

Newcrest completes 70% acquisition of Red Chris

Newcrest Mining Limited (Newcrest) is pleased to announce that it has completed the joint venture transaction with Imperial Metals Corporation (Imperial), which was previously announced in the market release titled "Newcrest to acquire potential Tier 1 orebody in Canada" on 11 March 2019. Newcrest now owns a 70% interest in, and has operatorship of, the Red Chris mine and surrounding tenements in British Columbia, Canada (Red Chris). Imperial has retained a 30% interest in Red Chris.

Red Chris is a copper-gold porphyry mine with an operating open-pit mine and Mineral Resources of 20 million ounces of gold and 13 billion pounds of copper¹. The acquired property comprises 23,142 hectares of land with 77 mineral tenures, five of which are mining leases, and which sits within the traditional territory of the Tahltan Nation.

Investment highlights

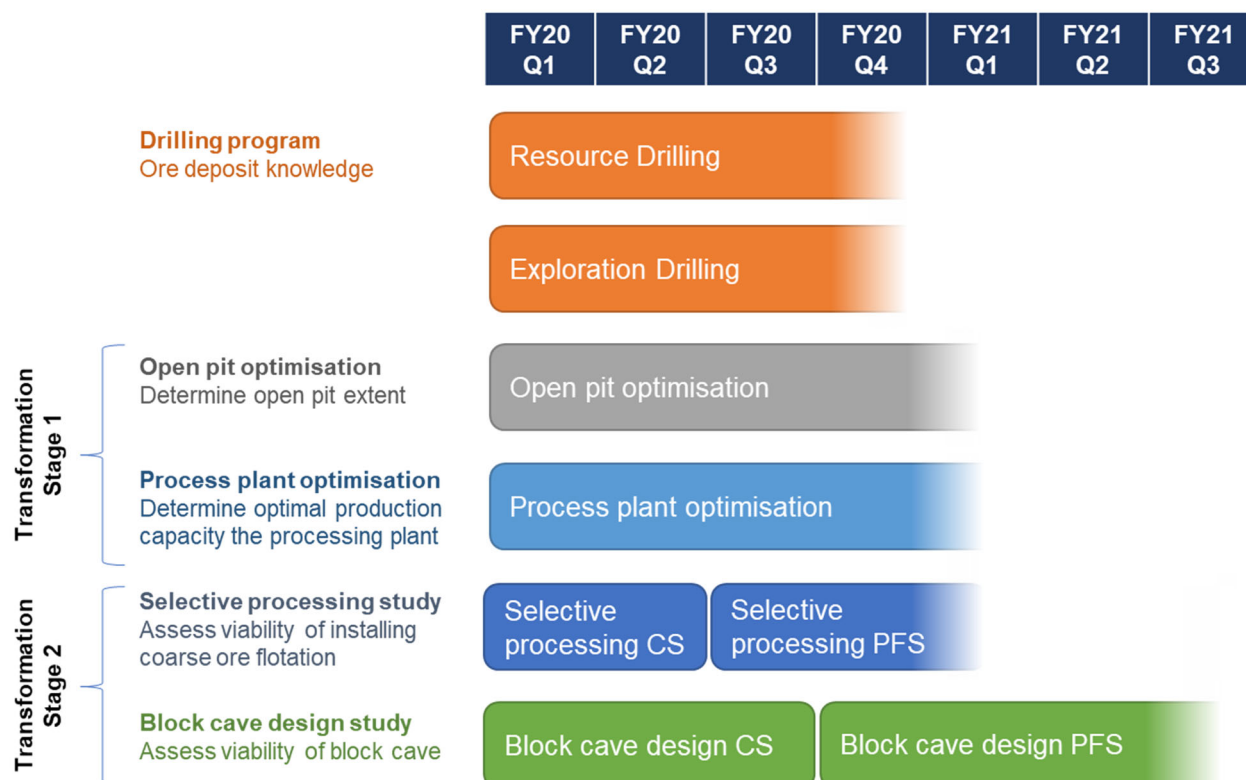
- **Supports strategic goals** – The acquisition of Red Chris is a measured entry into North America and aligns with Newcrest's stated strategic goals of building a global portfolio of Tier 1 orebodies, where Newcrest can deliver value through application of its unique operating capabilities.
- **High-quality orebody in a premier jurisdiction** – Red Chris has a copper-gold porphyry orebody, located in the prospective 'Golden Triangle' of British Columbia, Canada, with the potential to transform into a Tier 1 orebody through Newcrest's advanced block caving skills.
- **Immediate asset and geographic diversification** – Red Chris delivers immediate production in a multi-decade orebody, which complements Newcrest's already strong, long-dated asset portfolio.
- **Large mineral endowment** – Imperial has reported a Mineral Resource at Red Chris of approximately 20 million ounces of gold and 13 billion pounds of copper¹.
- **Significant upside opportunity** – Newcrest believes it will be able to unlock significant value from the deposit by applying its unique technical expertise in block caving, operations optimisation and selective processing.
- **Exploration potential** – Newcrest sees promising exploration opportunities in the acquired mineral tenure package.

