HARMONY™

Harmony abridged integrated annual report 2012

Find out more

In this abridged report we have included references to additional information on certain sections, either in the integrated annual report or online.

This icon tells you where you can find more information online at **www.harmony.co.za**.

These QR code links will take you to information suitable to view on your mobile device. Download an application for your phone, take a picture of the code and the relevant page will open in your browser window.

Go to **www.harmony.co.za** for a more detailed account of the environmental, socio-economic and governance (ESG) aspects of Harmony's business.

For quick access on your mobile to the Harmony website scan the barcode above.

Alternatively go to **www.harmony.co.za** for more information.

The forward-looking statements can be found on the inside back cover of this abridged report.

We have integrated our values into the electron shell diagram to illustrate how our values permeate our business.

No matter the circumstances, **safety** is our main priority

We are all **accountable** for delivering on our commitments

Achievement is core to our success

We are all **connected** as one team

We uphold **honesty** in all our business dealings and communicate openly with stakeholders

An electron shell diagram for gold, the 79th element in the periodic table.

Key features 2012

Strategy

- Excellent progress on strategy of optimising asset portfolio and building low-cost, high-grade mines
- Exploration in PNG increases geographical diversification. Gold equivalent reserve ounces in PNG now represent 42% of Harmony's total reserves
- Two dividends paid, amounting to R431 million (US$59 million)
- Improved safety

Safety and health

- Harmony won six of seven awards at the annual MineSAFE conference, underpinning encouraging results from major safety initiative
- Improved safety performance rates (FIFR and LTIFR)
- Healthcare facilities expanded

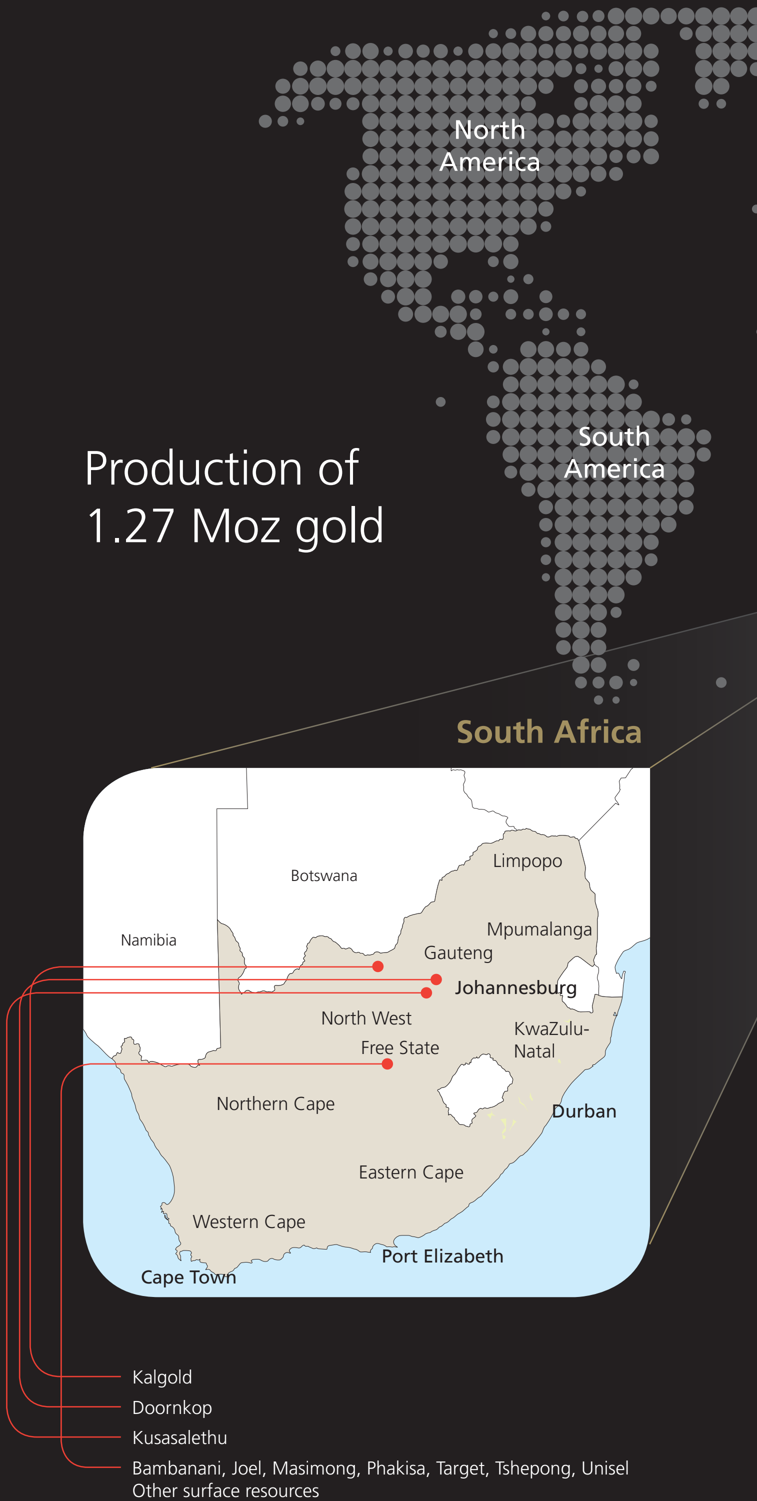
Community

- In South Africa, R50 million (US$6.4 million) spent on local economic development projects and R10 million (US$1.3 million) on corporate social responsibility projects
- In PNG, R14.6 million (US$1.8 million) spent on community programmes
- Preferential procurement expenditure in South Africa totalled R2.3 billion (42% of total discretionary expenditure) and K431 million (41%) in PNG

Environment

- Executing group-level environmental strategy focusing on standards, reporting and auditing
- Effective implementation of energy efficiency and climate change policy catapults Harmony to fourth place in Carbon Disclosure Project 2011 from 17th in 2010
- Free State rehabilitation programme reduces group environmental liability by around R100 million
- Success of PNG programme for community access to clean water

Production of
1.27 Moz gold



Net profit of
R2.65 billion (US$341 million)

Gold equivalent reserve ounces in PNG now represent 42% of Harmony's total reserves.

Labour practices and human rights

- Employee share ownership plan launched, benefiting around 33 000 employees
- Steady progress on employment equity in South Africa: HDSAs made up 43% of management
- In PNG, effective communication ensured through representative committees

Operations

- OHSAS 18000, ISO 14001 and ISO 9000 certification received for Harmony 1 plant, Phakisa, Tshepong, Masimong, Target plant and Target 1 post year-end
- Short interval controls introduced
- Underground grade down 4% at 4.42g/t
- Production of 1.27Moz (including discontinued operations)
- Operations in build-up showed an 8% improvement
- Commissioning phase almost complete on build-up mines
- Wafi-Golpu Resource at 1.2bn tonnes of mineralised material
- Golpu Reserves were increased to 450Mt after pre-feasibility study

Financials

- **Net profit for the year of**
  R2.65 billion (US$341 million)
  (FY11: net profit of R617 million/ US$86 million; FY10: loss of R192 million/US$24 million)
- **Basic earnings per share at**
  614 SA cents (USc79)
  (FY11: 144 SA cents/USc20; FY10: loss of 46 SA cents/USc6)
- **Headline earnings of**
  565 SA cents per share (USc74)
  (FY11: 223 SA cents/USc31; FY10: loss of 7c (USc1))
- Dividend* of 90 SA cents per share total dividends (FY11: 60 SA cents; FY10: 50 SA cents)
- Operating margin of 35% (FY11: 26%; FY10: 26%)

** Include dividends declared after year end.*

Securing the future

Responsible mining contributes to sustainability through:

1. Value creation
2. Skills development, education and training
3. Economic upliftment
4. Job creation
5. Poverty alleviation
6. Corporate social investment
7. Local economic development
8. Social and economic transformation
9. Infrastructure development

In financial year 2012 alone, Harmony has contributed over R7.3 billion in the form of salaries, taxes and social investment and paid R431 million in dividends. In addition, Harmony has invested R3.7 billion in capital expenditure and exploration that will secure jobs well into the future.

The framework that guides our approach to sustainability is detailed in the sustainable development report. This is based on global principles and focused on ensuring Harmony makes a positive contribution to the greater well-being of society and remains a responsible steward of the environment in which we operate.

Our framework acknowledges that while corporate citizenship is a moral responsibility, this duty rests on the inextricable link between profitability and sustainable development.

At all times, therefore, to secure Harmony's future for the benefit of all stakeholders, we strive to balance economic development with environmental protection and social responsibility within a robust governance framework.

Gold production

Social responsibility	Environmental protection	Economic development
• Labour practice • Safety and health • Training and development • HIV/Aids • Stakeholder engagement • Community relations • Equal opportunities	• Environmental management and auditing • Responsible use of resources • Effective closure and rehabilitation • Acid mine drainage management • Cyanide management • Climate change and GHG emission	• Global gold market • Returns to shareholders • Economic market in SA and PNG • Producing safe profitable ounces • Investing in the future • Economic transformation and empowerment

Governance and compliance

HARMONY IN BRIEF
ANNUAL REVIEW
ABRIDGED MINERAL RESOURCES AND RESERVES
FINANCIALS AND ADMINISTRATION
NOTICE OF ANNUAL GENERAL MEETING

While this approach is detailed in our sustainable development report, for convenience, in our integrated annual report we highlight the best practices being entrenched to ensure we secure the future:

Governance practices and reporting

- Harmony is listed and regulated by various stock exchanges – JSE, NYSE, Brussels and Berlin
- The company's solid governance structure is regularly reviewed
- Integrated reporting – we combine financial and non-financial reporting performance
- Our sustainable development report is aligned with GRI and King III, and independently assured
- Harmony has been a constituent of the JSE SRI index since inception in 2004

Governance structures

The Board, through its various committees, review both financial and non-financial matters within a regulatory framework and according to the requirements of various legislation and governance principles that the company is subject to.

A long-term approach

At Harmony, we subscribe to:

- Ethical business practices and sound systems
- Sustainable development considered in all decision-making processes
- Uphold fundamental human rights
- Base risk management strategies on valid data and sound science
- Seek continual improvement in health and safety performance
- Seek continual improvement in environmental performance
- Contribute to social, economic and institutional development
- Implement effective and transparent engagement and communication

Awards and recognition

Various third parties have acknowledged Harmony for its achievements in the past year. We received the following acknowledgements:

- ➜ Govan Mbeki Human Settlement Awards 2012
- ➜ SAMREC for the best reporting of Resources and Reserves by a mining or exploration company listed on the JSE Limited
- ➜ Harmony wins six out of seven safety awards at the MineSAFE 2012 Industry Awards
- ➜ 4th in Carbon Disclosure Project
- ➜ Qualified for the Nedbank BGreen Fund
- ➜ Included in JSE Socially Responsible Investment Index for 6th consecutive year
- ➜ Department of Mineral Resources Millionaire's Award for Safety – Doornkop 1 000 000 fatality free shifts
- ➜ International recognition of the significance of the Wafi-Golpu Cu-Au resource expansion through invitation at various international forums
- ➜ Harmony's International Mining Insurance Underwriters rating is above global industry average.

Scope of this report

Harmony abridged integrated annual report 2012

The abridged integrated annual report has been derived from the integrated annual report which is available online at **www.harmony.co.za**. The abridged integrated annual report covers the financial year from 1 July 2011 to 30 June 2012 (FY12). In line with its commitment to the principle of integrated reporting, Harmony Gold Mining Company Limited (Harmony) has, for the third time, incorporated its broader social, environmental and economic performance throughout its reports in line with the requirements of the King Report on Governance for South Africa (King III). In addition, the company has produced:

- **An online sustainable development report 2012** Go to **www.harmony.co.za** for a more detailed account of the environmental, socio-economic and governance (ESG) aspects of Harmony's business. This report has been compiled in accordance with the G3 guidelines of the Global Reporting Initiative (GRI) and the principles of integrated reporting as recommended by King III.

- **An annual report prepared on a Form 20-F**, filed with the US Securities and Exchange Commission (SEC), in compliance with the listings regulations of the NYSE. Electronic copies of this will be available from October 2012 free of charge on EDGAR at www.sec.gov and on our corporate website: **www.harmony.co.za**

The aim of these reports is to give all our stakeholders – shareholders, investors, employees, suppliers, regulatory authorities and governments around the world – an informative description of Harmony's business and operations, their impacts and the sustainable value we create.

Operational and financial information in this report covers the period FY12 with comparative annual data provided for information. The summarised consolidated financial statements in this report have been prepared in accordance with *IAS 34, Interim Financial Reporting*, the South African 2008 Companies Act and the listing requirements of the JSE Limited. The complete consolidated and company financial statements are available as part of the integrated annual report, which can be found online. Those financial statements have been audited by the group's external auditors, PricewaterhouseCoopers Inc, and an unqualified report has been issued.

The mineral resources and reserves information in this report has been compiled in accordance with the South African Code for Reporting of Exploration Results, Mineral Reserves and Mineral Resources (SAMREC), the Australian Code for Reporting Mineral Resources and Mineral Reserves (JORC) and Industry Guide 7 of the United States' SEC. This information has been gathered, reviewed and confirmed by the relevant competent persons as defined by SAMREC.

These reports, as well as additional detailed information on Harmony, including its regulatory filings, press releases, stock exchange announcements and quarterly reports, are available on the company's website at **www.harmony.co.za**.

All use of $ or dollar refers to US dollars, unless otherwise stated. All use of K refers to the currency of Papua New Guinea (kina). All production volumes are reported in metric tonnes (t) unless specifically referred to as imperial tons.

Doornkop mine, some 30km west of Johannesburg, is ramping up its production of the higher-grade South Reef project

Delivering long-term value

Hidden Valley, in the Morobe Province of Papua New Guinea, is Harmony's first offshore greenfield project

Harmony clearly understands that delivering long-term value is a process of interlocking elements – both financial and non-financial. **The balance between these elements is captured in our new company values and will guide our performance in future**.

In South Africa, more particularly in the world-renowned Witwatersrand Basin and Kraaipan Greenstone Belt, the company has ten underground mines and one open-pit mine and several surface operations. In PNG, Harmony has a 50% interest in the Morobe Mining Joint Ventures (MMJV), which includes Hidden Valley, an open-pit gold and silver mine (opened in 2010), the exciting Wafi-Golpu project, and extensive exploration tenements. Outside the joint venture, Harmony's own exploration portfolio focuses principally on highly prospective areas in PNG.

Significant capital expenditure in recent years has accessed the company's extensive resources and extended the lives of its mines.

We have made good progress in getting the company where we want it to be – producing better-quality ounces. Hidden Valley in PNG is now an operating mine, Harmony's first greenfields offshore development; in South Africa we have Kusasalethu, Doornkop and Phakisa projects in build-up. Mines such as Tshepong, Masimong, Target, Bambanani, Unisel, Evander and Joel have also been positioned to deliver on their production targets.

Harmony has invested a great deal in expanding its production base in South Africa and PNG. PNG has become one of the world's premier new gold regions. As part of Harmony's strategy to diversify internationally, we have increased our exploration expenditure significantly over the last three years.

Golpu's grade is 0.9% copper and 0.63g/t gold confirming it is one of the highest-grade copper-gold porphyry systems in south-east Asia. These excellent results validate our long-held belief that PNG is a company-changing region for Harmony. On a 100% basis, Golpu alone now hosts a resource of 1 000Mt, containing 20.3Moz of gold and 9.0Mt of copper (65Moz on a gold-equivalent basis).

Our resource base in PNG now represents 14% of Harmony's total gold resources (or 27% of the resource on a gold equivalent basis), in line with Harmony's strategy to increase its geographic diversification.

In South Africa, a surface exploration drilling campaign is under way at Masimong 5 shaft, east of a major north/south trending fault but within the present mining right. The first phase started in October 2011 with two drill holes completed to 1 800m below surface, intersecting both the B reef and Basal reefs. Another two holes are expected to be completed in October 2012. A second-phase exploration drilling programme will be considered depending on interpretation of final phase 1 results.

In FY12, Harmony produced 1.27Moz[1] of gold (FY11: 1.30Moz[1]). The company employed 40 257 people, largely in South Africa, of whom 34 187 were full-time employees and 6 070 contractors (FY11: 39 440 people, including contractors).

At 30 June 2012, Harmony reported attributable gold equivalent mineral reserves of 52.9Moz[2] (FY11: 41.6Moz) and attributable gold mineral resources of 150.2Moz[2] (FY11: 163.9Moz).

Harmony's corporate headquarters are in Randfontein, South Africa.

