ASX Appendix 4D & Financial Report

For the half year ended 31 December 2021

NEWCREST
MINING LIMITED

ASX Appendix 4D and Financial Report

Newcrest Mining Limited and Controlled Entities

TABLE OF CONTENTS

Newcrest Mining Limited
ASX Code: NCM

Reporting period: **Half Year ended 31 December 2021**
Corresponding period: Half Year ended 31 December 2020

	6 months 31 Dec 21 US$ million	6 months 31 Dec 20 US$ million	Percentage increase/ (decrease)
Revenue	1,715	2,172	(21%)
Net profit attributable to members of the parent entity ('Statutory Profit')	298	553	(46%)

	6 months ended 31 Dec 21	
Dividend Information	**Amount per share US cents**	**Amount franked per share US cents**
Interim dividend	7.5	7.5
Record date for determining entitlement to interim dividend		28 February 2022
Date interim dividend payable		31 March 2022

The Directors have determined to pay an interim dividend for the half year ended 31 December 2021 of US 7.5 cents per share, which will be fully franked.

The Dividend Reinvestment Plan ('DRP') remains available and will be offered to shareholders at a price determined by the volume weighted average price of shares traded on the ASX over the period 2 March to 8 March 2022. No discount applies to the DRP. Shareholders have until 5pm AEDT on 1 March 2022 to change their DRP election for the interim dividend.

Net Tangible Assets	**31 Dec 21 US$**	**31 Dec 20 US$**
Net tangible assets per share [(1)]	12.13	11.73

(1) Net tangible assets includes right-of-use assets with a carrying value of US$62 million (31 December 2020: US$54 million).

Review of Results

Refer to the Management Discussion and Analysis ('MD&A') on page 5 for a review of the results and operations. This Half Year Financial Report should be read in conjunction with the most recent annual financial report.

Review Report

This Half Year Financial Report has been subject to review by the Company's external auditor.

The Directors present their report together with the consolidated financial statements of the Newcrest Mining Limited Group, comprising of Newcrest Mining Limited ('the Company') and its controlled entities ('Newcrest' or 'the Group'), for the half year ended 31 December 2021.

Directors

The Directors of Newcrest Mining Limited during the half year ended 31 December 2021 and up to the date of this report are set out below. All Directors held their position as a Director throughout the entire half year and up to the date of this report unless otherwise stated.

Peter Tomsett	Non-Executive Director and Non-Executive Chairman [(1)]
Sandeep Biswas	Managing Director and Chief Executive Officer
Philip Aiken AM	Non-Executive Director
Roger Higgins	Non-Executive Director
Sally-Anne Layman	Non-Executive Director
Jane McAloon	Non-Executive Director (appointed on 1 July 2021)
Vickki McFadden	Non-Executive Director
Peter Hay	Non-Executive Director and Non-Executive Chairman [(2)]
Gerard Bond	Finance Director and Chief Financial Officer [(3)]

(1) Appointed as Non-Executive Chairman on 10 November 2021.

(2) Retired as Non-Executive Director and Non-Executive Chairman on 10 November 2021.

(3) Retired as Finance Director on 8 December 2021.

Principal Activities

The principal activities of the Group during the period 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 period.

Consolidated Result

The profit after tax attributable to Newcrest shareholders ('Statutory Profit') for the half year ended 31 December 2021 was US$298 million (31 December 2020: US$553 million).

Refer to the Management Discussion and Analysis ('MD&A') on page 5 for a review of the results and operations. The MD&A forms part of this Directors' Report. The financial information in the MD&A includes non-IFRS financial information. Explanations and reconciliations of non-IFRS financial information to the financial statements are included in Section 6 of the MD&A.

Dividends

During the half year, the Company paid a final dividend for the year ended 30 June 2021 of US 40 cents per share, which was fully franked. The dividend was paid on 30 September 2021. The total amount of the dividend was US$327 million. Participation in the dividend reinvestment plan reduced the cash amount paid to US$315 million.

Subsequent Events

Dividends
Subsequent to the reporting period, the Directors have determined to pay an interim dividend for the half year ended 31 December 2021 of US 7.5 cents per share, which will be fully franked. The dividend will be paid on 31 March 2022. The total amount of the dividend is US$61 million based on Newcrest's existing issued capital as at 31 December 2021. This dividend has not been provided for in the 31 December 2021 financial statements.

Acquisition of Pretium Resources Inc
On 9 November 2021, Newcrest announced that it had entered into an agreement to acquire all of the issued and outstanding common shares of Pretium Resources Inc. (Pretivm) that it does not already own, by way of a Canadian Plan of Arrangement (the Plan).

Subsequent to the reporting period, on 20 January 2022, Pretivm shareholders and option holders (Securityholders) voted overwhelmingly in favour of the Plan at the Pretivm Securityholders meeting. The Plan has also been approved by the Supreme Court of British Columbia and Newcrest has received clearance from the State Administration of Market Regulation pursuant to the Anti Monopoly Law of China.

Completion of the transaction remains subject to approval under the Investment Canada Act. Newcrest expects the transaction to be completed during the March 2022 quarter.

Rounding of Amounts

Newcrest Mining Limited is a company of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that Instrument, amounts in the Directors' Report and the Financial Report are rounded to the nearest million dollars except where otherwise indicated.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under the *Corporations Act 2001* is set out on the following page.

Signed in accordance with a resolution of the Directors

Peter Tomsett Chairman	Sandeep Biswas Managing Director and Chief Executive Officer

17 February 2022
Melbourne

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

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

As lead auditor for the review of the half year financial report of Newcrest Mining Limited for the half year ended 31 December 2021, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Newcrest Mining Limited and the entities it controlled during the financial period.

Ernst & Young

Trent van Veen
Partner
17 February 2022

To assist readers to better understand the financial performance of the underlying operating assets of Newcrest, the financial information in this Management Discussion and Analysis includes non-IFRS financial information. Explanations and reconciliations of non-IFRS information to the financial statements are set out in Section 6.

Unless otherwise stated, all financial data presented in this Management Discussion and Analysis is quoted in US$ and the prior period represents the 6 months ended 31 December 2020.

Section 1 Endnotes are located at the end of the section.

1. SUMMARY OF RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021[1,2,3,4,5]

Key points

- Gold production of 832 thousand ounces[6]
- Copper production of 50.9 thousand tonnes
- Statutory profit[7] and Underlying profit[8] of $298 million
- All-In Sustaining Cost (AISC)[6,8] of $1,194 per ounce, delivering an AISC margin[8,9] of $502 per ounce
- Cash flows from operating activities of $423 million
- Free cash flow[8] of negative $303 million

Advancing Newcrest's global organic growth portfolio

- Newcrest Board approved the Cadia PC1-2, Red Chris Block Cave, Havieron Stage 1 and Lihir Phase 14A Pre-Feasibility Studies to the Feasibility Stage with works advancing on all projects
- Approval received for Cadia to increase its permitted processing capacity to 35Mtpa[10]
- West Dome Stage 5 cutback underway, supporting the continuity of operations at Telfer
- Major increases across Mineral Resources and Ore Reserves separately announced today, including an increase in gold Ore Reserves by 10% to 54 million ounces[11,12]

Newcrest to acquire Pretium Resources Inc., owner of the Brucejack mine in British Columbia[13]

- Addition of a Tier 1 large scale, long life, low cost mine to Newcrest's unrivalled portfolio of assets
- Immediate operational and financial diversification from a Tier 1 jurisdiction
- Immediate increase in Newcrest's gold production by 300koz pa to well above 2Moz[11,14,15,16]
- Accretive to Newcrest's EBITDA and cash flow
- Transaction approved by Pretivm securityholders, with completion expected in the March 2022 quarter[13]

Strong balance sheet and delivering strong shareholder returns

- Strong balance sheet well within financial policy targets, with net debt of $469 million, leverage ratio of 0.2 times and a gearing ratio of 4.5% at 31 December 2021
- Significant liquidity at 31 December 2021 with $3.2 billion in cash and committed undrawn bank facilities
- Sale of royalty asset portfolio generated $37.5 million
- Total dividends paid in the current period of US 40 cents per share
- Fully franked interim dividend of US 7.5 cents per share

Key metrics

	End note	UoM	For the 6 months ended 31 December 2021	2020	Change	Change %
Group production - gold	6	oz	832,298	1,038,566	(206,268)	(20%)
Group production - copper		t	50,945	69,320	(18,375)	(27%)
Revenue		$m	1,715	2,172	(457)	(21%)
EBITDA	8	$m	740	1,146	(406)	(35%)
EBIT	8	$m	448	826	(378)	(46%)
Statutory profit	7	$m	298	553	(255)	(46%)
Underlying profit	8	$m	298	553	(255)	(46%)
Cash flows from operating activities		$m	423	992	(569)	(57%)
Free cash flow	8	$m	(303)	439	(742)	(169%)
EBITDA margin	8	%	43.1	52.8	(9.7)	(18%)
EBIT margin	8	%	26.1	38.0	(11.9)	(31%)
All-In Sustaining Cost	6,8,17	$/oz	1,194	972	222	23%
All-In Sustaining margin	8,9	$/oz	502	842	(340)	(40%)
Realised gold price	18	$/oz	1,733	1,826	(93)	(5%)
Realised copper price	18	$/lb	4.31	3.12	1.19	38%
Average exchange rate		AUD:USD	0.7319	0.7225	0.0094	1%
Average exchange rate		PGK:USD	0.2848	0.2862	(0.0014)	(0%)
Average exchange rate		CAD:USD	0.7939	0.7585	0.0354	5%
Closing exchange rate		AUD:USD	0.7256	0.7702	(0.0446)	(6%)
Earnings per share (basic)		US$ cents	36.4	67.7	(31.3)	(46%)
Earnings per share (diluted)		US$ cents	36.3	67.5	(31.2)	(46%)
Dividends paid per share		US$ cents	40.0	17.5	22.5	129%

	End note	UoM	At 31 December 2021	At 30 June 2021	Change	Change %
Cash and cash equivalents		$m	1,231	1,873	(642)	(34%)
Net debt or (net cash)		$m	469	(176)	645	366%
Gearing		%	4.5	(1.8)	6.3	350%
Total equity		$m	9,982	10,124	(142)	(1%)

Half year results

Newcrest continued to safely operate its assets in the current period, recording its sixth year free of fatalities. Noting that Newcrest's Total Recordable Injury Frequency Rate (TRIFR) in the current period of 3.47 injuries per million hours worked was higher than the prior period, primarily driven by minor hand injuries and other low-potential incidents. Newcrest has implemented improvement plans to address this trend.

To date, Newcrest has not experienced any material COVID-19 related disruptions to production or to the supply of goods and services. Some project activities have experienced a level of disruption with efforts being made to minimise their impact on the overall cost and schedule. The operating cost of managing COVID-19 risks in the current period was approximately $32 million (of which $27 million was related to Lihir), which included additional costs related to flights, transport, rosters, leave, screening and testing. Newcrest now expects that the total cost of managing COVID-19 for the 2022 financial year will be in the order of $50-60 million, up from the $35-45 million estimated at the start of the financial year. The increase in COVID related costs is driven by Lihir and reflects the impacts of Government restrictions on travel, absenteeism, isolation requirements and logistical challenges.

Newcrest's gold production of 832 thousand ounces[6] was 20% lower than the prior period which primarily reflects lower mill throughput at Cadia with the planned replacement and upgrade of the SAG mill motor (completed in November 2021), and lower production at Lihir due to the expected decline in grade as the mine plan transitioned into Phase 15, heavy rainfall limiting access to high grade ore (additional pumping has been installed) and major maintenance activity.

Copper production of 50.9 thousand tonnes was 27% lower than the prior period which was primarily driven by the planned replacement and upgrade of the SAG mill motor at Cadia.

Statutory profit and Underlying profit were both $298 million in the current period.

Underlying profit of $298 million was $255 million lower than the prior period primarily due to lower gold and copper sales volumes (driven by lower production), a lower realised gold price, higher concentrate freight costs due to the global tightness and challenges in the sea freight market, and the unfavourable impact on operating costs from the strengthening of the Australian dollar against the US dollar. Operating costs were also impacted by labour and consumable cost pressures due to rising demand, constrained supply and underlying commodity price increases. Newcrest continues to collaborate with its suppliers to identify ways to manage these cost pressures. This was partially offset by a higher realised copper price, lower income tax expense as a result of the Company's decreased profitability in the current period, lower overall operating costs due to the lower sales volumes, lower gold price and volume linked costs such as royalties, a lower depreciation expense, and an increase in Newcrest's share of profits from its associates.

Newcrest's AISC of $1,194 per ounce[6] was $222 per ounce higher than the prior period, primarily due to the proportionately lower contribution of low cost Cadia production during the replacement and upgrade of the SAG mill motor in the current period and higher unit costs at Lihir, partially offset by lower unit costs at Telfer and Red Chris.

Newcrest's free cash flow of negative $303 million was lower than the prior period, primarily due to the lower earnings (EBITDA), unfavourable net working capital movements and increased investment in major capital projects at Cadia, Red Chris, Havieron and Lihir that underpin the expected future growth of Newcrest. This was partially offset by lower interest payments due to debt refinancing and the early repayment of corporate bonds in prior periods.

In the current period, the Newcrest Board approved the progression of the Cadia PC1-2, Red Chris Block Cave, Havieron Stage 1 and Lihir Phase 14A Pre-Feasibility Studies (PFS) to the Feasibility Stage with works advancing on all projects. The projections generated by each of the PFS studies indicate compelling rates of return, a material improvement in Newcrest's operating margin and cash flow and a significant reduction in Newcrest's AISC per ounce. Newcrest intends to fund all four projects through its internal cash flow generation and prudent use of its strong balance sheet. In addition, the Newcrest Board approved total expenditure of $182 million[19] for the West Dome Stage 5 cutback at Telfer in August 2021.

On 9 November 2021, Newcrest announced that it had entered into an agreement to acquire Pretium Resources Inc. (Pretivm). The transaction is expected to complete during the March 2022 quarter[13]. Pretivm is the owner of the Brucejack operation which is located in the highly prospective Golden Triangle region of British Columbia, Canada. The acquisition, in a Tier 1 jurisdiction, will add a large scale, long life, low cost mine to Newcrest's portfolio of Tier 1 assets and will deliver immediate operational and financial diversification.

On 14 December 2021, Newcrest announced that it had sold a portfolio of royalties for $37.5 million relating to Bonikro (Push Back 5), South Kalgoorlie Operations and Ballarat operating gold mines, and 21 development and exploration stage projects across Australia.

Newcrest also announced on 14 December 2021 that it had received regulatory approval for a modification to increase the permitted processing capacity of Cadia from 32Mtpa to 35Mtpa[10]. The expansion to a plant capacity of 35Mtpa is already underway, with completion expected in the September quarter of calendar year 2022[14]. The modification also provides approval for Newcrest to repair the slumped section of the Northern Tailings Storage Facility (NTSF) at Cadia and revise the footprint of the NTSF and Southern Tailings Storage Facility to allow for a change from an upstream to a centreline lift design. The centreline lift design will meet the requirements of the Global Industry Standard on Tailings Management jointly published by the International Council on Mining & Metals, United Nations environment programme, and the Principles for Responsible Investment.

Capital structure

Newcrest's financial objectives are to meet all financial obligations, maintain a strong balance sheet to withstand cash flow volatility, be able to invest capital in value-creating opportunities, and to provide returns to shareholders. Newcrest looks to maintain a conservative level of balance sheet leverage.

Newcrest's net debt at 31 December 2021 was $469 million. This comprises $1,635 million of capital market debt and lease liabilities of $65 million, less $1,231 million of cash holdings.

At 31 December 2021, Newcrest had liquidity coverage of $3,231 million, comprising $1,231 million of cash and $2,000 million in committed undrawn bilateral bank debt facilities with tenors ranging from 2024 to 2026.

