment of finance lease principal		**(5)**	(3)
Share issue costs	22(c)	**(2)**	–
Share buy-back	22(e)	**(28)**	(16)
Payment for treasury shares	22(f)	**(30)**	–
Dividends paid:			
– Members of the parent entity		**(187)**	(82)
– Non-controlling interest		**(44)**	(30)
Net cash (used in)/provided by financing activities		**131**	(131)
Net increase/(decrease) in cash and cash equivalents		**(434)**	286
Cash and cash equivalents at the beginning of the year		**643**	366
Effects of exchange rate changes on cash held		**(24)**	(9)
Cash and cash equivalents at the end of the year	8(a)	**185**	643

The above statement should be read in conjunction with the accompanying notes.

Statement of Changes In Equity

FOR THE YEAR ENDED 30 JUNE 2011

Consolidated	Issued Capital $M	FX Translation Reserve[1] $M	Hedge Reserve[1] $M	Equity Settlements Reserve[1] $M	Retained Earnings $M	Total $M	Non-Controlling Interest $M	Total $M
	Attributable to Owners of the Parent							
Balance at 1 July 2010	**3,640**	**(124)**	**(90)**	**36**	**1,492**	**4,954**	**56**	**5,010**
Profit for the year	–	–	–	–	908	908	58	966
Other comprehensive income for the year	–	(1,902)	107	–	–	(1,795)	(24)	(1,819)
Total comprehensive income for the year	**–**	**(1,902)**	**107**	**–**	**908**	**(887)**	**34**	**(853)**
Transactions with owners in their capacity as owners								
Acquisition of Lihir Gold Limited, net of share issue costs (Note 34)	9,945	–	–	–	–	9,945	53	9,998
Share-based payments	–	–	–	9	–	9	–	9
Shares issued – Dividend Reinvestment Plan	42	–	–	–	–	42	–	42
Share buy-back	(28)	–	–	–	–	(28)	–	(28)
Treasury shares	(30)	–	–	–	–	(30)	–	(30)
Dividends paid	–	–	–	–	(229)	(229)	(44)	(273)
Balance at 30 June 2011	**13,569**	**(2,026)**	**17**	**45**	**2,171**	**13,776**	**99**	**13,875**

[1] Refer Note 24 for description of reserves.

The above statement should be read in conjunction with the accompanying notes.

Consolidated	Issued Capital $M	FX Translation Reserve[1] $M	Hedge Reserve[1] $M	Equity Settlements Reserve[1] $M	Retained Earnings $M	Total $M	Non-Controlling Interest $M	Total $M
	Attributable to Owners of the Parent							
Balance at 1 July 2009	**3,642**	**(94)**	**(291)**	**27**	**1,032**	**4,316**	**42**	**4,358**
Profit for the year	–	–	–	–	557	557	45	602
Other comprehensive income for the year	–	(30)	201	–	–	171	(1)	170
Total comprehensive income for the year	**–**	**(30)**	**201**	**–**	**557**	**728**	**44**	**772**
Transactions with owners in their capacity as owners								
Share-based payments	–	–	–	9	–	9	–	9
Shares issued – Dividend Reinvestment Plan	15	–	–	–	–	15	–	15
Shares issued – Equity raising	(1)	–	–	–	–	(1)	–	(1)
Share buy-back	(16)	–	–	–	–	(16)	–	(16)
Dividends paid	–	–	–	–	(97)	(97)	(30)	(127)
Balance at 30 June 2010	**3,640**	**(124)**	**(90)**	**36**	**1,492**	**4,954**	**56**	**5,010**

[1] Refer Note 24 for description of reserves.

The above statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2011

1. CORPORATE INFORMATION

Newcrest Mining Limited is a company limited by shares, domiciled and incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX). The registered office of Newcrest Mining Limited is Level 9, 600 St Kilda Road, Melbourne, Victoria 3004, Australia.

The nature of operations and principal activities of Newcrest Mining Limited and its controlled entities are exploration, mine development, mine operations and the sale of gold and gold/copper concentrate.

The financial report of Newcrest Mining Limited for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the Directors on 15 August 2011.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of this financial report are:

(a) Basis of Preparation and Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on a historical cost basis, except for derivative financial instruments and available-for-sale assets which have been measured at fair value.

The financial report also complies with International Financial Reporting Standards (IFRS) including interpretations as issued by the International Accounting Standards Board.

The financial report has been presented in Australian dollars and all values are rounded to the nearest $1,000,000 dollars unless otherwise stated.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the parent entity, Newcrest Mining Limited, and its controlled entities (referred to as 'the Consolidated Entity' or 'the Group' in these financial statements). A list of controlled entities is presented in Note 30.

Controlled entities are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. Controlled entities are consolidated from the date on which control commences until the date that control ceases. All intercompany balances and transactions, including unrealised gains and losses arising from intra-group transactions, have been eliminated in preparing the consolidated financial statements.

Non-controlling interest in the results and equity of the entity that is controlled by the Group is shown separately in the Income Statement, Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity respectively.

(c) Interest in Jointly Controlled Assets

Where the Group's activities are conducted through unincorporated Joint Ventures that are jointly controlled assets, its proportionate share of the assets, liabilities, gold production and related operating costs are included in the financial statements. Details of the Group's interests in jointly controlled assets are shown in Note 33.

(d) Foreign Currency

Functional and Presentation Currency

Both the functional and presentation currency of Newcrest Mining Limited and its Australian controlled entities is Australian dollars ($). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of the majority of the Group's foreign operations is US dollars (US$).

Transactions and Balances

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. The subsequent payment or receipt of funds related to a transaction is translated at the rate applicable on the date of payment or receipt. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

All exchange differences in the consolidated financial report are taken to the Income Statement with the exception of differences on certain US dollar denominated borrowings where the foreign currency components are designated as cash flow hedges of future US dollar denominated sales. These are taken directly to the Hedge Reserve in equity until the forecast sales used to repay the debt occur, at which time they are recognised in the Income Statement.

Translation of Foreign Operations

The assets and liabilities of controlled entities incorporated overseas with functional currencies other than Australian dollars are translated into the presentation currency of Newcrest Mining Limited (Australian dollars) at the rates of exchange ruling at the reporting date and the income statements are translated at the weighted average exchange rates for the period. Exchange differences arising on translation are taken directly to the foreign currency translation reserve in equity.

On consolidation, exchange differences arising from the translation of net investments in foreign operations and of the borrowings designated as hedges of the net investment are taken to the foreign currency translation reserve (refer Note 2(v)). If the foreign operation were sold, the proportionate share of exchange differences would be transferred out of equity and recognised in the Income Statement.

(e) Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(f) Trade and Other Receivables

Trade receivables comprising metal in concentrate receivables and Bullion Awaiting Settlement are initially recorded at the fair value of contracted sale proceeds expected to be received only when there has been a passing of significant risks and rewards of ownership to the customer. Collectability of debtors is reviewed on an ongoing basis. Receivables which are known to be uncollectible are written off and an allowance for doubtful debts is raised where objective evidence exists that the debt will not be collected.

Other receivables are initially measured at fair value then subsequently at amortised cost, less an allowance for impairment.

(g) Inventories

Gold in solution form, ore and work in progress is physically measured or estimated and valued at the lower of cost and net realisable value. Cost represents the weighted average cost and includes direct costs and an appropriate portion of fixed and variable production overhead expenditure, including depreciation and amortisation, incurred in converting materials into finished goods.

By-products inventory on hand obtained as a result of the production process to extract gold are valued at the lower of cost and net realisable value.

Materials and supplies are valued at the lower of cost and net realisable value. Any allowance for obsolescence is determined by reference to specific stock items identified. A regular and ongoing review is undertaken to establish the extent of surplus items and an allowance is made for any potential loss on their disposal.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Ore stockpiles which are not scheduled to be processed in the 12 months after the reporting date is classified as non-current inventory. The Group believes the processing of these stockpiles will have a future economic benefit to the Group and accordingly values these stockpiles at the lower of cost and net realisable value.

(h) Deferred Mining Expenditure

The Group defers mining costs incurred during the production stage of its operations, as part of determining the cost of inventories. This is generally the case where there are fluctuations in deferred mining costs over the life of the mine, and the effect is material. The amount of mining costs deferred is based on the ratio obtained by dividing the amount of waste tonnes mined by the quantity of gold ounces contained in the ore. Mining costs incurred in the year are deferred to the extent that the current year waste to contained gold ounce ratio exceeds the life of mine waste to ore ratio (life of mine) ratio. Deferred mining costs are then charged against reported profits to the extent that, in subsequent years, the current year ratio falls below the life of mine ratio. The life of mine ratio is based on economically recoverable reserves of the operation.

The life of mine ratio is a function of an individual mine's design and therefore changes to that design will generally result in changes to the ratio. Changes in other technical or economic parameters that impact reserves will also have an impact on the life of mine ratio even if they do not affect the mine's design. Changes to the life of mine ratio are accounted for prospectively.

In the production stage of some operations, further developments of the mine require a phase of unusually high overburden removal activity that is similar in nature to pre-production mine development. The costs of such unusually high overburden removal activity are deferred and charged against reported profits in subsequent years on a unit-of-production basis. This accounting treatment is consistent with that for overburden removal costs incurred during the development phase of a mine, before production commences.

In some operations underground mining occurs progressively on a level by level basis. In these operations an estimate is made of the life-of-level average underground mining cost per tonne of ore mined to expense underground mining costs in the Income Statement. Underground mining costs incurred during the year are deferred to the extent that the actual cost per tonne of ore mined on a level in the year, exceeds the life-of-level average. Previously deferred underground mining costs are released to the Income Statement to the extent that the actual cost per tonne of the ore mined in the year is less than the life-of-level average.

Deferred mining costs that relate to the production phase of the operation are included in 'other assets'. These costs form part of the total investment in the relevant cash-generating unit to which they relate, which is reviewed for impairment in accordance with the accounting policy described in Note 2(p). The release of deferred mining costs is included in site operating costs.

(i) Property, Plant and Equipment

Cost

Property, plant and equipment is carried at cost less accumulated depreciation and any accumulated impairment losses. Financial costs incurred directly in relation to major capital works are capitalised up to the time of commissioning the asset. Freehold land is held for extractive industry operations and its value is wholly dependent upon those operations. The net carrying values of property, plant and equipment are reviewed at a cash-generating unit level half-yearly by Directors to determine whether there is any indication of impairment (refer Note 2(o)).

Depreciation and Amortisation

Items of property, plant and equipment, including buildings but excluding freehold land, are depreciated over their estimated useful lives.

The Group uses the unit-of-production basis when depreciating mine specific assets, which results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining life of mine production. Each item's economic life has due regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which it is located.

For the remainder of assets the straight-line method is used, resulting in estimated useful lives between 3–20 years, the duration of which reflects the useful life depending on the nature of the asset. Estimates of remaining useful lives and depreciation methods are reviewed half-yearly for all major items of plant and equipment.

Major spares purchased specifically for particular plant are capitalised and depreciated on the same basis as the plant to which they relate. Assets are depreciated or amortised from the date they are installed and are ready for use, or in respect of internally constructed assets, from the time the asset is completed and deemed ready for use.

The cost of improvements to leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Leases of plant and equipment under which the Group assumes substantially all the risks and benefits incidental to ownership are classified as finance leases. Other leases are classified as operating leases.

Finance leases are capitalised, with a lease asset and a lease liability equal to the fair value of the leased asset or, if lower, at the present value of the minimum lease payments determined at the inception of the lease. Lease payments are apportioned between the finance charges and reduction of the lease liability. The finance charge component within the lease payments is expensed. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Payments made under operating leases are expensed on a straight-line basis over the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

(j) Exploration, Evaluation and Feasibility Expenditure

Exploration and Evaluation

Exploration and evaluation expenditure related to areas of interest is capitalised and carried forward to the extent that:

(i) Rights to tenure of the area of interest are current; and

(ii) (a) Costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively by sale; or

(b) Where activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, active and significant operations in, or in relation to, the area are continuing.

Such expenditure consists of an accumulation of acquisition costs and direct net exploration and evaluation costs incurred by or on behalf of the Group, together with an appropriate portion of directly related overhead expenditure.

Deferred Feasibility

Feasibility expenditure represents costs related to the preparation and completion of a feasibility study to enable a development decision to be made in relation to an area of interest and capitalised as incurred.

At the commencement of production, all past exploration, evaluation and feasibility expenditure in respect of an area of interest that has been capitalised is transferred to mine development where it is amortised over the life of the area of interest to which it relates on a unit-of-production basis.

When an area of interest is abandoned or the Directors decide it is not commercial, any accumulated costs in respect of that area are written off in the year the decision is made. Each area of interest is reviewed at the end of each reporting period and accumulated costs written off to the extent they are not expected to be recoverable in the future.

(k) Mine Construction and Development

Mines Under Construction

Expenditure incurred in constructing a mine by or on behalf of, the Group is accumulated separately for each area of interest in which economically recoverable reserves have been identified. This expenditure includes net direct costs of construction, borrowing costs capitalised during construction and an appropriate allocation of attributable overheads. Once a development decision has been taken, all aggregated costs of construction are transferred to non-current assets as either mine development or buildings, plant and equipment as appropriate.

Mine Development

Mine development represents expenditure in respect of exploration, evaluation, feasibility and development incurred by or on behalf of the Group, including overburden removal and construction costs, previously accumulated and carried forward in relation to areas of interest in which mining has now commenced. Such expenditure comprises net direct costs and an appropriate allocation of directly related overhead expenditure.

All expenditure incurred prior to commencement of production from each development property is carried forward to the extent to which recoupment out of future revenue from the sale of production, or from the sale of the property, is reasonably assured.

When further development expenditure is incurred in respect of a mine property after commencement of production, such expenditure is carried forward as part of the cost of the mine property only when future economic benefits are reasonably assured, otherwise the expenditure is classified as part of the cost of production and expensed as incurred. Such capitalised development expenditure is added to the total carrying value of mine development being amortised.

Depreciation and Amortisation

Amortisation of costs is provided using the unit-of-production method. The net carrying values of mine development expenditure carried forward are reviewed half-yearly by Directors to determine whether there is any indication of impairment (refer Note 2(o)).

(l) Mineral Rights

Mineral rights comprise identifiable exploration and evaluation assets, mineral resources and ore reserves, which are acquired as part of a business combination or a joint venture acquisition and are recognised at fair value at date of acquisition. Mineral rights are attributable to specific areas of interest and are classified within Exploration, Evaluation and Development assets.

Mineral rights attributable to each area of interest are amortised when commercial production commences on a unit-of-production basis over the estimated economic reserve of the mine to which the rights relate.

(m) Goodwill

Goodwill acquired in a business combination is initially measured at cost of the business combination being the excess of the consideration transferred over the fair value of the Group's net identifiable assets acquired and liabilities assumed. If this consideration transferred is lower than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGUs), or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes, and is not larger than an operating segment determined in accordance with AASB 8.

Impairment is determined by assessing the recoverable amount of the CGU (group of CGUs), to which the goodwill relates. The Group performs its impairment testing annually as at 30 June each year using discounted cash flows under the fair value less costs to sell methodology or under the value in use methodology to which goodwill and indefinite lived intangibles have been allocated (refer Note 15(b)).

When the recoverable amount of the CGU (group of CGUs) is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a CGU (group of CGUs) and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

Impairment losses recognised for goodwill are not subsequently reversed.

(n) Other Intangible Assets

Costs incurred in developing information technology systems and acquiring software are capitalised as intangible assets. Costs capitalised include external costs of materials and services and the cost of employee benefits. Amortisation is calculated on a straight-line basis over the useful life, ranging from three to seven years.

(o) Impairment of Non-Financial Assets

The carrying amounts of all non-financial assets are reviewed half-yearly to determine whether there is an indication of impairment. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made. Recoverable amount is the higher of fair value less costs to sell and value in use.

If the carrying amount of an asset exceeds its estimated recoverable amount, the asset is written down to its recoverable amount and an impairment loss is recognised in the Income Statement. Individual assets are grouped for impairment purposes at the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (CGUs). Generally, this results in the Group evaluating its mine properties on a geographical basis.

(p) Available-for-Sale Financial Assets

The Group's investment in listed equity securities are designated as available-for-sale financial assets. Subsequent to initial recognition available-for-sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the Income Statement.

The fair values of listed equity securities are determined by reference to quoted market price.

(q) Non-Current Assets and Disposal Groups Held for Sale

Non-current assets and disposal groups are classified as held for sale and measured at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction instead of use. They are not depreciated or amortised. For an asset or disposal group to be classified as held for sale, it must be available for immediate sale in its present condition and its sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

(r) Trade and Other Payables

Liabilities for trade and other payables are initially recorded at the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group, and then subsequently at amortised cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Borrowings and Borrowing Costs

Bank loans are initially recognised at fair value and subsequently at amortised cost.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's outstanding borrowings during the year used to develop the qualifying asset.

All other borrowing costs are recognised as expenses in the period in which they are incurred.

(t) Employee Benefits

Wages, Salaries, Salary at Risk, Annual Leave and Sick Leave

Liabilities arising in respect of wages and salaries, salary at risk, annual leave and any other employee benefits expected to be settled within 12 months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liabilities are settled. These amounts are recognised in 'trade and other payables' (for amounts other than annual leave and salary at risk) and 'current provisions' (for annual leave and salary at risk) in respect of employees' services up to the reporting date. Costs incurred in relation to non-accumulating sick leave are recognised when leave is taken and are measured at the rates paid or payable.

Long Service Leave and Retention Initiative Payments

The liabilities for long service leave and retention initiative payments are measured at the present value of the estimated future cash outflows to be made by the Group resulting from employees' services provided up to the reporting date.

