



PNG Mining & Petroleum Investment Conference

December 08

Morobe Mining Joint Ventures



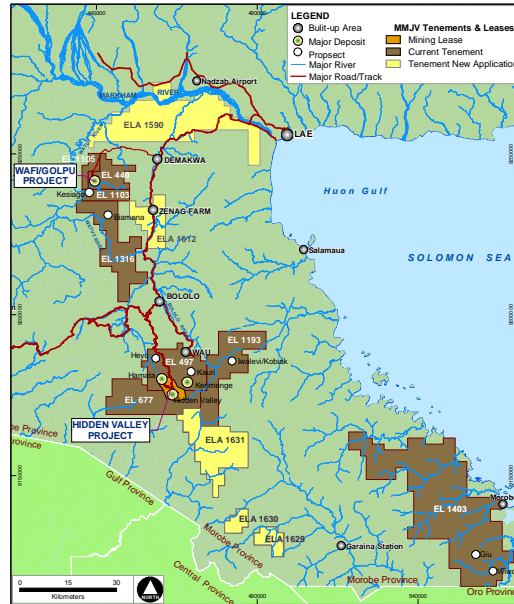
DISCLOSURE STATEMENT

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MOROBE MINING JV'S

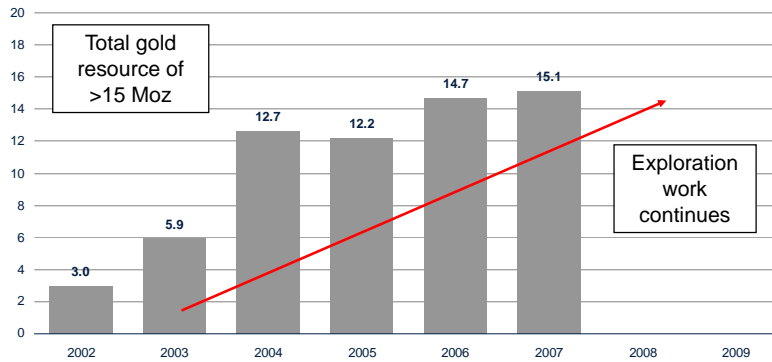
- **JV's between Harmony and Newcrest (earning 50%).**
- **Three JV's:**
 - Wafi-Golpu JV (EL440, EL1105)
 - Hidden Valley JV (ML151)
 - Exploration JV (Other tenements)
- **District mineral endowment is +18Moz Au, 1.8 Mt Cu and 21.3 Kt Mo.**
- **Tenement holding is one of the most prospective on the PNG mainland**
- **Significant growth potential – largely untested with modern exploration**



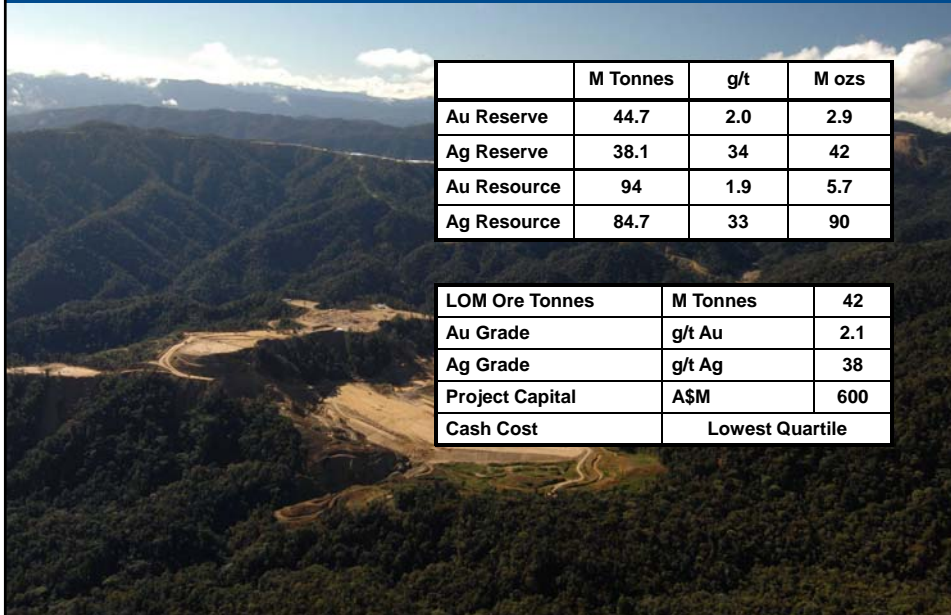
JOINT VENTURE PHILOSOPHY

- Creating a world class mineral province in PNG
- Develop a profitable business delivering long term benefit to all stakeholders
- Build lasting relationships with stakeholders based on mutual respect and trust (open, honest & accountable)
- Act decisively to add value and look to innovate
- Care for our people and the environment
- On time delivery – plan what we do and do what we plan

MMJV gold resources in PNG (Moz)



Source: Company reports





- PNG's first major new gold mine development in 15 years
- Production scheduled mid-2009
- Average annual production of 250koz Au & 3.6 Moz Ag

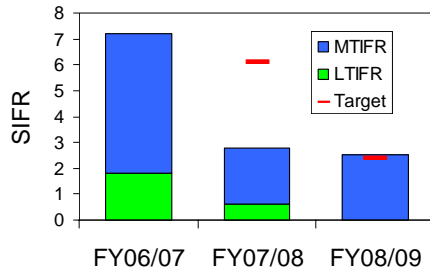
Our mission is to develop the first in a new generation of mines in PNG that sets new standards and is recognised as a leader

Landowners, the Community and Government will be proud to be associated with the operation, actively supporting all our endeavours

We will attract and retain the best. Our people will strive to improve in everything we do, seeking new ways to unlock the value of our assets.