[1] *Including discontinued operations.*
[2] *Gold equivalent based on US$1 400oz Au, US$3.50lb Cu at 100% recovery for both metals.*

Key statistics 2012

		FY12	FY11
Operating performance			
Ore milled	000t	**18 792**	19 280
– Underground	000t	**7 524**	7 170
– Surface	000t	**11 268**	12 110
Gold produced[1]	kg	**39 642**	40 535
	000oz	**1 275**	1 303
– Underground	kg	**33 314**	33 627
	000oz	**1 071**	1 081
– Surface	kg	**6 328**	6 908
	000oz	**203**	222
Operating costs	R/kg	**270 918**	226 667
	US$/oz	**1 085**	1 009
Yield	g/t	**2.11**	2.07
– Underground	g/t	**4.42**	4.60
– Surface	g/t	**0.56**	0.57
Financial performance			
Revenue[2]	R million	**15 169**	11 596
	US$ million	**1 953**	1 659
Production costs[2]	R million	**9 911**	8 504
	US$ million	**1 276**	1 218
Total procurement spend: black economic empowerment	R million	**2 254**#	2 267
Operating profit[3]	R million	**5 258**	3 092
	US$ million	**677**	441
Operating margin	%	**35**	27
Net profit/(loss) for the year[4]	R million	**2 645**	617
	US$ million	**341**	86
Total basic earnings/(loss) per share[4]	SA cents	**614**	144
	US cents	**79**	20
Total headline earnings/(loss) per share[4]	SA cents	**565**	223
	US cents	**74**	31
Capital expenditure[4]	R million	**3 226**	3 036
	US$ million	**414**	436
Exploration spend	R million	**500**	324
Dividend spend	R million	**431**	214
Market performance			
Average gold price received	R/kg	**419 492**	307 875
	US$/oz	**1 680**	1 370
Exchange rate	R/US$	**7.77**	6.99

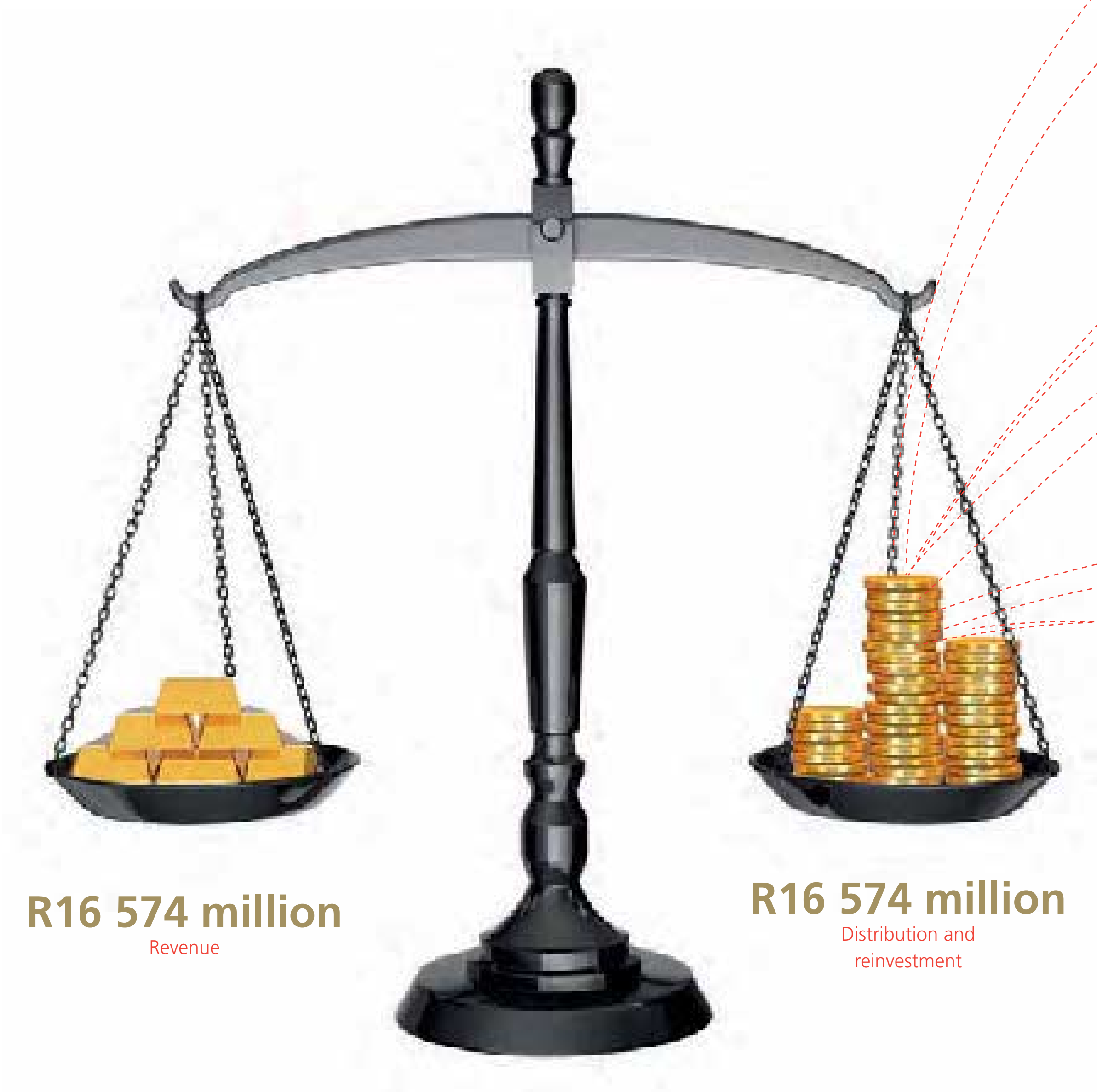
[1] *36kg/1 157oz capitalised (2011: 621kg/19 967oz).*
[2] *Prior-year figure re-presented to exclude discontinued operations.*
[3] *Operating profit is comparable to the term production profit in the segment report in the summarised consolidated financial statements and not the operating profit line item in the income statement.*
[4] *Includes discontinued operations.*
 # Assured by independent auditors. The independent assurance report can be found in the integrated annual report.
Note: All statistics are for total Harmony unless otherwise stated.

		FY12	FY11	FY10
Occupational health and safety				
FIFR – fatal injury frequency rate				
– South Africa	per million hours worked	**0.16**	0.17	0.21
– PNG		**0.00**	0.22	0.20
LTIFR – lost-time injury frequency rate		**6.67#**		
– South Africa	per million hours worked	**7.29**	8.32	7.73
– PNG		**0.45**	0.45	0.70
South Africa				
– Shifts lost due to occupational illness and injury		**24 979**	27 539	27 254
– Noise-induced hearing loss (NIHL) compensated cases		**101**	365	442
– Silicosis cases identified		**909#**	747	881
– New TB cases reported		**906**	1 201	1 302
– Number of people on HAART		**4 066**	2 902	3 226
People				
Number of employees and contractors		**40 257**	39 440	40 226
Employment equity (previously disadvantaged South Africans in management)	%	**43#**	42	40
Number of people in single rooms		**1 757#**	3 100	**
Number of people sharing		**10 574#**	7 925	**
Number of people in critical skills positions trained		**74#**	**	**
Community				
South Africa				
– Corporate social responsibility projects	Rm	**10**	14	23
– Local economic development	Rm	**50**	70	59
PNG	US$m	**1.8**	1.5	1.1
Harmony Group LED	Rm	**64.5#**		
Environment				
Mineral waste (volume disposed)	000t	**20 888#**	**	**
Land disturbed and available for rehabilitation	km^2	**9 779**	**	**
Total electricity use				
– Group	000MWh	**3 370#**	3 534	3 764
CO_2 emissions	000t CO_2e	**3 365**	3 715	4 532
Water used for primary activities	000m^3	**38 011#**	37 608	46 182
Cyanide use				
– Group	t	**11 097**	9 983	9 598
Funding and guarantees for rehabilitation and closure	R million	**2 386**	2 466	2 391
Mineral reserves				
– Gold equivalent reserve ounces	Moz	**52.9**	43.9	50.4

\# *Assured by independent auditors. The independent assurance report can be found in the integrated annual report.*
* *Scope 1 data in FY10 was over-estimated due to a unit discrepancy*
** *not previously reported*

Distribution and reinvestment of revenue

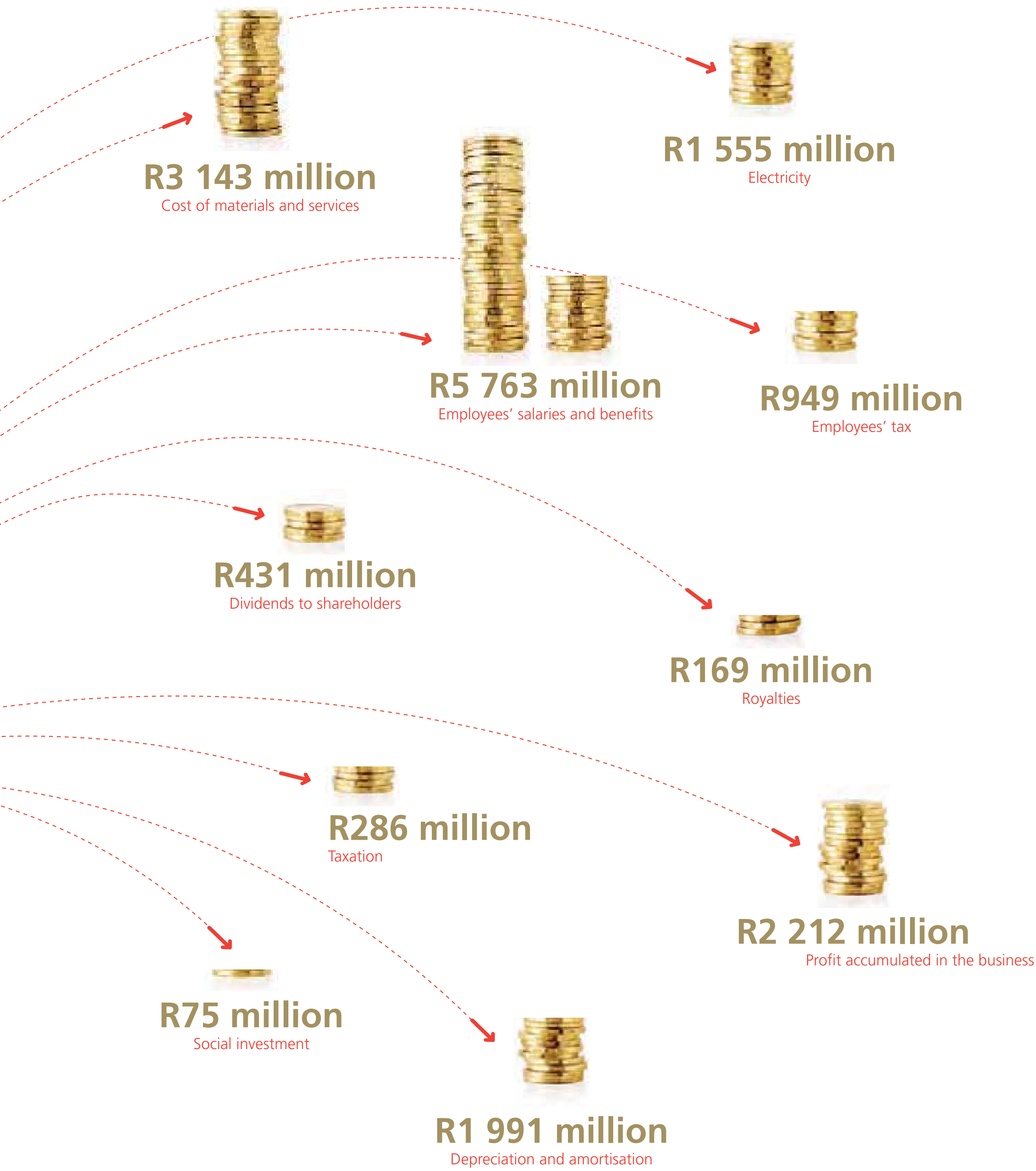
Harmony plays an important role in the lives of its employees, communities, government, suppliers and other stakeholders. The diagram below indicates how our revenue has been distributed and reinvested in FY12.



R16 574 million
Revenue

R16 574 million
Distribution and reinvestment

Note: Figures include Evander


R3 143 million
Cost of materials and services
R1 555 million
Electricity
R5 763 million
Employees’ salaries and benefits
R949 million
Employees’ tax
R431 million
Dividends to shareholders
R169 million
Royalties
R286 million
Taxation
R2 212 million
Profit accumulated in the business
R75 million
Social investment
R1 991 million
Depreciation and amortisation

Board of directors

Non-executive chairman

Patrice Motsepe (49)

Non-executive chairman

BA (Legal), LLB

Appointed to the board in 2003, Patrice became non-executive chairman during 2004. He was a partner in one of the largest law firms in South Africa, Bowman Gilfillan Inc. He was a visiting attorney in the USA with the law firm, McGuire Woods Battle and Boothe. In 1994 he founded Future Mining, which grew rapidly to become a successful contract mining company. He then formed ARMgold in 1997, which listed on the JSE in 2002. ARMgold merged with Harmony in 2003 and this ultimately led to the takeover of Anglovaal Mining (Avmin). In 2002 he was voted South Africa's Business Leader of the Year by the CEOs of the top 100 companies in South Africa. In the same year, he was the winner of the Ernst & Young Best Entrepreneur of the Year award. He is a recipient of numerous business and leadership awards. He is also the executive chairman of ARM Limited and the deputy chairman of Sanlam. Patrice serves on the International Business Council of the World Economic Forum. His various business responsibilities included being president of Business Unity South Africa (BUSA) from January 2004 to May 2008 – BUSA is the representative voice of organised business in South Africa. He is also president of Mamelodi Sundowns Football Club.

Deputy chairman

Modise Motloba (46)

Independent non-executive director

BSc, Diploma in Strategic Management

Modise joined the board in 2004. Currently chief executive officer of Quartile Capital (Proprietary) Limited, Modise is also a director of the Land Bank and Land Bank Insurance (chairman). His 19 years' experience in investment banking, treasury and fund management includes appointments at Rand Merchant Bank, African Merchant Bank, African Harvest Fund Managers and Goldman Sachs. Modise is a former president of the Association of Black Securities and Investment Professionals (ABSIP) where he was instrumental in formulating and negotiating the historic financial services charter in 2003.

Lead independent non-executive director

Fikile De Buck (51)

Lead independent non-executive director

BA (Economics), FCCA (UK)

Fikile joined the board in March 2006. A chartered certified accountant, she is a fellow of the Association of Chartered Certified Accountants (ACCA) (UK) and a member. From 2000 to 2008, Fikile worked in various capacities at the Council for Medical Schemes in South Africa, including as chief financial officer and chief operations officer. Prior to that, she was treasurer at the Botswana Development Corporation. Fikile is a non-executive director and chairman of the audit committee of Anooraq Resources Corporation. In August 2010, Fikile was appointed lead independent non-executive director and chairman of the nomination committee.

Independent non-executive directors

Joaquim Chissano (72)

Independent non-executive director

PhD

Joaquim was appointed to the board in April 2005. Former president of Mozambique (1986 to 2004), Joaquim also served as chairman of the African Union for 2003/2004. On leaving the presidency, he established the Joaquim Chissano Foundation for Peace Development and Culture, and has led various international peace initiatives on behalf of the United Nations, African Union and Southern African Development Community to Guinea-Bissau, Democratic Republic of the Congo, Uganda and Madagascar. In 2006 he was awarded the annual Chatham House prize for significant contributions to improving international relations and received the inaugural Mo Ibrahim prize for Achievement in African Leadership in 2007. He is a non-executive director of ARM Limited and TEAL. Joaquim was appointed to the Global Development Programme Advisory Panel of the Bill and Melinda Gates Foundation in December 2009.

Ken Dicks (73)

Independent non-executive director

Mine Manager's Certificates (Metalliferous and Fiery Coal Mines), Management Development Diploma and Management Diploma

Ken joined the Harmony board in 2008. He is a mining engineer with 39 years' experience in the South African mining industry. He spent 37 years working in the Anglo American Corporation's gold and uranium division where he held several senior positions. He presently serves as an independent non-executive director on the boards of Bauba Platinum and Witwatersrand Consolidated Gold Resources Limited.

Dr Simo Lushaba (46)

Independent non-executive director

BSc (Hons), MBA and DBA

Simo joined the Harmony board in October 2002. An entrepreneur and executive business coach, he previously held senior management positions at Spoornet and Lonmin plc and was chief executive of Rand Water. Simo is a member of the boards of Cashbuild Limited, Talent Africa, GVSC and the Nepad Business Foundation (SA).

Cathie Markus (55)

Independent non-executive director

BA, LLB

Cathie joined the board in May 2007. She spent 16 years at Impala Platinum Holdings Limited, initially as legal adviser and from 1998 to 2007, as executive director responsible for legal, investor and community affairs. After graduating from the University of the Witwatersrand, Cathie served articles at Bell Dewar & Hall. On qualifying as an attorney, notary and conveyancer, she joined the legal department of Dorbyl Limited. She is currently a trustee of the Impala Bafokeng Trust and chairs the St Mary's School Waverley Foundation.

Independent non-executive directors continued

Mavuso Msimang (70)

Independent non-executive director

MBA (Project Management) United States International University, San Diego California BSc, University of Zambia

Mavuso joined the board in March 2011. He has 27 years' experience in management at executive level. He was involved in the successful transformation and restructuring of various state-owned entities over a period of 16 years until 2010. Mavuso was director-general of the South African Department of Home Affairs and previously served successively as CEO of the State Information Technology Agency, South African National Parks and SA Tourism. He was country representative of international development organisations World University Service/Canada and CARE-International in Ethiopia and Kenya, respectively. He also held senior management positions with UNICEF and the World Food Programme. He currently consults in the conservation and tourism sectors.

John Wetton (63)

Independent non-executive director

CA(SA), FCA (England & Wales)

John joined the Harmony board in July 2011. He was with Ernst & Young from 1967 to June 2010. Corporate audit was his main focus, but for the last 11 years he played a business development role across Africa. John led Ernst & Young's mining group for a number of years and continued to act as senior partner for some of the firm's major mining and construction clients. John was a member of Ernst & Young's executive management committee and was, until retirement, a member of the Ernst & Young Africa governance board.

Non-executive director

André Wilkens (64)

Non-executive non-independent director

Mine Manager's Certificate of Competency, MDPA, RMIIA

André joined the Harmony board in August 2007. He was appointed to the board of ARM in 2004 and was chief executive officer of ARM until March 2012. He is currently executive director growth and strategic development (based in the office of the ARM executive chairman). He headed ARMgold for five years and ARM Platinum for a year before being appointed chief operating officer of Harmony after its merger with ARMgold in 2003. André has over 43 years' experience in the mining industry, particularly gold, platinum group metals, iron ore, manganese, coal, chrome, nickel and copper.

Executive directors

Graham Briggs (59)

Chief executive officer

BSc (Hons) (Geology)

Graham was appointed chief executive officer in January 2008, after his appointment to the board in 2007. Having joined Harmony as new business manager in 1995, Graham's previous positions include that of chief executive of Harmony Australia. A geologist by training, Graham has more than 37 years' experience in the field and in an operational capacity at a number of South African gold mines. Graham serves as a director on Harmony's subsidiary companies.

Frank Abbott (57)

Financial director

BCom, CA(SA), MBL

Frank joined the Harmony board as non-executive director in 1994, and was appointed financial director in 1997. In 2004 Frank was appointed financial director of ARM, while remaining on the Harmony board as non-executive director. In August 2007, Frank was seconded to Harmony as interim financial director, a position he held until handing over to Hannes Meyer in 2009. He was appointed executive director of Harmony in November 2011 and has been serving as financial director on the board of Harmony since February 2012.

Executive management

Executive directors continued

Harry Ephraim "Mashego" Mashego (48)

Executive director

BA Ed, BA (Hons), GEDP, JMDP

Mashego joined Harmony in July 2005 as group human resources development manager. Mashego, who has more than 21 years' experience in human resources, began his career as human resources manager at Eskom. He progressed in the field at JCI, Atlantis Diesel Engines and Foskor Limited. He was promoted to general manager at Harmony's Evander operations in 2005 and appointed executive: human resources in 2007. Mashego was appointed executive director: organisational development and transformation in 2010. He accepted his new role as executive director: government relations in August 2011.

Executive management

Jaco Boshoff (43)

Executive: mineral resources development and growth

BSc (Hons), MSc (Geology), MBA, PrSciNat, MSAIMM

Jaco joined Harmony in April 1996. He has served as the executive: reserves and resources and competent person since 2004. In 2010, projects and new business were added to his portfolio and he was the acting chief operating officer for Harmony's North region during FY12. From 1998 to 2004 he was an ore reserve manager at various Harmony operations and before that a geologist at Harmony and Gengold mines. Jaco is registered as a professional geological scientist with the South African Council for Natural Scientific Professions and is a member of the South African Institute of Mining and Metallurgy.

Anton Buthelezi (48)

Executive: human resources

National diploma (Human Resources Management), BTech (Labour Relations Management), Advanced Diploma in Labour Law

Anton rejoined Harmony in 2005 as human resources manager at Evander. He has over 23 years' experience in human resources management in the mining industry. Previous positions include senior HR officer at Anglogold Ashanti, and mid and senior managerial positions in the same field at ARMgold, Samancor Chrome and Harmony. He has a proven track record in the full spectrum of HR functions as a generalist. Anton joined the executive committee in October 2011.

