



HARMONY™

Papua New Guinea



Growth Through Exploration

PNG Mining Conference, Port Moresby – July 2006

D.M Osikore



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VISION:

Establish within a balanced project pipeline that will enable production of 1M ounces of gold per annum sustainable over a 10 year period and beyond

MISSION:

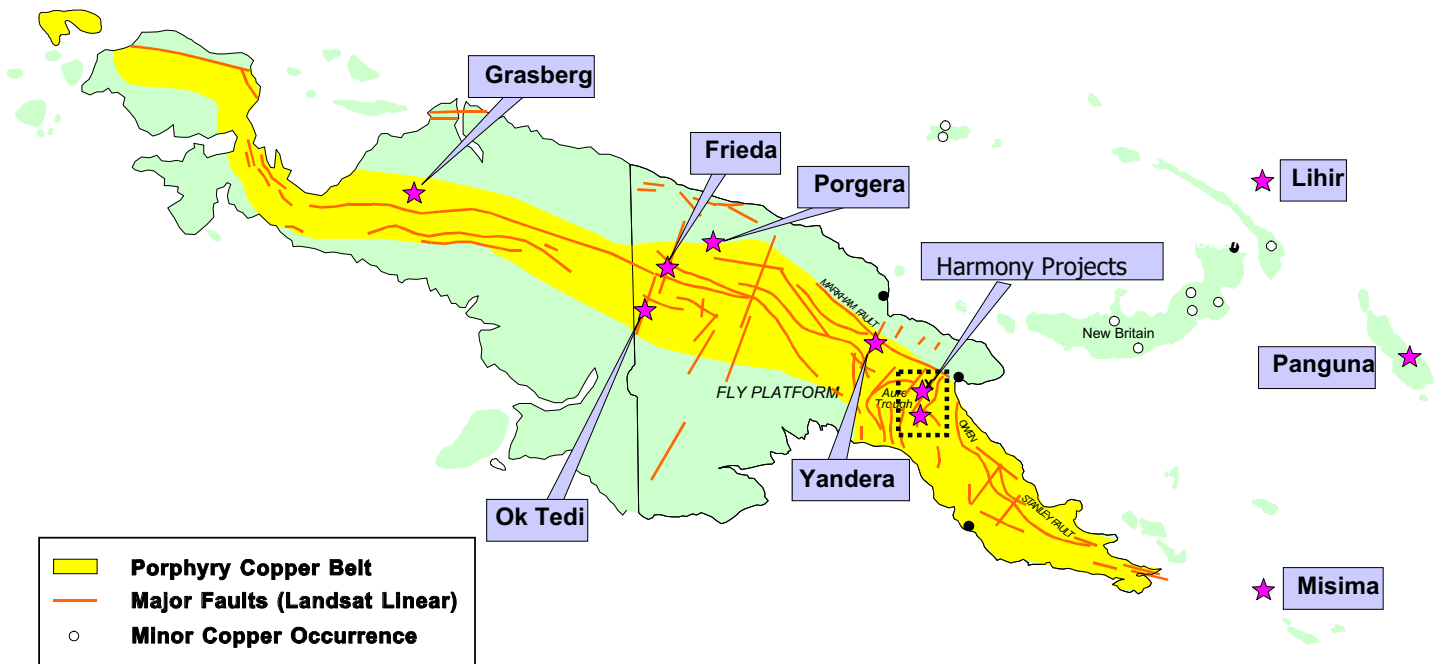
To identify, explore and acquire quality gold resources to contribute to the profitable growth and geo-political diversification of Harmony

- Increase resource base on the current PNG leases to 20Moz
- Investigate and deal where appropriate with PNG explorers to further increase resource/reserve base
- Optimize exploration tenement portfolio in a timely and appropriate manner to ensure efforts are concentrated on best targets



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Project Location



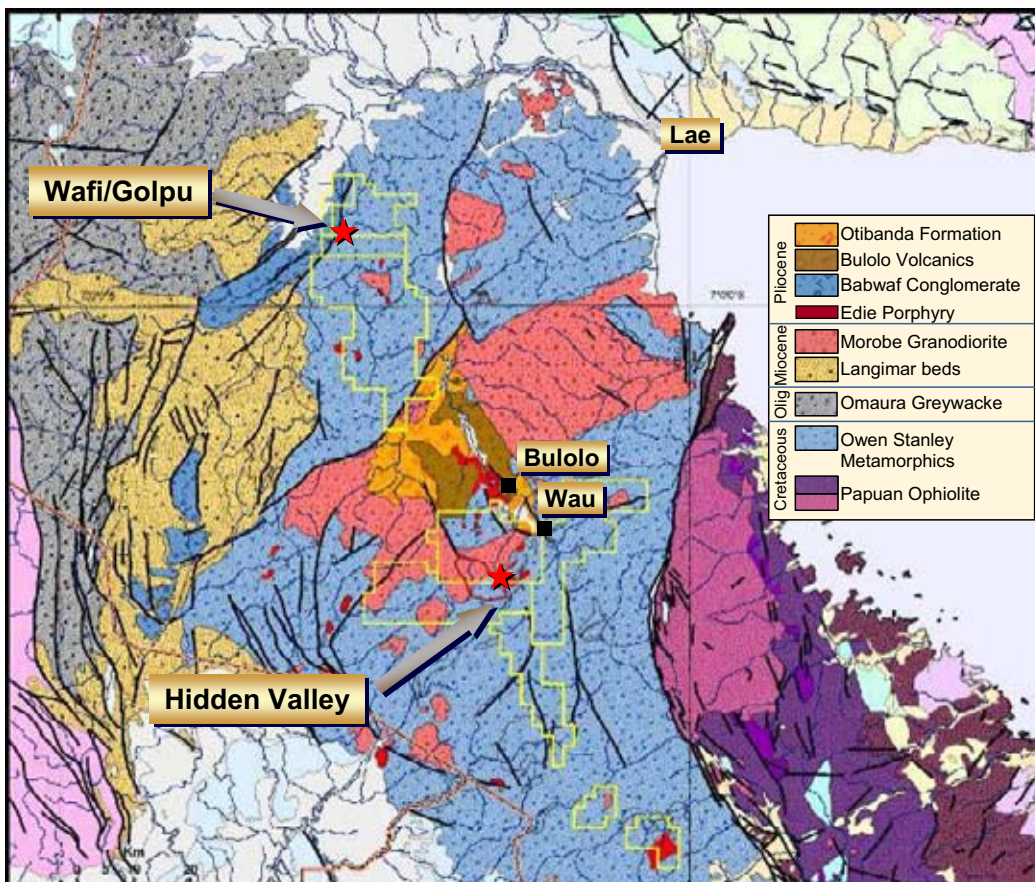
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Tenement Location



- Total of 9 exploration licences
- All licences located in the Morobe Province
- Total area approximately 3,550 Km²
- Total exploration expenditure commitment is PGK 8.3 million
- FY2006 exploration expenditure was PGK 40 million (includes Growth Exploration and Golpu Prefeasibility drilling)

- FY07 PNG exploration budget **PGK 19 million**.
(This does not include expenditure on the Wafi PFS or ML exploration).
- 11 geologists, 4 admin / drafting support, 10 full time field assistants + 20 casual employees (average)
- Budget accounts for:
 1. In excess of **4000 surface geochemical samples** and **21,600m of diamond drill core**.
 2. Helimag surveys for Hidden Valley ML and Morobe Coast EL1403.
 3. Photogrammetric base plans and DTM model for the Morobe area