Liabilities for long service leave benefits and retention initiative payments not expected to be settled within 12 months are discounted using the rates attaching to national government securities at the reporting date, which most closely match the terms of maturity of the related liabilities. In determining the liability for these long term employee benefits, consideration has been given to expected future increases in wage and salary rates, the Group's experience with staff departures and periods of service. Related on-costs have also been included in the liability.

Defined Contribution Superannuation Plan

Contributions to defined contribution superannuation plans are expensed when incurred.

Share-Based Payments

The Group provides benefits to employees (including Executive Directors) in the form of share-based compensation, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

Currently the Group operates the Executive Performance Share Plan, the Restricted Share Plan and the Employee Share Acquisition Plan.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using an option pricing model, further details of which are given in Note 26.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of non-market vesting conditions, such as performance conditions. Non-market conditions are included in the assumptions about the number of options that are expected to become exercisable. At each reporting date the Group revises its estimate of the number of options that are expected to become exercisable. The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The Income Statement charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of that period. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting period).

Upon the exercise of the options, the balance of the Equity Settlements Reserve relating to those options remains in the Equity Settlements Reserve and the proceeds received, net of any directly attributable transaction costs, are credited to Share Capital.

Under the Newcrest Employee Share Acquisition Plan, shares are issued to employees for no cash consideration and vest immediately on grant date. On this date, the market value of the shares issued is recognised as an employee benefits expense.

(u) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provision for Rehabilitation

The Group records the present value of the estimated cost of legal and constructive obligations (such as those under the Group's Environmental Policy) to restore operating locations in the period in which the obligation is incurred. The nature of restoration activities includes dismantling and removing structures, rehabilitating mines, dismantling operating facilities, closure of plant and waste sites and restoration, reclamation and revegetation of affected areas.

Typically the obligation arises when the asset is installed or the ground/environment is disturbed at the production location. When the liability is initially recorded, the present value of the estimated cost is capitalised by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the change in the present value based on the discount rates that reflect the current market assessments and the risks specific to the liability. Additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding asset and rehabilitation liability when incurred.

The unwinding of the effect of discounting the provision is recorded as a finance cost in the Income Statement. The carrying amount capitalised as a part of mining equipment is depreciated/amortised over the life of the related asset.

Costs incurred that relate to an existing condition caused by past operations, but do not have a future economic benefit are expensed as incurred.

(v) Derivative Financial Instruments and Hedging

The Group uses derivative financial instruments to manage its risk to commodity prices. The instruments used by the Group include forward sale contracts, gold put options, diesel forward contracts and foreign currency forward contracts.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in the Income Statement immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of recognition in the Income Statement depends on the nature of the hedge relationship.

The fair value of forward sale contracts, diesel forward contracts and foreign currency forward contracts are calculated by reference to current forward commodity prices. The fair value of gold put options is calculated by reference to an option pricing model.

At the inception of the transaction, the Group formally designates and documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

For the purposes of hedge accounting, hedges are classified as:

– Fair value hedges, when they hedge the exposure to changes in the fair value of a recognised asset or liability;
– Cash flow hedges, when they hedge exposure to variability in cash flows that are either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction; and
– Hedges of a net investment in a foreign operation.

Cash Flow Hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised directly in equity in the Hedge Reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement. Amounts accumulated in equity are transferred to the Income Statement in the periods when the hedged item affects the Income Statement, for instance when the forecast sale that is hedged takes place.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity remains deferred in equity until the original forecasted transaction occurs. When the forecasted transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in the Income Statement.

If a hedging instrument being used to hedge a commitment for the purchase or sale of gold or copper is redesignated as a hedge of another specific commitment and the original transaction is still expected to occur, the gains and losses that arise on the hedging instrument prior to its redesignation are deferred and included in the measurement of the original purchase or sale when it takes place. If the hedging instrument is redesignated as a hedge of another commitment because the original purchase or sale transaction is no longer expected to occur, the gains and losses that arise on the hedge prior to its redesignation are recognised in the Income Statement at the date of the redesignation.

Copper Forward Sales Contracts

Copper forward sales contracts have been entered into by the Group to provide certainty of cash flows from certain copper concentrate sales. These derivative instruments are not designated into hedge relationships and as such changes in fair value are immediately recognised as 'Other Income/Expenses' in the Income Statement.

Gold Put Options

The Group entered into gold put options for a portion of its future gold production in order to manage its exposure to downward price risk. These options allow the Group to maintain full exposure to any upward movements in the gold price, by providing it with the right, but not the obligation, to deliver gold at the stated strike price (minimum price). These options comprise an extrinsic and intrinsic value. The total premium paid for these options represents the 'extrinsic value'. The 'intrinsic value' is calculated as the strike price less the forward price and where the forward price is greater than the strike price, the 'intrinsic value' is zero.

Unlike other hedging instruments, the hedging provisions of AASB 139 Financial Instruments: Recognition and Measurement permits the intrinsic value and extrinsic value of an option to be separated. Only the intrinsic value of the option is designated into the cash flow hedge relationship. Therefore, the only instance where hedge accounting impacts the financial statements is if the gold forward price falls below the strike price, giving the options an intrinsic value due to them coming 'into the money'.

The premium paid on the purchase of put options (i.e. its extrinsic value) is initially recognised as a financial asset and is not designated into a hedge relationship. It is remeasured to fair value, using an option pricing model, at each subsequent reporting date, with fair value changes recognised immediately in the Income Statement. Fair value changes in the intrinsic value of the put options which have been designated into a hedge relationship, are recognised directly in the Hedge Reserve in equity to the extent that the hedge is effective. These fair value movements are then transferred to the Income Statement as the forecast sales to which they are designated, occur. Fair value changes relating to changes in the intrinsic value of the option to the extent that the hedge is ineffective, are recognised immediately in the Income Statement.

Hedges of a Net Investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a similar way to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised directly in equity in the Foreign Currency Translation Reserve while any gains or losses relating to the ineffective portion are recognised in the Income Statement. On disposal of the foreign operation, the cumulative value of any such gains or losses recognised directly in equity is transferred to the Income Statement.

(w) Issued Capital

Issued ordinary share capital is classified as equity and is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares and the associated tax are recognised directly in equity as a reduction of the share proceeds received.

Treasury Shares

The Group's own equity instruments, which are reacquired on market for later use in employee share-based payment arrangements (treasury shares), are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(x) Earnings Per Share (EPS)

Basic EPS is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members, adjusted for:

– costs of servicing equity (other than dividends) and preference share dividends;
– the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses;
– other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(y) Revenue Recognition

Revenue from the sale of goods is recognised when there has been a transfer of risks and rewards to the customer and no further processing is required by the Group, the quality and quantity of the goods has been determined with reasonable accuracy, the price is fixed or determinable, and collectability is probable. The point at which risk and title passes for the majority of the Group's commodity sales is upon receipt of the bill of lading when the commodity is delivered for shipment. Revenue is measured at the fair value of the consideration received or receivable.

Gold and Silver Bullion Sales

Revenue from gold and silver bullion sales, is brought to account when the significant risks and rewards of ownership have transferred to the buyer and selling prices are known or can be reasonably estimated.

Gold, Copper and Silver in Concentrate Sales

Contract terms for the Group's sale of gold, copper and silver in concentrate (metal in concentrate) allow for a price adjustment based on final assay results of the metal in concentrate by the customer to determine content. Recognition of sales revenue for these commodities is based on the most recently determined estimate of metal price in concentrate with a subsequent adjustment made upon final determination and presented as part of 'Other Income'.

The terms of metal in concentrate sales contracts with third parties contain provisional pricing arrangements whereby the selling price for metal in concentrate is based on prevailing spot prices on a specified future date after shipment to the customer (quotation period). Adjustments to the sales price occur based on movements in quoted market prices up to the date of final settlement. The period between provisional invoicing and final settlement is typically between one and six months.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

The provisionally priced sales of metal in concentrate contain an embedded derivative that is required to be separated from the host contract for accounting purposes. Accordingly the embedded derivative, which does not qualify for hedge accounting, is recognised at fair value, with subsequent changes in fair value recognised in the Income Statement each period until final settlement, and presented as 'Other Income'. Changes in fair value over the quotation period and up until final settlement are estimated by reference to forward market prices.

Interest Revenue
Interest revenue is recognised as it accrues using the effective interest method.

(z) Government Royalties
Royalties under existing regimes are payable on sales and are therefore recognised as the sale occurs.

(aa) Income Taxes
Current Income Tax
Current tax assets and liabilities for the current and prior year are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current year's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred Income Tax
Deferred income tax is provided on all temporary differences (except as noted below) at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them:

- Arise from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- Are associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity.

(bb) Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(cc) Business Combinations
Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the:

- assets transferred by the Group;
- liabilities incurred by the acquirer to former owners of the acquiree;
- equity issued by the Group;

and the amount of any non-controlling interest in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured.

(dd) New Accounting Standards and Interpretations
Adoption of New Standards and Interpretations
The Group has adopted the following new and/or revised Standards, Amendments and Interpretations from 1 July 2010:

- AASB 2009-5 Amendments arising from the Annual Improvements Project;
- AASB 2009-8 Amendments – Group Cash-settled Share-based Payment Transactions;
- AASB 2009-10 Amendments – Classification of Rights Issues;
- AASB 2010-3 Amendments arising from the Annual Improvements Project;
- Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments.

Adoption of the above Standards, Amendments and Interpretations did not have any effect on the financial position or performance of the Group.

New Accounting Standards and Interpretations Not Yet Adopted
The following standards, amendments to standards and interpretations have been identified as those which may impact the Group in the period of initial application. They have been issued but are not yet effective and are available for early adoption at 30 June 2011, but have not been applied in preparing this financial report.

Reference and Title	Details of New Standard/Amendment/Interpretation	Impact on Group	Application date for the Group
AASB 124 Related Party Disclosures (Revised)	The revised AASB 124 simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition.	(i)	1 July 2011
AASB 2009-12 Amendments to Australian Accounting Standards (AASs)	This amendment makes numerous editorial changes to a range of AASBs and Interpretations. In particular, it amends AASB 8 Operating Segments to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures.	(i)	1 July 2011
AASB 1054 Australian Additional Disclosures	This standard relocates all Australian specific disclosures from other standards to one place and revises disclosures in the following areas: – Compliance with Australian Accounting Standards; – The statutory basis or reporting framework for financial statements; – Whether the financial statements are general purpose or special purpose; – Audit fees; and – Imputation credits.	(i)	1 July 2011
AASB 2010-4 Further Amendments to AASs	Emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments.	(i)	1 July 2011
AASB 2009-12 and AASB 2010-5 Amendments to AASs	These standards make numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the IASB. These amendments have no major impact on the requirements of the amended pronouncements.	(i)	1 July 2011
AASB 9 Financial Instruments AASB 2010-7 and AASB 2009-11 Amendments to AASs arising from AASB 9	The revised Standard introduces a number of changes to the accounting for financial assets, the most significant of which includes: – two categories for financial assets being amortised cost or fair value; – removal of the requirement to separate embedded derivatives in financial assets; – reclassifications between amortised cost and fair value no longer permitted unless the entity's business model for holding the asset changes; and – changes to the accounting and additional disclosures for equity instruments classified as fair value through other comprehensive income.	(ii)	1 July 2013
AASB 1053 Application of Tiers of Australian Accounting Standards	This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	(i)	1 July 2013
IFRS 10 Consolidated Financial Statements	IFRS 10 establishes a new control model that applies to all entities. The new control model broadens the situations when an entity is considered to be controlled by another entity.	(ii)	1 July 2013
IFRS 11 Joint Arrangements	IFRS 11 replaces IAS 31 and SIC-13. The standard uses the principle of control in IFRS 10 to define joint control, and therefore the determination of whether joint control exists may change.	(i)	1 July 2013
IFRS 12 Disclosure of Interests in Other Entities	IFRS 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures have been introduced about the judgements made by management to determine whether control exists, and to require summarised information about these entities.	(ii)	1 July 2013
IFRS 13 Fair Value Measurement	IFRS 13 establishes a single source of guidance under IFRS for determining the fair value of assets and liabilities. It includes guidance on how to determine fair value under IFRS and expands the disclosure requirements for all assets or liabilities carried at fair value.	(ii)	1 July 2013

(i) The adoption of this new standard, amendment or interpretation will not have a material impact on the Group's financial statements.
(ii) The Group has not yet determined the extent of the impact, if any.

Apart from the above, other accounting standards, amendments and interpretations that will be applicable in future periods have been considered, however their impact is considered insignificant to the Group.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2011

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes assumptions concerning the future. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. The resulting accounting estimates will, by definition, seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Mine Rehabilitation Provision

The Group assesses its mine rehabilitation provision half-yearly in accordance with the accounting policy Note 2(u). Significant judgement is required in determining the provision for mine rehabilitation as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate the mine sites. Factors that will affect this liability include future disturbances caused by further development, changes in technology, changes in regulations, price increases and changes in discount rates. When these factors change or become known in the future, such differences will impact the mine rehabilitation provision in the period in which they change or become known.

(b) Unit-of-Production Method of Depreciation/ Amortisation

The Group uses the unit-of-production basis when depreciating/ amortising life of mine specific assets, which results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining life of mine production. Each item's economic life, which is assessed annually, has due regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which it is located. These calculations require the use of estimates and assumptions.

(c) Impairment of Assets

The Group assesses each cash-generating unit half-yearly, to determine whether there is any indication of impairment. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is deemed as being the higher of the fair value less costs to sell and value in use calculated in accordance with accounting policy Note 2(o). These assessments require the use of estimates and assumptions such as discount rates, exchange rates, commodity prices, gold multiple values, future operating development and sustaining capital requirements and operating performance (including the magnitude and timing of related cash flows).

(d) Share-Based Payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value of equity instruments at the date at which they are granted. The fair value is determined by an external valuer using an option pricing model, using the assumptions detailed in Note 26.

(e) Deferred Mining Expenditure

The Group defers mining costs incurred during the production stage of its operations, which are calculated in accordance with accounting policy Note 2(h). Changes in an individual mine's design will generally result in changes to the life of mine waste to contained gold ounce (life of mine) ratio. Changes in other technical or economic parameters that impact reserves will also have an impact on the life of mine ratio even if they do not affect the mine's design. Changes to the life of mine are accounted for prospectively.

(f) Recovery of Deferred Tax Assets

Deferred tax assets, including those arising from unutilised tax losses require management to assess the likelihood that the Group will comply with the relevant tax legislation and will generate sufficient taxable earnings in future periods, in order to recognise and utilise those deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and existing tax laws in each jurisdiction. To the extent that cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets reported at the reporting date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

(g) Ore Reserve Estimates

The Group estimates its ore reserves and mineral resources based on information compiled by Competent Persons as defined in accordance with the Australasian code for reporting Exploration Results, Mineral Resources and Ore Resources of December 2004 (JORC code). The estimated quantities of economically recoverable reserves are based upon interpretations of geological models and require assumptions to be made regarding factors such as estimates of short and long term exchange rates, estimates of short and long term commodity prices, future capital requirements and future operating performance. Changes in reported reserves estimates can impact the carrying value of property, plant and equipment, provision for rehabilitation obligations, the recognition of deferred tax assets, as well as the amount of depreciation and amortisation charged to the Income Statement.

(h) Capitalisation of Exploration and Evaluation Costs

The Group's accounting policy for exploration and evaluation expenditure is set out in Note 2(j). The application of this policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves will be found. Any such estimates and assumptions may change as new information becomes available.

(i) Assets Held for Resale

Judgement is required in determining whether disposal groups are classified as held for sale. For a disposal group to be classified as held for resale, it must be available for immediate sale in its present condition and its sale must be highly probable. Where a sale is subject to shareholder approval and other conditions, these are taken into account when assessing whether it satisfies the highly probable criteria.

4. REVENUE AND EXPENSES

	Consolidated 2011 $M	Consolidated 2010 $M
Specific items		
Profit before income tax includes the following revenues, income and expenses whose disclosure is relevant in explaining the performance of the Group:		
(a) Operating Sales Revenue		
Gold	**3,409**	2,126
Copper	**638**	652
Silver	**55**	24
Total operating sales revenue	**4,102**	2,802
(b) Cost of Sales		
Mine production costs	**1,813**	1,097
Royalty	**121**	68
Concentrate treatment and realisation	**136**	139
Deferred mining adjustment	**–**	79
Inventory movements	**(170)**	(115)
	1,900	1,268
Depreciation	**501**	301
Total cost of sales	**2,401**	1,569
(c) Corporate Administration Expenses		
Corporate costs	**70**	61
Corporate depreciation	**14**	8
Equity settled share-based payments	**9**	9
Total corporate administration expenses	**93**	78
(d) Other Revenue		
Joint venture management fees	**1**	1
Total other revenue	**1**	1
(e) Other Income/(Expenses)		
Net foreign exchange gain/(loss)	**(26)**	(15)
Net fair value gain/(loss) on gold and copper derivatives	**15**	44
Royalty dispute[1]	**11**	(11)
Other	**(10)**	(2)
Total other income/(expenses)	**(10)**	16
(f) Finance Costs		
Interest Costs:		
Interest on loans	**22**	21
Finance leases	**1**	1
Other:		
Facility fees and other costs	**13**	6
Discount unwind on provisions	**11**	5
	47	33
Less: Capitalised borrowing costs	**(2)**	–
Total finance costs	**45**	33
(g) Depreciation and Amortisation		
Property, plant and equipment	**269**	155
Mine development	**306**	167
Intangible assets	**17**	8
	592	330
Add/(Less):		
Capitalised to inventory on hand or mines under construction	**(77)**	(21)
Total depreciation and amortisation expense	**515**	309
Included in:		
Cost of sales depreciation	**501**	301
Corporate depreciation	**14**	8
Total depreciation and amortisation expense	**515**	309

[1] In 2010 the Group received an unfavourable ruling by the NSW Court of Appeal in respect to a mineral royalties dispute at Cadia Valley, and the Group accrued for this exposure. The ruling was subsequently overturned by the High Court of Australia on appeal by the Group, and the accrual was released in 2011.