Newcrest's financial policy metrics and its performance against them are as follows:

Metric	Policy 'looks to'	At 31 December 2021	At 30 June 2021
Credit rating (S&P/Moody's)	Investment grade	BBB/Baa2	BBB/Baa2
Leverage ratio (Net debt to EBITDA)	Less than 2.0 times	0.2	(0.1)
Gearing ratio	Below 25%	4.5%	(1.8%)
Cash and committed undrawn bank facilities	At least $1.5bn, of which ~1/3 is in the form of cash	$3.23bn ($1.23bn cash)	$3.87bn ($1.87bn cash)

Telfer gold hedging

No new hedging in relation to Telfer was undertaken in the current period. The total outstanding volume and prices of gold hedged for future years at Telfer and in total for Newcrest is:

Financial Year Ending	Gold Ounces Hedged	Average Price A$/oz
30 June 2022 (January to June 2022)	91,344	1,914
30 June 2023	137,919	1,942
Total	**229,263**	**1,931**

Telfer is a large scale, low grade mine and its profitability and cash flow are sensitive to the realised Australian dollar gold price. Hedging instruments in the form of Australian dollar gold forward contracts were put in place in 2016 to 2018 to secure margins on a portion of future planned production to June 2023, to support investment in cutbacks and mine development.

The current period included 113,271 ounces of Telfer gold sales hedged at an average price of A$1,892 per ounce, representing a net revenue loss of $46 million for the current period. At 31 December 2021, based on gold forward curves, the unrealised mark-to-market loss on the remaining hedges was $97 million.

Approximately 85% of Newcrest's sales in the period were unhedged and therefore benefited from the strong gold prices in the period.

Newcrest's decision in the 2020 financial year to cease its program of hedging the impacts of copper and gold price movements during the quotational period resulted in a net fair value gain in other income in the current period of $20 million, driven by the movement in gold and copper prices across the quotational period. Refer Section 2.4.

Dividend

Newcrest looks to pay ordinary dividends that are sustainable over time having regard to its cash flow generation, its reinvestment options in the business and external growth opportunities, its financial policy metrics and its balance sheet strength. Newcrest targets a total annual dividend payout of 30-60% of free cash flow generated for the financial year, with the annual total dividends being at least US 15 cents per share on a full year basis.

Having regard to the abovementioned considerations, the Newcrest Board has determined that an interim fully franked dividend of US 7.5 cents per share will be paid on Thursday, 31 March 2022. The record date for entitlement is Monday, 28 February 2022.

The financial impact of the interim dividend amounting to $61 million, based on Newcrest's existing issued capital at 31 December 2021, has not been recognised in the Consolidated Financial Statements for the half year. The Company's Dividend Reinvestment Plan remains in place.

The declaration of any future dividend remains at the discretion of the Newcrest Board, having regard to circumstances prevailing at that time.

Guidance[3,14,20,21]

Newcrest remains on track to deliver its full year Group production guidance following completion of major planned maintenance in the September 2021 quarter and the completion of the SAG mill motor project at Cadia. Lihir's performance is expected to further improve in the second half through access to higher grade ore from Phase 14, increasing high and medium grade ore from Phase 15 and lower plant maintenance, however, Lihir is expected to deliver at the lower end of its production guidance range for FY22.

Group AISC guidance for FY22 remains unchanged, however costs associated with managing COVID-19 are now expected to be in the order of $50-60 million, up from the $35-45 million estimated at the start of the financial year. The increase in COVID related costs is driven by Lihir and reflects the impacts of Government restrictions on travel, absenteeism, isolation requirements and logistical challenges.

Guidance for the 12 months ending 30 June 2022

	Cadia	Lihir	Telfer	Red Chris	Fruta del Norte[(a)]	Havieron	Other	Group
Production								
Gold - koz	540 - 610	700 – 800	390 - 440	40 – 42	120 - 135			1,800 – 2,000
Copper - kt	85 - 95		~15	23 – 25				125 – 130
All-In-Sustaining Cost (AISC) – Includes production stripping (sustaining) and sustaining capital								
AISC - $m	(100) – 30	1,070 - 1,160	600 – 680	(25) – 15	100 – 104		135 - 145	1,840 – 2,040
Capital Expenditure ($m)								
- Production stripping (sustaining)		140 – 150	25 – 35					165 – 175
- Production stripping (non-sustaining)				50 – 70				50 – 70
- Sustaining capital	160 – 180	150 – 170	50 – 60	65 – 70			15 – 20	440 – 490
- Major projects (non-sustaining)	580 – 650	105 – 135		110 – 130		65 – 85	6 – 8[(b)]	890 - 990
Total Capital expenditure	**740 – 830**	**395 – 455**	**75 - 95**	**225 - 270**		**65 – 85**	**21 – 28**	**1,545 – 1,725**
Exploration and Depreciation ($m)								
Exploration expenditure								150 – 160
Depreciation and amortisation (including depreciation of production stripping)								700 - 750

(a) The Fruta del Norte guidance represents Newcrest's 32% interest in the annualised production and AISC for Fruta del Norte based on Lundin Gold's market release on 8 December 2020. This release estimated gold production for the 2021 calendar year to be in the range of 380koz to 420koz at an AISC of $770/oz to $830/oz.

(b) Other major project expenditure (non-sustaining) includes non-sustaining capital in relation to Wafi-Golpu.

Review of Operations[21]

For the 6 months ended 31 December 2021

	UoM	Cadia	Lihir	Telfer	Red Chris	Fruta del Norte[6]	Other	Group
Operating								
Production								
Gold	koz	224	305	214	20	69	-	833
Copper	kt	33	-	7	10	-	-	51
Silver	koz	192	11	96	62	-	-	362
Sales								
Gold	koz	225	297	205	20	70	-	818
Copper	kt	33	-	7	10	-	-	50
Silver	koz	190	11	96	63	-	-	360
Financial								
Revenue	$m	687	533	372	123	-	-	1,715
EBITDA	$m	452	125	102	50	-	11	740
EBIT	$m	376	2	44	24	-	2	448
Net assets	$m	3,391	4,160	(24)	1,046	-	1,409	9,982
Operating cash flow	$m	427	129	51	43	-	(227)	423
Investing cash flow	$m	(387)	(162)	(40)	(108)	-	(29)	(726)
Free cash flow*	$m	40	(33)	11	(65)	-	(256)	(303)
AISC	$m	19	541	278	27	56	56	977
	$/oz	85	1,819	1,355	1,314	802	-	1,194
AISC Margin[9]	$/oz	1,648	(86)	378	419	-	-	502

* Free cash flow for 'Other' includes an inflow from other investing activities of $40 million (comprising proceeds from the sale of the royalty portfolio of $32 million, net receipts from Fruta del Norte finance facilities of $30 million, purchase of a put option of $19 million, and $3 million relating to further investments in Lundin Gold), income tax paid of $138 million, net interest paid of $1 million, exploration expenditure of $39 million, corporate costs of $45 million, other capital expenditure of $33 million, and net working capital outflows of $40 million.

For the 6 months ended 31 December 2020

	UoM	Cadia	Lihir	Telfer	Red Chris	Fruta del Norte[6]	Other	Group
Operating								
Production								
Gold	koz	391	378	185	24	61	-	1,039
Copper	kt	52	-	5	13	-	-	69
Silver	koz	319	18	52	57	-	-	445
Sales								
Gold[17]	koz	389	381	173	24	54	-	1,022
Copper	kt	51	-	4	13	-	-	68
Silver	koz	313	18	52	57	-	-	440
Financial								
Revenue	$m	1,048	718	283	123	-	-	2,172
EBITDA	$m	767	325	12	39	-	3	1,146
EBIT	$m	669	187	(32)	10	-	(8)	826
Net assets	$m	3,129	4,169	(32)	931	-	1,422	9,619
Operating cash flow	$m	808	325	27	57	-	(225)	992
Investing cash flow	$m	(248)	(145)	(29)	(80)	-	(51)	(553)
Free cash flow*	$m	560	180	(2)	(23)	-	(276)	439
AISC[17]	$m	21	516	290	72	40	54	993
	$/oz	54	1,352	1,676	2,961	740	-	972
AISC Margin[9]	$/oz	1,772	474	150	(1,135)	-	-	842

* Free cash flow for 'Other' includes an inflow from other investing activities of $20 million (comprising net receipts from Fruta del Norte finance facilities of $14 million, proceeds from the sale of property, plant and equipment of $7 million, and $1 million relating to further investments in Lundin Gold), income tax paid of $137 million, net interest paid of $25 million, exploration expenditure of $49 million, corporate costs of $45 million, other capital expenditure of $18 million, and net working capital outflows of $22 million.

Endnotes

[1] All figures in this document relate to businesses of the Newcrest Mining Limited Group ('Newcrest' or 'the Group') for the 6 months ended 31 December 2021 ('current period') compared with the 6 months ended 31 December 2020 ('prior period'), except where otherwise stated. All references to 'the Company' are to Newcrest Mining Limited.

[2] **Technical and scientific information:** The technical and scientific information contained in this document relating to Pretivm was reviewed by Ms Jillian Terry, Head of Mineral Resource Management, FAusIMM, a Qualified Person as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects (NI 43-101) and confirmed to be a true and accurate representation of data presented in the Q1 2021 MD&A and Technical Report, and filed by Pretivm on SEDAR (www.sedar.com). The technical and scientific information contained in this document relating to Wafi-Golpu and Lihir was reviewed and approved by Mr Craig Jones, Newcrest's Chief Operating Officer PNG, FAusIMM and a Qualified Person as defined in NI 43-101. The technical and scientific information contained in this document relating to Cadia and Red Chris was reviewed and approved by Mr Philip Stephenson, Newcrest's Chief Operating Officer Australia and Americas, FAusIMM and a Qualified Person as defined in NI 43-101.

[3] **Disclaimer:** This document includes forward looking statements and forward looking information within the meaning of securities laws of applicable jurisdictions. 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 estimated reserves and resources, certain plans, strategies, aspirations and objectives of management, anticipated production, study or construction dates, expected costs, cash flow or production outputs and anticipated productive lives of projects and mines. 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.

These forward looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance, and achievements to differ materially from any future results, performance or achievements, or industry results, expressed or implied by these forward looking statements. 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. For further information as to the risks which may impact on the Company's results and performance, please see the risk factors included in the Operating and Financial Review included in the Appendix 4E and Financial Report for the year ended 30 June 2021 and the Annual Information Form dated 6 December 2021 which are available to view at www.asx.com.au under the code "NCM" and on Newcrest's SEDAR profile.

Forward looking statements are based on Newcrest's good faith assumptions as to the financial, market, regulatory and other relevant environments that will exist and affect Newcrest's business and operations in the future. Newcrest 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 Newcrest. Readers are cautioned not to place undue reliance on forward looking statements, particularly in the current economic climate with the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic. Forward looking statements in this document speak only at the date of issue. Except as required by applicable laws or regulations, Newcrest 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.

[4] **Reliance on Third-Party Information:** This document contains information that has been obtained from third parties and has not been independently verified, including estimates and actual outcomes that relate to production and AISC for Fruta del Norte and Brucejack. No representation of warranty is made as to the accuracy, completeness or reliability of the information. This document should not be relied upon as a recommendation or forecast by Newcrest.

[5] **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 2001 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 is in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) and that Newcrest's Ore Reserve and Mineral Resource estimates and reporting comply with the JORC Code. Newcrest is also subject to certain Canadian disclosure requirements and standards, as a result of its secondary listing on the Toronto Stock Exchange (TSX), including the requirements of NI 43-101. Investors should note that it is a requirement of Canadian securities law that the reporting of Mineral Reserves and Mineral Resources in Canada and the disclosure of scientific and technical information concerning a mineral project on a property material to Newcrest comply with NI 43-101. Newcrest's material properties are currently Cadia, Lihir, Red Chris and Wafi-Golpu. Copies of the NI 43-101 Reports for Cadia, Lihir and Wafi-Golpu, which were released on 14 October 2020, and Red Chris, which was released on 30 November 2021, are available at www.newcrest.com and on Newcrest's SEDAR profile.

[6] Group gold production, gold sales and AISC includes Newcrest's 32% attributable share of Fruta del Norte through its 32% equity interest in Lundin Gold Inc. (Lundin Gold). The outcomes for Fruta del Norte have been sourced from Lundin Gold's news releases. Refer to Section 6.6 for further details.

- Gold production in the current period includes 68,985 ounces relating to Newcrest's 32% attributable share of the 215,578 ounces reported by Lundin Gold for the six month period ended 31 December 2021; and
- Group AISC in the current period includes an estimated reduction of $37 per ounce, which represents 35,714 ounces of Newcrest's 32% attributable share of the 111,605 ounces sold at $804 per ounce as reported by Lundin Gold for the September 2021 quarter plus an estimate for the December 2021 quarter based on the 34,533 ounces relating to Newcrest's 32% attributable share of the 107,915 ounces reported by Lundin Gold for the December 2021 quarter at the mid-point of Newcrest's FY22 guidance ($800 per ounce).

[7] Statutory profit is profit after tax attributable to owners of the Company.

[8] Newcrest's results are reported under International Financial Reporting Standards (IFRS). This document includes certain non-IFRS financial information within the meaning of ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information' published by ASIC and 'non-GAAP information' within the meaning of National Instrument 52-112 - *Non-GAAP and Other Financial Measures* published by the Canadian Securities Administrator. Such information includes:

- 'Underlying profit' (profit or loss after tax before significant items attributable to owners of the Company);
- 'EBITDA' (earnings before interest, tax, depreciation and amortisation, and significant items);
- 'EBIT' (earnings before interest, tax and significant items);
- 'EBITDA Margin' (EBITDA expressed as a percentage of revenue);
- 'EBIT Margin' (EBIT expressed as a percentage of revenue);

- 'Leverage ratio (net debt to EBITDA)' (calculated as net debt divided by EBITDA for the preceding 12 months);
- 'Free cash flow' (calculated as cash flows from operating activities less cash flows from investing activities. Free cash flow for each operating site is calculated as Free cash flow before interest, tax and intercompany transactions);
- 'Free Cash Flow before M&A activity' (being 'Free Cash Flow' excluding acquisitions, investments in associates and divestments);
- 'AISC' and 'AIC' (All-In Cost) as per the updated World Gold Council Guidance Note on Non-GAAP Metrics released November 2018. AISC and AIC will vary from period to period as a result of various factors including production performance, timing of sales and the level of sustaining capital and the relative contribution of each asset; and
- AISC Margin reflects the average realised gold price less the AISC per ounce sold.

These measures are used internally by Management to assess the performance of the business and make decisions on the allocation of resources and are included in this document to provide greater understanding of the underlying financial performance of Newcrest's operations. The non-IFRS information has not been subject to audit or review by Newcrest's external auditor and should be used in addition to IFRS information. Such non-IFRS financial information/non-GAAP financial measures do not have a standardised meaning prescribed by IFRS and may be calculated differently by other companies. Although Newcrest believes these non-IFRS/non-GAAP financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information/non-GAAP financial measures included in this document. When reviewing business performance, this non-IFRS information should be used in addition to, and not as a replacement of, measures prepared in accordance with IFRS, available on Newcrest's website and the ASX and SEDAR platforms. Refer to Section 6 for a reconciliation of non-IFRS measures to the most appropriate IFRS measure.

[9] Newcrest's AISC margin has been determined by deducting the All-In Sustaining Cost attributable to Newcrest's operations from Newcrest's realised gold price. Refer to Section 6.6 for further details.

[10] The modification is subject to conditions including Newcrest commissioning an independent audit report to the satisfaction of the New South Wales Department of Planning, Industry & Environment Secretary in relation to Newcrest's approach to managing and minimising the off-site air quality impacts of the project.

