

# LGL Transaction



**Ian Smith**  
**CEO & MD**

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# Disclaimer

## Competent Persons Statement

The information in this presentation that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by C. Moorhead, EGM Minerals for Newcrest Mining Limited who is a Member of The Australasian Institute of Mining and Metallurgy, and a full-time employee of Newcrest Mining Limited. Mr Moorhead has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the “JORC Code”). Mr Moorhead consents to the inclusion in this presentation of the matters based on this information in the form and context in which it appears. For details of Exploration Results, Mineral Resources and Ore Reserves refer to the Newcrest website.

## Forward Looking Statement

These materials include forward looking statements. Forward looking statements inherently involve subjective judgement and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside of the control of, and may be unknown to, the company. Actual results and developments may vary materially from those expressed in these materials. The types of uncertainties which are relevant to the company may include, but are not limited to, commodity prices, political uncertainty, changes to the regulatory framework which applies to the business of the company and general economic conditions. Given these uncertainties, readers are cautioned not to place undue reliance on such forward looking statements.

Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, the company does not in providing this information undertake any obligation to publicly update or revise any of the forward looking statements or any change in events, conditions or circumstances on which any such statement is based.

## Ore Reserves and Mineral Resources Reporting Requirements

As an Australian company with securities listed on the Australian Securities Exchange (“ASX”), Newcrest is subject to Australian disclosure requirements and standards, including the requirements of the Corporations Act and the ASX. Investors should note that it is a requirement of the ASX listing rules that the reporting of Ore Reserves and Mineral Resources in Australia comply with the JORC Code and that Newcrest’s Ore Reserve and Mineral Resource estimates comply with the JORC Code.

## Exploration Target

The potential quantity and grade related to Exploration Targets in this report is conceptual in nature as there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource. Refer to Newcrest’s detailed exploration summary on our website at [www.newcrest.com.au](http://www.newcrest.com.au)

# Scheme of Arrangement Approved

- **LGL shareholders voted overwhelmingly in favour of Scheme (99.86%)**
- **PNG National Court approved Scheme effective 30 August 2010**
- **Newcrest has assumed management control**
- **Integration process has commenced**
- **Focus is on delivering synergies**

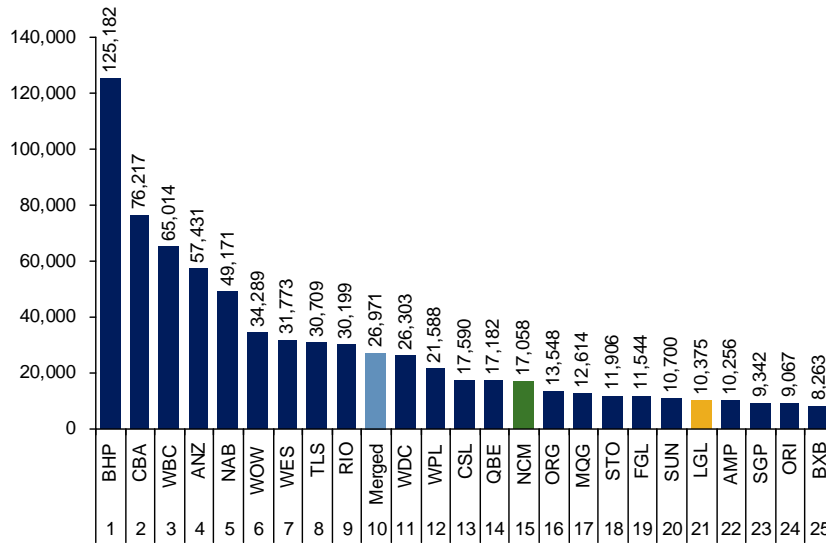
# The Combined Group

- 1. World-class portfolio of long life, high margin gold assets**
- 2. Strong pipeline of growth projects**
- 3. Lowest quartile of the global cash cost curve**
- 4. Highly complementary skills for continued long term optimization**
- 5. Gold premium preserved**

# A Major Player

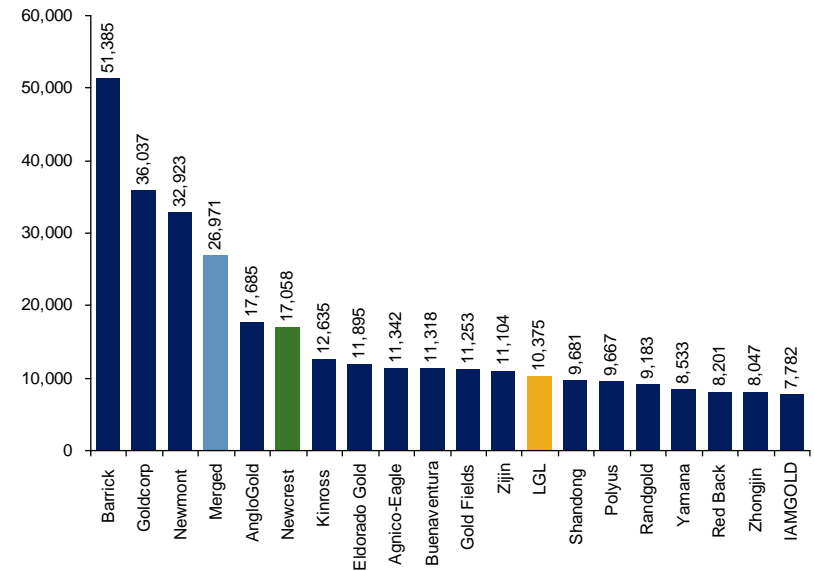
## Financial Strength<sup>(1)</sup>

Market Capitalisation (A\$m)