Matthews Pheello Dikane (46)

Executive: legal, governance and ethics

LLB, LLM (Labour Law), Postgraduate Diploma in Management Practice, Postgraduate Diploma in Corporate Law

Pheello joined Harmony in 2009. He has 21 years' experience in the mining industry, working his way up from learner official to production mine overseer at AngloGold Ashanti Limited. During this time, he studied for his law degree and served his articles at Perrott Van Niekerk Woodhouse Incorporated. He returned to AngloGold Ashanti's corporate office as a legal counsel, later joining Brink Cohen Le Roux as a senior associate where he became a director.

Melanie Naidoo-Vermaak (37)

Executive: environment

BSc, BSc (Hons), MSc and MBA

Melanie joined Harmony in 2009. She is an experienced sustainable development specialist who has worked for both the private sector in the mining industry, and the public sector in the Departments of Water Affairs and Forestry and Minerals and Energy. She has spent more than 13 years in this discipline and has international environmental management exposure gained in the UK, Australia, Papua New Guinea, Fiji and Africa. She has held various positions at some of the world's leading mining companies, including BHP Billiton, Anglo American plc and De Beers Consolidated Mines Limited.

Executive management continued

Alwyn Pretorius (41)

Executive: health and safety

BSc (Mining Engineering), BSc (Industrial Engineering)

Alwyn joined Harmony on its merger with ARMgold in 2003. He began his career at Vaal Reefs as a mining graduate in training in 1993 and was appointed shift boss in 1995, gaining experience in remnant mining. Alwyn obtained his BSc in industrial engineering in 1998 and joined ARMgold in 1999 at its Orkney operations, becoming mine manager in 2003. Alwyn was appointed executive, South African operations at Harmony in March 2007, and then as chief operating officer: North region. He was appointed to his current position in August 2011.

Tom Smith (55)

Chief operating officer: South Africa

NHD (Mine Surveying and Metalliferous Mining)

Tom joined Harmony in 2002. He began his career in the industry in 1975 as a sampler at Vaal Reefs mine, becoming chief surveyor in 1988. He changed his career to mining in 1991, working as a section manager on the Great Noligwa, Elandsrand and Mponeng mines. He was also involved in projects at Tau Lekoa and Moab Khotsong, acquiring experience in conventional, trackless, pillar and deep-level mining. He was promoted to production manager at AngloGold's Mponeng in 1998. Tom was appointed general manager of Tshepong in 2000. Following the merger with ARMgold, he was involved in restructuring the Free State operations. He joined the executive team in September 2007.

Marian van der Walt (39)

Executive: corporate and investor relations

BCom (Law), LLB, Higher Diploma in Tax, Diploma in Corporate Governance, Diploma in Insolvency Law, Certificates in Business Leadership

Marian was appointed company secretary in 2003 and joined Harmony's executive committee in 2005 as executive: legal and compliance. This included taking responsibility for company secretarial, risk management, internal audit and Sarbanes-Oxley compliance. In 2008, she resigned as company secretary, enabling her to accept her current position as executive: corporate and investor relations. Staff engagement was added to her portfolio in February 2012. Marian began her career as attorney and conveyancer in 1998 and held positions at Routledge Modise Attorneys, Deloitte and Touche and the Standard Bank of South Africa Limited prior to joining Harmony.

Johannes van Heerden (40)

Chief executive officer: South-east Asia

BCompt (Hons), CA(SA)

Johannes was appointed chief executive officer of south-east Asia in January 2008. He is responsible for Harmony's Papua New Guinea assets which comprise an extensive exploration portfolio in addition to the Morobe Mining Joint Ventures' assets. In this role he serves as rotating chairman on the Morobe Mining Joint Ventures (MMJV) committee which provides oversight and direction to the MMJV assets consisting of the Hidden Valley mine, Wafi-Golpu project and Morobe exploration, held in 50/50 partnership with Newcrest Mining Limited. He joined Harmony in July 1998 as financial manager of the Free State operations with operational and group reporting responsibility for the region. He was appointed group financial manager in 2001, before being relocated to Harmony South-east Asia as chief financial officer in 2003, responsible for Harmony's Australian and Papua New Guinean portfolio. In this capacity, he served as non-executive director of Abelle Limited, the ASX-listed Australian company that held the PNG assets before Harmony's takeover. He was appointed to the Harmony executive committee in 2005.

Abré van Vuuren (52)

Executive: risk management and services improvement

BCom, MDP, DPLR

Abré was appointed human resources manager at Grootvlei Gold Mining Company when Harmony acquired the operation in 1997. He joined Harmony's executive committee in 2000, responsible for industrial relations. Since then he has held various positions in services and human resources until accepting his current position as executive: risk management and services improvement. Abré started his career in the mining industry in 1982, holding positions in finance and mainly human resources, on various gold mines and collieries in the Rand Mines Group.

Chairman's statement

Patrice Motsepe
Chairman

"The Harmony of today is a significantly better company than the Harmony of a few years ago."

Dear shareholder

The Harmony of today is a significantly better company than the Harmony of a few years ago.

We have a strong balance sheet and a portfolio of quality assets, having sold or closed our high-cost, marginal and non-core assets. Harmony has a collection of world-class assets which have generated free operating cash flow of over R2.5 billion for the year to 30 June 2012; comfortably funding the required capital expenditure for the year and significantly reducing net debt.

Our diversification strategy has seen Harmony expand beyond South Africa's borders to one of the world's premier new gold regions – Papua New Guinea (PNG) – with exploration results that vindicate our investment. Gold equivalent reserve ounces in PNG now represent 42% of Harmony's total reserves compared to 11% a year ago.

This diversification has also reduced our exposure to a single currency. Year on year, the US dollar gold price received rose 23% while the South African rand weakened by 11% against the US dollar, resulting in a 36% increase in the gold price in R/kg terms, and leaving Harmony with strong margins.

In South Africa, gold production from the company's four world-class mines in build-up is steadily increasing, as is overall grade, reflecting the benefits of our capital investment in these operations in the past financial year. In addition, Harmony is a partner in one of the biggest gold projects worldwide – Wafi-Golpu in PNG. At present, our SA mines which are in the build-up phase (Kusasalethu, Doornkop, Phakisa and Target) represent 30% of our total gold equivalent mineral reserves. These mines, together with Wafi-Golpu in PNG, are the solid foundation on which Harmony will in the medium to long term increase profits, reserves and gold production.

The importance of investor confidence

We are witnessing a gradual but discernible shift in global economic power and activity from west to east as the global economy slowly recovers from its first recession in over six decades. This recovery is, however, unevenly distributed; sluggish in developed economies and more sustained in developing countries. In addition, the material-intensive nature of growth in emerging economies will escalate in the next decade, responding to the urbanisation and industrialisation pressures particularly in China, India and other emerging markets.

Simply put, the rules of the game have changed in the mining industry. With restructured balance sheets, mining companies are looking for new opportunities and the shift is to emerging markets. Demand continues to be stoked by growth in these markets as supply becomes more challenging, given declining grades and new mines in remote locations.

The mining industry is also confronted by increased demands and expectations from governments, the communities living near our mines and other stakeholders in some developing economies. Inclination towards resource nationalism is also on the increase.

In the past year, investors have voiced concerns about the security of their investments in the mining industry, particularly in South Africa after reports about mooted initiatives ranging from nationalisation, excessive taxes and, most recently, the tragic events in Marikana and labour unrest and strikes in the mining sector.

The mining industry is a significant and strategically important sector in South Africa's economy, generating around 18% of the country's GDP (10% indirect) and 50% of its total foreign exchange earnings. The industry also accounts for around one million jobs directly and indirectly.

The most successful mining countries in the world are those that have created a globally competitive and attractive environment for domestic and foreign investment in the mining and other sectors of their economy.

In these countries, thousands of new jobs have been created, the standards of living of their inhabitants have significantly increased, poverty is decreasing and there has been growth of the middle class. Chile, Brazil, Botswana, Ghana, Peru, Tanzania and, more recently, Zambia are a few examples of countries that have recognised the substantial benefits of establishing a mining dispensation that is globally competitive and attractive to investment in the mining sector.

I have no doubt that the South African government is aware of these mining success stories and recognises the crucial importance of maintaining the confidence and trust of the investment community.

Stakeholder benefits from mining

Harmony is committed to creating value for its shareholders and recognises its obligations to its employees, the communities living near our mines and other stakeholders.

In the past year Harmony invested over R75 million in improving the living standards of many communities in South Africa and Papua New Guinea. These funds were allocated to local development initiatives and in terms of other social and labour plans (detailed in our sustainable development report).

Despite Harmony's solid results, concerns were raised recently about the company's ability to fund its expansion, specifically Wafi-Golpu in PNG. Given the importance of Wafi-Golpu, the company's strong cash flow, low debt and undrawn lending facilities and a rand/dollar exchange rate which is working in Harmony's favour, we are confident that we will fund our portion of the Wafi-Golpu expansion project.

Management is focused on meeting its guidance to the investment community of delivering 1.7 million ounces of gold by 2016 on a risk-adjusted basis. An important component in reaching this milestone lies in the development work being done throughout the company to ensure our grade continues to improve. Delivery on the company's targets should contribute to recognition of the value in Harmony's share price.

Safety

The safety and health of all our employees remains Harmony's foremost priority and our target is an injury-free workplace. We understand that the sustainability of our company and the mining sector as a whole depend on the skills and expertise of our workforce.

The South African mining industry continues to improve its safety performance as evidenced by a further decline in the industry number of fatalities in calendar 2011. In the past decade, fatalities have declined by almost 40% despite working at greater operational depths. This commendable progress reflects the commitment of all stakeholders to mine safely. We still have a long way to go before reaching our stated goal of an injury-free workplace.

To realise this goal, a comprehensive safety initiative is being rolled out across the company's mines with encouraging results. An important element of this initiative is effectively communicating that safety lies at the heart of every action and that the consequences of unsafe behaviour permeate the company – from the operational impact of each safety stoppage to the impact on the morale and safety of all employees.

This safety initiative is set out in greater detail in the chief executive officer's review and Harmony's sustainable development report.

Our people

In line with our values, developed in consultation with our employees and graphically illustrated in our reports, major initiatives in FY12 focused on our workforce. Everything we do at Harmony is based on these values, namely – safety, accountability, achievement, connectedness and honesty (discussed in more detail in the CEO's report). This means we believe and do what is right for our shareholders, employees and other stakeholders.

The key issues that will underpin our sustainability therefore include transforming attitudes to safety from reactive to proactive. This is already producing encouraging results as evidenced by the drop in the number of injuries in Harmony's mines. The task of changing attitudes is widely acknowledged as being the most important element in successfully managing the process of creating a safe working environment in the mining sector.

Harmony is fortunate to enjoy very healthy relationships with its unions and employees, and considerable effort is devoted to continually strengthening these relationships to ensure all stakeholders work together in adopting leading global practices.

In August 2012 awards were made under the first Harmony employee share ownership plan (Tlhakanelo Employee Share Trust) which was well received and builds on the performance bonus established in FY11. Through this trust, over 33 000 employees and their dependants will directly benefit from the restructuring and repositioning under way to ensure Harmony's growth and continued success. Initiatives like these recognise the value our workforce adds to building a sustainable business and ensure we retain the scarce skills on which our operations depend.

Operational performance

Year on year, Harmony increased production profit by 80% to R5.9 billion, up from R3.3 billion in FY11. Gold production decreased marginally while cash operating costs per kilogram of gold produced increased. The net profit of R2.6 billion for the year is a fourfold increase on FY11.

Headline earnings and headline earnings per share (HEPS) more than doubled year on year, from R957 million to R2.4 billion and 223 SA cents to 565 SA cents respectively.

These results underpin my earlier comments about our company's robust financial health.

Dividends

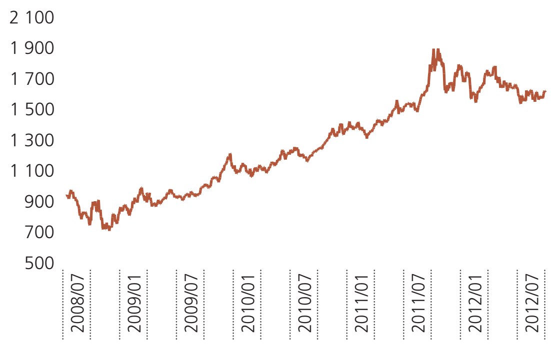
In line with our strategy of paying regular dividends, I am again very pleased that the board has approved, in addition to the interim dividend declared at half year, an annual dividend for the fourth consecutive year. A payment of 50 SA cents per share (thus a total dividend of 90 cents declared for FY12) was approved, underscoring Harmony's steady delivery on its strategy to attain sustainable profitability that funds both dividends and growth.

Gold – still a safe haven

Since the global financial crises in 2008 the world has seen an extended period of very low interest rates, combined with unprecedented measures by central banks to provide liquidity and stimulus to the global economy. Faith in paper currencies is being undermined by high levels of government debt in the developed world and the more accommodating monetary policy being applied worldwide.

In this uncertain environment, inflation expectations are rising, explaining the increased official-sector demand for gold bullion and investor demand for gold exchange traded funds (ETFs) holdings reaching an all-time high. Most notably, total demand from India and China combined has nearly doubled over the last five years. Against this background the gold price has increased from around US$700 per ounce to current levels of US$1 700/oz to US$1 760/oz. While these conditions prevail, it is likely the gold price will continue this rising trend.

Gold price in US dollars for the past four years



Sustainable development

By definition, any sustainable development strategy must be dynamic to adapt to changing conditions, needs and expectations. For Harmony this means:

- We need to operate our mines safely and competitively to generate the cash flows that will finance sustainable organic and acquisitive growth and pay dividends to our shareholders. As noted, our shareholders now include over 33 000 employees who in turn support approximately 330 000 people
- The sustainable development of our operations for the benefit of all stakeholders is fundamentally important. Our growth benefits our local suppliers and their dependants as well as local communities as a whole. Direct benefits accruing to local stakeholders include jobs, preferential procurement and enterprise development, while indirect benefits span infrastructural investment in road works, utilities, housing, education and healthcare

Each year we identify, in consultation with our stakeholders; issues which are material to our operations. These include mine safety, health, environmental and social issues, and are detailed in our integrated annual and sustainable development reports.

Harmony continues to make notable progress in meeting its environmental obligations:

- The implementation of our energy efficiency and climate change policy catapulted the company from 17th place in 2010 to fourth in 2011 in the Carbon Disclosure Project
- A number of operations were certified to integrated OHSAS 18000/ISO 14001/ISO 9000 standards during the year. In line with our policy to entrench global best practices in our company, we are executing a group-level environmental strategy to standardise processes and systems
- In the Free State province three closed metallurgical plants were rehabilitated and the rehabilitation of nine mines has started – restoring the land to its former status
- Our programme in PNG is aimed at giving local communities access to clean water, while an external stakeholder advisory panel is providing valuable independent advice on environmental and community-related issues stemming from operating the Hidden Valley mine.

In line with our objective of sustainable social development during and after the life of our mines, in South Africa and PNG we have made further progress in supporting local businesses. In both countries we are meeting challenges presented by the lack of infrastructure, skills and finance affecting potential suppliers to Harmony. These and other initiatives are discussed in the sustainable development report.

Corporate governance

For mining entities in South Africa, good governance remains a prerequisite to obtaining a mining licence. Holders of mining licences are seen as stewards or custodians of an asset that is the common heritage of all South Africans, and must be exploited for the benefit of the country as a whole.

We are committed to complying with legislation in the countries where we operate and adhering to global best practices. In many instances, we exceed local compliance levels to achieve and maintain good practice standards. The corporate governance report in the integrated annual report details progress during the year and underlines our commitment to continually reviewing and refining Harmony's systems of internal control and risk management, and robust code of ethics.

We produced our first integrated report in 2011 as required by King III. Although Harmony has long been known for its comprehensive reporting, we now provide even more detailed disclosure of the risks our company faces and the strategies in place to ensure all stakeholders' interests are protected.

Fikile De Buck has been a director since 2006 and was reappointed lead independent non-executive director in August 2012. John Wetton was appointed an independent non-executive director on 1 July 2011. Cedric Savage retired on 30 November 2011 and we are truly grateful for his invaluable contribution to the growth of Harmony over the eight years that he served on our board. David Noko, deputy chairman, resigned on 19 June 2012 to pursue a full-time executive position at another company. Post year-end, Modise Motloba was appointed as deputy chairman.

The board is pleased that Graham Briggs has agreed to extend his contract as chief executive officer with the company for a further four-year term.

The Harmony board now has 13 directors; three executive directors, two non-executive directors and eight independent non-executive directors.

Thanks

The collective effort of over 40 000 people is reflected in Harmony's results for the year and we thank each and every one of them for their commitment and contribution to the growth and development of Harmony. Graham Briggs and his first-rate management team are steadily unlocking the exciting potential of our company with the support, counsel and expertise of my colleagues on the board.

I would like to express our gratitude to every one of the Harmony board members for their hard work and sacrifices.

Harmony continues to build and nurture solid relationships with all its stakeholders and we thank them for their contribution to ensuring that we achieve our objectives.

Outlook

The results for the year prove that Harmony is guided by a clear strategy and expert management teams that deliver sustainable and competitive results.

While the price of gold, the rand/dollar exchange rate, geographic and currency diversification will always be key factors in our company's performance, as a board we are confident that the people, policies, systems and infrastructure in place will ensure Harmony's competitiveness and sustainability for many years to come.

Patrice Motsepe
Chairman

25 October 2012

Chief executive officer's review

Graham Briggs
Chief executive officer

"The end of our financial year also marked the sixth consecutive quarter of free operating cash flow, highlighting our ability to create a sustainable company capable of generating earnings that can fund dividends and continued growth."

Chief executive officer's review continued

We have completed the fifth year of our realigned strategy, which is now effectively demonstrating Harmony's potential. The end of our financial year also marked the sixth consecutive quarter of free operating cash flow, highlighting our ability to create a sustainable company capable of generating earnings that can fund dividends and continued growth.

Results for the 12 months to 30 June 2012 have proven that Harmony is managing change and, increasingly, doing so proactively against a clear strategy. After a record first half, the third quarter was affected by a number of factors, some unexpected. Our aim going into the fourth quarter was thus to clearly illustrate how we would tackle the production issues of the prior quarter. In communicating this to the market, we were congratulated for our honesty but questioned on our ability to continue improving or at least sustaining our results. In our strategic planning sessions for FY13, therefore, we took cognisance of the challenges that could prevent our teams from achieving our safety and production targets. This required a holistic view of both our company (the systems) and our people (the attitudes). By engaging with our people at every level, we have secured the bottom-up commitment to common goals, based on a negotiated value system (below) that will underpin sustainable progress for the benefit of all. By investing in the technical processes and expertise to manage these, we are equipping our people to achieve the safety and production goals on which our strategy rests.

We are excited to introduce the company's new values which were established through a process of actively engaging and consulting our employees. The passion, insight and commitment demonstrated during these engagements again confirmed the calibre of our people.

Everything we do at Harmony is based on our values:

1. **Safety** is our main priority – no matter what the circumstances are.
2. We acknowledge that we are **accountable** for delivering on our commitments.
3. **Achievement** is core to our success.
4. We are **connected** with all our stakeholders as a team.
5. In all our business dealings we uphold **honesty** and communicate openly with stakeholders.