4. REVENUE AND EXPENSES (continued)

	Consolidated 2011 $M	Consolidated 2010 $M
(h) Employee Benefits Expense		
Defined contribution plan expense	**33**	20
Equity settled share-based payments	**9**	9
Other employment benefits	**431**	239
Total employee benefits expense	**473**	268
(i) Other Items		
Operating lease rentals	**8**	5
(j) Losses on Restructured and Closed-Out Hedge Contracts		
Losses on restructured and closed-out hedge contracts transferred from reserves (Note 24(c))	**153**	295
Applicable income tax/(benefit)	**(46)**	(89)
Total losses on restructured and closed-out hedges (after tax)	**107**	206
(k) Other Close-Out Related Costs		
Fair value loss on gold put options	**3**	12
Applicable income tax/(benefit)	**(1)**	(3)
Total other close-out related costs (after tax)	**2**	9
(l) Foreign Exchange Gain on US Dollar Borrowings		
Foreign exchange gain on US dollar borrowings transferred from reserves	**–**	12
Applicable income tax/(expense)	**–**	(4)
Total foreign exchange gain on US dollar borrowings (after tax)	**–**	8
(m) Business Acquisition and Integration costs		
Acquisition related costs[(1),(2)]	**15**	12
Integration costs[(1)]	**37**	–
	52	12
Applicable income tax expense/(benefit)	**(11)**	–
Total Business Acquisition and Integration costs (after tax)	**41**	12

[(1)] Represents costs associated with the acquisition of Lihir Gold Limited on 30 August 2010. Refer Note 34.

[(2)] Acquisition related costs in 2010 were presented as part of Corporate Administration Expenses. They have been re-classified to align with the current year disclosure.

5. INCOME TAX

	Consolidated 2011 $M	Consolidated 2010 $M
(a) Income Tax Expense Comprises:		
Income Statement		
Current income tax		
Current income tax expense	**410**	268
Under/(over) provision in respect of prior years	**(41)**	(41)
	369	227
Deferred tax		
Relating to origination and reversal of temporary differences	**(30)**	(17)
Under/(over) provision in respect of prior years	**(5)**	(1)
	(35)	(18)
Income tax expense per the Income Statement	**334**	209
(b) Reconciliation of Prima Facie Income Tax Expense to Income Tax Expense per the Income Statement		
Accounting profit before tax	**1,300**	811
Income tax expense calculated at 30% (2010: 30%)	**390**	243
– Investment, research and development allowance	**(7)**	(16)
– Non-deductible share-based payment expense	**2**	2
– Effect of different tax rates in foreign jurisdictions	**(9)**	16
– Other	**4**	6
– (Over) provided in prior years[(1)]	**(46)**	(42)
Income tax expense per the Income Statement	**334**	209

[(1)] The over provision for the Group predominantly relates to higher actual research and development allowance claimed for prior years.

	Consolidated					
	Balance at 1 July $M	Acquisitions $M	Charged/ (credited) to income $M	Charged/ (credited) to equity $M	Translation $M	Balance at 30 June $M
(c) Movement in Deferred Taxes						
2011						
Deferred tax assets						
Carry forward revenue losses recognised:						
– Australian entities	250	126	(171)	–	–	205
– Overseas entities	21	31	(21)	–	(6)	25
	271	157	(192)	–	(6)	230
Deferred tax liabilities						
Temporary differences:						
– Property, plant and equipment	(380)	(1,476)	(18)	–	279	(1,595)
– Deferred mining	(65)	(13)	7	–	1	(70)
– Financial instruments	(7)	–	51	(47)	–	(3)
– Provisions	21	31	7	–	(3)	56
– Other	(57)	(4)	(12)	10	1	(62)
	(488)	(1,462)	35	(37)	278	(1,674)
Net deferred taxes	**(217)**	**(1,305)**	**(157)**	**(37)**	**272**	**(1,444)**
2010						
Deferred tax assets						
Carry forward revenue losses recognised:						
– Australian entities	403	–	(153)	–	–	250
– Overseas entities	–	–	21	–	–	21
	403	–	(132)	–	–	271
Deferred tax liabilities						
Temporary differences:						
– Property, plant and equipment	(290)	–	(86)	–	(4)	(380)
– Deferred mining	(89)	–	24	–	–	(65)
– Financial instruments	(4)	–	83	(86)	–	(7)
– Provisions	24	–	(3)	–	–	21
– Other	(55)	–	–	(2)	–	(57)
	(414)	–	18	(88)	(4)	(488)
Net deferred taxes	**(11)**	**–**	**(114)**	**(88)**	**(4)**	**(217)**

(d) Unrecognised Deferred Tax Assets

Deferred tax assets have not been recognised in respect of carry forward capital losses of $296 million (2010: $296 million) because it is not probable that the Group will have future capital gains available against which carry forward capital losses could be utilised.

6. DIVIDENDS

	Cents per share	Total amount $M	Date of payment
(a) Dividend declared and paid			
The following dividends (unfranked) on ordinary shares were declared and paid:			
2010			
Final – In respect to the year ended 30 June 2009	15.0	73	16 Oct 2009
Interim – In respect to the year ended 30 June 2010	5.0	24	16 Apr 2010
	20.0	97	
2011			
Final – In respect to the year ended 30 June 2010	20.0	153	22 Oct 2010
Interim – In respect to the year ended 30 June 2011	10.0	76	15 Apr 2011
	30.0	229	

Participation in the Dividend Reinvestment Plan reduced the cash amount paid to owners of the parent to $187 million (2010: $81 million).

(b) Dividend proposed and not recognised as a liability

Subsequent to the end of the year, the Directors determined the following dividend (unfranked) be paid:

	Cents per share	Total amount $M	Date of payment
Final – In respect to the year ended 30 June 2011	20.0	153	21 Oct 2011
Special – In respect to the year ended 30 June 2011	20.0	153	16 Dec 2011
	40.0	306	

(c) Dividend franking account balance

Franking credits at 30% as at 30 June 2011 available for the subsequent financial year is nil (2010: nil).

7. EARNINGS PER SHARE (EPS)

	Consolidated	
	2011 ¢	2010 ¢
EPS (cents per share)		
Basic EPS	**126.4**	115.2
Diluted EPS	**126.2**	114.9
Earnings per share on Underlying Profit:		
Basic EPS	**147.3**	160.5
Diluted EPS	**147.1**	160.1

	2011 $M	2010 $M
Earnings used in calculating EPS		
Earnings used in the calculation of basic and diluted EPS: Profit after income tax attributable to owners of the parent	**908**	557
Earnings used in the calculation of basic and diluted EPS on Underlying Profit: Profit after tax before hedge restructure and other significant items attributable to owners of the parent	**1,058**	776

	2011 No. of shares	2010 No. of shares
Weighted average number of shares		
Share data used in the calculation of basic and diluted EPS:		
Weighted average number of ordinary shares used in calculating basic EPS:	**718,079,536**	483,495,632
Effect of dilutive securities:		
Share rights[1]	**1,176,963**	1,309,498
Adjusted weighted average number of ordinary shares used in calculating diluted EPS	**719,256,499**	484,805,130

[1] Rights granted to employees (including KMP) as described in Note 26 are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent they are dilutive. These rights have not been included in the determination of basic earnings per share.

8. CASH AND CASH EQUIVALENTS

	Consolidated 2011 $M	2010 $M
(a) Components of cash and cash equivalents		
Cash at bank	**40**	87
Short-term deposits	**145**	556
Total cash and cash equivalents	**185**	643
(b) Reconciliation of net profit after income tax to net cash flow from operating activities		
Profit after income tax	**966**	602
Non-cash items:		
Depreciation and amortisation	**515**	309
Hedge restructure and close-out expense	**153**	283
Net fair value change on derivatives	**18**	(16)
Share-based payments	**9**	9
Discount unwind on provisions	**11**	5
Other non-cash items	**43**	(34)
Items presented as investing or financing activities:		
Exploration expenditure written off	**55**	33
Changes in assets and liabilities, net of effects from business acquisitions:		
(Increase)/Decrease in:		
Trade and other receivables	**(144)**	(7)
Inventories	**(70)**	(147)
Deferred mining	**(42)**	74
Prepayments current	**27**	(21)
Prepayments non-current	**51**	1
Deferred tax assets	**198**	132
(Decrease)/Increase in:		
Trade and other payables	**64**	(4)
Provisions current	**7**	(15)
Provisions non-current	**70**	11
Current tax liabilities	**76**	15
Deferred tax liabilities	**(276)**	74
Deferred income	**(2)**	(1)
Net cash from operating activities	**1,729**	1,303
(c) Non-cash financing and investing activities		
Dividends paid by the issue of shares under the Dividend Reinvestment Plan	**42**	15

9. TRADE AND OTHER RECEIVABLES

	Consolidated 2011 $M	2010 $M
Current		
Metal in concentrate receivables[1]	**277**	199
Bullion awaiting settlement[2]	**56**	24
GST receivable[3]	**60**	43
Other receivables[3]	**48**	14
Total current receivables	**441**	280
Non-current		
Other receivables[4]	**2**	9
Total non-current receivables	**2**	9

[1] Are non-interest bearing and are generally expected to settle within 1 to 6 months, refer Note 2(f).
[2] Are non-interest bearing and are generally expected to settle within 7 days, refer Note 2(f).
[3] Recorded at amortised cost, are non-interest bearing and are generally expected to settle within 1 to 2 months.
[4] Carried at amortised cost.

10. INVENTORIES

	Consolidated 2011 $M	Consolidated 2010 $M
Current		
Ore	**232**	54
Gold in circuit	**25**	32
Concentrate	**136**	21
Materials and supplies	**298**	160
Total current inventories	**691**	267
Non-current		
Ore	**710**	153
Total non-current inventories	**710**	153

11. DERIVATIVE AND OTHER FINANCIAL ASSETS

	Consolidated 2011 $M	Consolidated 2010 $M
Current		
Quotational period derivatives[1]	**6**	22
Copper forward sales contracts	**6**	17
Other financial derivatives	**3**	1
Total current derivative and other financial assets	**15**	40
Non-current		
Gold put options	**–**	3
Available-for-sale financial assets[2]	**9**	–
Total non-current derivative and other financial assets	**9**	3

[1] Represents the embedded derivatives relating to quotational period movements on commodity sales. Refer Note 2(v).
[2] Represents investments in listed companies.

12. OTHER ASSETS

	Consolidated 2011 $M	Consolidated 2010 $M
Current		
Prepayments	**55**	30
Deferred mining expenditure	**155**	151
Total current other assets	**210**	181
Non-current		
Prepayments	**6**	6
Deferred mining expenditure	**116**	78
Total non-current other assets	**122**	84

13. PROPERTY, PLANT AND EQUIPMENT

	Consolidated 2011 $M	Consolidated 2010 $M
At 30 June		
Cost	**5,172**	2,971
Accumulated depreciation	**(1,862)**	(1,207)
	3,310	1,764
Year ended 30 June		
Carrying amount at 1 July	**1,764**	1,470
Acquisition of Lihir Gold Ltd (Note 34)	**1,565**	–
Additions	**357**	88
Depreciation charge for the year	**(269)**	(155)
FX translation	**(362)**	(1)
Reclassifications/transfers	**255**	362
Carrying amount at 30 June	**3,310**	1,764

Included in property, plant and equipment are leased assets with a carrying amount of $14 million (2010: $18 million).

14. CAPITALISED EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURES

	Consolidated				
	Exploration & Evaluation Expenditure $M	Deferred Feasibility Expenditure $M	Mines under Construction $M	Mine Development[1] $M	Total $M
At 30 June 2011					
Cost	775	74	1,376	6,716	8,941
Accumulated depreciation	–	–	–	(1,270)	(1,270)
	775	**74**	**1,376**	**5,446**	**7,671**
Year ended 30 June 2011					
Carrying amount at 1 July 2010	285	20	477	1,774	2,556
Acquisition of Lihir Gold Ltd (Note 34)	565	–	672	3,748	4,985
Expenditure during the year[2]	126	32	1,411	178	1,747
Expenditure written off during the year	(55)	–	–	–	(55)
Depreciation charge for the year	–	–	–	(306)	(306)
FX translation	(142)	–	(168)	(696)	(1,006)
Reclassifications/transfers	(4)	22	(1,016)	752	(246)
Carrying amount at 30 June 2011	**775**	**74**	**1,376**	**5,450**	**7,675**
At 30 June 2010					
Cost	285	20	477	2,642	3,424
Accumulated depreciation	–	–	–	(868)	(868)
	285	**20**	**477**	**1,774**	**2,556**
Year ended 30 June 2010					
Carrying amount at 1 July 2009	234	227	911	1,069	2,441
Expenditure during the year	101	192	398	30	721
Expenditure written off during the year	(33)	–	–	–	(33)
Depreciation charge for the year	–	–	–	(167)	(167)
FX translation	(7)	(5)	(23)	(5)	(40)
Reclassifications/transfers	(10)	(394)	(809)	847	(366)
Carrying amount at 30 June 2010	**285**	**20**	**477**	**1,774**	**2,556**

Reclassifications/transfers: Expenditure included in mines under construction has been reclassified from/to mine development or property, plant and equipment, as appropriate, upon initial utilisation of the assets.

[1] Includes acquired Mineral Rights.

[2] Borrowing costs were capitalised on qualifying assets at a weighted average interest rate of 2.0%. (2010: nil was capitalised).

14. CAPITALISED EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURES (continued)

Areas of Interest in the exploration phase at cost	Consolidated 2011 $M	Consolidated 2010 $M
Cadia Valley, NSW	**54**	54
Telfer, WA	**52**	40
Cracow and Mount Rawdon, QLD	**15**	6
Marsden, NSW	**5**	5
Gosowong, Indonesia	**22**	16
Namosi, Fiji	**20**	24
Morobe Province, PNG	**134**	140
Lihir, PNG	**199**	–
Côte d'Ivoire	**274**	–
	775	285

Recoverability of the carrying amount of the exploration and evaluation assets is dependent upon the successful development and continuing commercial exploitation, or alternatively, sale of the respective area of interest.

15. GOODWILL

	Consolidated 2011 $M	Consolidated 2010 $M
Opening balance	**–**	–
Acquisition of Lihir Gold Limited (Note 34)	**4,370**	–
Foreign currency translation	**(749)**	–
Closing balance	**3,621**	–

(a) Allocation of Goodwill to Cash-Generating Units

Goodwill arose through the acquisition of Lihir Gold Limited on 30 August 2010 and has been allocated to the following cash-generating units (CGUs):

Mt. Rawdon	**53**	–
West Africa	**175**	–
Lihir	**3,393**	–
	3,621	–

(b) Impairment Test

Goodwill recognised as a result of the acquisition of Lihir Gold Limited (LGL) has been allocated to cash-generating units (CGUs) as noted above in Note 15(a).

The goodwill on acquisition reflects the following aspects:

- The unique financial characteristics of gold assets, where they generally trade at a significant premium to underlying discounted cash flows;
- The value implicit in the ability to sustain and/or grow the Newcrest Group by increasing reserves and resources through exploration at the acquired assets, as well as the increased optionality available for the total asset portfolio; and
- The requirement to record a deferred tax liability for the difference between the assigned values and the tax bases of assets acquired and liabilities assumed in the acquisition.

In assessing whether goodwill has been impaired, the carrying amount of the CGU is compared with its recoverable amount. For the purpose of impairment testing, the recoverable amount has been assessed by reference to fair value less costs to sell.

Fair value less costs to sell was determined by using a discounted cash flow methodology, then application of a CGU specific gold multiple. The discounted cash flow valuations are based on the latest CGU life of mine (LOM) planning information, market based commodity price and exchange assumptions and country specific discount rates.

The LOM plans reflect Newcrest's assessment of the relevant characteristics of the ore body (including recoverable reserves and resources) and processing activities to estimate overall production levels, future cash costs of production and required levels of capital expenditure for each mine. LOM plans are updated annually.

The key assumptions in addition to the LOM plans used in the discounted cash flow valuations are gold prices, the Australian dollar exchange rate against the US dollar and discount rates.

Gold price and AUD:USD exchange rate assumptions are estimated by management with reference to external market forecasts, and updated at least annually. The gold prices per ounce used are in the range of US$1,450 to US$1,130 between FY2012 and FY2016 and US$1,000 for 2017 and beyond, in real terms. The AUD:USD exchange rates used are in the range of $1.02 to $0.84 between FY2012 and FY2016 and $0.80 for 2017 and beyond.

The discount rate applied to discount the estimated cash flows is based upon Newcrest's real weighted average cost of capital with an appropriate adjustment for the risks associated with the relevant cash flows based on the geographic location of the CGU. The real after tax discount rates used were Australia 6%, Papua New Guinea 7% and Côte d'Ivoire 7%.

Newcrest applies a gold multiple to the discounted cash flow valuation in order to assess the CGU's estimated fair value. Gold companies typically trade at a market capitalisation that is based on a multiple of their underlying discounted cash flow valuation. Similarly, in an asset sale scenario, a gold multiple would generally be applied when estimating the fair value of an operating gold mine. In determining the appropriate gold multiples for CGUs, we took into consideration the mine life, reserve/resource addition potential, average annual production level and operating cost profile. In addition, the external market view of Newcrest's overall gold multiple was taken into consideration. The following range of gold multiples for each CGU was determined: Mt Rawdon 1.1–1.3; West Africa 1.3–1.7; Lihir 1.7–2.0.