[11] **Competent Person's Statement:** The information in this document that relates to Group Mineral Resources, Ore Reserves, and related scientific and technical information has been extracted from Newcrest's release titled "Annual Mineral Resources and Ore Reserves Statement – as at 31 December 2021" dated 17 February 2022 (the original MR&OR release) which is available to view at www.asx.com.au under the code of "NCM" and on Newcrest's SEDAR profile and is based on and fairly represents information compiled by Ms J Terry. Ms Terry is Newcrest's Head of Mineral Resource Management and a full-time employee of Newcrest Mining Limited. She is entitled to participate in Newcrest's executive equity long term incentive plan, details of which are included in Newcrest's 2021 Remuneration Report. She is a Fellow of the Australasian Institute of Mining and Metallurgy. Ms Terry has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the JORC Code and as a Qualified Person under NI 43-101. Ms Terry has reviewed and approves the disclosure of scientific and technical information contained in this document and consents to the inclusion of material of the matters based on her information in the form and context in which it appears. The information in this document that relates to the production target for the Newcrest Group to 2030 has been extracted from Page 3 of the release titled "Newcrest advances its organic growth portfolio" as disclosed to the ASX dated 12 October 2021 (the original growth release). The production targets in this document that relate to Lihir have been extracted from the release titled "Lihir PFS supports gold production growth to 1Mozpa+ from FY24" dated 12 October 2021 (the original Lihir release). The original growth release and the original Lihir release (together, the original releases) are available to view at www.asx.com.au under the code "NCM" and on Newcrest's SEDAR profile. Newcrest confirms that all material assumptions underpinning the production targets in the original releases continue to apply and have not materially changed, but Cadia and Lihir's Ore Reserves are subject to depletions for the period to 31 December 2021.

[12] Gold Reserves reflect Proved and Probable Gold Ore Reserves (contained metal) as reported in the original MR&OR Release dated 17 February 2022. An extract of the original MR&OR release is included below:

Gold Ore Reserves As at 31 December 2021[(a), (b)]	Proved Ore Reserves			Probable Ore Reserves		
	Dry Tonnes (Mt)	*Au Grade (g/t Au)*	*Insitu Au (Moz)*	*Dry Tonnes (Mt)*	*Au Grade (g/t Au)*	*Insitu Au (Moz)*
Total Cadia Province	-	-	-	1,300	0.43	19
Total Telfer Province	-	-	-	50	0.93	1.5
Total Red Chris Province (70%)	-	-	-	330	0.53	5.6
Total Lihir Province	58	1.9	3.6	250	2.4	19
Wafi-Golpu (50%)[(c)]	-	-	-	200	0.86	5.5
Total	**58**	**1.9**	**3.6**	**2,200**	**0.72**	**50**

(a). Cadia Province Probable Reserves includes Cadia East Underground 1,300Mt @ 0.42g/t Au and Ridgeway Underground 80Mt @ 0.54g/t Au; Telfer Province Probable Reserves includes Open Pit Stockpiles 8.8Mt @ 0.43g/t Au, West Dome Open Pit 32Mt @ 0.58g/t Au, Telfer Underground 3.7Mt @ 1.1g/t Au and Havieron 40% registered interest 5.4Mt @ 3.7g/t Au; Red Chris Province Probable Reserves 70% equity share includes Red Chris Open Pit 42Mt @ 0.39g/t Au, Red Chris Open Pit Stockpiles 7.3Mt @ 0.16g/t Au and Red Chris Underground 280Mt @ 0.55g/t Au; Lihir Province Proved Reserves are Lihir Stockpiles 58Mt @ 1.9g/t and Lihir Province Probable Reserves includes Lihir Open Pit 230Mt @ 2.4g/t Au and Lihir Stockpiles 13Mt @ 1.6g/t Au; Wafi-Golpu 50% equity share Golpu Probable Reserves are as presented in the above table.

(b). Data is reported to two significant figures to reflect appropriate precision in the estimate and this may cause some apparent discrepancies in totals.

(c). Wafi-Golpu Project is owned by the Wafi-Golpu unincorporated joint venture between subsidiaries of Newcrest (50%) and Harmony (50%). In March 2021, the Governor of the Morobe Province commenced a judicial review application against the state of PNG, challenging the December 2020 grant of the environment permit for the Wafi-Golpu Project. The judicial review proceeding is on hold while a September 2021 National Court Environment Permit interim stay order and State appeal of that order are processed in the Supreme Court.

[13] Completion of the transaction remains subject to satisfaction of transaction conditions precedent, including receipt of Investment Canada Act approval.

[14] Subject to market and operating conditions and potential delays due to COVID-19 impacts. Estimates should not be construed as guidance.

[15] Based on Pretivm's Technical Report on the Brucejack Gold Mine Northwest British Columbia dated 9 March 2020 filed by Pretivm on SEDAR (www.sedar.com) in accordance with NI 43-101.

[16] Based on the Newcrest production targets set out on Page 3 of its release titled "Newcrest advances its global organic growth portfolio" dated 12 October 2021 (the original growth release) which is available to view at www.asx.com.au under the code of "NCM" and on Newcrest's SEDAR profile. The Mineral Resources and Ore Reserves underpinning the production targets are also specified in such release, and they have been prepared by Competent Persons in accordance with Appendix 5A of the ASX Listing Rules. Note that the Mineral Resources and Ore Reserves quoted in the original growth release are subject to depletions for the period to 31 December 2021.

[17] Subsequent to the release of Newcrest's FY21 half year results, gold sales and AISC for the six months ending 31 December 2020 were restated to include Newcrest's 32% share of Fruta del Norte's December 2020 quarterly results which Lundin Gold released on 15 March 2021.

[18] Realised metal prices are the US dollar spot prices at the time of sale per unit of metal sold (net of Telfer gold production hedges), excluding deductions related to treatment and refining costs and the impact of price related finalisations for metals in concentrate. The realised price has been calculated using sales ounces generated by Newcrest's operations only (i.e. excluding Fruta del Norte).

[19] A$246 million converted to US dollars using the spot AUD/USD exchange rate of 0.74.

[20] The guidance stated assumes weighted average copper price of $4.20 per pound, AUD:USD exchange rate of 0.75 and CAD:USD exchange rate of 0.80 for FY22.

[21] All data relating to operations is shown at 100%, with the exception of Red Chris which is shown at 70% and Fruta del Norte which is shown at 32%.

[22] In accordance with the Havieron Joint Venture Agreement, Greatland Gold funded its 30% share of Early Works and growth drilling activities up to the completion of the Pre-Feasibility Study. Following delivery of the Pre-Feasibility Study on 12 October 2021, Greatland Gold is now funding its proportional share of all joint venture expenditure towards the delivery of the Feasibility Study. Spend is shown net of Greatland Gold contributions to the Havieron joint venture. Refer to Newcrest's release titled "Newcrest signs Havieron Joint Venture Agreement and expands its presence in the highly prospective Paterson Province" dated 30 November 2020 which is available to view at www.asx.com.au under the code of "NCM" and on Newcrest's SEDAR profile.

[23] Additional operational and financial information can be viewed via the Interactive Analyst Centre™ which is located under the Investor tab on Newcrest's website (www.newcrest.com). This interactive tool allows users to chart and export Newcrest's current and historical results for further analysis.

[24] AISC per ounce is first quartile when compared to the Metals Focus "Q3 2021 Gold Mine Cost Service" report dated 2 December 2021.

[25] The production target underpinning the estimate for Lihir is ~19Moz over the LOM. The production target for Lihir is based on the utilisation of 100% of Lihir's Ore Reserves, being 4Moz Proved (63Mt @ 2.0 g/t Au) and 19Moz (250Mt @ 2.4 g/t Au) Probable Ore Reserves as at 30 June 2021, which have been prepared by Competent Persons in accordance with Appendix 5A of the ASX Listing Rules (see Newcrest release titled "Lihir PFS supports gold production growth to 1Mozpa+ from FY24" dated 12 October 2021 which is available to view at www.asx.com.au under the code of "NCM" and on Newcrest's SEDAR profile), but is subject to depletions for the period since 1 July 2021.

2. DISCUSSION AND ANALYSIS OF OPERATIONS AND THE INCOME STATEMENT

2.1. Profit overview

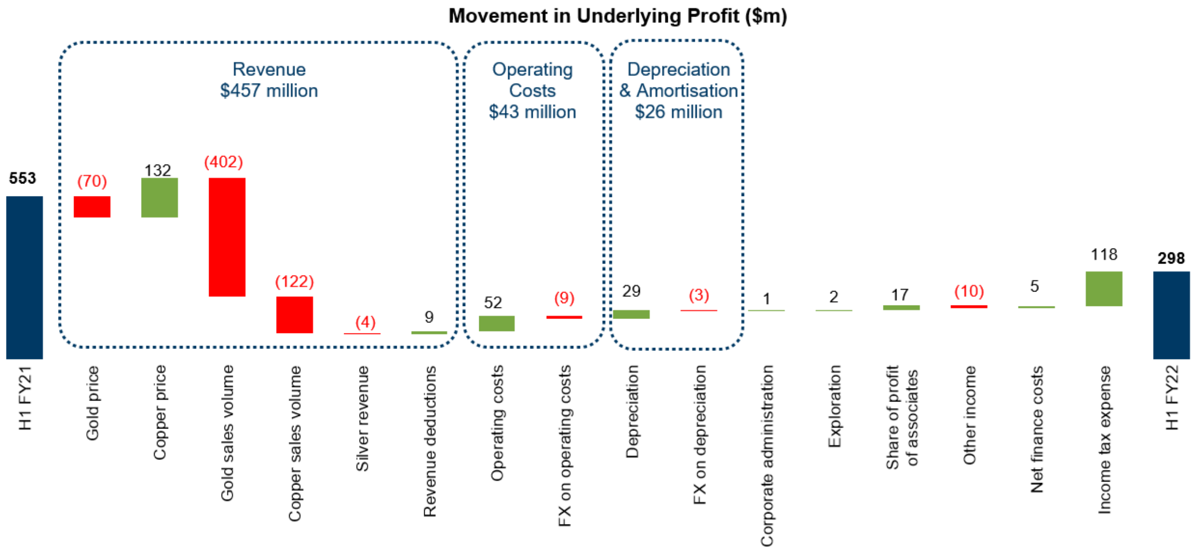
Statutory profit and Underlying profit were both $298 million in the current period.

Underlying profit of $298 million was lower than the prior period primarily due to the planned replacement and upgrade of the Cadia SAG mill motor (completed in November 2021), and lower production at Lihir due to the expected decline in grade as the mine plan transitioned into Phase 15, heavy rainfall limiting access to high grade ore (additional pumping has been installed) and major maintenance activity.

The current period reflected lower gold and copper sales volumes (driven by lower production), a lower realised gold price, higher concentrate freight costs due to the global tightness and challenges in the sea freight market, and the unfavourable impact on operating costs from the strengthening of the Australian dollar against the US dollar. Operating costs were also impacted by labour and consumable cost pressures due to rising demand, constrained supply and underlying commodity price increases. Newcrest continues to collaborate with its suppliers to identify ways to manage these cost pressures.

This was partially offset by a higher realised copper price, lower income tax expense as a result of the Company's decreased profitability in the current period, lower overall operating costs due to the lower sales volumes, lower gold price and volume linked costs such as royalties, a lower depreciation expense, and an increase in Newcrest's share of profits from its associates.

	For the 6 months ended 31 December			
$m	**2021**	**2020**	**Change**	**Change%**
Gold revenue	1,296	1,768	(472)	(27%)
Copper revenue	479	469	10	2%
Silver revenue	8	12	(4)	(33%)
Less: treatment and refining deductions	(68)	(77)	9	12%
Total revenue	**1,715**	**2,172**	**(457)**	**(21%)**
Operating costs	(986)	(1,029)	43	4%
Depreciation and amortisation	(283)	(309)	26	8%
Total cost of sales	**(1,269)**	**(1,338)**	**69**	**5%**
Corporate administration expenses	(61)	(62)	1	2%
Exploration expenses	(34)	(36)	2	6%
Share of profit of associates	21	4	17	425%
Other income	76	86	(10)	(12%)
Net finance costs	(35)	(40)	5	13%
Income tax expense	(115)	(233)	118	51%
Underlying profit	**298**	**553**	**(255)**	**(46%)**



2.2. Revenue

Total sales revenue for the current period of $1,715 million included deductions for treatment and refining costs of $68 million. Newcrest's sales revenue continues to be predominantly attributable to gold, being 75% of total net sales revenue in the current period (80% in the prior period).

$m		
Total gross revenue for 6 months ended 31 December 2020		**2,249**
Changes in revenues from volume:		
Gold	(402)	
Copper	(122)	
Silver	(2)	
Total volume impact		**(526)**
Change in revenue from price:		
Gold	(70)	
Copper	132	
Silver	(2)	
Total price impact		**60**
Total gross revenue for 6 months ended 31 December 2021		**1,783**
Less: treatment and refining deductions		(68)
Total net revenue for 6 months ended 31 December 2021		**1,715**

Gold revenue in the current period of $1,278 million included deductions for gold treatment and refining costs of $18 million. Excluding these deductions, total gold revenue decreased by 27% compared to the prior period, driven by lower gold sales volumes at Cadia, Lihir, and Red Chris, and a 5% decrease in the realised gold price ($1,733 per ounce in the current period compared to $1,826 per ounce in the prior period). This was partially offset by higher sales volumes at Telfer.

Copper revenue in the current period of $430 million included deductions for copper treatment and refining costs of $49 million. Excluding these deductions, total copper revenue increased by 2% compared to the prior period, driven by a 38% increase in the realised copper price ($4.31 per pound in the current period compared to $3.12 per pound in the prior period), and higher production at Telfer. This was partially offset by lower sales volumes at Cadia and Red Chris.

2.3. Cost of sales

	For the 6 months ended 31 December			
$m	2021	2020	Change	Change %
Site production costs	924	924	-	0%
Royalties	51	67	(16)	(24%)
Treatment and realisation	34	23	11	48%
Inventory movements	(23)	15	(38)	(253%)
Operating costs	**986**	**1,029**	**(43)**	**(4%)**
Depreciation and amortisation	283	309	(26)	(8%)
Cost of sales	**1,269**	**1,338**	**(69)**	**(5%)**

Cost of sales was $1,269 million for the current period.

Site production costs of $924 million were in line with the prior period with lower costs at Cadia (lower mill throughput driven by the planned replacement and upgrade of the SAG mill motor) largely offset by higher costs at Lihir (associated with shutdowns), an increase in mining and milling activity at Telfer, and the unfavourable impact on operating costs from the strengthening of the Australian dollar against the US dollar.

The decrease in royalties primarily reflects the impact of lower gold sales volumes and a lower realised gold price. Higher treatment and realisation costs of $34 million were driven by higher concentrate freight rates at Telfer, Cadia and Red Chris.

Inventory movements in the current period relate to an increase in stockpile levels at Cadia, with mining continuing during the planned SAG mill motor replacement and upgrade.

Depreciation expense was lower than the prior period reflecting a decrease in production, and the increase in Ore Reserves at Red Chris following completion of the Block Cave PFS, partially offset by the unfavourable impact of a strengthening Australian dollar against the US dollar.

As the Company is a US dollar reporting entity, its cost of sales will vary in accordance with the movements in the operating currencies where those costs are not denominated in US dollars. The table below shows indicative currency exposures on operating costs by site for the current period:

	USD	AUD	PGK	CAD
Cadia	15%	85%	-	-
Telfer	20%	80%	-	-
Lihir	30%	30%	40%	-
Red Chris	20%	-	-	80%
Group*	**25%**	**55%**	**15%**	**5%**

* The Group number also includes the impact of currency exposures on corporate administration expenses and exploration expenditure.

2.4. Corporate, Exploration and Other items

	For the 6 months ended 31 December			
$m	2021	2020	Change	Change %
Corporate administration expenses	(61)	(62)	1	2%
Exploration expenses	(34)	(36)	2	6%
Share of profit of associates	21	4	17	425%
Other income	76	86	(10)	(12%)
Corporate, Exploration and Other items	**2**	**(8)**	**10**	**125%**

Corporate administration expenses of $61 million in the current period comprised corporate costs of $45 million, depreciation of $9 million and equity-settled share-based payments of $7 million.

Exploration expenditure of $34 million was in line with the prior period.

The share of profit of associates of $21 million represents Newcrest's share of profit or losses incurred by its equity accounted associates, comprising Lundin Gold, SolGold, Azucar Minerals and Antipa Minerals.

