



**HARMONY™**

## Wafi-Golpu update

25 August 2010

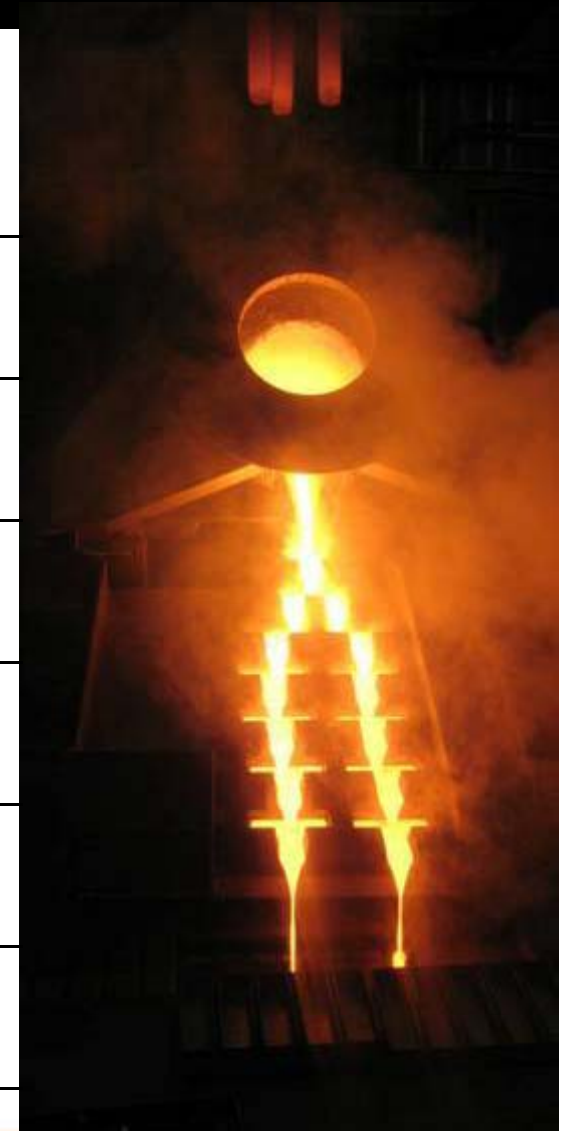


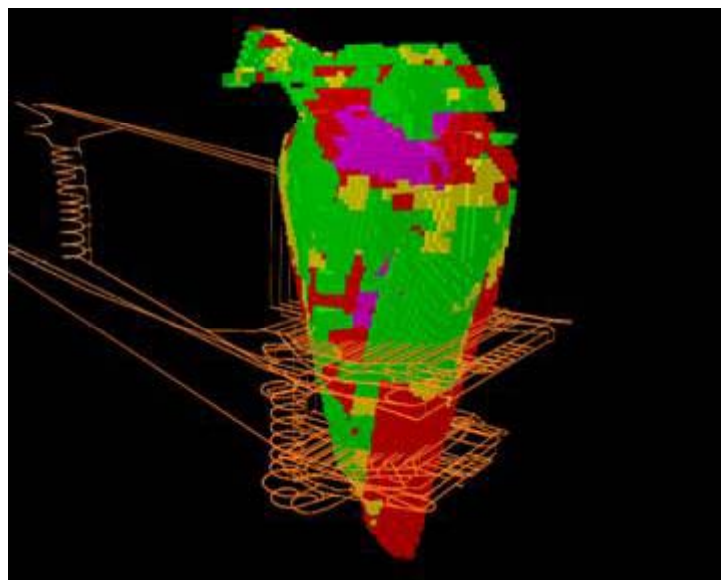


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<b>1</b>	Recent history and resource upgrade
<b>2</b>	Project description
<b>3</b>	Concept study
<b>4</b>	Permitting
<b>5</b>	Timeline
<b>6</b>	Early works plan
<b>7</b>	Exploration upside



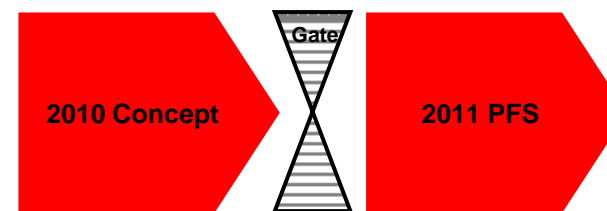
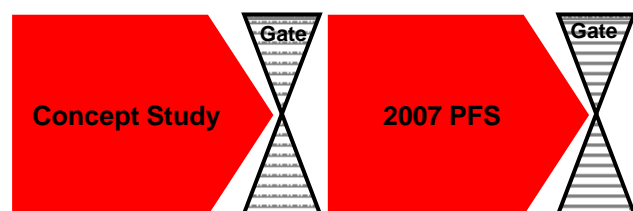


- 2007 Pre-feasibility study
  - technically and financially viable mining operation
  - 100Mt block cave on Golpu
  - ~US\$0.64/lb cash cost
  - US\$1.5 billion capital
  - 13 year mine life
  - risk/reward equation