"We are delighted to have closed the Red Chris transaction and add this operating mine to our existing low cost, long-life portfolio" said Sandeep Biswas, Newcrest's Managing Director and CEO. "We are pleased with the highly constructive and collaborative relationship we are developing with the Tahltan Nation and the Government of British Columbia and look forward to working together as we execute our forward work plan to unlock the significant potential from Red Chris. We are excited to establish a strong presence in British Columbia, Canada, a quality mining jurisdiction in a country with roots in mining, much like Australia."

¹ The information in this announcement that relates to the Mineral Resource estimates of Imperial in relation to Red Chris is based on the "National Instrument 43-101 Technical Report" dated 30 September 2015 and filed by Imperial on SEDAR (www.sedar.com) in accordance with National Instrument 43-101 as required by Canadian securities regulatory authorities. The estimates of the Mineral Resources contain Measured and Indicated Mineral Resources of 1.0Bt at 0.35 g/t Au and 0.35% Cu for 12Moz contained gold and 8.0Blb contained copper and Inferred Mineral Resources of 0.7Bt at 0.32 g/t Au and 0.29% Cu for 8.1Moz contained gold and 5.0Blb contained copper. (Data reported to two significant figures and this may cause discrepancies in totals.) Note that under Newcrest reporting convention for copper, 13Blb contained copper is equivalent to 5.9Mt contained copper. See also Foreign Estimates – clarifying statements at the end of this market announcement.

Forward work plan

Subject to receiving the required approvals and market and operating conditions, Newcrest expects to implement the following forward work plan, aimed at delivering value to our stakeholders through a two-stage transformation plan.



Transformation plan for Red Chris

Stage 1 – Apply Newcrest’s Edge transformation approach to existing open pit and processing plant