As the acquisition of LGL has occurred within the past 12 months, the purchase price paid by Newcrest represents a very strong indicator of fair value of the CGUs acquired. In future periods, the determination of recoverable amount will be sensitive to changes in assumptions for long term gold prices, discount rates and the CGU specific gold multiples.

16. OTHER INTANGIBLE ASSETS

	Consolidated Information Systems Development	
	2011 $M	2010 $M
At 30 June		
Cost	**103**	107
Accumulated amortisation	**(42)**	(24)
	61	83
Year ended 30 June		
Carrying amount at 1 July	**83**	33
Acquisition of Lihir Gold Limited (Note 34)	**3**	–
Additions	**1**	54
Amortisation charge for the year	**(17)**	(8)
Reclassifications/transfers	**(9)**	4
Carrying amount at 30 June	**61**	83

17. TRADE AND OTHER PAYABLES

	Consolidated	
	2011 $M	2010 $M
Trade payables[1]	**91**	21
Other payables and accruals[1]	**341**	188
Total trade and other payables	**432**	209

[1] All payables are unsecured, non-interest bearing and are normally settled on 30–60 day terms.

18. BORROWINGS

		Consolidated	
		2011 $M	2010 $M
Current			
Finance lease liabilities – secured	(i)	**4**	6
US dollar private placement notes – unsecured	(iii)	**112**	–
US dollar bilateral debt – unsecured	(ii)	**–**	–
Total current borrowings		**116**	6
Non-current			
Finance lease liabilities – secured	(i)	**4**	9
US dollar private placement notes – unsecured	(iii)	**214**	412
US dollar bilateral debt – unsecured	(ii)	**466**	–
Total non-current borrowings		**684**	421

18. BORROWINGS (continued)

(i) Finance lease facility

The Group's lease liabilities are secured by the assets leased. In the event of default, the assets revert to the lessor.

(ii) US dollar bilateral debt

The Group has bilateral debt facilities of US$1,100 million (2010: US$1,100 million) with eight banks. These are committed unsecured revolving facilities with maturities ranging between December 2012 and February 2013, individually negotiated and documented with each bank but with similar terms and conditions. Interest is based on LIBOR plus a margin which varies amongst the lenders.

(iii) US dollar private placement notes

During the year ended 30 June 2005, the Group issued US$350 million of long term senior unsecured notes into the North American private placement market. The proceeds of the placement were received on 11 May 2005 and comprised five tranches:

	Maturity	US$M
Fixed 7 years	11/5/2012	95
Fixed 10 years	11/5/2015	105
Fixed 12 years	11/5/2017	100
Fixed 15 years	11/5/2020	25
Floating 7 years	11/5/2012	25
		350

Interest on the fixed rate notes is payable semi-annually at an average of 5.6%. Floating rate interest is based on LIBOR plus a margin and is payable quarterly at an average of 1.2% (2010: 1.2%).

These notes were fully drawn as at 30 June 2011 and have been restated to Australian dollars, using the spot exchange rate at the reporting date.

(iv) Hedging: US dollar denominated debt

Where considered appropriate the foreign currency component of US dollar denominated debt is designated either as a cash flow hedge of future US dollar denominated commodity sales or a net investment in foreign operations. Refer Note 27(d) for further details.

(v) Financial arrangements

	Consolidated	
	2011 $M	2010 $M
The Group has access to the following financing arrangements:		
Unsecured		
Bank overdrafts (payable at call)	**–**	2
USD bilateral facilities (US: $1,100M)	**1,024**	1,294
USD private placement notes (US: $350M)	**326**	412
	1,350	1,708
Facilities utilised at reporting date:		
Unsecured		
Bank overdrafts (payable at call)	**–**	–
USD bilateral facilities	**466**	–
USD private placement notes	**326**	412
	792	412
Facilities not utilised at reporting date:		
Unsecured		
Bank overdrafts (payable at call)	**–**	2
USD bilateral facilities	**558**	1,294
	558	1,296

19. PROVISIONS

		Consolidated 2011 $M	Consolidated 2010 $M
Current			
Employee benefits	(i)	**109**	70
Mine rehabilitation and restoration	(ii)	**5**	5
Other	(iii)	**56**	3
Total current provisions		**170**	78
Non-Current			
Employee benefits	(i)	**24**	11
Mine rehabilitation and restoration	(ii)	**206**	77
Other	(iii)	**2**	–
Total non-current provisions		**232**	88

(i) **Employee benefits**
Represents annual leave, long service leave, salary at risk and other retention incentive payments (refer Note 2 (t)).

(ii) **Mine rehabilitation and restoration**
The Group recognises that it has an obligation to restore its mine sites to their original condition at the end of the life of mine. Mine rehabilitation costs are provided for at the present value of future expected expenditure when the liability is incurred. Although the ultimate cost to be incurred is uncertain, the Group has estimated its costs based on feasibility and engineering studies using current restoration standards and techniques. When this liability is recognised a corresponding asset is also recognised as part of the development costs of the mine and is amortised across the same useful life.

(iii) **Other provisions**
Comprises of onerous contracts, community obligations and other miscellaneous items.

Movements in provisions
Movements in provisions (excluding employee entitlements) during the year were as follows:

	Mine Rehabilitation & Restoration $M	Other Provisions $M
At 1 July 2010	82	3
Acquisition of Lihir Gold Limited	66	72
Increase/(decrease) in provision	63	4
Paid/utilised during the year	–	(10)
Unwinding of discount	11	–
FX translation	(11)	(11)
At 30 June 2011	**211**	**58**
Split between:		
Current	5	56
Non-current	206	2
	211	**58**

20. FINANCIAL DERIVATIVE LIABILITIES

	Consolidated 2011 $M	Consolidated 2010 $M
Current		
Quotational period derivatives[1]	**6**	17
Other financial derivatives	**1**	–
Total current financial derivative liabilities	**7**	17

[1] Represents the embedded derivatives relating to quotational period movements on commodity sales. Refer Note 2(v).

21. OTHER LIABILITIES

	Consolidated 2011 $M	Consolidated 2010 $M
Current		
Deferred income	**–**	1
Total current other liabilities	**–**	1

22. ISSUED CAPITAL

		Consolidated 2011 $M	Consolidated 2010 $M
Opening balance		**3,640**	3,642
Shares issued:			
– Share plans	(a)	**–**	–
– Dividend reinvestment plan	(b)	**42**	15
– Acquisition of Lihir Gold Limited	(c)	**9,947**	–
– Share issue costs	(c)	**(2)**	–
– Tax effect of issue costs		**–**	(1)
– Share buy-back	(e)	**(28)**	(16)
– Shares repurchased and held in treasury	(f)	**(30)**	–
Total issued capital		**13,569**	3,640

Share capital issued		2011 No.	2010 No.
Comprising:			
– Shares held by the public		**764,412,847**	483,498,777
– Treasury shares		**587,153**	–
Total issued capital		**765,000,000**	483,498,777
Movement in issued ordinary shares for the year			
Opening number of shares		**483,498,777**	483,344,644
Shares issued under:			
– Share plans	(a)	**343,086**	91,598
– Dividend reinvestment plan	(b)	**1,085,162**	451,537
– Acquisition of Lihir Gold Limited	(c)	**280,987,564**	–
– Employee share acquisition plan	(d)	**39,257**	43,680
– Share buy-back	(e)	**(754,621)**	(432,682)
– Shares reclassified as treasury shares	(f)	**(786,378)**	–
Closing number of shares		**764,412,847**	483,498,777
Movement in treasury shares for the year			
Opening number of shares		**–**	–
– Purchases		**786,378**	–
– Issued pursuant to share plans		**(199,225)**	–
Closing number of shares		**587,153**	–

(a) Represents options/rights exercised under the Company's share-based payments plans. Refer Note 26.

(b) The Dividend Reinvestment Plan provides shareholders with an opportunity to reinvest all or part of their dividend entitlements at the market price at the time of issue.

(c) Represents issue of shares on 13 September 2010 pursuant to the Scheme of Arrangement between Lihir Gold Limited and its ordinary shareholders which became effective on 30 August 2010. Refer Note 34 for further details. Transaction costs associated with the issue amounted to $2 million.

(d) The Employee Share Acquisition Plan is a broad based employee share plan. During the year, the Plan offered eligible employees fully paid shares for $nil consideration.

(e) Comprises of the following on-market buy-backs:

	Shares Bought Back and Cancelled			
Date	No.	Average Price	Low	High
7 Jan 2011	174,000	38.70	38.35	39.16
2 Mar 2011	173,287	38.25	37.94	38.45
21 Jun 2011	407,334	36.82	36.52	37.00
	754,621			

The total cost of $28 million has been deducted from Issued Capital.

In order to prevent dilution of its share capital through the issue of shares under the Company's share-based payments plans and the Dividend Reinvestment Plan (DRP), the Company has determined that it will buy the corresponding number of shares on market as and when required. It is anticipated that on market buy-backs will be undertaken periodically in response to exercise of rights, or operation of the DRP. The share buy-back plan will only be used to purchase shares that are issued under the above mentioned plans.

(f) During the year, $30 million of shares (2010: $nil) were purchased by the Newcrest Employee Share Trust on behalf of Newcrest Mining Limited to satisfy future share options and awards as they vest.

23. RETAINED EARNINGS

	Consolidated 2011 $M	2010 $M
Opening balance	**1,492**	1,032
Profit after tax	**908**	557
Dividends paid	**(229)**	(97)
Closing balance	**2,171**	1,492

24. RESERVES

		Consolidated 2011 $M	2010 $M
Equity Settlements Reserve	(a)	**45**	36
Foreign Currency Translation Reserve	(b)	**(2,026)**	(124)
Hedge Reserve	(c)	**17**	(90)
Total reserves		**(1,964)**	(178)

(a) Equity Settlements Reserve
The Equity Settlements Reserve is used to recognise the fair value of rights and options issued to employees, including Key Management Personnel in relation to equity-settled share-based payments.

(b) Foreign Currency Translation Reserve
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. The reserve is also used to record gains and losses on hedges of the net investment in foreign operations (refer Note 2(v)).

The Group's foreign operations have a USD functional currency. The increase in the reserve during the year was mainly due to the appreciation of the AUD against the USD, which represented a movement of 26%. The Group's foreign operations were translated at a rate of 1.0739 at 30 June 2011 compared to 0.8500 at 30 June 2010 (and a rate of 0.8874 for the operations acquired from the acquisition of Lihir Gold Limited on 30 August 2010).

During the prior year, the Group drew down on its USD bilateral debt facility. The loan proceeds were used to fund the acquisition of the Morobe Mining Joint Venture. This loan was designated as a hedge against the net assets of the foreign subsidiaries which hold the joint venture assets. The exchange gains or losses upon subsequent revaluation of the effective portion of this US dollar denominated debt from the historical draw down rate to the period end spot exchange rate were deferred in equity in the foreign currency translation reserve, up until the bilateral debt facility was repaid. These cumulative gains or losses will remain deferred in equity until the disposal of the foreign operation, at which point they will be transferred to the Income Statement.

(c) Hedge Reserve
The Hedge Reserve is used to record the effective portion of changes in the fair value of cash flow hedges (refer Note 2(v)).

The components of the Hedge Reserve at year end were as follows:

	30 June 2011			30 June 2010		
Components	Gross Gains/ (Losses) $M	Tax impact $M	Net Gains/ (Losses) $M	Gross Gains/ (Losses) $M	Tax impact $M	Net Gains/ (Losses) $M
FX gains on US dollar denominated borrowings(1)	**30**	**(9)**	**21**	30	(9)	21
Losses on hedge contracts(2)	**(7)**	**2**	**(5)**	(160)	48	(112)
Other cash flow hedges	**2**	**(1)**	**1**	1	–	1
	25	**(8)**	**17**	(129)	39	(90)

(1) FX Gains on USD private placement notes
The foreign currency component of this US dollar denominated debt was designated as a cash flow hedge of future US dollar denominated commodity sales. During the 2010 year, this hedge was de-designated. As a result of this de-designation, foreign exchange differences on the retranslation of this debt, from the date of de-designation are recorded in the Income Statement.

At the date of de-designation, the balance of this cash flow hedge deferred in equity was $21 million (net of tax). This balance will continue to remain deferred in equity and will be released to the Income Statement, in the same period as the anticipated hedged US dollar denominated commodity sales.

(2) Losses on hedge contracts
Losses on hedge contracts incurred in previous years (which were restructured/closed out in previous years) are being released to the Income Statement in line with the original sales to which they were designated. This has resulted in the following release profile:

	Current Year 2011 $M	To be released in future years 2012 $M
Hedge losses deferred in equity	**153**	7
Tax effect	**(46)**	(2)
After tax hedge losses	**107**	5

25. AUDITORS REMUNERATION

	Consolidated 2011 $'000	Consolidated 2010 $'000
(a) Amounts received or due and receivable by Ernst & Young (Australia) for:		
Audit or review of financial reports of the Company and subsidiaries	**1,805**	708
Other services:		
– Assurance services in respect of acquisitions	**58**	714
– Assurance services in respect of divestments	**185**	–
– Accounting advice and other assurance-related services	**6**	10
– Advice and assurance services in relation to information technology systems development	**–**	224
	2,054	1,656
(b) Amounts received or due and receivable by related practices of Ernst & Young (Australia) for:		
Audit or review of financial reports of subsidiaries	**91**	91
(c) Amounts received or due and receivable by other auditors for:		
Audit or review of the financial report of subsidiaries	**415**	99
Other non-audit services	**148**	64
	563	163

26. SHARE-BASED PAYMENTS

(a) Executive Performance Share Plan (LTI Plan)

The Executive Performance Share Plan (also referred to as the Long Term Incentive (LTI) plan) entitles participants to receive rights to ordinary fully paid shares in the Company (Performance Rights). The Executive Directors, Executive General Managers and Senior Executives participate in this plan.

The performance measures for the Performance Rights granted in the 2010 and 2011 financial years comprised of three equally weighted measures, being:

– Reserves Growth;

– Comparative Cost Position; and

– Return on Capital Employed (ROCE).

Each LTI measure was chosen by the Board as it is a key driver of group performance:

– Reserves Growth and Comparative Cost Position being key drivers of shareholder return in a gold mining company, and;

– ROCE being a direct measure of returns per unit of capital.

Performance against each of these measures over the three year vesting period accounts for one-third of any grant made to participants. There is no ability to re-test performance under the Plan after the performance period.

The assessed fair value at grant date of the share rights granted under the plan during the 2011 year was $41.66 (2010: $34.63) per right.

The fair value is independently determined using a Black-Scholes option pricing model. The model inputs for share rights granted included:

– Exercise price:	Nil	(2010: Nil)
– Expected volatility:	30%	(2010: 40%)
– Risk-free interest rate:	5.09%	(2010: 5.04%)
– Expected life of right (years):	3 years	(2010: 3 years)
– Share price at grant date:	$42.29	(2010: $35.15)
– Expected dividend yield:	0.5%	(2009: 0.5%)

The expected volatility is based on historic volatility and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

In the 2008 and prior financial years, the entitlement to receive Performance Rights was contingent on the Group achieving a performance hurdle over a three year forward period commencing on the date on which the Performance Rights were granted. Group performance is measured against the Total Shareholder Returns (TSR) of the same comparator group of companies. If TSR performance of the Group is below the threshold 50th percentile of TSR for the comparator group, then no award will be made. If the Group's TSR performance is at the 75th percentile of the comparator group, a 100% allocation will be made with a straight line allocation occurring between the 50th and 75th percentile.

(b) Newcrest Employee Share Acquisition Plan (ESAP)

Under the Newcrest Employee Share Acquisition Plan (ESAP or the plan), eligible employees are granted shares in Newcrest Mining Limited (the Company) for no cash consideration. All Australian resident permanent employees who have been continuously employed by the Group for a period of at least one year are eligible to participate in the plan. Employees may elect not to participate in the plan.

Under the plan, eligible employees may be granted up to $1,000 worth of fully paid ordinary shares in the Company for no consideration. The market value of shares issued under the plan is measured at the weighted average market price of the shares on the ASX over a period of a week prior to the grant date. The fair value of shares issued under the plan during the year was $1.5 million (2010: $1.4 million).

Members of the plan receive all the rights of ordinary shareholders. Unrestricted possession of these shares occurs at the earliest of, three years from the date of issue or the date employment ceases. During 2011, 1,501 employees participated in the plan (2010: 1,456 employees).

(c) Restricted Share Plan (MTI Plan)

The Restricted Share Plan (also referred to as the Medium Term Incentive (MTI) Plan) was an annual incentive plan under which eligible employees were granted rights to receive ordinary fully paid shares in the Company (Restricted Rights).

The MTI Plan was last awarded to:

- Managers and other selected high performance personnel in 2009.
- Executive Directors, Executive General Managers (being Key Management Personnel) and Senior Executives in 2008.

The amount of the award was determined by the Group's performance in the financial year immediately prior to the date the award was granted. Once awarded, the Restricted Rights vested at the end of two or three years (depending on the level of the employee), provided that the participating employee had been employed throughout the vesting period and achieved minimal acceptable personal performance. Each Restricted Right granted, initially entitled the holder to subscribe for one ordinary share. Group performance in relation to the award was measured according to the Group's TSR measured against a comparator group of companies over the previous financial year, taken from the FTSE Gold Mine Index.

Outstanding Restricted Rights at the end of 2011 have an expiry date of 11 November 2012.