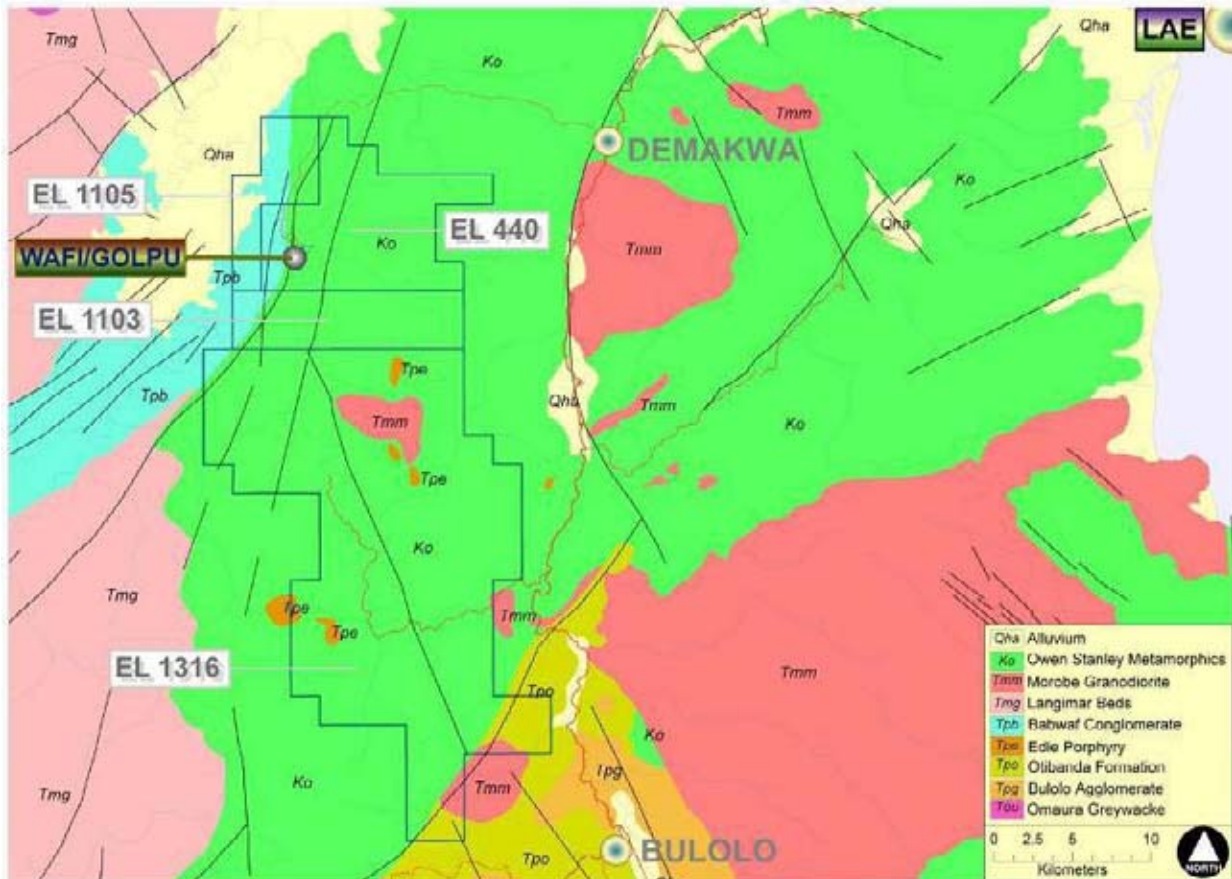
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Wafi Mining Tenement Group



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Wafi Project Regional Geology



Exploration focus:

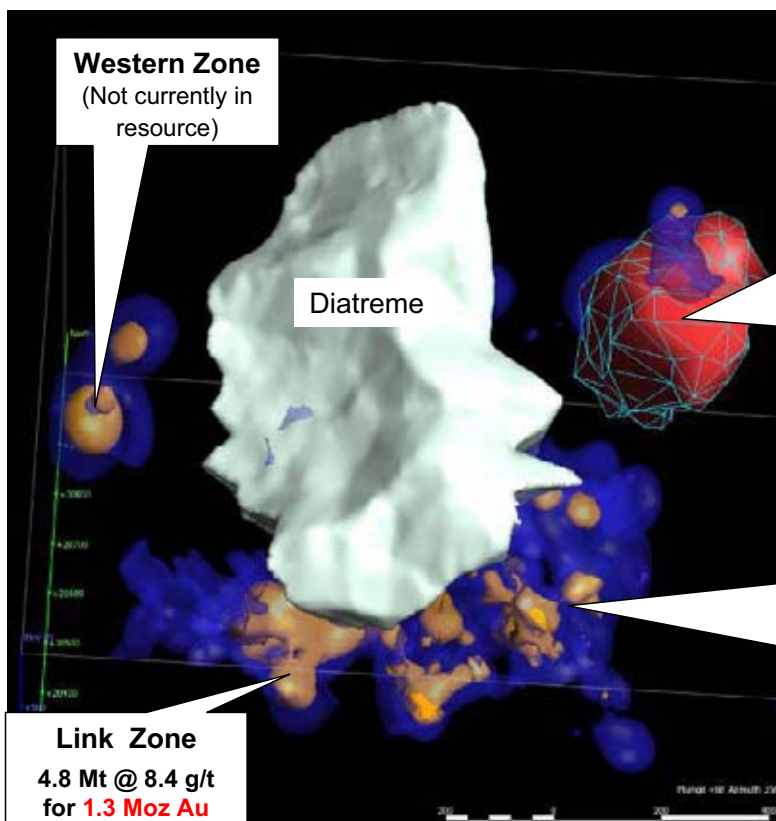
Au and Cu/Au targets with the potential to make a *significant* difference

Wafi “near mine”:

- Expanding the high- grade *Link zone* and *NRG project*
- *Heking Zone* EM anomaly - Cu/Au target

Wafi Regional:

- Wafi - Golpu analogues including *Biamena*, *Bawaga* and *Kesiago*
- *Zilani* EL Au anomaly



A porphyry Cu/Au system with high sulphidation epithermal Au overprint

Golpu Porphyry*

146 Mt @ 1.1% Cu, 0.57 g/t Au
 1.6 Mt contained Cu Metal,
 (3.6B pounds)
2.71 Moz Au

Wafi Au Resource*

- 1 g/t grade shell (Blue)
 - 2.5 g/t grade shell (Yellow)
- 110Mt @ 1.85 g/t for **6.51 Moz Au**

Link Zone
 4.8 Mt @ 8.4 g/t
 for **1.3 Moz Au**

* Resource inventory available on the Harmony website

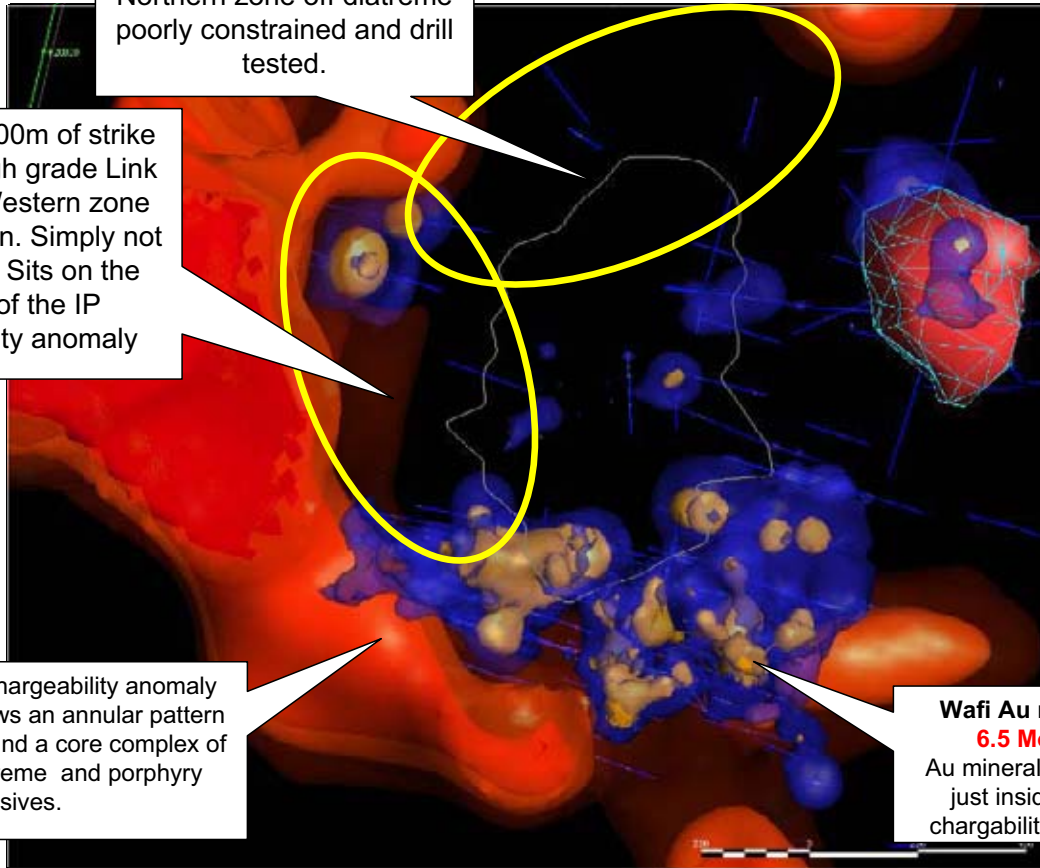


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Wafi – Golpu Induced Polarization

TARGET: 600m of strike.
Northern zone off diatreme poorly constrained and drill tested.

