



## HARMONY GOLD AND NEWCREST FORM PAPUA NEW GUINEA GOLD JOINT VENTURE

The world's 5<sup>th</sup> largest gold producer, Harmony Gold Mining Company Limited ("Harmony") and Australasia's largest gold company, Newcrest Mining Limited ("Newcrest"), announced today that they had signed an agreement which will allow Newcrest to earn a 50% interest in Harmony's Papua New Guinea (PNG) gold assets.

*The joint venture includes:*

- *The Hidden Valley mining operation, a gold and silver project, expected to produce over 250,000 ounces of gold and 3.6 Moz of silver p.a. over a 14 year mine life, peaking at over 300,000 ounces of gold p.a. in 2011. Production is scheduled to commence around mid 2009.*
- *The highly-prospective Wafi-Golpu gold/copper deposit and its surrounding exploration tenements.*
- *More than 3,400 square kilometres of Harmony's exploration tenements in Morobe province, 300 km north-east of Port Moresby.*

The PNG assets have a significant resource inventory, with a JORC-compliant resource base of approximately 31 million ounces of contained gold equivalent<sup>1</sup>. Current resources total 15.2Moz gold, 90Moz silver, 1,761kt copper and 22kt molybdenum.

Hidden Valley Reserves / Resources <sup>2</sup>		
Commodity	Reserve	Resource
Gold	2.9 Moz Au	5.7 Moz Au
Silver	42 Moz Ag	90 Moz Ag

Wafi-Golpu Reserves/Resources <sup>2</sup>		
Commodity	Reserve	Resource
<b>Wafi Gold</b>		
Gold	-	6.5 Moz Au
<b>Golpu Copper</b>		
Gold	1.4 Moz Au	3.0 Moz Au
Copper	800 kt Cu	1,761 kt Cu
Molybdenum	9 kt Mo	22 kt Mo

Newcrest will earn its 50% interest in the new joint venture by contributing a maximum of US\$525 million<sup>3</sup>.

The commitment will be in two stages: (i) an initial US\$180 million payment to acquire a 30.01% interest by 30 June 2008, together with a reimbursement to Harmony of US\$45 million<sup>3</sup> in project expenditure ("Stage 1 Completion"), and (ii) a farm-in commitment for the remaining 19.99% of approximately US\$300 million, to fund project expenditure up to the commencement of mining operations at Hidden Valley. Newcrest will fund the deal from internal cash flows.

Harmony and Newcrest will jointly operate the PNG assets from the date of Stage 1 Completion with voting rights in the operator to be in proportion to each joint venturer's interest. As a 30.01% interest holder, during the earn-in period, Newcrest's approval will be required for major decisions in the joint venture.

The deal demonstrates Newcrest's commitment to and confidence in the Hidden Valley development opportunity, as well as the potential of the PNG assets as a whole.

<sup>1</sup> Equivalents calculated at US\$670/oz Au, US\$2.30/lb Cu, US\$8/oz Ag and US\$20/lb Mo.

<sup>2</sup> Source: Harmony Gold Mining Company Limited. JORC compliant estimate as at 30 June 2007. Refer Harmony website.

<sup>3</sup> Based on the current estimate of Harmony's project expenditure of US\$150 million from 1 January 2008 to the expected Stage 1 completion date of 30 June 2008.

The structure also provides both parties with the assurance that the acquisition funding will be committed and applied directly towards development of the assets.

Harmony announced some time ago that it was evaluating strategic alliances with qualified companies that had relevant experience and resources to help develop and optimise the mining of the PNG assets. For Harmony, the creation of a joint venture facilitates significant capital investment into the PNG assets and substantially removes Harmony's obligation to continue funding the development of these assets during the farm-in period.

Importantly the introduction of a quality partner such as Newcrest with significant technical skills, particularly in copper mining and bulk underground mining techniques including block caving techniques will provide additional expertise to the existing Harmony team in PNG and will add to the development potential of the PNG assets.

Harmony's Chief Executive Officer, Graham Briggs, said the agreement with Newcrest represented a landmark event for the development of the assets, the region and Harmony.