Other income of $76 million comprised:

	For the 6 months ended 31 December			
$m	2021	2020	Change	Change %
Net fair value gain on gold and copper derivatives and fair value movements on concentrate receivables	20	91	(71)	(78%)
Net foreign exchange gain/(loss)	24	(76)	100	132%
Net fair value gain on Fruta del Norte finance facilities	36	76	(40)	(53%)
Net fair value loss on put option	(16)	-	(16)	-
Gain on sale of royalty portfolio	11	-	11	-
Other items gain/(loss)	1	(5)	6	120%
Other income	**76**	**86**	**(10)**	**(12%)**

Newcrest is exposed to changes in commodity prices during the quotational period for the sale of concentrate. The measurement of fair value for Newcrest's outstanding concentrate debtors is recognised as a net fair value gain on gold and copper derivatives in other income and is driven by the movement in gold and copper prices across the quotational period.

The net foreign exchange gain in the current period primarily relates to the restatement of US dollar denominated cash and foreign denominated financial assets (including concentrate debtors) and liabilities held by the Group's Australian and Canadian subsidiaries.

The current period also includes a favourable movement of $36 million in the net fair value of Newcrest's investment in the Fruta del Norte finance facilities, primarily driven by an increase in the gold price assumptions used in the fair value calculations.

2.5. Net finance costs

Net finance costs of $35 million were $5 million (or 13%) lower than the prior period driven by a reduction in interest payments on borrowings due to debt refinancing and the early repayment of corporate bonds in prior periods.

	For the 6 months ended 31 December			
$m	**2021**	**2020**	**Change**	**Change %**
Interest on cash holdings	2	3	(1)	(33%)
Interest on Fruta del Norte facilities	11	12	(1)	(8%)
Finance income	**13**	**15**	**(2)**	**(13%)**
Interest on loans	(35)	(44)	9	20%
Interest on leases	(2)	(1)	(1)	(100%)
Facility fees and other costs	(7)	(7)	-	0%
Discount unwind provisions	(4)	(3)	(1)	(33%)
Finance costs	**(48)**	**(55)**	**7**	**13%**
Net finance costs	**(35)**	**(40)**	**5**	**13%**

2.6. Income tax

Income tax on Statutory and Underlying profit was $115 million, resulting in an effective tax rate of 28% which is below the Australian company tax rate of 30%. This reflects the non-deductibility of Newcrest's share of profits from its associates, over/unders in relation to the lodgement of Newcrest's final tax returns, and the effect of different income tax rates from operating in other jurisdictions.

2.7. Significant items

There were no significant items reported in the current or prior period.

3. DISCUSSION AND ANALYSIS OF CASH FLOW

Free cash flow was negative $303 million for the current period which included a net inflow of $10 million from M&A activities. The net inflow from M&A activities comprised of:

- a receipt of $32 million relating to Phase 1 of the sale of a royalty portfolio relating to Bonikro (Push Back 5), South Kalgoorlie Operations and Ballarat operating gold mines, and 21 development and exploration stage projects across Australia;
- a $19 million payment to purchase a put option to hedge the downside risk on the US dollar cost of the Canadian dollar cash consideration related to the Pretivm acquisition; and
- an additional $3 million investment in Lundin Gold to maintain Newcrest's ownership at 32%.

'Free cash flow before M&A activity' of negative $313 million primarily reflected lower operating cash flows (primarily driven by lower production), and increased investment in major capital projects at Cadia, Red Chris, Havieron and Lihir that underpin the expected future growth of Newcrest.

In the current period, Newcrest received net pre-tax cash flows of $68 million from the Fruta del Norte financing facilities (acquired in April 2020 for $460 million). This is reflected within the cash flow statement as $38 million in operating cash flow (interest payments received) and $30 million in investing cash flow (primarily principal repayments received).

	For the 6 months ended 31 December			
$m	**2021**	**2020**	**Change**	**Change %**
Cash flows from operating activities	**423**	**992**	**(569)**	**(57%)**
Production stripping and sustaining capital expenditure	(289)	(264)	(25)	(9%)
Major project capital expenditure (non-sustaining)	(426)	(251)	(175)	(70%)
Total capital expenditure	(715)	(515)	(200)	(39%)
Reclassification of capital leases	6	5	1	20%
Exploration and evaluation expenditure	(57)	(63)	6	10%
Net receipts from Fruta del Norte finance facilities	30	14	16	114%
Proceeds from sale of property, plant and equipment	-	7	(7)	(100%)
Free cash flow (before M&A activity)[8]	**(313)**	**440**	**(753)**	**(171%)**
Proceeds from sale of royalty portfolio	32	-	32	-
Payment for purchase of put option	(19)	-	(19)	-
Payments for investment in associates	(3)	(1)	(2)	(200%)
Free cash flow	**(303)**	**439**	**(742)**	**(169%)**

3.1. Cash and cash equivalents at the end of the period

	For the 6 months ended 31 December			
$m	**2021**	**2020**	**Change**	**Change %**
Cash flows from operating activities	423	992	(569)	(57%)
Cash flows from investing activities	(726)	(553)	(173)	(31%)
Free cash flow	**(303)**	**439**	**(742)**	**(169%)**
Cash flows from financing activities	(339)	(149)	(190)	(128%)
Net movement in cash	**(642)**	**290**	**(932)**	**(321%)**
Cash and cash equivalents at the beginning of the period	1,873	1,451	422	29%
Effects of exchange rate changes on cash held	-	3	(3)	(100%)
Cash and cash equivalents at the end of the period	**1,231**	**1,744**	**(513)**	**(29%)**

3.2. Cash flows from operating activities

	For the 6 months ended 31 December			
$m	**2021**	**2020**	**Change**	**Change %**
EBITDA	740	1,146	(406)	(35%)
Add: Exploration expenditure written-off	34	36	(2)	(6%)
Add: Other non-cash items or non-operating items	(94)	20	(114)	(570%)
Sub-total	**680**	**1,202**	**(522)**	**(43%)**
*Working capital movements**				
Receivables	-	(13)	13	100%
Inventories	(17)	8	(25)	(313%)
Payables and provisions	(86)	(38)	(48)	(126%)
Other assets and liabilities	(15)	(5)	(10)	(200%)
Net working capital movements	**(118)**	**(48)**	**(70)**	**(146%)**
Net interest paid	(1)	(25)	24	96%
Income taxes paid	(138)	(137)	(1)	(1%)
Net cash provided by operating activities	**423**	**992**	**(569)**	**(57%)**

* Includes adjustments for non-cash items.

Net cash provided by operating activities was $423 million. The decrease reflects lower gold and copper sales volumes (due to lower production, which includes the impact of the Cadia SAG mill motor replacement and upgrade), unfavourable net working capital movements, a lower realised gold price, higher site operating costs at Lihir due to shutdowns and autoclave repairs, and the unfavourable impact on costs from a strengthening Australian dollar against the US dollar. These impacts were partially offset by a higher realised copper price, lower site operating costs at Cadia, and a reduction in interest payments due to debt refinancing and the early repayment of corporate bonds in prior periods.

3.3. Cash flows from investing activities

	For the 6 months ended 31 December			
$m	2021	2020	Change	Change %
Production stripping				
Telfer	9	-	9	-
Lihir	62	57	5	9%
Red Chris	21	19	2	11%
Total production stripping	**92**	**76**	**16**	**21%**
Sustaining capital expenditure				
Cadia	63	48	15	31%
Telfer	24	28	(4)	(14%)
Lihir	65	59	6	10%
Red Chris	38	44	(6)	(14%)
Corporate	7	9	(2)	(22%)
Total sustaining capital	**197**	**188**	**9**	**5%**
Major projects (non-sustaining)				
Cadia	325	206	119	58%
Lihir	34	29	5	17%
Red Chris	41	7	34	486%
Wafi-Golpu	3	3	-	0%
Havieron[22]	23	6	17	283%
Total major projects (non-sustaining) capital	**426**	**251**	**175**	**70%**
Total capital expenditure	**715**	**515**	**200**	**39%**
Reclassification of capital leases	(6)	(5)	(1)	(20%)
M&A activity				
Proceeds from sale of royalty portfolio	(32)	-	(32)	-
Payment for purchase of put option	19	-	19	-
Payments for investments in associates	3	1	2	200%
Total M&A activity	**(10)**	**1**	**(11)**	**(1,100%)**
Net receipts from Fruta del Norte finance facilities	(30)	(14)	(16)	(114%)
Exploration and evaluation expenditure	57	63	(6)	(10%)
Proceeds from sale of property, plant and equipment	-	(7)	7	100%
Net cash used in investing activities	**726**	**553**	**173**	**31%**

Net cash used in investing activities was $726 million. The increase was primarily due to an increase in capital expenditure related to major projects (non-sustaining), partially offset by an increase in net receipts from the Fruta del Norte finance facilities, a net inflow from M&A activities and lower exploration expenditure.

Capital expenditure of $715 million in the current period comprised:

- Production stripping of $92 million was $16 million (or 21%) higher than the prior period primarily due to the commencement of West Dome Stage 5 stripping activity at Telfer, and increased production stripping activity at Lihir (Phases 15 and 16) and Red Chris (commencement of Phase 7).
- Sustaining capital expenditure of $197 million was $9 million (or 5%) higher than the prior period primarily due to the rehabilitation of Panel Cave 2 (PC2) at Cadia following the previously announced seismic event, the Phase 14A PFS and Field Trials, procurement of new mining and mobile fleet at Lihir, and a stronger Australian dollar unfavourably impacting capital expenditure denominated in Australian dollars. These drivers were partially offset by lower levels of expenditure at Red Chris and Telfer.
- Major project (or non-sustaining) capital expenditure of $426 million was $175 million (or 70%) higher than the prior period. This investment underpins the expected future growth of Newcrest, with the main projects being:
    - Cadia – increasing activity associated with the Cadia Expansion Project (Stage 1 and Stage 2) which includes PC2-3 development and underground/surface infrastructure;
    - Lihir – primarily related to the Front-End Recovery Project;
    - Red Chris – increasing activity associated with the Block Cave PFS and Early Works program;
    - Havieron – increasing activity associated with the PFS and Early Works program; and
    - Wafi-Golpu – the ongoing reduced work program which includes general maintenance of the site, community programs and environmental monitoring.

Exploration activity of $57 million was $6 million (or 10%) lower than the prior period, comprising the following:

	For the 6 months ended 31 December			
$m	**2021**	**2020**	**Change**	**Change %**
Expenditure by nature				
Greenfield	31	46	(15)	(33%)
Brownfield	11	10	1	10%
Resource Definition	15	7	8	114%
Total	**57**	**63**	**(6)**	**(10%)**
Expenditure by region				
Australia	31	34	(3)	(9%)
Papua New Guinea	1	1	-	0%
North America	19	22	(3)	(14%)
South America	6	6	-	0%
Total	**57**	**63**	**(6)**	**(10%)**

In the current period, Newcrest continued its search for new discoveries with greenfield and brownfield exploration activity undertaken in Australia, Canada, USA, Chile and Ecuador. Activity has been focused in and around fertile gold/copper districts including the Paterson Province (Western Australia), Tennant East (Northern Territory), the Golden Triangle of British Columbia (Canada), Nevada, Chile and Ecuador. Exploration activity in the period was also focused on expanding the resource base at Havieron and Red Chris.

Drilling at Havieron transitioned from Greenfield to Resource Definition to support the Havieron Feasibility Study. As a result of Newcrest meeting its farm-in requirements, Greatland Gold covered its 30% share of Greenfield expenditure in the current period[22].

There was a decrease in Greenfield expenditure at Jarbidge (Nevada, USA) reflecting Newcrest's decision to terminate several of the associated option agreements in the period, an increase in Resource Definition drilling to support the Red Chris Feasibility Study and an increase in both Brownfield and Resource Definition expenditure at Telfer with activity focused on potential mine life extensions.

3.4. Cash flows from financing activities

$m	For the 6 months ended 31 December 2021	2020	Change	Change %
Dividends paid to members of the parent entity	(315)	(132)	(183)	(139%)
Repayment of lease principal	(19)	(14)	(5)	(36%)
Repayment of other loans	-	(3)	3	100%
Payment for treasury shares	(5)	-	(5)	-
Net cash used in financing activities	**(339)**	**(149)**	**(190)**	**(128%)**

Net cash used in financing activities of $339 million for the current period comprised:

- Dividends paid to Newcrest shareholders of $315 million, were $183 million (or 139%) higher than those paid in the prior period;
- Repayment of $19 million of lease principal; and
- Payment for treasury shares of $5 million represents shares purchased on market to satisfy obligations under employee incentive plans.

4. REVIEW OF OPERATIONS[23]

4.1. Cadia

Measure	UoM	For the 6 months ended 31 December 2021	2020	Change	Change %
Gold produced	ounces	224,368	390,592	(166,224)	(43%)
Copper produced	tonnes	33,420	51,972	(18,552)	(36%)
Gold sales	ounces	224,854	389,329	(164,475)	(42%)
Copper sales	tonnes	33,112	51,073	(17,961)	(35%)
Revenue	$m	687	1,048	(361)	(34%)
Cost of sales (including depreciation)	$m	311	379	(68)	(18%)
EBITDA	$m	452	767	(315)	(41%)
EBIT	$m	376	669	(293)	(44%)
Operating cash flow	$m	427	808	(381)	(47%)
Sustaining capital	$m	63	48	15	31%
Non-sustaining capital	$m	325	206	119	58%
Total capital expenditure	$m	388	254	134	53%
Free cash flow	$m	40	560	(520)	(93%)
All-In Sustaining Cost	$m	19	21	(2)	(10%)
All-In Sustaining Cost	$/oz	85	54	31	57%

Cadia’s lower operating and financial performance in the current period reflects the reduced throughput rates during the planned replacement and upgrade of the SAG mill motor which commenced in early July 2021 and was successfully completed in November 2021. Mining in the current period was largely dedicated to Panel Cave 1 (PC1) and PC2 West.

EBIT of $376 million also reflected the impacts of a lower realised gold price, partially offset by a higher realised copper price. Cost of sales (including depreciation) was lower than the prior period driven by lower mining and milling activity during this period and reduced royalties in line with lower revenue, partially offset by higher concentrate freight costs due to the global tightness and challenges in the sea freight market, and the unfavourable impact on costs of a strengthening Australian dollar against the US dollar.

Cadia’s AISC of $85 per ounce remains around the bottom of the first quartile in the gold industry[24].

Free cash flow of $40 million reflected the lower earnings (EBITDA) in the period, unfavourable working capital movements, and higher capital expenditure (driven by increased activity and the unfavourable impact of a strengthening Australian dollar against the US dollar). Capital expenditure in the current period included the Cadia Expansion Project (including PC2-3 development and underground/surface infrastructure), the construction of the Molybdenum plant, and the completion of PC2 remediation following the previously announced seismic event in July 2021.

In August 2021, the Newcrest Board approved the Cadia PC1-2 PFS, enabling the commencement of the Feasibility Study and Early Works Program. The PFS updates and defines a significant portion of Cadia’s future mine plan, with the development of PC1-2 accounting for ~20% of Cadia’s current Ore Reserves. The study delivers attractive returns with an optimised mine design expected to deliver higher gold and copper grades and enable the deferral of capital expenditure in the medium term.

In December 2021, Newcrest received approval from the New South Wales Department of Planning, Industry & Environment for a modification to increase the permitted processing capacity of Cadia from 32Mtpa to 35Mtpa[10]. The expansion to a plant capacity of 35Mtpa is already underway, with completion expected in the September quarter of calendar year 2022[14]. The modification also provides approval for Newcrest to repair the slumped section of the NTSF at Cadia and revise the footprint of the NTSF and Southern Tailings Storage Facility to allow for a change from an upstream to a centreline lift design. The centreline lift design will meet the requirements of the Global Industry Standard on Tailings Management jointly published by the International Council on Mining & Metals, United Nations environment programme, and the Principles for Responsible Investment.

