

newcrest & you

PUBLISHED BY NEWCREST MINING LIMITED

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WINTER & SPRING 2008

If you brought up your kids with these values, you'd be pretty pleased with them – they're not just work values, they're life values.

Graham 'Barge' Warner Winner CEO Leadership Award



Graham 'Barge' Warner is Ridgeway's maintenance superintendent at CVO and Newcrest's first-ever winner of the Living Our Values CEO Leadership Award.

VALUES BREED LEADERSHIP

What kind of person writes themselves a warning letter for a safety breach?

Who puts others' needs first by spending hours helping them, only to burn the midnight oil getting their own work done?

How many of us can honestly say we tackle difficult issues quickly and directly, instead of ignoring them and hoping they will go away?

Not many of us can claim to fit this profile, but Graham Warner – or 'Barge' as he's affectionately known – does.

Barge is Ridgeway's maintenance superintendent at Cadia Valley Operations (CVO), and our first-ever Living Our Values CEO Leadership Award winner.

Debra Stirling, EGM People and Communications, says Barge won the award for his genuine commitment to all five of Newcrest's values and for the example he sets others: *"Australians have a sixth sense and can recognise someone who acts with absolute sincerity and conviction.*

"He not only lives the values day and night, he instils them in others by leading and inspiring his team to follow his example."

Barge feels humbled by his award as he says others are just as worthy,

including his own team whom he nominated for an award: *"A champion team will always beat a team of individual champions,"* he says.

Barge says he learns by others' examples: *"I have worked for both good and bad bosses, and both have helped me understand myself and be a better leader."*

He says he supports and challenges others' ideas even if they don't always work: *"This keeps ideas coming and gives people the confidence to make decisions."*

Barge is passionate about coaching, mentoring and empowering others to succeed and believes it's vital to share knowledge for future succession.

He uses Newcrest's values to guide everything he and his team tackle, and says this extends to the rest of his life too: *"If you brought up your kids with these values, you'd be pretty pleased with them – they're not just work values, they're life values."*



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“Because we discover a lot of our ounces, our costs are cheaper than our competitors who rely more on acquisitions for growth.”

Colin Moorhead EGM Minerals

Golden future with Minerals Group

Growing the company's resources and reserves and ensuring their quality and our company's future is the job of Newcrest's Minerals Group.

The group inherits a legacy of success, with Newcrest recognised as one of the top gold explorers in recent years. A large part of this was due to Dan Wood, Ray McLeod and Bob Barker, who led our exploration efforts for many years. Colin Moorhead took over as EGM Minerals last year.

Colin explains that much of our growth comes from discoveries we make ourselves, which lowers our costs: *“Because we discover a lot of our ounces, our costs are cheaper than our competitors who rely more on acquisitions for growth. Finding and recognising undervalued targets is key to our growth strategy.”*

And with over \$120 million set aside for Minerals projects this year – up by 50% from last year – Newcrest is serious about backing the group to find the most gold it can.

To maximise efficiency, the group has been reorganised into three streams: Property Generation, led by John Holliday, Exploration led by Fraser MacCorquodale and Resources & Reserves headed up by Dean Collett.

Colin says: *“All geologists in the company now belong to Minerals, either directly under John or Fraser, or as part of a seconded team from Dean's area to a particular mine or major project. This allows us to focus our efforts where needed and enhances our geologists' development opportunities.”*

Brisbane is the geographical hub of our exploration activities in Australia and the Oceania region, and will be the new home of Fraser's Exploration team.

The Minerals Group's new look is trim and agile with an appetite for new discoveries: *“Gold is precious because it is very hard to find. We have the skills and processes to recognise opportunities early, which will add ounces to our resources base at a very low cost,”* says Colin.

Property
Generation

Exploration

Resources
& Reserves

Horizon clear for Morobe JV

The thick clouds hiding Hidden Valley in Papua New Guinea (PNG) for much of the time give it its name, explains Peter Trout, Newcrest's GM for PNG.

But there is nothing cloudy about the vision for Hidden Valley, or Newcrest's strategy for growth.

Hidden Valley is the first mine being developed under the Morobe Mining Joint Venture between Newcrest and Harmony Gold.

Newcrest acquired a 30% interest in August, and will earn an additional 20% equity by funding the JV's expenditure until Hidden Valley begins production in mid-2009.