On safety, production and financial returns, we will deliver





Hidden Valley
The Safest Mine in PNG

		Hours	MTI	MTI FR	LTI	LTI FR
FY07/08	HV Total	3,143,437	7	2.2	2	0.6
FY08/09 (YTD)	HV Total	1,617,949	4	2.5	0	0





- 62% capital committed
- Total project construction 64% complete
- Key activities to date
 - commenced pre-stripping of Hamata & Hidden Valley pits
 - First ore mined to stockpile
 - constructing tailings dam
 - construction of village, mess and workshops
 - earth works & foundations for processing facility completed



- Distance to Lae: 90 km
- Hidden Valley pit at 2,700m ASL
- Treatment plant at 2,040m ASL
- Overland pipe conveyor for ore transport
- 11m SAG mill
- Initial power from 19 on-site diesel generator sets
- Permanent power from Yonki hydro scheme in 2010



RIDGELINE VILLAGE & WORKSHOPS



PROCESS PLANT CONSTRUCTION



Final pour on SAG mill foundations



Final pour on main reclaim tunnel structure completed



Steel work erection is progressing well



CONSTRUCTION PROGRESS

- Plant commissioning to start second quarter of 2009
- Procurement largely complete
- Engineering 95% complete
- Most equipment in Lae or on site
- Process plant concrete largely complete
- Tank fabrication complete & assembly has started on site
- Structural, mechanical and piping has commenced
- Electrical and Instrumentation contract has been awarded
- Initial phase of Tailings Storage Facility near completion
- Power Line contracts have been awarded by PNG Power



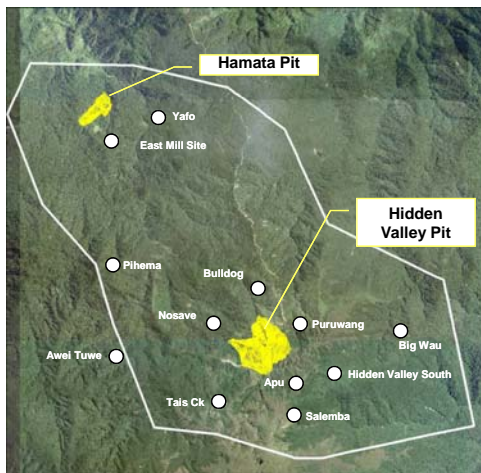
OPERATIONAL READINESS

- Mining Fleet commissioned
- Training program ongoing
- Landowner trainees operating all equipment
- Pre-strip on budget with 32.7 Mt of waste moved to date



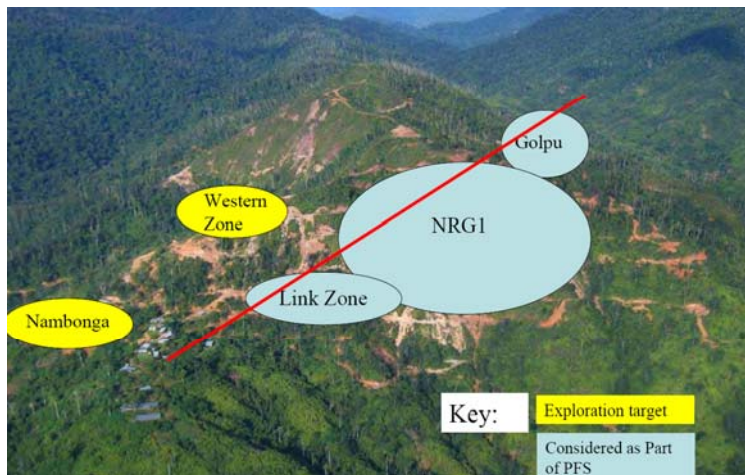
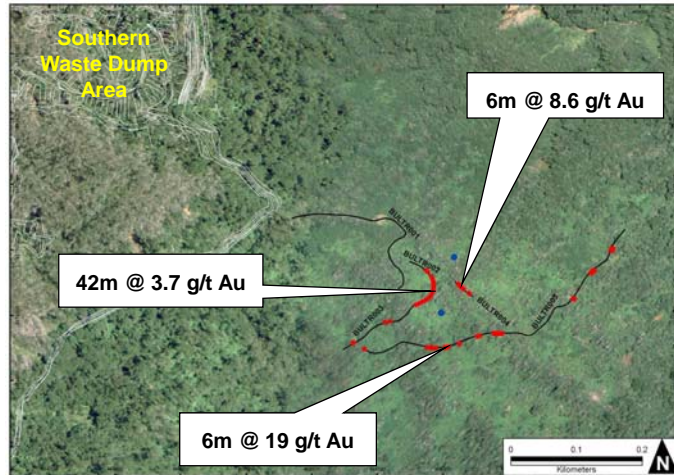
- Mining cost to date below budget
- Ore production ahead of budget (20 k ozs Au and 240 k ozs Ag contained in stockpiles)
- Early ore production reconciling favourably with reserve model