4.2. Lihir

Measure	UoM	For the 6 months ended 31 December 2021	2020	Change	Change %
Gold produced	ounces	305,026	377,510	(72,484)	(19%)
Gold sales	ounces	297,459	381,139	(83,680)	(22%)
Revenue	$m	533	718	(185)	(26%)
Cost of sales (including depreciation)	$m	531	532	(1)	0%
EBITDA	$m	125	325	(200)	(62%)
EBIT	$m	2	187	(185)	(99%)
Operating cash flow	$m	129	325	(196)	(60%)
Production stripping	$m	62	57	5	9%
Sustaining capital	$m	65	59	6	10%
Non-sustaining capital	$m	34	29	5	17%
Total capital expenditure	$m	161	145	16	11%
Free cash flow	$m	(33)	180	(213)	(118%)
All-In Sustaining Cost	$m	541	516	25	5%
All-In Sustaining Cost	$/oz	1,819	1,352	467	35%

Gold production was 305,026 ounces for the current period.

Waste stripping rates improved in the period due to ongoing mining improvement works. However, major maintenance, heavy rainfall limiting access to higher grade ore, and lower grades from Phase 15 whilst mining at the upper edges of the orebody contributed to the production outcome. The impact on mining following significant rain events has been reduced following the successful implementation of additional pumping capacity in Phase 14 in January 2022. Lihir's performance is expected to further improve in the second half of FY22[14] through increased access to higher grade ore from Phase 14, increasing high and medium grade ore from Phase 15 and lower plant maintenance, however Lihir is expected to deliver at the lower end of its production guidance range for FY22[14].

EBIT of $2 million reflected the lower gold sales volumes (driven by lower production), a lower realised gold price and higher site operating costs, partially offset by lower depreciation. Cost of sales (including depreciation) was in line with the prior period as the increase in site operating costs (primarily driven by shutdowns and autoclave repairs) was offset by a decrease in depreciation, an increase in costs capitalised to the balance sheet relating to production stripping activity and inventory, and lower royalties.

AISC of $1,819 per ounce was driven by lower gold sales volumes, higher site operating costs, higher sustaining capital expenditure and increased production stripping activity.

Free cash flow was negative $33 million. This reflects lower earnings (EBITDA) and an 11% increase in capital expenditure. Capital expenditure in the current period included the Front-End Recovery Project, higher sustaining capital expenditure relating to the Phase 14A PFS and Field Trials, procurement of new mining and mobile fleet, and increased production stripping (Phases 15 and 16).

As previously announced, the Board approved the Phase 14A PFS in October 2021 enabling the commencement of the Feasibility Study and Early Works program. Phase 14A accelerates the realisation of Newcrest's aspiration for Lihir to be a 1 million ounce plus per annum producer from FY24[25], which will also benefit landowners, all Lihirians and Papua New Guinea. Phase 14A has increased Lihir's Ore Reserves and will bring forward higher grades to improve gold production and operational flexibility by establishing an additional independent ore source[14].

Significant activities completed in the December 2021 quarter included trial ground support anchor drilling and installation, completion of access to commence drainage works and the procurement of mobile fleet equipment. Results from the ground support trials have been positive and have been incorporated into civil engineering designs. The Feasibility Study is expected to be completed in the fourth quarter of FY22[14].

4.3. Telfer

Measure	UoM	For the 6 months ended 31 December 2021	2020	Change	Change %
Gold produced	ounces	213,719	185,307	28,412	15%
Copper produced	tonnes	7,375	4,826	2,549	53%
Gold sales	ounces	205,440	173,089	32,351	19%
Copper sales	tonnes	7,234	4,463	2,771	62%
Revenue	$m	372	283	89	31%
Cost of sales (including depreciation)	$m	328	315	13	4%
EBITDA	$m	102	12	90	750%
EBIT	$m	44	(32)	76	238%
Operating cash flow	$m	51	27	24	89%
Production stripping	$m	9	-	9	-
Sustaining capital	$m	24	28	(4)	(14%)
Total capital expenditure	$m	33	28	5	18%
Free cash flow	$m	11	(2)	13	650%
All-In Sustaining Cost	$m	278	290	(12)	(4%)
All-In Sustaining Cost	$/oz	1,355	1,676	(321)	(19%)

Gold production was 213,719 ounces for the current period, and copper production was 7,375 tonnes.

Ore production from the West Dome open pit increased in the current period following the completion of waste stripping in the prior period. This was accompanied by higher underground ore production from the Sub Level Cave, while work continued on the development of new underground mining areas with first ore delivered to the mill. The mill continued to transition back to an increased operational run time strategy with the increased availability of open pit ore feed. The improvement in gold recovery was driven by the successful realisation of initiatives in the mill, including grind size control, copper concentrate grade optimisation, calibration of primary cyclone feed density and flotation control. The higher copper production was primarily due to the higher mill throughput, combined with higher copper grades in both the open pit and underground, as well as higher copper recovery.

EBIT was $44 million for the current period. The increased revenue was driven by higher gold and copper sales together with a higher realised copper price. A portion of Telfer's gold sales were subject to price hedges which adversely impacted its revenue by $46 million in the current period.

Cost of sales (including depreciation) was higher than the prior period due to higher activity levels in the mill, increased realisation and royalty costs from higher sales volumes, higher depreciation charges resulting from increased sales volumes, and the unfavourable impact on costs from the strengthening of the Australian dollar against the US dollar. This was partially offset by cost efficiencies from lower grinding media consumption rates and labour efficiencies.

AISC of $1,355 per ounce benefited from higher gold and copper sales volumes and a higher realised copper price, partially offset by an increase in amortisation charges relating to rehabilitation, the commencement of West Dome Stage 5 stripping activity, and the unfavourable impact of a strengthening Australian dollar against the US dollar.

Free cash flow of $11 million benefited from higher gold and copper sales volumes and a higher realised copper price, partially offset by unfavourable working capital movements, and the impact to costs from a strengthening Australian dollar against the US dollar. Excluding the gold hedge losses, Telfer's free cash flow would have been $57 million in the current period.

4.4. Red Chris

		For the 6 months ended 31 December			
Measure	**UoM**	**2021**	**2020**	**Change**	**Change %**
Gold produced	ounces	20,201	24,012	(3,811)	(16%)
Copper produced	tonnes	10,150	12,521	(2,371)	(19%)
Gold sales	ounces	20,240	24,475	(4,235)	(17%)
Copper sales	tonnes	10,029	12,714	(2,685)	(21%)
Revenue	$m	123	123	-	0%
Cost of sales (including depreciation)	$m	99	112	(13)	(12%)
EBITDA	$m	50	39	11	28%
EBIT	$m	24	10	14	140%
Operating cash flow	$m	43	57	(14)	(25%)
Production stripping	$m	21	19	2	11%
Sustaining capital	$m	38	44	(6)	(14%)
Non-sustaining capital	$m	41	7	34	486%
Total capital expenditure	$m	100	70	30	43%
Free cash flow	$m	(65)	(23)	(42)	(183%)
All-In Sustaining Cost	$m	27	72	(45)	(63%)
All-In Sustaining Cost	$/oz	1,314	2,961	(1,647)	(56%)

Gold production was 20,201 ounces for the current period, and copper production was 10,150 tonnes.

Newcrest continues to focus on operational improvements at Red Chris, with additional fleet added into the open pit, a new cleaner column commissioned (which increased circuit efficiency), and a change in mineralogy resulting in greater gold liberation, which together contributed to higher material mined as well as improved recoveries in the current period. However, clay rich ore material handling issues, grid power disruptions caused by severe weather, and a higher proportion of mill feed from the low-grade stockpile to supplement ore mined from Phase 5, while the Phase 7 stripping campaign continued, resulted in lower production in the current period.

EBIT was $24 million for the current period, benefiting from a higher realised copper price, lower depreciation driven by the increase in Ore Reserves following completion of the Red Chris Block Cave PFS, lower exploration expenditure and an increase in costs capitalised to the balance sheet relating to inventory.

AISC of $1,314 per ounce benefited from increased by-product revenue driven by a higher realised copper price, lower production stripping as a result of the completion of the Phase 5 stripping campaign prior to the current period and lower sustaining capital expenditure. In line with World Gold Council guidance, the Phase 7 stripping campaign has been categorised as non-sustaining and is therefore excluded from AISC.

Free cash flow was negative $65 million for the current period. The increased non-sustaining capital expenditure was related to block cave activities, see further below. Working capital movements were unfavourable, predominantly driven by timing of receivables (which will be receipted in the next period). Sustaining capital expenditure in the current period was lower due to timing of operational projects.

In October 2021, the Newcrest Board endorsed the Red Chris Block Cave PFS and approved its progression to the Feasibility Stage. The Study confirms Newcrest's original investment thesis of unlocking the underground portion of this Tier 1 deposit by leveraging Newcrest's industry-leading block caving expertise and developing the asset to become a mainstay of Newcrest's portfolio for decades to come. The Feasibility Study is expected to be completed in the second half of FY23[14].

5. DISCUSSION AND ANALYSIS OF THE STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

5.1. Net assets and total equity

Newcrest had net assets and total equity of $9,982 million at 31 December 2021.

$m	At 31 December 2021	At 30 June 2021	Change	Change %
Assets				
Cash and cash equivalents	1,231	1,873	(642)	(34%)
Trade and other receivables	326	289	37	13%
Inventories	1,516	1,505	11	1%
Other financial assets	646	641	5	1%
Current tax assets	5	3	2	67%
Property, plant and equipment	10,070	9,788	282	3%
Goodwill	18	19	(1)	(5%)
Other intangible assets	39	32	7	22%
Deferred tax assets	50	54	(4)	(7%)
Investment in associates	462	442	20	5%
Other assets	83	68	15	22%
Total assets	**14,446**	**14,714**	**(268)**	**(2%)**
Liabilities				
Trade and other payables	(523)	(577)	54	9%
Current tax liability	(45)	(107)	62	58%
Borrowings	(1,635)	(1,635)	-	0%
Lease liabilities	(65)	(62)	(3)	(5%)
Other financial liabilities	(97)	(110)	13	12%
Provisions	(707)	(735)	28	4%
Deferred tax liabilities	(1,392)	(1,364)	(28)	(2%)
Total liabilities	**(4,464)**	**(4,590)**	**126**	**3%**
Net assets	**9,982**	**10,124**	**(142)**	**(1%)**
Equity				
Equity attributable to owners of the parent	9,982	10,124	(142)	(1%)
Total equity	**9,982**	**10,124**	**(142)**	**(1%)**

5.2. Financial metrics

5.2.1. Net debt and gearing

Net debt (comprising total borrowings and lease liabilities less cash and cash equivalents) at 31 December 2021 was $469 million (or $645 million higher than the prior period). All of Newcrest's borrowings are US dollar denominated.

The gearing ratio (net debt as a proportion of net debt and total equity) at 31 December 2021 was 4.5%. This is an increase from negative 1.8% at 30 June 2021. Notwithstanding this increase from 30 June 2021, a gearing ratio of 4.5% remains comfortably within Newcrest's financial policy target of being less than 25%.

Components of the movement in net debt and gearing are outlined in the table below.

$m	At 31 December 2021	At 30 June 2021	Change	Change %
Corporate bonds - unsecured	1,650	1,650	-	0%
Capitalised transaction costs on facilities	(15)	(15)	-	0%
Total borrowings	**1,635**	**1,635**	**-**	**0%**
Lease liabilities	65	62	3	5%
Total debt	**1,700**	**1,697**	**3**	**0%**
Less cash and cash equivalents	(1,231)	(1,873)	642	34%
Net debt or (net cash)	**469**	**(176)**	**645**	**366%**
Total equity	9,982	10,124	(142)	(1%)
[Net debt or (net cash) and total equity]	**10,451**	**9,948**	**503**	**5%**
Gearing [Net debt or (net cash) / total equity]	**4.5%**	**(1.8%)**	**6.3**	**350%**

5.2.2. Leverage Ratio

Newcrest's net debt to EBITDA (leverage ratio) of 0.2 times at 31 December 2021 remains comfortably within its financial policy target of being less than 2.0 times EBITDA on a trailing 12 month basis.

$m	At 31 December 2021	At 30 June 2021	Change	Change %
Net debt or (net cash)	469	(176)	645	(366%)
EBITDA (trailing 12 months)*	2,037	2,443	(406)	(17%)
Leverage ratio (times)	**0.2**	**(0.1)**	**0.3**	**(300%)**

* At 31 December 2021, the period represents 1 January 2021 to 31 December 2021. At 30 June 2021, the period represents 1 July 2020 to 30 June 2021.

5.2.3. Liquidity coverage

Newcrest had $3,231 million of cash, cash equivalents and committed undrawn bank facilities at 31 December 2021.

$m	Facility utilised	Available liquidity	Facility limit
At 31 December 2021			
Cash and cash equivalents	n/a	1,231	n/a
Bilateral bank debt facilities	-	2,000	2,000
Liquidity coverage	**-**	**3,231**	**2,000**
At 30 June 2021			
Cash and cash equivalents	n/a	1,873	n/a
Bilateral bank debt facilities	-	2,000	2,000
Liquidity coverage	**-**	**3,873**	**2,000**

6. NON-IFRS FINANCIAL INFORMATION

Newcrest results are reported under International Financial Reporting Standards (IFRS). This document includes certain non-IFRS financial information within the meaning of ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information' published by ASIC and 'non-GAAP information' within the meaning of National Instrument 52-112 – *Non-GAAP and Other Financial Measures* published by the Canadian Securities Administrator.

Such information includes: 'Underlying profit' (profit or loss after tax before significant items attributable to owners of the Company); 'EBITDA' (earnings before interest, tax, depreciation and amortisation, and significant items); EBIT (earnings before interest, tax and significant items); 'EBITDA Margin' (EBITDA expressed as a percentage of revenue); 'EBIT Margin' (EBIT expressed as a percentage of revenue); 'Leverage ratio (net debt to EBITDA)' (calculated as net debt divided by EBITDA for the preceding 12 months); 'Free Cash Flow' (calculated as cash flows from operating activities less cash flows from investing activities, with Free Cash Flow for each operating site calculated as Free Cash Flow before interest, tax and intercompany transactions); 'Free Cash Flow before M&A activity' (being 'Free Cash Flow' excluding acquisitions, investments in associates and divestments); and 'AISC' (All-In Sustaining Cost) and 'AIC' (All-In Cost) as per updated World Gold Council Guidance Note on Non-GAAP Metrics released November 2018. AISC and AIC will vary from period to period as a result of various factors including production performance, timing of sales and the level of sustaining capital and the relative contribution of each asset. AISC Margin reflects the average realised gold price less the AISC per ounce sold.

These measures are used internally by Management to assess the performance of the business and make decisions on the allocation of resources and are included in this document to provide greater understanding of the underlying financial performance of Newcrest's operations. The non-IFRS information has not been subject to audit or review by Newcrest's external auditor and should be used in addition to IFRS information. Such non-IFRS financial information/non-GAAP financial measures do not have a standardised meaning prescribed by IFRS and may be calculated differently by other companies. Although Newcrest believes these non-IFRS/non-GAAP financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information/non-GAAP financial measures included in this document. When reviewing business performance, this non-IFRS information should be used in addition to, and not as a replacement of, measures prepared in accordance with IFRS, available on Newcrest's website and the ASX and SEDAR platforms.

The non-IFRS measures do not have any standard definition under IFRS and may be calculated differently by other companies. The tables below reconcile these non-IFRS measures to the most appropriate IFRS measure, noting that:

- Sustaining and Major projects (non-sustaining) capital are reconciled to Net cash from investing activities in section 3.3;
- Free cash flow is reconciled to the Consolidated Statement of Cash Flows in section 3.

6.1. Reconciliation of Statutory profit to Underlying profit

Underlying profit, EBIT and EBITDA is reported by Newcrest to provide greater understanding of the underlying business performance of its operations and the Group. These measures exclude significant items of income or expense which are, either individually or in aggregate, material to Newcrest or to the relevant business segment and are either outside the ordinary course of business or are part of the ordinary activities of the business but unusual due to their size and nature. Examples include gains/losses and other costs incurred for acquisitions and disposals of mining interests and asset impairment and write-down charges. Statutory profit and Underlying profit both represent profit after tax amounts attributable to Newcrest shareholders.

In the current period, Statutory profit was equal to Underlying profit.

