Hidden Valley Mining & Processing

January 2008

Hidden Valley Mining Fleet

- All Komatsu Fleet
  - **20+ Komatsu HD785-7 haul trucks**
  - **3 Komatsu PC2000-8 hydraulic excavators**
  - **3 GD825 Graders**
  - **1 WD600 Wheeled Dozer**
  - **1 WF550 Compactor Dozer**
  - **3-D275 dozers, 1-D85 Dozer**
  - **2 WA900 Loaders**
  - **1 WA600 Loader**
  - **1 WA250 Loader**
  - **7 ECM 720 drills,**
  - **1 RC Grade Control drill**
- Deliveries to be completed by May 2008
- Currently taking delivery of 8 HM-350 articulated trucks on 6 month hire for haul road construction & Hamata pre-stripping

Mobile Maintenance Plan

- Maintenance and Repair Contract with UMW Niugini
  - Fixed cost structure based on SMU
  - Guaranteed availability
- Overseen by MCG Maintenance Planning and Management personnel
- Opportunities for cost reduction
  - Major component replacement
  - GET and Wear Components
  - Owner Maintenance

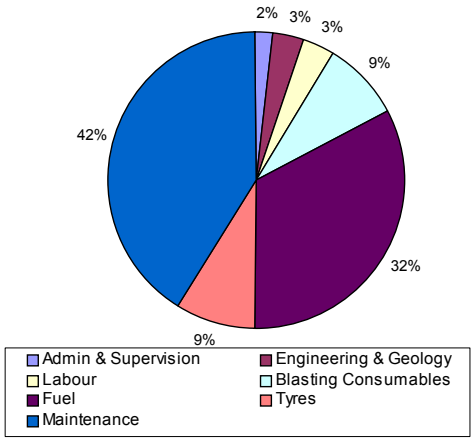
Drill and Blast

- Drilling
  - Atlas Copco ECM 720 top hammer rigs
  - 105-140 mm diameter production drill holes
  - RC rig used for grade control drilling, and horizontal pit wall depressurization holes.
  - 10 m bench height excavated in 3.5 m flitches
  - Inter ramp angles are 33 degrees in metasediments and 48 degrees in granodiorite
- Blasting
  - Long term explosives supply and emulsion manufacturing contracts not yet awarded. Site prepared for emulsion plant.
  - Detonator and initiating explosives magazines installed and permitted.

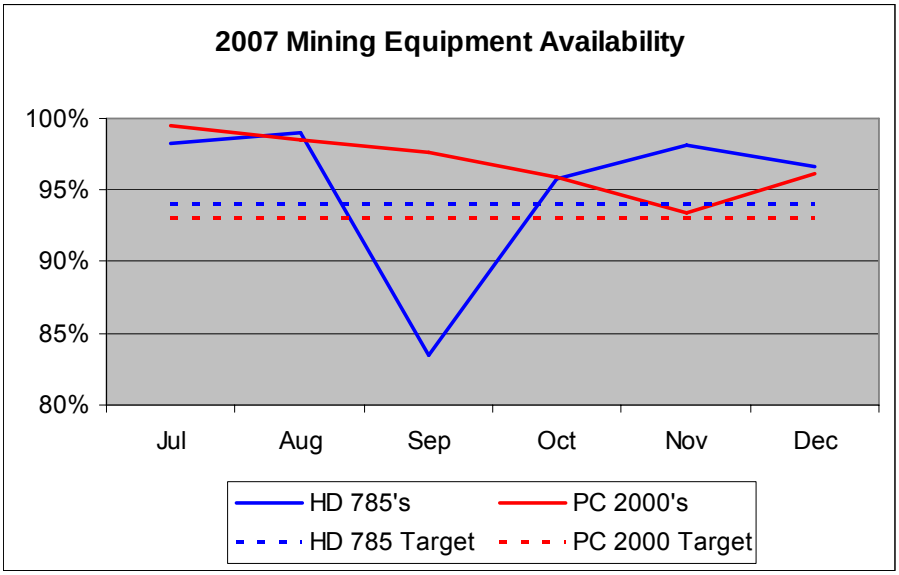
Load and Haul

- PC2000-8 Excavators loading HD787-7 haul trucks
- Hi Load Dump Bodies (97 tonne target payload)
- 4 pass loading
- 10 m high benches mined in 3.5 m high flitches
- WA900 loading of 10 m high benches for some waste stripping
- Fleet monitoring and dispatch system planned for mid-2008
- Pre-strip road width 22 m. Final haul roads in wall of Stage 1 and Stage 2 designed to be 30 m wide to accommodate 180 t class trucks.
- Trucks and excavators received to date have all exceeded specified performance criteria.