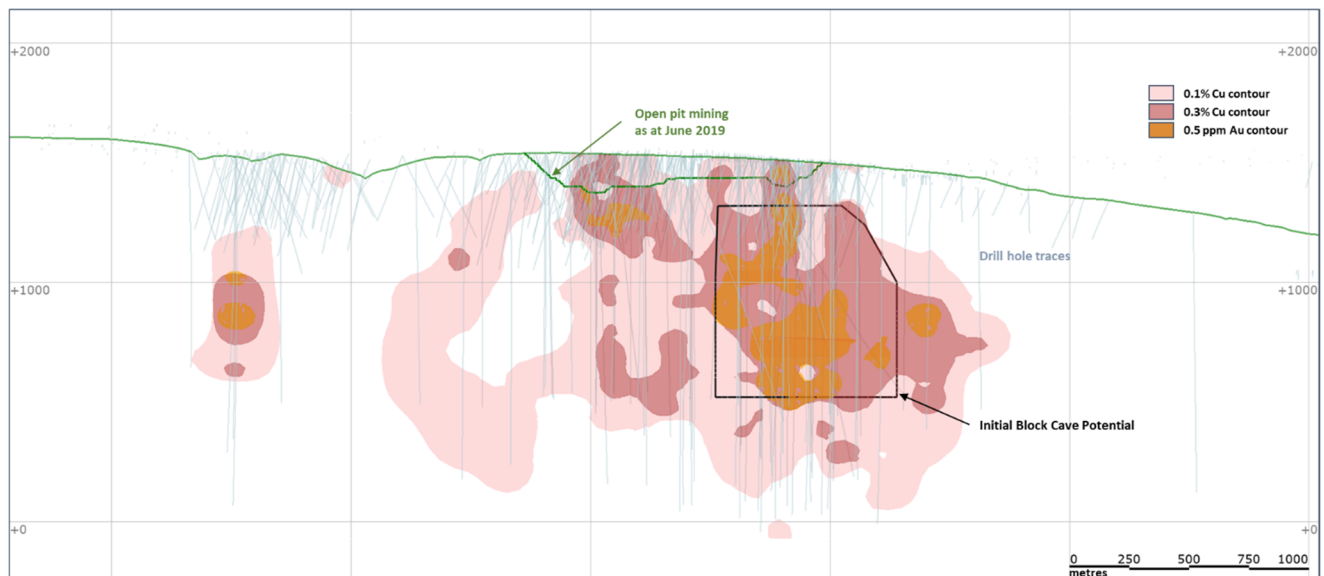
Following the announcement of the transaction in March 2019, Newcrest initiated two streams of work looking to optimise the open pit and the process plant. These workstreams are focussed on delivering rapid improvement, particularly on optimising existing infrastructure.

Stage 2 – Apply Newcrest’s industry-leading technology

Newcrest will look to transfer industry leading technology currently being deployed at other Newcrest sites. A block cave concept study has commenced to determine the feasibility of applying Newcrest’s leading technical capabilities in block caving to the Red Chris orebody. Newcrest has built and operates one of the most profitable block caves in the world at its Cadia mine in New South Wales, Australia.

Newcrest has also initiated selected processing studies which will include coarse ore flotation and other forms of low energy beneficiation.

The studies, in combination with the optimisation work streams, will focus on determining the appropriate size of the open pit, and optimal timing to move to underground block cave mining. It is expected that the first block cave will target the high-grade orebody located beneath the current main pit. As a result, the current open pit plan is expected to be optimised resulting in a smaller final pit design.



Open pit optimisation workstream

The objectives of the open pit optimisation workstreams are to:

- Optimise the mining operation;
- Optimise the mining sequence for the open pit, considering underground mining development schedule determined by the block cave design study; and
- Update the open pit Ore Reserve and Mineral Resource based on study findings.

The open pit optimisation workstream will look to apply several optimisation options in the mine aimed at improving mine productivity and efficiency, including improved grade control and fleet management.

The open pit optimisation workstream will also work closely with the block cave design study in determining the optimal mining sequence for the open pit. The workstream will determine the extent of the open pit, incorporating key operational parameters such as cost drivers based on historical performance and taking into consideration the likely development timeline for the first block cave, life of mine capacity and performance of the processing plant.

With the optimised size of the open pit expected to be smaller than the pit previously proposed, and as Newcrest plans to target a transfer of current open pit Mineral Resources and Ore Reserves into an underground block cave, Newcrest anticipates that the initial open pit Ore Reserve will be smaller than that which has been reported by Imperial for Red Chris' Reserve and Resources. The Mineral Resource and Ore Reserves for the underground operations will be estimated by the block cave design study.

Process plant optimisation workstream

The current open pit mine has an existing 11mtpa processing plant and associated infrastructure which provides a strong base for improvement and 'brownfield' expansion options.