(d) Movements in the Number of Rights

Detailed information of share rights over unissued ordinary shares is set out below:

			Movement in Number of Rights During the Year					
Grant date	**Exercise date on or after**	**Expiry date**	Number at beginning of year	Granted	Exercised	Forfeited	Number at end of year	**Number Exerciseable at end of year**
2011								
8 Nov 05	8 Nov 08	8 Nov 10	11,166	–	(11,166)	–	–	–
14 Jul 06	14 Jul 09	14 Jul 11	165,000	–	(165,000)	–	–	–
3 Nov 06	3 Nov 09	3 Nov 11	140,804	–	(35,561)	(1,814)	103,429	103,429
9 Nov 07	9 Nov 10	9 Nov 12	220,971	–	(79,497)	(16,572)	124,902	124,902
11 Nov 08	11 Nov 10	11 Nov 12	146,272	–	(51,862)	(13,071)	81,339	81,339
11 Nov 08	11 Nov 11	11 Nov 13	361,206	–	–	(9,077)	352,129	–
10 Nov 09	10 Nov 12	10 Nov 14	264,079	–	–	(10,270)	253,809	–
10 Nov 10	10 Nov 13	10 Nov 15	–	261,355	–	–	261,355	–
Total			**1,309,498**	**261,355**	**(343,086)**	**(50,804)**	**1,176,963**	**309,670**
2010								
8 Nov 05	8 Nov 08	8 Nov 10	22,883	–	(10,880)	(837)	11,166	11,166
14 Jul 06	14 Jul 09	14 Jul 11	165,000	–	–	–	165,000	165,000
3 Nov 06	3 Nov 09	3 Nov 11	217,172	–	(75,729)	(639)	140,804	140,804
9 Nov 07	9 Nov 10	9 Nov 12	228,389	–	(2,061)	(5,357)	220,971	–
11 Nov 08	11 Nov 10	11 Nov 12	153,936	–	(2,928)	(4,736)	146,272	–
11 Nov 08	11 Nov 11	11 Nov 13	380,355	–	–	(19,149)	361,206	–
10 Nov 09	10 Nov 12	10 Nov 14	–	264,079	–	–	264,079	–
Total			**1,167,735**	**264,079**	**(91,598)**	**(30,718)**	**1,309,498**	**316,970**

All share rights have a nil exercise price.

27. FINANCIAL AND CAPITAL RISK MANAGEMENT

(a) Financial Risk Management Objectives and Policies

The Group's management of financial risk is aimed at ensuring net cash flows are sufficient to:

- Withstand significant changes in cash flow at risk scenarios and still meet all financial commitments as and when they fall due;
- Maintain the capacity to fund its forecasted project developments and exploration and acquisition strategies; and
- Maintain the equivalent of an investment grade credit rating around BBB+.

The Group continually monitors and tests its forecast financial position against these criteria. The Group has a detailed planning process that forms the basis of all cash flow forecasting and updates these plans through a monthly estimation process. The cash flow forecast is then used to stress test financial risk and forms the basis for the Capital Management Plan.

Credit, liquidity and market risk (including foreign exchange risk, commodity price risk and interest rate risk) arise in the normal course of the Group's business. These are managed under Board approved directives which underpin Group Treasury policies and processes. The Group's principal financial instruments, other than derivatives and available-for-sale assets, comprise interest-bearing debt, finance leases, cash and short term deposits. Other financial instruments include trade receivables and trade payables which arise directly from operations.

The Group's forecast financial risk position with respect to key financial objectives and compliance with treasury policy are regularly reported to the Board.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2011

27. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

The following table discloses the carrying amounts of each class of financial assets and financial liabilities at year end.

Category	Consolidated 2011 $M	Consolidated 2010 $M
Financial assets		
Cash and cash equivalents	**185**	643
Loans and receivables	**443**	289
Derivatives at fair value through profit or loss	**12**	42
Derivatives in designated hedge accounting relationship	**3**	1
Available-for-sale financial assets	**9**	–
Financial liabilities		
Trade and other payables	**432**	209
Borrowings	**800**	427
Derivatives at fair value through profit or loss	**6**	17
Derivatives in designated hedge accounting relationship	**1**	–

(b) Credit Risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and derivative financial instruments. The Group's exposure to credit risk arises from the potential default of the counter party with a maximum exposure equal to the carrying amount of these financial assets as recorded in the financial statements.

It is the Group's policy that all customers who wish to trade on credit terms and providers of capital or financial counter parties are subject to a credit risk analysis including assessment of credit rating, short term liquidity and financial position. The Group obtains sufficient collateral (such as letters of credit) where appropriate from customers, as a means of mitigating the risk of financial loss from defaults. At the reporting date the value of collateral held was nil (2010: $8 million).

Receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There were no material impairments of receivables as at 30 June 2011 or 30 June 2010.

The majority of the Group's receivables are due from concentrate customers in Japan, China, Europe and Korea. There have been no credit defaults with these customers in recent history. Newcrest's treasury department evaluates credit risk on a continual basis. At the reporting date there were no other significant concentrations of credit risk.

The Group limits its counterparty credit risk on liquid funds and derivative financial instruments by dealing only with banks or financial institutions with credit ratings of at least A equivalent.

The ageing of trade and other receivables at the reporting date was as follows:

Trade and other receivables	Not past due $M	Past due but not impaired: Less than 30 days $M	Past due but not impaired: Greater than 30 days $M	Total $M
2011				
Metal in concentrate receivables	277	–	–	277
Bullion awaiting settlement	56	–	–	56
GST receivable	60	–	–	60
Other receivables	42	3	5	50
	435	**3**	**5**	**443**
2010				
Metal in concentrate receivables	199	–	–	199
Bullion awaiting settlement	24	–	–	24
GST receivable	43	–	–	43
Other receivables	22	1	–	23
	288	**1**	**–**	**289**

(c) Liquidity Risk

The liquidity position of the Group is managed to ensure sufficient liquid funds are available to meet the Group's financial commitments in a timely and cost-effective manner. The Group undertakes stress testing of operational cash flows which are matched with capital commitments to assess liquidity requirements. The Capital Management Plan is the formal record of the analysis and actions required in detail for the next 12 months and longer term to five years.

The Group maintains a balance between continuity of funding and flexibility through the use of loans and committed available credit lines. Included in Note 18 is a list of undrawn facilities that the Group has at its disposal to manage liquidity risk.

The following table reflects all contractually fixed repayments and interest resulting from recognised financial liabilities, including derivative financial instruments. For derivative financial instruments the market value is presented, whereas for the other obligations the respective undiscounted cash flows for the respective upcoming financial years are presented.

Consolidated	Less than 6 months $M	Between 6–12 months $M	Between 1–2 years $M	Between 2–5 years $M	Greater than 5 years $M	Total $M
2011						
Payables	432	–	–	–	–	432
Borrowings	13	123	480	130	127	873
Derivatives	7	–	–	–	–	7
	452	**123**	**480**	**130**	**127**	**1,312**
2010						
Payables	208	1	–	–	–	209
Borrowings	14	14	169	173	169	539
Derivatives	17	–	–	–	–	17
	239	**15**	**169**	**173**	**169**	**765**

(d) Foreign Currency Risk

The Group undertakes transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. The majority of the Group's revenue is denominated in US dollars whereas the majority of costs (including capital expenditure) are in Australian dollars. The Group's Statement of Financial Position can be affected significantly by movements in the USD:AUD exchange rate. The Group also has exposure to other foreign currencies such as the Indonesian rupiah, Papua New Guinea kina and Fiji dollar, however these exposures are less significant.

Newcrest hedges certain non-functional-currency capital commitment exposures to provide some budget certainty in the functional currency.

Measuring the exposure to foreign exchange risk is achieved by regularly monitoring and performing sensitivity analysis on the Group's financial position.

The carrying amounts of the Group's US dollar denominated financial assets and liabilities in entities which do not have a US dollar functional currency at the reporting date are as follows:

US dollar denominated balances	2011 A$M	2010 A$M
Financial assets		
Cash and cash equivalents	**16**	81
Trade and other receivables	**277**	199
Derivatives	**12**	38
	305	318
Financial liabilities		
Payables	**4**	5
Borrowings	**792**	412
Derivatives	**6**	17
	802	434
Net exposure	**(497)**	(116)

The Group seeks to mitigate the effect of its foreign currency exposure by borrowing in US dollars. Where considered appropriate the foreign currency component of the US dollar denominated debt is designated either as a:

- Cash flow hedge of future US dollar denominated commodity sales. Exchange gains or losses upon subsequent revaluation of US dollar denominated borrowings from the historical draw down rate to the period end spot exchange rate are deferred in equity in the Hedge Reserve and will be released to the Income Statement as the anticipated hedged US dollar denominated commodity sales to which the deferred gains/(losses) are designated, occur.
- Net investment in foreign operations. Exchange gains or losses upon subsequent revaluation of US dollar denominated borrowings from the historical draw down rate to the period end spot exchange rate are deferred in equity in the Foreign Currency Translation Reserve and will be released to the Income Statement if the foreign operation is sold.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2011

27. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

Forward foreign exchange contracts

The following table details the forward foreign currency contracts outstanding as at reporting date:

	Average Exchange Rate		Contract Value A$M		Fair Value A$M	
Outstanding Contracts	**2011**	2010	**2011**	2010	**2011**	2010
Buy USD/Sell AUD	**–**	0.89	**–**	2	**–**	–
Buy JPY/Sell AUD	**–**	78.26	**–**	1	**–**	–
Buy EUR/Sell AUD	**0.71**	0.69	**44**	15	**(1)**	–
Buy EUR/Sell USD	**–**	1.22	**–**	3	**–**	–
			44	21	**(1)**	–

The above contracts are for periods up to 12 months (2010: 13 months).

Sensitivity analysis

The following table details the Group's sensitivity to a 15% movement (2010: 5%) (i.e. increase and decrease) in the Australian dollar against the US dollar at the reporting date, with all other variables held constant. The 15% sensitivity is based on reasonably possible changes, over a financial year, using the observed range of actual historical rates for the preceding five-year period, which has increased in volatility during the year.

	Impact on Profit After Tax Higher/(Lower)		Impact on Equity Higher/(Lower)	
	2011 $M	2010 $M	**2011 $M**	2010 $M
AUD/USD +15% (2010:+5%)	**(27)**	(10)	**45**	4
AUD/USD –15% (2010:–5%)	**36**	11	**(62)**	(4)

Significant assumptions used in the foreign currency exposure sensitivity analysis above include:

- Reasonably possible movements in foreign exchange rates;
- The reasonably possible movement of 15% (2010: 5%) was calculated by taking the USD spot rate as at the reporting date, moving this spot rate by 15% (2010: 5%) and then reconverting the USD into AUD with the 'new spot rate'. This methodology reflects the translation methodology undertaken by the Group;
- The translation of the net assets in subsidiaries with a functional currency other than AUD has not been included in the sensitivity analysis as part of the equity movement;
- The net exposure at the reporting date is representative of what the Group was and is expecting to be exposed to in the next 12 months from the reporting date;
- The sensitivity analysis includes only the impact on the balance of financial assets and financial liabilities at the reporting date.

(e) Commodity Price Risk

The Group's revenue is exposed to commodity price fluctuations, in particular to gold and copper prices. The Group has entered into copper forward sales contracts, gold put options and diesel forward contracts to manage its exposure to movements in commodity prices. The carrying amount of the Group's derivative financial instruments as at the reporting date are disclosed in Notes 11 and 20.

Copper forward sales contracts

The Group enters into copper forward sales contracts to effectively fix the US dollar cash flows receivable on the sale of certain copper concentrate. Copper forward sales contracts are not designated into hedge relationships and therefore fair value adjustments on these contracts are recognised in the Income Statement as 'Other Income/Expense'.

The following table details the copper forward sale contracts outstanding as at the reporting date:

	2011			2010		
Copper forward sale contracts	**Tonnes**	**Weighted Average Price US$**	**Fair Value A$M**	Tonnes	Weighted Average Price US$	Fair Value A$M
Maturing:						
Less than 6 months	**19,020**	**9,497**	**6**	19,204	7,250	17

Gold put options

In September 2007, the Group entered into put options for a portion of its gold production in order to manage its exposure to commodity price risk. The put options allow the Group to maintain full exposure to any upwards movement in the gold price, providing it the right, but not the obligation, to deliver gold at the stated strike price.

The following table details the Australian dollar gold put options outstanding as at the reporting date:

	2011			2010		
Gold put options	**Ounces**	**Strike Price A$**	**Fair Value A$M**	Ounces	Strike Price A$	Fair Value A$M
Maturing:						
Less than 1 year	**500,000**	**800**	**–**	500,000	800	–
Between 1–2 years	**–**	**–**	**–**	500,000	800	3
	500,000		**–**	1,000,000		3

The total premium paid for these options in September 2007 was $79 million, which represented the fair value at the date entered. The current fair value of these options is estimated using an option pricing model. The movement in fair value has been recognised in the Income Statement. Refer Note 4(k).

Diesel/fuel forward contracts

The Group undertakes short-term diesel/fuel hedging in line with budget to fix certain Australian dollar diesel/fuel costs.

	2011			2010		
Maturing in less than 12 months	Quantity	Weighted Average Price US$	Fair Value A$M	Quantity	Weighted Average Price US$	Fair Value A$M
Diesel forward contracts (barrels)	**1,190,071**	**127**	**1**	177,526	100	1
Heavy fuel forward contracts (tonnes)	**79,724**	**606**	**2**	–	–	–

Sensitivity analysis

The following table summarises the sensitivity of financial assets and financial liabilities held at the reporting date to movement in gold and copper commodity prices, with all other variables held constant. The 15% (2010: 10%) movement for gold and 15% (2010: 10%) movement for copper are based on reasonably possible changes, over a financial year, using an observed range of actual historical rates for the preceding five-year period.

	Impact on profit[1] Higher/(Lower)		Impact on Equity[2] Higher/(Lower)	
Post-tax gain/(loss)	2011 $M	2010 $M	2011 $M	2010 $M
Gold[3]				
Gold +15% (2010: +10%)	**31**	9	**31**	9
Gold –15% (2010: –10%)	**(31)**	(9)	**(31)**	(9)
Copper				
Copper +15% (2010:+10%)	**1**	1	**1**	1
Copper –15% (2010: –10%)	**(1)**	(1)	**(1)**	(1)

[1] Represents the impact of the movement in commodity prices on the balance of the financial assets and financial liabilities at year end.

[2] As the majority of these derivatives are not in hedging relationships, all fair value movements are recognised in the Income Statement and therefore the impact on equity only represents retained earnings impacts.

[3] The impact on profit predominantly relates to the change in value of the gold put options and the embedded derivative relating to quotational period movements on gold sales (refer Note 2(v)).

(f) Interest Rate Risk

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings which is evaluated regularly to align with interest rate views and risk profile. Details of the Group's types and levels of debt are included in Note 18.

Interest rate exposure

The Group's interest rate exposure together with the effective interest rate for each class of financial assets and financial liabilities at the reporting date is summarised as follows:

	2011			2010		
Consolidated	Floating Interest $M	Fixed Interest $M	Effective Interest Rate %	Floating Interest $M	Fixed Interest $M	Effective Interest Rate %
Financial assets						
Cash and cash equivalents	**185**	**–**	**0.5**	643	–	4.1
	185	**–**		643	–	
Financial liabilities						
Lease liabilities – floating	**7**	**–**	**1.9**	14	–	1.9
Lease liabilities – fixed	**–**	**1**	**6.8**	–	1	6.8
Bilateral debt	**466**	**–**	**2.0**	–	–	–
Private placement – floating	**23**	**–**	**1.1**	29	–	1.1
Private placement – fixed	**–**	**303**	**5.6**	–	383	5.6
	496	**304**		43	384	
	(311)	**(304)**		600	(384)	

The other financial instruments of the Group not included in the above table are non-interest bearing and not subject to interest rate risk.

27. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 100 basis point increase or decrease is used and represents management's assessment of the reasonably possible change in interest rates over a financial year.

	Impact on Profit Higher/(Lower)		Impact on Equity Higher/(Lower)	
Post-tax gain/(loss)	**2011 $M**	2010 $M	**2011 $M**	2010 $M
+1% (100 basis points)	**2**	4	**2**	4
–1% (100 basis points)	**(2)**	(4)	**(2)**	(4)

The Group's sensitivity to interest rates has decreased during the current year due to decreased cash balances.

(g) Fair Value

(i) Fair value of financial instruments carried at amortised cost

Except as detailed in the following table, the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair value.

	Carrying Amount		Fair Value	
Financial Assets/(Liabilities)	**2011 $M**	2010 $M	**2011 $M**	2010 $M
Borrowings:				
Fixed rate debt[1]	**(303)**	(383)	**(328)**	(418)

[1] Amount recorded at amortised cost and the movements in the fair valuation are not recorded on the Statement of Financial Position.

(ii) Fair value measurements recognised in the Statement of Financial Position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial Assets/(Liabilities)	**Level 1 $M**	**Level 2 $M**	**Level 3 $M**	**Total $M**
2011				
Financial assets				
Quotational period derivatives	–	6	–	6
Copper forward sales contracts	–	6	–	6
Other financial derivatives	–	3	–	3
Available-for-sale financial assets	9	–	–	9
Financial liabilities				
Quotational period derivatives	–	(6)	–	(6)
Other financial derivatives	–	(1)	–	(1)
2010				
Financial assets				
Gold put options	–	3	–	3
Quotational period derivatives	–	22	–	22
Copper forward sales contracts	–	17	–	17
Other financial derivatives	–	1	–	1
Financial liabilities				
Quotational period derivatives	–	(17)	–	(17)

(h) Capital Management

Newcrest's objectives when managing capital are to maintain a strong capital base capable of withstanding significant cash flow variability, whilst providing the flexibility to pursue its growth aspirations. Newcrest aims to maintain an optimal capital structure to reduce the cost of capital and maximise shareholder returns. Newcrest has a Capital Management Plan which is reviewed, updated and approved by the Board on an annual basis

The capital structure of Newcrest consists of debt, which includes borrowings as disclosed in Note 18, cash, cash equivalents and equity.

