

Directors' Report

The Directors present their report together with the consolidated financial report of the Newcrest Mining Limited Group, comprising the Company and its controlled entities, for the year ended 30 June 2013 and the Auditor's Report thereon.

DIRECTORS

The Directors of the Company at any time during the financial year were, and until the date of this report are:

Don Mercer	Non-Executive Chairman
Greg Robinson	Managing Director and Chief Executive Officer
Gerard Bond	Finance Director and Chief Financial Officer
Philip Aiken	Non-Executive Director (appointed 12 April 2013)
Vince Gauci	Non-Executive Director
Peter Hay	Non-Executive Director (appointed 8 August 2013)
Winifred Kamit	Non-Executive Director
Richard Knight	Non-Executive Director
Rick Lee	Non-Executive Director
Tim Poole	Non-Executive Director
John Spark	Non-Executive Director

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

PRINCIPAL ACTIVITIES

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

CONSOLIDATED RESULT

The loss after tax attributable to Newcrest shareholders ('Statutory (Loss)/Profit') for the year ended 30 June 2013 was a net loss of \$5,778 million (2012: profit of \$1,117 million).

Refer to the Operating and Financial Review for further details.

DIVIDENDS

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

- Final (15% franked) dividend for the year ended 30 June 2012 of 23 cents per share, amounting to \$176 million, was paid on 19 October 2012.
- Interim unfranked dividend for the year ended 30 June 2013 of 12 cents per share, amounting to \$92 million, was paid on 16 April 2013.

The Directors have determined that there will be no payment of a final dividend for the year ended 30 June 2013.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Refer to the Operating and Financial Review for the significant changes in the state of affairs of the Group.

FUTURE DEVELOPMENTS

Refer to the Operating and Financial Review on likely developments and future prospects of the Group.

SUBSEQUENT EVENTS

There are no other matters or circumstances which have arisen since 30 June 2013 that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is attached. During the year, other assurance related services and advisory services were provided by Ernst & Young (auditor to the Company) – refer Note 38 to the financial statements. The Directors are satisfied that the provision of these services did not impair the Auditor's Independence.

ROUNDING OF AMOUNTS

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

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Managing Director reports monthly to the Board on all environmental and health and safety incidents. The Board also has a Safety, Health and Environment Committee which reviews the environmental and safety performance of the Group. The Directors are not aware of any environmental matters which would have a materially adverse impact on the overall business of the Group.

The operations of the Group are subject to environmental regulation under the jurisdiction of the countries in which those operations are conducted, including Australia, Indonesia, Papua New Guinea (PNG), Côte d'Ivoire and Fiji. The Group releases an annual Sustainability Report.

Each mining operation is subject to particular environmental regulation specific to the activities undertaken at that site as part of the licence or approval for that operation. There are also a broad range of industry specific environmental codes of practice which apply to all mining operations and other operations of the Group. The environmental laws and regulations generally address the potential impact of the Group's activities in relation to water and air quality, noise, surface disturbance and the impact upon flora and fauna.

The Group has a uniform internal reporting system across all sites. All environmental events, including breaches of any regulation or law, are ranked according to their actual or potential environmental consequence. Five levels of incidents are recognised: I (insignificant), II (minor), III (moderate), IV (major) and V (catastrophic). Data on Category I incidents are only collected at a site level and are not reported in aggregate for the Group.

The number of events reported in each category during the year is shown in the accompanying table. In all cases environmental authorities were notified of those events where required and remedial action undertaken. The Category IV (major) environmental incident (based upon assessment of volume spilled, not impact) recorded during the year involved a spill of oil on a wharf lay-down area in Lae, Papua New Guinea, which was subsequently cleaned up and remediated.

Category	II	III	IV	V
2013 – Number of incidents	46	3	1	–
2012 – Number of incidents	97	23	2	–

SHARE RIGHTS

During the year, an aggregate of 118,130 rights were exercised, resulting in the issue of 118,130 ordinary shares of the Company for nil consideration. At the date of this report there were 1,596,241 unissued shares under rights (1,596,241 at 30 June 2013).

In order to minimise dilution of its share capital through the exercise of rights under the Company's share-based payments plans and the Dividend Reinvestment Plan, the Company intends to buy back the corresponding number of shares on market as and when required. There were no shares bought back and cancelled during the year to 30 June 2013.