*"We are pleased to welcome Newcrest as our partner in PNG. Newcrest's technical and financial capabilities will greatly assist with the ongoing development and expansion in PNG," said Mr Briggs.*

*"The combination of Harmony and Newcrest in PNG creates a unique team with the right skills, relationships and people to enhance the development of these assets. Both companies are committed to the continued application of industry best practice in PNG, which includes bringing new jobs, social benefits and sound environmental management to PNG, enhancing the economy in the Morobe region and supporting local communities.*

*"Current stakeholders in our PNG projects will benefit from the alliance between Harmony and Newcrest, with both groups having a strong commitment to ensure that all agreements and associated benefits for the affected landowners and people of PNG are maintained."*

He said Harmony's significant experience on the ground in PNG would be critical to ensuring successful development of the Hidden Valley and Wafi-Golpu projects, while Newcrest brought substantial technical expertise including world leading experience in underground block caving techniques and proven metallurgical and marketing skills for copper.

Newcrest's Chief Executive Officer, Ian Smith, said the transaction provided Newcrest with the opportunity to enter a new and prospective mining province – one of the largest undeveloped gold resources in the Australasian region - alongside a respected partner with substantial experience in PNG.

*"The near term production and cashflow from Hidden Valley, combined with the significant upside potential of Wafi-Golpu and the regional exploration tenements make this portfolio of assets very attractive to Newcrest," said Mr Smith.*

*"This is a major step forward in the implementation of our growth strategy and we are pleased to have secured this alliance with Harmony in the face of competition from other major global producers.*

*"Establishing a significant footprint in a developing jurisdiction, which recognises the long term value that responsible miners can bring to a community, represents a great opportunity for future growth. We are particularly pleased to be entering into this new province with a partner who is a leading global producer with extensive experience in gold mining and in PNG."*

Mr Smith said the PNG assets represent a balanced portfolio of near term production, advanced stage appraisal and significant exploration potential.

*"In our view these assets have the potential to develop into a major new mining province," he said.*

## Completion

The agreement is a binding agreement and has been approved by the respective boards of both Harmony and Newcrest. It remains subject to relevant PNG regulatory approvals and satisfaction or waiver of a small number of conditions precedent. Shareholder approvals are not required. Stage 1 Completion is expected by 30 June 2008.

Harmony and Newcrest have also agreed not to compete with each other in relation to mining activities over a significant portion of the Morobe province. In effect, this creates a regional alliance between the companies which will allow for the most efficient assessment, appraisal and development of the PNG assets and any additional assets that may be acquired within the region.

A presentation from Harmony, outlining further details on the transaction, has been separately released to the JSE and placed on the Harmony website at [www.harmony.co.za](http://www.harmony.co.za).

A presentation from Newcrest, outlining further details on the transaction, has been released to the ASX. It is available on the Newcrest website at [www.newcrest.com.au](http://www.newcrest.com.au).

## Asset Overview

Harmony's tenements comprise in excess of 3,400 square kilometres of tenure, centred on the goldfields district of the Morobe Province. Regionally the tenements cover a portion of the Papua New Guinea Orogenic belt which hosts a number of world class gold and copper-gold deposits including Porgera, OK Tedi and Grasberg.

### *Hidden Valley*

Hidden Valley is a gold and silver project located approximately 90kms southwest of Lae in Morobe province, Papua New Guinea. Currently under construction, commissioning of Hidden Valley is on schedule for around mid 2009. Hidden Valley is expected to produce over 250koz of gold and 3.6Moz of silver per annum at a cash cost in the lowest quartile over a projected 14 year mine life. Hidden Valley contains 2.9Moz of gold and 42Moz of silver in reserves (3.6Moz Au equivalent<sup>4</sup>). Resources contain 5.7Moz of gold and 90Moz of silver. Exploration potential in the immediate mine area is high and Harmony is confident that the mine life can be significantly extended.

### *Wafi-Golpu*

Located approximately 65kms southwest of Lae in Morobe province, Papua New Guinea, Wafi-Golpu is a highly prospective region with two advanced staged exploration projects – the Wafi gold project and the Golpu porphyry copper/gold project.

Wafi-Golpu comprises two separate mineralised systems in a highly prospective region with potential to develop into a major mineralised province. Wafi-Golpu is currently estimated to contain 9.5Moz of gold and 1.76Mt of copper in resources.