Profit after tax attributable to Newcrest shareholders US$m	For the 6 months ended 31 December 2021 Before Tax	 Tax	 After Tax
Statutory profit	**413**	**(115)**	**298**
Total significant items	-	-	-
Underlying profit	**413**	**(115)**	**298**

Profit after tax attributable to Newcrest shareholders US$m	For the 6 months ended 31 December 2020 Before Tax	 Tax	 After Tax
Statutory profit	**786**	**(233)**	**553**
Total significant items	-	-	-
Underlying profit	**786**	**(233)**	**553**

6.2. Reconciliation of Underlying profit to EBIT and EBITDA

US$m	For the 6 months ended 31 December 2021	 2020
Underlying profit	**298**	**553**
Income tax expense	115	233
Net finance costs	35	40
EBIT	**448**	**826**
Depreciation and amortisation	292	320
EBITDA	**740**	**1,146**

6.3. Reconciliation of All-In Sustaining Cost and All-In Cost

“All-In Sustaining Cost” and “All-In Cost” are non-IFRS measures which Newcrest has adopted since the guidance was released by the World Gold Council in June 2013.

The World Gold Council released an updated guidance note in November 2018, which Newcrest fully applied from 1 July 2019.

The AISC and gold sales outcomes presented in the table below are from Newcrest’s operations only and do not include Newcrest’s 32% attributable share of Fruta del Norte (through its 32% equity interest in Lundin Gold).

		For the 6 months ended 31 December			
		2021		2020	
	Reference	$m	$/oz	$m	$/oz
Gold sales (koz)		**748**		**968**	
Cost of sales	**6.3.1**	**1,269**	**1,696**	**1,338**	**1,384**
Depreciation and amortisation	6.3.2	(283)	(378)	(309)	(320)
By-product revenue	6.3.3	(437)	(584)	(427)	(442)
Gold concentrate treatment and refining deductions		18	23	23	23
Corporate costs	6.3.4	47	63	45	46
Sustaining exploration	6.3.7	4	6	4	4
Sustaining leases		14	19	12	12
Production stripping and underground mine development	6.3.5	72	96	74	76
Sustaining capital expenditure	6.3.6	197	264	185	192
Rehabilitation accretion and amortisation		20	26	8	9
All-In Sustaining Cost		**921**	**1,231**	**953**	**984**
Growth and development expenditure	6.3.4	5	6	6	6
Non-sustaining capital expenditure*	6.3.6	419	561	249	257
Non-sustaining production stripping	6.3.5	20	27	-	-
Non-sustaining exploration	6.3.7	53	71	59	61
Non-sustaining leases		7	9	1	2
All-In Cost		**1,425**	**1,905**	**1,268**	**1,310**

* Represents spend on major projects that are designed to increase the net present value of the mine and are not related to current production. Significant projects in the current period include the Cadia Expansion Project (including PC2-3 development), the Cadia Molybdenum Plant, the Front-End Recovery Project at Lihir and Early Works at Red Chris and Havieron.

6.3.1. Cost of sales

	For the 6 months ended 31 December	
$m	2021	2020
Cost of sales as per Note 4(b) of the consolidated financial statements	**1,269**	**1,338**

6.3.2. Depreciation and amortisation

	For the 6 months ended 31 December	
$m	2021	2020
Depreciation and amortisation per Note 4(b) of the consolidated financial statements	**283**	**309**

6.3.3. By-product revenue

$m	For the 6 months ended 31 December 2021	2020
Copper concentrate sales revenue	479	469
Copper concentrate treatment and refining deductions	(49)	(52)
Total copper sales revenue per Note 4(a) of the consolidated financial statements	**430**	**417**
Silver sales revenue	8	12
Silver concentrate treatment and refining deductions	(1)	(2)
Total silver sales revenue per Note 4(a) of the consolidated financial statements	**7**	**10**
Total By-product revenue	**437**	**427**

6.3.4. Corporate costs

$m	For the 6 months ended 31 December 2021	2020
Corporate administration expenses per Note 4(c) of the consolidated financial statements	61	62
Less: Corporate depreciation	(9)	(11)
Less: Growth and development expenditure	(5)	(6)
Total Corporate costs	**47**	**45**

6.3.5. Production stripping and underground mine development

$m	For the 6 months ended 31 December 2021	2020
Sustaining production stripping	72	76
Underground mine development	-	(2)
Non-sustaining production stripping	20	-
Total production stripping and underground mine development	**92**	**74**
Underground mine development	-	(2)
Production stripping per the consolidated financial statements	92	76
Total production stripping and underground mine development	**92**	**74**

6.3.6. Capital expenditure

$m	For the 6 months ended 31 December 2021	2020
Payments for plant and equipment, development and feasibility studies per the consolidated financial statements	612	433
Information systems development per the consolidated financial statements	5	1
Total capital expenditure	**617**	**434**
Sustaining capital expenditure per 3.3 of the Management Discussion and Analysis	197	188
Non-sustaining capital expenditure per 3.3 of the Management Discussion and Analysis	426	251
Capitalised leases per 3.3 of the Management Discussion and Analysis	(6)	(5)
Total capital expenditure	**617**	**434**

6.3.7. Exploration expenditure

$m	For the 6 months ended 31 December 2021	2020
Exploration and evaluation expenditure per the consolidated financial statements	**57**	**63**
Sustaining exploration (per 6.3 of the Management Discussion and Analysis)	4	4
Non-sustaining exploration (per 6.3 of the Management Discussion and Analysis)	53	59
Total exploration expenditure	**57**	**63**

6.4. Earnings per share

$ cents	For the 6 months ended 31 December 2021	2020
Earnings per share (basic) per the consolidated financial statements	36.4	67.7
Earnings per share (diluted) per the consolidated financial statements	36.3	67.5

6.5. Dividends per share

$m	For the 6 months ended 31 December 2021	2020
Total dividends paid per Note 7(a) of the consolidated financial statements	327	143
Total issued capital per Note 13(b) of the consolidated financial statements	817,958,171	816,556,534
Dividends paid per share	**40.0**	**17.5**

6.6. Reconciliation of Newcrest's Operational Performance including its 32% attributable share of Fruta del Norte (through its 32% equity interest in Lundin Gold)[6]

		For the 6 months ended 31 December	
Gold Production	**UoM**	**2021**	**2020**
Gold production – Newcrest operations	oz	763,314	977,421
Gold production – Fruta del Norte (32%)	oz	68,985	61,146
Gold production	**oz**	**832,298**	**1,038,566**

		For the 6 months ended 31 December	
All-In Sustaining Cost	**UoM**	**2021**	**2020[17]**
All-In Sustaining Cost – Newcrest operations	$m	921	953
All-In Sustaining Cost – Fruta del Norte (32%)	$m	56	40
All-In Sustaining Cost	**$m**	**977**	**993**
Gold ounces sold – Newcrest operations	oz	747,993	968,032
Gold ounces sold – Fruta del Norte (32%)	oz	70,247	53,872
Total gold ounces sold	**oz**	**818,240**	**1,021,904**
All-In Sustaining Cost – Newcrest operations	$/oz	1,231	984
All-In Sustaining Cost – Fruta del Norte (32%)	$/oz	802	740
All-In Sustaining Cost	**$/oz**	**1,194**	**972**

		For the 6 months ended 31 December	
All-In Sustaining Cost margin[9]	**UoM**	**2021**	**2020**
Realised gold price[18]	$/oz	1,733	1,826
All-In Sustaining Cost – Newcrest operations	$/oz	1,231	984
All-In Sustaining Cost margin	**$/oz**	**502**	**842**

Contents

	Note	31 Dec 21 US$m	31 Dec 20 US$m
Revenue	4(a)	1,715	2,172
Cost of sales	4(b)	(1,269)	(1,338)
Gross profit		**446**	**834**
Exploration expenses		(34)	(36)
Corporate administration expenses	4(c)	(61)	(62)
Other income/(expenses)	4(d)	76	86
Share of profit of associates		21	4
Profit before interest and income tax		**448**	**826**
Finance income		13	15
Finance costs	4(e)	(48)	(55)
Net finance costs		(35)	(40)
Profit before income tax		**413**	**786**
Income tax expense	5	(115)	(233)
Profit after income tax		**298**	**553**
Profit after tax attributable to:			
Owners of the parent		298	553
Earnings per share (cents per share)			
Basic earnings per share		36.4	67.7
Diluted earnings per share		36.3	67.5

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

	Note	31 Dec 21 US$m	31 Dec 20 US$m
Profit after income tax		**298**	**553**
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to the Income Statement			
Cash flow hedges			
Cash flow hedge (gains)/losses transferred to the Income Statement		31	65
Cash flow hedge gains/(losses) deferred in equity		(14)	22
Income tax (expense)/benefit		(5)	(26)
		12	**61**
Investments			
Share of other comprehensive income/(loss) of associates		(1)	2
		(1)	**2**
Foreign currency translation			
Exchange gains/(losses) on translation of foreign operations, net of hedges of foreign investments and tax		(180)	497
		(180)	**497**
Items that will not be reclassified to the Income Statement			
Investments			
Fair value gain/(loss) of equity instruments held at fair value through other comprehensive income ('FVOCI')		44	20
		44	**20**
Other comprehensive income/(loss) for the period, net of tax		**(125)**	**580**
Total comprehensive income for the period		**173**	**1,133**
Total comprehensive income attributable to:			
Owners of the parent		173	1,133

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	31 Dec 21 US$m	30 Jun 21 US$m
Current assets			
Cash and cash equivalents		1,231	1,873
Trade and other receivables		230	215
Inventories		551	562
Other financial assets		124	131
Current tax assets		5	3
Other assets		66	51
Total current assets		**2,207**	**2,835**
Non-current assets			
Trade and other receivables		96	74
Inventories		965	943
Other financial assets		522	510
Property, plant and equipment		10,070	9,788
Goodwill		18	19
Other intangible assets		39	32
Deferred tax assets		50	54
Investment in associates		462	442
Other assets		17	17
Total non-current assets		**12,239**	**11,879**
Total assets		**14,446**	**14,714**
Current liabilities			
Trade and other payables		523	577
Lease liabilities		38	27
Provisions		141	172
Current tax liability		45	107
Other financial liabilities		77	68
Total current liabilities		**824**	**951**
Non-current liabilities			
Borrowings	9	1,635	1,635
Lease liabilities		27	35
Provisions		566	563
Deferred tax liabilities		1,392	1,364
Other financial liabilities		20	42
Total non-current liabilities		**3,640**	**3,639**
Total liabilities		**4,464**	**4,590**
Net assets		**9,982**	**10,124**
Equity			
Issued capital	13	12,426	12,419
Accumulated losses		(2,301)	(2,272)
Reserves		(143)	(23)
Total equity		**9,982**	**10,124**

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

	Note	31 Dec 21 US$m	31 Dec 20 US$m
Cash flows from operating activities			
Profit before income tax		**413**	**786**
Adjustments for:			
Depreciation and amortisation	4(f)	292	320
Net finance costs		35	40
Net fair value gain on Fruta del Norte finance facilities	4(d)	(36)	(76)
Net foreign exchange (gain)/loss		(23)	77
Exploration expenditure written off		34	36
Other non-cash items or non-operating items		(35)	19
Change in working capital	6	(118)	(48)
Operating cash flows before interest and taxes		**562**	**1,154**
Interest received		41	25
Interest paid		(42)	(50)
Income tax paid		(138)	(137)
Net cash provided by operating activities		**423**	**992**
Cash flows from investing activities			
Payments for plant and equipment, development and feasibility		(612)	(433)
Production stripping expenditure		(92)	(76)
Exploration and evaluation expenditure		(57)	(63)
Information systems development		(5)	(1)
Net receipts from Fruta del Norte finance facilities		30	14
Payments for investments in associates		(3)	(1)
Proceeds from sale of property, plant and equipment		-	7
Proceeds from sale of royalty portfolio		32	-
Payment for purchase of put option		(19)	-
Net cash used in investing activities		**(726)**	**(553)**
Cash flows from financing activities			
Payment for treasury shares	13	(5)	-
Repayment of lease principal		(19)	(14)
Repayment of other loans assumed from Red Chris		-	(3)
Dividends paid to members of the parent entity		(315)	(132)
Net cash used in financing activities		**(339)**	**(149)**
Net increase/(decrease) in cash and cash equivalents		**(642)**	**290**
Cash and cash equivalents at the beginning of the period		1,873	1,451
Effects of exchange rate changes on cash held		-	3
Cash and cash equivalents at the end of the period		**1,231**	**1,744**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Issued Capital US$m	FX Translation Reserve US$m	Hedge Reserve US$m	Equity Settlements Reserve US$m	Other Reserves US$m	Accu-mulated Losses US$m	Total US$m
Balance at 1 July 2021	**12,419**	**(128)**	**(63)**	**137**	**31**	**(2,272)**	**10,124**
Profit for the period	-	-	-	-	-	298	298
Other comprehensive income/(loss) for the period	-	(180)	12	-	43	-	(125)
Total comprehensive income/(loss) for the period	**-**	**(180)**	**12**	**-**	**43**	**298**	**173**
Transactions with owners in their capacity as owners							
Share-based payments	-	-	-	5	-	-	5
Shares purchased	(5)	-	-	-	-	-	(5)
Dividends	-	-	-	-	-	(327)	(327)
Shares issued – dividend reinvestment plan	12	-	-	-	-	-	12
Balance at 31 December 2021	**12,426**	**(308)**	**(51)**	**142**	**74**	**(2,301)**	**9,982**

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

	Issued Capital US$m	FX Translation Reserve US$m	Hedge Reserve US$m	Equity Settlements Reserve US$m	Other Reserves US$m	Accu-mulated Losses US$m	Total US$m
Balance at 1 July 2020	**12,403**	**(575)**	**(192)**	**123**	**24**	**(3,170)**	**8,613**
Profit for the period	-	-	-	-	-	553	553
Other comprehensive income for the period	-	497	61	-	22	-	580
Total comprehensive income for the period	**-**	**497**	**61**	**-**	**22**	**553**	**1,133**
Transactions with owners in their capacity as owners							
Share-based payments	-	-	-	5	-	-	5
Shares purchased	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(143)	(143)
Shares issued – dividend reinvestment plan	11	-	-	-	-	-	11
Balance at 31 December 2020	**12,414**	**(78)**	**(131)**	**128**	**46**	**(2,760)**	**9,619**

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

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'), PNGX Markets Limited ('PNGX') and the Toronto Stock Exchange ('TSX'). The registered office of Newcrest Mining Limited is Level 8, 600 St Kilda Road, Melbourne, Victoria, 3004, Australia.

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

The financial report of Newcrest Mining Limited for the half year ended 31 December 2021 was authorised for issue in accordance with a resolution of the Directors on 17 February 2022.

2. Basis of Preparation and Accounting Policies

(a) Basis of Preparation

This interim condensed consolidated financial report for the half year ended 31 December 2021 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This financial report also complies with IAS 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board.

The Half Year Financial Report does not include all notes of the type normally included within the Annual Financial Report and therefore cannot be expected to provide as full of an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

The Half Year Financial Report should be read in conjunction with the Annual Financial Report for the year ended 30 June 2021 and considered together with any public announcements made by Newcrest Mining Limited during the half year ended 31 December 2021 in accordance with the continuous disclosure obligations of the ASX listing rules.

The financial report has been prepared on a historical cost basis, except for metal concentrate receivables, other financial assets and other financial liabilities which have been measured at fair value.

The financial report has been presented in United States (US) dollars and all values are rounded to the nearest US$1,000,000 (US$m) unless otherwise stated.

(b) Significant Accounting Policies

The accounting policies, methods of computation and areas of critical accounting judgements, estimates and assumptions are the same as those adopted in the most recent annual financial statements for the year ended 30 June 2021.

3. 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 in assessing performance. The operating segments represent the Group's operating mines and projects which are organised and managed according to their location and stage.

The Group's reportable operating segments are:

- Cadia, Australia
- Telfer, Australia
- Lihir, Papua New Guinea
- Red Chris JV (70% interest), Canada
- Exploration and Projects (1)

(1) Exploration and Projects mainly comprises projects in the exploration, evaluation and feasibility phase.