This JV marks our first major acquisition. JVs take us to a new milestone in our growth strategy - Horizon II, which is to grow regionally by broadening our reach in the Asia Pacific.

The first growth stage, Horizon I (also known as ReNew) is building capability and competence in our people, which in turn prepares us for growth at Horizon II and then Horizon III, which is to grow internationally.

Peter's underlying goal for the JV's development is to be the Miner of Choice for all its stakeholders. He explains: *“Our first priority is getting Hidden Valley to production so we can generate cash flow. Number*

two and three priorities are establishing a development plan for the Wafi-Golpu mineral resources and establishing a growth pipeline from the Morobe exploration tenements.

“Growing our reserve base is key to our growth strategy, and we're progressing with drilling at Wafi-Golpu, and field work at other tenements.”

Hidden Valley, the first new mine in PNG for 15 years, is being welcomed by PNG's government and local communities. *“It's seen as bringing benefits to the local economy and community, including new roads, access to electricity, and job opportunities,”* Peter says.

“These stakeholders are important to us and we are building relationships to ensure mutual benefit from the JV.”

NEWCREST BUSINESS STRATEGY



- We will stick with GOLD
- We will be at the forefront in all aspects of mining
- We will have multiple options for growth



If Ridgeway and Ridgeway Deeps were cars, they would be Formula 1s. As washing machines they would have five-star energy and water-efficiency ratings.

Alex Mumme Mining Manager Ridgeway

Ridgeway five-star attraction

If Ridgeway and Ridgeway Deeps were cars, they would be Formula 1s. As washing machines they would have five-star energy and water-efficiency ratings. Being underground (UG) mines, they pose a mining 'challenge' that demands the very best.

The challenge of getting the orebody out of the ground has been solved by developing two UG mines one below the other, to eventually meet in the middle.

The uppermost mine, (Ridgeway) uses sub-level caving (SLC) technology to mine the top part of the orebody, while the lower mine (Ridgeway Deeps) is being built as a block cave (BC) to mine the deeper ore. Both methods are considered cutting-edge, with BC the natural successor to SLC, as it allows the best efficiencies available in UG mining.

Both methods rely on stress, gravity and natural weaknesses to break up the rock. BC extends these aspects to the orebody as well. This reduces development dramatically by reducing the number of tunnels, and does away with two parts of the normal mining cycle - drilling and blasting.

The result is low costs and high productivity, and the smallest possible carbon footprint as it uses minimal energy, fuel and explosives.

In effect, nature is used to produce an outcome that would otherwise require great investment of energy.

The SLC will be completed late next year and then all production will come from the BC underneath.

Merging an SLC mine to a BC mine directly below it with no interruptions to production is the challenge that makes working at Ridgeway and Ridgeway Deeps a real attraction says Alex Mumme, Ridgeway's mining manager. *"Ridgeway and Ridgeway Deeps make up a very special mining case – it is hard to think of a mining environment that is more technical, interesting or challenging than what we do here."*

"Arguably it's one of the world's most daunting mining challenges, and what happens here over the next two years will be an advance for underground-cave mining which will establish Newcrest as the 'cave' Miner of Choice."



Gosowong improvements worth weight in gold

Recent mill and maintenance improvements at Gosowong are generating a quarter more mill throughput, and expected to increase daily revenue by over a quarter of a million dollars.

Working together to achieve these impressive results, Gosowong's mill, maintenance and geology teams have installed new equipment and are using new processes to increase throughput.

Upgrading the process plant's equipment has resulted in a much slicker, faster operation. A bigger cyclone feed pump, new SAG mill and trommel screen, extra cyclones for the cyclone cluster in the gravity circuit, and a new trunnion magnet have all been installed to improve the grinding and classification systems.

Sorting the ore more thoroughly by putting it through a grizzly to separate out the larger rocks before sending it to the mill, has also sped up the mill's processing rate.

The improvements are worth their weight in gold. For the last three months beginning June, monthly throughput has averaged 45 dry tonnes per hour (dtp). This is up by a quarter from 2007's average of 34.1 dtp.

Gosowong is forecasting a monthly average of 45 dtp for the current year, which will lift daily revenue by around A\$275,000 compared to 2007.