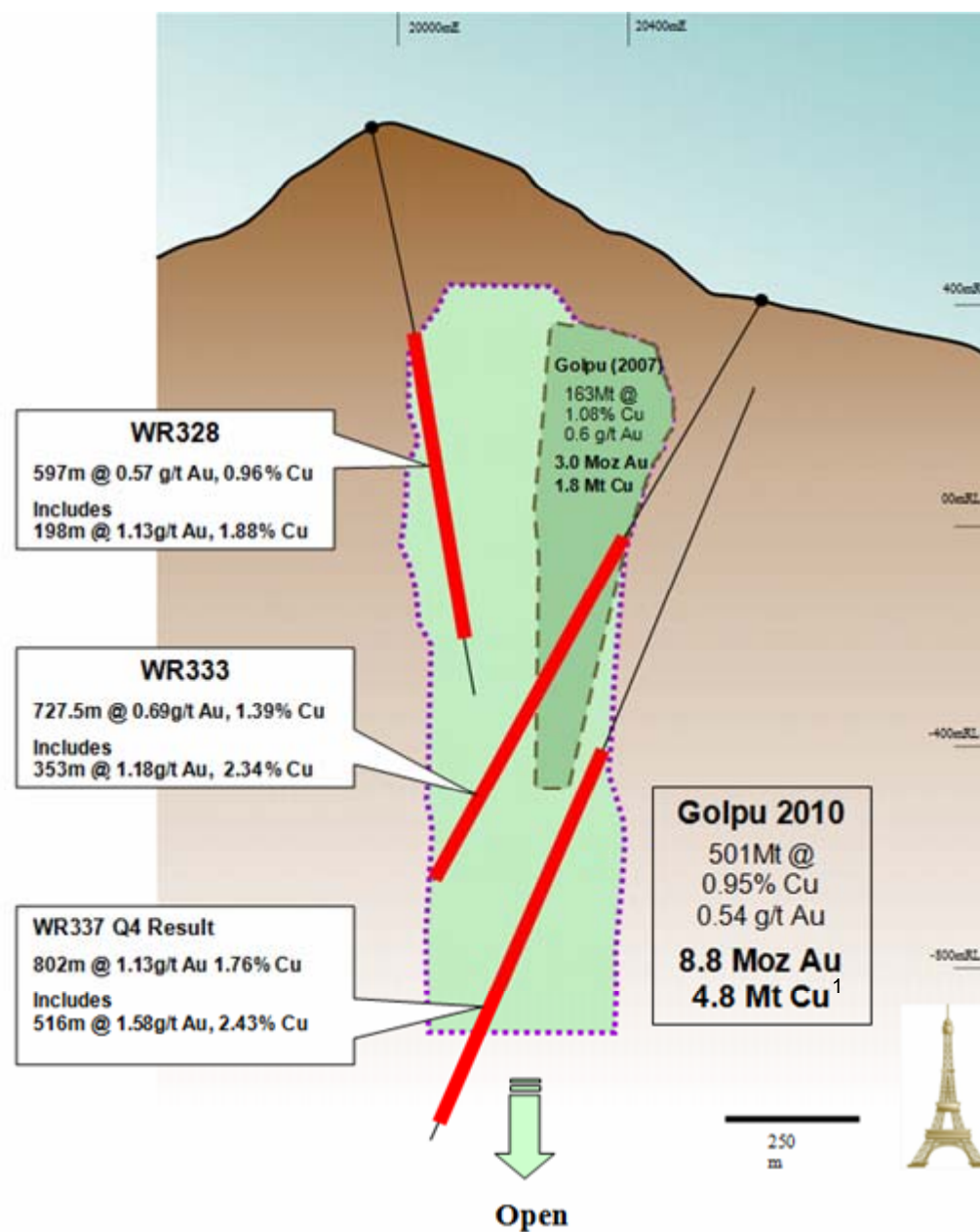
### Recommendations

- Loop back to concept
- Seek capital reduction
- Improve metallurgical recoveries on Wafi and Golpu gold
- Prove up additional Resources

