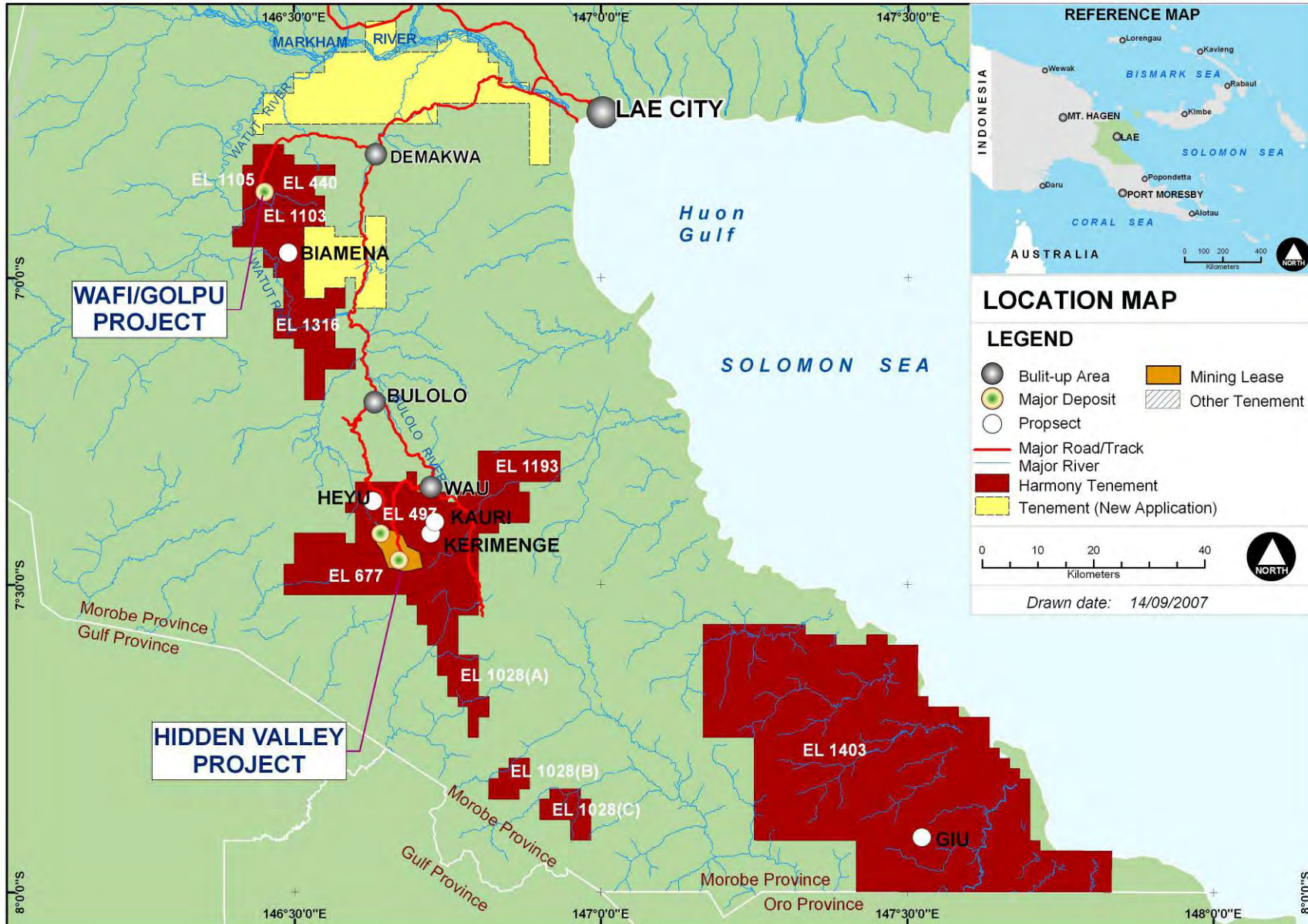




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## PNG Tenement Locations





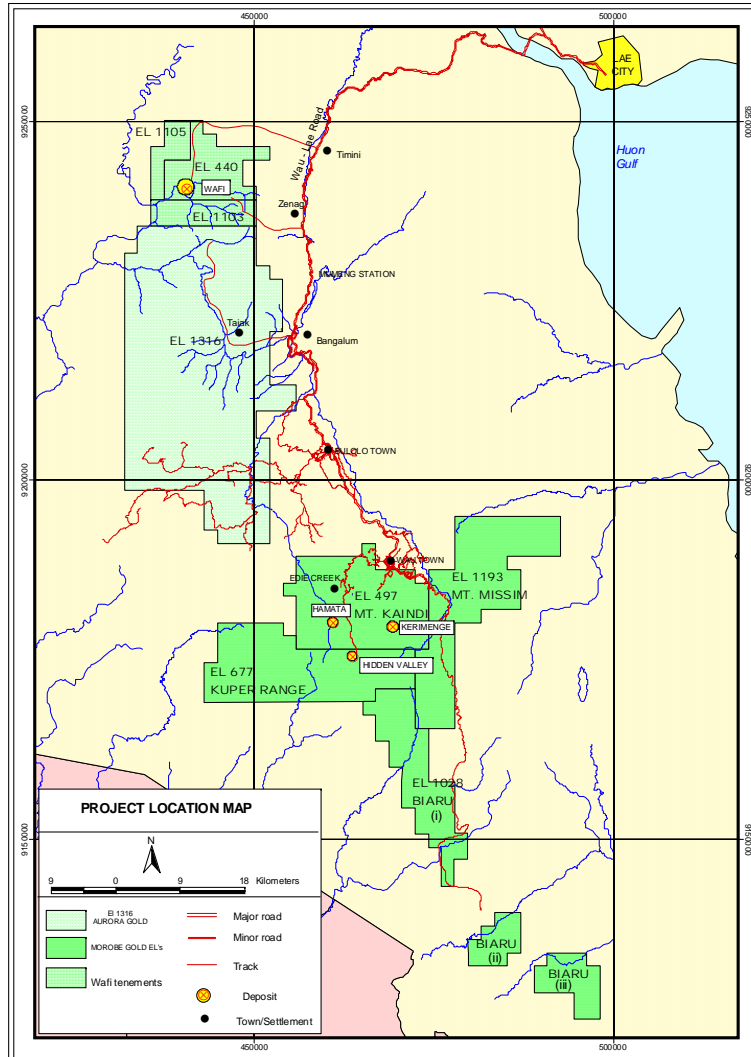
## PRIVATE SECURITIES LITIGATION REFORM ACT SAFE HARBOR STATEMENT

**This presentation contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and 21E of the Securities Exchange Act of 1934, as amended, that are intended to be covered by the safe harbour created by such sections. All statements other than those of historical facts included in this presentation are forward-looking statements including, without limitation, (i) estimates of future earnings, and the sensitivity of earnings to the gold and other metals prices; (ii) estimates of future gold and other metals production and sales, (iii) estimates of future cash costs; (iv) estimates of future cash flows, and the sensitivity of cash flows to the gold and other metals prices; (v) statements regarding future debt repayments; (vi) estimates of future capital expenditures; (vii) estimates of reserves, and statements regarding future exploration results and the replacement of reserves; and (viii) statements regarding modifications to the Company's hedge position. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, gold and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the countries in which we operate and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see the Company's Annual Report on Form 20-F for the year ended June 30, 2006, which is on file with the Securities and Exchange Commission, as well as the Company's other SEC filings. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this presentation, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.**