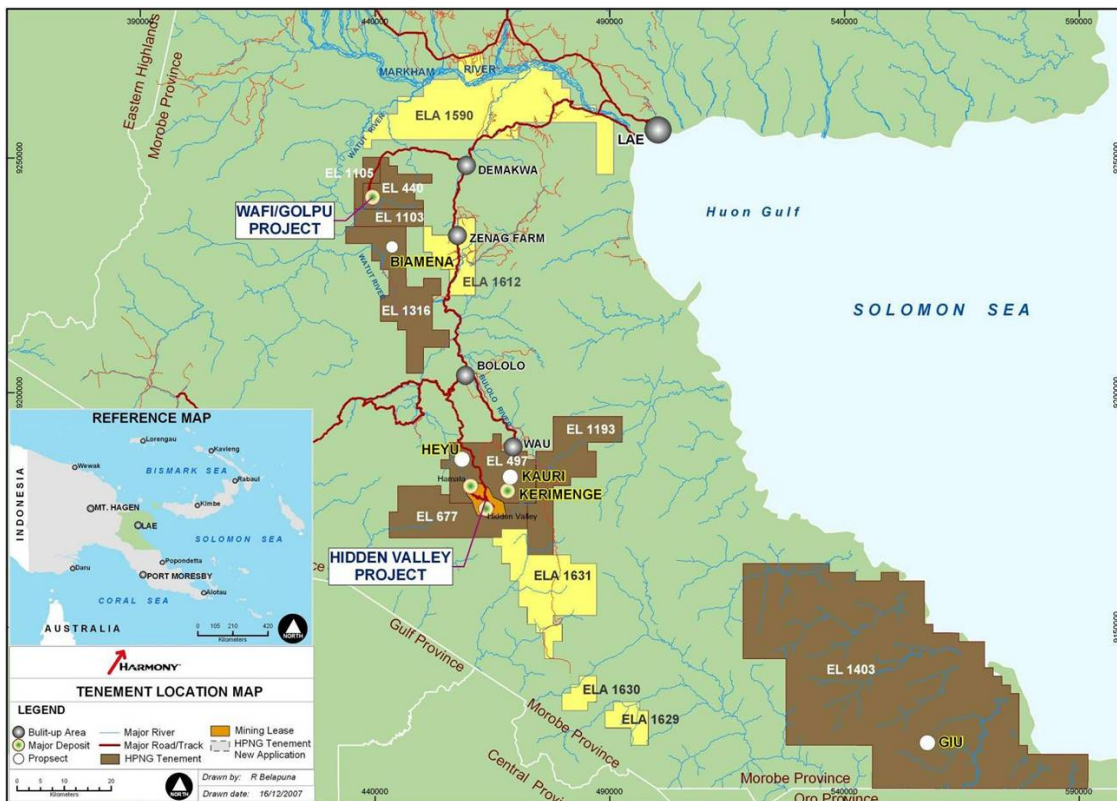
It is believed the defined resources at Wafi-Golpu are part of a larger system. An additional porphyry exploration target has been discovered at Nambonga North, 2kms northeast of Golpu with drilling returning intersections including:

WR262 178m @ 1.2g/t Au, 0.3% Cu  
WR264: 213m @ 1.1g/t Au, 0.3% Cu  
WR270: 117m @ 0.73g/t Au, 0.2%Cu  
WR272 168m @ 1.1g/t Au, 0.3% Cu

<sup>4</sup> Equivalentents calculated at US\$670/oz Au, US\$2.30/lb Cu, US\$8/oz Ag and US\$20/lb Mo

## Exploration

The tenement package is highly prospective for porphyry and hydrothermal Au and Cu/Au deposits. Past production and resources of Morobe goldfields district combine for an endowment of some 18 Million ounces of Au, 89 Million ounces of Ag, 3.9 Billion pounds of Cu, and 47 million pounds Mo. Drilling outside of the historic deposit areas is sparse and the tenement package contains a number of grassroots targets which have major geophysical and geochemical footprints indicative of porphyry copper-gold systems and represent significant exploration opportunity. Currently there are three drill rigs operating on exploration tenements.



## About Harmony

Harmony is the world's fifth largest gold producer and South Africa's third largest gold producer. Headquartered in Johannesburg, South Africa, Harmony operates 22 individual mines and projects in three countries, South Africa, Australia and Papua New Guinea (PNG). In FY07 Harmony generated a turnover of R9 billion and produced 2.3Moz of gold, primarily from its operations in South Africa. Harmony maintains an extensive global exploration program, focused on southern Africa, South East Asia and PNG. The company is listed on the Johannesburg Stock Exchange (JSE Code: HAR), with a market capitalisation around US\$5 billion.

## About Newcrest

Newcrest is Australia's largest gold producer with five operating mines in Australia and one in Indonesia. Newcrest's principal activities are exploring for gold and gold/copper deposits, and developing and operating mines. Newcrest operates open pit and underground mines in Australia and Indonesia. During the financial year ending June 2007, Newcrest produced 1.62Moz of gold and 88.9kt of copper. Newcrest is listed on the Australian Stock Exchange (ASX Code: NCM), with a market capitalisation around A\$15 billion.

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