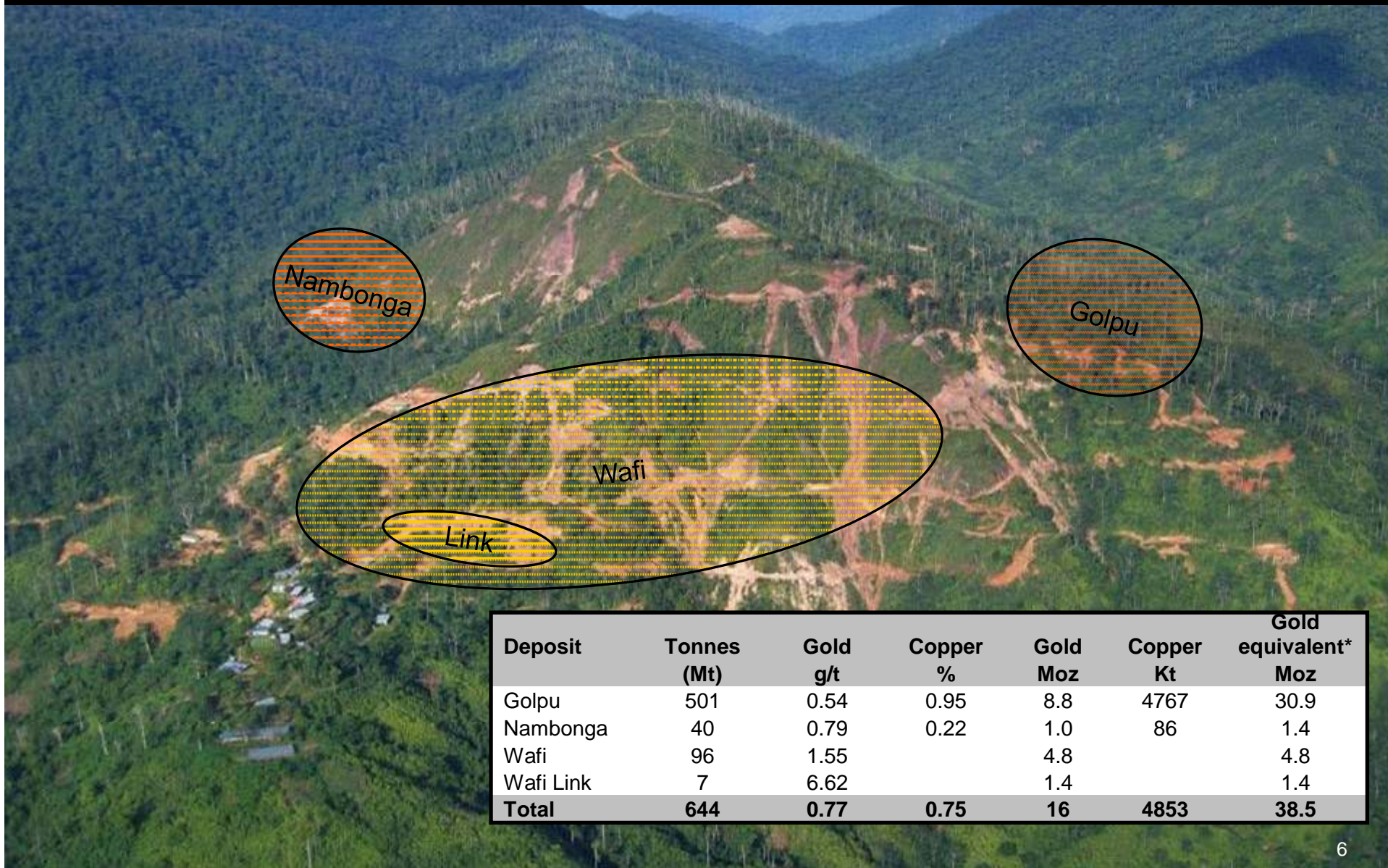




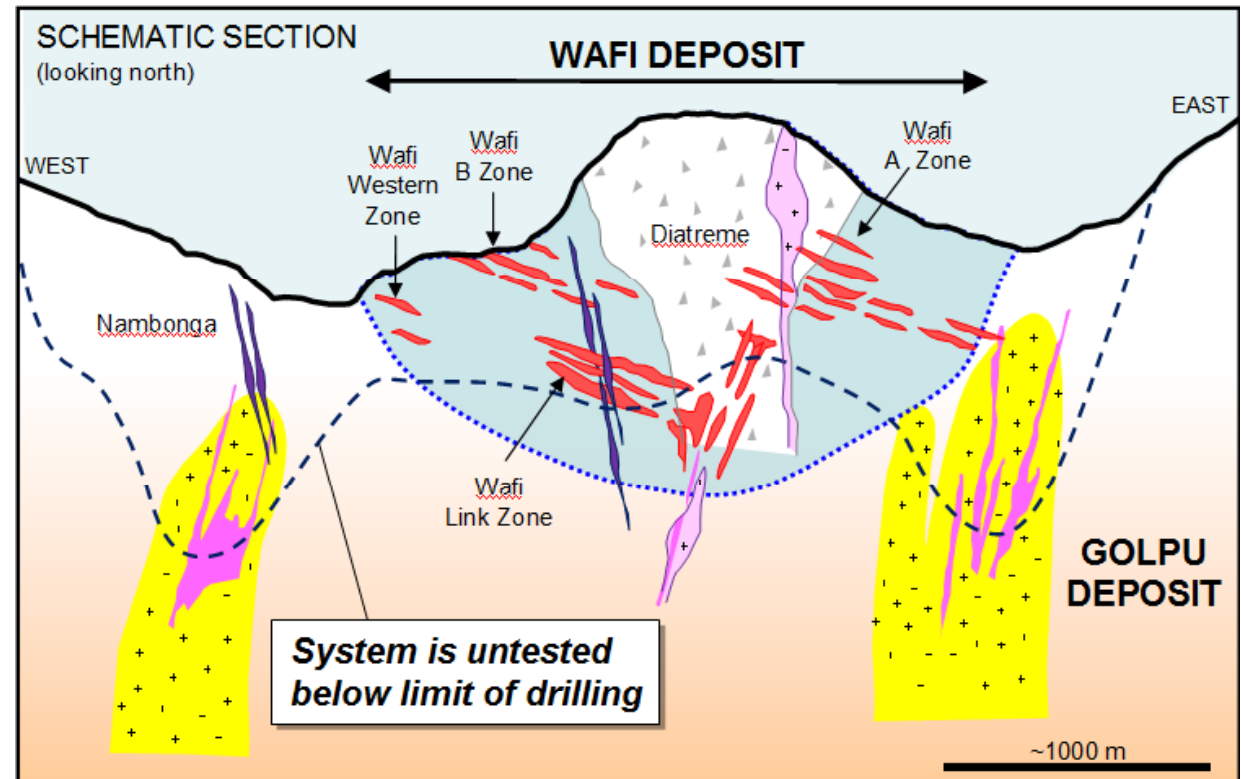
- Golpu July resource upgrade
  - gold increased from 3.0 to 8.8Moz
  - copper increased from 1.8 to 4.8Mt
  - molybdenum increased from 22 to 55kt
  - on an ounce equivalent basis the Golpu deposit increased to 30.9Moz Au
- Drilling underway continues to grow the resource
  - arbitrary June cut-off on drill results required for revised mineral estimate
  - remains open to the north with additional new high grade zones of mineralised porphyry intersected in subsequent drilling
  - recent drilling has also extended high grade mineralised porphyry closer to surface than previously thought
  - the deposit remains open at depth and to the north

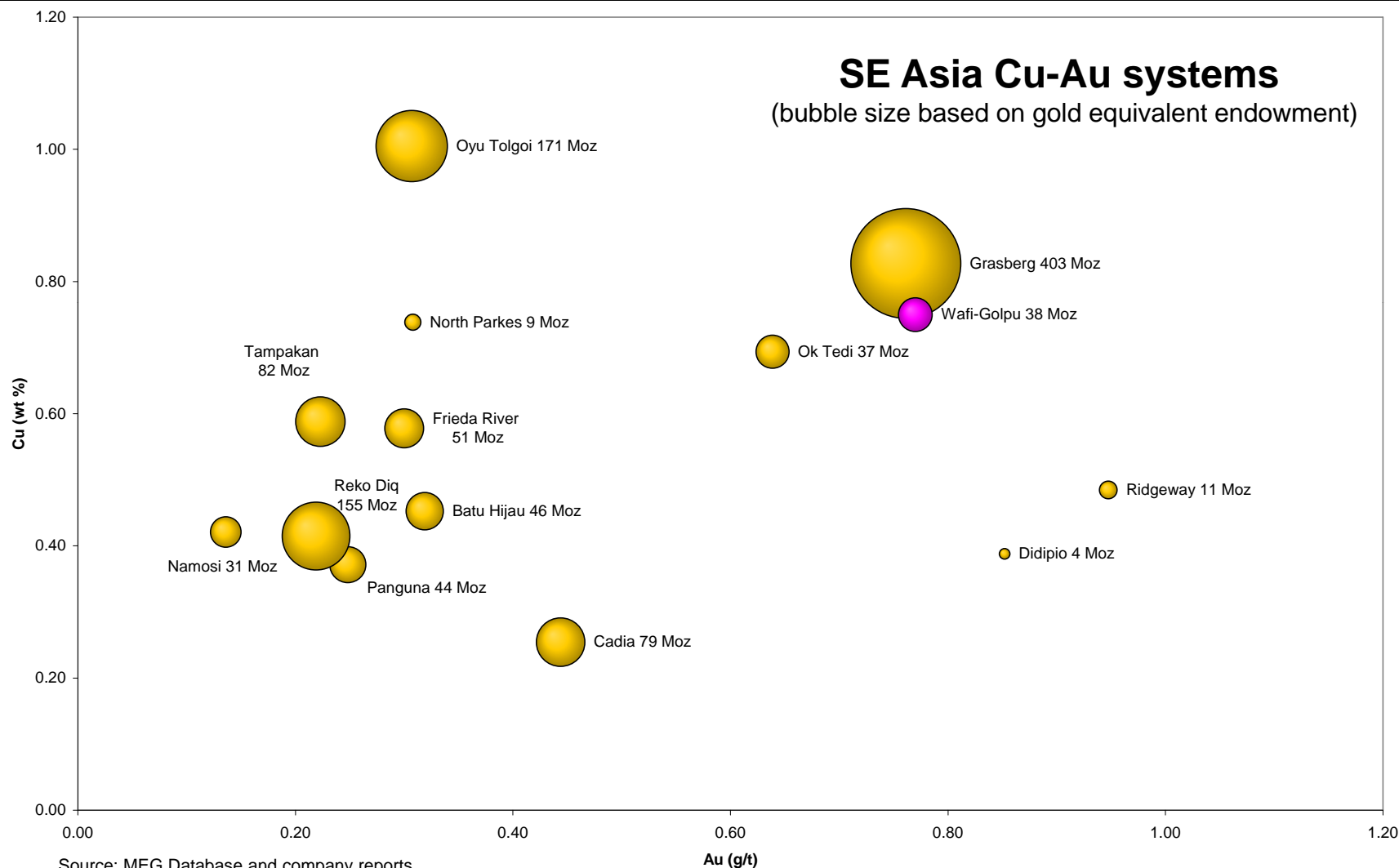


<sup>1</sup> Resource figures quoted as 100%. Gold equivalent based on US\$ 950 oz Au, \$4,412 /t Cu at 100% recovery for both metals.