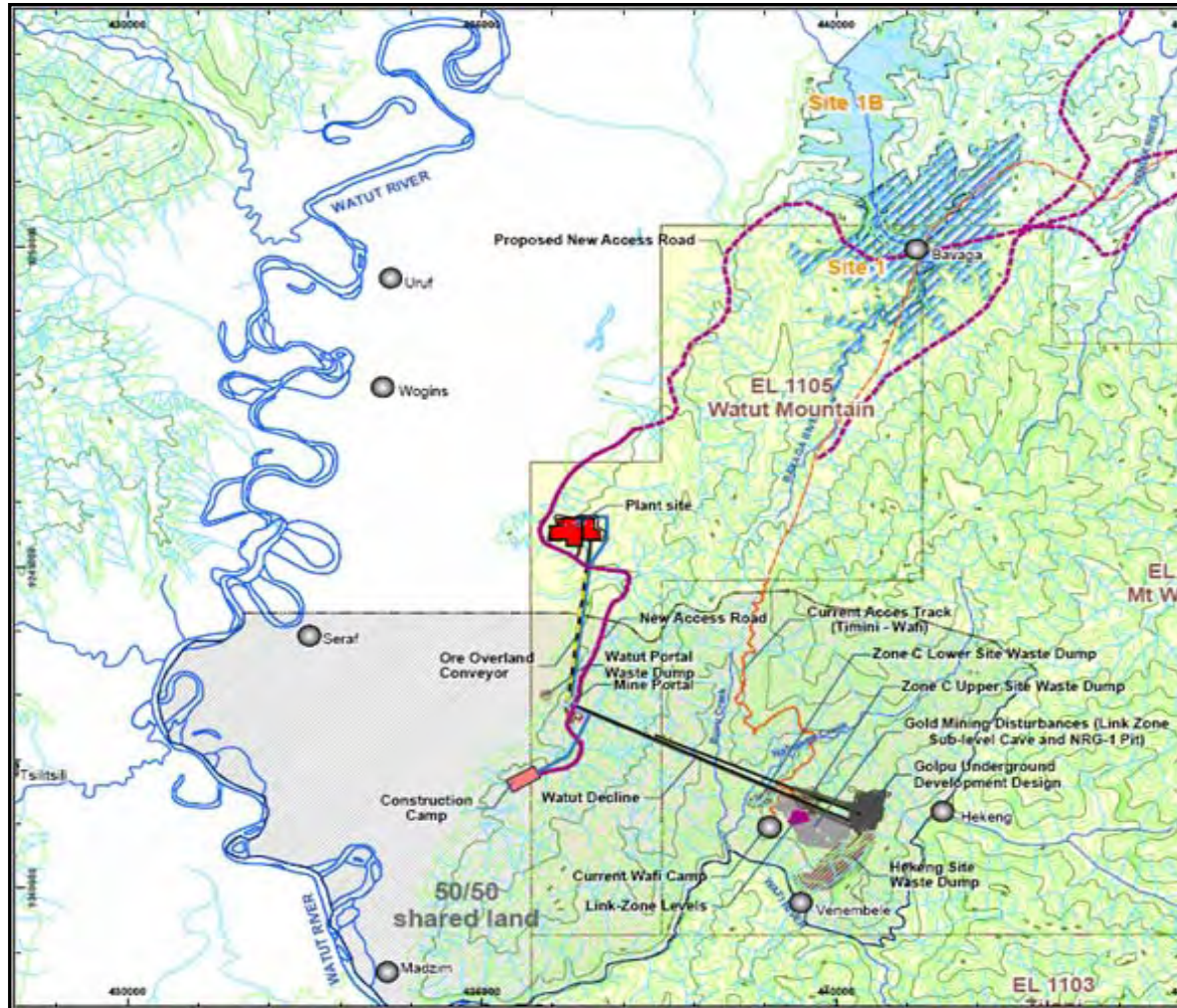


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## Project History



Year	Event
1979	Discovery of outcropping mineralisation at A Zone
1980	Mt Wanion Exploration License granted; EL440
1983	Drilling commenced
1986	Initial resource estimate of 50Mt at 1.7g/tAu
1987	Metallurgical test work identified primary ore was highly refractory with low cyanide leach recoveries.
1990	Elders hole WR095 intersects Golpu Cu-Au porphyry mineralisation
1993	Golpu pre-feasibility 100Mt @ 1.3%Cu, 0.6g/tAu
1997	High grade Link Zone discovered
1999-2001	Project placed under care and maintenance
2003	Abelle merges with Aurora and acquires project ownership.
2004	Harmony acquires Abelle and ownership of Wafi. Golpu scoping study completed.
2005	Wafi/Golpu PFS commenced



Pre feasibility completed on copper gold porphyry (Golpu) and gold mesothermal ore bodies (Wafi).

9Mt/a Block Cave on Golpu (15yrs)

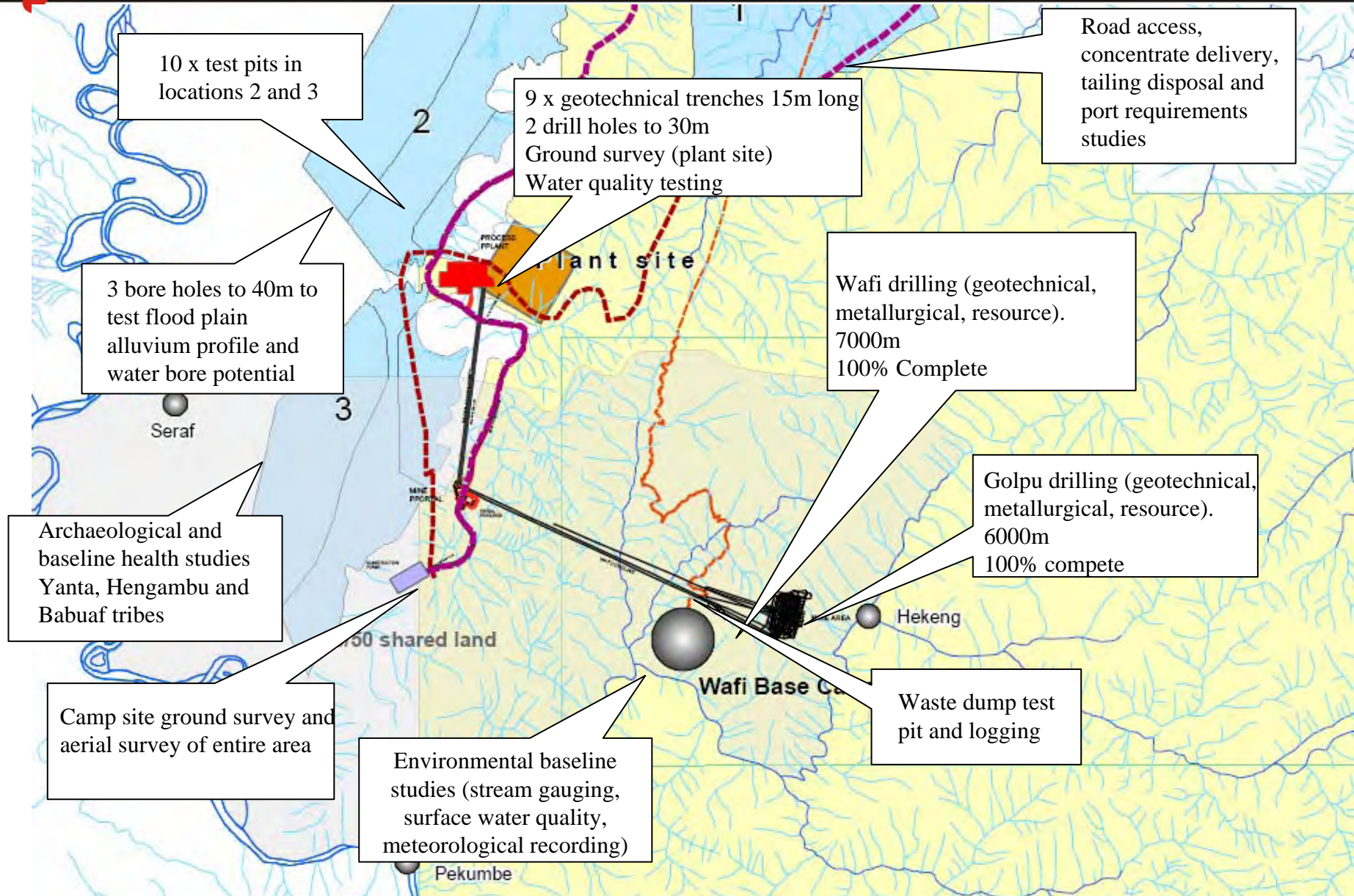
3Mt/a Sub-level cave on Wafi Link Zone (7rs)

1Mt/a Open pit on Wafi NRG1 (5yrs)

Twin decline access from Watut valley where processing plant will be established

Substantial infrastructure required in roads, power, port, site establishment,...

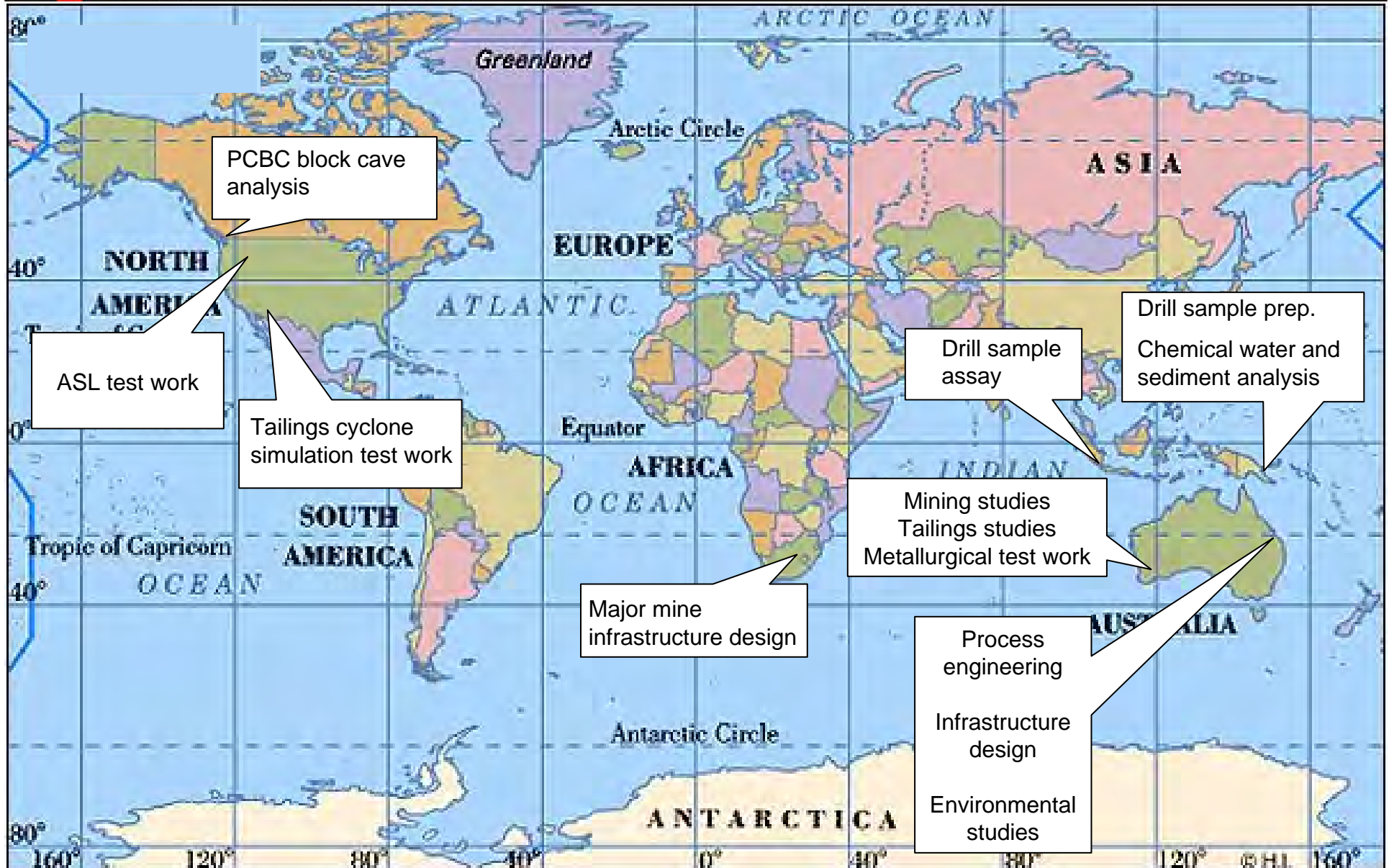
Will require separate decline to access Golpu for geotech and met samples for DFS





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## Work Completed Off Site





- Golpu mine plan is block caving feasible. Line Zone is mined by modified sub-level cave, while NRG1 is mined with a conventional open pit but marginal economics
- Golpu capital cost is expected to be in the vicinity of US\$1.4 billion (including all infrastructure), including \$300 million sustaining capital during operation of the mine;