TARGET: 400m of strike between High grade Link zone and Western zone mineralisation. Simply not drill tested. Sits on the margin of the IP chargeability anomaly



Porphyry reframe

IP chargeability anomaly shows an annular pattern around a core complex of diatreme and porphyry intrusives.

Wafi Au resource
6.5 Moz Au
Au mineralisation lies just inside the IP chargeability anomaly



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Initial Exploration Drill Results**

(outside of resource areas)

Western Zone:

WR204; 6m @ 3.4 g/t Au from 275m
21m @ 10.06 g/t Au from 295m

WR207; 9m @ 3.32 g/t Au from 32m
9m @ 5.87 g/t Au from 380m

Northern Zone:

WR213; 7m @ 2.0 g/t Au from 59m
29m @ 1.65 g/t Au from 78m
4m @ 3.93 g/t Au from 213m

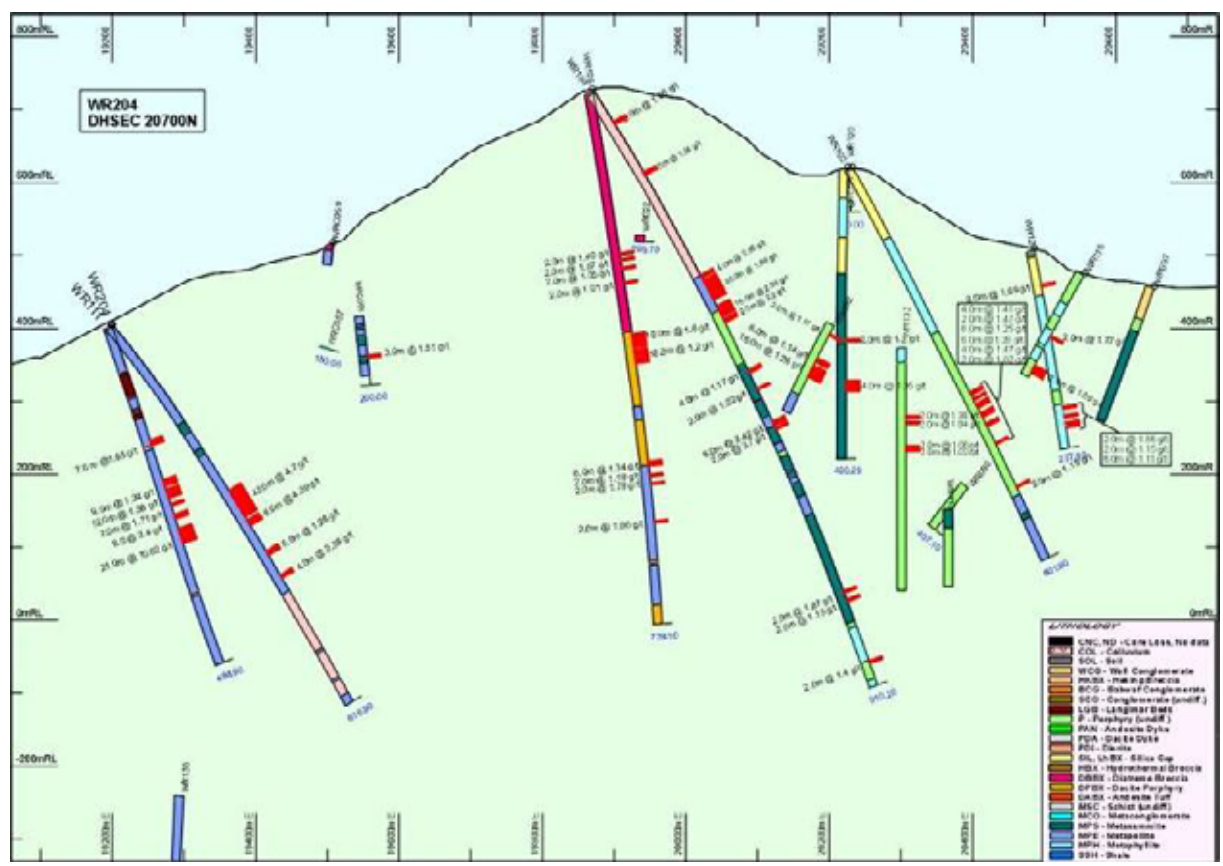
WR215; 8m @ 1.03 g/t Au from 3m
28m @ 1.52 g/t Au from 22m

** Intercepts calculated using 0.8 g/t cutoff with a maximum internal dilution interval of 4m



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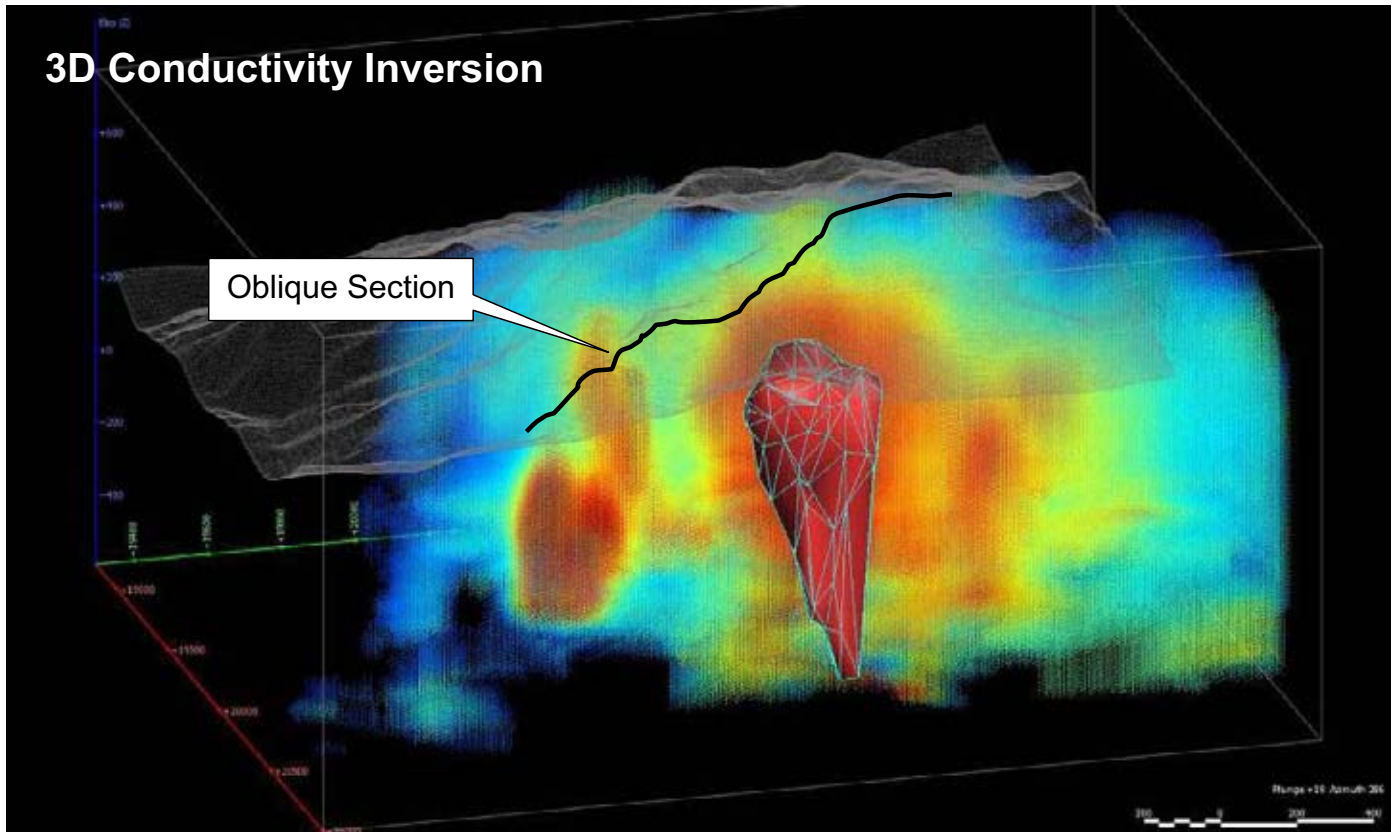
Drill section 20700N