S&P ASX Ranking<sup>(2)</sup>

Market Capitalisation (A\$m)



Global Gold Majors

The combined group will be a top 10 listed stock as defined by the S&P ASX index weighted market capitalisation and the fourth largest gold company by market capitalisation

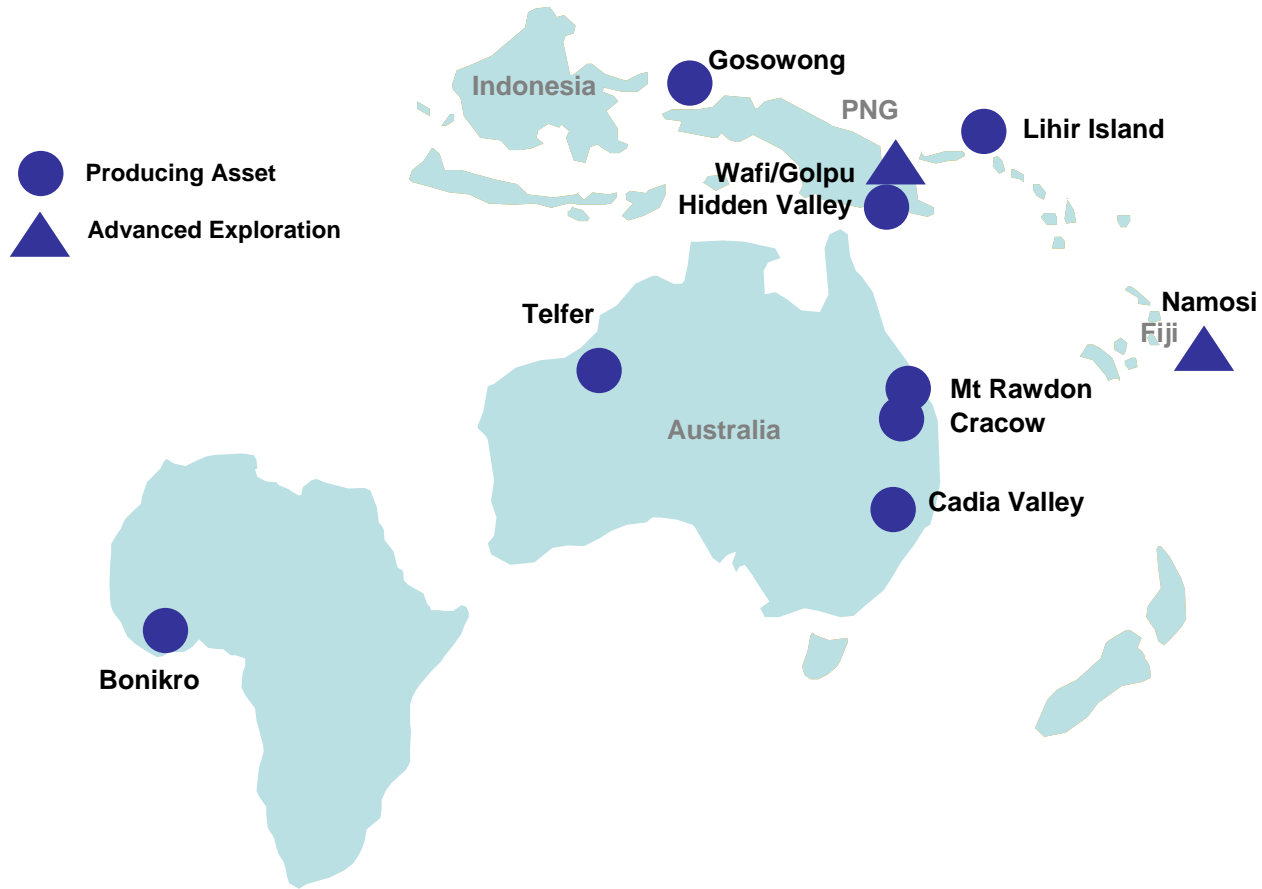
(1) Australia companies based on prices as at 27 August 2010; foreign companies based on prices as at 26 August 2010