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Project Summary

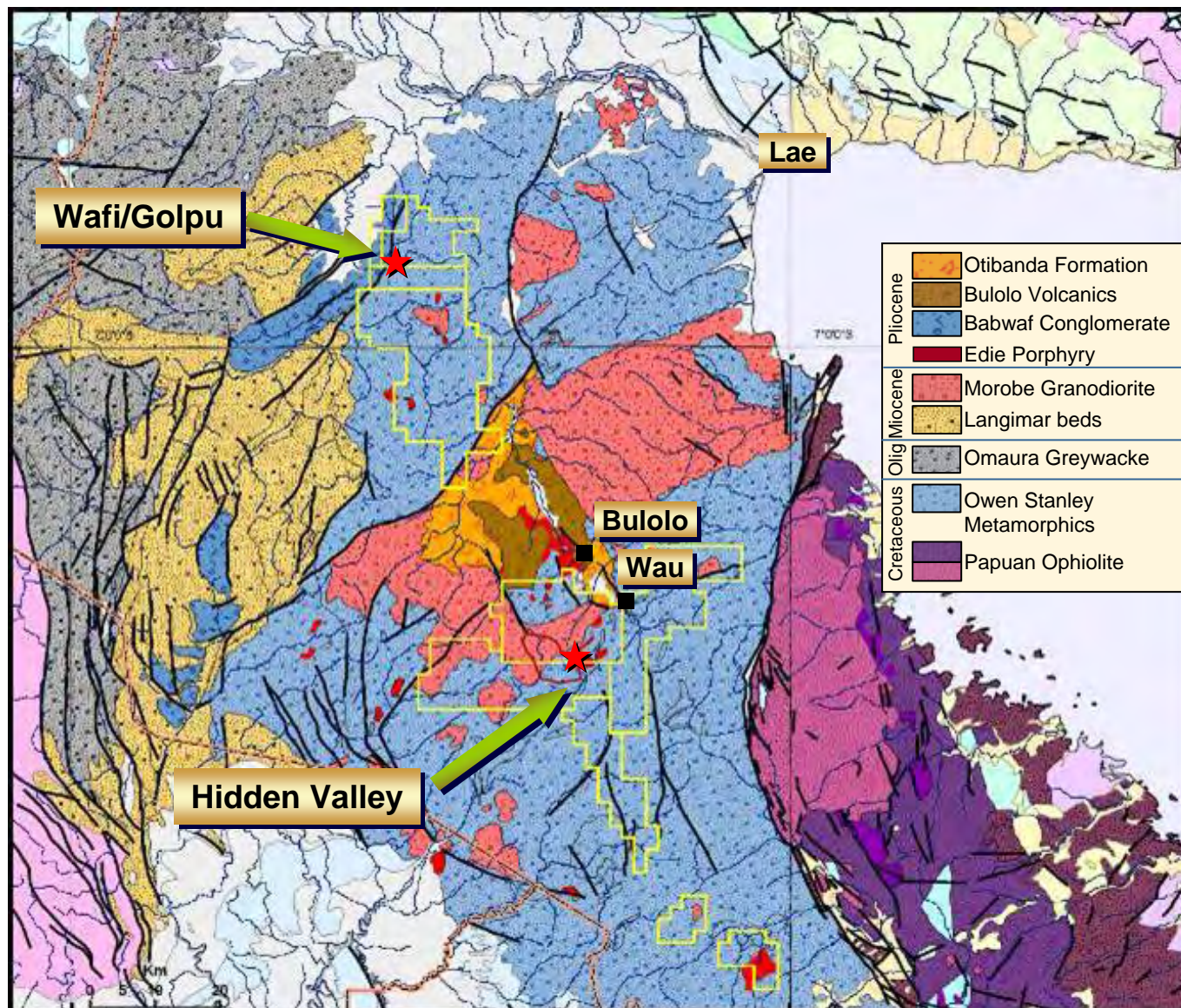
# Geology





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# Regional Geology





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## Local Geology

Mineralisation centred around an intrusive complex, intruding into meta-sediments

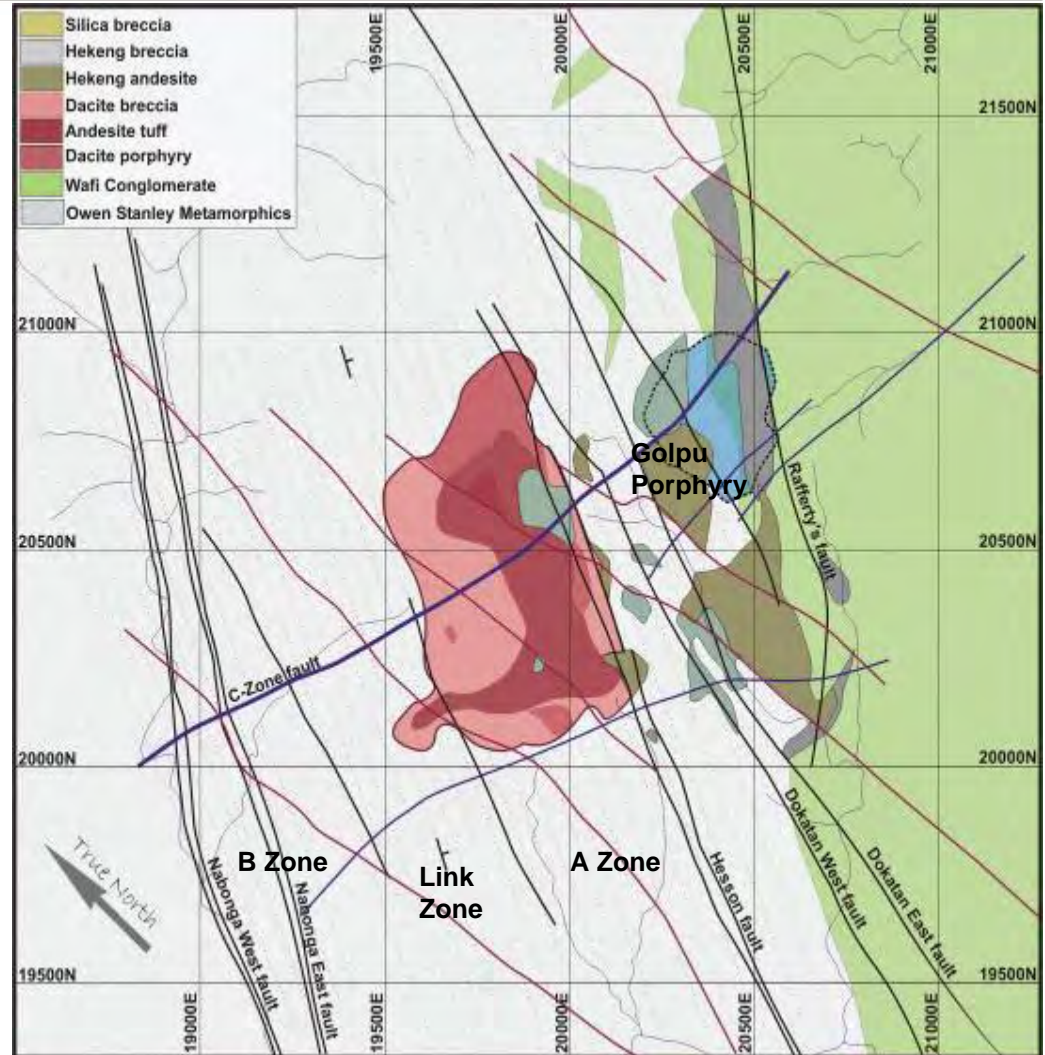
Two styles of mineralisation present

1. Porphyry copper mineralisation overprinted by later high sulphidation epithermal event
2. High to low sulphidation disseminated gold mineralisation associated with Diatreme Breccia margins

### Current resources

Golpu : 145.10Mt @ 1.11%Cu,  
375ppmAs and 0.57g/tAu

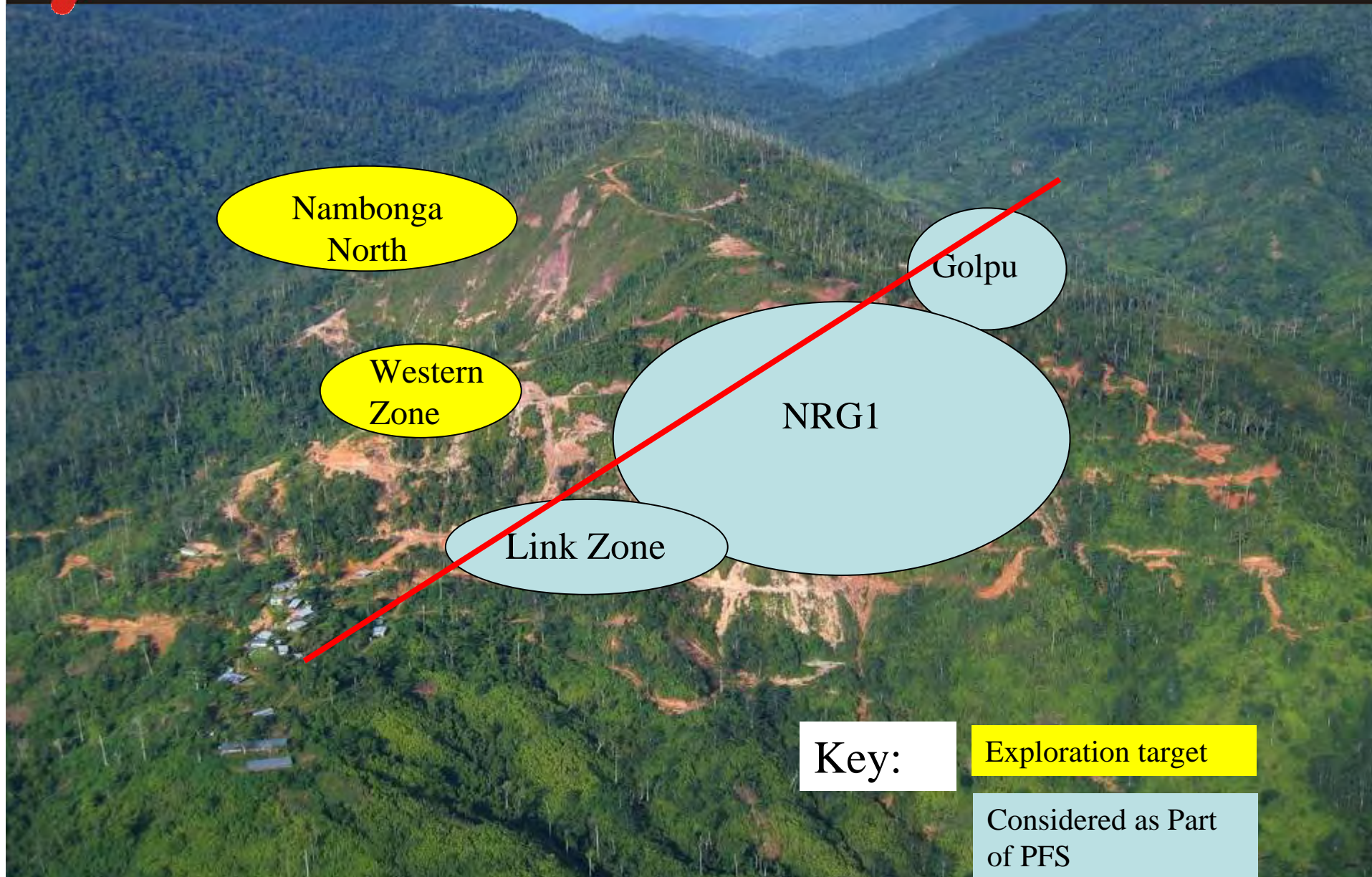
Wafi : 109.64Mt @ 1.85g/t Au @0.8g/t  
Au cut off