Newcrest balances its overall capital structure through the issue of new shares, share buy-backs, capital returns, the payment of dividends as well as the issue of new debt or redemption of existing debt.

The Group is not subject to any externally imposed capital requirements.

Gearing ratio

Newcrest's gearing ratio is monitored and maintained at a level that is appropriate for financial risk and growth plans. Newcrest's strategy is to have maximum gearing of around 15% and maintain the equivalent of an investment grade credit rating around BBB+. In the current financial and economic environment, the Group will continue with a lower level of gearing.

The gearing ratio at year end was as follows:

	2011 $M	2010 $M
Total debt	**800**	427
Less: Cash and cash equivalents	**(185)**	(643)
Net debt	**615**	(216)
Equity	**13,875**	5,010
Total capital (Net debt and equity)	**14,490**	4,794
Gearing ratio	**4%**	(5%)

28. COMMITMENTS

(a) Finance Lease Commitments

	Consolidated	
	2011 $M	2010 $M
Within one year	**4**	6
Later than one year but not later than five years	**4**	10
Later than five years	**–**	–
Total minimum lease payments	**8**	16
Less future finance charges	**–**	(1)
Present value of minimum lease payments	**8**	15
Included in the financial statements as borrowings (Note 18):		
Current	**4**	6
Non-current	**4**	9
	8	15

Finance leases were entered into as a means of financing the acquisition of mining equipment. No lease arrangements create restrictions on other financing transactions.

(b) Capital Expenditure Commitments

	Consolidated	
	2011 $M	2010 $M
Capital expenditure contracted but not provided for, all of which is payable as follows:		
Within one year	**720**	191
Later than one year but not later than two years	**23**	–
Total	**743**	191

This represents contracted mining development expenditure.

(c) Operating Lease Commitments

	Consolidated	
	2011 $M	2010 $M
Future minimum rentals payable on non-cancellable operating leases due:		
Within one year	**5**	4
Later than one year but not later than five years	**12**	12
Later than five years	**10**	3
Total	**27**	19

The Group leases assets for operations including plant and office premises. These leases have an average life ranging from 1 to 10 years. There are no restrictions placed upon the lessee by entering into these leases.

(d) Mineral and Exploration Leases

Expenditure of $16 million (2010: $4 million) is required in the next financial year to satisfy mineral leases and exploration licences conditions. These amounts are subject to negotiation depending on exploration results and are cancellable at any time by the Group at no cost.

(e) Other Commitments

The Group has contractual obligations for various expenditures such as royalties, exploration and the cost of goods and services supplied to the Group. Such expenditures are predominantly related to the earning of revenue in the ordinary course of business.

29. CONTINGENT LIABILITIES

(a) PT Nusa Halmahera Minerals (PTNHM), an 82.5% owned Indonesian subsidiary, has been named as a defendant in proceedings in a local Indonesian court regarding customary ownership of land situated within the Gosowong Contract of Work. The proceedings were initiated by five local residents seeking compensation and have been defended by PTNHM. The proceedings were dismissed by the local court, as the court found that the plaintiffs had been unable to prove the existence of communal land. It should be noted that the plaintiffs cannot file a new proceeding with the same merits. The plaintiffs appealed to the High Court of Indonesia, which also dismissed their claims. The plaintiffs have now appealed to the Supreme Court (the final court of appeal), which can only consider questions of law, not fact. Newcrest believes that it will be successful in defending this claim. A decision by the Supreme Court could take several years to be handed down.

(b) Legal proceedings have commenced against the Hidden Valley Mine Joint Venture (in which Newcrest holds a 50% interest) in PNG over alleged damage to the Watut River (which runs adjacent to the Hidden Valley gold mine) alleged to have been caused by waste rock and overburden from the mine. The Joint Venture is defending the claims. The damages sought by the plaintiffs are not specified. At this stage, it is not practicable to make any reasonable assessment of the prospects of the plaintiffs succeeding in their claim, nor the potential liability of the Joint Venturer parties were the plaintiffs to succeed. Accordingly, no provision has been recognised in the financial statements for this matter.

(c) In addition to the above matters, companies in the Group are recipients of or defendants in certain claims, suits and complaints made, filed or pending. In the opinion of the Directors, all matters are of such a kind, or involve such amounts, that they will not have a material effect on the financial position of the Group if disposed of unfavourably, or are at a stage which does not permit a reasonable evaluation of the likely outcome of the matter.

(d) The Group has negotiated a number of bank guarantees in favour of various government authorities and service providers. The total nominal amount of these guarantees at the reporting date is $159 million (2010: $126 million).

30. CONTROLLED ENTITIES

Entity	Notes	Country of Incorporation	Percentage Holding 2011 %	Percentage Holding 2010 %
Parent entity				
Newcrest Mining Limited		Australia		
Subsidiaries				
Newcrest Operations Ltd	(a)	Australia	**100**	100
Australmin Holdings Ltd		Australia	**100**	100
Cadia Holdings Pty Ltd	(a)	Australia	**100**	100
Contango Agricultural Co. Pty Ltd		Australia	**100**	100
Horskar Pty Limited		Australia	**100**	100
Newcrest Exploration Holdings Pty Ltd	(a)	Australia	**100**	100
Newcrest Finance Pty Ltd	(a)	Australia	**100**	100
Newcrest International Pty Ltd	(a)	Australia	**100**	100
Newcrest Services Pty Ltd		Australia	**100**	100
Newcrest Technology Pty Ltd		Australia	**100**	100
Newgen Pty Ltd		Australia	**100**	100
Sulawesi Investments Pty Ltd	(a)	Australia	**100**	100
Lihir Australian Holdings Pty Ltd		Australia	**100**	–
LGL Services Australia Pty Ltd		Australia	**100**	–
Niugini Mining Australia Pty Ltd		Australia	**100**	–
LGL Ballarat Operations Pty Ltd		Australia	**100**	–
New Resource Pty Ltd		Australia	**100**	–
Berringa Resources Pty Ltd		Australia	**100**	–
Ballarat West Goldfields Pty Ltd		Australia	**100**	–
LGL Mount Rawdon Operations Pty Ltd		Australia	**100**	–
LGL Mount Rawdon Property Holdings Pty Ltd		Australia	**100**	–
LGL CDI Investments Pty Ltd		Australia	**100**	–
LGL CDI Exploration Pty Ltd		Australia	**100**	–
600 Holdings Inc		USA	**100**	100
Newcrest Resources Inc		USA	**100**	100
Newmont Pty Ltd		USA	**100**	100
Newroyal Resources Inc		USA	**100**	100
Newcrest Mining BC Ltd		Canada	**100**	100
Newcrest Singapore Holdings Pte Ltd	(c)	Singapore	**100**	100
Newcrest Insurance Pte Ltd	(b)	Singapore	**100**	100
Newcrest Singapore (Tandai) Pte Ltd	(c)	Singapore	**100**	–
Newcrest Fiji Holdings 1 Pte Ltd	(c)	Singapore	**100**	–
Newcrest Fiji Holdings 2 Pte Ltd	(c)	Singapore	**100**	–
Newcrest Fiji Exploration Holdings 1 Pte Ltd	(c)	Singapore	**100**	–
Newcrest Fiji Exploration Holdings 2 Pte Ltd	(c)	Singapore	**100**	–

30. CONTROLLED ENTITIES (continued)

Entity	Notes	Country of Incorporation	Percentage Holding 2011 %	Percentage Holding 2010 %
PT Nusa Halmahera Minerals	(b)	Indonesia	**82.5**	82.5
PT Puncakbaru Jayatama	(b)	Indonesia	**100**	100
Newcrest Chile Holdings 1		Bermuda	**100**	100
Newcrest Chile Holdings 2		Bermuda	**100**	100
Newcrest Peru Holdings 1		Bermuda	**100**	100
Newcrest Peru Holdings 2		Bermuda	**100**	100
Minera Newcrest Chile SRL		Chile	**100**	100
Minera Newcrest Peru SAC		Peru	**100**	100
Newcrest (Fiji) Ltd	(b)	Fiji	**100**	100
Newcrest PNG 1 Ltd	(c)	Papua New Guinea	**100**	100
Newcrest PNG 2 Ltd	(c)	Papua New Guinea	**100**	100
Newcrest PNG 3 Ltd	(c)	Papua New Guinea	**100**	100
Newcrest PNG Exploration Ltd		Papua New Guinea	**100**	–
Lihir Gold Limited		Papua New Guinea	**100**	–
Niugini Mining Limited		Papua New Guinea	**100**	–
Lihir Management Company Limited		Papua New Guinea	**100**	–
LGL PNG Holdings Limited		Papua New Guinea	**100**	–
LGL Mines CI SA		Côte d'Ivoire	**90**	–
LGL Resources CI SA		Côte d'Ivoire	**98**	–
LGL Exploration CI SA		Côte d'Ivoire	**100**	–
LGL Development CI SA		Côte d'Ivoire	**100**	–
LGL Holdings CI SA		Côte d'Ivoire	**100**	–

Notes:

(a) These controlled entities have been granted relief from the necessity to prepare financial reports in accordance with Class Order 98/1418 issued by the Australian Securities and Investments Commission (refer Note 32 for further information).

(b) Audited by affiliates of the Parent entity auditors.

(c) Audited by auditors other than Parent entity auditors.

31. PARENT ENTITY INFORMATION

The summarised Income Statement and Statement of Financial Position in respect to the parent entity (Company) is set out below.

(a) Income Statement

	Company 2011 $M	Company 2010 $M
Profit after income tax	**29**	130
Total comprehensive income for the year	**29**	130

(b) Statement of Financial Position

	Company 2011 $M	Company 2010 $M
Current assets	**273**	728
Non-current assets	**13,612**	3,376
Total assets	**13,885**	4,104
Current liabilities	**117**	77
Non-current liabilities	**145**	142
Total liabilities	**262**	219
Net assets	**13,623**	3,885
Issued capital	**13,569**	3,640
Equity settlements reserve	**45**	36
Retained earnings:		
Opening balance	**209**	176
Profit after tax	**29**	130
Dividends paid	**(229)**	(97)
Closing balance	**9**	209
Total equity	**13,623**	3,885

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31. PARENT ENTITY INFORMATION (continued)

(c) Commitments

	Company	
	2011 $M	2010 $M
Capital expenditure commitments		
Capital expenditure contracted but not provided for, all of which is payable as follows:		
Within one year	**12**	35
Total	**12**	35
Operating lease commitments		
Future minimum rentals payable on non-cancellable operating leases due:		
Within one year	**2**	1
Later than one year but not later than five years	**4**	6
Later than five years	**–**	–
Total	**6**	7

(d) Guarantees and Contingent Liabilities

The Company and certain Australian controlled entities have entered into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the controlled entities under certain provisions of the *Corporations Act 2001*. Further details are included in Note 32. At the reporting date, no amounts have been recognised in the financial information of the Company in respect of this Deed on the basis that the possibility of default is remote.

32. DEED OF CROSS GUARANTEE

Pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998, the wholly-owned controlled entities detailed in Note 30 are relieved from the *Corporations Act 2001* requirements for preparation, audit, and lodgement of financial reports, and Directors' Report.

It is a condition of the Class Order that the Company and each of the controlled entities enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the controlled entities under certain provisions of the *Corporations Act 2001*. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The controlled entities have also given similar guarantees in the event that the Company is wound up.

A consolidated Income Statement and consolidated Statement of Financial Position, comprising the Company and controlled entities which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee is set out below.

	Consolidated	
Income Statement	**2011 $M**	2010 $M
Operating sales revenue	**2,249**	2,237
Cost of sales	**(1,500)**	(1,378)
Gross profit	**749**	859
Exploration costs	**(28)**	(20)
Corporate administration costs	**(82)**	(78)
Other revenue	**249**	144
Other income/(expenses)	**(6)**	12
Operating profit before finance costs	**882**	917
Finance income	**9**	1
Finance costs	**(45)**	(33)
Profit before tax, restructure and other significant items	**846**	885
Losses on restructured and closed-out hedge contracts	**(153)**	(295)
Other close-out related costs	**(3)**	(12)
Foreign exchange gain on US dollar borrowings	**–**	12
Business acquisition and integration costs	**(48)**	(12)
Profit before income tax	**642**	578
Income tax expense	**(85)**	(93)
Profit after income tax	**557**	485

Statement of Financial Position	Consolidated 2011 $M	2010 $M
Current assets		
Cash and cash equivalents	**26**	547
Trade and other receivables	**623**	636
Inventories	**364**	188
Financial derivative assets	**12**	39
Other	**146**	149
Total current assets	**1,171**	1,559
Non-current assets		
Other receivables	**2**	9
Inventories	**–**	153
Investment in subsidiaries	**11,058**	469
Property, plant and equipment	**1,606**	1,361
Exploration, evaluation and development expenditure	**2,540**	1,901
Intangible assets	**57**	76
Deferred tax assets	**205**	250
Financial derivative assets	**2**	3
Other	**37**	84
Total non-current assets	**15,507**	4,306
Total assets	**16,678**	5,865
Current liabilities		
Trade and other payables	**226**	148
Borrowings	**112**	1
Provisions	**72**	62
Financial derivative liabilities	**8**	17
Other	**7**	1
Total current liabilities	**425**	229
Non-current liabilities		
Borrowings	**680**	412
Deferred tax liabilities	**380**	415
Provisions	**82**	69
Total non-current liabilities	**1,142**	896
Total liabilities	**1,567**	1,125
Net assets	**15,111**	4,740
Equity		
Issued capital	**13,569**	3,640
Retained earnings	**1,601**	1,273
Reserves	**(59)**	(173)
Total equity	**15,111**	4,740

33. INTERESTS IN UNINCORPORATED JOINT VENTURE ASSETS

(a) Interests

The Group has an interest the following unincorporated joint ventures:

Name	Country	Principal Activity	Ownership Interest 2011 %	2010 %
Cracow JV	Australia	Gold production and mineral exploration	**70.0**	70.0
Hidden Valley JV	Papua New Guinea	Gold production and mineral exploration	**50.0**	50.0
Wafi-Golpu JV	Papua New Guinea	Mineral exploration	**50.0**	50.0
Morobe Exploration JV	Papua New Guinea	Mineral exploration	**50.0**	50.0
Namosi JV	Fiji	Mineral exploration	**69.94**	69.94

33. INTERESTS IN UNINCORPORATED JOINT VENTURE ASSETS (continued)

(b) Assets Employed in Joint Ventures

Included in the assets of the Group are the following items which represent the Group's material interest in the assets employed in the joint ventures, recorded in accordance with the accounting policy described in Note 2(c).

Joint Ventures	Consolidated 2011 $M	Consolidated 2010 $M
Current assets		
Cash assets	**10**	10
Receivables	**11**	2
Inventories	**43**	43
Other assets	**24**	13
	88	68
Non-current assets		
Property, plant and equipment	**376**	371
Exploration, evaluation and development	**174**	153
Other assets	**–**	4
	550	528
	638	596

For operating and capital expenditure commitments and contingent liability disclosures relating to the joint ventures refer to Note 28 and Note 29 respectively.

34. BUSINESS ACQUISITIONS

Newcrest and Lihir Gold Limited (LGL) entered into a Merger Implementation Agreement on 4 May 2010 to combine the two companies under a Scheme of Arrangement (Scheme). The Scheme was approved by LGL shareholders on 23 August 2010 and was approved by the National Court of Papua New Guinea (the Court) on 27 August 2010. In accordance with the Court Order, the Scheme became effective on 30 August 2010. Newcrest assumed effective management control of LGL on 30 August 2010.

LGL is a gold producer with operations in Papua New Guinea, West Africa and Australia. LGL has 19 subsidiaries, which are all wholly-owned except for:

- LGL Mines CI SA (90% owned). This company is the holder and operator of the Bonikro operations.
- LGL Resources CI SA (98% owned). This company is the holder of exploration permits in Côte d'Ivoire.

The non-controlling interest in LGL Mines CI SA and LGL Resources CI SA is owned by the government of Côte d'Ivoire (CDI).

Details of the acquisition are as follows:

(a) Consideration

	$M
Equity instruments: 280,987,564 Newcrest shares at $35.40 per share[1]	9,947
Cash consideration	533
Total consideration	**10,480**

[1] The fair value of $35.40 is based on the quoted price of Newcrest shares at the acquisition date (30 August 2010).

(b) Net Cash Flow Attributable to the Acquisition

	$M
Cash consideration paid	533
Less: Cash and cash equivalent balance acquired	(261)
Net cash outflow	**272**

(c) Acquisition Related Costs

	$M
Costs charged to the Income Statement (Note 4(m))	15
Share issue costs charged to equity (Note 22)	2
Acquisition related costs incurred during the current year	17
Costs charged to the Income Statement in the prior year	12
Total acquisition related costs	**29**

(d) Fair Values

Details of the fair values at the date of acquisition are set out below:

	Fair Value on Acquisition		
	Provisional Fair Value[1] $M	Adjustments $M	Final Fair Value $M
Assets			
Cash and cash equivalents	261	–	261
Trade and other receivables	10	–	10
Inventories	911	–	911
Property, plant and equipment	1,565	–	1,565
Exploration, evaluation and development	5,009	(24)	4,985
Other intangible assets	3	–	3
Financial derivative assets	8	–	8
Deferred tax assets	116	41	157
Other assets	52	51	103
Total assets	**7,935**	**68**	**8,003**
Liabilities			
Trade and other payables	159	–	159
Borrowings	58	–	58
Provisions	71	88	159
Financial derivative liabilities	1	–	1
Deferred tax liabilities	1,487	(25)	1,462
Other liabilities	1	–	1
Total liabilities	**1,777**	**63**	**1,840**
Fair value of identifiable net assets	**6,158**	**5**	**6,163**
Non-controlling interest in identifiable acquired net assets	(37)	(16)	(53)
Goodwill on acquisition	4,359	11	4,370
	10,480	**–**	**10,480**

[1] Represents the values reported in the Group's accounts for the half-year ended 31 December 2010.