(2) S&P ASX index weighted market capitalisation



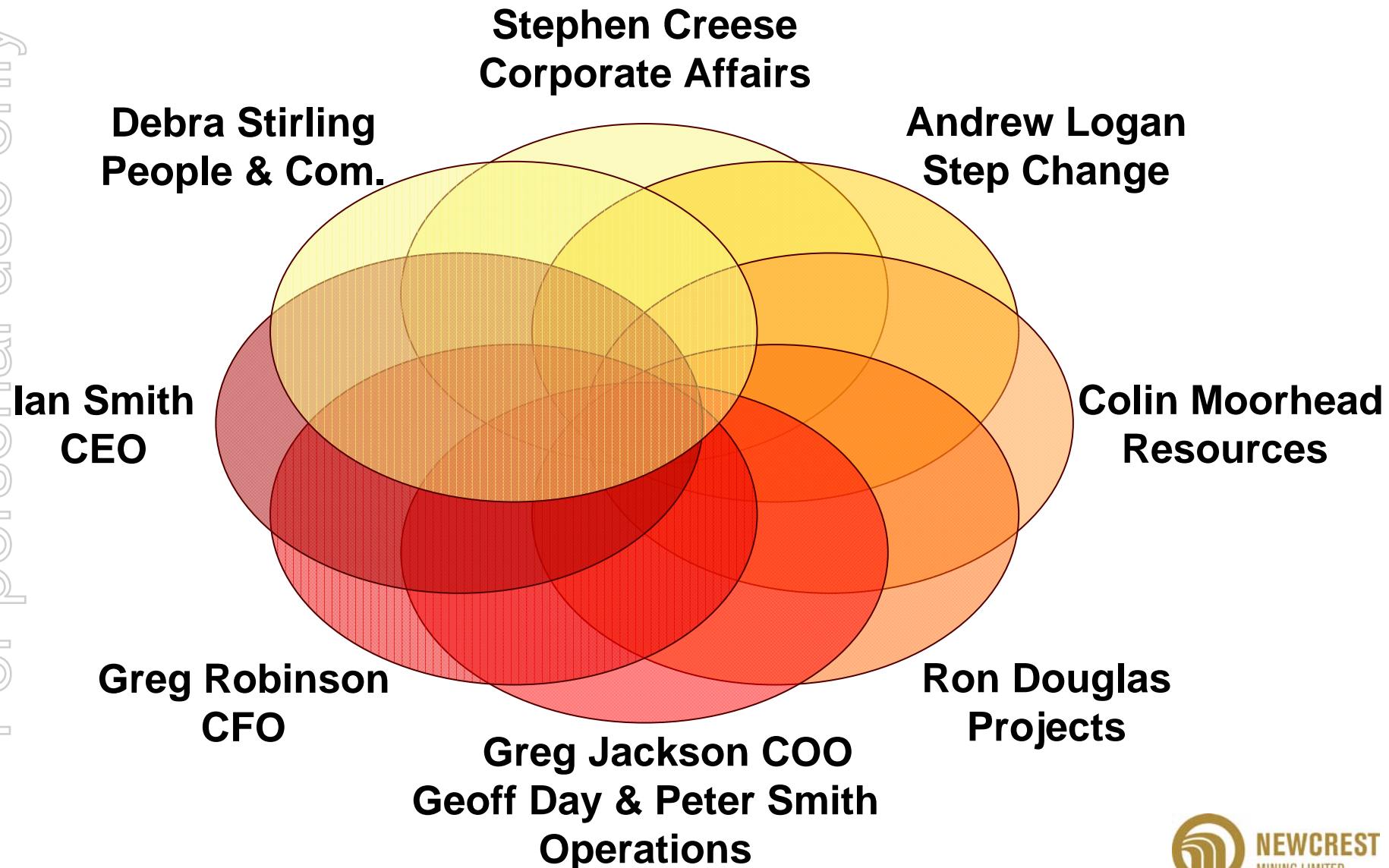
# World Class Asset Portfolio

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**10 operating mines in 4 countries**