Dave Way, deputy general manager at Gosowong, is delighted: *"These are commendable performance levels, and I thank everyone for their continued efforts. Well done!"*



Improvements made to Gosowong's mill are generating a quarter more throughput and increasing daily revenue by over a quarter of a million dollars.



“
Each of our mine sites has unique factors to consider, but they are all taking measures to prevent tyre wear and reduce costs.
”

Grant Scherf Supply Commodity Manager

Smooth sailing for CVO's tyres

Giant truck tyres are in short supply these days as the demand for tyres outstrips the production rate.

This global shortage is a concern for earthmover-tyre consumers whose super-sized trucks use the goliath-sized tyres.

Newcrest is no exception, and the current wait for a new tyre is two years.

This makes them expensive as well as scarce explains Grant Scherf, Newcrest's commodity manager: *“Newcrest spends around A\$18 million every year on haul-truck tyres which accounts for half our heavy-duty plant costs.”*

Cadia Valley Operations (CVO) is addressing this with a program that has increased tyre life by as much as 25%.

Conceived and put in place by John Shields (who is now site superintendent at the Namosi joint venture) and the Cadia Hill open pit team,

the program averts the major causes of tyre failure, including overloading trucks, incorrect tyre pressure, and rock spillage (which can cause costly punctures). This has increased tyre life from 3,700 hours to 4,800 hours in just one year.

CVO has also negotiated long-term supply contracts with manufacturers to ensure new tyres are available and are received at a fair price.

Grant says as well as reducing costs, the program has benefited production: *“We don't spend as much time changing damaged tyres now, which improves trucks' availability.”*

He says looking after our tyres is now ingrained in CVO's culture and is a common theme at our other sites: *“Each of our mine sites has unique factors to consider, but they are all taking measures to prevent tyre wear and reduce costs.”*

Creating our future together

Full of good ideas? Want to create something that works well, looks good and lasts a long time? Now is your chance. Soon, you will attend a workshop to help build a brighter, stronger Newcrest.

Everyone will attend a 'Creating our Future' workshop over the next 18 months. The first one launches in October with a program which has already been tested and finetuned on three pilot workshops.

The feedback from those who attended the pilots has been very positive. Max Skulander, a truck driver from Cadia Valley Operations (CVO),

says he learned more about Newcrest in two days than he had in the four years he's worked at CVO.

Cheyne Fox from Melbourne agrees, saying the best thing about her workshop was connecting with other people: *“The most amazing thing for me was going to site and seeing where it all happens and meeting the people who make it happen.”*

Cheyne adds that learning more about Newcrest's strategy makes her feel valued and connected to the business.

The 'Creating our Future' workshop program is a multi-million dollar investment Newcrest is making in its people, to build the foundation for Newcrest to grow and develop as one of the world's leading gold producers.

A part of ReNew - also known as Horizon I of Newcrest's strategy for change and growth - the workshops are designed to build self-confidence and competence in our people so we can create a successful future together.

To learn more, go to the ReNew website on the *Newcrest Portal*.



Participants at the first pilot workshop, whose feedback helped finetune the 'Creating our Future' workshops which we will all attend soon.

We are now processing more high-grade ore and using less power to get it out of the ground.

Glenn Ingram GM Asset Management



Telfer's hoist hauled to new heights

An idea to boost output from Telfer's main underground shaft through the use of Lean Six Sigma (LSS) principles has boosted underground production by 1.7 million tonnes per annum and reduced energy consumption – without any capital outlay or plant shutdowns.

Glenn Ingram, group manager of Asset Management, and Telfer Project Manager Jamie Dennis, developed a five-stage plan to maximise the volume of ore being fed from the underground crusher onto the hoist, while reducing the cycle time (the time taken getting it to the surface) and the amount of energy used.

David Mason, LSS Black Belt graduate and Telfer reliability engineer, then applied his skills on a hoist cycle-time optimisation project by crunching Glenn and Jamie's numbers through a rigorous testing regime. This confirmed the project could be done without the need for costly plant modifications or shutdowns.

The improvements have boosted the hoist's utilisation (the amount of time the hoist is in use) by 10 %, increased each skip load by 9%, and reduced the cycle time getting the ore to the surface by 7%. The amount of energy used per cycle has also been reduced.