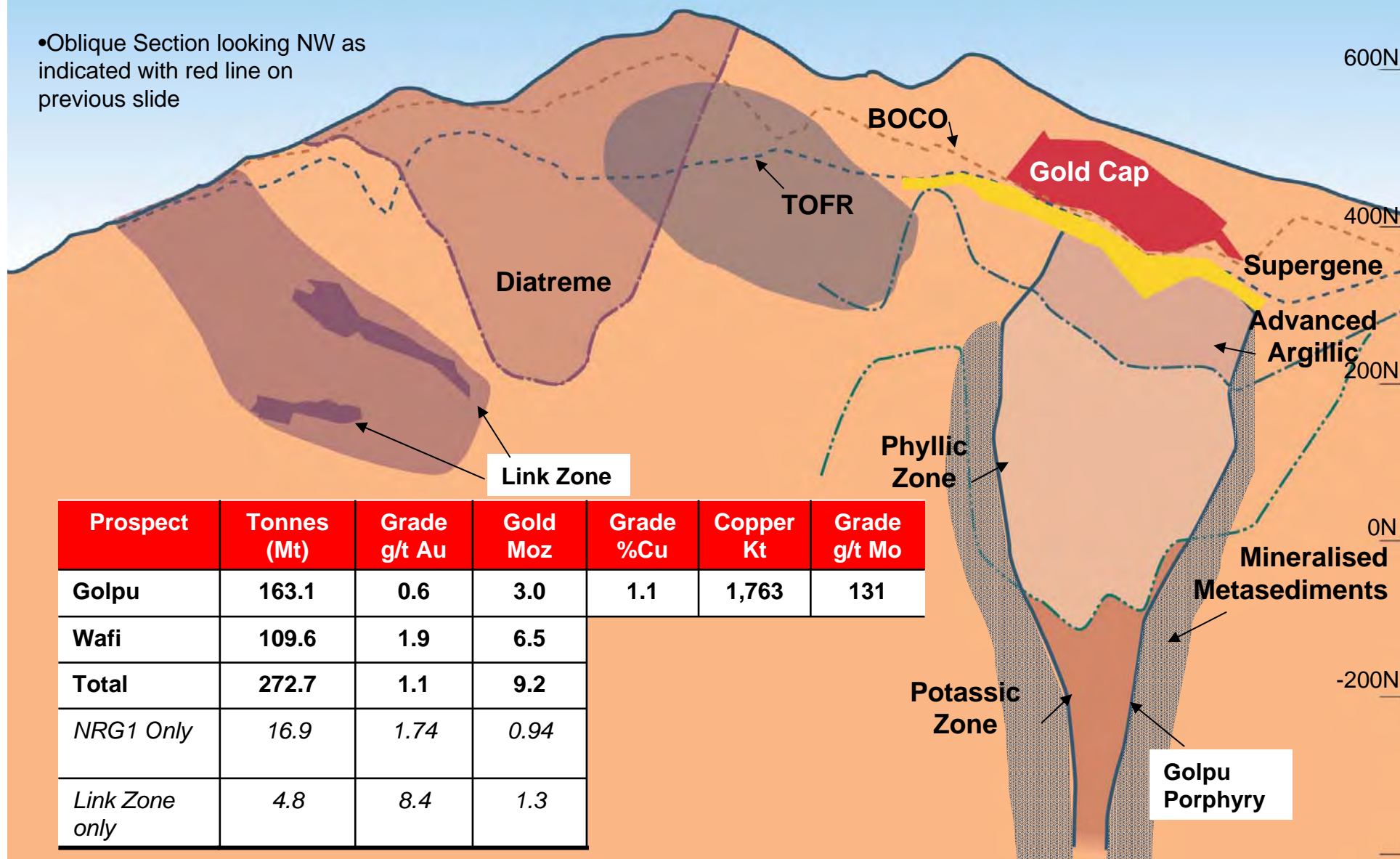
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## Wafi/Golpu key deposits





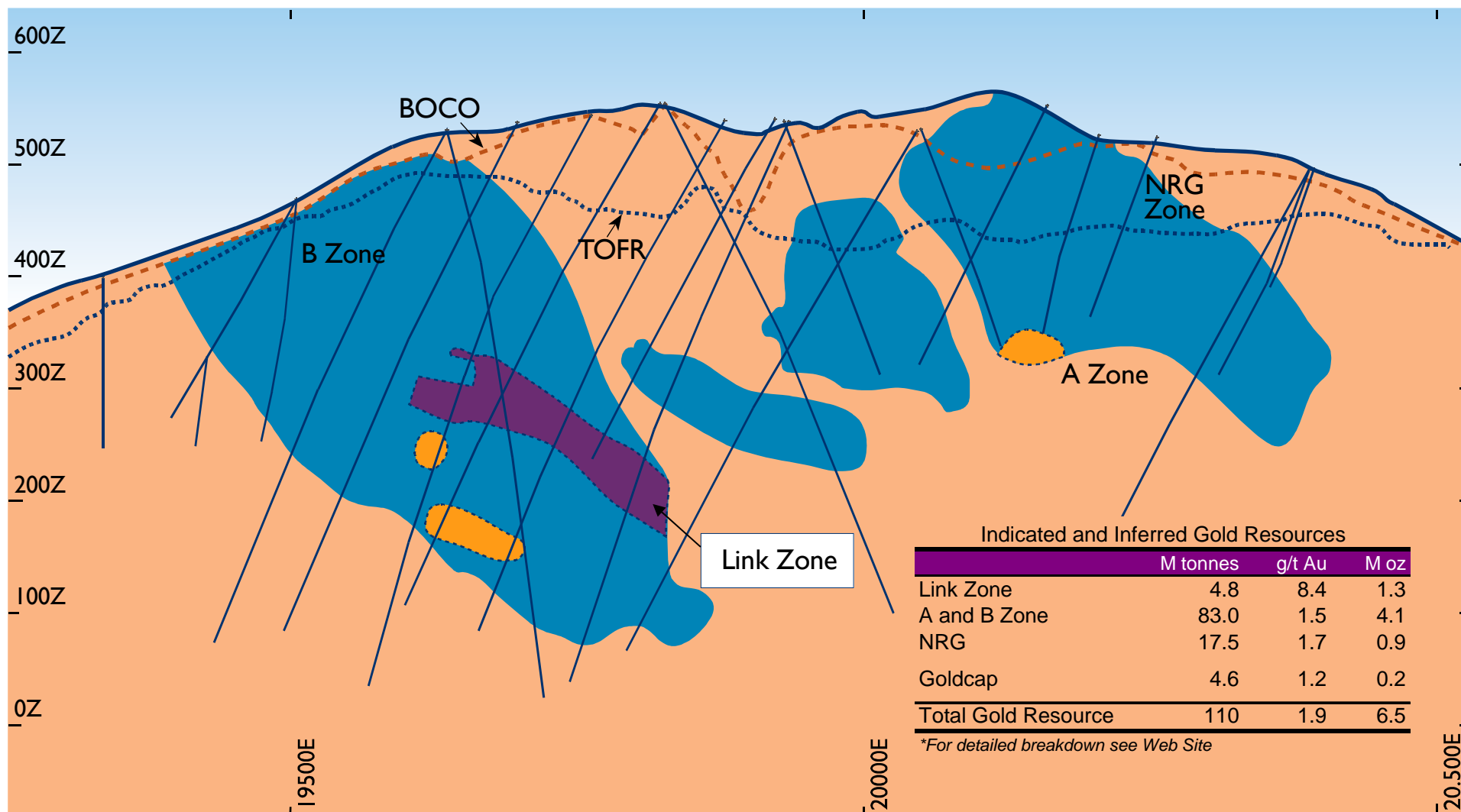
•Oblique Section looking NW as indicated with red line on previous slide



Prospect	Tonnes (Mt)	Grade g/t Au	Gold Moz	Grade %Cu	Copper Kt	Grade g/t Mo
Golpu	163.1	0.6	3.0	1.1	1,763	131
Wafi	109.6	1.9	6.5			
<b>Total</b>	<b>272.7</b>	<b>1.1</b>	<b>9.2</b>			
<i>NRG1 Only</i>	<i>16.9</i>	<i>1.74</i>	<i>0.94</i>			
<i>Link Zone only</i>	<i>4.8</i>	<i>8.4</i>	<i>1.3</i>			



# Wafi Gold System Section 2100N



Indicated and Inferred Gold Resources

	M tonnes	g/t Au	M oz
Link Zone	4.8	8.4	1.3
A and B Zone	83.0	1.5	4.1
NRG	17.5	1.7	0.9
Goldcap	4.6	1.2	0.2
<b>Total Gold Resource</b>	<b>110</b>	<b>1.9</b>	<b>6.5</b>