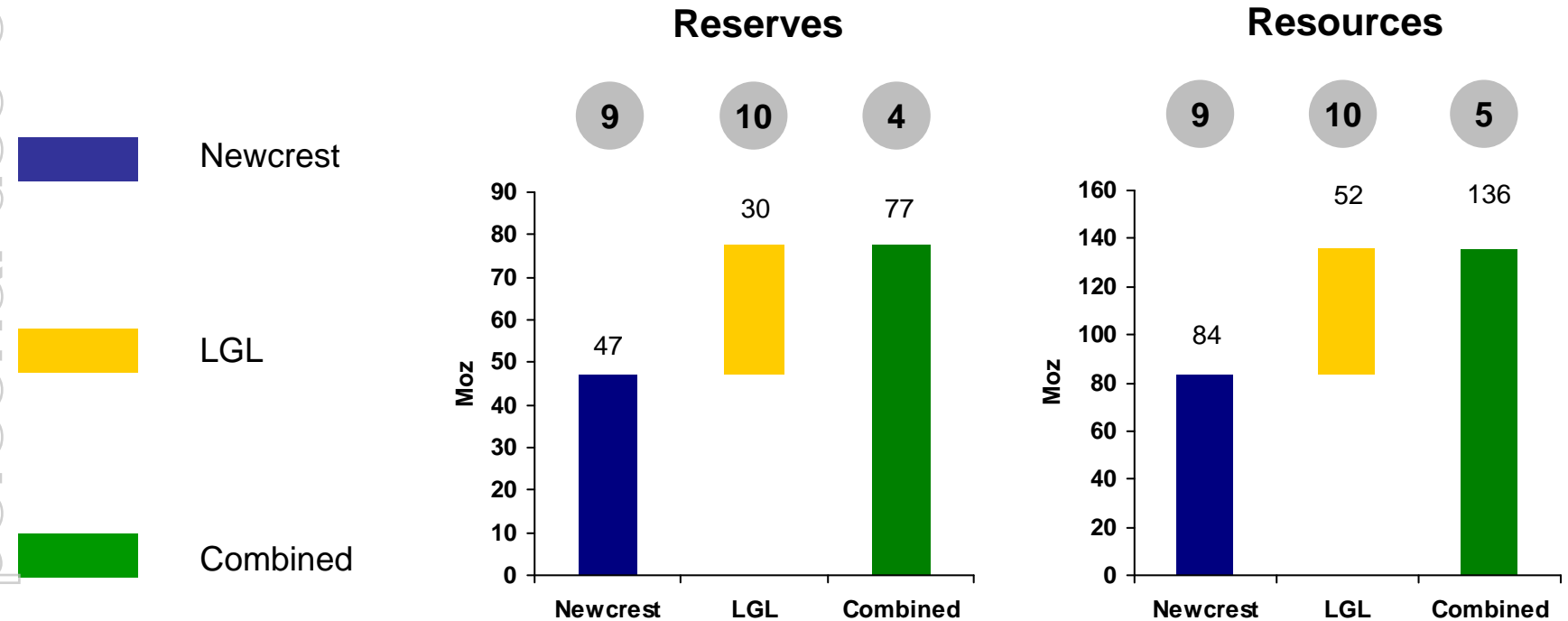
# Executive Structure



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# Extensive Reserves & Resources