We understand that our credibility depends on delivery, so we plan carefully before we commit. This approach is already paying off, as evident in the significant safety and production improvements at some of our mines during FY12. The focus is now on replicating those improvements throughout the company while entrenching the cultural alignment underpinning our new values and their golden thread of safety.

We issued awards under the Harmony employee share ownership plan (Tlhakanelo Employee Share Trust) in August 2012 – tangible recognition of the importance of the people who sustain our business. As shareholders, our employees now benefit from the growth of the company but, more importantly, gain a deeper understanding of the composite elements of that growth. Fundamentally, all understand that production equals profit, but the key message we are driving is that safe production equals sustainable profit. We will not rest until we achieve our target of seeing every member of every team returning home safely every day.

The review period also marked the fifth year of our strategy to diversify our geographic base. In Papua New Guinea (PNG), the pre-feasibility study on Golpu was completed by September 2012 and drilling results from this joint venture confirm this as a world-class deposit, with the potential to be more than one mine. The first full year of production at our new PNG mine, Hidden Valley, presented the challenges of a greenfields operation in a remote location but with steady progress and valuable lessons overall. We continued to realign our assets in South Africa to dispose of non-core operations, completing the sale of Rand Uranium and closing the sale of Evander towards the end of 2012, while making significant strides at our growth projects – Doornkop, Phakisa and Kusasalethu – the nucleus of our future South African gold production.

We produced 1.27Moz of gold for the period compared with 1.3Moz last year. While this was disappointing, it was largely a function of safety stoppages and certain production challenges, detailed in the review of operations. We understand that production lost to stoppages in any quarter may have a short-term impact on our share price, but we believe improved safety will mean improved production in the long term. For us, this is not negotiable.

Focus on safety

Safety at Harmony encompasses two elements: systems/standards on the one hand and culture on the other. Implementing world-class safety systems/standards at our shafts is a straightforward, albeit painstaking, task with which we are making good progress and closing the gaps, where required.

Changing a culture is more difficult. During the year, we conducted a cultural alignment survey and asked employees which values support their activities at Harmony on a day-to-day basis. The feedback from this process was used to prepare a cultural change programme. Our people are our gold and the cultural alignment programme aims to reinforce that.

Safety starts with me, and with each of our employees. Our value stipulates that we behave safely in everything we do – 'zero harm, zero accidents, zero fatalities'. Although we are making progress, as evident in the improved safety indicators on page 7, our aim remains to have no fatalities at all.

Regrettably, 15 employees lost their lives during FY12. This is completely unacceptable and we realigned our safety priorities, particularly in behavioural change as detailed above. The improved performance in the final months reflected notable achievements at many of our operations. We are particularly proud of the special safety achievement awards received from the Association of Mine Managers of South Africa in the final quarter: Doornkop for achieving 5 million fall-of-ground fatality-free shifts and Kalgold for achieving 2.5 million fatality-free shifts – milestones that took seven and 16 years to reach respectively. Encouragingly, the lost-time injury frequency rate (LTIFR) has dropped from 19.22 in FY04 to 7.29 per million hours worked in the review period. Harmony has now maintained a single-digit LTIFR over 15 consecutive quarters.

Globally, the mining sector acknowledges that safety is more about attitude than equipment, with the results of countless investigations proving the impact of a casual error on the most sophisticated systems. As managers we remain responsible for minimising human error by ensuring people are well trained, in good health and working in environments conducive to safe practices.

Given the high risks involved in many of our underground operations, the safety, health and well-being of our people are of paramount importance. As part of our major initiative focused on transforming Harmony's approach to safety from reactive to proactive, and based on our agreed values, a number of audits were conducted by IRCA (a leading global risk management solutions provider on safety, health, environment and quality) in the second half to establish the reasons behind accidents – particularly fatalities – especially in view of the notable safety improvements we have made recently and our increased focus on safety. The IRCA gap audits were completed at all operations, and a project plan developed to rectify identified shortcomings and move Harmony from a reactive to a proactive approach.

Our occupational health and safety management system has also been reviewed by IRCA and will be improved to meet international best practice in tandem with the initiative under way to improve the safety behaviour and culture of Harmony employees.

A high-level audit team consisting of internal mining and safety experts has been established. The main objective of this team is to verify physical conditions in fatal risk areas at Harmony's operations and assess the effectiveness of management systems used to ensure the safety of workers at these areas. The team will also focus on the level of implementation of strategic health and safety programmes and standards at all operations.

In South Africa, the mining industry firmly supports the government's drive for greater safety and solid progress has been made in recent years. However, we stress the need to find an appropriate balance between stopping operations after a fatal incident or violation of safety standards, and for more minor reasons given that the build-up required to return any mine to full production is twice as long as the actual stoppage. We therefore welcome the tripartite team (government, organised labour and private sector) that is investigating the protocol for issuing stoppage notices to determine whether these are being overzealously applied.

Performance

During the review period, we continued to restructure our asset base in line with our strategy of delivering safe, profitable and sustainable ounces. Significant steps towards this goal included:

- Ongoing investment in development at Phakisa, Kusasalethu, Doornkop, Tshepong and Hidden Valley mines, reaffirming their robust life-of-mine plans and reserves
- Bambanani was restructured following the decision to halt mining in the sub-shaft, with crews transferred to our build-up operations. Activities on this mine are now focused on developing the shaft pillar
- Ongoing development of the orebodies at Joel, Unisel, Masimong, Target 1 and Target 3 to maintain optimal extraction of ore
- Ongoing exploration in PNG, including tenements wholly owned by Harmony
- Completing the pre-feasibility study at Golpu, PNG, where drilling results justify our confidence that this project has the potential to change the company materially
- Continuing to create a new dynamic for junior gold miners in South Africa by disposing of non-core assets: Rand Uranium was sold to Gold One International for US$250 million (Harmony share US$38 million) and an agreement for the sale of Evander to Pan African Resources for R1.5 billion was entered into. The proceeds will be available for further development of Wafi-Golpu, and other growth initiatives.

Salient features of our financial and operational performance in FY12 include:

- Gold production declined 2% to 1.27Moz or 39 642kg
- The gold price received rose by 36% to R419 492/kg and by 23% to US$1 680/oz
- Revenue from continuing operations of R15.2 billion – up 31%
- Operating margin of 35%
- Operating profit of R5.9 billion – up 80%
- Total dividend declared for the year of 90 South African cents.

Doing business in South Africa

The pace of regulatory change in South Africa has been intense for almost two decades now. As an industry, we support legislation that makes mining safer, more environmentally friendly and a sustainable benefit to its stakeholders. Equally, we remain committed to working with the authorities in developing partnerships based on shared goals because South Africa is a global resource treasure house. Our aim is to capitalise on these resources for the widest possible benefit by operating profitably and responsibly.

Harmony remains at the forefront of implementing transformation initiatives to comply with legislated empowerment objectives. We recognised some time ago that it is imperative to move beyond the letter of the law to the spirit of the law, because it is the right thing to do for our company and our stakeholders. For example, two thirds of our workforce is now drawn from surrounding areas in contrast to the migrant labour system that typified the South African mining industry for decades. Using local labour strengthens the societal fabric of a community, supports the regional economy and creates opportunities for emerging entrepreneurs, collectively benefiting entire communities. Equally, 44% of Harmony's managerial positions are now held by black people, an important pool of talent for sustainable growth.

For Harmony, one aspect of the revised Mining Charter that needs more attention is enterprise development, where new requirements have been stipulated. We have made solid progress in this field, most notably through initiatives under way in our enterprise development centres in Welkom and Soweto in South Africa. A third centre was opened in Carletonville during the review period. As detailed in the sustainable development report these centres offer valuable resources for emerging entrepreneurs, from basic business training to information on tender processes and networking opportunities.

On the environmental side, centralising and standardising related initiatives has produced tangible benefits in the form of energy efficiency, excellent rehabilitation results and a cohesive strategy based on global best practice. The results were evident when Harmony's latest submission to the international Carbon Disclosure Project leapt from 17th to fourth place based on both the quality of disclosure and level of implementation.

South African business is also adjusting to the implementation of the King III requirements on corporate governance and new Companies Act. Again, Harmony measures up – our governance standards are continually reviewed to ensure their suitability in a changing world, and to reflect our commitment to global best practice. Refer to the audit and risk committee report in the integrated annual report explaining the most recent King III compliance review.

Focus on delivering long-term value

In terms of our strategy, we have diversified our geographic operating base, taken decisive measures to further improve our safety record and produced sustainable benefits for our stakeholders. In recent years much groundwork has been prepared and some tough decisions implemented:

- Closing high-cost mines, resulting in a better mix of assets
- Commissioning excellent gold mines in South Africa and PNG
- Tailoring each mine's business plans to its unique requirements
- Proactively addressing industry challenges
- Improving production and productivity
- Increasing our exploration exposure
- Employing an experienced team of people who will deliver value for all stakeholders well into the future
- Delivering value on social initiatives in all areas where the company operates.

On a risk-adjusted basis, our strategy is aimed at producing 1.7 million safe and profitable ounces of gold by FY16, excluding acquisitions and disposals. We are on track to meet this target. Our focus is to deliver consistent production results, improve productivity, curb costs and create value for shareholders.

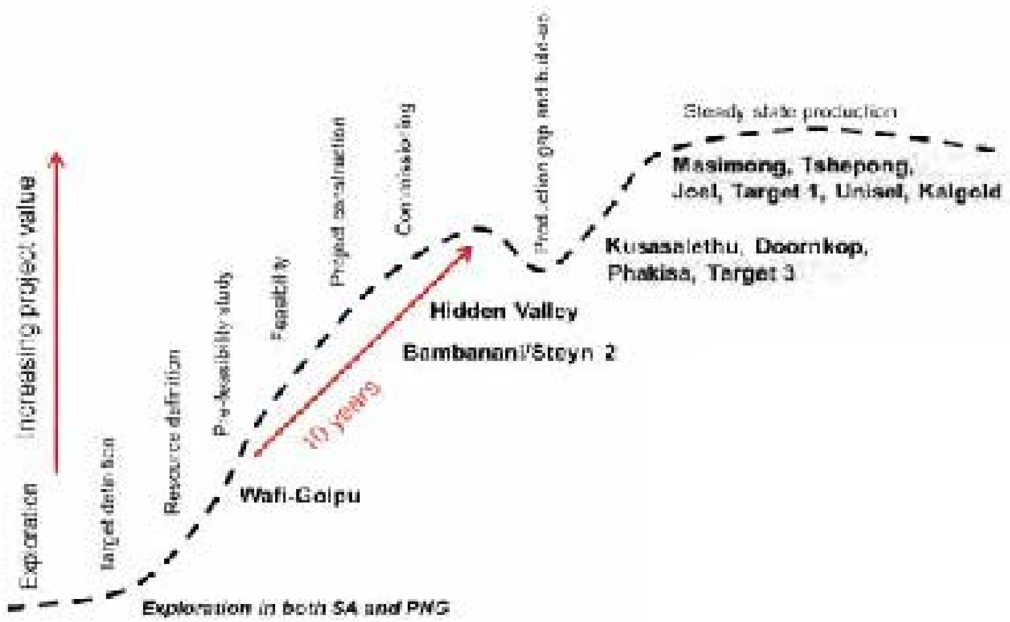
Today, Harmony is recognised as one of the more innovative and most cost-effective explorers. Evidence of this is our Wafi-Golpu project where resources have been discovered at under US$10/oz. Our rapid progress in PNG, in particular, underlines the benefits mining can generate in an enabling environment when all stakeholders work together. We are building sustainable, low-cost, high-grade mines, supported by unhedged production and a strong balance sheet with low debt.

Our business is gold – our people make our business possible and they are truly our 'human gold'. We are steadily creating a culture where people are more connected and engaged in living the vision and values of Harmony which, in turn, will support significantly improved safety and production performance. We are drawing on the considerable expertise of an experienced, focused management team – an important advantage in an industry beset by critical skills shortages – and rewarding our shareholders for their steady support as we build a base of world-class assets.

In FY13, our focus will be on four key strategic objectives: further execution of the strategy set out above; operational delivery; standardisation of all our policies and procedures; and growth.

Our promise is simple: we measure, we measure up and we deliver.

Unlocking value



Substantial resource and reserve base

At 30 June 2012, Harmony's gold equivalent reserves had risen 31% to 52.9Moz spread across assets in South Africa and PNG. The reserves of Kusasalethu, Doornkop, Target and Phakisa in South Africa and Hidden Valley in PNG now constitute 35% of our total mineral reserves.

Our PNG gold equivalent reserves now represent 42% of the company total at 22Moz – up from 11% in the prior year and largely due to the significant increase in the Wafi-Golpu resource (jointly held by Harmony and Newcrest in the Morobe Mining Joint Ventures).

Exploration

Exploration remains a cornerstone of Harmony's growth strategy to acquire quality assets that offer higher grades. We continue to identify and evaluate a number of assets in South Africa, elsewhere in Africa and in south-east Asia that may complement our future portfolio. Against our stringent acquisition criteria, none of the opportunities identified during the review period offered sufficient value at a reasonable price.

At year-end, we had eight drill rigs operating on the Wafi-Golpu project – two completing geotechnical assessments for the proposed decline and mine infrastructure and six focused on further defining the Golpu orebody. Recent drilling at Golpu has validated the model, with mineralisation open at depth, open towards the east in the proposed Lift 2 position and tonnage and grade growth probable in the upper part of the orebody. The search for new discoveries is under way in the highly prospective Wafi transfer zone, where two drill rigs are operating, while drill testing continues on identified and new targets in adjacent areas. These results satisfy our current exploration target of 30Moz of gold and 8Mt of copper at this world-class discovery. Wafi-Golpu still has the potential to change this company materially.

We remain excited about our PNG operations as the cornerstone of our growth initiatives. Our first offshore greenfields project, Hidden Valley, is steadily improving production levels. Further positive exploration results at Wafi-Golpu were confirmed in our latest reserves and resources statement; resources of gold and copper at this project have risen 7% to over one billion tonnes. The Golpu deposit benchmarks as one of the highest-grade gold-copper deposits in south-east Asia, with potential to improve further. Both Hidden Valley and Wafi-Golpu are held by the Morobe Mining Joint Ventures.

Our objective in Papua New Guinea is to continue expanding and leveraging off this solid platform in one of the world's new premier gold regions. To achieve this, we again increased our exploration spend in the review period to R468 million (US$60.2 million), with concomitant benefits in terms of value enhancement.

Harmony has acquired valuable exploration tenements in PNG in recent years. Our aim is to enhance our competitive edge earlier in the pipeline, expand our geographic diversity and leverage our existing base in this exciting gold region.

Importantly, our cost of exploration – under US$10/oz discovered – is unrivalled among the major mining groups.

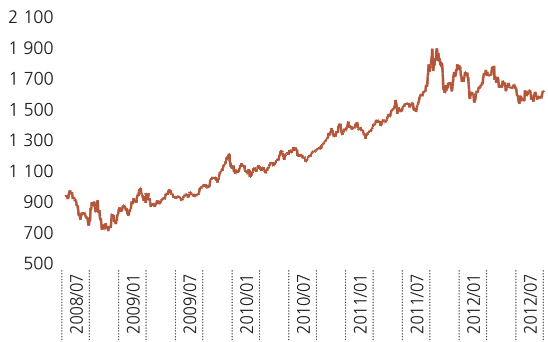
Bullish about gold

The economic volatility of recent years has entrenched gold's function as a store of value and a currency, and this has been reflected in its continued price appreciation.

Year on year, the US dollar gold price received increased 23% from an average of US$1 370/oz for the previous financial year to US$1 680/oz in the past year. During the same period the rand weakened 11% against the US dollar, resulting in an increase in the gold price of 36% in rand terms from R307 875/kg in FY11 to R419 492/kg in the review period – leaving the company with strong margins.

We remain bullish on the gold price and believe it will resume its upward trend in FY13 as uncertain economic times prevail.

Gold price in US dollars for the past four years



Gold price in rand for the past four years

As the graphs illustrate, whether viewed in rands or dollars, gold has more than doubled in value over the past four years. This reflects the ongoing search by investors for safe havens, particularly through the popular global ETFs. More important, however, are the fundamentals of supply and demand for physical gold. In terms of supply, new mines are coming on stream, some existing miners are scaling up production, and tailings and dump recycling has become an established industry, albeit with fluctuating deliveries depending on gold price forecasts. This supply must, however, be considered against falling production from mature mining regions, such as South Africa.

Our bullish sentiment on gold is tempered by the strength or weakness of the South African rand. While gold rose by 36% in rand terms in FY12, in dollar terms the rise was only 23%. In South Africa, our mine costs are incurred in rands and we face ongoing pressure from rising costs (mainly labour and electricity) over which we have limited control, as does the rest of the gold industry.

Harmony does not hedge gold and our shareholders have complete exposure to spot gold prices and current exchange rates. As the gold price and strength of the rand are factors outside our control, we focus on those we can control – safety, people, productivity, production and cost.

Integrated reporting

Harmony has long ensured the interests of all stakeholders in developing the company's strategies and operating plans, and reporting these to our broader stakeholder base. To balance the diverse needs of our stakeholders, we focus on ensuring mutual benefit and the willing participation of all parties.

Key elements of our sustainable development performance are integrated into this report, while the full report is published on our website. The abridged integrated and integrated annual reports were aligned with the principles and recommendations of King III and the guidelines of the Global Reporting Initiative (GRI G3).

For Harmony, integrated reporting remains a work in progress – one that we will refine each year by talking to our stakeholders, listening to their concerns, and incorporating this knowledge into our planning.

Recognition

Globally, the ecosystem that is Harmony has expanded considerably over recent years: some 40 000 employees support around 400 000 dependants, plus a broad base of suppliers, our communities and our shareholders. Every one of these people contributes to our continued success and our sustainability; we reward these contributions through safe, healthy working conditions, fair remuneration and benefits, continual development and, most importantly, by unlocking our full potential as a premier global gold mining company that delivers value, both financial and social.

We also appreciate the counsel of our board of directors and those individual members who provide such valuable input as the chairmen of board committees.

Outlook

Harmony has a good mix of assets including some of the best gold mines in South Africa and some of the best exploration prospects in the world. As our growth projects come on stream and our existing mines operate to tailored business plans, we are confident of attaining our long-term targets. Our focus remains on safely increasing production, with improved margins and better grades, as well as improved costs per tonne milled in the lowest quartile of South African producers.

Harmony is a mining company capable of managing change – adept and nimble in capitalising on opportunity, proactive in addressing challenges and able to generate value for all stakeholders globally

Graham Briggs
Chief executive officer

25 October 2012

Abridged mineral resources and mineral reserves

Introduction

As at 30 June 2012, Harmony's attributable gold equivalent mineral reserves amounted to 52.9Moz, spread across Harmony's assets in South Africa and PNG. This represents an increase of 27% to the annual declared reserves. The increase is due to the additional reserves that have been declared in PNG following the completion of the pre-feasibility study at Golpu. As drilling at Golpu continues, more ounces from PNG may be added to Harmony's resources and reserves.

Attributable gold equivalent Mineral Resources are 150.2Moz, an 8% decrease year on year. The decrease is largely due to the exclusion of the resources from the Evander assets being held for sale from our declaration. Harmony's PNG gold equivalent resources at 41.2 Moz now represent 27% of Harmony's total resources.