The objectives of the process plant optimisation workstream are to:

- optimise existing plant equipment
- investigate feasibility of minor plant and equipment upgrades
- optimise plant for water and coarse sand recovery
- evaluate step change opportunities in a suite of selective processing technologies

This workstream will seek to improve throughput and recovery of the current process plant by optimising existing equipment whilst in parallel, investigating the viability of installing minor plant upgrades to improve recoveries, efficiency and throughput. A minor plant upgrade currently being considered is an upgrade to the current flotation circuit, aimed at significantly improving recovery and concentrate grade and quality.

Another focus of the workstream is water recovery, which will seek to improve production during winter months. As part of this workstream, Newcrest will look at ways of improving the quantities of coarse sand recovery to improve the cost effectiveness of the tailings dam wall construction.

For stage two of the transformation, the study will look at applying Newcrest's selective processing technologies to make step changes to milling performance. These technologies may include:

- Coarse ore flotation, a technology which indicated significant recovery improvement potential in initial tests of Red Chris ore. Newcrest operates a coarse ore flotation plant at Cadia, which has already demonstrated significant improvements to recovery.
- Mass sensing and sorting - neutron scanning technology, which is currently being calibrated at Cadia and Telfer, and has potential application at Red Chris due to the similarities in the mineralogy of the ore bodies. By combining this scanning technology with belt diversion equipment, Newcrest will look to efficiently remove marginal ore from energy intensive processing.

The selective processing study will look to build on this work to evaluate the appropriateness of coarse ore flotation at Red Chris. Coarse ore flotation is a technology which Newcrest is pioneering in the gold industry.

Block cave design

The objectives of the block cave design study are:

- Incorporate the latest resource definition and exploration drill data
- Design and optimise the Life of Mine underground mine plan
- Update the underground Mineral Resource based on study findings

The design study will explore a block cave approach to extract the ore from below the eastern open pit. A key input into this study is the Mineral Resource definition and exploration drill data from the proposed drilling campaign.

Deep resource definition drill holes are aimed at increasing the confidence in the resource, geotechnical data for mine design and metallurgical test work program for copper and gold recovery predictions and flowsheet optimisation.

Exploration drill holes will look to confirm potential near mine opportunities which will help advise locations for declines and other potentially shared infrastructure.

The block cave plan pre-feasibility study is expected to be completed in the second half of FY21, though this will be dependent on the drilling programme and results therefrom.

Drilling Program

With the transaction now complete, Newcrest proposes to commence a drilling program, the results of which will inform Ore Reserve and Mineral Resource estimation and the second stage of the transformation plans for Red Chris.