"We are now processing more high-grade ore and using less power to get it out of the ground, which eases peak power demands at Telfer," explains Glenn.

"The three crucial elements that enabled this great outcome were optimising the cycle-time of the hoist, increasing average skip loads and improving the efficiency of trucks feeding ore into the crusher."

Glenn is pleased with the results and says the team's continued focus on improvements opportunities to further improve utilisation and increase productivity is the key to further gains.

Graduate program triples applications

Newcrest's graduate program has attracted almost triple the number of applications this year with a stronger marketing campaign. Over 2,500 graduands applied for the 2009 intake – up by 270% from last year.

Graduate Program Coordinator Sarah Wilkinson says the success is due to a stronger marketing campaign, which extended Newcrest's reach to more graduands than ever before.

"We upped the ante this year by consistently marketing throughout the year rather than just at the end," she explains.

"We conducted SMS [mobile-phone text message] campaigns, attended 18 careers fairs and distributed a host of promotional material across the country. We strengthened our branding with tailored sponsorship, and built stronger direct relationships with student membership groups."

Next year's graduate intake will be Newcrest's largest ever.

Our newest graduates will work in almost every discipline, including accounting, environmental science, IT, engineering, finance, metallurgy, geology, occupational health and safety, and surveying.

Debra Stirling, EGM People and Communications, says having a strong graduate program which attracts the country's young talent has a

knock-on effect across Newcrest: *"By tapping into this market, we are employing some of the best and the brightest. They bring with them new and innovative ideas which helps Newcrest develop and grow."*

For more information on Newcrest's young talent programs go to www.newcrestgraduates.com.au.

Graduate Program Coordinator Sarah Wilkinson (pictured here with HR Business Partner Alastair Wiseman) attended over 18 career fairs as part of a marketing campaign which has tripled the number of graduands applying to join Newcrest's graduate program.





Jewellery made from gold that Newcrest donated, which went under the hammer to raise money for Melbourne's Citymission.

Newcrest's generosity "Pure Gold"

Golden cicadas featured in a range of jewellery made out of gold donated by Newcrest which went under the hammer in June to raise money for the Melbourne Citymission.

Newcrest donated 15 ounces of gold to the '1 ounce of pure gold' project, which was transformed into brooches, necklaces, earrings and bracelets by 15 Melbourne-based jewellers who donated their time and expertise making it.

The jewellery was auctioned at Melbourne Citymission's gala dinner, which was attended by over 400 people who bought tickets to the event, including 10 Newcrest employees.

Melbourne Citymission says the dinner and jewellery auction raised over \$100,000. The funds will go towards Melbourne Citymission's new Youth Precinct, which when built, will give young homeless people the skills to lead successful lives.

It is expected the precinct will cost almost two million dollars.

Our CEO Ian Smith is pleased Newcrest supported such a worthy cause, saying: "Melbourne Citymission is doing a good job helping Victoria's homeless young people transition to successful, independent lives."

Melbourne Citymission's Gala Dinner was held on Thursday, 12 June at the Melbourne Town Hall.

To learn about the Melbourne Citymission go to www.melbournecitymission.org.au



Copper: good looks and brains too

Gold has long been the glamour metal in Newcrest's product line-up, but there's another sexy beast in our stable and this burnt-orange dynamo has more than just good looks going for it.

Since the early alchemists began using it as a way to prolong the lives of withering Egyptian pharaohs, copper has been revered for its ability to purify water, heal chest wounds, soothe scratchy throats and joints, and remedy unsavoury skin conditions.

But what's this got to do with Newcrest? Plenty, considering copper has been classified as a deadly enemy of bacteria.

In March this year, copper was recognised by the US Environmental Protection Agency (EPA) for its powerful bacteria-killing qualities following testing which shows it kills almost all MRSA (antibiotic-resistant) bacteria. This is the first time a solid-surface material has received such a rating.

Recognition like this spells a strong future for copper in the healthcare industry. Miguel Riquelme Alarcon, director of the International Copper Association, says its potential uses are numerous: "The use of copper door knobs, bench tops, hand rails and IV poles could dramatically reduce the spread of hospital-borne diseases."

This is good news for Newcrest as we are one of Australia's biggest copper producers, and so stand to benefit from a previously-

untapped customer base with corresponding benefits to our bottom line.