- Nakuwi Landowner Association in place (Nauti, Kwembu, Winima)
- Nakuwi has formed business (NKW)
- NKW participates in significant mine related business
- Strong community programmes
- Significant local employment levels



- Hidden Valley Project resource 94Mt @ 1.9g/t Au – 5.7Moz.
- Target growth in asset and production profile through discovery and resource definition.
- Several prospects located adjacent to the known resources.
- Recent trenching at Hidden Valley South included 42m @ 3.7g/t Au

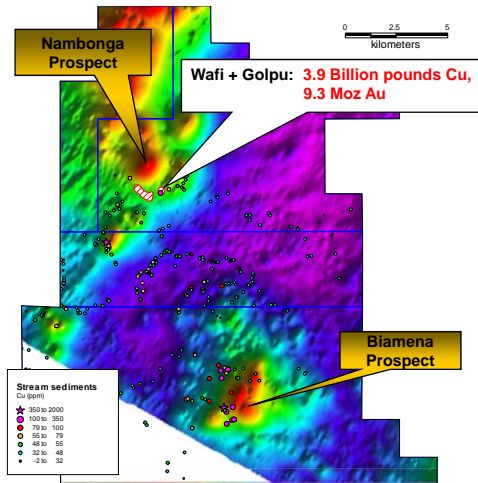
- Located 500m SE of Hidden Valley Pit.
- Recent surface trench results highly encouraging
- Hidden Valley style mineralisation with Au, Ag and base metal mineralisation



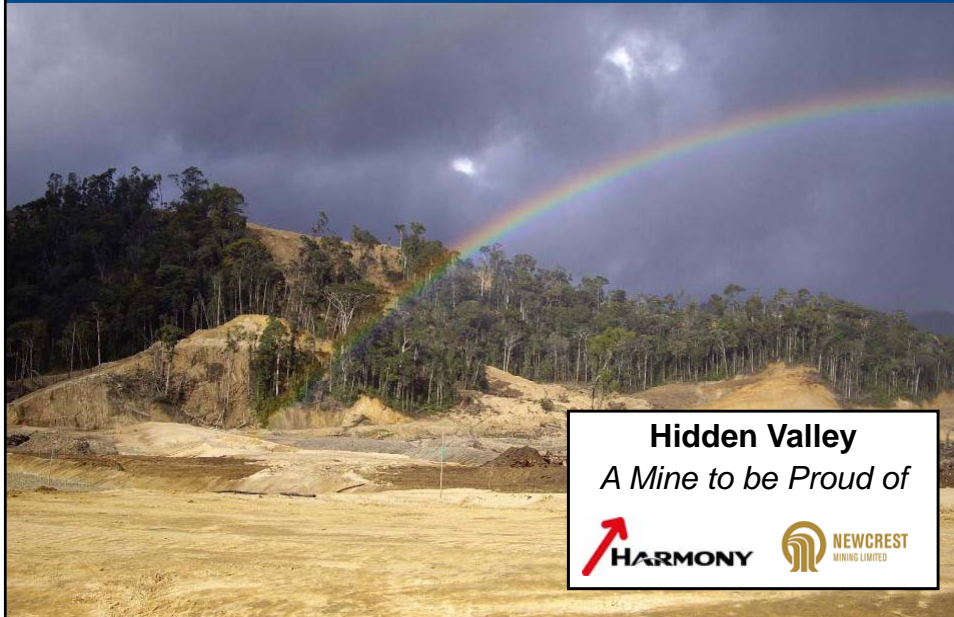
Source: http://www.harmony.co.za/im/files/presentations/PNG_conference_30oct07.pdf

- **Area history**
 - Previous work concentrated on large scale entry into the area focussing on Golpu gold/copper deposit
 - Significant capital expenditure
 - Infrastructure a significant component
- **Current approach**
 - Establish “beach head” project enabling further exploration & study of the district whilst generating cash
 - Minimise upfront capital and project risk
 - Concentrate on “gold only” operations initially so that large gold/copper systems can be better understood

- Exploration program currently employing approximately 150 staff and contractors
- Activity at Wafi in near term to include:
 - Ongoing exploration
 - Technical & Financial evaluation,
 - Environmental baseline data collection



- Regional exploration program also underway for major porphyry and epithermal systems with multi-million ounce potential
 - Biamana, Kauri, Morobe Coast, Bawaga.
- Biamana – located 12km southeast of Wafi.
 - Target multi-million ounce porphyry deposit
 - Trench results – 15m @ 24.2g/t Au, 1.44% Cu.
 - Drilling results – 24m @ 3.4g/t Au
 - Drilling commenced in Nov 2008



Hidden Valley
A Mine to be Proud of