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Wafi – Golpu Ground EM

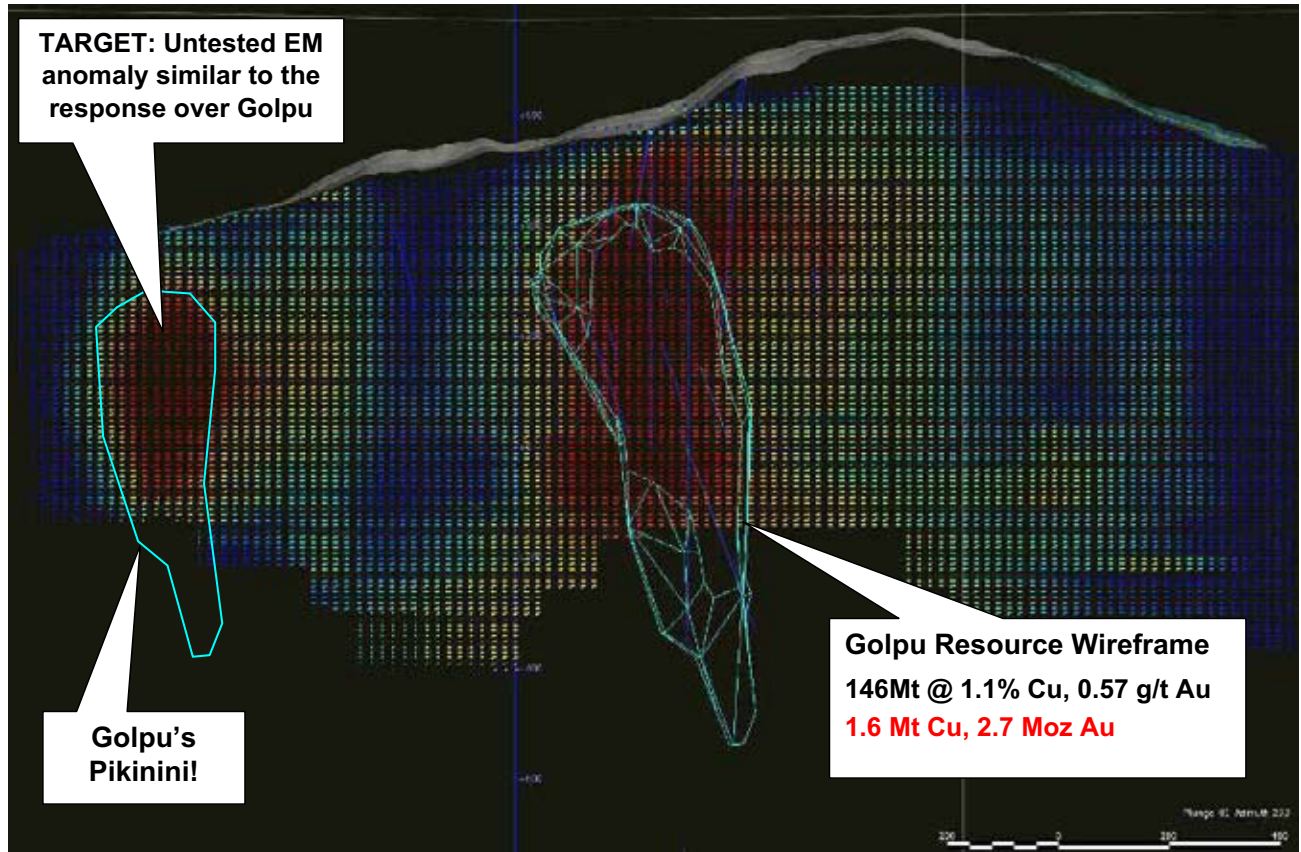
3D Conductivity Inversion





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Golpu - Heking Zone Conductivity Slice



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Wafi Tenement Group

Exploration focus:

Au and Cu/Au targets with the potential to make a **significant** difference

Wafi “near mine”:

- Expanding the high- grade **Link zone** and **NRG project**
- **Heking Zone** EM anomaly - Cu/Au target

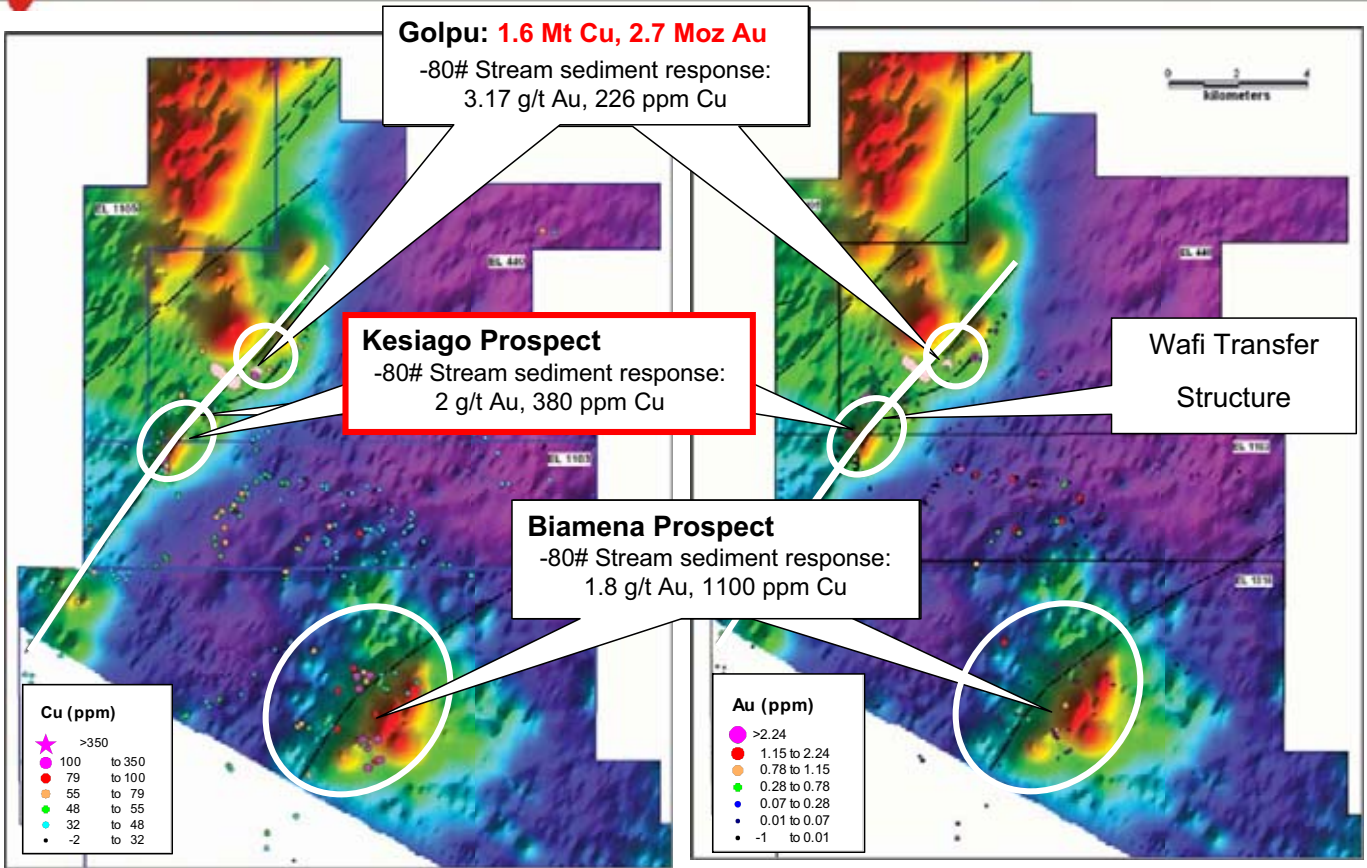
Wafi Regional:

- Wafi - Golpu analogues including **Biamena**, **Bawaga** and **Kesiago**
- **Zilani** EL Au anomaly



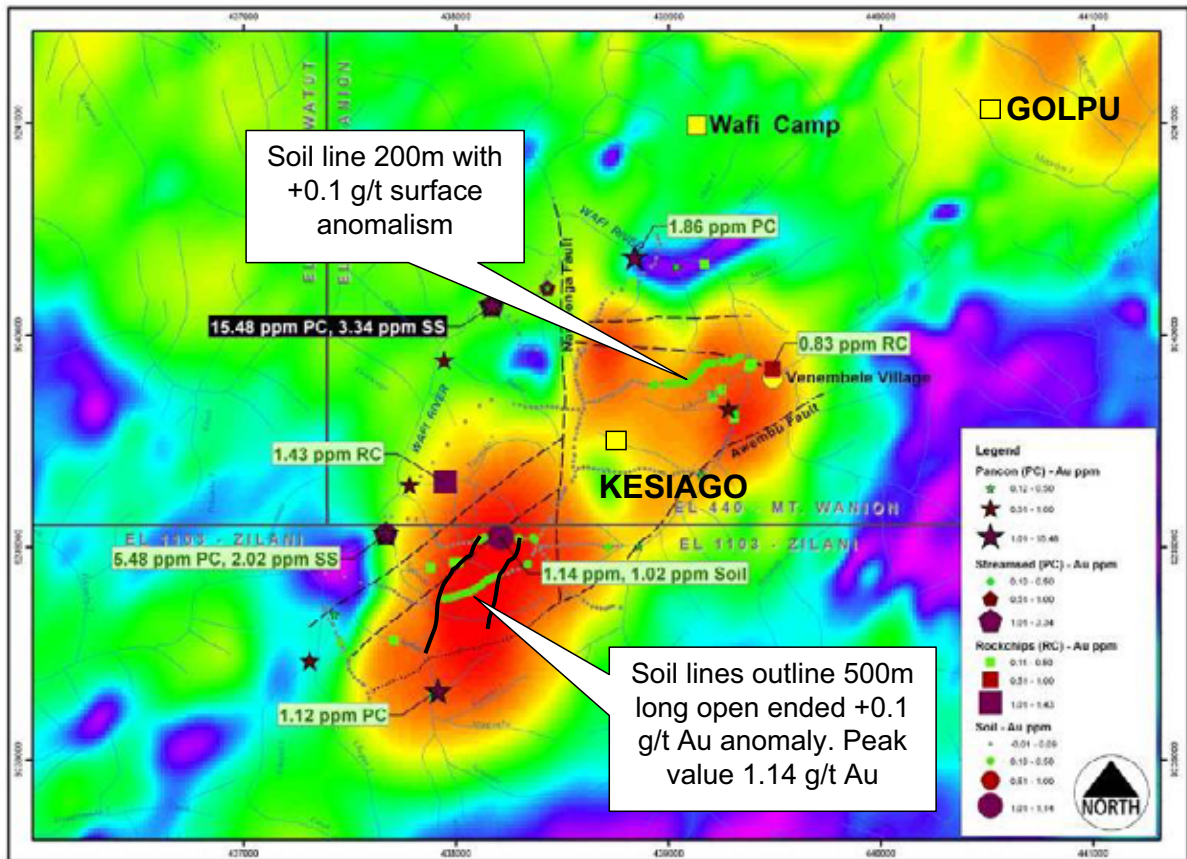
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Wafi Regional Targets



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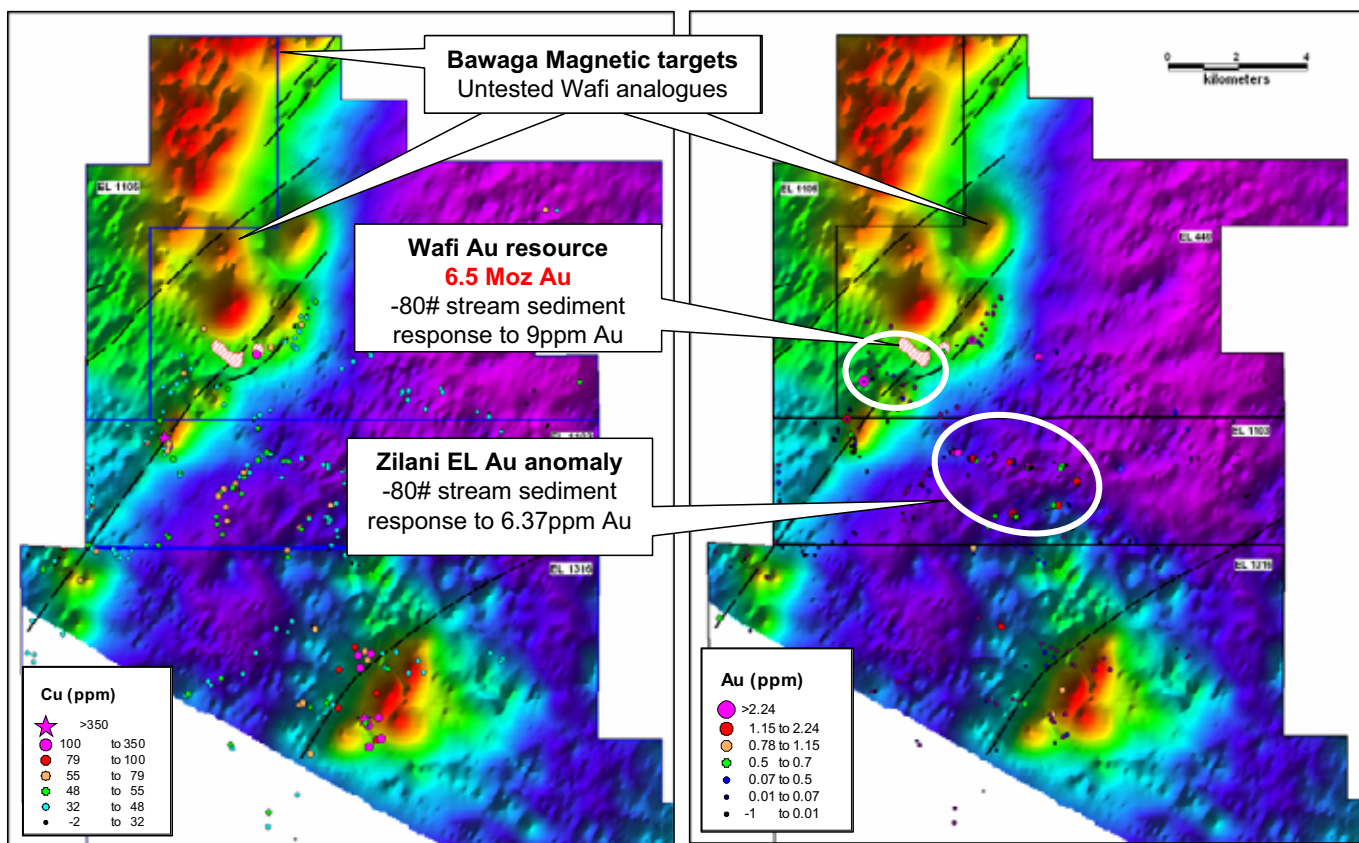
Kesiago Prospect