Albert de Sousa, Newcrest's general manager of marketing, says it is encouraging a respected authority has endorsed one of our products: "This will help boost the long-term value of our copper on the commodity markets, as well as raising patient safety and welfare."

Copper is being used in hospitals for door knobs and other hard surfaces, following testing which shows it reduces the spread of disease.



Because of the unique principles and practices we're developing, Newcrest is being recognised as delivering world-best practice.

Malcolm Wealleans Telfer's former Environmental Superintendent



Malcolm Wealleans, Telfer's former environmental superintendent, in front of waste-rock dumps which have been rehabilitated to look like natural landforms.

Newcrest top of the rocks

Not many mining companies can boast they are at the forefront of waste-rock-dump rehabilitation technology, but Newcrest can.

Leading the field with an industry first, a team of scientists at Telfer is returning the land to its natural state after mining.

Malcolm Wealleans, Telfer's former environmental superintendent, says Newcrest is doing things differently: "Most mining-revegetation programs rehabilitate the dumps with the standard industry 'berm and bench' approach (steps)."

"We try to make our waste-rock dumps resemble local land forms which in this case are mesas, which are plateau-like land formations in outback Western Australia."

Malcolm says this type of rehabilitation is a first for a mining company, and is attracting support from Australia's government and academia: "We're partnering with King's Park Botanical Gardens in Perth and

the University of Western Australia, who have seconded six post-doctorate and PhD students, a research scientist and a technician to carry out the research."

"We've also secured funding from the Minerals and Energy Research Institute of Western Australia, and the Australian Research Council." Malcolm says the research will save Newcrest millions in rehabilitation costs, and bring us recognition as industry leaders: "Telfer is one of only three sites in the world currently undertaking this type of study, but people are already taking notice."

"Because of the unique principles and practices we're developing, Newcrest is being recognised as delivering world-best practice."

Malcolm conceived the program three years ago and led it until moving to his new role running the environmental and social impact assessment for the Namosi joint venture. His successor, Emma Ryan-Reid, now leads it.

NESS readies for design phase and new home

October will be a month of moves for the NESS team, as it gets ready to begin the detailed design of its blueprint, and to relocate to new premises.

The team has been preparing for the design phase since getting the green light from Newcrest's board in August.

The design phase will produce a blueprint of streamlined systems and processes, and plans for training everyone in the new ways of working so we can operate in the same way with the same tools at every site, to save us time and money.

To learn from the experience of a company which has undergone similar change, several NESS team members visited mining company Iluka.

NESS Program Director Steve Pearson says the visit was useful: "We could see where they had gone right and wrong, which helped us validate some of our plans and review some areas."

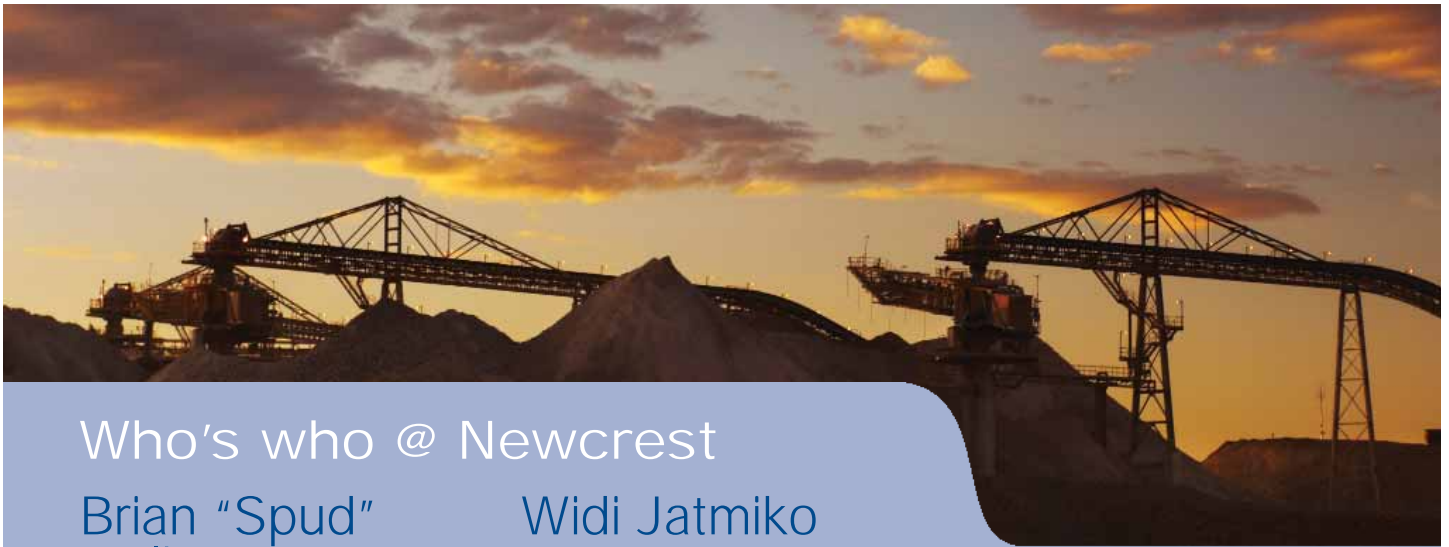
Meanwhile, a recruitment drive to fill positions to work on NESS' blueprint has resulted in over 250 applications.