We use certain terms in this report such as 'measured', 'indicated' and 'inferred' resources, which SEC guidelines strictly prohibit US-registered companies from including in their filings with the SEC. US investors are urged to consider closely the disclosure in our Form 20-F.

In converting the mineral resources to mineral reserves the following parameters were applied:

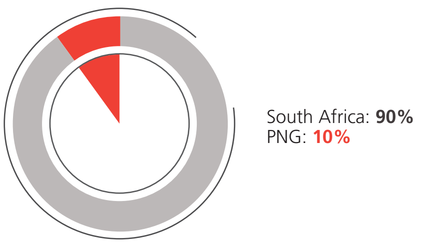
- A gold price of US$1 400/oz
- An exchange rate of US$1/ZAR7.55
- The above parameters resulted in a gold price of R340 000/kg
- The Hidden Valley mine and Wafi-Golpu project in the MMJV used prices of US$1 250/oz Au, US$21/oz Ag, US$15/lb Mo and US$3.10/lb Cu at an exchange rate of US$1/AUD0.90
- Gold equivalent ounces are calculated assuming a US$1 400/oz Au, US$3.50/lb Cu and US$25/oz Ag with 100% recovery for all metals.

Auditing

Harmony's mineral resources and mineral reserves have been comprehensively audited by a team of internal competent persons that functions independently of the operating units. The internal audit team verifies compliance with the Harmony code of resource blocking, valuation, resource classification, cut-off calculations, development of life-of-mine plans and SAMREC-compliant statements from each operation and project which support Harmony's annual mineral resources and mineral reserves declaration. This audit process is specifically designed to comply with the requirements of internationally recognised procedures and standards such as:

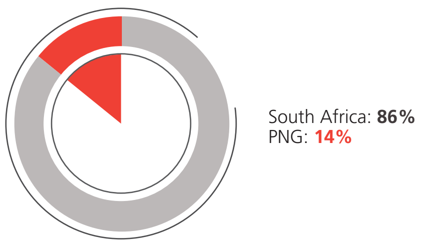
Geographical distribution of the mineral resources

Gold resources (30 June 2011)

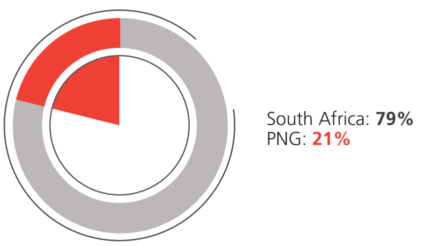


Note: Resources as at 30 June 2011 include Evander.

Gold resources (30 June 2012)



Gold equivalent* resource ounces (30 June 2011)



Note: Resources as at 30 June 2011 include Evander.

Gold equivalent* resource ounces (30 June 2012)

- South African Code for Reporting Mineral Resources and Mineral Reserves – SAMREC Code
- Industry Guide 7 of the United States Securities Exchange Commission
- Sarbanes-Oxley requirements
- Australian Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves – the JORC Code, which complies to the SAMREC Code

In addition to the internal audits, Harmony's South African resources to reserves conversion process and four operations, Phakisa, Joel, Doornkop and Kalgold were reviewed and audited by SRK Consulting Engineers and Scientists for compliance with the South African Code for Reporting Mineral Resources and Mineral Reserves – SAMREC Code (2008), Industry Guide 7 of the United States Securities Exchange Commission and Sarbanes-Oxley requirements. Harmony's Papua New Guinea mineral resources and mineral reserves were independently reviewed by AMC Consultants (Proprietary) Limited for compliance with the standards set out in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves – the JORC Code.

Competent persons' declaration

In South Africa, Harmony employs an ore reserve manager at each of its operations who takes responsibility for the compilation and reporting of mineral resources and mineral reserves at his/her operation. In PNG, competent persons are appointed for the mineral resources and reserves for specific projects and operations.

The mineral resources and mineral reserves summaries and tables in this report are based on information compiled by the following competent persons:

Reserves and resources South Africa:
Jaco Boshoff, Pri Sci Nat, who has 17 years' relevant experience and is registered with the South African Council for Natural Scientific Professions (SACNASP) and a member of the South African Institute for Mining and Metallurgy.

Reserves and resources PNG:
James Francis for the Wafi-Golpu Mineral Resources, German Flores for the Golpu Mineral Reserves, Greg Job for Hidden Valley Mineral Resources and Anton Kruger for the Hidden Valley Mineral Reserves. James, German, Greg and Anton are corporate members of the Australian Institute of Mining and Metallurgy and all have relevant experience in the type and style of mineralisation for which they are reporting, and are 'Competent Persons' as defined by JORC and SAMREC.

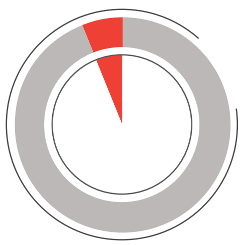
These competent persons consent to the inclusion in the report of the matters based on the information in the form and context in which it appears. Jaco and Greg are full-time employees of Harmony Gold Mining Company Limited and James, German and Anton are full-time employees of Newcrest Mining Limited. Newcrest is Harmony's joint venture partner in the Morobe Joint Venture in respect of the Hidden Valley mine and Wafi-Golpu project.

Jaco Boshoff **Greg Job**

25 October 2012

Geographical distribution of the mineral reserves

Gold reserves (30 June 2011)



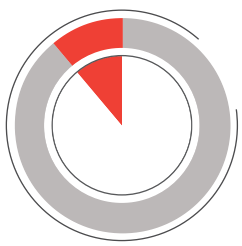
South Africa: **94%**
PNG: **6%**

Note: Reserves as at 30 June 2011 include Evander.

Gold reserves (30 June 2012)

South Africa: **79%**
PNG: **21%**

Gold equivalent* reserve ounces (30 June 2011)



South Africa: **89%**
PNG: **11%**

Note: Reserves as at 30 June 2011 include Evander.

Gold equivalent* reserve ounces (30 June 2012)

South Africa: **58%**
PNG: **42%**

* *30 June 2011 Gold equivalent based on US$1 150/oz Au, US$2.50/lb Cu and US$13.50/oz Ag at 100% recovery for all metals.*
30 June 2012 Gold equivalent based on US$1 400/oz Au, US$3.50/lb Cu and US$25.00/oz Ag at 100% recovery for all metals.

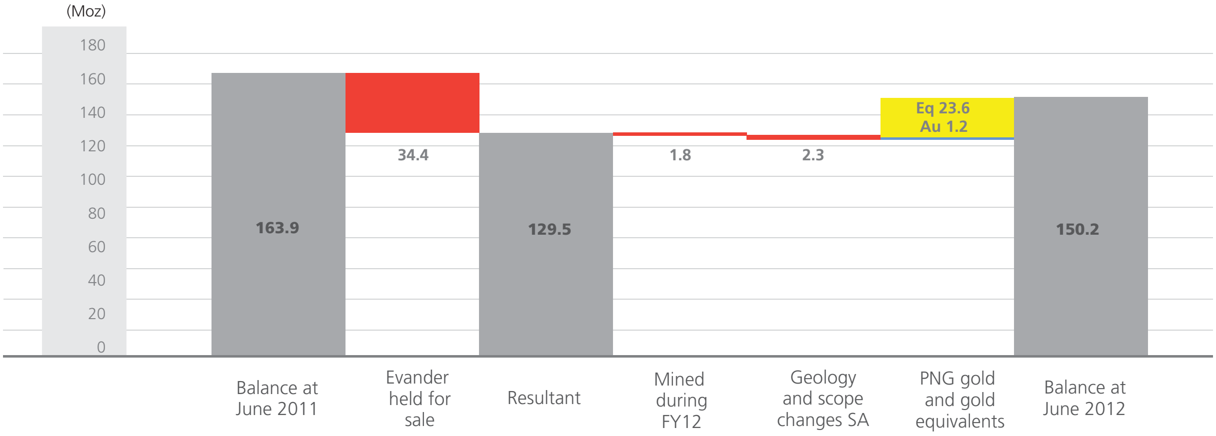
Abridged mineral resources and mineral reserves
continued

Reconciliation FY11/FY12

Mineral resources

As at 30 June 2012, attributable gold equivalent mineral resources are 150.2Moz, down from 163.9Moz in 2011. This is a negative variance of 38.3Moz from South Africa and a positive variance of 24.8Moz from Papua New Guinea. The following graph shows the year-on-year reconciliation of the mineral resources.

Mineral resources reconciliation – FY11 vs FY12 – including gold equivalents PNG



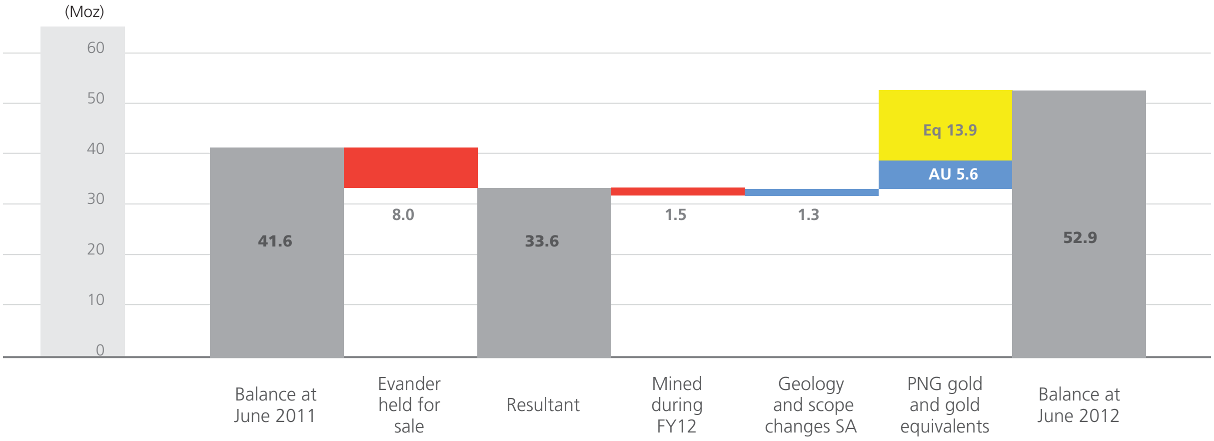
Mineral resources reconciliation: FY11 to FY12 – including gold equivalents PNG

	Gold (tonnes)	Gold (Moz)
Balance at June 2011	**5 098**	**163.9**
Reductions		
Evander held for sale	(1 070)	(34.4)
Mined during FY12	(56)	(1.8)
Geology and scope changes	(72)	(2.3)
Increases		
PNG gold and gold equivalents	771	24.8
Balance at June 2012	**4 671**	**150.2**

Mineral reserves

As at 30 June 2012, Harmony's attributable gold equivalent mineral reserves amounted to 52.9Moz of gold. The reserve declaration excludes the Evander assets which are being held for sale. The net effect of these exclusions, depletion, and the increase of reserves in PNG, resulted in an increase of 11.3Moz year on year. The year-on-year mineral reserves reconciliation is shown in the following graph.

Mineral reserves reconciliation – FY11 vs FY12 – including gold equivalents PNG



Mineral reserves reconciliation: FY11 to FY12 – including equivalent gold ounces PNG

	Gold (tonnes)	Gold (Moz)
Balance at June 2011	**1 294**	**41.6**
Reductions		
Evander held for sale	(249)	(8.0)
Mined during FY12	(47)	(1.5)
Increases		
Geology and scope changes SA	40	1.3
PNG gold and gold equivalents	607	19.5
Balance at June 2012	**1 645**	**52.9**

Mineral resources statement (metric)

Operations	Measured resources			Indicated resources			Inferred resources			Total mineral resources		
Gold	**Tonnes (Mt)**	**Grade (g/t)**	**Gold (000kg)**	**Tonnes (Mt)**	**Grade (g/t)**	**Gold (000kg)**	**Tonnes (Mt)**	**Grade (g/t)**	**Gold (000kg)**	**Tonnes (Mt)**	**Grade (g/t)**	**Gold (000kg)**
SA underground												
Free State Region												
Bambanani	2.8	16.39	46	0.0	25.72	1	–	–	–	2.8	16.52	47
Joel	4.5	7.76	35	6.6	6.75	45	9.1	5.48	50	20.1	6.40	129
Masimong	14.6	7.00	102	7.1	6.13	44	91.6	5.84	535	113.3	6.01	680
Phakisa	6.1	8.41	51	17.0	11.80	200	23.6	9.11	215	46.6	10.00	466
Target												
Target 1	8.8	7.54	67	9.7	7.85	76	2.1	5.72	12	20.6	7.50	155
Target 2	0.0	14.00	1	0.1	15.52	2	–	–	–	0.2	15.14	3
Target 3	11.0	8.47	93	9.7	7.70	75	4.5	5.28	24	25.2	7.60	192
Total	**19.9**	**8.07**	**161**	**19.6**	**7.83**	**153**	**6.6**	**5.42**	**36**	**46.0**	**7.59**	**349**
Freddies 9				6.0	10.61	64	29.6	8.09	239	35.6	8.51	303
Tshepong	18.8	10.42	196	6.9	9.04	63	16.1	9.99	161	41.8	10.03	419
Unisel	8.8	6.05	54	7.2	5.72	41	11.6	5.34	62	27.7	5.66	157
Total Free State underground	**75.4**	**8.53**	**643**	**70.4**	**8.66**	**610**	**188.1**	**6.90**	**1 297**	**333.9**	**7.64**	**2 550**
West Rand Region												
Doornkop												
Doornkop Kimberley Reef	4.3	2.60	11	10.3	2.56	26	–	–	–	14.7	2.57	38
Doornkop South Reef	1.6	7.71	13	3.6	7.31	26	21.2	7.98	169	26.4	7.88	208
Total	**6.0**	**3.99**	**24**	**13.9**	**3.78**	**53**	**21.2**	**7.98**	**169**	**41.0**	**5.98**	**245**
Kusasalethu	8.2	11.61	95	20.6	8.93	184	0.2	9.35	2	28.9	9.69	280
Total West Rand Region	**14.1**	**8.40**	**119**	**34.5**	**6.85**	**236**	**21.3**	**7.99**	**171**	**70.0**	**7.51**	**526**
Total SA underground	**89.6**	**8.51**	**762**	**104.9**	**8.07**	**846**	**209.4**	**7.01**	**1 467**	**403.9**	**7.61**	**3 075**
SA surface												
Kraaipan greenstone belt												
Kalgold	3.0	0.62	2	44.7	0.84	37	16.6	0.79	13	64.3	0.82	52
Free State Region – surface												
Phoenix	106.0	0.32	33.6	–	–	–	–	–	–	106.0	0.32	34
St Helena	257.6	0.26	66.3	–	–	–	–	–	–	257.6	0.26	66
Other: WRD	–	–	–	5.6	0.46	3	30.3	0.46	14	36.0	0.46	17
Slimes dams	–	–	–	634.9	0.22	142	15.2	0.19	3	650.2	0.22	145
Subtotal	**–**	**–**	**–**	**640.6**	**0.23**	**144**	**45.6**	**0.37**	**17**	**686.1**	**0.24**	**161**
Total Free State Region	**363.6**	**0.27**	**99.9**	**640.6**	**0.23**	**144**	**45.6**	**0.37**	**17**	**1 049.7**	**0.25**	**261**
Total SA surface	**366.6**	**0.28**	**102**	**685.3**	**0.27**	**182**	**62.1**	**0.48**	**30**	**1 114.0**	**0.28**	**314**
Total SA	**456.2**		**864**	**790.1**		**1 028**	**271.6**		**1 497**	**1 517.9**		**3 389**
Papua New Guinea[1]												
Hidden Valley	0.7	1.18	1	70.3	1.29	91	5.0	0.99	5	76.1	1.27	97
Hamata	0.0	2.00	0	3.1	1.96	6	0.5	2.11	1	3.5	1.98	7
Wafi	–	–	–	55.0	1.70	94	11.0	1.30	14	66.0	1.63	108
Golpu	–	–	–	405.0	0.64	259	95.0	0.61	58	500.0	0.63	317
Nambonga	–	–	–	–	–	–	20.0	0.79	16	20.0	0.79	16
Total Papua New Guinea	**0.7**	**1.19**	**1**	**533.3**	**0.84**	**450**	**131.5**	**0.72**	**94**	**665.6**	**0.82**	**545**
Grand total	**457.0**		**865**	**1 323.5**		**1 478**	**403.1**		**1 591**	**2 183.5**		**3 934**

Operations	Measured resources		Indicated resources		Inferred resources		Total mineral resources	
Gold equivalents[1] **Silver**	Tonnes (Mt)	Au eq (000 kg)	Tonnes (Mt)	Au eq (000 kg)	Tonnes (Mt)	Au eq (000 kg)	Tonnes (Mt)	Au eq (000 kg)
Hidden Valley	0.7	0	70.3	30	5.0	2	76.1	33
Total	**0.7**	**0**	**70.3**	**30**	**5.0**	**2**	**76.1**	**33**
Copper								
Golpu	–	–	405.0	577	95.0	121	500.0	698
Nambonga	–	–	–	–	20.0	6	20.0	6
Total	**–**	**–**	**405.0**	**577**	**115.0**	**128**	**520.0**	**705**
Total silver and copper as gold equivalents	**0.7**	**0**	**475.3**	**607**	**120.0**	**130**	**596.1**	**737**
Total PNG including gold equivalents	**0.7**	**1**	**533.3**	**1 057**	**131.5**	**224**	**665.6**	**1 282**
Total Harmony including equivalents	**457.0**	**865**	**1 323.5**	**2 085**	**403.1**	**1 721**	**2 183.5**	**4 671**

Operations	Measured resources			Indicated resources			Inferred resources			Total mineral resources		
Papua New Guinea: other[1]												
Silver	Tonnes (Mt)	Grade (g/t)	Ag (000 kg)	Tonnes (Mt)	Grade (g/t)	Ag (000 kg)	Tonnes (Mt)	Grade (g/t)	Ag (000 kg)	Tonnes (Mt)	Grade (g/t)	Ag (000 kg)
Hidden Valley	0.7	19.18	14	70.3	24.21	1 702	5.0	21.22	107	76.1	23.97	1 823
Golpu	–	–	–	405.0	1.10	446	95.0	1.00	95	500.0	1.08	541
Nambonga	–	–	–	–	–	–	20.0	2.87	57	20.0	2.87	57
Total	**0.7**	**19.18**	**14**	**475.3**	**4.52**	**2 148**	**120.0**	**2.16**	**259**	**596.1**	**4.06**	**2 421**
Copper	Tonnes (Mt)	Grade (%)	Cu (000 t)	Tonnes (Mt)	Grade (%)	Cu (000 t)	Tonnes (Mt)	Grade (%)	Cu (000 t)	Tonnes (Mt)	Grade (%)	Cu (000 t)
Golpu	–	–	–	405.0	0.92	3 726	95.0	0.80	760	500.0	0.90	4 486
Nambonga	–	–	–	–	–	–	20.0	0.21	42	20.0	0.21	42
Total	**–**	**–**	**–**	**405.0**	**0.92**	**3 726**	**115.0**	**0.70**	**802**	**520.0**	**0.87**	**4 528**
Molybdenum	Tonnes (Mt)	Grade (ppm)	Mo (000 t)	Tonnes (Mt)	Grade (ppm)	Mo (000 t)	Tonnes (Mt)	Grade (ppm)	Mo (000 t)	Tonnes (Mt)	Grade (ppm)	Mo (000 t)
Golpu	–	–	–	405.0	100.00	41	95.0	75.00	7	500.0	95.25	48
South Africa: uranium												
Uranium	Tonnes (Mt)	Grade (kg/t)	U3O8 (Mkg)	Tonnes (Mt)	Grade (kg/t)	U3O8 (Mkg)	Tonnes (Mt)	Grade (kg/t)	U3O8 (Mkg)	Tonnes (Mt)	Grade (kg/t)	U3O8 (Mkg)
Free State underground												
Masimong	9.2	0.27	2	11.4	0.22	2	92.5	0.18	17	113.0	0.19	21
Tshepong	8.0	0.19	2	25.1	0.19	5	8.7	0.07	1	41.8	0.17	7
Phakisa	6.3	0.18	1	17.0	0.18	3	23.6	0.08	2	46.8	0.13	6
Total	**23.4**	**0.22**	**5**	**53.4**	**0.19**	**10**	**124.8**	**0.15**	**19**	**201.6**	**0.17**	**34**
Total SA underground	**23.4**	**0.22**	**5**	**53.4**	**0.19**	**10**	**124.8**	**0.15**	**19**	**201.6**	**0.17**	**34**
Free State surface	–	–	–	396.8	0.08	30	–	–	–	396.8	0.08	30
Grand total	**23.4**	**0.22**	**5**	**450.2**	**0.09**	**40**	**124.8**	**0.15**	**19**	**598.4**	**0.11**	**65**

[1] *Total attributable.*
Gold equivalent ounces are calculated assuming a US$1 400/oz Au, US$3.50/lb Cu and US$25/oz Ag with 100% recovery for all metals.
NB: Rounding of numbers may result in slight computational discrepancies.
Note: 1 tonne = 1 000 kg = 2 204 lbs.