- Golpu
  - large copper gold porphyry – high grade
  - cylindrical shape amenable to block caving
  - “standard” metallurgy
- Wafi
  - structurally controlled epithermal gold deposit.
  - high sulphidation system (+oxide)
  - require more complicated metallurgical recovery
  - amenable to open pit +/- block cave

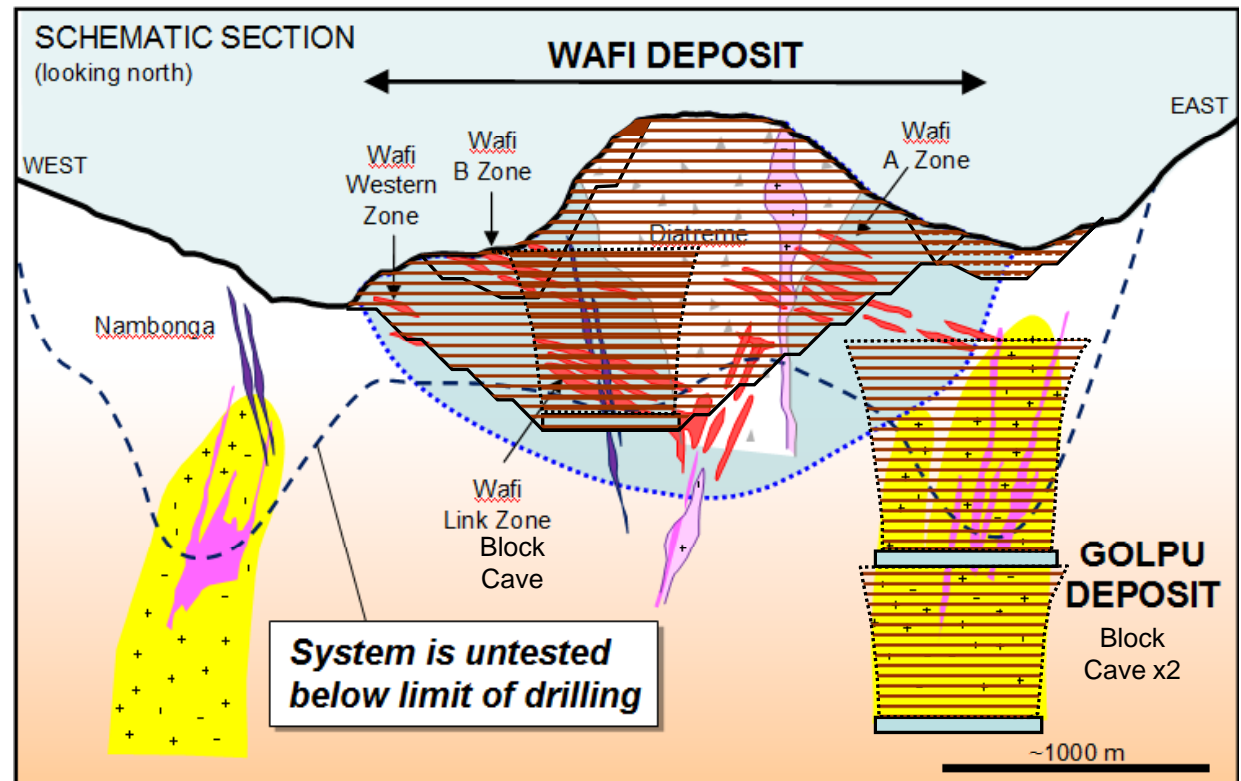




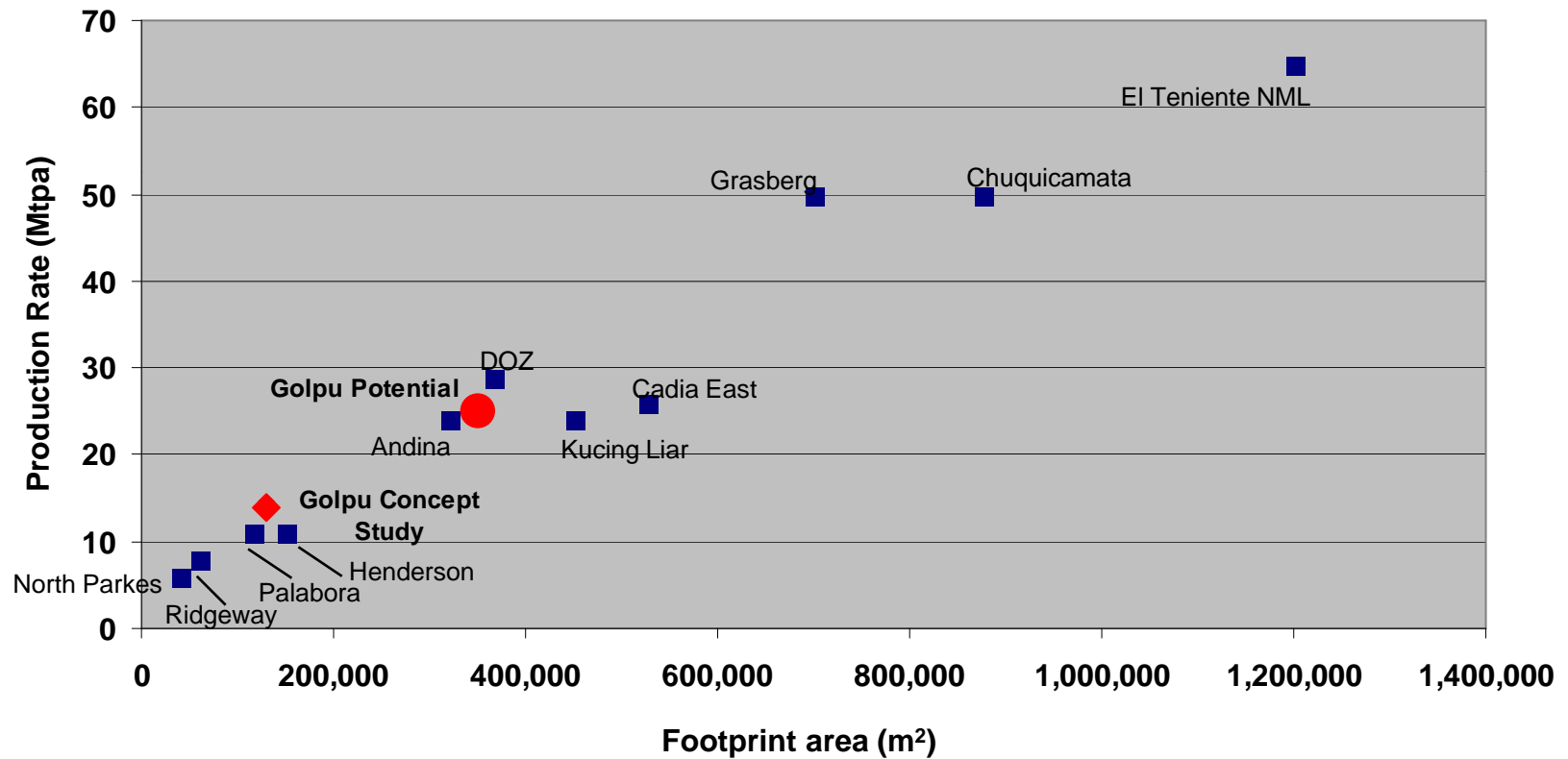
Source: MEG Database and company reports  
Gold equivalents based on US\$950oz Au, \$4 412/t Cu at 100% recovery for both metals