## Gold Reserves and Resources

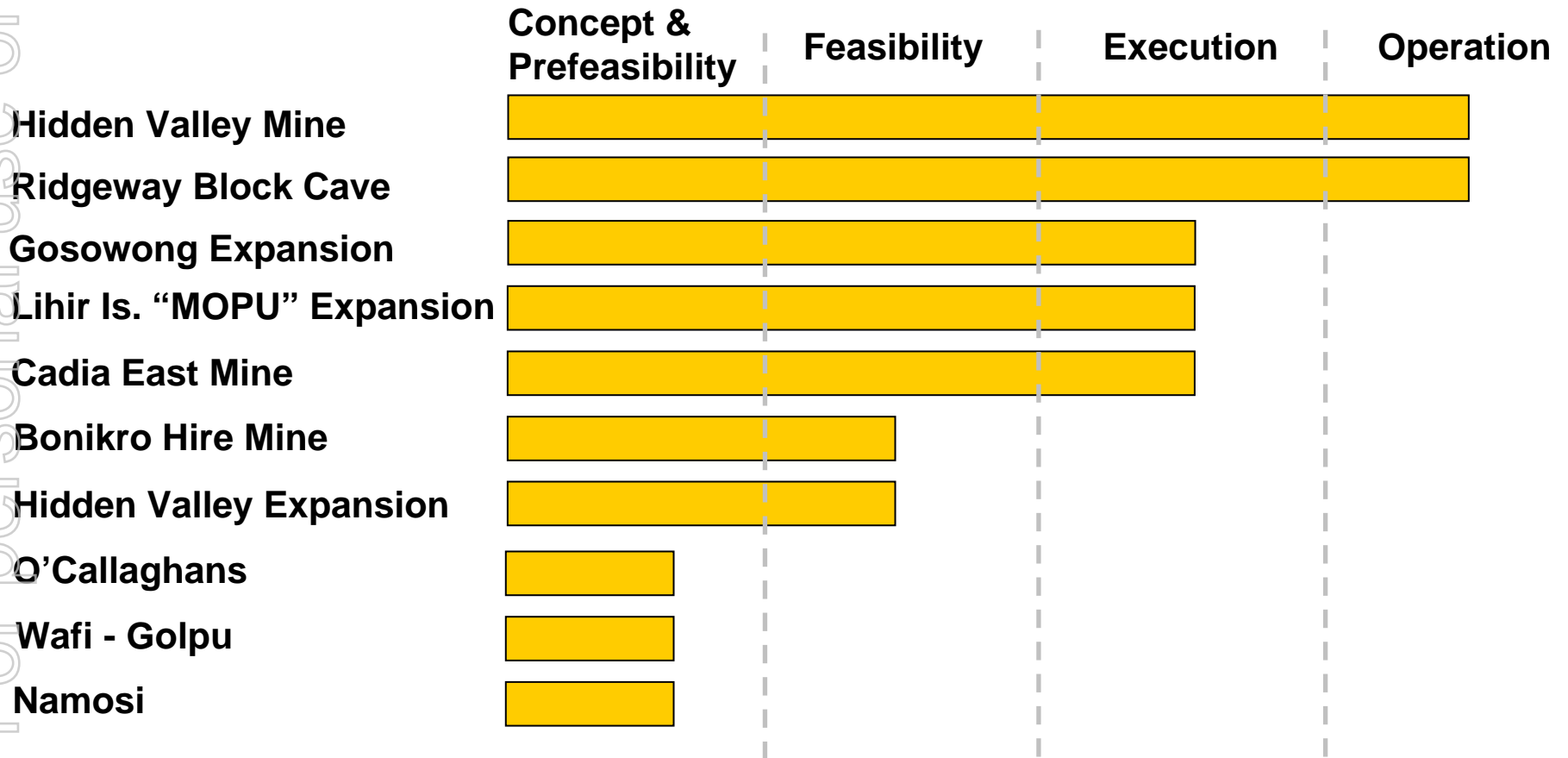


**X** Industry Ranking

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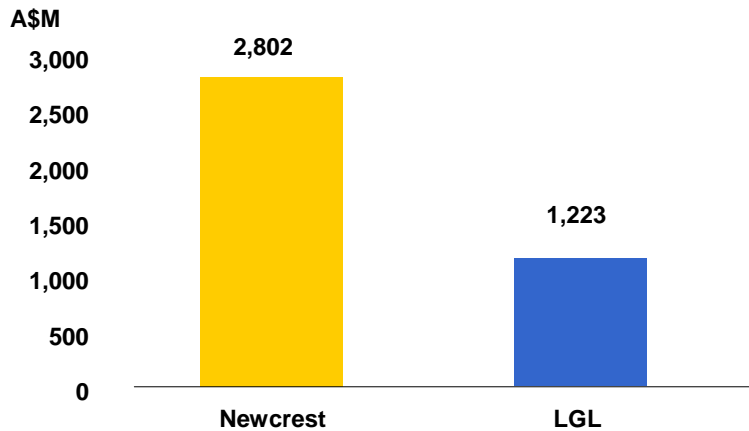