NESS' expanding team will soon outgrow its current premises and will move to new offices at 616 St Kilda Road.

It will take around six months to complete the design phase, after which it will be taken to the board for review.

NESS team members visited Iluka recently to learn from its experience implementing a similar change program. From left to right: Warren Huby; Eunice Gardner; Craig Aubrey; Mick Wakeham; Leigh Collins and Heather Selley.





Who's who @ Newcrest

Brian "Spud" Melbourne

If Newcrest ever needs to stock a museum at Cadia Valley Operations (CVO), we would need look no further than Brian "Spud" Melbourne, open pit operator. Buckles, cups, key rings and a decade worth of uniforms and logos would be more than enough to kick off the collection, and Spud has amassed all of these and more during his time at Newcrest.

The reason for Spud's enthusiasm for Newcrest memorabilia and his allegiance to the company is partly due to the fact that Newcrest helped him finish his schooling. It is an investment that has since paid dividends, as on 9 June, Spud celebrated 10 years with the company.

And if enjoyment levels are anything to go by, Spud will still be doing his job in another 10 years. He says he finds his job very rewarding: *"I love driving my grader, making the roads smooth for the trucks to follow. This is very important as it saves on wear and tear of the tyres, which are costly to replace."*

Spud feels that Newcrest doesn't discriminate between workers and really cares for its people by listening to them and treating them equally. He says he thinks this makes for near-perfect work conditions. *"Everyone here is treated fairly and the same. Whether we're office workers, pit workers, or managers, we are all treated well, and that makes for happy workers."*



Widi Jatmiko

Juggling babies and balls are just two things Widi Jatmiko - business improvement superintendent at Gosowong - has discovered he is particularly good at.

He unearthed his talent for juggling at the Lean Six Sigma (LSS) training course he began last August, and uses his baby-managing skills every night cooking for his twin daughters.

Widi is on a two-year secondment to the LSS Black Belt program to improve Newcrest's processes: *"Learning business improvement methodology has taught me ways to do things better and faster,"* he says.

"I've found using LSS methodology tools - particularly process mapping, the cause effect matrix, the fishbone diagram and FMEA (Failure Model Effect Analysis) - makes it much easier to solve problems."

With almost 10 years' service under his belt, Widi has enjoyed working at Newcrest. But he still gets frustrated occasionally: *"I don't like it when people take the credit for other people's work, or when team members don't support a project."*

He says a big part of his job is getting people fully behind business improvement projects and helping them understand the value of LSS.

Widi says he is looking forward to using the skills he has learned when he returns to the Maintenance & Engineering department next year after his two-year secondment finishes.



Got any news or feedback?

newcrest&you would love to hear from you. E-mail or call us with your feedback, or news of initiatives that are making Newcrest a better-performing company and a great place to work.

Refer a friend & earn \$2,000

Newcrest's Employee Referral Program (ERP) rewards employees who successfully refer external applicants to jobs at Newcrest.

These are clearly marked as such, and typically hard-to-fill roles.

- \$2,000 payment (pre tax) for each successful referral (subject to the referred employee passing the probation period).
- No limit to number of referrals
- Further information on the Human Resources page on the *Newcrest Portal*