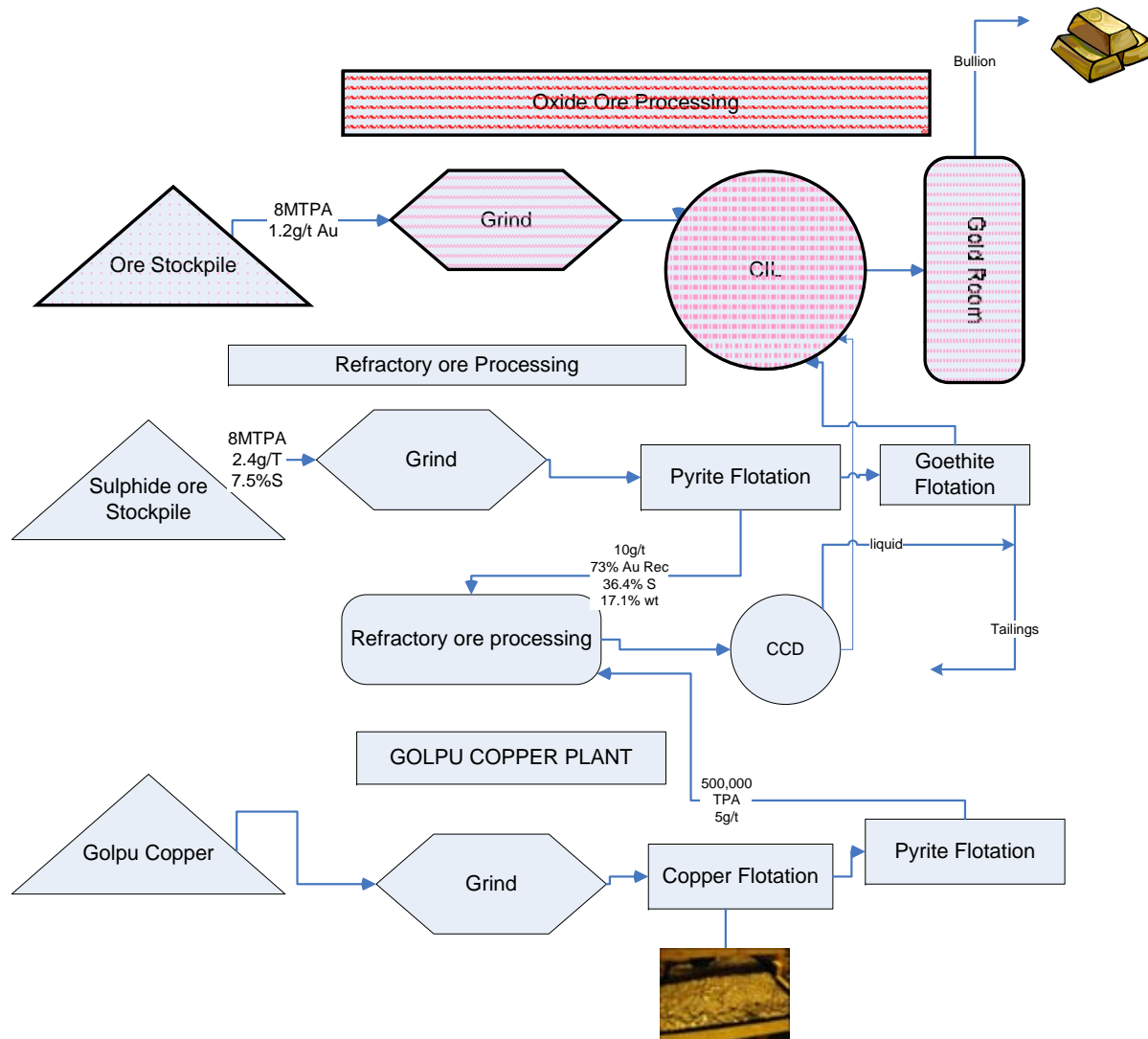
- Golpu Block Cave
  - two lifts
  - shape amenable
  - access via decline or shaft
- Golpu Open Pit
  - gold cap only
- Wafi Small Open Pit
  - oxidised zone
- Wafi Block Caves
  - single lift
  - 2 possible caves
  - link zone defines base
- Wafi Large Open Pit
  - access majority of Wafi ore
    - oxide and sulphide
  - drives to link zone
  - ~3:1 strip