The initial accounting for the acquisition of LGL had been provisionally determined at the end of the previous reporting period (half-year ended 31 December 2010). The key adjustments from the provisional balances included:

- Increase in provisions relating to the mine rehabilitation and restoration provision, contingent liabilities and other onerous contracts;
- Reclassification of balances within assets;
- Increase in deferred tax assets to recognise additional tax losses for which recoupment is probable;
- Increase in deferred tax liabilities, representing the tax effect of the above adjustments; and
- Increase in non-controlling interests. In attributing value to the potential exploration projects in CDI, it has been assumed that through the realisation of these projects the CDI government will take a 10% stake on any project that proceeds to operate as mining project.

The goodwill reflects the unique financial characteristics of gold assets, where they generally trade at a significant premium to underlying discounted cash flows. In addition to the gold premium, the goodwill represents the value implicit in the ability to sustain and/or grow the merged Group by increasing reserves and resources through exploration as well as the increased optionality available for the total asset portfolio. In addition, a portion of the goodwill reflects the requirement to record a deferred tax liability for the difference between the assigned values and the tax bases of assets acquired and liabilities assumed in the business combination.

These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

(e) Pro-forma Results

The Income Statement for the year ended 30 June 2011 includes sales revenue of $1,037 million and profit after income tax of $325 million, as a result of the acquisition of LGL.

Had the acquisition of LGL occurred at the beginning of the reporting period, the Income Statement would have included additional sales revenue and profit after tax of $220 million and $55 million respectively (representing the pro-forma results for the period 1 July to 30 August 2010).

In determining the 'pro-forma' sales revenue and net profit after tax of the Group had LGL been acquired at the beginning of the current reporting period:

- depreciation of plant and equipment, mine development and mineral rights acquired have been calculated on the basis of the fair values arising in the final accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements; and
- synergy benefits have not been taken into account.

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35. SEGMENT INFORMATION

The Group's operating segments are based on the internal management reports that are reviewed and used by the Group's Executive Committee (the chief operating decision makers) in assessing performance. The operating segments represent the Group's operating mines and projects which are organised and managed according to their location.

The Group's reportable operating segments are:

- Cadia Valley, NSW, Australia
- Telfer, WA, Australia
- Cracow JV (70% interest) & Mt Rawdon, QLD, Australia
- Gosowong, Indonesia
- Lihir, Papua New Guinea
- Hidden Valley JV (50% interest), Papua New Guinea
- West Africa (includes Bonikro operations and exploration and evaluation activities in Côte d'Ivoire)
- Exploration and Other

Exploration and Other mainly comprises projects in the exploration, evaluation and feasibility phase and includes Namosi in Fiji, Wafi-Golpu in PNG, Marsden and O'Callaghans in Australia.

(a) Segment Results, Segment Assets and Segment Liabilities

The measurement of segment results is in line with the basis of information presented to management for internal management reporting purposes. The performance of each segment is measured based on their revenues, costs and Operating EBIT (Segment Result).

Segment revenues represent gold, copper and silver sales at unhedged prices. Operating EBIT is earnings before interest and income tax. Operating EBIT does not include the allocation of copper hedging, litigation settlements and acquisition related costs.

Segment assets exclude deferred tax assets and intercompany receivables.

Segment liabilities exclude intercompany payables.

2011	Cadia Valley $M	Telfer $M	Cracow & Mt Rawdon[1] $M	Gosowong $M	Lihir[1] $M	Hidden Valley $M	West Africa[1] $M	Total Operations $M	Exploration & Other $M	Corporate[2] $M	Total Group $M
External sales revenue	1,083	1,065	209	654	887	162	42	4,102	–	–	4,102
Other revenue	–	–	–	–	–	–	–	–	–	1	1
Total segment revenue	1,083	1,065	209	654	887	162	42	4,102	–	1	4,103
Segment EBITDA	551	409	106	504	594	37	1	2,202	(55)	(88)	2,059
Depreciation and amortisation	(77)	(172)	(31)	(67)	(106)	(39)	(9)	(501)	–	(14)	(515)
Segment result (Operating EBIT)	**474**	**237**	**75**	**437**	**488**	**(2)**	**(8)**	**1,701**	**(55)**	**(102)**	**1,544**
Finance income										9	9
Finance costs										(45)	(45)
Net finance costs										**(36)**	**(36)**
Profit before tax										(138)	1,508
Income tax expense										(392)	(392)
Non-controlling interests										(58)	(58)
Underlying Profit										**(588)**	**1,058**
Other segment information											
Segment assets	2,851	2,007	388	432	9,241	586	830	16,335	501	446	17,282
Segment liabilities	185	169	82	86	1,346	58	99	2,025	12	1,370	3,407
Acquisition of segment assets	1,022	119	28	93	609	50	5	1,926	150	29	2,105

[1] Segment Result attributable to Mt Rawdon, Lihir and West Africa are for the period 30 August to 30 June 2011.
[2] Includes eliminations.

(a) Segment Results, Segment Assets and Segment Liabilities (continued)

2010	Cadia Valley $M	Telfer $M	Cracow $M	Gosowong $M	Hidden Valley $M	Total Operations $M	Exploration & Other $M	Corporate[1] $M	Total Group $M
External sales revenue	1,001	1,146	90	555	10	2,802	–	–	2,802
Other revenue	–	–	–	–	–	–	–	1	1
Total segment revenue	1,001	1,146	90	555	10	2,802	–	1	2,803
Segment EBITDA	548	517	50	418	1	1,534	(33)	(53)	1,448
Depreciation and amortisation	(63)	(176)	(18)	(40)	(4)	(301)	–	(8)	(309)
Segment result (Operating EBIT)	**485**	**341**	**32**	**378**	**(3)**	**1,233**	**(33)**	**(61)**	**1,139**
Finance income								12	12
Finance costs								(33)	(33)
Net finance costs								**(21)**	**(21)**
Profit before tax								**(82)**	**1,118**
Income tax expense								(297)	(297)
Non-controlling interests								(45)	(45)
Underlying Profit								**(424)**	**776**
Other segment information									
Segment assets	1,907	2,033	67	439	682	5,128	285	921	6,334
Segment liabilities	120	98	8	60	45	331	4	989	1,324
Acquisition of segment assets	407	55	14	120	91	687	101	75	863

[1] Includes eliminations.

(b) Geographical Segments

Revenue from external customers by geographical region is detailed below. Revenue is attributable to geographic location based on the location of customers.

Sales Revenue from External Customers	2011 $M	2010 $M
Bullion		
Australia	**2,238**	981
Other Asia	**6**	2
Concentrate		
Japan	**1,021**	770
Korea	**53**	130
China	**91**	155
Europe[1]	**576**	671
USA[1]	**117**	93
Total sales revenue	**4,102**	2,802

[1] The majority of concentrate sales to customers in Europe and the USA are shipped to smelters in Japan, Korea and China.

Non-Current Assets	2011 $M	2010 $M
Australia	**4,622**	3,438
Indonesia	**250**	279
Papua New Guinea	**9,820**	757
West Africa	**777**	–
Other	**41**	25
Total non-current assets	**15,510**	4,499

35. SEGMENT INFORMATION (continued)

(c) Major Customer Information

Major customers to which the Group provides goods that are more than 10% of external revenue are as follows:

	Revenue		% of external revenue	
	2011 $M	2010 $M	**2011 %**	2010 %
Customer A[1]	**1,945**	102	**47.4**	3.6
Customer B	**695**	556	**16.9**	19.9
Customer C	**398**	425	**9.7**	15.2
Customer D[1]	**293**	325	**7.1**	11.6
Customer E[1]	**–**	453	**–**	16.2

[1] Represents sales of bullion.

36. KEY MANAGEMENT PERSONNEL

(a) Details of Directors and Key Management Personnel

Key Management Personnel as defined in AASB 124 Related Party Disclosures, comprise the Company Directors (including Executive Directors) and Executives. The Managing Director, Director Finance and the Executives are members of the Group's Executive Committee (Exco). The members of the Executive Committee exercise the greatest control over the management and strategic direction of the Group and are also the highest paid individuals in the Group.

Name	Position
Directors	
Ian Smith[1]	Managing Director and Chief Executive Officer
Greg Robinson[1]	Director Finance
Don Mercer	Non-Executive Chairman
John Spark	Non-Executive Director
Rick Lee	Non-Executive Director
Tim Poole	Non-Executive Director
Richard Knight	Non-Executive Director
Vince Gauci	Non-Executive Director
Winifred Kamit	Non-Executive Director
Executives	
Ron Douglas	Executive General Manager – Projects
Colin Moorhead	Executive General Manager – Minerals
Debra Stirling	Executive General Manager – People & Communications
Stephen Creese	Executive General Manager – Corporate Affairs
Greg Jackson	Chief Operating Officer (formerly Chief Operating Officer – Australian Operations)
Peter Smith	Executive General Manager – Australia and West Africa Operations (commenced 30 August 2010)
Brett Fletcher	Executive General Manager – PNG and Indonesian Operations (commenced 28 March 2011)
Geoff Day	Executive General Manager – PNG and Indonesian Operations (resigned 4 February 2011)

[1] Ian Smith stepped down as Managing Director and Chief Executive Officer on 30 June 2011 and Greg Robinson was appointed Managing Director and Chief Executive Officer with effect from 1 July 2011.

(b) Remuneration of Directors and Key Management Personnel

	2011 $'000	2010 $'000
Short-term	**16,602**	14,144
Post employment	**219**	183
Termination	**2,250**	–
Share-based payments	**2,476**	3,783
	21,547	18,110

(c) Loans to Directors and Key Management Personnel

There are no loans made to Directors and Key Management Personnel, or their related entities, by the Group.

(d) Shareholdings of Directors and Key Management Personnel

Shares held in Newcrest Mining Limited:

Directors and Key Management Personnel	Balance at 1 July 2010	Acquired on Exercise of Rights	Net Other Changes	Balance at 30 June 2011
Directors				
I. Smith	4,235	165,000	(165,000)	4,235
G. Robinson	4,235	–	–	4,235
D. Mercer	15,546	–	–	15,546
J. Spark	18,105	–	–	18,105
R. Lee	20,000	–	2,447	22,447
T. Poole	4,235	–	–	4,235
R. Knight	20,000	–	–	20,000
V. Gauci	3,400	–	–	3,400
W. Kamit	–	–	326	326
Executives				
C. Moorhead	32,317	–	–	32,317
R. Douglas	–	8,725	–	8,725
D. Stirling	5,603	–	–	5,603
S. Creese	–	–	–	–
G. Jackson	–	–	–	–
P. Smith	–	–	20,694	20,964
B. Fletcher	–	–	–	–
G. Day	–	–	–	–

Directors and Key Management Personnel	Balance at 1 July 2009	Acquired on Exercise of Rights	Net Other Changes	Balance at 30 June 2010
Directors				
I. Smith	4,235	–	–	4,235
G. Robinson	4,235	–	–	4,235
D. Mercer	15,546	–	–	15,546
J. Spark	18,105	–	–	18,105
R. Lee	16,185	–	3,815	20,000
T. Poole	4,235	–	–	4,235
R. Knight	10,185	–	9,815	20,000
V. Gauci	–	–	3,400	3,400
Executives				
C. Moorhead	32,317	–	–	32,317
R. Douglas	–	–	–	–
D. Stirling	5,603	–	–	5,603
G. Day	–	–	–	–
G. Jackson	–	–	–	–
S. Creese	–	–	–	–
B. Lavery	10,185	–	–	10,185

36. KEY MANAGEMENT PERSONNEL (continued)

(e) Rights held by Key Management Personnel

All conditional entitlements refer to rights over ordinary shares of Newcrest, which are exercisable on a one-for-one basis under the Executive Performance Plan. The movements in the year in the number of rights over ordinary share in Newcrest, held directly, indirectly or beneficially, by each Key Management Personnel, including their personally related entities is shown in the following table.

Key Management Personnel			Movements During 2011					As at 30 June 2011	
Grant Date	Type	Share Price at Grant Date	Balance at 1/07/10	Rights granted	Rights exercised	Rights lapsed	Balance at 30/06/11	Vested and Exercisable	Non-Vested
I. Smith									
14 Jul 06	LTI	$19.52	165,000	–	(165,000)	–	**–**	–	–
3 Nov 06	MTI	$24.10	8,845	–	–	–	**8,845**	8,845	–
3 Nov 06	LTI	$24.10	42,881	–	–	–	**42,881**	42,881	–
9 Nov 07	MTI	$35.85	7,373	–	–	–	**7,373**	7,373	–
9 Nov 07	LTI	$35.85	35,446	–	–	(1,418)	**34,028**	34,028	–
11 Nov 08	LTI	$22.13	100,048	–	–	–	**100,048**	–	100,048
10 Nov 09	LTI	$35.15	63,977	–	–	–	**63,977**	–	63,977
10 Nov 10	LTI	$42.29	–	58,824	–	–	**58,824**	–	58,824
			423,570	**58,824**	**(165,000)**	**(1,418)**	**315,976**	**93,127**	**222,849**
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	–
9 Nov 07	MTI	$35.85	4,915	–	–	–	**4,915**	4,915	–
9 Nov 07	LTI	$35.85	8,862	–	–	(354)	**8,508**	8,508	–
11 Nov 08	LTI	$22.13	50,024	–	–	–	**50,024**	–	50,024
10 Nov 09	LTI	$35.15	31,988	–	–	–	**31,988**	–	31,988
10 Nov 10	LTI	$42.29	–	33,793	–	–	**33,793**	–	33,793
			112,041	**33,793**	**–**	**(354)**	**145,480**	**29,675**	**115,805**
C. Moorhead									
3 Nov 06	MTI	$24.10	1,932	–	–	–	**1,932**	1,932	–
3 Nov 06	LTI	$24.10	1,005	–	–	–	**1,005**	1,005	–
9 Nov 07	MTI	$35.85	3,768	–	–	–	**3,768**	3,768	–
9 Nov 07	LTI	$35.85	1,941	–	–	(78)	**1,863**	1,863	–
11 Nov 08	LTI	$22.13	18,554	–	–	–	**18,554**	–	18,554
10 Nov 09	LTI	$35.15	11,864	–	–	–	**11,864**	–	11,864
10 Nov 10	LTI	$42.29	–	10,814	–	–	**10,814**	–	10,814
			39,064	**10,814**	**–**	**(78)**	**49,800**	**8,568**	**41,232**
R. Douglas									
9 Nov 07	MTI	$35.85	3,195	–	(3,195)	–	**–**	–	–
9 Nov 07	LTI	$35.85	5,760	–	(5,530)	(230)	**–**	–	–
11 Nov 08	LTI	$22.13	18,554	–	–	–	**18,554**	–	18,554
10 Nov 09	LTI	$35.15	11,864	–	–	–	**11,864**	–	11,864
10 Nov 10	LTI	$42.29	–	10,964	–	–	**10,964**	–	10,964
			39,373	**10,964**	**(8,725)**	**(230)**	**41,382**	**–**	**41,382**
D. Stirling									
9 Nov 07	MTI	$35.85	3,097	–	–	–	**3,097**	3,097	–
9 Nov 07	LTI	$35.85	5,583	–	–	(223)	**5,360**	5,360	–
11 Nov 08	LTI	$22.13	17,190	–	–	–	**17,190**	–	17,190
10 Nov 09	LTI	$35.15	10,992	–	–	–	**10,992**	–	10,992
10 Nov 10	LTI	$42.29	–	10,513	–	–	**10,513**	–	10,513
			36,862	**10,513**	**–**	**(223)**	**47,152**	**8,457**	**38,695**
S. Creese									
10 Nov 09	LTI	$35.15	11,864	–	–	–	**11,864**	–	11,864
10 Nov 10	LTI	$42.29	–	10,814	–	–	**10,814**	–	10,814
			11,864	10,814	–	–	**22,678**	–	22,678
G. Jackson									
10 Nov 09	LTI	$35.15	11,864	–	–	–	**11,864**	–	11,864
10 Nov 10	LTI	$42.29	–	12,766	–	–	**12,766**	–	12,766
			11,864	**12,766**	**–**	**–**	**24,630**		**24,630**

(e) Rights held by Key Management Personnel (continued)

Key Management Personnel			Movements During 2011					As at 30 June 2011	
Grant Date	Type	Share Price at Grant Date	Balance at 1/07/10	Rights granted	Rights exercised	Rights lapsed	Balance at 30/06/11	Vested and Exercisable	Non-Vested
P. Smith									
10 Nov 10	LTI	$42.29	–	10,964	–	–	**10,964**	–	10,964
			–	**10,964**	**–**	**–**	**10,964**	**–**	**10,964**
B. Fletcher									
10 Nov 10	LTI	$42.29	–	9,845	–	–	**9,845**	–	9,845
			–	**9,845**	**–**	**–**	**9,845**	**–**	**9,845**
Former KMP									
G. Day									
11 Nov 08	LTI	$22.13	18,554	–	–	(18,554)	**–**	–	–
10 Nov 09	LTI	$35.15	11,864	–	–	(11,864)	**–**	–	–
10 Nov 10	LTI	$42.29	–	10,964	–	(10,964)	**–**	–	–
			30,418	**10,964**	**–**	**(41,382)**	**–**	**–**	**–**