It includes the Havieron Project which is operated by Newcrest under a Joint Venture Agreement ('JVA') with Greatland Gold plc ('Greatland'). Following the delivery of the Pre-Feasibility Study on 12 October 2021, Newcrest is entitled to a 70% joint venture interest in the Havieron Project. Newcrest currently has a registered interest of 40% in the Havieron mining lease.

It also includes Wafi-Golpu JV (50% interest) in PNG, Namosi JV (72.74% interest) in Fiji, O'Callaghans in Australia and Newcrest's global greenfields exploration portfolio.

(a) Segment Results, Segment Assets and Segment Liabilities

The measurement of segment results is in line with the basis of information presented to the Group's Executive Committee for internal management reporting purposes. The performance of each segment is measured based on their Revenues, Costs, EBITDA and EBIT ('Segment Result').

Segment Revenue represents gold, copper and silver revenue, less related treatment and refining deductions. All segment revenue is from third parties.

EBITDA is earnings before interest, tax, depreciation, amortisation and significant items.

EBIT is earnings before interest, tax and significant items. The reconciliation of EBIT to profit before tax is shown in Note 3(b).

Capital Expenditure comprises payments for plant and equipment, production stripping expenditure, assets under construction, development and feasibility expenditure and information systems development.

Segment assets exclude intercompany receivables. Segment liabilities exclude intercompany payables.

The Group's investment in associates is included within the Corporate and Other segment. Associates comprise:

- Lundin Gold Inc, 32.0% interest (30 June 2021: 32.0% interest);
- SolGold Plc, 13.5% interest (30 June 2021: 13.5% interest);
- Azucar Minerals Ltd, 19.9% interest (30 June 2021: 19.9% interest); and
- Antipa Minerals Ltd, 9.9% interest (30 June 2021: 9.9% interest).

3. Segment Information (continued)

31 December 2021	Cadia US$m	Telfer US$m	Lihir US$m	Red Chris US$m	Total Operations US$m	Exploration & Projects [(2)] US$m	Corporate & Other [(3)] US$m	Total Group US$m
Gold	405	323	533	35	1,296	-	-	1,296
Copper	314	69	-	96	479	-	-	479
Silver	4	2	-	2	8	-	-	8
Treatment and refining deductions	(36)	(22)	-	(10)	(68)	-	-	(68)
Total revenue	**687**	**372**	**533**	**123**	**1,715**	**-**	**-**	**1,715**
EBITDA	452	102	125	50	729	(34)	45	740
Depreciation and amortisation	(76)	(58)	(123)	(26)	(283)	-	(9)	(292)
EBIT (Segment result) [(1)]	**376**	**44**	**2**	**24**	**446**	**(34)**	**36**	**448**
Capital Expenditure	388	33	161	100	682	26	7	715
As at 31 December 2021								
Segment assets	4,196	310	5,540	1,211	11,257	727	2,462	14,446
Segment liabilities	(805)	(334)	(1,380)	(165)	(2,684)	(78)	(1,702)	(4,464)
Net assets	**3,391**	**(24)**	**4,160**	**1,046**	**8,573**	**649**	**760**	**9,982**

Notes:

(1) Refer to Note 3(b) for the reconciliation of segment result to profit before tax.

(2) Includes net assets attributable to Wafi-Golpu JV of US$453 million, Havieron of US$96 million and Namosi JV of US$25 million as at 31 December 2021.

(3) Includes investment in associates, Fruta del Norte (‘FdN’) finance facilities and eliminations.

3. Segment Information (continued)

31 December 2020	Cadia US$m	Telfer US$m	Lihir US$m	Red Chris US$m	Total Operations US$m	Exploration & Projects [2] US$m	Corporate & Other [3] US$m	Total Group US$m
Gold	736	268	718	46	1,768	-	-	1,768
Copper	354	30	-	85	469	-	-	469
Silver	9	1	-	2	12	-	-	12
Treatment and refining deductions	(51)	(16)	-	(10)	(77)	-	-	(77)
Total revenue	**1,048**	**283**	**718**	**123**	**2,172**	**-**	**-**	**2,172**
EBITDA	767	12	325	39	1,143	(36)	39	1,146
Depreciation and amortisation	(98)	(44)	(138)	(29)	(309)	-	(11)	(320)
EBIT (Segment result) [1]	**669**	**(32)**	**187**	**10**	**834**	**(36)**	**28**	**826**
Capital Expenditure	254	28	145	70	497	9	9	515
As at 30 June 2021								
Segment assets	4,017	296	5,508	1,151	10,972	679	3,063	14,714
Segment liabilities	(848)	(355)	(1,383)	(148)	(2,734)	(81)	(1,775)	(4,590)
Net assets	**3,169**	**(59)**	**4,125**	**1,003**	**8,238**	**598**	**1,288**	**10,124**

Notes:
(1) Refer to Note 3(b) for the reconciliation of segment result to profit before tax.
(2) Includes net assets attributable to Wafi-Golpu JV of US$452 million, Havieron of US$72 million and Namosi JV of US$25 million as at 30 June 2021.
(3) Includes investment in associates, FdN finance facilities and eliminations.

3. Segment Information (continued)

(b) Reconciliation of EBIT (Segment Result) to Profit Before Tax

	31 Dec 21 US$m	31 Dec 20 US$m
Segment Result	**448**	**826**
Finance income	13	15
Finance costs	(48)	(55)
Net finance costs	(35)	(40)
Profit Before Tax	**413**	**786**

4. Income and Expenses

		31 Dec 21 US$m	31 Dec 20 US$m
(a)	**Revenue**		
	Gold - Bullion	658	911
	Gold - Concentrate	638	857
	Gold - Concentrate treatment and refining deductions	(18)	(23)
	Total gold revenue	1,278	1,745
	Copper - Concentrate	479	469
	Copper - Concentrate treatment and refining deductions	(49)	(52)
	Total copper revenue	430	417
	Silver - Concentrate	8	12
	Silver - Concentrate treatment and refining deductions	(1)	(2)
	Total silver revenue	7	10
	Total revenue (1)	**1,715**	**2,172**

		31 Dec 21 US$m	31 Dec 20 US$m
(b)	**Cost of Sales**		
	Site production costs	924	924
	Royalties	51	67
	Treatment and realisation	34	23
	Inventory movements	(23)	15
		986	1,029
	Depreciation and amortisation	283	309
	Total cost of sales	**1,269**	**1,338**

		31 Dec 21 US$m	31 Dec 20 US$m
(c)	**Corporate Administration Expenses**		
	Corporate costs	45	45
	Corporate depreciation	9	11
	Share-based payments	7	6
	Total corporate administration expenses	**61**	**62**

		31 Dec 21 US$m	31 Dec 20 US$m
(d)	**Other Income/(Expenses)**		
	Net fair value gain/(loss) on gold and copper derivatives and fair value movements on concentrate receivables	20	91
	Net foreign exchange gain/(loss)	24	(76)
	Net fair value gain on Fruta del Norte finance facilities	36	76
	Net fair value loss on put option	(16)	-
	Gain on sale of royalty portfolio	11	-
	Other	1	(5)
	Total other income/(expenses)	**76**	**86**

(1) Total revenue for the period ended 31 December 2021 comprises of revenue from contracts with customers of US$1,761 million (2020: US$2,231 million) and gold hedge losses of US$46 million (2020: US$59 million).

4. Income and Expenses (continued)

		31 Dec 21 US$m	31 Dec 20 US$m
(e)	**Finance Costs**		
	Interest on loans	35	44
	Interest on leases	2	1
	Facility fees and other costs	7	7
		44	52
	Discount unwind on provisions	4	3
	Total finance costs	**48**	**55**

		31 Dec 21 US$m	31 Dec 20 US$m
(f)	**Depreciation and Amortisation**		
	Included in:		
	Cost of sales depreciation	283	309
	Corporate depreciation	9	11
	Total depreciation and amortisation expense	**292**	**320**

5. Income Tax Expense

	31 Dec 21 US$m	31 Dec 20 US$m
Reconciliation of Prima Facie Income Tax Expense to Income Tax Expense per the Income Statement		
Accounting profit before tax	**413**	**786**
Income tax expense calculated at 30%	124	236
Non-deductible exploration	4	4
Impact of tax rates applicable outside of Australia	(4)	(8)
Tax effect of profit from equity accounted investments	(6)	-
Other items	(3)	1
Income tax expense per the Income Statement	**115**	**233**

6. Notes to the Consolidated Statement of Cash Flows

	31 Dec 21 US$m	31 Dec 20 US$m
Operating cash flows arising from changes in:		
Trade and other receivables	-	(13)
Inventories	(17)	8
Trade and other payables	(59)	(24)
Provisions	(27)	(14)
Other assets and liabilities	(15)	(5)
Change in working capital	**(118)**	**(48)**

7. Dividends

	31 Dec 21 US¢ per share	31 Dec 21 US$m	31 Dec 20 US¢ per share	31 Dec 20 US$m
(a) Dividends declared and paid				
The following fully franked ordinary dividend was paid during the half year:				
Final dividend:				
Paid 30 September 2021	40.0	327	-	-
Paid 25 September 2020	-	-	17.5	143
	40.0	**327**	**17.5**	**143**

Participation in the dividend reinvestment plan reduced the cash amount paid to US$315 million (31 December 2020: $132 million).

(b) Dividend proposed and not recognised as a liability

Subsequent to the reporting period, the Directors have determined to pay an interim dividend for the half year ended 31 December 2021 of US 7.5 cents per share, which will be fully franked. The dividend will be paid on 31 March 2022. The total amount of the dividend is US$61 million based on Newcrest's existing issued capital as at 31 December 2021.

8. Impairment of Non-Financial Assets

In accordance with the Group's accounting policies and processes, the Group evaluated each cash generating unit ('CGU') as at 31 December 2021 to determine whether there were any indications of impairment or impairment reversal. Where an indicator of impairment or impairment reversal exists, a formal estimate of the recoverable amount is performed.

During the half year ended 31 December 2021, the Group revised its future gold and copper price estimates and the AUD:USD exchange rate.

At Telfer, the increase in the copper price and the decrease in AUD:USD exchange rate assumptions during the period represented an impairment reversal indicator. At Lihir, the current period performance represented an indicator of impairment. Consequently, a detailed estimate of the recoverable amounts of both CGUs was undertaken. A range of valuation outcomes were assessed having regard to scenarios and sensitivity analysis conducted on a number of assumptions. As a result of this analysis it was concluded no impairment or impairment reversal was required as at 31 December 2021 for either CGU.

In relation to the continued impacts of the COVID-19 pandemic, Newcrest has been able to continue operating at all CGUs during the half year. Whilst there has been a level of disruption to the movement of workers to some assets and additional costs have been incurred in relation to risk management protocols at all sites, the Group has concluded that the COVID-19 impacts do not represent an indicator of impairment for any CGU.

The Group reviewed a number of factors when considering the indicators of impairment or impairment reversal, including:

(i) Commodity price and exchange rate assumptions

Newcrest has made marginal changes to its short term and medium term US dollar gold price estimates and increased its US dollar copper prices for all future periods. These changes were to align with observable market data, taking into account spot prices during the half year ended 31 December 2021 and Newcrest's analysis of observable market forecasts for future periods.

Newcrest has made marginal changes to the AUD:USD exchange rate estimates, reflecting spot AUD:USD exchange rates during the half year ended 31 December 2021 and Newcrest's analysis of observable market forecasts for future periods.

The table below provides details of the updated assumptions as at 31 December 2021:

	As at 31 December 2021				
Assumptions	**FY2022**	**FY2023**	**FY2024**	**FY2025**	**Long term FY2026+**
Gold (US$ per ounce)	$1,725	$1,700	$1,600	$1,550	$1,500
Copper (US$ per pound)	$4.00	$3.80	$3.60	$3.50	$3.50
AUD:USD exchange rate	$0.75	$0.75	$0.75	$0.75	$0.75
CAD:USD exchange rate	$0.80	$0.80	$0.80	$0.80	$0.80
USD:PGK exchange rate	K3.51	K3.51	K3.51	K3.51	K3.51

	As at 30 June 2021				
Assumptions	**FY2022**	**FY2023**	**FY2024**	**FY2025**	**Long term FY2026+**
Gold (US$ per ounce)	$1,750	$1,700	$1,550	$1,500	$1,500
Copper (US$ per pound)	$3.75	$3.50	$3.30	$3.30	$3.30
AUD:USD exchange rate	$0.78	$0.78	$0.77	$0.76	$0.75
CAD:USD exchange rate	$0.80	$0.80	$0.80	$0.80	$0.80
USD:PGK exchange rate	K3.51	K3.51	K3.51	K3.51	K3.51

8. Impairment of Non-Financial Assets (continued)

(i) Commodity price and exchange rate assumptions (continued)

For Telfer, the increase in the copper price and the decrease in AUD:USD exchange rate assumptions from 30 June 2021 to 31 December 2021 represented an indicator for impairment reversal.

(ii) Discount rate assumptions

Newcrest's discount rates are unchanged from those applied at 30 June 2021. The discount rates (inclusive of country risk premium) used are Cadia and Telfer: 4.50%, Lihir: 6.00%, Red Chris: 4.50%.

(iii) Mineral resources and ore reserves

At 31 December 2021, the Group updated its Mineral Resource and Ore Reserve estimates, resulting in a net increase in gold Ore Reserves of approximately 10% and a net increase in gold Measured and Indicated Mineral Resources of approximately 7% compared to the estimates as at 31 December 2020. In addition to depletion, the updated estimate of Ore Reserves incorporated:

- minor changes at Telfer due to updated input assumptions
- increase at Lihir due to completion of the Phase 14A pre-feasibility study
- increase at Red Chris due to completion of the Block Cave pre-feasibility study
- decrease at Cadia informed by additional drilling, revised input assumptions and exclusion of some dilution material.

Based on sensitivity analysis conducted on the value of the Ore Reserve changes, it has been concluded that they do not represent an indicator of impairment or impairment reversal.

(iv) Production activity and operating and capital costs

CGUs have been reviewed for changes to mine plan assumptions, operating costs, capital costs and production activity. In addition, the current period operating and cost performances for each CGU has been compared to plan.

At Lihir, the current period performance represented an indicator of impairment.

(v) Impact of judgements and estimates on valuation outcomes

It should be noted that significant judgements, estimates and assumptions are required in making estimates of a CGU's recoverable amount. This is particularly so in the assessment of long life assets. It should be noted that the CGU recoverable amount is subject to variability in key assumptions including, but not limited to, gold and copper prices, exchange rates, discount rates, production profiles, and operating and capital costs. A change in one or more of the assumptions used in these estimates could result in a change in a CGU's recoverable amount as outlined in Note 12 of the Group's 30 June 2021 financial report.

9. Net Debt / (Net Cash)

	Note	31 Dec 21 US$m	30 Jun 21 US$m
Corporate bonds	(a)	1,650	1,650
Less: capitalised transaction costs on facilities		(15)	(15)
Total non-current borrowings		**1,635**	**1,635**
Total borrowings		**1,635**	**1,635**
Lease liabilities (current)		38	27
Lease liabilities (non-current)		27	35
Total lease liabilities		**65**	**62**
Total debt		**1,700**	**1,697**
Cash and cash equivalents		(1,231)	(1,873)
Net debt / (net cash)		**469**	**(176)**

(a) Corporate Bonds ('Notes')

In each of November 2011 and October 2012, Newcrest issued US$1,000 million in US dollar Notes. Following repurchases in prior periods, US$500 million remains on issue. In May 2020, Newcrest issued a further US$1,150 million in US dollar Notes. All Notes were issued in accordance with Rule 144A and Regulation S of the Securities Act of the United States. The Notes consist of:

Maturity	Coupon Rate	31 Dec 21 US$m	30 Jun 21 US$m
May 2030	3.25%	650	650
November 2041	5.75%	500	500
May 2050	4.20%	500	500
		1,650	**1,650**

9. Net Debt / (Net Cash) (continued)

(b) Bilateral Bank Debt

As at 31 December 2021, the Group had bilateral bank debt facilities of US$2,000 million (30 June 2021: US$2,000 million) with 13 banks (30 June 2021: 13 banks). These are committed unsecured revolving facilities, individually negotiated and documented with each bank but with similar terms and conditions.