\*For detailed breakdown see Web Site



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**Project Summary**

# **Mining**

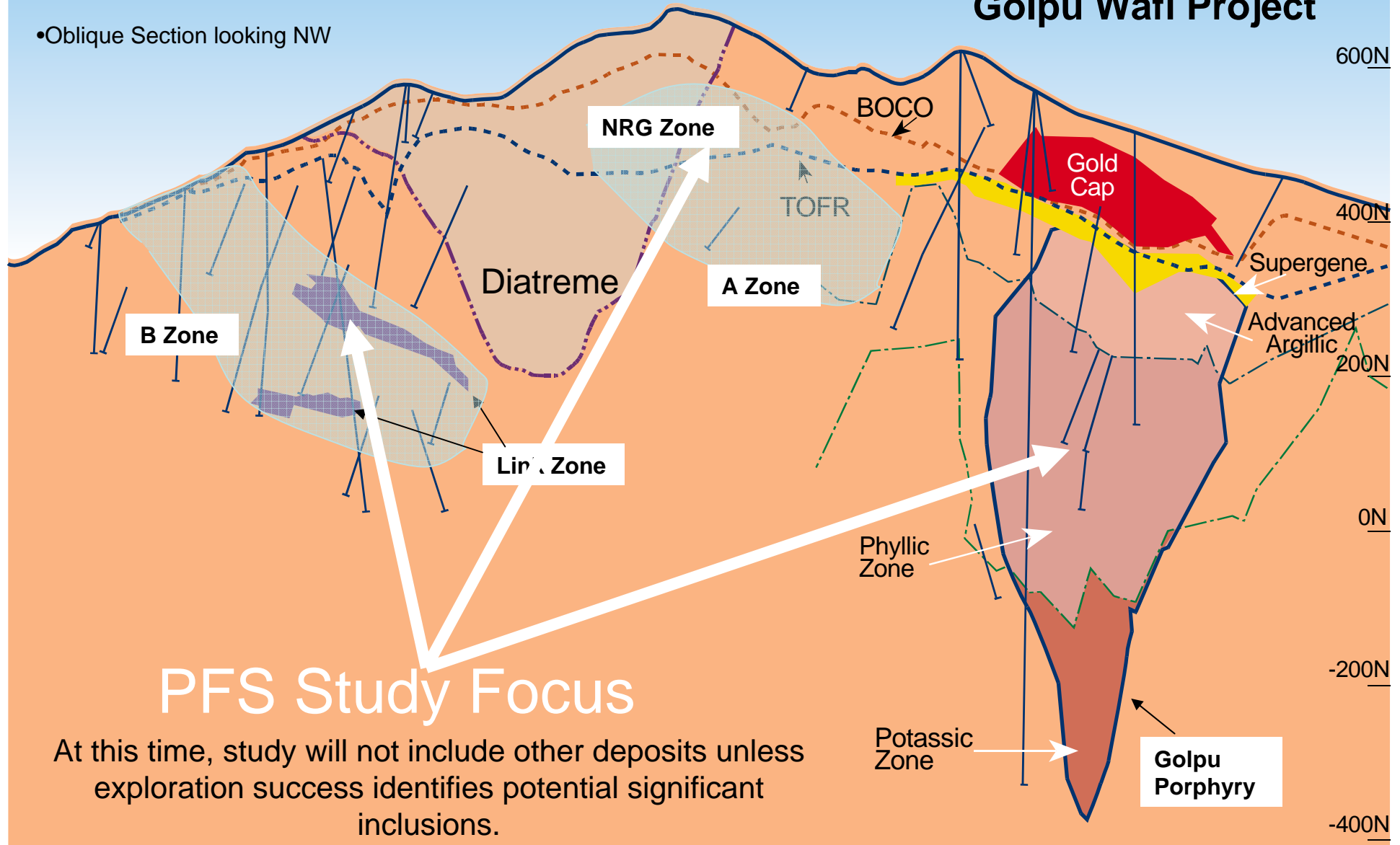


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# Project Focus Areas

## Golpu Wafi Project

•Oblique Section looking NW



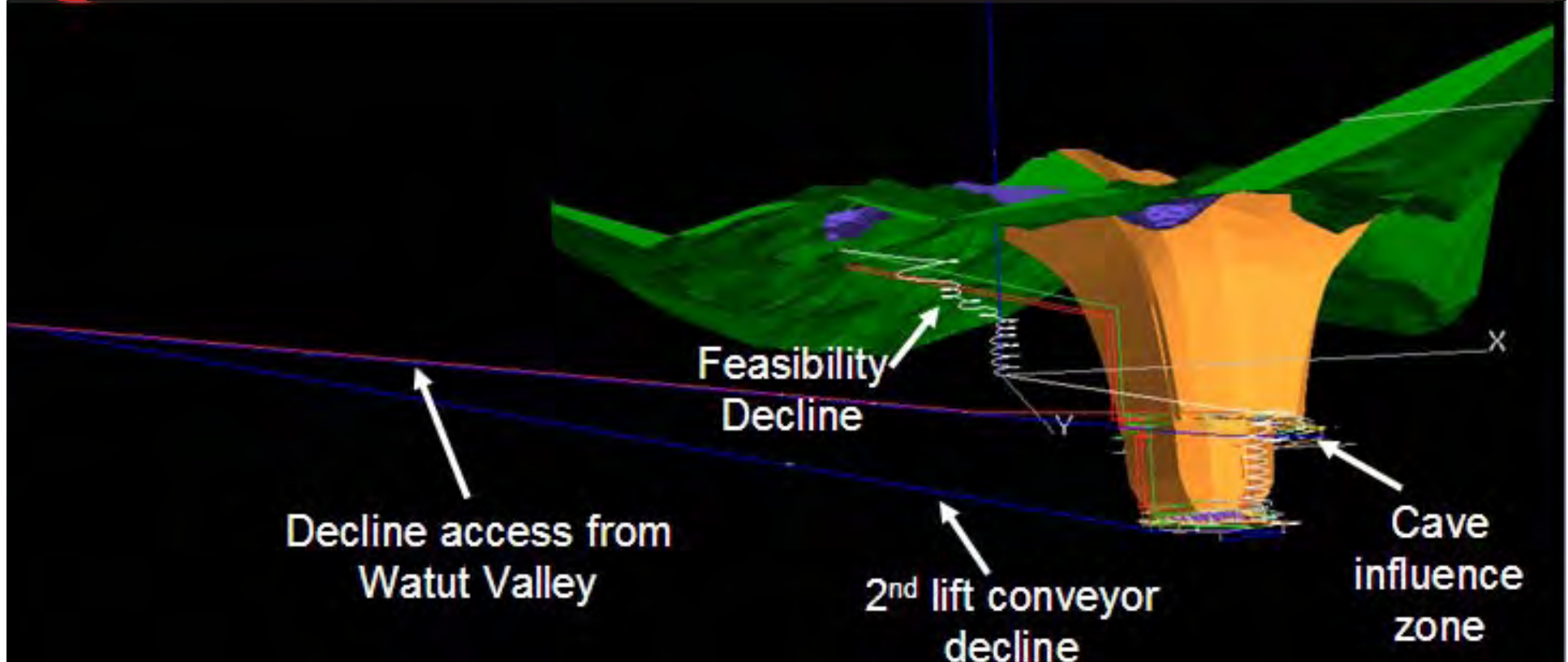
## PFS Study Focus

At this time, study will not include other deposits unless exploration success identifies potential significant inclusions.



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## Golpu Mine Design



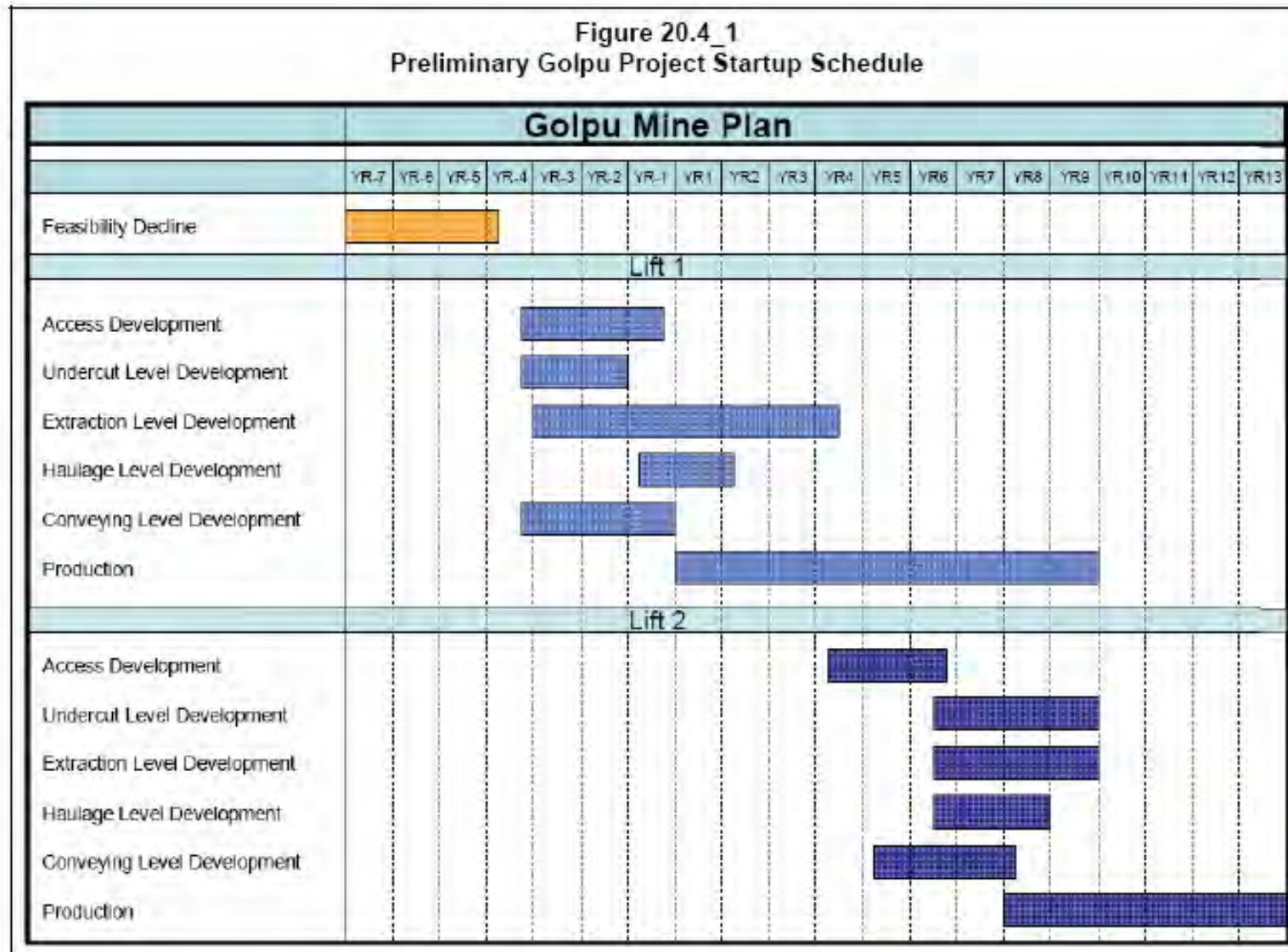
### Key Findings to Date:

- Feasibility Decline is required to achieve required confidence levels prior to committing to construction.
- Ore body can sustain production rates of up to 9Mtpa.
- It appears feasible to exclude high arsenic ore from the mine plan without a major effect on discounted cash flow.



