

<https://www.australianmining.com.au/news/newcrest-cuts-cost-cadia-plant-expansion-80/>

Newcrest cuts cost of Cadia plant expansion by 80%

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Cadia processing plant. Image: Newcrest Mining.

Newcrest Mining is on track to expand the Cadia gold operations in New South Wales with a much lower investment than previously expected.

The miner, which has released its pre-feasibility study findings for the development, estimates the expansion would cost \$598 million.

Newcrest's growth project at Cadia would include \$58 million on a processing plant and underground materials handling expansion and \$540 million on development of the Macro Block PC2-3.

The pre-feasibility capital cost estimate for the plant expansion is more than 80 per cent lower than Newcrest's previous forecast.

Newcrest managing director Sandeep Biswas said the company set out to expand the Cadia plant to 32Mtpa for an expected cost of \$310 million two years ago.

However, the company's pre-feasibility study outlined an expansion of the plant to 33Mtpa for \$58 million, with the potential to grow capacity to 35Mtpa.

"The study has delivered a \$252 million saving and an additional 1Mtpa of throughput capacity," Biswas said.

"The project team have applied an 'owner's mindset' in delivering an expansion plan with a low capital intensity which has the potential to deliver an impressive 21 per cent return on capital and ensures Cadia remains a tier one producer for a long time to come."

Newcrest's study assessed a number of expansion cases, ranging from the existing 30Mtpa base up to 40Mtpa.

The study's mining rate profile analysis found that a long-term sustainable mining rate of 33Mtpa was achievable and that 35Mtpa was the upper limit of Cadia's caving footprint capability until the 2027 financial year when PC1-2 production ramps up.

A reliable expansion of the processing plant to beyond 35Mtpa would require a third concentrator and an additional \$440 million of capex, according to Newcrest.

The pre-feasibility study proposed the construction of a new secondary crushing circuit for the concentrator one million circuit, including a crusher with a secondary screening feed, a pebble crusher and a 1.5MW ball mill.

Newcrest plans to release its Cadia expansion feasibility study in the first half of the 2020 financial year.