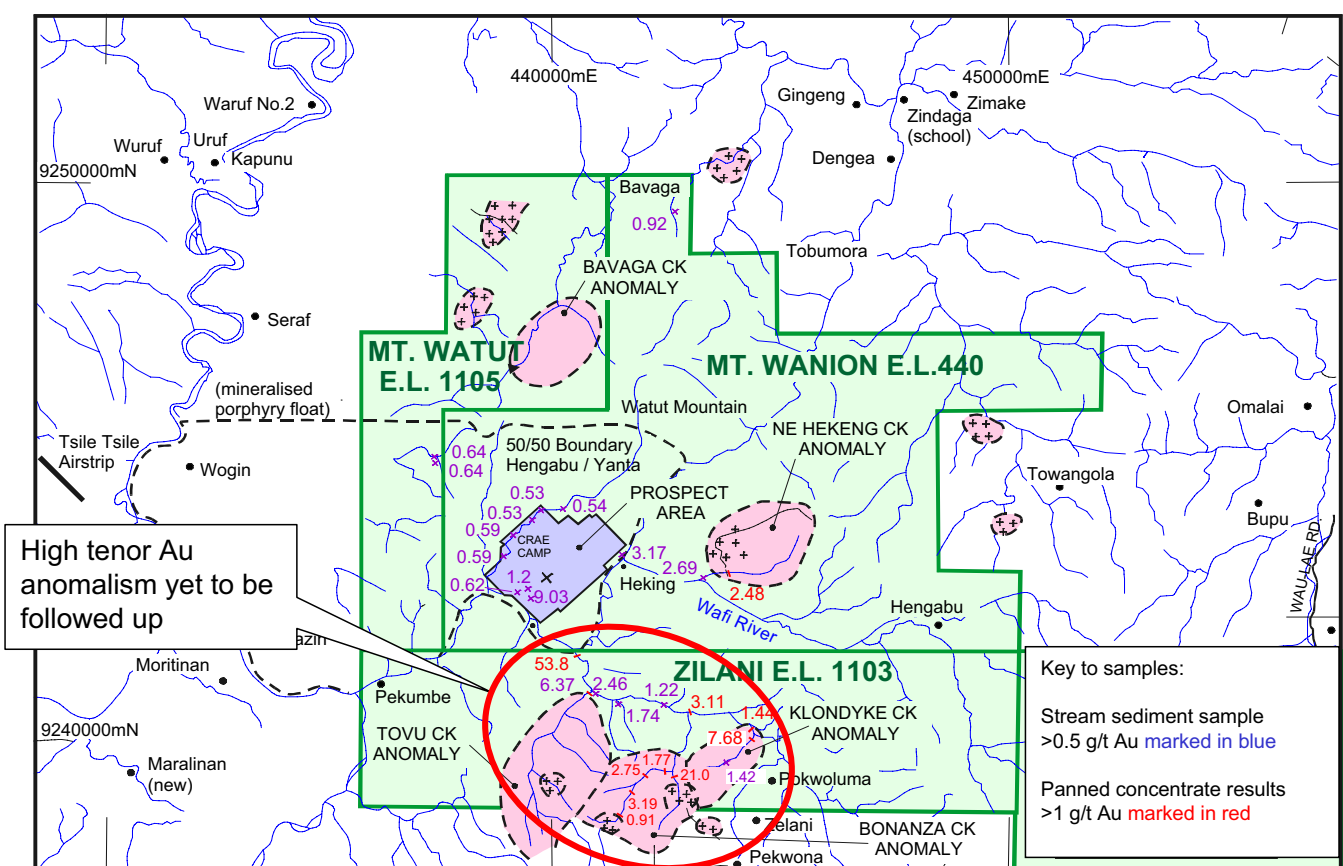
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Wafi Regional Targets (continued)



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Zilani EL 1103 Au anomaly





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Morobe Consolidated Tenement Group



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**Morobe Consolidated
Tenement Group**

Exploration focus:

**Au and Cu/Au targets with the potential to make a
significant difference**

- **Broader Kerimenge Area**

A major under explored Au system within 6 km of Hidden Valley infrastructure. Includes:

Daulo, Waurike, Lemenge, & Waviye Prospects

- **Heyu**

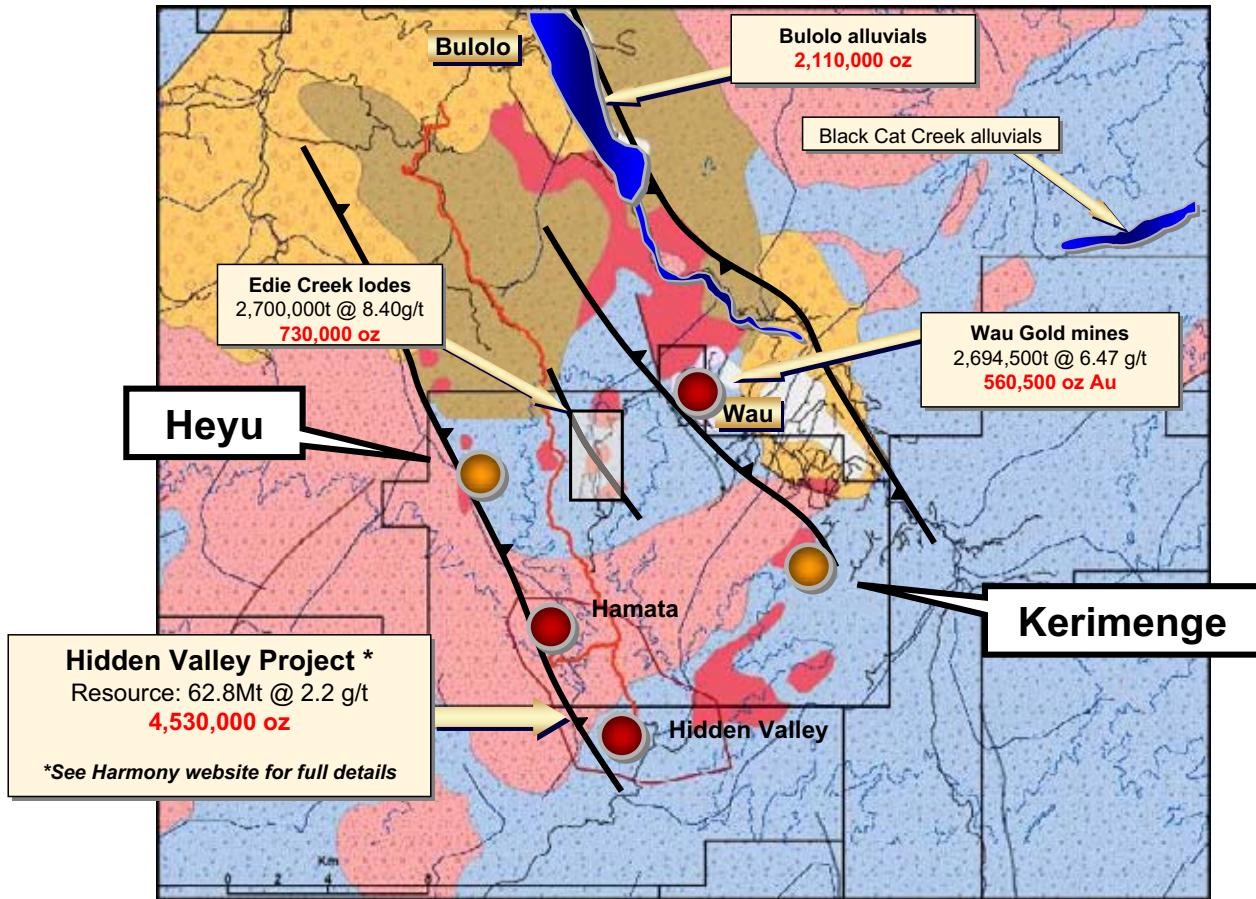
MCG Regional:

- Data validation and compilation (Upper Ridges)
- Detailed Helimag
- Other grassroots projects including Allen's lode & Mossy Knoll



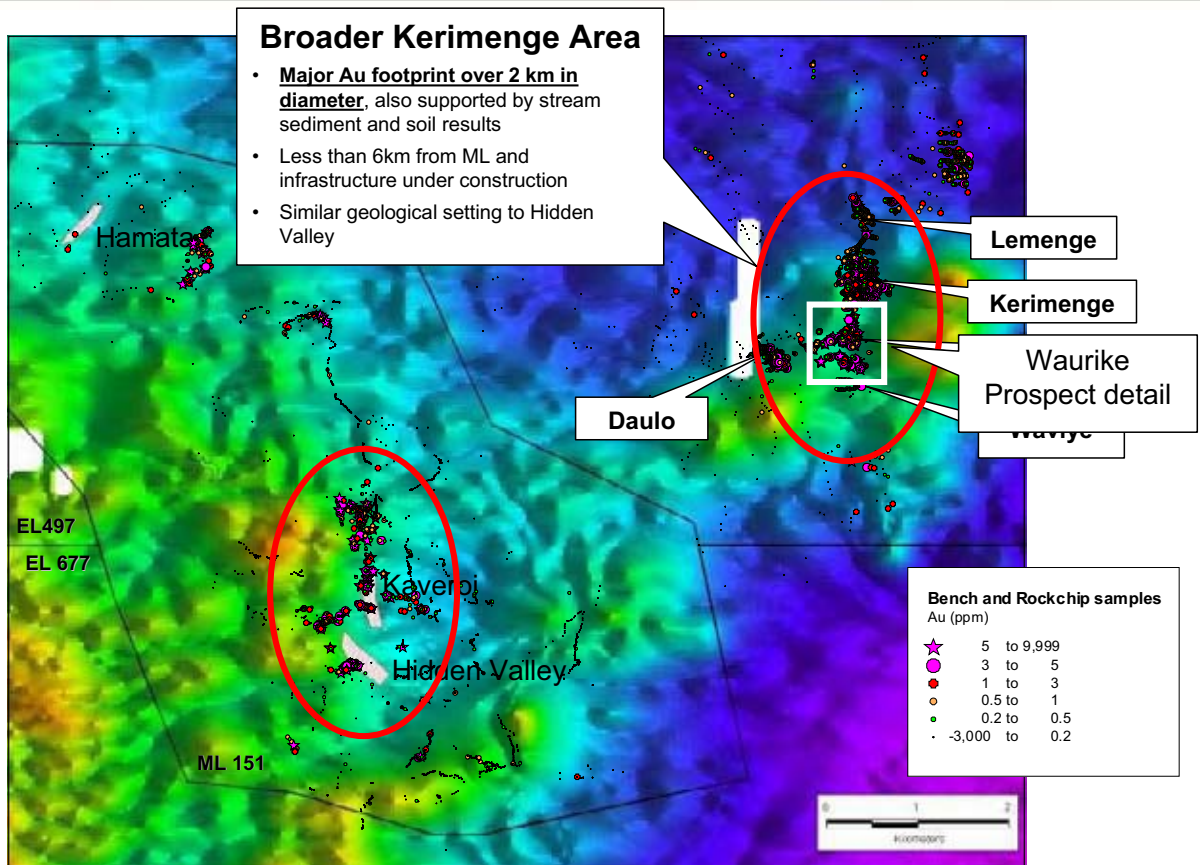
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Morobe Project Regional Setting



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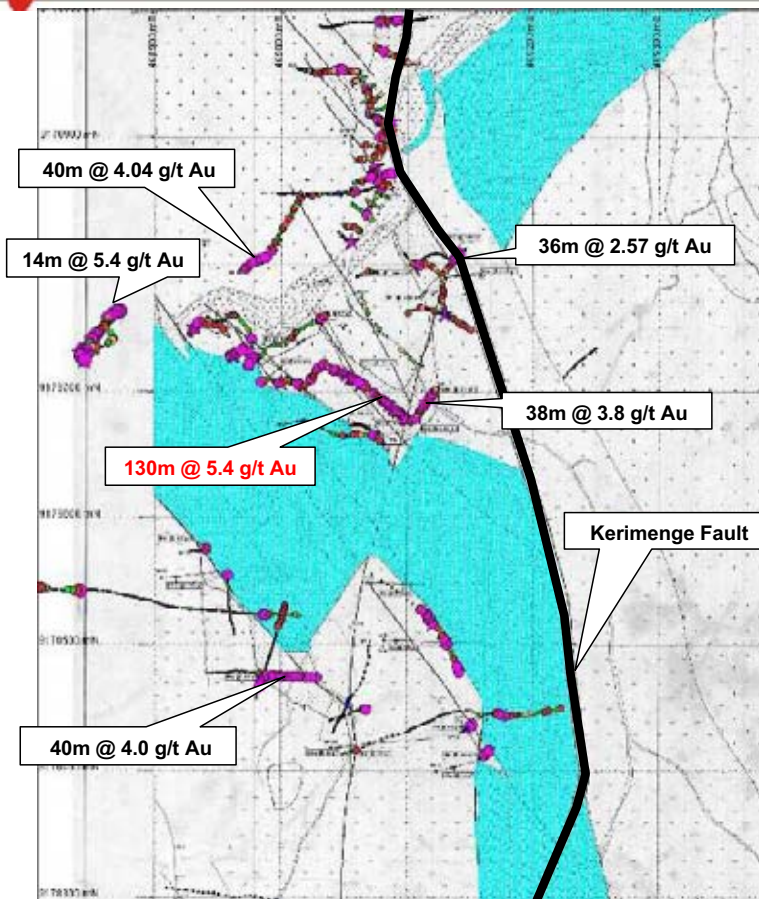
Hidden Valley - Kerimenge





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Broader Kerimenge Area Waurike






- Located approximately 500m south of the Kerimenge Deposit
- Geology comprises flat dipping metasediments and marbleized limestone of the OSM; faulted and intruded by porphyry units
- Trench results (recently compiled):
 - High-grade Au mineralisation adjacent limestone contacts (both replacement and porphyry style mineralisation)
 - Mineralised porphyry intruding along the Kerimenge Fault
- 10 Drill holes on the prospect
 - QD44; 17m @ 4.9 g/t Au from 14m
 - QD23; 20m @ 3.14 g/t Au from surface
 - QD97; 34m @ 2.5 g/t Au from 56m
 - QD50; 50m @ 2.0 g/t Au from 56m
 - QD22B; 14m @ 5.8 g/t Au from 52m
 - QD102; 44m @ 2.2 g/t Au from 36m