Mineral Resources and Ore Reserves

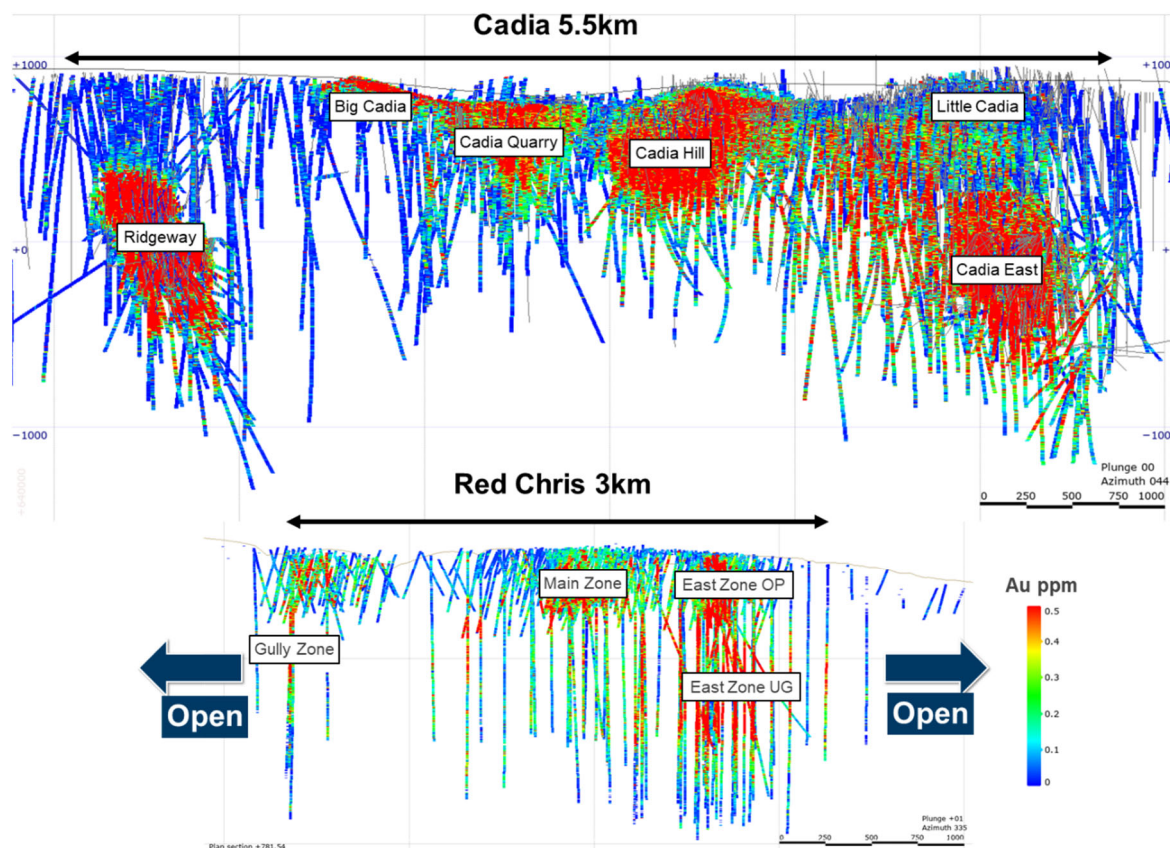
Newcrest has planned a drilling programme in order to enable its Mineral Resources and Ore Reserves to be prepared in accordance with JORC 2012. This Ore Reserve and Mineral Resource definition drilling will focus on drilling diagonal holes under the eastern pit, targeting greater definition of a zone where previous drilling has indicated the existence of a higher-grade gold porphyry core.

Results from this drilling programme will inform other areas of the forward work plan, particularly the block cave design study and the open pit optimisation workstream.

In parallel to the drilling programme, Newcrest is in the process of developing a fully integrated geological framework across the deposit which will support the resource estimation and exploration targeting. As part of this process, Newcrest has commenced re-logging and scanning previously drilled cores.

Exploration drilling

Newcrest has identified several encouraging drilling targets, initiating plans for an exploration drilling programme that will commence in parallel with the Reserve and Resource definition drilling. The area of most interest, and the target of the first exploration drill holes is in the Gully Zone, west of the pit.



Green field drilling outside the immediate vicinity of the mine is also being considered.

Transaction terms and financial commitments

Newcrest has acquired a 70% ownership interest in the Red Chris Mine assets, which includes the assets and property of the Red Chris mine and its operations. The final purchase price of \$804m is subject to debt and net working capital adjustments. Inclusive of the near term settlement of some of these adjustments, Newcrest's net cash outflow is estimated to be approximately \$825m.

An unincorporated joint venture between wholly-owned subsidiaries of Newcrest and Imperial has been established. Newcrest will be the operator of the Red Chris joint venture. Each party to the joint venture will contribute exploration and development expenditure according to its participating interest (Newcrest 70% and Imperial 30%). Dilution provisions apply if a party does not contribute to a program and budget. Transfers of joint venture interests will be subject to rights of first refusal.

Newcrest looks forward to working with Imperial on further developing this potential Tier 1 ore body.