Abridged mineral resources and mineral reserves
continued

Mineral resources statement (imperial)

Operations	Measured resources			Indicated resources			Inferred resources			Total mineral resources		
Gold	Tons (Mt)	Grade (oz/t)	Gold (000 oz)	Tons (Mt)	Grade (oz/t)	Gold (000 oz)	Tons (Mt)	Grade (oz/t)	Gold (000 oz)	Tons (Mt)	Grade (oz/t)	Gold (000 oz)
SA underground												
Free State Region												
Bambanani	3.1	0.478	1 467	0.0	0.747	32	–	–	–	3.1	0.482	1 499
Joel	4.9	0.226	1 118	7.3	0.197	1 431	10.0	0.160	1 595	22.2	0.187	4 144
Masimong	16.1	0.204	3 289	7.8	0.179	1 401	100.9	0.170	17 187	124.9	0.175	21 877
Phakisa	6.7	0.245	1 636	18.7	0.344	6 436	26.0	0.266	6 911	51.4	0.292	14 983
Target												
Target 1	9.7	0.220	2 143	10.7	0.229	2 441	2.3	0.167	384	22.7	0.219	4 968
Target 2	0.1	0.399	20	0.1	0.451	67	–	–	–	0.2	0.438	87
Target 3	12.2	0.247	3 002	10.7	0.224	2 412	4.9	0.154	758	27.8	0.222	6 172
Total	**21.9**	**0.235**	**5 165**	**21.6**	**0.228**	**4 920**	**7.2**	**0.158**	**1 142**	**50.7**	**0.221**	**11 227**
Freddies 9	–	–	–	6.6	0.309	2 045	32.6	0.236	7 690	39.2	0.248	9 735
Tshepong	20.7	0.304	6 286	7.6	0.264	2 017	17.8	0.291	5 173	46.1	0.292	13 476
Unisel	9.8	0.176	1 720	7.9	0.167	1 324	12.8	0.156	1 993	30.5	0.165	5 037
Total Free State underground	**83.2**	**0.249**	**20 681**	**77.6**	**0.253**	**19 606**	**207.3**	**0.201**	**41 691**	**368.1**	**0.223**	**81 978**
West Rand Region												
Doornkop												
Doornkop Kimberley Reef	4.8	0.076	362	11.4	0.075	850	–	–	–	16.2	0.075	1 212
Doornkop South Reef	1.8	0.225	403	3.9	0.213	838	23.3	0.233	5 432	29.1	0.230	6 673
Total	**6.6**	**0.116**	**765**	**15.3**	**0.110**	**1 688**	**23.3**	**0.233**	**5 432**	**45.2**	**0.174**	**7 885**
Kusasalethu	9.0	0.339	3 053	22.7	0.260	5 907	0.2	0.272	53	31.9	0.283	9 013
Total West Rand Region	15.6	0.245	3 818	38.0	0.200	7 595	23.5	0.233	5 485	77.1	0.219	16 898
Total SA underground	**98.7**	**0.248**	**24 499**	**115.6**	**0.235**	**27 201**	**230.8**	**0.204**	**47 176**	**445.2**	**0.222**	**98 876**
SA surface												
Kraaipan greenstone belt												
Kalgold	3.4	0.018	61	49.3	0.024	1 205	18.3	0.023	422	70.9	0.024	1 688
Free State Region – surface												
Phoenix	116.8	0.009	1 081	–	–	–	–	–	–	116.8	0.009	1 081
St Helena	284.0	0.008	2 131	–	–	–	–	–	–	284.0	0.008	2 131
Other: WRD	–	–	–	6.2	0.013	83	33.4	0.014	452	39.7	0.013	535
Slimes dams	–	–	–	699.9	0.007	4 559	16.8	0.006	93	716.7	0.006	4 652
Subtotal	**–**	**–**	**–**	**706.1**	**0.007**	**4 642**	**50.2**	**0.011**	**545**	**756.3**	**0.007**	**5 187**
Total Free State Region	**400.8**	**0.008**	**3 212**	**706.1**	**0.007**	**4 642**	**50.2**	**0.011**	**545**	**1 157.1**	**0.007**	**8 399**
Total SA surface	**404.1**	**0.008**	**3 273**	**755.4**	**0.008**	**5 847**	**68.5**	**0.014**	**967**	**1 228.0**	**0.008**	**10 087**
Total SA	**502.9**		**27 772**	**871.0**		**33 048**	**299.3**		**48 143**	**1 673.2**		**108 963**
Papua New Guinea[1]												
Hidden Valley	0.8	0.035	28	77.5	0.038	2 926	5.6	0.029	161	83.8	0.037	3 115
Hamata	0.0	0.060	1	3.4	0.057	193	0.5	0.061	32	3.9	0.058	226
Wafi	–	–	–	60.6	0.050	3 006	12.1	0.038	460	72.8	0.048	3 466
Golpu	–	–	–	446.4	0.019	8 333	104.7	0.018	1 863	551.2	0.018	10 196
Nambonga	–	–	–	–	–	–	22.0	0.023	508	22.0	0.023	508
Total Papua New Guinea	0.8	0.035	29	587.9	0.025	14 458	145.0	0.021	3 024	733.7	0.024	17 511
Grand total	**503.7**		**27 801**	**1 458.9**		**47 506**	**444.3**		**51 167**	**2 406.9**		**126 474**

Operations	Measured resources		Indicated resources		Inferred resources		Total mineral resources	
Gold equivalents[1] **Silver**	Tons (Mt)	Au eq (000 oz)	Tons (Mt)	Au eq (000 oz)	Tons (Mt)	Au eq (000 oz)	Tons (Mt)	Au eq (000 oz)
Hidden Valley	0.7	9	77.5	977	5.6	63	83.8	1 049
Total	**0.7**	**9**	**77.5**	**977**	**5.6**	**63**	**83.8**	**1 049**
Copper								
Golpu	–	–	446.4	18 545	104.7	3 904	551.1	22 449
Nambonga	–	–	–	–	22.0	204	22.0	204
Total	**–**	**–**	**446.4**	**18 545**	**126.7**	**4 108**	**573.1**	**22 653**
Total silver and copper as gold equivalents	**0.7**	**9**	**523.9**	**19 522**	**132.3**	**4 171**	**656.9**	**23 702**
Total PNG including gold equivalents	**0.7**	**38**	**587.9**	**33 980**	**145.0**	**7 195**	**733.7**	**41 213**
Total Harmony including equivalents	**503.7**	**27 810**	**1 458.9**	**67 028**	**444.3**	**55 338**	**2 406.9**	**150 176**

Operations	Measured resources			Indicated resources			Inferred resources			Total mineral resources		
Papua New Guinea: other[1] **Silver**	Tons (Mt)	Grade (oz/ton)	Ag (000 oz)	Tons (Mt)	Grade (oz/ton)	Ag (000 oz)	Tons (Mt)	Grade (oz/ton)	Ag (000 oz)	Tons (Mt)	Grade (oz/ton)	Ag (000 oz)
Hidden Valley	0.8	0.559	450	77.5	0.706	54 720	5.6	0.619	3 440	83.8	0.699	58 610
Golpu	–	–	–	446.4	0.032	14 323	104.7	0.029	3 054	551.2	0.032	17 377
Nambonga	–	–	–	–	–	–	22.0	0.084	1845	22.0	0.084	1 845
Total	**0.8**	**0.559**	**450**	**523.9**	**0.132**	**69 043**	**132.3**	**0.063**	**8 339**	**657.0**	**0.118**	**77 832**
Copper	Tons (Mt)	Grade (%)	Cu (M lb)	Tons (Mt)	Grade (%)	Cu (M lb)	Tons (Mt)	Grade (%)	Cu (M lb)	Tons (Mt)	Grade (%)	Cu (M lb)
Golpu	–	–	–	446.4	0.835	8 214	104.7	0.726	1 675	551.2	0.814	9 890
Nambonga	–	–	–	–	–	–	22.0	0.191	93	22.0	0.191	93
Total	–	–	–	446.4	0.835	8 214	126.8	0.633	1 768	573.2	0.790	9 982
Molybdenum	Tons (Mt)	Grade (lb/ton)	Mo (M lb)	Tons (Mt)	Grade (lb/ton)	Mo (M lb)	Tons (Mt)	Grade (lb/ton)	Mo (M lb)	Tons (Mt)	Grade (lb/ton)	Mo (M lb)
Golpu	–	–	–	446.4	0.200	89	104.7	0.150	16	551.2	0.190	105
South Africa: uranium **Uranium**	Tons (Mt)	Grade (lb/ton)	U3O8 (M lb)	Tons (Mt)	Grade (lb/ton)	U3O8 (M lb)	Tons (Mt)	Grade (lb/ton)	U3O8 (M lb)	Tons (Mt)	Grade (lb/ton)	U3O8 (M lb)
Free State underground												
Masimong	10.1	0.536	5	12.5	0.434	5	102.0	0.358	36	125	0.380	47
Tshepong	8.9	0.385	3	27.6	0.384	11	9.6	0.138	1	46	0.333	15
Phakisa	6.9	0.355	2	18.7	0.366	7	26.0	0.154	4	52	0.258	13
Total	**25.8**	**0.436**	**11**	**58.8**	**0.389**	**23**	**137.6**	**0.304**	**42**	**222**	**0.342**	**76**
Total SA underground	**25.8**	**0.436**	**11**	**58.8**	**0.389**	**23**	**137.6**	**0.304**	**42**	**222**	**0.342**	**76**
Free State surface	–	–	–	437.4	0.152	66	–	–	–	437.4	0.152	66
Grand total	**25.8**	**0.436**	**11**	**496.3**	**0.180**	**89**	**137.6**	**0.304**	**42**	**659.7**	**0.216**	**142**

[1] *Total attributable.*
Gold equivalent ounces are calculated assuming a US$1 400/oz Au, US$3.50/lb Cu and US$25.00/oz Ag with 100% recovery for all metals.
NB: Rounding of numbers may result in slight computational discrepancies.
Note: 1 ton = 907 kg = 2 000 lbs.

Abridged mineral resources and mineral reserves
continued

Mineral reserves statement (metric)

Operations	Proved reserves			Probable reserves			Total mineral reserves		
Gold	Tonnes (Mt)	Grade (g/t)	Gold[2] (000 kg)	Tonnes (Mt)	Grade (g/t)	Gold[2] (000 kg)	Tonnes (Mt)	Grade (g/t)	Gold[2] (000 kg)
SA underground									
Free State Region									
Bambanani	2.3	12.76	30	–	–	–	2.3	12.76	30
Joel	1.5	5.28	8	4.3	5.17	22	5.8	5.20	30
Masimong	5.6	5.05	28	1.2	5.11	6	6.9	5.06	35
Phakisa	3.7	6.24	23	15.8	8.15	129	19.5	7.79	152
Target									
Target 1	5.1	3.24	17	4.7	6.71	32	9.9	4.90	48
Target 3	2.4	7.52	18	3.7	5.66	21	6.1	6.40	39
Total	**7.5**	**4.60**	**35**	**8.4**	**6.25**	**53**	**15.9**	**5.47**	**87**
Tshepong	18.1	5.55	100	4.0	4.94	20	22.1	5.44	120
Unisel	1.7	4.80	8	1.1	4.36	5	2.8	4.63	13
Total Free State underground	**40.5**	**5.74**	**232**	**34.9**	**6.73**	**235**	**75.3**	**6.20**	**467**
West Rand Region									
Doornkop									
Doornkop Kimberley Reef	2.6	2.19	6	1.8	2.31	4	4.5	2.24	10
Doornkop South Reef	1.6	5.30	8	3.3	5.12	17	4.9	5.18	25
Total	**4.2**	**3.36**	**14**	**5.2**	**4.13**	**21**	**9.4**	**3.78**	**35**
Kusasalethu	11.8	7.12	84	23.3	5.89	137	35.1	6.30	221
Total West Rand Region	**16.0**	**6.13**	**98**	**28.4**	**5.57**	**158**	**44.5**	**5.77**	**257**
Total SA underground	**56.5**	**5.85**	**331**	**63.3**	**6.21**	**393**	**119.8**	**6.04**	**724**
SA surface									
Kraaipan greenstone belt									
Kalgold	3.0	0.62	2	15.7	1.01	16	18.7	0.95	18
Free State Region – surface									
Phoenix	106.0	0.32	34	–	–	–	106.0	0.32	34
St Helena	257.6	0.26	66	–	–	–	257.6	0.26	66
Other: WRD	–	–	–	5.1	0.48	2	5.1	0.48	2
Slimes dams	–	–	–	503.0	0.24	118	503.0	0.24	118
Subtotal	**–**	**–**	**–**	**508.1**	**0.24**	**121**	**508.1**	**0.24**	**121**
Total Free State Region	**363.6**	**0.27**	**100**	**508.1**	**0.24**	**121**	**871.7**	**0.25**	**221**
Total SA surface	**366.6**	**0.28**	**102**	**523.8**	**0.26**	**137**	**890.4**	**0.27**	**238**
Total SA	**423.2**		**432**	**587.1**		**530**	**1 010.2**		**962**
Papua New Guinea[1]									
Hidden Valley	0.7	1.18	1	36.4	1.48	54	37.1	1.48	55
Hamata	0.0	1.90	0	2.3	2.17	5	2.3	2.17	5
Golpu	–	–	–	225.0	0.86	193	225.0	0.86	193
Total Papua New Guinea	**0.8**	**1.20**	**1**	**263.7**	**0.96**	**252**	**264.5**	**0.96**	**253**
Grand total	**423.9**		**433**	**850.8**		**782**	**1 274.7**		**1 215**

Operations	Proved reserves		Probable reserves		Total mineral reserves	
Gold equivalents[1] **Silver**	Tonnes (Mt)	Au eq[2] (000 kg)	Tonnes (Mt)	Au eq[2] (000 kg)	Tonnes (Mt)	Au eq[2] (000 kg)
Hidden Valley	0.7	0	36.4	18	37.1	18
Total	**0.7**	**0**	**36.4**	**18**	**37.1**	**18**
Copper						
Golpu	–	–	225.0	413	225.0	413
Total	**–**	**–**	**225.0**	**413**	**225.0**	**413**
Total silver and copper as gold equivalents	**0.7**	**0**	**261.4**	**431**	**262.1**	**431**
Total PNG including gold equivalents	**0.8**	**1**	**263.7**	**684**	**264.5**	**685**
Total Harmony including equivalents	**423.9**	**433**	**850.8**	**1 213**	**1 274.7**	**1 647**

Operations	Proved reserves			Probable reserves			Total mineral reserves		
Papua New Guinea: other[1] **Silver**	Tonnes (Mt)	Grade (g/t)	Ag[2] (000 kg)	Tonnes (Mt)	Grade (g/t)	Ag[2] (000 kg)	Tonnes (Mt)	Grade (g/t)	Ag[2] (000 kg)
Hidden Valley	0.7	19.50	14	36.4	27.90	1 016	37.1	27.74	1 030
Copper	Tonnes (Mt)	Grade (%)	Cu[2] (000 t)	Tonnes (Mt)	Grade (%)	Cu[2] (000 t)	Tonnes (Mt)	Grade (%)	Cu[2] (000 t)
Golpu	–	–	–	225.0	1.21	2 723	225.0	1.21	2 723
South Africa: uranium **Uranium**	Tonnes (Mt)	Grade (kg/t)	U3O8[2] (Mkg)	Tonnes (Mt)	Grade (kg/t)	U3O8[2] (Mkg)	Tonnes (Mt)	Grade (kg/t)	U3O8[2] (Mkg)
Free State underground									
Masimong	5.2	0.18	1	2.4	0.14	0	7.6	0.17	1
Tshepong	8.2	0.10	1	13.7	0.11	1	21.8	0.11	2
Phakisa	3.7	0.14	1	15.8	0.13	2	19.5	0.13	3
Total SA underground	**17.1**	**0.13**	**2**	**31.9**	**0.12**	**4**	**48.9**	**0.12**	**6**
Grand total	**17.1**	**0.13**	**2**	**31.9**	**0.12**	**4**	**48.9**	**0.12**	**6**

[1] Total attributable.
Gold equivalent ounces are calculated assuming a US$1 400/oz Au, US$3.50/lb Cu and US$25.00/oz Ag with 100% recovery for all metals.
[2] Metal figures are fully inclusive of all mining dilutions and gold losses, and are reported as mill delivered tonnes and head grades. Metallurgical recovery factors have not been applied to the reserve figures.
NB: Rounding of numbers may result in slight computational discrepancies.
Note: 1 tonne = 1 000 kg = 2 204 lbs.