The facilities are on normal terms and conditions and include certain financial covenants. Interest is based on LIBOR plus a margin, which varies amongst the lenders. As at 31 December 2021 and 30 June 2021 these facilities were undrawn.

The maturity date profile of these facilities is shown in the table below:

Facility Maturity (financial year ending)	31 Dec 21 US$m	30 Jun 21 US$m
June 2024	1,077	1,077
June 2026	923	923
	2,000	**2,000**

(c) Financing Facilities

The Group has access to the following unsecured financing facilities at the reporting date.

	Facility Utilised [(1)] US$m	Facility Unutilised US$m	Facility Limit US$m
31 December 2021			
Corporate bonds	1,650	-	1,650
Bilateral bank debt facilities	-	2,000	2,000
	1,650	**2,000**	**3,650**
30 June 2021			
Corporate bonds	1,650	-	1,650
Bilateral bank debt facilities	-	2,000	2,000
	1,650	**2,000**	**3,650**

[(1)] The corporate bonds are at fixed interest rates.

9. Net Debt/(Net Cash) (continued)

(d) Movement in debt

Movement in total debt during the half year ended 31 December 2021 and year ended 30 June 2021 was as follows:

Debt	31 Dec 21 US$m	30 Jun 21 US$m
Opening balance	1,697	2,075
Movements:		
Repurchase of corporate bonds	-	(380)
Payment of lease principal	(19)	(32)
Repayment of other loans	-	(4)
Non-cash movements [(1)]	22	38
Net movement	**3**	**(378)**
Closing balance	**1,700**	**1,697**

(1) Represents non-cash movements in lease liabilities (including additions, modifications and terminations), amortisation of transaction costs and foreign exchange movements during the period.

10. Gearing Ratio

The gearing ratio at the reporting date was as follows:

	Note	31 Dec 21 US$m	30 Jun 21 US$m
Net debt or (net cash)	9	469	(176)
Equity		9,982	10,124
Total capital [Net debt or (net cash) and equity]		**10,451**	**9,948**
Gearing ratio		**4.5%**	**(1.8%)**

Gearing ratio is calculated as net debt or net cash at the end of the reporting period divided by net debt or net cash plus equity.

11. Financial Assets and Financial Liabilities

The following table discloses the carrying amounts of each class of financial assets and financial liabilities at balance date, classified between amortised cost, fair value through profit or loss and fair value through other comprehensive income ('OCI').

31 Dec 21	Amortised cost	Fair Value through profit or loss[(1)]	Fair Value through OCI [(2)]	Total
	US$m	US$m	US$m	US$m
Financial Assets				
Cash and cash equivalents	1,231	-	-	1,231
Trade and other receivables – current	112	118	-	230
Trade and other receivables – non-current	96	-	-	96
FdN finance facilities – current	-	104	-	104
FdN finance facilities – non-current	-	387	-	387
Investment in Pretium Resources Inc	-	-	127	127
Other financial assets - current	-	4	16	20
Other financial assets – non-current	-	-	8	8
	1,439	**613**	**151**	**2,203**
Financial Liabilities				
Trade and other payables	523	-	-	523
Borrowings – non-current	1,635	-	-	1,635
Lease liabilities – current	38	-	-	38
Lease liabilities – non-current	27	-	-	27
Other financial liabilities – current	-	-	77	77
Other financial liabilities – non-current	-	-	20	20
	2,223	**-**	**97**	**2,320**

30 Jun 21	Amortised cost	Fair Value through profit or loss[(1)]	Fair Value through OCI [(2)]	Total
	US$m	US$m	US$m	US$m
Financial Assets				
Cash and cash equivalents	1,873	-	-	1,873
Trade and other receivables - current	87	128	-	215
Trade and other receivables - non-current	74	-	-	74
FdN finance facilities – current	-	112	-	112
FdN finance facilities – non-current	-	397	-	397
Investment in Pretium Resources Inc	-	-	86	86
Other financial assets - current	-	-	19	19
Other financial assets – non-current	-	25	2	27
	2,034	**662**	**107**	**2,803**
Financial Liabilities				
Trade and other payables	577	-	-	577
Borrowings – non-current	1,635	-	-	1,635
Lease liabilities – current	27	-	-	27
Lease liabilities – non-current	35	-	-	35
Other financial liabilities – current	-	-	68	68
Other financial liabilities – non-current	-	-	42	42
	2,274	**-**	**110**	**2,384**

(1) The Trade and other receivables in this classification relates to concentrate receivables.

(2) Relates to the equity investment in Pretium Resources Inc (refer Note 12 (d)), fuel hedges, power purchase agreement and Telfer AUD gold hedges.

12. Fair Value Measurement

(a) Fair Value Measurements Recognised on the Statement of Financial Position

For financial assets and liabilities carried at fair value, the Group uses the following to categorise the fair value method used, as defined by AASB 13 / IFRS 13 *Fair Value Measurement*.

- 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). Valuation inputs include forward curves, discount curves and underlying spot and futures 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).

The Group's financial assets and liabilities which are measured at fair value on a recurring basis, are categorised as follows:

Financial assets and liabilities measured at fair value	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
		US$m	**US$m**	**US$m**	**US$m**
31 Dec 2021					
Concentrate receivables		-	118	-	118
FdN finance facilities	(b)	-	-	491	491
Power purchase agreement	(c)	-	-	8	8
Investment in Pretium Resources Inc	(d)	127	-	-	127
Other financial assets		-	20	-	20
Telfer AUD gold hedges		-	(97)	-	(97)
		127	**41**	**499**	**667**
30 Jun 2021					
Concentrate receivables		-	128	-	128
FdN finance facilities	(b)	-	-	509	509
Power purchase agreement	(c)	-	-	2	2
Investment in Pretium Resources Inc	(d)	86	-	-	86
Other financial assets		-	19	25	44
Telfer AUD gold hedges		-	(110)	-	(110)
		86	**37**	**536**	**659**

12. Fair Value Measurement (continued)

(b) Fair Value of FdN Finance Facilities

In April 2020, Newcrest acquired the gold prepay ('GPCA') and stream credit facilities ('SCFA') and an offtake agreement in respect of Lundin Gold Inc.'s ('Lundin') Fruta del Norte ('FdN') mine in Ecuador. Each of these financial instruments are classified as Level 3 as their valuation includes significant unobservable inputs. The following table summarises the fair value of these financial assets on an aggregated basis.

Movements in Fair Value	31 Dec 2021 US$m	30 Jun 2021 US$m
Opening balance	509	461
Net receipts during the period	(68)	(92)
Accrued interest income	11	22
Fair value adjustments	36	118
Other movements	3	-
Closing balance	**491**	**509**
Split between:		
Current	104	112
Non-current	387	397
	491	**509**

Valuation measurement and key assumptions

The GPCA and SCFA are valued based on a discounted cash flow model, whilst the Offtake Agreement valuation is based on Monte Carlo simulation to determine the margin achieved on sales associated with this agreement (which is then incorporated into a discounted cash flow model). The valuation requires management to make certain assumptions about the model inputs, including gold prices, discount rates and FdN production profiles. The probabilities of the various estimates within the range can be reasonably assessed and are used in Management's estimate of fair value for these financial assets.

The following table summarises the quantitative information about the significant unobservable inputs used in the Level 3 fair value measurement of the FdN finance facilities.

Unobservable inputs	Inputs	Relationship of unobservable inputs to fair value
Gold price	The Group's carrying value assessment gold price assumption (refer Note 8)	An increase or decrease in gold prices of 10% applied to the gold price assumptions for the term of the agreements would change the fair value of the asset by +US$48 million / -US$48 million (30 June 2021: +US$50 million / -US$51 million)
Discount rate	8.5%	An increase or decrease in the discount rate of 1% would change the fair value of the asset by -US$16 million / +US$17 million (30 June 2021: -US$18 million / +US$19 million)
FdN production profile	FdN mine plan	An increase or decrease in the production profile of 10% would change the fair value of the asset by +US$14 million / -US$18 million (30 June 2021: +US$14 million / -US$21 million)

The sensitivity of the exposure of silver prices on the FdN finance facilities has been analysed and determined to be not material to the Group.

Significant judgements, estimates and assumptions are required in determining estimates of Fair Value for the FdN finance facilities. It should be noted that the Fair Value is subject to variability in key assumptions including, but not limited to, gold prices, discount rates and FdN production profiles. A change in one or more of the assumptions used could result in a material change in the estimated Fair Value of the FdN finance facilities.

12. Fair Value Measurement (continued)

(c) Fair Value of Power Purchase Agreement

Movements in Fair Value	31 Dec 2021 US$m	30 Jun 2021 US$m
Opening balance	2	-
Fair value adjustments	6	2
Closing balance	**8**	**2**
Split between:		
Current	-	-
Non-current	8	2
	8	**2**

Valuation measurement and key assumptions

The PPA is valued based on a discounted cash flow model. The valuation requires Management to make certain assumptions about the model inputs, including future electricity prices, discount rates and expected generation volumes associated with the contracts. The probabilities of the various estimates within the range can be reasonably assessed and are used in Management's estimate of fair value for these financial assets.

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements.

Unobservable inputs	Inputs	Relationship of unobservable inputs to fair value
Electricity prices	Forward electricity price assumptions	An increase or decrease in electricity prices of 10% applied to the electricity price assumptions for the term of the agreements would change the fair value by +US$8 million / -US$8 million (30 June 2021: +US$7 million / -US$7 million)

The sensitivity of the exposure to future generation volumes and the rate used to discount future cash flows has been analysed and determined to be not material to the Group.

The valuation of PPAs required a number of significant assumptions, including assumptions about forward electricity prices, future generation volumes, credit and liquidity adjustments and the rate used to discount future cash flows.

(d) Fair Value of Investment in Pretium Resources Inc

As at 31 December 2021, the Group holds 9,025,216 shares in Pretium Resources Inc representing an interest of 4.8% with a market value of $127 million (30 June 2021: $86 million). This is based on the closing share price on the TSX at the reporting date.

During the period, the Group entered into an agreement to acquire the issued and outstanding shares it does not already own by way of a Canadian Plan of Arrangement. Refer Note 15 for further details.

12. Fair Value Measurement (continued)

(e) Fair Value of Financial Instruments Carried at Amortised Cost

The carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair value, except as detailed in the following table:

Financial Liabilities	Carrying amount 31 Dec 21 US$m	Carrying amount 30 Jun 21 US$m	Fair value [1] 31 Dec 21 US$m	Fair value [1] 30 Jun 21 US$m
Borrowings:				
Fixed rate debt - Corporate Bonds	1,635	1,635	1,920	1,940

(1) The fair value is a level 2 valuation. Fair values of the Group's fixed rate borrowings are determined by using discounted cash flow models that use discount rates that reflect the issuer's borrowing rate as at the end of the reporting period.

13. Issued Capital

	31 Dec 21 US$m	30 Jun 21 US$m
(a) Movements in Issued Capital		
Opening balance	12,419	12,403
Shares repurchased and held in treasury [(1)]	(5)	(10)
Shares issued – dividend reinvestment plan	12	26
Total issued capital	**12,426**	**12,419**

	Number of Ordinary Shares	
(b) Number of Issued Ordinary Shares	**Half year ended 31 Dec 21**	**Year ended 30 Jun 21**
Comprises:		
• Shares held by the public	815,805,784	814,745,123
• Treasury shares	2,152,387	2,544,569
Total issued shares	**817,958,171**	**817,289,692**
Movement in issued ordinary shares		
Opening number of shares	814,745,123	813,819,599
Shares issued under:		
• Shares repurchased and held in treasury [(1)]	(300,000)	(500,000)
• Share plans [(2)]	692,182	207,726
• Dividend reinvestment plan	668,479	1,217,798
Closing number of shares	**815,805,784**	**814,745,123**
Movement in treasury shares		
Opening number of shares	2,544,569	2,252,295
• Purchases	300,000	500,000
• Allocated pursuant to share plans	(692,182)	(207,726)
Closing number of shares	**2,152,387**	**2,544,569**

(1) During the period ended 31 December 2021, the Newcrest Employee Share Plan Trust ('Trust') purchased a total of 300,000 (30 June 2021: 500,000) ordinary fully paid Newcrest shares at an average price of $24.23 (US$17.78) per share (30 June 2021: average price of A$24.41 (US$18.92) per share). The shares were purchased on-market to be held by the Trustee on behalf of the Trust to satisfy the future entitlements of the holders of performance rights (and any other rights to acquire shares) under Newcrest's current and future employee incentive schemes.

(2) Represents rights exercised under the Company's share-based payments plans and executive service agreements.

14. Contingent Liabilities

(a) Bank Guarantees

The Group has provided 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 US$154 million (30 June 2021: US$157 million).

(b) Other Matters

The companies in the Group are recipients of, or defendants in, certain claims, proceedings and/or complaints made, commenced or threatened. In the opinion of the Directors, all such matters are of such a kind, or involve such amounts, that they are not anticipated to have a material effect on the financial position of the Group if disposed of unfavourably or are at a stage which does not support a reasonable evaluation of the likely outcome of the matter.

15. Proposed Acquisition of Pretium Resources Inc.

(a) Plan of Arrangement – November 2021

On 8 November 2021, the Group entered into an agreement to acquire all of the issued and outstanding common shares of TSX-listed Pretium Resources Inc. ('Pretivm') that it does not already own, by way of a Canadian Plan of Arrangement ('the Plan').

Pretivm is the owner of the Brucejack operation in the highly prospective Golden Triangle region of British Columbia, Canada. Brucejack began commercial production in July 2017. The acquisition, in a Tier 1 jurisdiction, will add a large scale, long life, low cost mine to Newcrest's unrivalled portfolio of assets and will deliver immediate operational and financial diversification.

Offer Consideration

Under the Plan, Pretivm shareholders will receive consideration of C$18.50 per share (Offer Consideration) (based on the Canadian dollar equivalent of the 5 day volume weighted average price (VWAP) of Newcrest shares on the Australian Securities Exchange (ASX) ending 8 November 2021).

The Offer Consideration comprises cash and Newcrest shares, and Pretivm shareholders will be able to elect either C$18.50 in cash or 0.80847 Newcrest shares per Pretivm share, subject to proration and an aggregate cap of 50% cash and 50% Newcrest shares. Pretivm shareholders who do not elect cash or Newcrest shares (subject to proration) will receive default consideration of C$9.25 per Pretivm share in cash and 0.4042 Newcrest shares per Pretivm share.

The total consideration offered values all of the outstanding common shares of Pretivm at approximately $2.8 billion, on an undiluted basis. Newcrest already owns a 4.8% shareholding in Pretivm with a fair value of $127 million (refer Note 12 (d)).

(b) Transaction Status Post Reporting Date

Subsequent to the reporting period, on 20 January 2022, Pretivm shareholders and option holders (Securityholders) voted overwhelmingly in favour of the Plan at the Pretivm Securityholders meeting. The Plan has also been approved by the Supreme Court of British Columbia and Newcrest has received clearance from the State Administration of Market Regulation pursuant to the Anti Monopoly Law of China.

Completion of the transaction remains subject to approval under the Investment Canada Act. Newcrest expects the transaction to be completed during the March 2022 quarter.

Subject to completion, the transaction will be accounted for as business combination under AASB 3 / IFRS 3 using the acquisition method of accounting. The preliminary purchase price allocation will be disclosed in our 30 June 2022 Financial Report.

In accordance with a resolution of the Directors of Newcrest Mining Limited, we state that:

In the opinion of the Directors:

(a) The half year financial statements and notes are in accordance with the *Corporations Act 2001*, including:

  (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half year ended on that date; and

  (ii) Complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *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 IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

On behalf of the Board

Peter Tomsett	Sandeep Biswas
Chairman	Managing Director and Chief Executive Officer

17 February 2022
Melbourne

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Independent Auditor's Review Report to the Members of Newcrest Mining Limited

Conclusion

We have reviewed the accompanying half year financial report of Newcrest Mining Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of the Group does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance for the half year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (*including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half year financial report

The directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half year financial report

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Ernst & Young

Trent van Veen
Partner

Richard Bembridge
Partner

Melbourne
17 February 2022