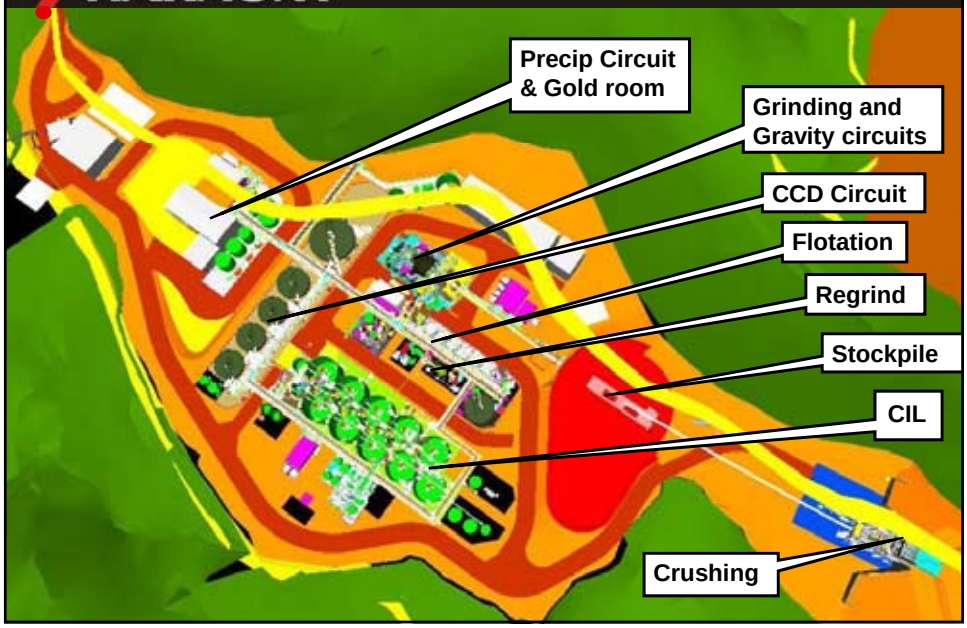
Mining cost drivers



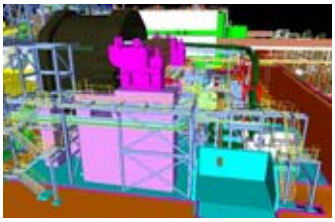
Equipment Availability



Hidden Valley Processing



Post Feasibility Improvements



Reduced Capital Costs through re-design

- SABC Circuit → SAG
- Leach / CIP → CIL

Overall Capital saving of A$9.1M

Op cost savings offset by reagent costs

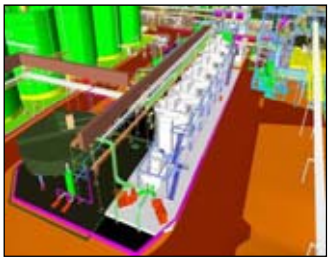
- Feasibility study = A$11.49/t
- Revised flowsheet = A$12.63/t

Potential to reduce lime costs significantly

Power and steel consumption to be targeted

Breakdown	Cost (A$/t)
Power	4.92
Steel	1.33
Cyanide	0.28
Lime/Caustic	1.23
Pulp/Soln Detox	0.45
Maintenance	2.07
Manpower	0.70
Other	1.65

Processing Recoveries



Recoveries

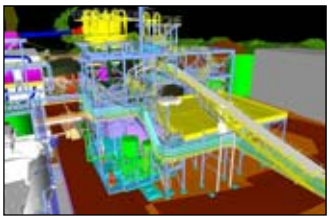
- Feasibility Study = 92% Au, 84% Ag
- Revised Flowsheet = 93% Au, 87% Ag

Recovery (%)	Hamata	HV	Kaveroi	Overall
Au	93	91	86	93
Ag	90	84	84	87

Gravity circuit redesigned with electro-winning

Distribution of Recovered Product	Gravity	CIL	CCD
Au	30%	50%	20%
Ag	Minimal	30%	70%

Distribution of Revenue Stream	Gravity	CIL	CCD
	25%	45%	30%



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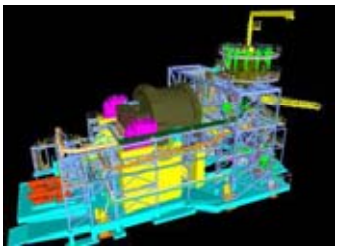
Processing Maintenance Plan



- Mechanical and electrical Coordinators to View Build
- Develop maintenance business processes based on fundamentals

- Develop Preventive/Predictive Maintenance Strategies based on OEM input refined by experience
- Maintenance data will be collected with Reliability Centered Maintenance principles in mind