# Project Pipeline

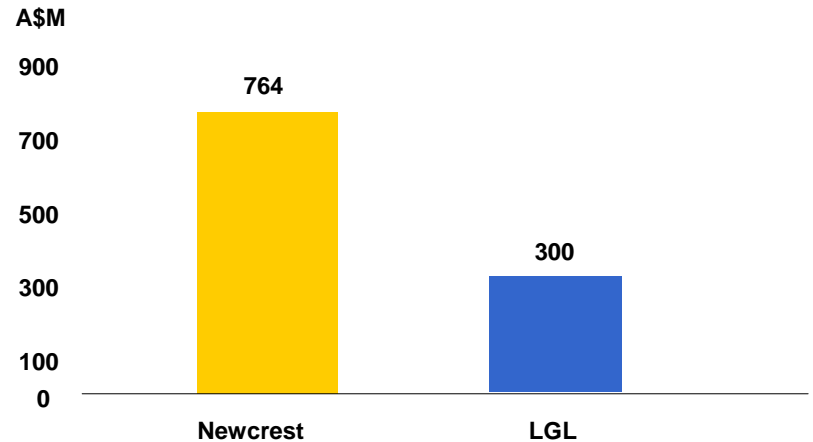


# Financial Summary (July 2009 to June 2010)

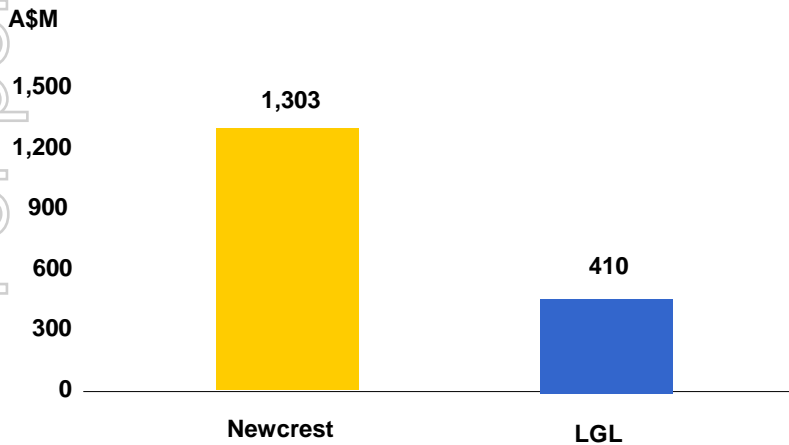
## Sales Revenue A\$4,025M



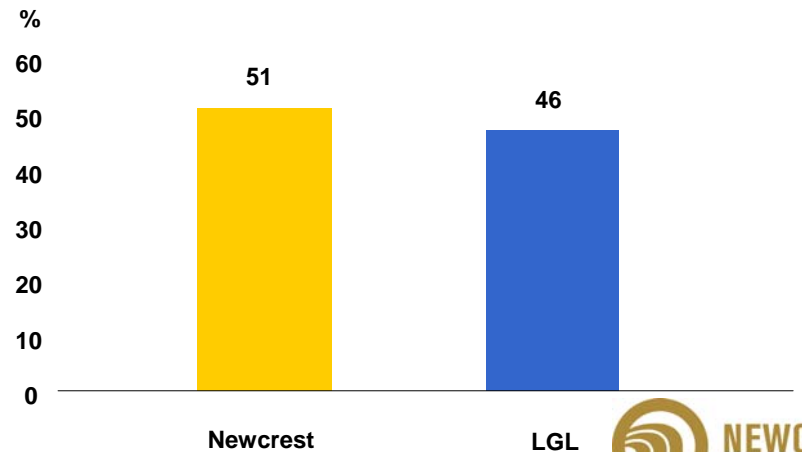
## Underlying Profit A\$1,064M



## Operating Cashflow A\$1,713M

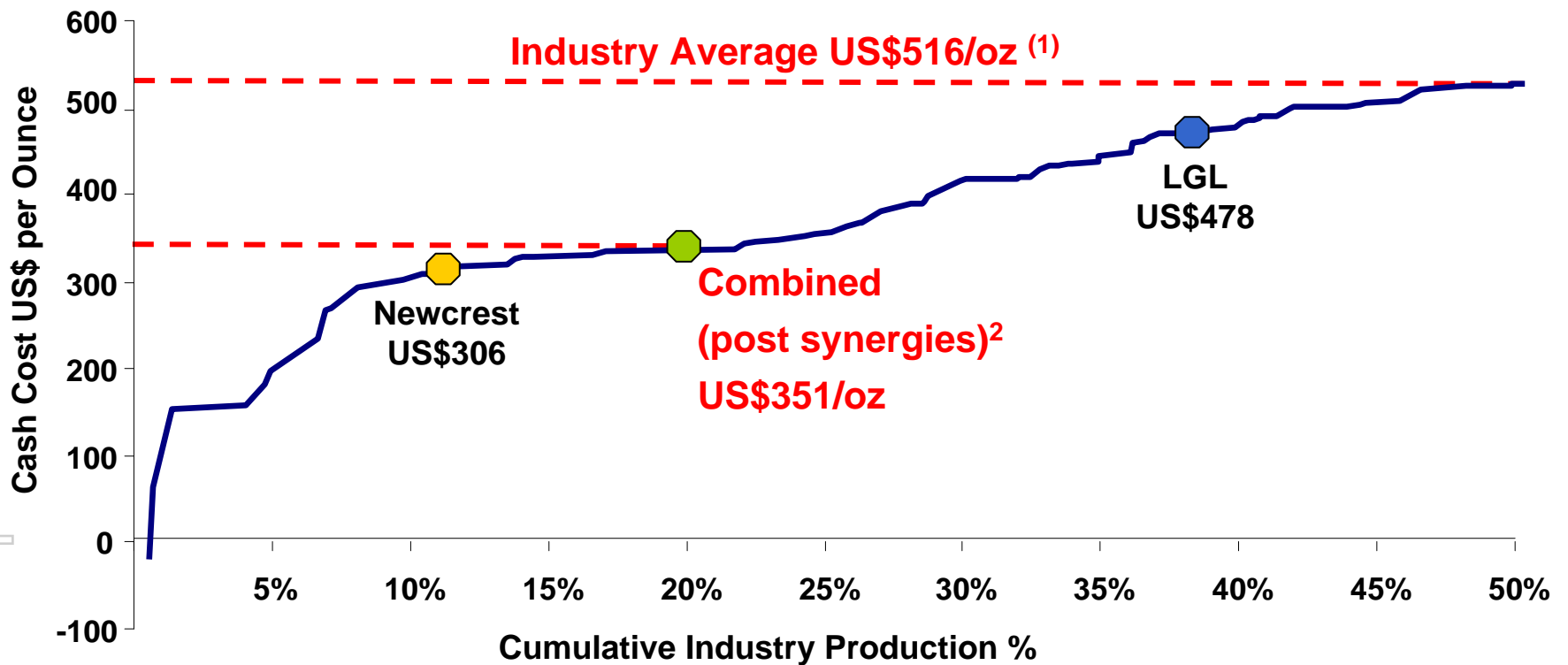


## EBITDA Margin 50%



# Cash Costs after By-Products

July 2009 – June 2010

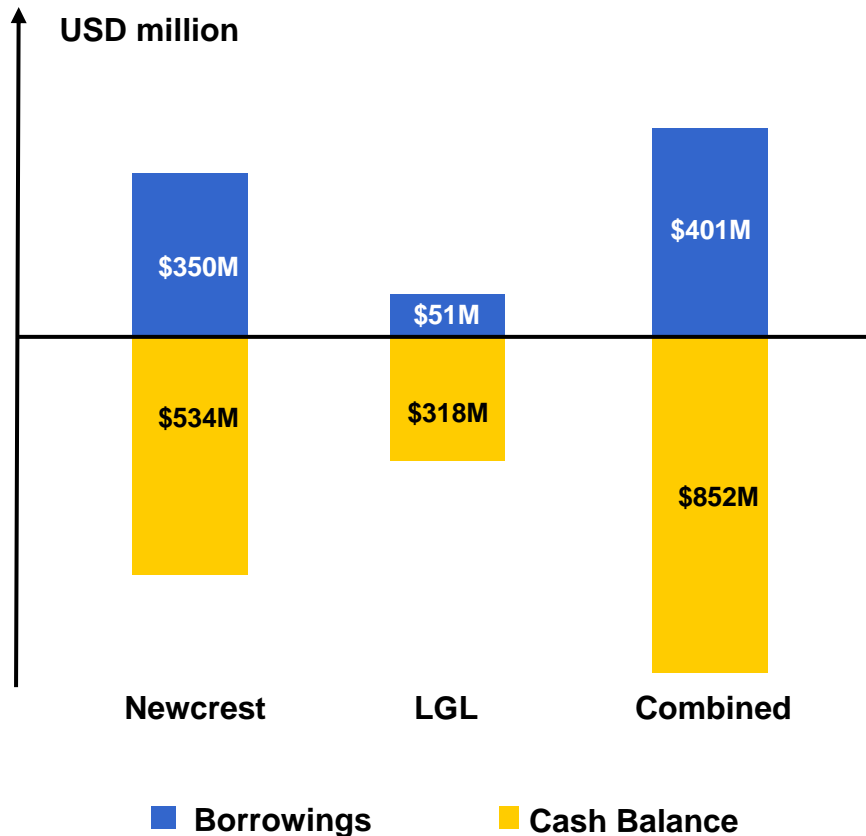


(1) Source: GFMS

(2) Synergies included of A\$50M out of A\$85M

# Strong Balance Sheet

**Net Cash US\$451M at 30 June 2010**



## LGL Transaction Scenario

**If we assume the final cash component approximates A\$500M (~ US\$450M at 0.90 FX) then gearing would be at the low end of the 0% to 5 % range.**

Cash balances converted at period end exchange rates  
Outstanding Debt Position excludes finance leases.

# Synergies

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## Initial focus areas (A\$) :

■ duplicate corporate structure removed	\$37M
■ supply contracts review	+ .....
■ insurance	+ .....
■ treasury	+ .....
■ legal	+ .....
■ Brisbane office consolidation	+ .....