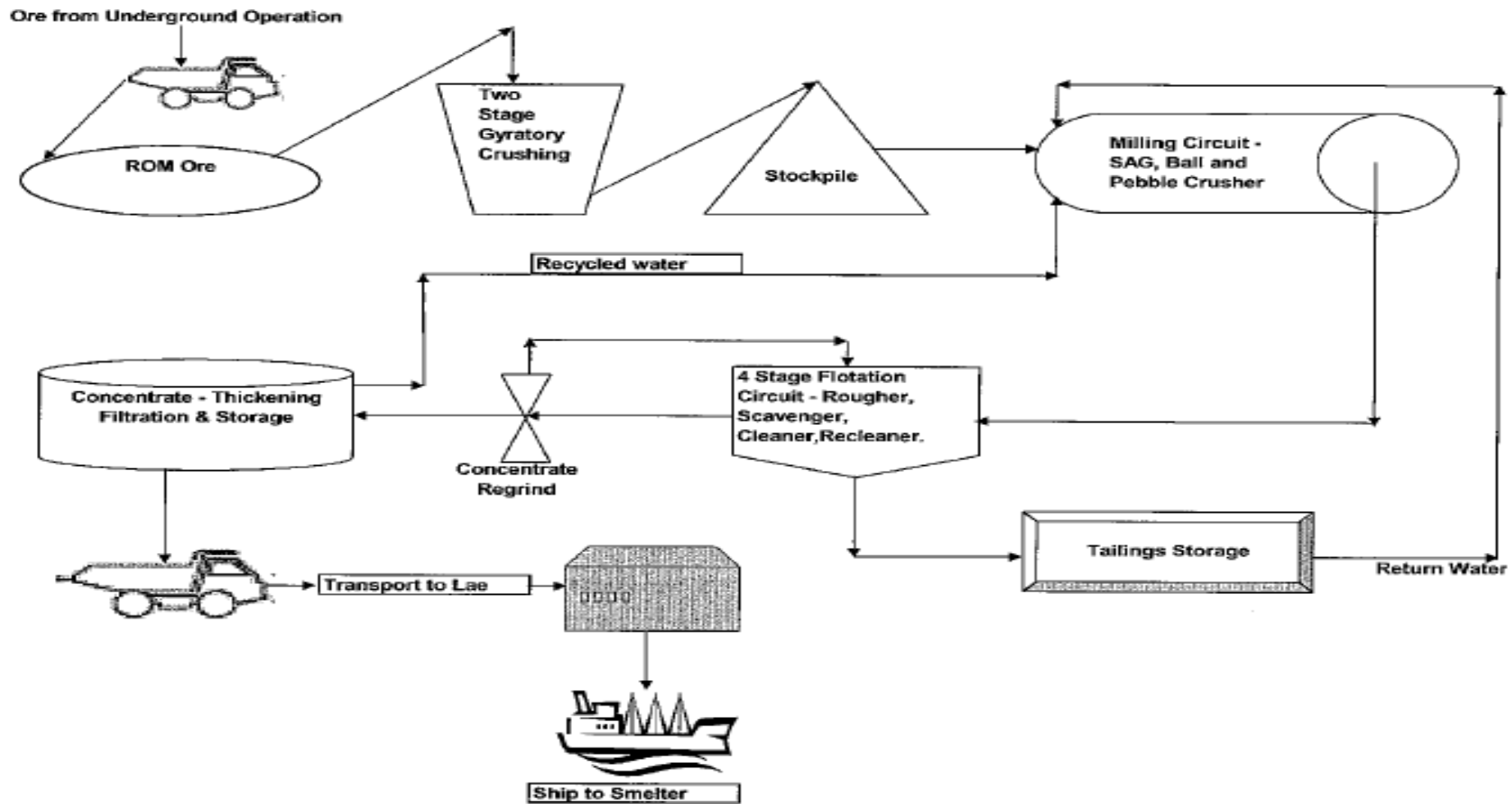


Figure 20.4\_1  
Preliminary Golpu Project Startup Schedule





GOLPU COPPER BLOCK FLOW DIAGRAM

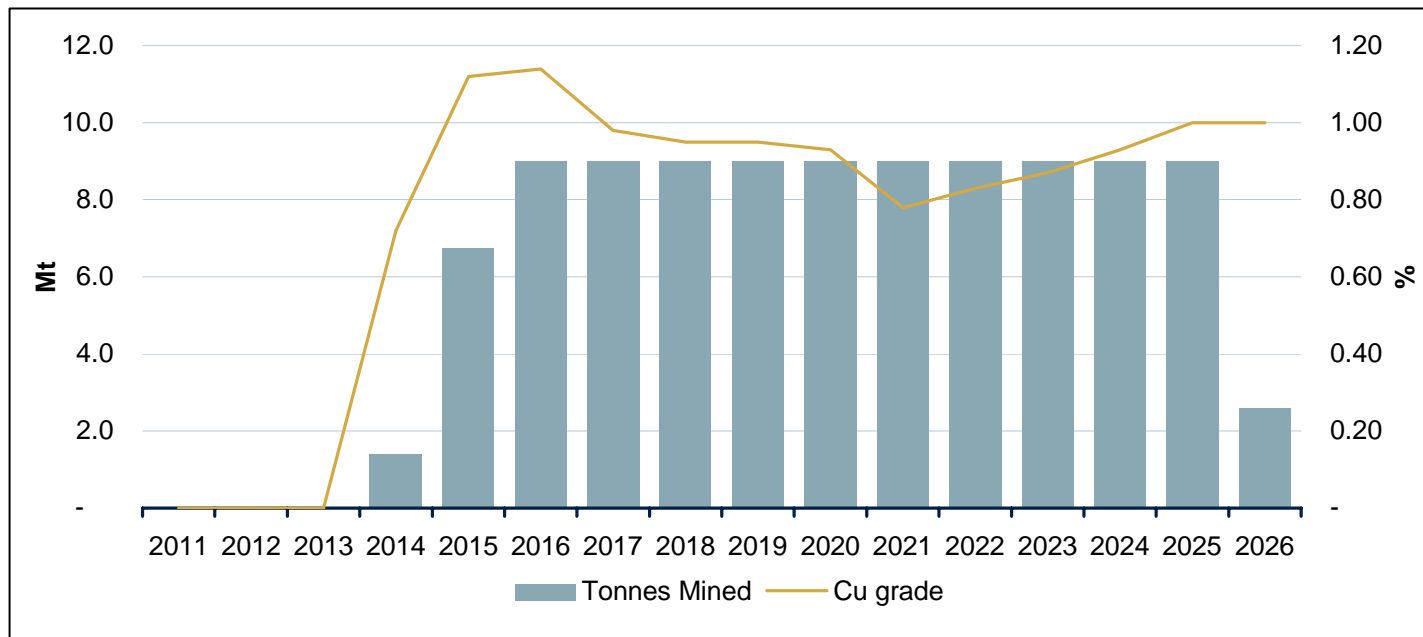




WAFI GOLPU			Units	LOM	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
<b>Golpu</b>																				
Tonnes Mined	Mt	<b>101</b>	-	-	-	-	1.40	6.75	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	2.59
Gold grade	g/t	<b>0.54</b>	-	-	-	-	0.48	0.57	0.59	0.55	0.52	0.49	0.41	0.30	0.45	0.69	0.71	0.66	0.62	0.62
Cu grade	%	<b>0.9</b>	-	-	-	-	0.72	1.12	1.14	0.98	0.95	0.95	0.93	0.78	0.83	0.87	0.93	1.00	1.00	1.00
Molybdenum grade	%	<b>0.01</b>	-	-	-	-	0.02	0.02	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Gold production	Au Mozs	<b>0.9</b>	-	-	-	-	0.01	0.07	0.09	0.09	0.08	0.08	0.06	0.05	0.07	0.11	0.11	0.10	0.10	0.03
Copper production	Cu Mlbs	<b>1,843</b>	-	-	-	-	19.38	145.50	197.02	169.36	163.99	163.61	160.17	134.80	144.92	153.63	164.05	175.60	50.57	50.57
Molybdenum production	Mo lbs	<b>10</b>	-	-	-	-	0.19	0.85	1.22	1.02	0.91	0.92	0.85	0.64	0.57	0.81	0.93	1.01	1.01	0.29
Total Operating Costs	US\$M real	<b>1,493</b>	-	-	-	-	29	103	134	132	130	131	134	137	136	129	129	129	129	41
Capital Expenditure	US\$M real	<b>1,443</b>	143	406	462	68	44	21	16	21	21	31	120	79	26	5	-	-	-	-