Mineral reserves statement (imperial)

Operations	Proved reserves			Probable reserves			Total mineral reserves		
Gold	Tons (Mt)	Grade (oz/t)	Gold[2] (000 oz)	Tons (Mt)	Grade (oz/t)	Gold[2] (000 oz)	Tons (Mt)	Grade (oz/t)	Gold[2] (000 oz)
SA underground									
Free State Region									
Bambanani	2.6	0.372	952	–	–	–	2.6	0.372	952
Joel	1.7	0.154	258	4.7	0.151	715	6.4	0.151	973
Masimong	6.2	0.147	911	1.4	0.149	205	7.6	0.148	1 116
Phakisa	4.1	0.182	739	17.4	0.238	4 149	21.5	0.228	4 888
Target									
Target 1	5.7	0.094	534	5.2	0.196	1 021	10.9	0.143	1 555
Target 3	2.6	0.219	579	4.1	0.165	671	6.7	0.186	1 250
Total	**8.3**	**0.134**	**1 113**	**9.3**	**0.182**	**1 692**	**17.6**	**0.160**	**2 805**
Tshepong	19.9	0.162	3 229	4.4	0.144	633	24.3	0.159	3 862
Unisel	1.9	0.140	267	1.2	0.127	150	3.1	0.135	417
Total Free State underground	**44.6**	**0.167**	**7 469**	**38.4**	**0.196**	**7 544**	**83.0**	**0.181**	**15 013**
West Rand Region									
Doornkop									
Doornkop Kimberley Reef	2.9	0.064	185	2.0	0.067	135	4.9	0.065	320
Doornkop South Reef	1.7	0.154	269	3.7	0.149	548	5.4	0.151	817
Total	**4.6**	**0.098**	**454**	**5.7**	**0.120**	**683**	**10.3**	**0.110**	**1 137**
Kusasalethu	13.0	0.208	2 704	25.7	0.172	4 408	38.7	0.184	7 112
Total West Rand Region	**17.7**	**0.179**	**3 158**	**31.4**	**0.162**	**5 091**	**49.0**	**0.168**	**8 249**
Total SA underground	**62.3**	**0.171**	**10 627**	**69.8**	**0.181**	**12 635**	**132.0**	**0.176**	**23 262**
SA surface									
Kraaipan greenstone belt									
Kalgold	3.3	0.018	61	17.3	0.030	510	20.6	0.028	571
Free State Region – surface									
Phoenix	116.8	0.009	1 081	–	–	–	116.8	0.009	1 081
St Helena	284.0	0.008	2 131	–	–	–	284.0	0.008	2 131
Other: WRD	–	–	–	5.6	0.014	78	5.6	0.014	78
Slimes dams	–	–	–	554.5	0.007	3 801	554.5	0.007	3 801
Subtotal	**–**	**–**	**–**	**560.1**	**0.007**	**3 879**	**560.1**	**0.007**	**3 879**
Total Free State Region	**400.8**	**0.008**	**3 212**	**560.1**	**0.007**	**3 879**	**960.9**	**0.007**	**7 091**
Total SA surface	**404.1**	**0.008**	**3 273**	**577.4**	**0.008**	**4 389**	**981.5**	**0.008**	**7 662**
Total SA	**466.4**		**13 900**	**647.2**		**17 024**	**1 113.5**		**30 924**
Papua New Guinea[1]									
Hidden Valley and Kaveroi	0.8	0.035	28	40.1	0.043	1 736	40.9	0.043	1 764
Hamata	0.0	0.086	1	2.5	0.063	161	2.5	0.065	163
Golpu	–	–	–	248.0	0.025	6 221	248.0	0.025	6 221
Total Papua New Guinea	**0.8**	**0.036**	**30**	**290.6**	**0.028**	**8 118**	**291.4**	**0.028**	**8 148**
Grand total	**467.2**		**13 930**	**937.8**		**25 142**	**1 404.9**		**39 072**

Operations	Proved reserves		Probable reserves		Total mineral reserves	
Gold equivalents[1] Silver	Tons (Mt)	Au eq[2] (000 oz)	Tons (Mt)	Au eq[2] (000 oz)	Tons (Mt)	Au eq[2] (000 oz)
Hidden Valley	0.7	8	40.1	584	40.8	592
Total	**0.7**	**8**	**40.1**	**584**	**40.8**	**592**
Copper Golpu	–	–	248.0	13 274	248.0	13 274
Total	**–**	**–**	**248.0**	**13 274**	**248.0**	**13 274**
Total silver and copper as gold equivalents	**0.7**	**8**	**288.1**	**13 858**	**288.8**	**13 867**
Total PNG including gold equivalents	**0.8**	**37**	**290.7**	**21 976**	**291.4**	**22 014**
Total Harmony including equivalents	**467.3**	**13 937**	**937.8**	**39 000**	**1 405.1**	**52 937**

Operations	Proved reserves			Probable reserves			Total mineral reserves		
Papua New Guinea: other[1] Silver	Tons (Mt)	Grade (oz/ton)	Ag[2] (000 oz)	Tons (Mt)	Grade (oz/ton)	Ag[2] (000 oz)	Tons (Mt)	Grade (oz/ton)	Ag[2] (000 oz)
Hidden Valley	**0.8**	**0.569**	**458**	**40.1**	**0.814**	**32 654**	**40.9**	**0.809**	**33 112**
Copper	Tons (Mt)	Grade (%)	Cu[2] (Mlb)	Tons (Mt)	Grade (%)	Cu[2] (Mlb)	Tons (Mt)	Grade (%)	Cu[2] (Mlb)
Golpu	**–**	**–**	**–**	**248.0**	**1.098**	**6 003**	**248.0**	**1.098**	**6 003**
South Africa: uranium Uranium	Tons (Mt)	Grade (lb/ton)	U3O8[2] (M lb)	Tons (Mt)	Grade (lb/ton)	U3O8[2] (M lb)	Tons (Mt)	Grade (lb/ton)	U3O8[2] (M lb)
Free State underground									
Masimong	5.7	0.351	2	2.6	0.288	1	8.3	0.333	3
Tshepong	9.0	0.206	2	15.1	0.217	3	24.1	0.213	5
Phakisa	4.1	0.273	1	17.5	0.253	4	21.6	0.256	5
Total SA underground	**18.8**	**0.265**	**5**	**35.2**	**0.239**	**8**	**54.0**	**0.239**	**13**
Grand total	**18.8**	**0.265**	**5**	**35.2**	**0.239**	**8**	**54.0**	**0.239**	**13**

[1] Total attributable.
Gold equivalent ounces are calculated assuming a US\$1 400/oz Au, US\$3.50/lb Cu and US\$25.00/oz Ag with 100% recovery for all metals.
[2] Metal figures are fully inclusive of all mining dilutions and gold losses, and are reported as mill delivered tonnes and head grades. Metallurgical recovery factors have not been applied to the reserve figures.
NB: Rounding of numbers may result in slight computational discrepancies.
Note: 1 ton = 907 kg = 2 000 lbs.

Directors' report

Our business

The Harmony group of companies has underground and surface operations and conducts gold mining and exploration in South Africa and Papua New Guinea. A general review of the group's business and operations is provided in the 2012 integrated annual report.

The company does not have a controlling shareholder and is managed by its directors for its stakeholders. The group's primary listing is in South Africa on the securities exchange operated by the JSE Limited. Harmony's ordinary shares are further listed in the form of American Depositary Receipts (ADRs) on the New York Stock Exchange and as International Depositary Receipts on the Berlin and Brussels exchanges.

The directors are responsible for the preparation, integrity and fair presentation of the financial statements of the company and its subsidiaries.

Financial statements

A review by the financial director is provided in the integrated annual report.

The directors have pleasure in presenting the summarised consolidated financial statements for the year ended 30 June 2012 and the complete consolidated and company financial statements for the same period (included in the 2012 integrated annual report). The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Companies Act of South Africa, Act No 71 of 2008, as amended.

The group's external auditors, PricewaterhouseCoopers Incorporated, have audited the complete consolidated and separate financial statements and their report is presented in the integrated annual report. The financial statements have been prepared by Harmony Gold Mining Limited's corporate reporting team headed by Herman Perry. This process was supervised by the financial director, Frank Abbott.

2012 integrated annual report

As required by the King Report on Governance for South Africa, 2009 (King III), the board has reviewed and approved the 2012 integrated annual report on recommendation from the audit and risk committee.

Statement by the board

The board of directors is of the opinion that the 2012 integrated annual report and summarised annual financial statements fairly reflect the true financial position of the group at 30 June 2012 and its performance for the year.

Company secretary

The company secretary is Riana Bisschoff. Her business and postal addresses appear on the inside back cover of this report. The company secretary certification is included in the integrated annual report.

Board of directors

For detail on the board and board changes during the year, please refer to the corporate governance report in the integrated annual report.

Directors' shareholdings

None of the directors, other than André Wilkens, who held 101 303 shares in Harmony at 30 June 2012, or any of their immediate families and associates, held any direct shareholding in the company's issued share capital. No executive director held or acquired any shares in the company, other than through share incentive schemes, for the year to 30 June 2012. Post year-end, the chief executive officer, Graham Briggs, bought 14 347 shares in the company, the financial director, Frank Abbott, bought 73 900 shares and Ken Dicks, a non-executive director, bought 12 500 shares.

Going concern

In accordance with the solvency and liquidity test in terms of section 4 of the Companies Act, the board is of the opinion that the company has adequate resources and that:

- the company's assets, fairly valued, exceed its liabilities, fairly valued; and
- the company will be able to pay its debts as they become due in the ordinary course of business for the 12 months preceding 30 June 2013.

Financial results

Details of the group's financial performance are discussed in the financial director's review in the integrated annual report.

Share capital

Full details of the authorised, issued and unissued share capital of the company as at 30 June 2012 are set out in the summarised consolidated statements of changes in shareholders' equity on page 53.

Shareholders

Information on shareholder spread, range of shareholdings and public shareholders, as well as major shareholders, is presented on page 80.

Investments

A schedule of investments in material subsidiaries, associates and joint ventures appears on pages 77 to 78.

Contingencies

None of Harmony's properties is the subject of pending material legal proceedings. We have received a number of claims and are involved in legal and arbitration proceedings that are incidental to the normal conduct of our business. The directors do not, however, believe liabilities related to such claims and proceedings are likely to be material, individually or in aggregate, to the company's consolidated financial condition. Refer to note 13 of the summarised consolidated financial statements for further discussion.

Borrowings

(i) Movement in borrowings. See note 11 to the summarised consolidated financial statements

(ii) Borrowing powers

The level of the company's borrowing powers, as determined by its current memorandum of incorporation, will not, except with the consent of the company's shareholders, exceed the aggregate from time to time of the issued and paid-up share capital of the company, together with the aggregate of the amounts standing to the credit of all distributable and non-distributable reserves (including interests in subsidiary companies and provisions for deferred taxation) and any share premium account of the company. At year-end, total borrowings were R1 816 million (US$221 million) (FY11: R1 559 million (US$230 million)).

Special resolutions by subsidiary companies

A resolution in terms of section 45 of the Companies Act, 71 of 2008 (financial assistance) was passed by the following companies:

- African Rainbow Minerals Gold Limited (Reg no 1997/015869/06)
- Avgold Limited (Reg No 1990/007025/06)
- Evander Gold Mines Limited (Reg No 1963/006226/06)
- Armgold/Harmony Freegold Joint Venture Company (Proprietary) Limited (Reg No 2001/029602/07)
- Randfontein Estates Limited (Reg No 1889/000251/06)

Disposals

Harmony entered into an agreement with Pan African Resources plc (Pan African Resources) on 30 May 2012 to dispose of its 100% interest in Evander Gold Mines Limited (Evander) for a total consideration of R1.5 billion. The main conditions precedent are expected to be fulfilled before 31 December 2012.

Related-party transactions

None of the directors or major shareholders of Harmony or, to the knowledge of Harmony, their families, had interest, direct or indirectly, in any transaction during the period under review or in any proposed transaction that has affected or will materially affect Harmony or its subsidiaries, other than as stated below.

African Rainbow Minerals Limited (ARM) currently holds 14.7% of Harmony's shares. Patrice Motsepe, André Wilkens, Frank Abbott and Joaquim Chissano are directors of ARM.

Material transactions with associates, joint ventures and special-purpose entities (SPEs)

All transactions with related parties are conducted at arm's length. Refer to note 12 of the summarised consolidated financial statements for details on transactions conducted during the period under review.

Recent developments

Dividend

On 13 August 2012, the board approved a final dividend for FY12 of 50 SA cents per ordinary share. As the August dividend was declared after the reporting date, it has not been reflected in the financial statements for the year ended 30 June 2012.

Freegold court case

The Supreme Court of Appeals' decision on Freegold's appeal regarding the South African Revenue Service's (SARS) application of mining tax ringfencing was received on 1 October 2012 and the court found in favour of SARS. This is an adjusting event and the impact of the decision has been recorded in the financial statements. Refer to note 14 of the summarised consolidated financial statements for further detail.

Silicosis

On 23 August 2012, Harmony and all its subsidiaries were served with court papers entailing an application by three former employees requesting the South Gauteng High Court to certify a class action. In essence, the applicants want the court to declare them as representing a class of people for purposes of instituting an action for relief and to obtain directions as to what procedure to follow in pursuing the relief required against Harmony. Harmony has subsequently retained legal counsel in this regard and, on 5 September 2012, Harmony served and filed its notice of intention to oppose the application. At this stage and in the absence of a court decision on this matter, it is uncertain whether the company will incur any costs related to silicosis claims. Due to the limited information available on any claims and potential claims and the uncertainty of the outcome of these claims, no estimation can be made for the possible obligation.

Employee Share Ownership Plan (ESOP)

On 31 August 2012, Harmony issued 3.5 million shares to the Tlhakanelo Trust of which 3 409 150 shares have been allocated to participants.

Approval

The annual financial statements were approved by the board of directors on 25 October 2012 and signed on its behalf by:

Mr GP Briggs
Chief executive officer

Randfontein
South Africa

Mr F Abbott
Financial director

Randfontein
South Africa

25 October 2012

Remuneration report

Harmony recognises that the principles of equity and fairness, coupled with a competitive and balanced remuneration strategy, lead to enhanced organisational performance – benefiting all stakeholders.

Remuneration committee

The primary purpose of the remuneration committee is to ensure the company's directors and executive managers are fairly rewarded for their individual contributions to Harmony's performance. The committee primarily assists the board on, inter alia, monitoring, reviewing and approving Harmony's compensation policies and practices, and administering the company's share incentive schemes. The committee has an independent role, operating as an overseer and making recommendations to the board for its consideration and final approval. The committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and members of senior management.

In remunerating executive managers, the committee considers the interests of shareholders and the financial and commercial health of the company. None of the committee members has any personal interest in the outcome of these decisions. A majority of the members are independent non-executive directors.

The committee recently reviewed the salaries of executive management and non-executive directors' fees and obtained the advice of an independent compensation consultant, at the group's expense. The independent consultant also administers the company's Tlhakanelo employee share incentive scheme. The work of the compensation consultant did not raise any conflict of interest. The consultant reported that executive management's salaries required some adjustment to align these with industry benchmarks. The committee considered this report and made a recommendation to the board, which the board approved post year-end, effective 1 August 2012. In addition, the committee's recommendation that non-executive directors' fees be adjusted in line with industry benchmarks was approved by the board for recommendation to shareholders.

Harmony's formal remuneration and incentive awards strategy, adopted by the board and presented to shareholders for consideration on a non-binding advisory vote at the annual general meeting in 2011, is unchanged, except for the inclusion of the Tlhakanelo Employee Share Trust. The company's remuneration and incentive awards strategy will again be presented to shareholders for their consideration at the 2012 annual general meeting.

At 30 June 2012, the members of this committee were:

- Cathie Markus (chairman) (independent non-executive director) – member and chairman from 30 November 2011
- Simo Lushaba (independent non-executive director) – member since 5 August 2005
- André Wilkens (non-independent non-executive director) – member since 7 August 2007
- Fikile De Buck (independent non-executive director) – member since 29 October 2010
- John Wetton (independent non-executive director) – member since 12 August 2011.

The chief executive officer, financial director, executive: government relations and executive: human resources were invited to attend all meetings.

Reward strategy

The objective of Harmony's reward strategy is to enable the business to:

- Recruit high-performing skills from a limited pool of talent
- Retain competent employees who continuously enhance business performance
- Reinforce, encourage and promote superior performance
- Direct employees' energies and activities to achieving key business goals
- Achieve most effective returns (employee productivity) for total employee spend
- Embrace diverse needs of employees in building the Harmony culture.

To achieve this, Harmony rewards employees in a way that fairly reflects the dynamics of the market and the context in which it operates. All components of the reward strategy are aligned to Harmony's strategic direction, business-specific value drivers and operational results.

Reward strategy – design principles

The principles that govern Harmony's reward strategy include:

- **Competitive pay levels:** Harmony is committed to paying packages that are competitive relative to the target labour market
- **Pay for performance:** remuneration practices reward high-performing employees for their contribution to the company

- **Internal equity:** remuneration differentiation between employees is based on criteria that are fair and objective
- **Cost management:** Harmony manages the total cost of employment for all employees
- **Holistic approach:** Harmony has adopted an integrated approach to reward strategy – a balanced design that includes:
  - Guaranteed pay
  - Short-term incentive pay
  - Long-term (share-based) incentive pay
  - Performance management
  - Employee growth and development
  - Non-financial rewards and recognition
- **Regular revision:** Harmony recognises that the reward strategy and resultant remuneration policies are dynamic and should be reviewed regularly to ensure practices keep pace with both the company's objectives and market practices
- **Communication:** Harmony is committed to ensuring employees are aware of the company's reward strategy.

Guaranteed pay

In reviewing and approving levels of guaranteed pay, the committee ensures these reflect the market sector in which Harmony operates, and the contribution of employees, particularly senior executives and executive directors.

To compete effectively for skills in a challenging employment market, Harmony identifies the target market, those organisations or companies from which skills are acquired, or to which skills are lost. Operational and technical comparisons are made predominantly to the mining and resources market, while more general comparisons are made to the national market and, at executive level, to top executive surveys.

For all positions other than those for which specific premiums are deemed appropriate due to scarcity or criticality of skills, Harmony aims for guaranteed pay levels relative to the market median of the target market.

In the context of guaranteed pay, all other benefits including pensions, benefits-in-kind and other financial arrangements are scrutinised to ensure they are justified, appropriately valued and suitably disclosed. Additionally, Harmony ensures guaranteed pay is a sufficient proportion of total remuneration to allow a fully flexible incentive scheme to operate.

Short-term incentive pay

The remuneration committee ensures Harmony's directors and senior executives are fairly rewarded for their individual contributions to overall performance. In September 2006, the committee approved an annual incentive scheme as part of Harmony's reward philosophy to benefit executive directors and members of management. This scheme was revised in 2010 to provide twice-yearly incentive bonuses for all management employees applying to corporate, Harmony central services, medical services and central operations; and quarterly incentive bonuses for designated shaft management team members as well as regional operations management teams.

Although bonuses are payable bi-annually and quarterly, they still relate to performance against annual objectives consistent with long-term value for shareholders, with both business and corporate performance targets, financial and non-financial, and tailored to the needs of the business. They are reviewed annually to ensure they remain appropriate.

While Harmony's fundamental aim is to generate profit for its shareholders while continuing to grow, it is equally committed to ensuring that the safety, health and well-being of its employees is a primary area of focus. Therefore remuneration is linked to safety performance at all levels of the organisation to reinforce safety as a top priority.

Minimum levels of financial and operational performance are also included, with targets for threshold, expected and stretch levels of performance set and robustly monitored. Performance drivers are not duplicated, and a balance is struck between the need to reward success over the short and long term.