Key Management Personnel			Movements During 2010					As at 30 June 2010	
Grant Date	Type	Share Price at Grant Date	Balance at 1/07/09	Rights granted	Rights exercised	Rights lapsed	Balance at 30/06/10	Vested and Exercisable	Non-Vested
I. Smith									
14 Jul 06	LTI	$19.52	165,000	–	–	–	**165,000**	165,000	–
3 Nov 06	MTI	$24.10	8,845	–	–	–	**8,845**	8,845	–
3 Nov 06	LTI	$24.10	42,881	–	–	–	**42,881**	42,881	–
9 Nov 07	MTI	$35.85	7,373	–	–	–	**7,373**	–	7,373
9 Nov 07	LTI	$35.85	35,446	–	–	–	**35,446**	–	35,446
11 Nov 08	LTI	$22.13	100,048	–	–	–	**100,048**	–	100,048
10 Nov 09	LTI	$35.15	–	63,977	–	–	**63,977**	–	63,977
			359,593	**63,977**	**–**	**–**	**423,570**	**216,726**	**206,844**
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	–
9 Nov 07	MTI	$35.85	4,915	–	–	–	**4,915**	–	4,915
9 Nov 07	LTI	$35.85	8,862	–	–	–	**8,862**	–	8,862
11 Nov 08	LTI	$22.13	50,024	–	–	–	**50,024**	–	50,024
10 Nov 09	LTI	$35.15	–	31,988	–	–	**31,988**	–	31,988
			80,053	**31,988**	**–**	**–**	**112,041**	**16,252**	**95,789**
C. Moorhead									
3 Nov 06	MTI	$24.10	1,932	–	–	–	**1,932**	1,932	–
3 Nov 06	LTI	$24.10	1,005	–	–	–	**1,005**	1,005	–
9 Nov 07	MTI	$35.85	3,768	–	–	–	**3,768**	–	3,768
9 Nov 07	LTI	$35.85	1,941	–	–	–	**1,941**	–	1,941
11 Nov 08	LTI	$22.13	18,554	–	–	–	**18,554**	–	18,554
10 Nov 09	LTI	$35.15	–	11,864	–	–	**11,864**	–	11,864
			27,200	**11,864**	**–**	**–**	**39,064**	**2,937**	**36,127**
R. Douglas									
9 Nov 07	MTI	$35.85	3,195	–	–	–	**3,195**	–	3,195
9 Nov 07	LTI	$35.85	5,760	–	–	–	**5,760**	–	5,760
11 Nov 08	LTI	$22.13	18,554	–	–	–	**18,554**	–	18,554
10 Nov 09	LTI	$35.15	–	11,864	–	–	**11,864**	–	11,864
			27,509	**11,864**	**–**	**–**	**39,373**	**–**	**39,373**
D. Stirling									
9 Nov 07	MTI	$35.85	3,097	–	–	–	**3,097**	–	3,097
9 Nov 07	LTI	$35.85	5,583	–	–	–	**5,583**	–	5,583
11 Nov 08	LTI	$22.13	17,190	–	–	–	**17,190**	–	17,190
10 Nov 09	LTI	$35.15	–	10,992	–	–	**10,992**	–	10,992
			25,870	**10,992**	**–**	**–**	**36,862**	**–**	**36,862**

36. KEY MANAGEMENT PERSONNEL (continued)

(e) Rights held by Key Management Personnel (continued)

Key Management Personnel			Movements During 2010					As at 30 June 2010	
Grant Date	Type	Share Price at Grant Date	Balance at 1/07/09	Rights granted	Rights exercised	Rights lapsed	Balance at 30/06/10	Vested and Exercisable	Non-Vested
G. Day									
11 Nov 08	LTI	$22.13	18,554	–	–	–	**18,554**	–	18,554
10 Nov 09	LTI	$35.15	–	11,864	–	–	**11,864**	–	11,864
			18,554	**11,864**	**–**	**–**	**30,418**	**–**	**30,418**
G. Jackson									
10 Nov 09	LTI	$35.15	–	11,864	–	–	**11,864**	–	11,864
			–	**11,864**	**–**	**–**	**11,864**	**–**	**11,864**
S. Creese									
10 Nov 09	LTI	$35.15	–	11,864	–	–	**11,864**	–	11,864
			–	**11,864**	**–**	**–**	**11,864**	**–**	**11,864**
Former KMP									
B. Lavery									
8 Nov 05	MTI	$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	–
9 Nov 07	MTI	$35.85	2,777	–	–	–	**2,777**	–	2,777
9 Nov 07	LTI	$35.85	5,007	–	–	–	**5,007**	–	5,007
11 Nov 08	LTI	$22.13	16,508	–	–	–	**16,508**	–	16,508
10 Nov 09	LTI	$35.15	–	10,556	–	–	**10,556**	–	10,556
			38,372	**10,556**	**–**	**–**	**48,928**	**14,080**	**34,848**

(f) Other transactions of Directors and Key Management Personnel

Transactions are conducted by entities within the Group with Directors and KMP that occur within a normal employee, customer or supplier relationship on terms and conditions no more favourable than those with which it is reasonable to expect the entity would have adopted if dealing with an unrelated person.

37. PROPOSED SALE OF CRACOW AND MT RAWDON MINES

On 15 June 2011, Newcrest entered into a conditional agreement to sell its 70% interest in the Cracow gold mine and exploration joint ventures and its 100% interest in the Mt Rawdon gold mine (the Assets). The Assets will be sold to a company formed through the merger of Catalpa Resources Ltd (Catalpa) and Conquest Mining Ltd (Conquest), collectively the 'Merged Entity'.

Newcrest will receive shares in the Merged Entity as consideration for the Assets, resulting in a 38%[(1)] interest in the Merged Entity. This interest will dilute to approximately 33% following a planned equity raising by condition of the Merged Entity.

The sale of the assets in exchange for equity in the Merged Entity is subject to a number of conditions including:

- Approval by the shareholders of Conquest of the proposed merger with Catalpa by way of Scheme of Arrangement;
- Approval by the shareholders of Catalpa of the share consideration to be provided to Newcrest for the Assets;
- Government, regulatory and court approvals; and
- Signing by Catalpa of an underwriting agreement for the Merged Entity to raise approximately $150 million through a pro-rata renounceable entitlement offer shortly after the implementation of the merger and the acquisition of Cracow and Mt Rawdon.

Due to the conditions noted above, all of the criteria for classifying the Assets as held for sale had not been met at the reporting date.

In event that the transaction does not proceed for specified reasons, Newcrest will be entitled to a break fee of $1.6 million.

(1) Represents equity valuation of outstanding shares and options. Final ownership will vary depending on exercise of options.

38. EVENTS SUBSEQUENT TO REPORTING DATE

The Directors of Newcrest Mining Limited determined that:

- A final unfranked dividend of 20 cents per ordinary share be paid in respect of the 2011 financial year. The total amount of the dividend is $153 million; and
- A special unfranked dividend of 20 cents per ordinary share be paid in respect of the 2011 financial year. The total amount of the dividend is $153 million.

These dividends have not been provided for in the 30 June 2011 financial statements.

There are no other matters or circumstances which have arisen since 30 June 2011 that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Directors' Declaration

In accordance with a resolution of the Directors of Newcrest Mining Limited, we state that:

1. In the opinion of the Directors:
   (a) The financial statements, notes and additional disclosures included in the Directors' Report designated as audited, of the Group is in accordance with the *Corporations Act 2001*, including:
      (i) Giving a true and fair view of the Group's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
      (ii) Complying with Australian Accounting Standards and Corporations Regulations 2001.
   (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
   (c) The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2011.
3. In the opinion of the Directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 32 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

On behalf of the Board

Don Mercer
Chairman

Greg Robinson
Managing Director and
Chief Executive Officer

12 August 2011
Melbourne, Victoria

Independent Auditor's Report

ERNST & YOUNG

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

We have audited the accompanying financial report of Newcrest Mining Limited, which comprises the consolidated statement of financial position as at 30 June 2011, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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*. We have given to the directors of the company a written Auditor's Independence Declaration.

Ernst & Young

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Opinion

In our opinion:

a. the financial report of Newcrest Mining Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2(a).

Report on the Remuneration Report

We have audited the Remuneration Report included in of the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Newcrest Mining Limited for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Rodney Piltz
Partner
Melbourne
12 August 2011

Shareholder Information

CAPITAL (ON 31 AUGUST 2011)

Share Capital	765,000,000
Ordinary shareholders	71,833
Shareholdings with less than a marketable parcel of $500 worth of ordinary shares	0
Market price	$40.25

SHAREHOLDER BREAKDOWN AT 31 AUGUST 2011

International Institutions	66
Domestic Institutions	23
Retail and Other	11

NEWCREST TOP 20 INVESTORS AT 31 AUGUST 2011

Name		Current Balance	Issued Capital %
1	HSBC Custody Nominees (Australia) Limited	317,094,875	41.45
2	National Nominees Limited	183,362,999	23.97
3	J P Morgan Nominees Australia Limited	101,551,538	13.27
4	Citicorp Nominees Pty Limited	44,384,432	5.80
5	JP Morgan Nominees Australia Limited	13,223,543	1.73
6	Cogent Nominees Pty Limited	6,819,380	0.89
7	AMP Life Limited	5,972,017	0.78
8	Queensland Investment Corporation	2,700,105	0.35
9	HSBC Custody Nominees (Australia) Limited – GSCO ECA	1,826,267	0.24
10	Citicorp Nominees Pty Limited	1,625,958	0.21
11	Cogent Nominees Pty Limited	1,609,984	0.21
12	Citicorp Nominees Pty Limited	1,607,089	0.21
13	UBS Nominees Pty Ltd	1,485,000	0.19
14	Australian Reward Investment Alliance	1,347,823	0.18
15	UBS Wealth Management Australia Nominees Pty Ltd	953,687	0.12
16	Suncorp Custodian Services Pty Limited & Suncorp Custodian Services Pty Limited	831,726	0.11
17	Share Direct Nominees Pty Ltd	825,711	0.11
18	HSBC Custody Nominees (Australia) Limited – A/C 2	688,200	0.09
19	RBC Dexia Investor Services Australia Nominees Pty Limited	678,356	0.09
20	RBC Dexia Investor Services Australia Nominees Pty Limited	674,366	0.09
Total		**689,263,056**	**90.10**

SUBSTANTIAL SHAREHOLDERS AT 31 AUGUST 2011

Blackrock	12.62
Fidelity	11.16
Commonwealth Bank of Australia	7.86

INVESTOR CATEGORIES

Ranges	Investors	Securities	Issued Capital %
1–1,000	57,389	17,605,617	79.89
1,001–5,000	12,816	26,050,912	17.84
5,001–10,000	1,025	7,130,785	1.43
10,001–100,000	530	12,565,748	0.74
100,001 and Over	73	701,646,938	0.10
Total	**71,833**	**765,000,000**	**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 final dividend of 20 cents per share. The final dividend is payable to shareholders on 21 October 2011. Shareholders registered as at the close of business on 30 September 2011 will be eligible for the final dividend. The Company has further determined that a special unfranked dividend of 20 cents per share will also be paid for the year. The special dividend is payable on 16 December 2011 and shareholders registered as at the close of business on 25 November 2011 will be eligible for the Special 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, PO Box 358516 Pittsburgh, PA 15252-8516.

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 4,018,327 and at year end a net 18,400,199 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 instructions 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 inside back cover.

Five Year Summary

For the 12 months ended 30 June	2011	2010	2009	2008	2007
Gold Production (ounces)	**2,701,198**[(1)]*	1,762,200*	1,631,183*	1,781,182	1,617,251*
Cash costs ($ per ounce)	**493**	347	468	261	280
Total costs ($ per ounce)[(2)]	**692**	523	632	416	419
Net profit after tax					
– Statutory Profit ($M)	**908**	557	248	134	72
– Underlying Profit[(3)] ($M)	**1,058**	776	483	494	191
Cash flow from operations ($M)	**1,729**	1,303	1,024	1,018	387
Gold Production – Newcrest Share (ounces)					
Cadia Hill	**364,197**	325,712	297,889	414,171	246,661
Ridgeway	**147,904**	171,974	234,298	301,417	314,028
Cadia East	**3,320**	–	–	–	–
Telfer	**621,291**	688,909	629,108	590,217	627,077*
Lihir[(1)]	**790,974**	–	–	–	–
Gosowong	**463,218**	442,525	400,220	400,202	347,807
Hidden Valley	**100,232**	61,148*	225*	–	–
Bonikro[(1)]	**49,940**	–	–	–	–
Mt Rawdon[(1)]	**75,492**	–	–	–	-
Cracow	**71,206**	71,932	69,443	75,175	81,678
Total	**2,701,198**[(1)]*	1,762,200*	1,631,183*	1,781,182	1,617,251*
Copper Production (tonnes)	**75,631**	86,816	89,877	87,458	88,940
Costs per ounce (after by-product credits)					
Cash costs ($ per ounce)	**493**	347	468	261	280
Total costs[(2)] ($ per ounce)	**692**	523	632	416	419
Cash Flow ($M)					
Cash flow from operations	**1,729**	1,303	1,024	1,018	387
Exploration expenditure	**126**	101	109	77	60
Capital expenditure	**2,294**	786	1,270	338	341
Profit and Loss ($M)					
Sales revenue	**4,102**	2,802	2,531	2,363	2,127
Depreciation and amortisation	**(515)**	(309)	(267)	(279)	(224)
Income tax expense	**(334)**	(209)	(128)	(37)	(10)
Net profit after tax					
– Statutory Profit	**908**	557	248	134	72
– Underlying Profit[(3)]	**1058**	776	483	494	191
Earnings per share (EPS)					
– Basic EPS on Statutory Profit (cents per share)	**126.4**	115.2	53.0	30.8	19.4
– Basic EPS on Underlying Profit (cents per share)	**147.3**	160.5	103.2	113.2	51.6
Dividend (cents per share)	**50.0**	25.0	15.0	10.0	5.0
Financial Position ($M)					
Total assets	**17,282**	6,334	5,616	4,324	4,623
Total liabilities	**3,407**	1,324	1,258	1,072	3,682
Shareholders' equity	**13,875**	5,010	4,358	3,252	941
Ratios (percent)					
Gearing[(4)] (percent)	**4**	(5)	2	8	46
Return on Capital Employed[(5)] (percent)	**11**	24	17	21	12
Issued Capital (million shares) at year end	**765**	484	483	453	335
Gold Inventory (million ounces)					
Reserves	**80**	47	43	40	33
Resources	**148**	84	80	71	55

* Includes commissioning production.
[(1)] Figures include 12 months production from the former LGL sites. Group gold production from the date of acquisition was 2,527,352.
[(2)] Comprises cash costs plus depreciation and amortisation.
[(3)] Represents Statutory Profit before hedge restructure and close-out impacts.
[(4)] Calculated as Net Debt to Capital (Capital comprises equity plus net debt). For 2007 equity was adjusted by the balance of the Hedge Reserve to remove the impact of the gold hedge book mark to market.
[(5)] Calculated as Underlying EBIT to Capital.

Opposite page/ Gold produced at Newcrest's Lihir operation in PNG

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
corporateaffairs@newcrest.com.au
www.newcrest.com.au

Company Secretary
Stephen Creese
Newcrest Mining Limited
Level 9, 600 St Kilda Road
Melbourne, Victoria 3004
Australia
Telephone: +61 (0)3 9522 5333
Facsimile: +61 (0)3 9521 3564
stephen.creese@newcrest.com.au

Head of Investor Relations
Steve Warner
Level 9, 600 St Kilda Road
Melbourne, Victoria 3004
Australia
Telephone: + 61 (0)3 9522 5316
Facsimile: + 61 (0)3 9522 5502

Stock Exchange Listings

Australian Securities Exchange
(Ticker NCM)
New York ADRs (Ticker NCMGY)
Port Moresby Exchange (Ticker NCM)

Share Registry
Link Market Services Limited
Level 1, 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.
registrars@linkmarketservices.com.au
www.linkmarketservices.com.au

American Depositary Receipts (ADRs)
BNY Mellon Shareowner Services
PO Box 358516
Pittsburgh, PA 15252-8516
Telephone: Toll Free for US domestic callers: 1-888-269-2377
International Callers: +1 201-680-6825
shrrelations@bnymellon.com
www.bnymellon.com\shareowner

Other Offices

Brisbane Office
Newcrest Mining Limited
Level 32, 400 George Street
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Australia
Telephone: +61 (0)7 3318 3300
Facsimile: +61 (0)7 3318 9203

Perth
Newcrest Mining Limited
193 Great Eastern Highway
Belmont, Western Australia 6104
Australia
Telephone: +61 (0)8 9270 7070
Facsimile: +61 (0)8 9277 7127

Port Moresby Office
Level 7, Pacific Place
Crn, Champion Parade &
Musgrave Street,
Port Moresby, PNG
Telephone: +67 (5)321 7711
Facsimile: +67 (5)321 4705

Bonikro Office
Equigold Côte d'Ivoire
Le etage du Centre Commercial
Immeuble "Dany Centre"
Face Patisserie Pako
Deux Plateau Vallons
Abidjan, Côte d'Ivoire
Africa
Telephone: +225 4600 4700

Annual General Meeting
27 October 2011 at 10.30am
ANZ Pavilion
100 St Kilda 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, employment and sustainability information.

NEWCREST
MINING LIMITED