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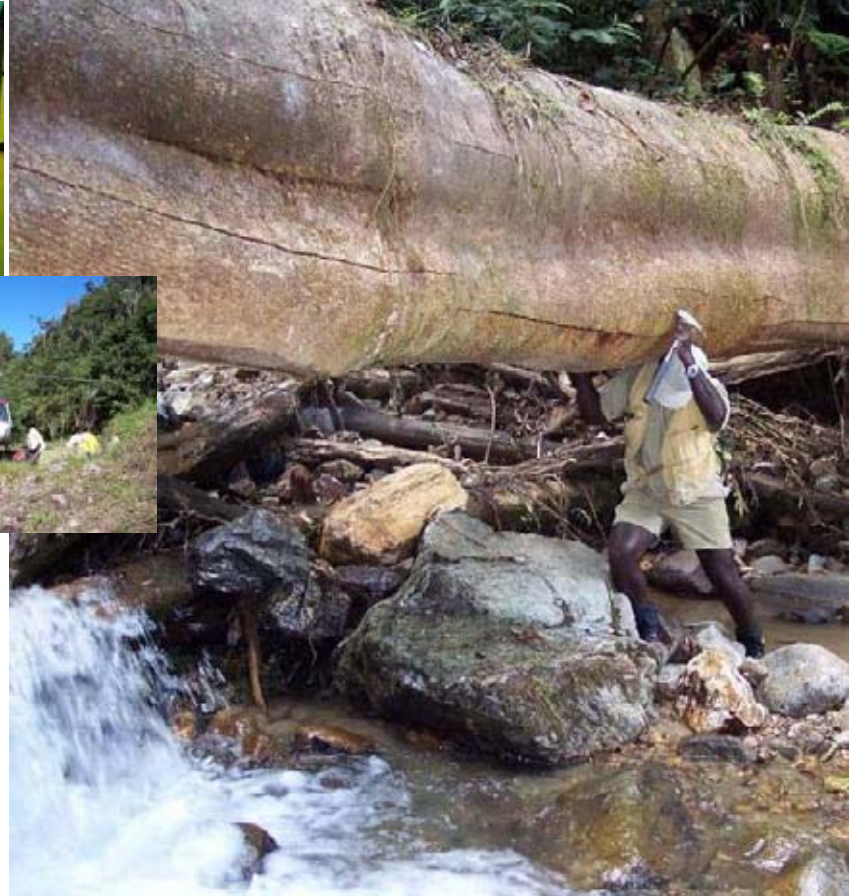
Broader Kerimenge Area Work Program

- Complete historical database validation and consolidation 
- Community consultation and access arrangements 
- Establish Kerimenge Camp 
- Reopen benches for validation mapping and put results in context
- Relog Kerimenge drilling and outline oxide resource potential
- Exploration, infill and metallurgical drilling



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Kerimenge Camp Re-established (Hard work)



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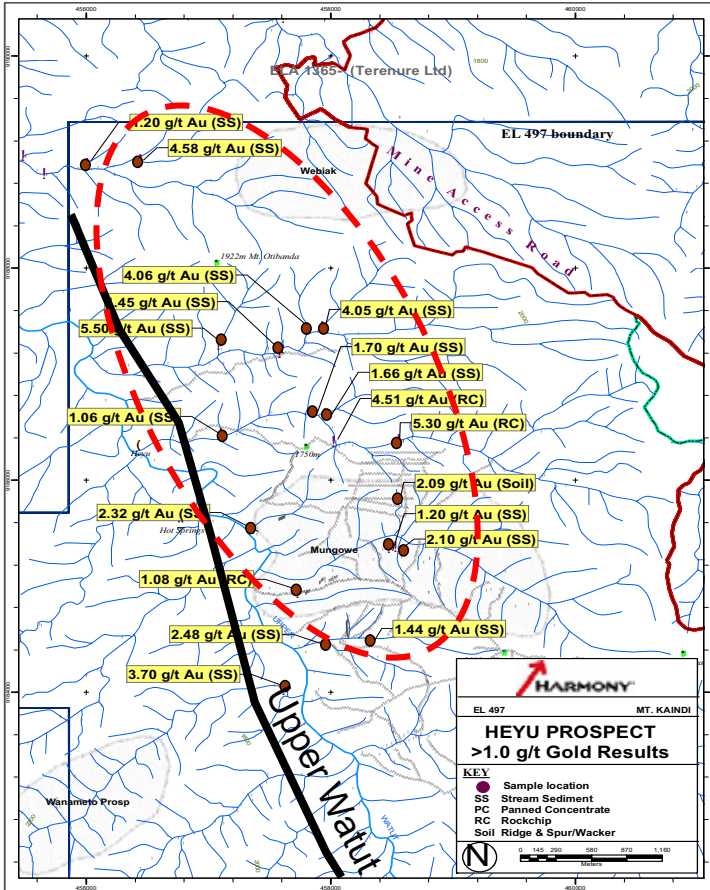
Re-opening Benches Waurike – 130m @ 5.4 g/t Au





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Heyu Prospect



- Located in the northwest corner of EL 497
- High order stream sediment anomaly over 4 km of strike
- Favorable structural setting in the hanging wall of the Upper Watut fault; northeast transfer structures evident in regional magnetics
- Source of anomaly unexplained to date.
- Access to the area made easier through the new mine infrastructure



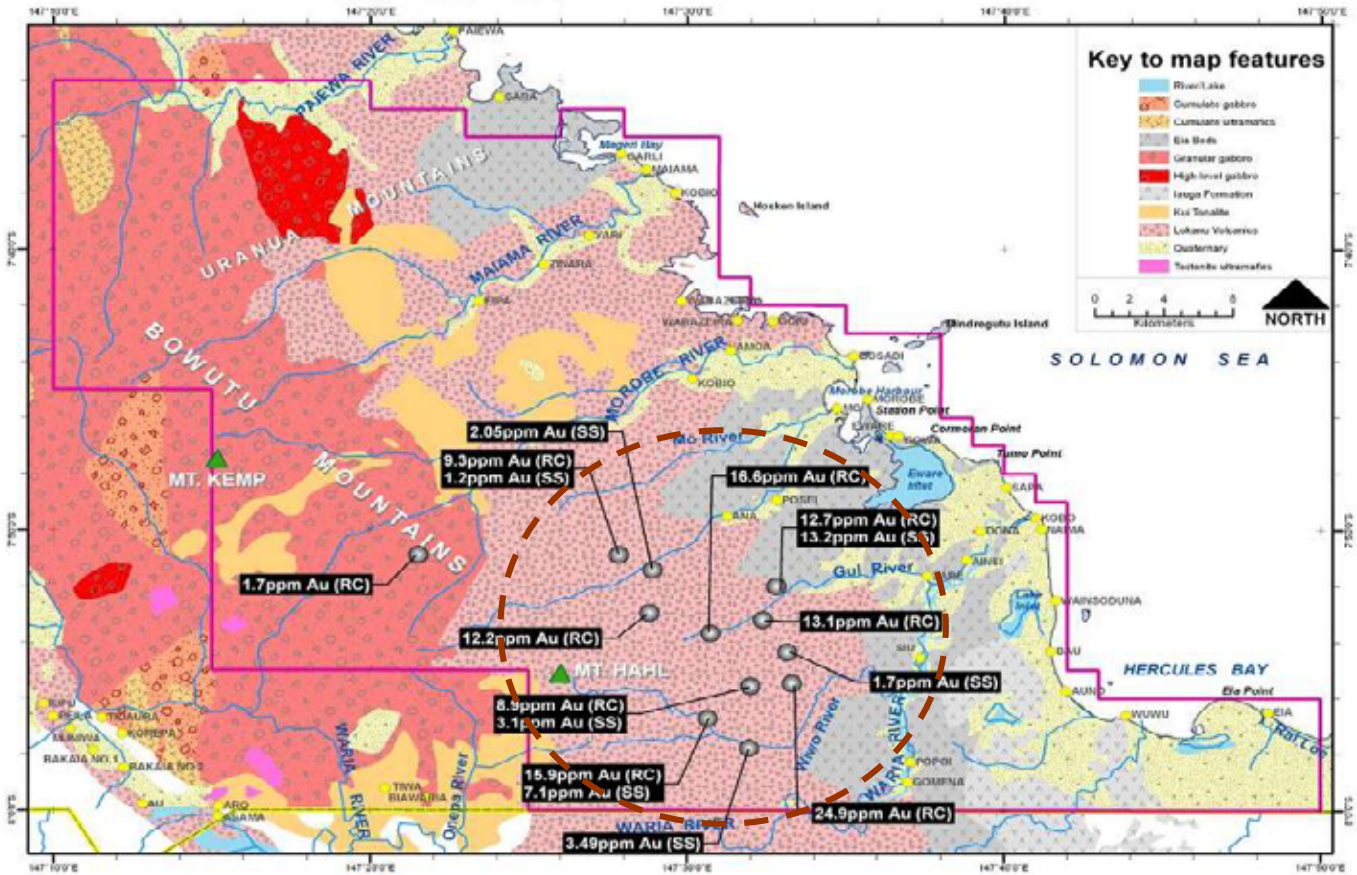
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Morobe Coast EL 1403



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Questions

Website

www.harmony.co.za