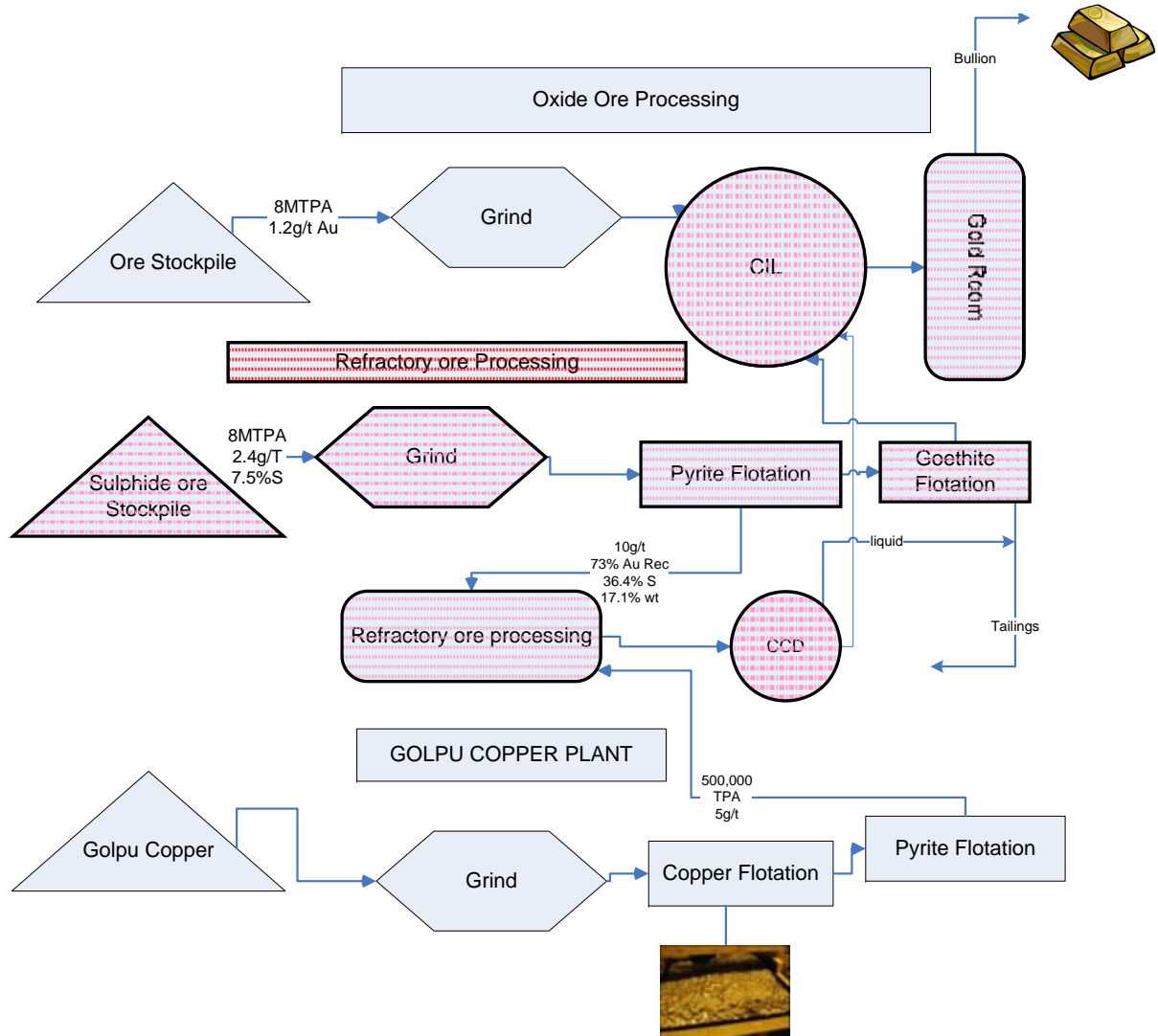
## FOOTPRINT AREA VS PRODUCTION RATE

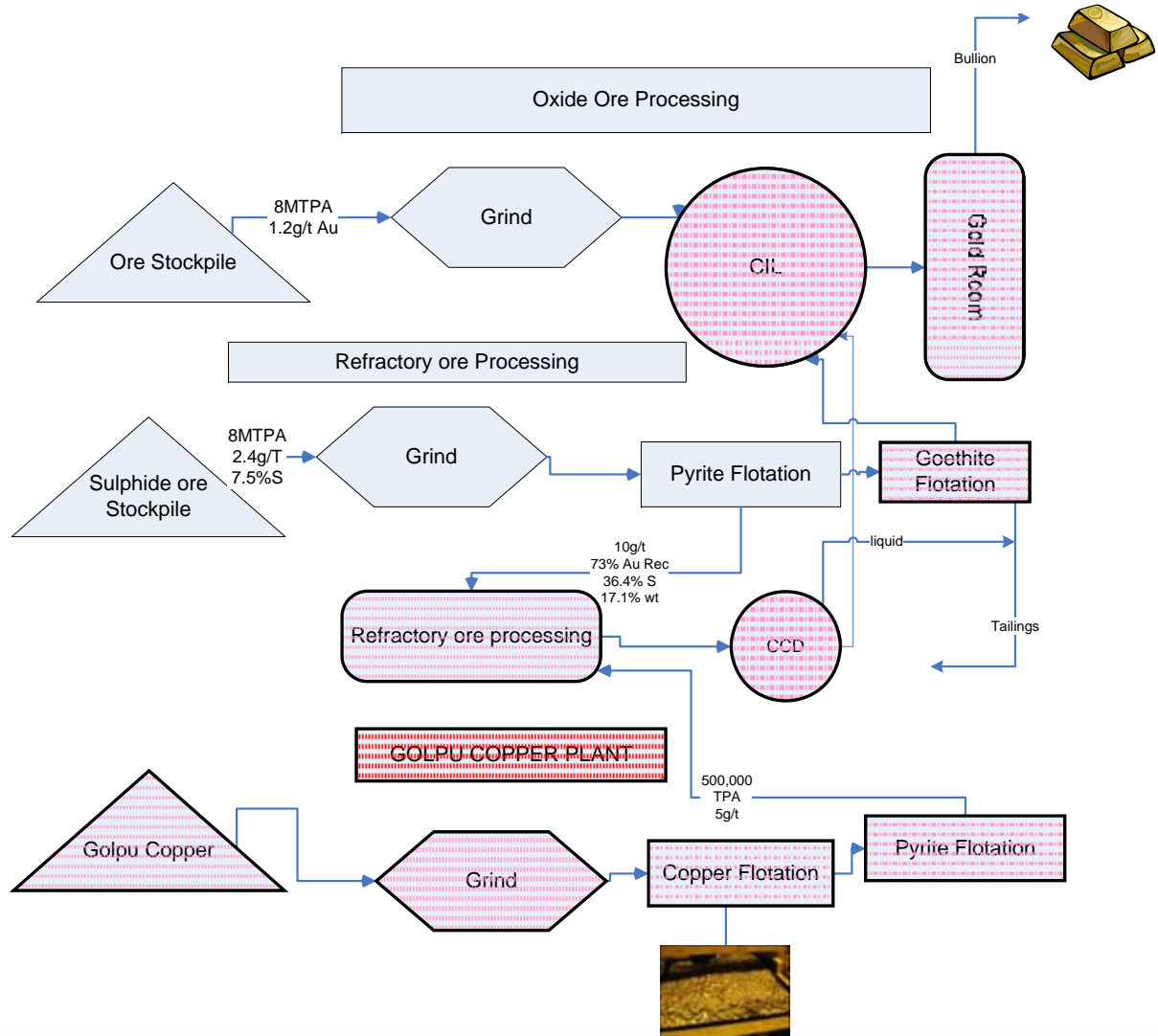


Wafi Oxide and Golpu Gold Cap  
Standard gold CIL circuit

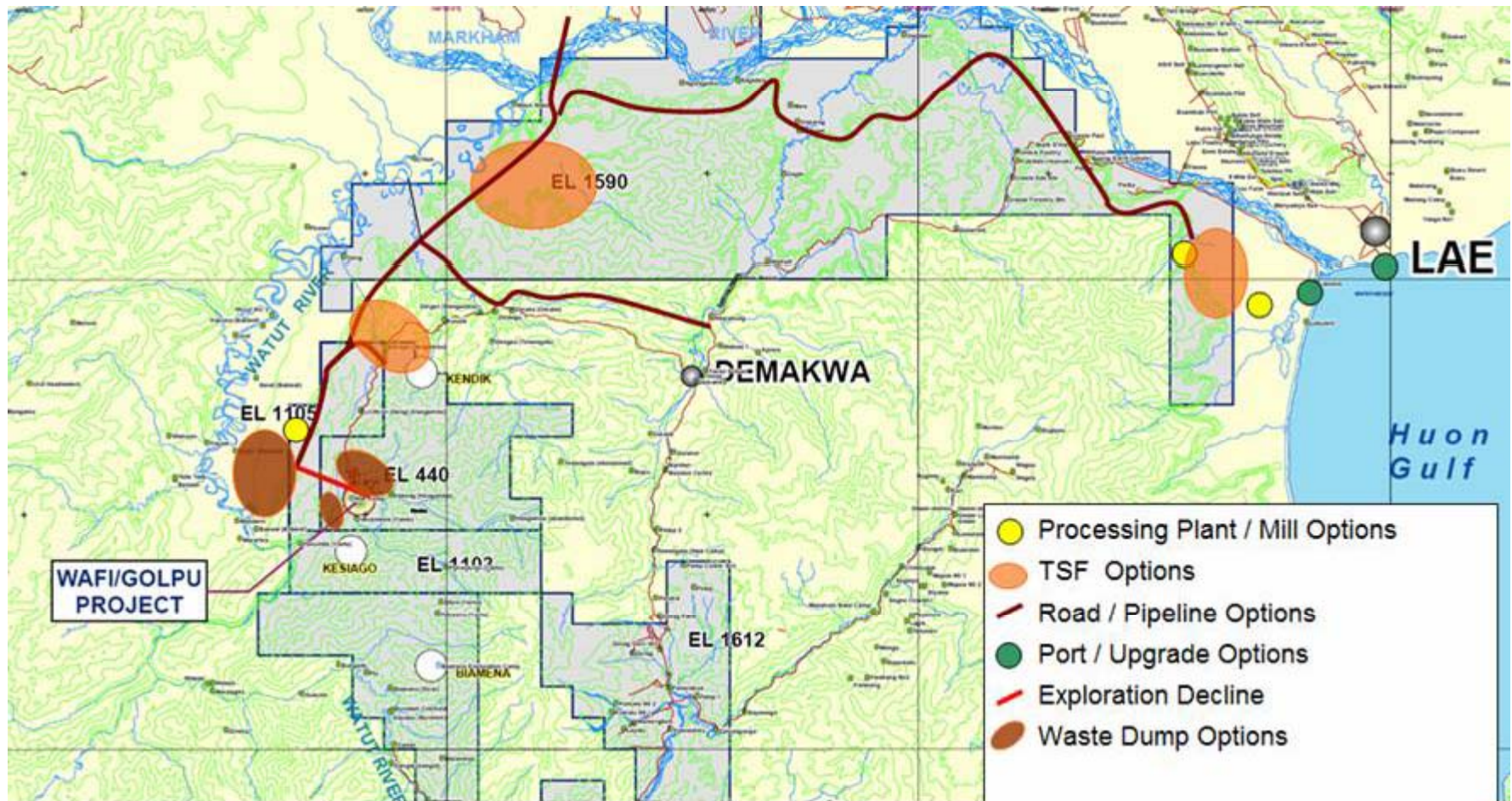


Refractory circuit for Wafi Sulphide – utilises pre-oxidation of Wafi high sulphide ores