**EXPECTED TOTAL (by end of CY 2010) ~ \$50M**

N.B. Numbers are recurring annual synergies post-implementation

# Synergies

## Further opportunities for synergies through optimisation:

- plant reliability & recoveries
- material movement
- maintenance

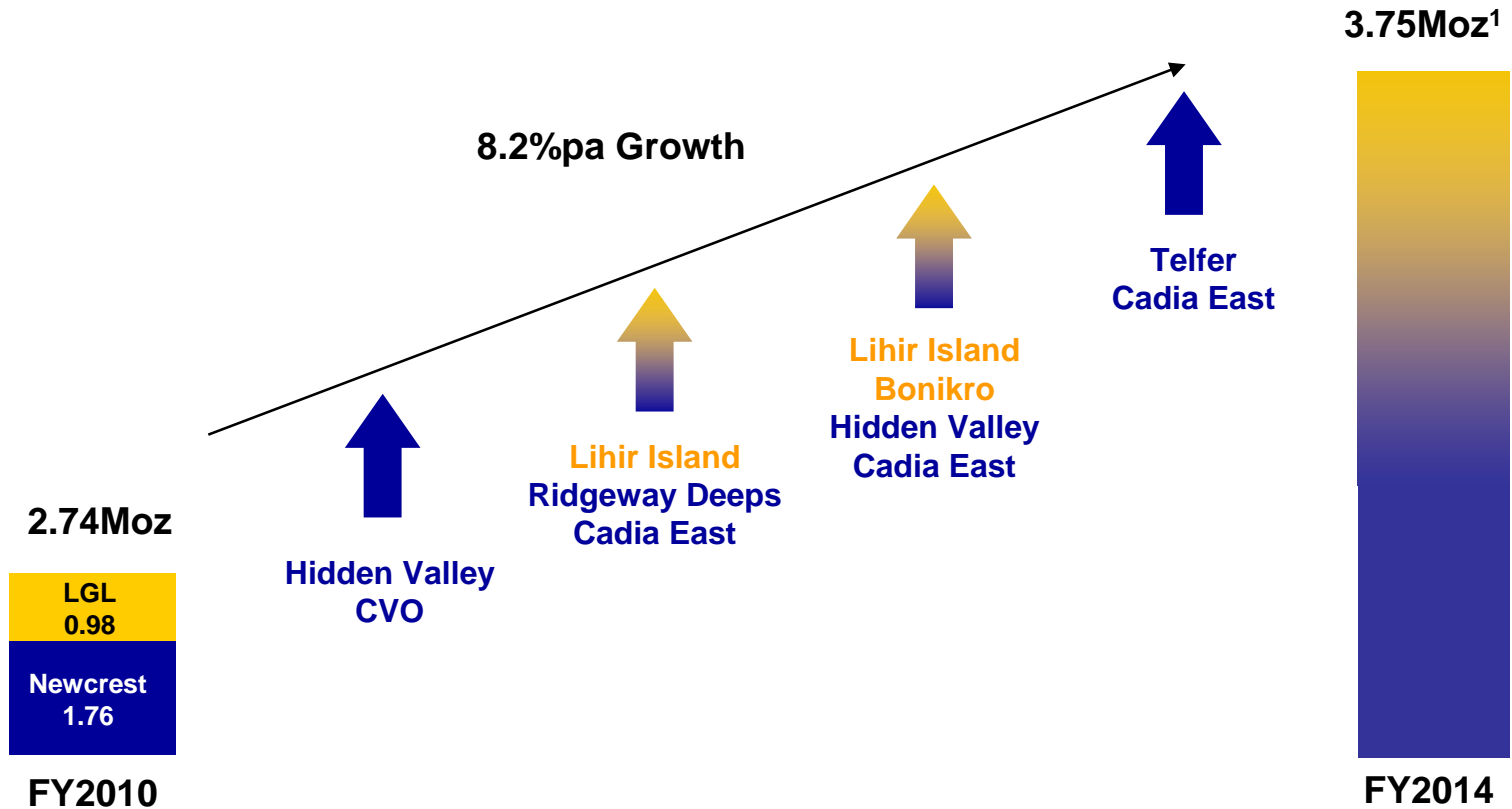
**EXPECTED TOTAL (by end of CY 2011)**

**~ \$50M - \$60M**

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# Growth Profile

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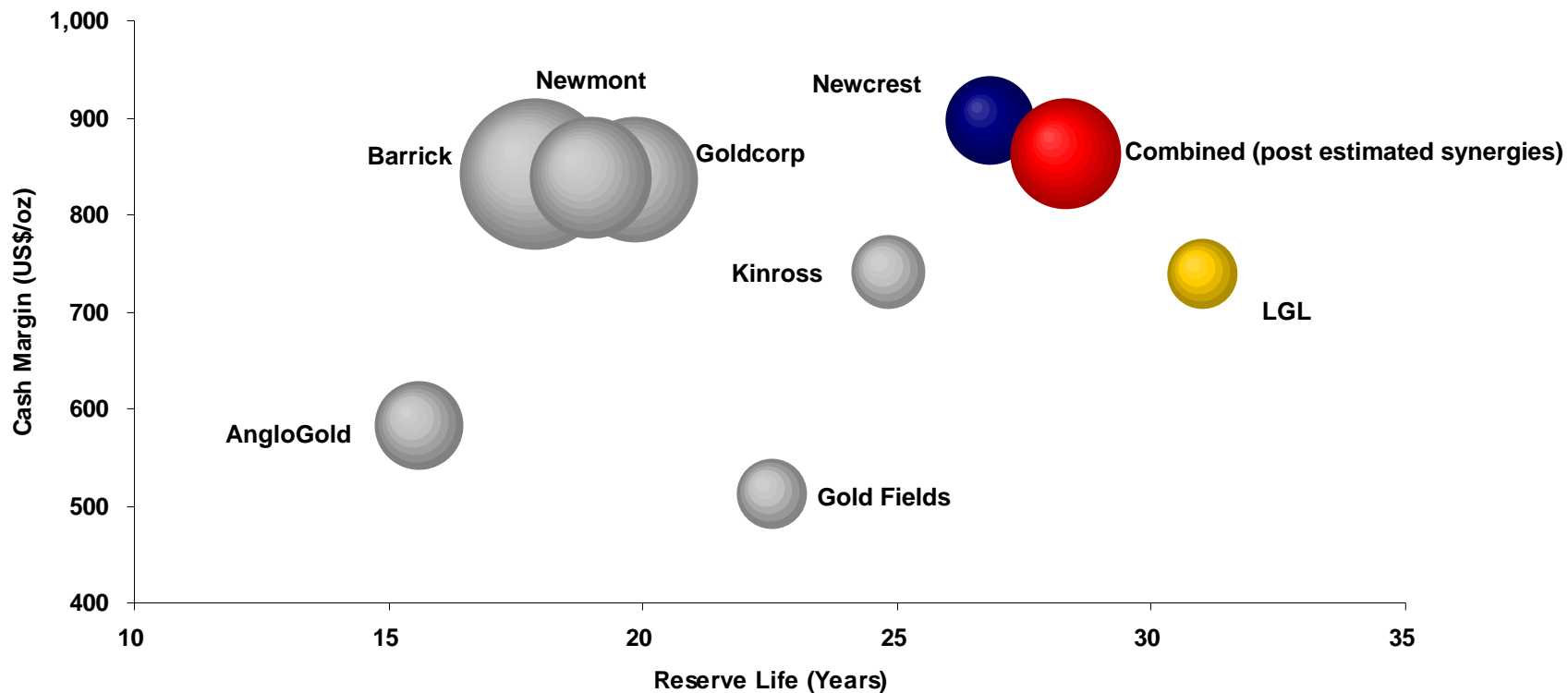


Excludes future production upside from the following internal opportunities:  
 West Africa, Wafi/Golpu, O'Callaghans, Namosi, Camp Dome, Gosowong 2  
 Vertical Stockwork Corridor, West Dome Deeps and Marsden

<sup>1</sup> Source: Newcrest and Lihir ASX announcements

# Long Life & High Margin Assets

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- Circle diameter represents relative market capitalisation as at 18 August 2010
- Cash margin equals US\$1,200/oz less latest quarterly cash costs
- Reserve life equals current gold ore reserves / FY10 gold production
- Source: Company Annual Reports and Quarterly Reports