Total unit cost per pound Cu US\$1.60 Cu equiv. US\$1.27/lb

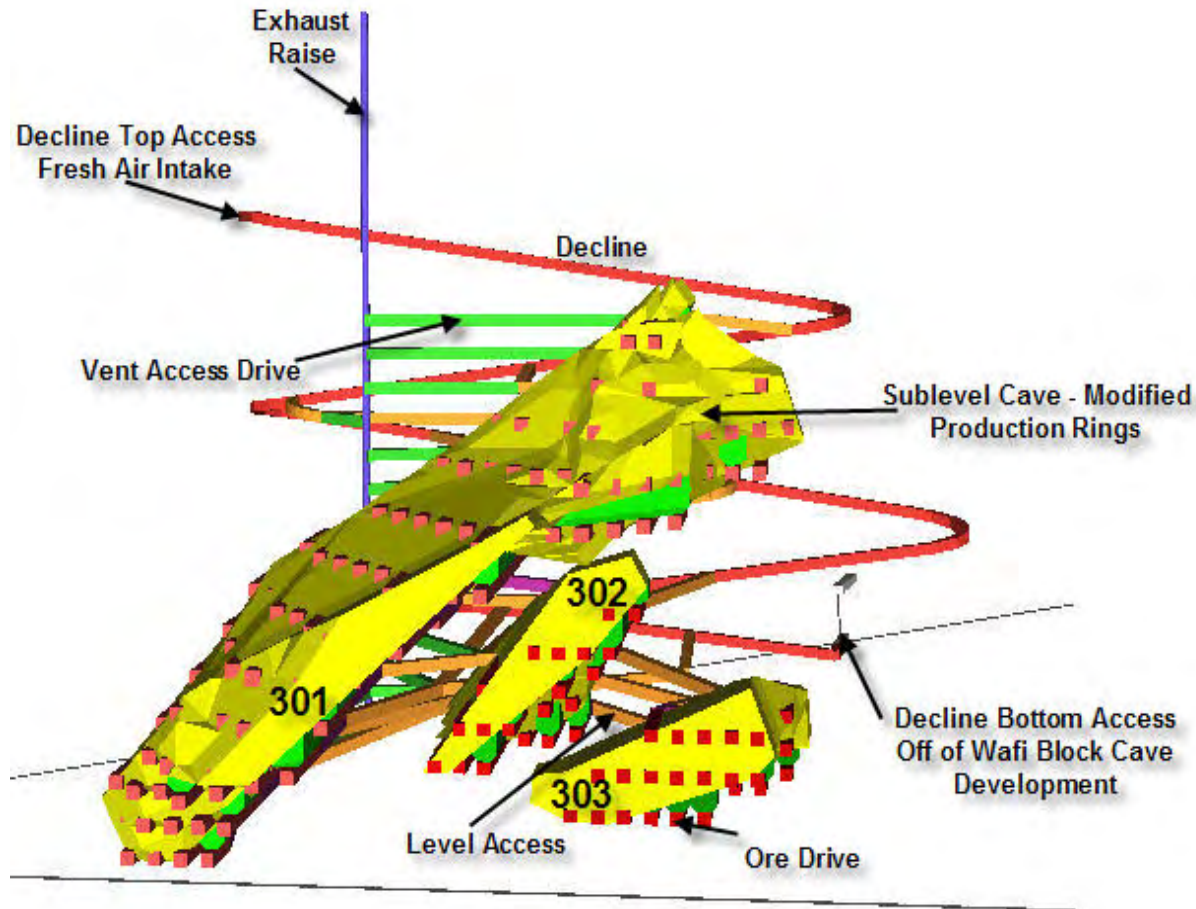
Operating cost per pound Cu US\$0.81 Cu equiv. US\$0.65/lb



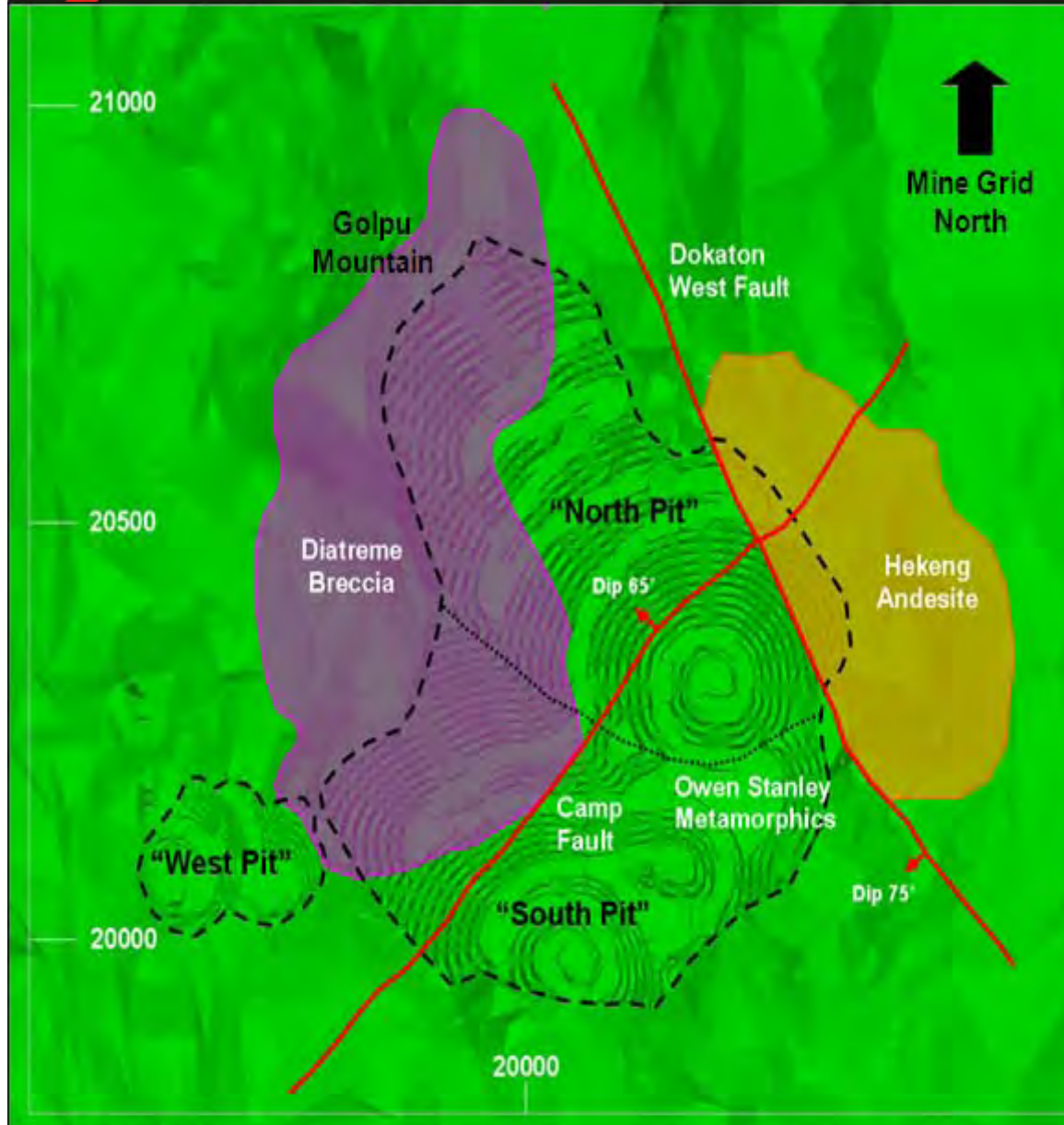


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## Link Zone Mine Design



- Plan to mine 1.2MOz over 7 years
- Access to ore body via Golpu feasibility decline. Minimal waste development.
- Links with Golpu main decline for haulage to plant.
- Ore body thickness sufficient to ensure that 3 SLC levels can be mined in any vertical plane.
- Conservative loss and dilution factors used to accommodate unconventional design.



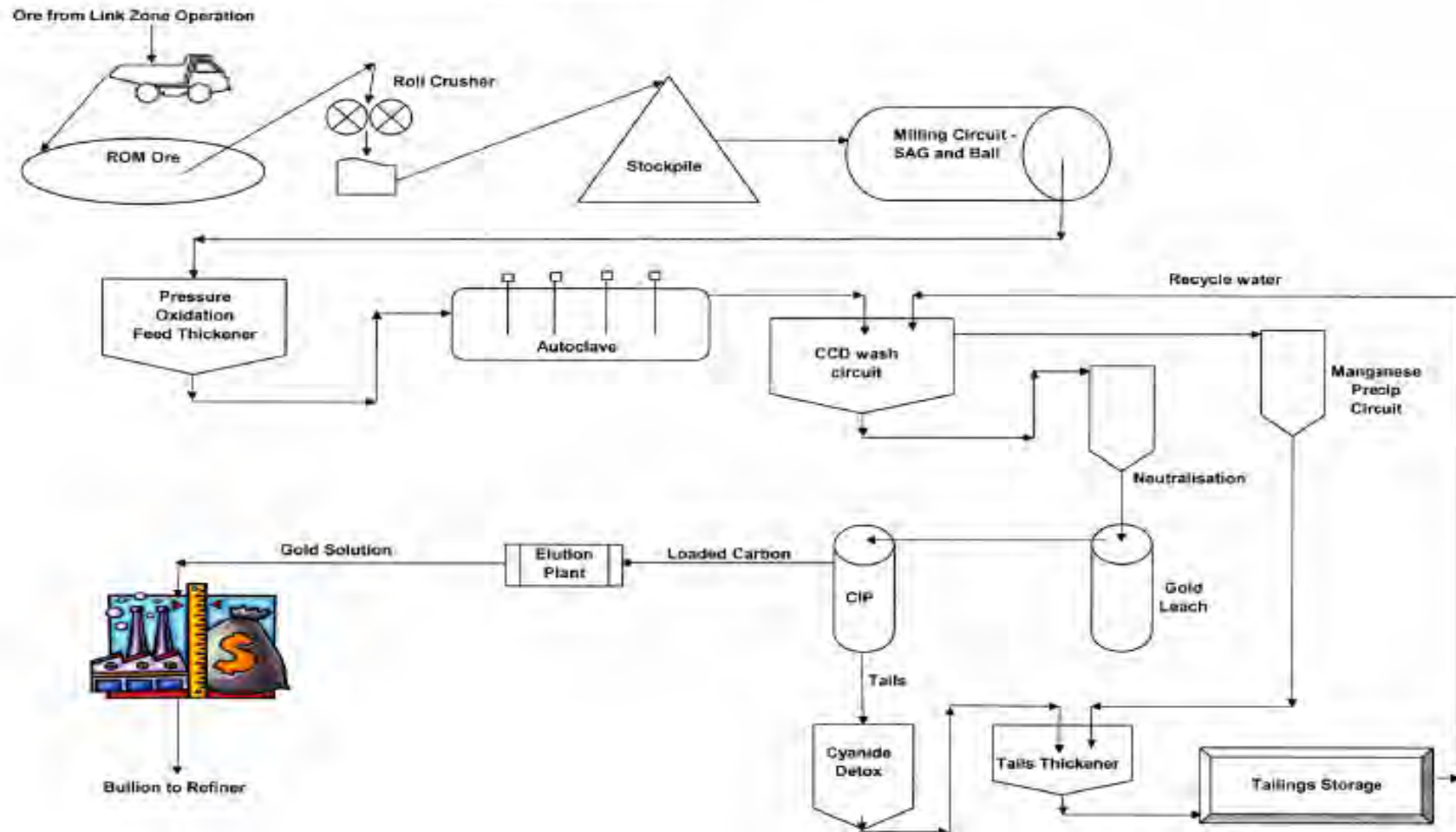
Open pit operation mining  
3Mtpa for 5 years producing  
approximately 800,000  
ounces;