Tahltan Nation Cooperation

"The Tahltan Nation is very pleased with today's announcement. Newcrest and the Tahltan Nation have established an excellent relationship thus far, based on mutual respect. The Tahltan Nation welcomes Newcrest into our Territory and looks forward to a lasting, meaningful and fruitful partnership" said Chad Norman Day, President of the Tahltan Central Government.

Newcrest is pleased to report that Red Chris and the Tahltan Nation have signed an updated Impact, Benefit and Co-Management Agreement (IBCA). The IBCA provides the basis for a life-of-mine partnership covering royalties, education, training, employment and contracting opportunities, capacity support and provisions for communication, and interaction on social and environmental matters.

A Project Advisory Committee (PAC), will continue to oversee implementation of the IBCA, and will engage in further strengthening relations between Newcrest and the Tahltan Nation through cooperative management procedures, employment, contracting, sponsorship and community support activities.

About the Tahltan Central Government

The Tahltan Central Government (TCG) is the administrative governing body of the Tahltan Nation. The Iskut Band and the Tahltan Band continue to govern Tahltan interests with respect to the Indian Act. The TCG is the representative government of the Tahltan Nation with respect to inherent Aboriginal title and rights.

The Tahltan Nation's Territory spans 95,933 square km of Northwest British Columbia or the equivalent of 11 per cent of the province. Tahltan Territory includes 70 per cent of BC's Golden Triangle – a world-class mining jurisdiction with a thriving mineral exploration sector. Tahltan Territory is home to three of BC's 19 operating mines or their shared footprint, and to approximately 25 per cent of BC's exploration activities by expenditure. For more information, visit: www.tahltan.org.

For further information please contact

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Red Chris foreign estimates

The estimates of Mineral Resources for the Red Chris deposit are qualifying foreign estimates under the ASX Listing Rules reported in accordance with the National Instrument 43-101 (NI 43-101) by Imperial and filed on SEDAR (www.sedar.com) on 30 September 2015. These qualifying foreign estimates were re-stated by Imperial in their July 2017 Mineral Resource and Mineral Reserve statement (www.imperialmetal.com) but have not been updated since 30 September 2015, and have not been depleted for production to date.

The supporting information required by ASX Listing Rule 5.12 was contained in the release titled “Presentation re Newcrest’s agreement to acquire potential Tier 1 orebody in Canada” dated 11 March 2019 (original Red Chris release). Newcrest confirms that it is not aware of any new information or data relating to the Red Chris qualifying foreign estimates that materially impacts on the reliability of the estimates or Newcrest’s ability to verify such foreign estimates following completion as mineral resources in accordance with Appendix 5A of the ASX Listing Rules. The supporting information provided in the original Red Chris release referred to in ASX Listing Rule 5.12 continues to apply and has not materially changed.

Cautionary statement

The estimates of Mineral Resources for the Red Chris deposit are qualifying foreign estimates under the ASX Listing Rules and are not reported in accordance with the JORC Code. Competent persons have not done sufficient work to classify the qualifying foreign estimates as Mineral Resources in accordance with the JORC Code. It is uncertain, that following evaluation and further exploration, the foreign estimates will be able to be reported as Mineral Resources in accordance with the JORC code.

Forward Looking Statements

This presentation includes forward looking statements. Forward looking statements can generally be identified by the use of words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, “outlook” and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs. The Company continues to distinguish between outlook and guidance. Guidance statements relate to the current financial year. Outlook statements relate to years subsequent to the current financial year.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to differ materially from statements in this presentation. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company’s good faith assumptions as to the financial, market, regulatory and other relevant environments that will exist and affect the Company’s business and operations in the future. The Company does not give any assurance that the assumptions will prove to be correct. There may be other factors that could cause actual results or events not to be as anticipated, and many events are beyond the reasonable control of the Company. Readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Except as required by applicable laws or regulations, the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in assumptions on which any such statement is based.