Golpu Copper Circuit – standard copper float with pyrite float for gold tails

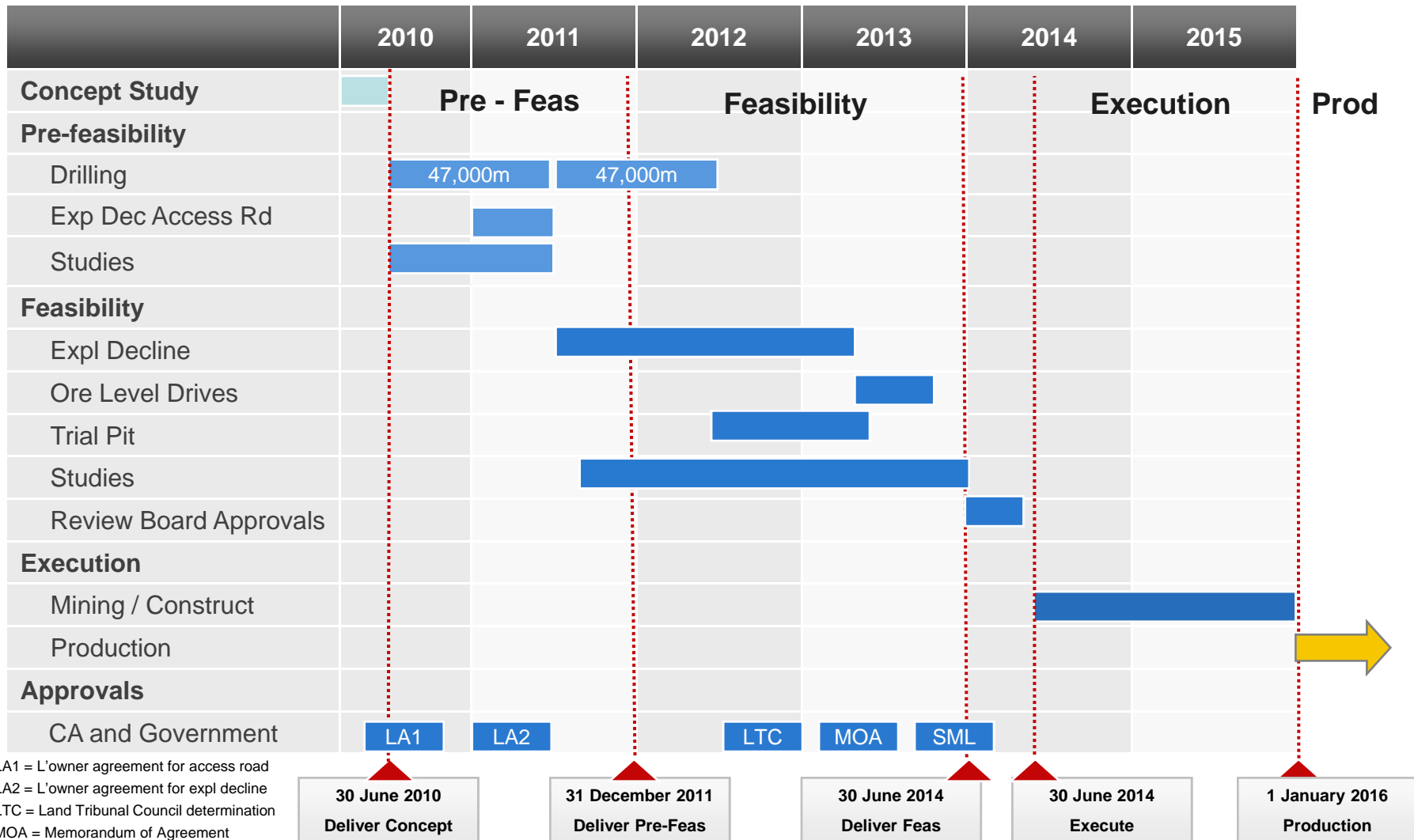


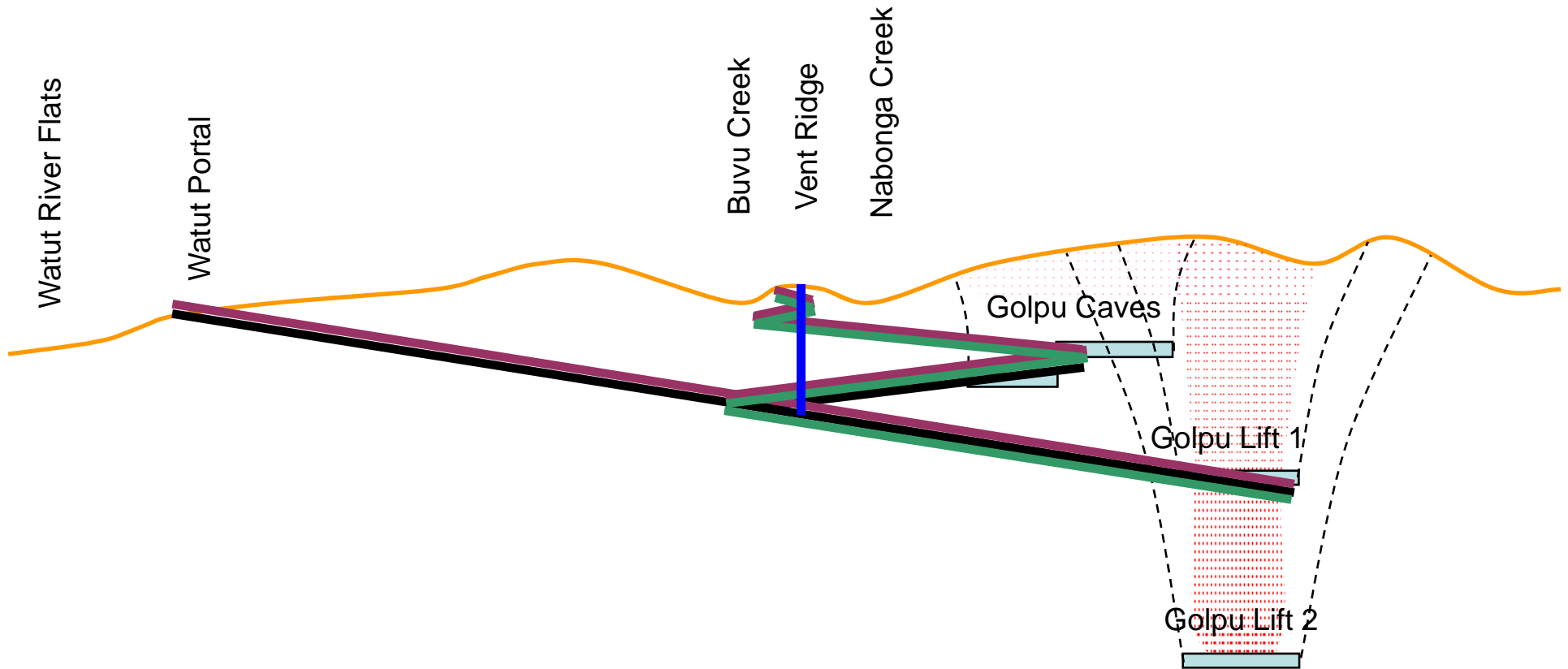
- Concept study draft completed in July 2010. Gate review underway, expect to finalise Sept 2010
- Study has shown technically and financially viable operation possible
- Multiple mining, processing and infrastructure options to be studied in pre-feasibility study (PFS)
- PFS will test:
  - 600Mt mining inventory
  - 400 – 700oz gold/yr
  - 100 – 130kt copper/yr
  - lowest quartile cash cost
- Value drivers:
  - expand resource – increase grade through more porphyry
  - expand resource footprint (Wafi and Golpu) - will allow increased production rate
  - increased gold recoveries at Golpu
  - optimal Wafi sulphide metallurgical solution
  - power supply – elastic relationship operating costs/met recoveries and size of Wafi
  - early access to ore bodies for metallurgical and geotechnical studies required