10m benches, 6m berms, 20m  
ramp, batter angle 45 – 55<sup>0</sup>,  
overall wall angle 35 - 40<sup>0</sup>

Conventional CIP processing  
sharing back end with Link  
Zone



LINK ZONE BLOCK FLOW DIAGRAM





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## Infrastructure

### **Power**

54Mw provided by HFO generators

### **Water**

Supply from bores plus raw water dam off Watut River

### **Access**

4 road options, north route preferred

### **Communications**

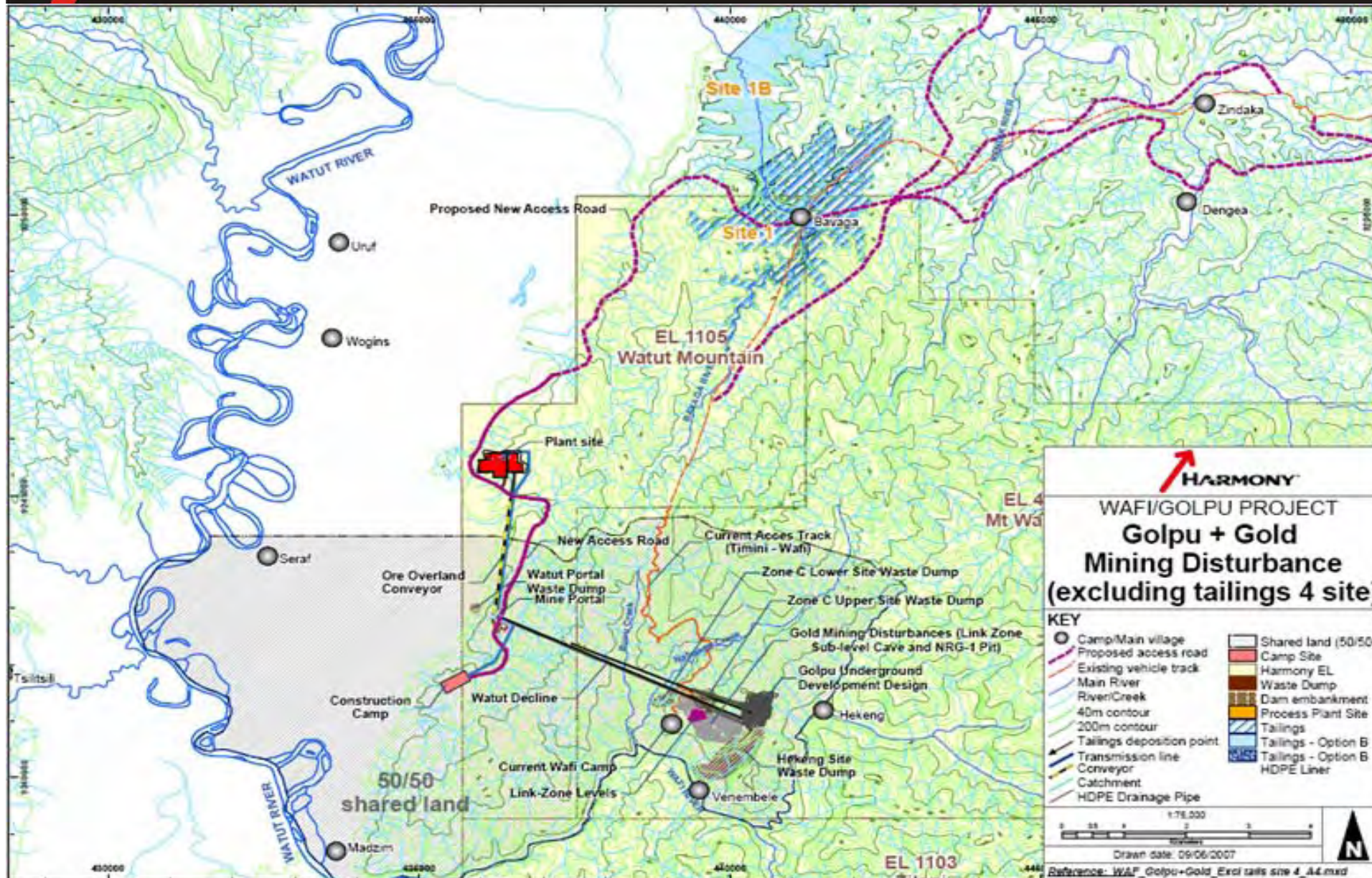
Fixed and mobile, UG comms, security systems, internet

### **Concentrate Handling**

Via Road ( but consider pipeline in DFS)

### **Lae Port**

Upgrade required (government committed to upgrade)







# Resource and Reserve

## Mineral Resources (Gold)

Mine Area	Measured			Indicated			Inferred			Total		
	tonnes (Mt)	g/t	Gold ('000oz)	tonnes (Mt)	g/t	Gold ('000oz)	tonnes (Mt)	g/t	Gold ('000oz)	tonnes (Mt)	g/t	Gold ('000oz)
Wafi*				67.1	1.9	4,090	42.6	1.8	2,420	109.6	1.9	6,510
Golpu				87.6	0.6	1,774	75.5	0.5	1,189	163.1	0.6	2,960
<b>Total</b>			<b>-</b>	<b>154.7</b>	<b>1.2</b>	<b>5,864</b>	<b>118.1</b>	<b>1.0</b>	<b>3,609</b>	<b>272.8</b>	<b>1.1</b>	<b>9,470</b>

\*Wafi includes the Non-Refractory Zone, the Refractory Zone, Link Zone, A and B Zones and Golpu Goldcap

#Gold resource reported with no lower cut for those blocks corresponding with copper resource cutoff criteria displayed in the table below.

## Golpu Mineral Resource (Poly metallic)

Golpu	tonnes (Mt)	Cu %	Au ppm	As ppm	Mo ppm	Cu Metal ('000t)	Cu Metal (Million lbs)	Au Metal ('000oz)	Mo Metal ('000t)	Mo Metal (Million lbs)
Measured	-					-	-	-	-	-
Indicated	87.6	1.4	0.6	431	110	1,218	2,684	1,775	10	21
Inferred	75.5	0.7	0.5	255	157	543	1,198	1,189	12	26
<b>Total</b>	<b>163.1</b>	<b>1.1</b>	<b>0.6</b>	<b>350</b>	<b>132</b>	<b>1,763</b>	<b>3,882</b>	<b>2,964</b>	<b>22</b>	<b>47</b>

Golpu gold resource also report above in Mineral Resources (Gold) table

## Golpu Ore Reserve (Poly metallic)

Golpu	tonnes (Mt)	Cu %	Au ppm	As ppm	Mo ppm	Cu Metal ('000t)	Cu Metal (Million lbs)	Au Metal ('000oz)	Mo Metal ('000t)	Mo Metal (Million lbs)
Proven										
Probable	70.8	1.1	0.6	136	121	800	1,763	1,389	8.6	18.9
<b>Total</b>	<b>70.8</b>	<b>1.1</b>	<b>0.6</b>	<b>136</b>	<b>121</b>	<b>800</b>	<b>1,763</b>	<b>1,389</b>	<b>8.6</b>	<b>18.9</b>



# Licence to Operate

## Community Development

1. Empowerment Workshop



2. Health Baseline Study



3. Kopagol Landowner Transport



4. Literacy Awareness





# License to Operate

## Community Development Services rendered to Community

ACTIVITY	2004 PNG Kina	%	2005 PNG Kina	%	2006 PNG Kina	%	Total PNG Kina	%
<b>A. YANTA CLAN</b>								
School fees	20000	14	25000	18	25000	22	70000	18
Allowance & Subsidy	1637	1	4882	3	6068	5	12587	3
Chopper Assistance	36000	26	36000	25	9000	8	81000	20
Medivac	18720	13	6240	5	14040	12	39000	10
<b>Sub total</b>	<b>76357</b>	<b>54</b>	<b>72122</b>	<b>51</b>	<b>54108</b>	<b>47</b>	<b>202587</b>	<b>51</b>
<b>B. HENGAMBU CLAN</b>								
School fees	20000	14	25000	18	25000	22	70000	18
Allowance & Subsidy	1573	1	4882	3	6068	5	12487	3
Chopper Assistance	36000	26	36000	25	9000	8	81000	20
Medivac	7020	5	3900	3	18720	18	29640	8
<b>Sub total</b>	<b>64557</b>	<b>46</b>	<b>69782</b>	<b>49</b>	<b>58788</b>	<b>53</b>	<b>193127</b>	<b>49</b>
<b>GRAND TOTAL</b>	<b>140914</b>	<b>100</b>	<b>141904</b>	<b>100</b>	<b>112896</b>	<b>100</b>	<b>395714</b>	<b>100</b>



## License to Operate

**Environmental monitoring and data collection is part of the work program at Wafi, as the project proceeds through various stages.**

**The program involves:**

- water/sediment sampling
- monitoring at stream gauging stations
- rainfall and meteorological data collection
- re-vegetation
- rig site monitoring
- plus other environmental concerns

**Partners involved with this program include:**

- National Analysis Laboratory – samples testing
- Enesar Environmental Consultants – data evaluation

**Objective:**

To incorporate this baseline environment information in the development of Wafi

- To monitor and ensure that data collected are within acceptable World Health Standards



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## Where to from here?

- **Final comments on Stage Gate review**
- **Progressing Alkaline Sulphide Leach test work to remove arsenic from concentrate. Scoping level tests indicate positive results;**
- **Mine plan optimisations**
- **Explore, explore, explore – huge potential for additional porphyry copper gold stocks.**
- **Decision to advance to DFS to be discussed with incoming partner**



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Site Tour