Determine land ownership	Lands Title Commission underway
Land access	Required for any works, including exploration and early works
Community consensus	Social licence to operate, capacity building of landowners essential
Wardens hearing	Allows landowners to voice objections in tenure granting, considered by Mining Advisory Council
Compensation agreements	Must be registered under the Mining Act, mining not allowed until registered
Development forum	Required for SML, ensures fair representation of stakeholders
MOA	Rights and obligations of developer and governments, benefit sharing
EIS	Includes Social Impact Assessment



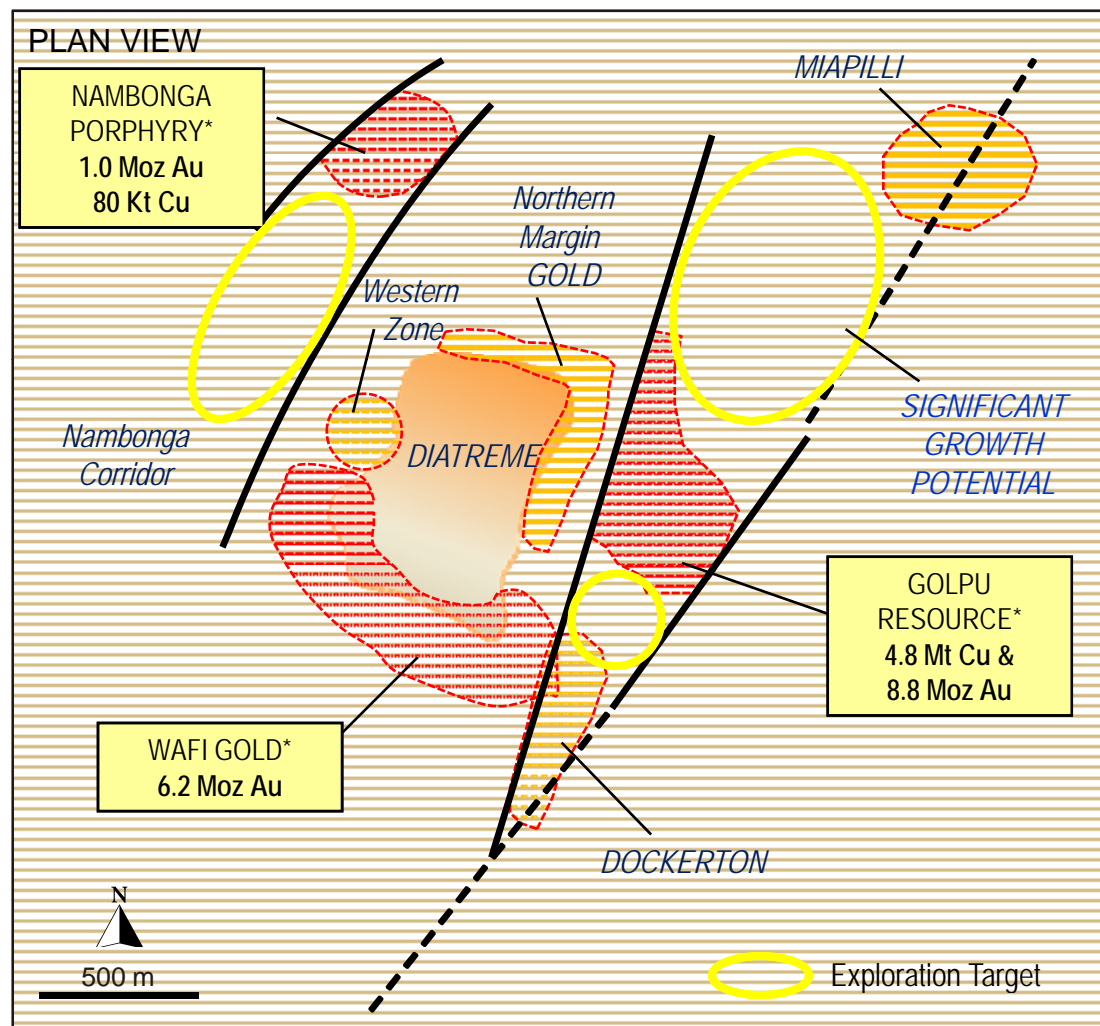
# Possible Wafi Golpu timeline





- D1 Option      Decline from Watut Valley
- D2 Option      Decline from Vent Ridge
- D3 Option      Decline from Vent Ridge and Watut Valley

- Major mineralised system with multiple phases
  - copper – gold
  - gold
- The system currently contains resources comprising 644Mt:
  - 16Moz gold
  - 4.8Mt copper
  - 55kt molybdenum
  - 39Moz Au eqv.\*
- Excellent potential for additional resource growth from surrounding prospects and target zones
- April Exploration target of 20Moz Au and 4Mt Cu will be revised upwards (already have exceed Cu guidance)



\*Refer Harmony website for July 2010 resource statement. Resource figures quoted as 100%. Gold equivalent based on US\$950 oz Au, \$4 412 /t Cu at 100% recovery for both metals. Molybdenum not included in metal equivalents.

- Wafi Golpu is a world class porphyry gold and copper system
- Resource is 644Mt for 16Moz gold and 4.85Mt copper (39Moz Au equiv.)
- Exploration potential is high and the Resource is expected to grow
- A concept study recommends taking multiple mining and processing options into pre-feasibility
- A pre-feasibility study is recommended to commence in August 2010 and is expected to take 18 months
- Pre-feasibility expected to cost ~US\$150
- Increase resource and reserve statements will be issued at completion of PFS (if not before)