Scorecards of multiple targeted performance measures are used to avoid manipulation of results or poor business decisions. Currently, the principles of the scheme are based on the key targets of improvements in safety, and performance against budget targets for: kilograms of gold produced, underground grade, cash cost and capital expenditure.

Throughout, the remuneration committee satisfies itself on the accuracy of recorded performance measures that govern vesting of incentives. Risk-based oversight of bonuses payable is exercised to ensure behaviours contrary to the company's risk management strategy are eliminated.

Occasionally, external factors impacting performance outside the control of participants may be accommodated to a limited extent for executives (with board discretionary approval), but may be more generously applied at lower levels in the organisation (with executive committee discretionary approval).

Long-term (share-based) incentives

Harmony has implemented various share option schemes in the past, but since implementation of the 2006 share plan, no options have been or will be issued in terms of these schemes. Options granted prior to the 2006 share plan remain open for acceptance for ten years after the date of grant, subject to the terms of the relevant option scheme.

The Harmony 2006 share plan

The Harmony 2006 share plan (the plan) was adopted by shareholders at the annual general meeting on 10 November 2006 and subsequently amended at the annual general meeting held in Johannesburg on 1 December 2010 to bring it in line with amendments to the JSE Listings Requirements. The board of directors resolved in September 2012 to further amend the plan to align it with the Companies Act 2008. These amendments were permissible in terms of the plan without prior approval by shareholders.

The plan incorporates: equity-settled share appreciation rights, performance shares and performance-allocated restricted shares. The plan is in line with global and South African best practice, and rewards the required attributes of shareholder alignment and long-term, sustained performance.

In terms of the plan, executives and senior managers of Harmony and its subsidiaries and associates are awarded rights to receive shares in Harmony, when time and performance conditions have been met, the awards have vested and, in the case of share appreciation rights (SARs), the rights have been exercised.

Annual allocations of SARs, awards of performance shares, and grants of restricted shares are governed by Harmony's reward strategy in which, inter alia, the 'expected value' of long-term incentive rewards is set for defined categories of executive and senior management. Participation is restricted to full-time employees and executive directors, and is subject to appropriate limits for individual participation.

Annual offers are made as this reduces the risk of unanticipated outcomes due to share-price volatility and cyclical factors, allows the adoption of a single performance measurement period and lessens the possibility and impact of 'underwater' share appreciation rights or excessive windfall gains. There is no repricing or surrender and regrant of any offers. The rules of the scheme provide that share awards are not granted in a closed period and no backdating of awards is allowed.

Rewards are settled in shares. However, participants are able to receive, via the company-appointed share scheme administrators, cash from the sale of the shares, less tax payable.

Performance conditions governing vesting of the scheme instruments include growth in earnings above inflation, targeted operational performance, and comparative financial/share performance against a peer group or index. They are designed to be challenging but achievable and are linked to the company's medium-term business plan over three-year performance periods.

A summary of the main elements of the current share plan and performance conditions is set out below. Performance conditions for subsequent awards may use different performance measures and targets, but will be no less challenging in the context of the prevailing business environment.

Share appreciation rights scheme (SARs)

Eligible employees receive annual allocations of share appreciation rights, which are rights to receive shares equal to the value of the difference between the exercise and allocation price, less tax payable on the difference.

Vesting of SARs is phased and subject to performance conditions specified in the allocation letter. Currently, vesting occurs in equal thirds on the third, fourth and fifth anniversary of the allocation, subject to a performance condition tied to the company's performance in headline earnings per share (HEPS) above inflation.

Performance share plan (PSP)

Eligible employees receive annual conditional awards of a maximum number of performance shares.

The conditional award vests after three years if performance conditions have been satisfied. Specific performance conditions are stated in the award letter.

Performance criteria since November 2009 for senior management are:

- 50% of the number awarded is linked to the annual gold production of the company against targets set annually
- 50% of the number awarded is linked to the South African Gold Index.

Performance criteria for management since November 2010:

- 70% of the number awarded is linked to the annual gold production of the company against targets set annually
- 30% of the number awarded is linked to the South African Gold Index.

Although performance shares vest in the third year, performance against the two selected metrics is assessed annually and locked in for three discrete and equal segments of each award.

On vesting of the conditional award, the company procures the delivery of shares to settle the after-tax value of the vested portion of the award. Conditional awards that do not vest at the end of the three-year period lapse.

Performance allocated restricted share plan (RSP)

Periodically, eligible employees may be granted a number of restricted shares and matching performance shares at the discretion of the board, based on their individual performance in the preceding year, or future worth or value to the company. The quantum and balance between restricted shares and matching performance shares is at the discretion of the board.

Restricted shares vest three years from the grant date, at which point the participant has 30 days to elect to exercise them. A request to exercise must be in writing and is subject to board approval. If the participant decides not to exercise all or a portion of the restricted shares on vesting, or does not react within 30 days from the vesting date, these shares remain restricted for a further three years, but are supplemented by a matching grant of restricted shares. All restricted shares are then only settled after the end of a further three-year period.

The employee share option scheme (ESOP)

At the company's annual general meeting on 1 December 2010, shareholders approved the implementation of the ESOP via a trust now known as the Tlhakanelo Employee Share Trust (trust).

The ESOP is an equity-settled share incentive and share appreciation right (SAR) scheme in terms of which:

- A total maximum threshold of 12 864 000 ordinary shares subdivided into (i) 4 288 000 ordinary shares in the share capital of the company (scheme shares) at par value; and (ii) 8 576 000 SARs have been made available for offer to more than 33 000 Harmony current and future qualifying employees (qualifying employees) in the ratio of 1 scheme share to 2 SARs, subject to the terms and conditions of the deed of trust (trust deed)
- The scheme shares and SARs allocated to qualifying employees (participants) will vest in equal tranches on each anniversary of the relevant allocation date
- Upon vesting of scheme shares, the participants will be entitled to take delivery of the vested scheme shares
- Upon the vesting of SARs, the participants will be entitled to receive a number of ordinary shares in the share capital of the company (entitlement shares) and/or a cash bonus.

  The number of entitlement shares which a participant will be entitled to receive will be determined by reference to the appreciation of the share price between the offer date of the SARs (offer date) and the vesting date (vesting date), subject to a maximum appreciation value of R32. To the extent that the share price:
  - appreciates less than R18 but more than zero between the offer date and vesting date, the participant will, in addition to receiving entitlement shares, receive a cash bonus equal to the difference between R18 and the appreciation of each vested SAR
  - depreciates between the offer date and vesting date, the participant will not be entitled to any entitlement shares but will instead receive a cash bonus of R18 per vested SAR, collectively referred to as the cash bonus
- Prior to vesting, participants are entitled to elect to either (i) receive their vested scheme shares and/or entitlement shares or (ii) have their vested scheme shares and/or entitlement shares sold on their behalf and to receive the net proceeds of such sale.

Shareholders will be requested to approve amendments to the trust deed at the annual general meeting to be held on 28 November 2012. Further details can be found in the notice of the annual general meeting.

Reward strategy – pay-mix considerations

The remuneration committee ensures that the mix of fixed and variable pay, in cash, shares and other elements, meets the company's needs and that incentives are based on targets that are stretching, verifiable and relevant.

Pay mix is defined as the balance targeted between the major components of remuneration, namely:

- Total cost to company guaranteed pay (TCTC)
- Variable pay for performance
  - Bonuses derived from cash incentive bonuses
  - The expected value derived from offers in terms of a long-term (share-based) incentive plan (LTIP).

Expected value is defined as the present value of the future reward outcome of an allocation/award/grant, given the targeted future performance of the company and its share price. It should not be confused with the term 'fair value' which is used to establish the accounting cost in the company's financial statements. Neither should it be confused with the term 'face value' which is used to define the current value of the underlying share at the time of allocation/award/grant.

The reward strategy/pay-mix relationship currently in place at Harmony, as it relates to the CEO, executive and general manager positions, is shown below:

Reward strategy – pay mix

Reward level	Designations	On-target incentive reward*	Maximum incentive reward*	Total share reward (expected value)
CEO	CEO	50%	100%	70%
Exec	Executives	50%	100%	50%
GM	General manager	30%/50%	50%/70%	35%

All percentages applied to TCTC.

* *The on-target incentive bonus percentage of 30% is generally applied to all corporate and support positions, with the 50% applied to all shaft operational positions. In both cases, the percentage is based on achieving strategy plan targets.*

Non-executive directors' fees

Harmony's remuneration committee ensures directors are fairly rewarded for their individual contributions to overall performance. The board periodically considers an increase in non-executive directors' fees to ensure these remain competitive.

Non-executive director fees are paid monthly, varying according to factors including the level of expertise of each director. The chairman and other non-executive directors do not receive options or other incentive awards geared to share price or group performance, as these would align their interests too closely with executives and may be seen to impair their ability to provide impartial oversight and advice.

The board considered the King III recommendation that fees for non-executive directors should consist of a base fee as well as a fee per meeting. Harmony follows a different approach in paying a structured annual retainer as well as additional fees for ad hoc meetings and/or attendance to company business, which it deems fair and transparent and therefore in the best interests of the company.

Contracts, severance, termination

Contracts do not commit the company to pay on termination arising from an executive's failure to deliver agreed performance standards, and balloon payments are not paid on termination, nor is there any automatic entitlement to bonuses or share-based payments. Contracts also make it clear that if a director is dismissed after a disciplinary procedure, a shorter notice period than set out in the contract will apply.

Contracts do not compensate executives for severance as a result of change of control; however, this does not preclude payments to retain key executives during a period of uncertainty. Where individuals leave voluntarily before the end of the service period, or are dismissed for good cause, any unvested share-based awards lapse.

In other cases of cessation of employment, where the remuneration committee decides that early vesting of long-term incentives is appropriate, the extent of vesting would depend on performance criteria over the period to date as well as time served of vesting periods.

Directors' remuneration

Name	Directors' fees (R000) FY12	Salaries and benefits (R000) FY12	Retirement contributions during the year (R000) FY12	Bonuses paid (R000) FY12	Total (R000) FY12	Total (R000) FY11
Non-executive directors						
Patrice Motsepe	**883**	**–**	**–**	**–**	**883**	833
Frank Abbott[1]	**156**	**–**	**–**	**–**	**156**	332
Joaquim Chissano	**432**	**–**	**–**	**–**	**432**	427
Fikile De Buck	**696**	**–**	**–**	**–**	**696**	609
Ken Dicks	**372**	**–**	**–**	**–**	**372**	326
Dr Simo Lushaba	**491**	**–**	**–**	**–**	**491**	452
Cathie Markus	**568**	**–**	**–**	**–**	**568**	343
Modise Motloba	**557**	**–**	**–**	**–**	**557**	534
Mavuso Msimang	**328**	**–**	**–**	**–**	**328**	63
David Noko[2]	**484**	**–**	**–**	**–**	**484**	64
Cedric Savage[3]	**381**	**–**	**–**	**–**	**381**	707
John Wetton	**571**	**–**	**–**	**–**	**571**	–
André Wilkens	**500**				**500**	441
Executive						
Frank Abbott[4]	**–**	**3 436**	**–**	**110**	**3 546**	1 273
Graham Briggs	**–**	**5 966**	**–**	**1 330**	**7 296**	7 972
Mashego Mashego	**–**	**2 346**	**235**	**611**	**3 192**	3 412
Hannes Meyer[5]	**–**	**2 154**	**–**	**677**	**2 831**	3 978
Prescribed officers						
Jaco Boshoff[6]	**–**	**1 797**	**200**	**455**	**2 452**	–
Tom Smith	**–**	**2 314**	**267**	**602**	**3 183**	3 704
Johannes van Heerden	**–**	**3 422**	**126**	**622**	**4 170**	4 138
Senior management[7]	**–**	**12 533**	**864**	**3 164**	**16 561**	23 633
Total	**6 419**	**33 968**	**1 692**	**7 571**	**49 650**	53 241

[1] *July 2011 to October 2011.*

[2] *Resigned June 2012.*

[3] *July 2011 to November 2011 (retired).*

[4] *November 2011 to June 2012 (appointed 8 November 2011).*

[5] *July 2011 to March 2012 (resigned).*

[6] *Acting chief operating officer for the operations in Gauteng, the North West and Mpumalanga to March 2012, thereafter acting chief operating officer for Evander.*

[7] *Includes five people for full year, and two people for a portion of the year.*

Executive directors' and management share incentives

	Executive directors							
	Graham Briggs		Hannes Meyer[1]		Frank Abbott		Mashego Mashego	
	Number of shares	Average price (Rands)	Number of shares	Average price (Rands)	Number of shares	Average price (Rands)	Number of shares	Average price (Rands)
Share options								
Opening balance at 1 July 2011	91 938	48.55	–	–	–	–	–	–
Options exercised	–	n/a	–	n/a	–	n/a	–	n/a
– Average sales price	–	n/a	–	n/a	–	n/a	–	n/a
Closing balance at 30 June 2012	91 938	48.55	–	–	–	–	–	–
Performance shares								
Opening balance at 1 July 2011	305 011	n/a	55 800	n/a	–	n/a	77 201	n/a
Options granted	63 921	n/a	21 446	n/a	23 072	n/a	19 082	n/a
Options exercised	59 221	n/a	–	n/a	–	n/a	13 802	n/a
– Average sales price	–	113.01	–	n/a	–	n/a	–	113.01
Options forfeited and lapsed	88 832	n/a	77 246	n/a	–	n/a	20 705	n/a
Closing balance at 30 June 2012	220 879	n/a	–	n/a	23 072	n/a	61 776	n/a
Restricted shares								
Opening balance at 1 July 2011	48 485	n/a	24 525	n/a	–	n/a	22 262	n/a
Options granted	15 000	n/a	10 000	n/a	8 000	n/a	8 000	n/a
Options exercised	–	n/a	–	n/a	–	n/a	–	n/a
Options forfeited and lapsed	–	n/a	34 525	n/a	–	n/a	–	n/a
Closing balance at 30 June 2012	63 485	n/a	–	n/a	8 000	n/a	30 262	n/a
Share appreciation rights								
Opening balance at 1 July 2011	265 713	78.44	15 608	80.68	–	–	54 458	77.11
Options granted	11 676	104.79	5 963	104.79	6 585	104.79	5 361	104.79
Options exercised	–	n/a	–	n/a	–	n/a	17 779	71.98
– Average sales price	–	n/a	–	n/a	–	n/a	–	104.66
Options forfeited and lapsed	–	n/a	21 571	87.35	–	n/a	–	n/a
Closing balance at 30 June 2012	277 389	78.00	–	–	6 585	104.79	42 040	82.80
Grant date								
Share options	91 938		–		–		–	
27 March 2003	–	91.60	–	91.60	–	91.60	–	91.60
10 August 2004	32 340	66.15	–	66.15	–	66.15	–	66.15
26 April 2005	59 598	39.00	–	39.00	–	39.00	–	39.00
Performance shares	220 879				23 072		61 776	
16 November 2009	74 534	n/a	–	n/a	–	n/a	17 372	n/a
15 November 2010	82 424	n/a	–	n/a	–	n/a	25 322	n/a
15 November 2011	63 921	n/a	–	n/a	23 072	n/a	19 082	n/a
Restricted shares	63 485				8 000		30 262	
15 November 2010	48 485	n/a	–	n/a	–	n/a	22 262	n/a
15 November 2011	15 000	n/a	–	n/a	8 000	n/a	8 000	n/a
Share appreciation rights	277 389				6 585		42 040	
15 November 2006	3 473	112.64	–	112.64	–	112.64	3 645	112.64
15 November 2007	159 484	70.54	–	70.54	–	70.54	14 252	70.54
7 March 2008	46 154	102.00	–	102.00	–	102.00	–	102.00
5 December 2008	28 377	77.81	–	77.81	–	77.81	7 055	77.81
16 November 2009	14 286	77.28	–	77.28	–	77.28	5 327	77.28
15 November 2010	13 939	84.81	–	84.81	–	84.81	6 400	84.81
15 November 2011	11 676	104.79	–	104.79	6 585	104.79	5 361	104.79
Closing balance as at 30 June 2012	**653 691**		**–**		**37 657**		**134 078**	

[1] *Hannes Meyer resigned during March 2012.*
[2] *The opening balances have been adjusted for transfers from management to executive.*

Prescribed officers						Other					
Jaco Boshoff		Tom Smith		Johannes van Heerden		Executive management[2]		Other management[2]		Total	
Number of shares	Average price (Rands)	Number of shares	Average price (Rands)	Number of shares	Average price (Rands)	Number of shares	Average price (Rands)	Number of shares	Average price (Rands)	Number of shares	Average price (Rands)
5 480	66.15	124 138	52.12	34 325	44.69	83 035	54.95	1 008 289	49.78	1 347 205	50.12
5 480	66.15	–	n/a	–	n/a	71 035	47.89	441 131	51.61	517 646	51.25
–	96.75	–	n/a	–	n/a	–	105.64	–	104.05	–	105.41
–	–	124 138	52.12	34 325	44.69	12 000	91.60	567 158	48.38	829 559	49.43
64 755	n/a	89 084	n/a	89 084	n/a	450 088	n/a	2 562 558	n/a	3 693 581	n/a
14 038	n/a	19 082	n/a	19 082	n/a	117 843	n/a	904 955	n/a	1 202 521	n/a
12 646	n/a	16 964	n/a	16 964	n/a	71 296	n/a	504 358	n/a	695 251	n/a
–	113.01	–	113.01	–	113.01	–	113.01	–	112.94	–	112.94
18 969	n/a	25 447	n/a	25 447	n/a	208 210	n/a	1 034 994	n/a	1 499 850	n/a
47 178	n/a	65 755	n/a	65 755	n/a	288 425	n/a	1 928 161	n/a	2 701 001	n/a
8 301	n/a	22 262	n/a	22 262	n/a	85 091	n/a	114 695	n/a	347 883	n/a
5 000	n/a	8 000	n/a	8 000	n/a	45 000	n/a	56 000	n/a	163 000	n/a
–	n/a	–	n/a	–	n/a	–	n/a	–	n/a	–	n/a
–	n/a	–	n/a	–	n/a	41 907	n/a	22 765	n/a	99 197	n/a
13 301	n/a	30 262	n/a	30 262	n/a	88 184	n/a	147 930	n/a	411 686	n/a
61 924	74.69	107 216	73.60	107 506	73.70	375 503	75.17	5 794 892	80.28	6 782 820	79.66
3 998	104.79	5 361	104.79	5 361	104.79	35 150	104.79	998 769	104.79	1 078 224	104.79
–	n/a	–	n/a	–	n/a	50 349	71.49	621 377	77.28	689 505	76.72
–	n/a	–	n/a	–	n/a	–	102.59	–	111.68	–	111.55
–	n/a	–	n/a	–	n/a	101 786	79.16	714 556	81.78	837 913	81.61
65 922	76.52	112 577	75.08	112 867	75.18	258 518	78.88	5 457 728	84.81	6 333 626	83.85
–		124 138		34 325		12 000		567 158		829 559	
–	91.60	–	91.60	–	91.60	12 000	91.60	50 400	91.60	62 400	91.60
–	66.15	60 000	66.15	7 200	66.15	–	66.15	98 388	66.15	197 928	66.15
–	39.00	64 138	39.00	27 125	39.00	–	39.00	418 370	39.00	569 231	39.00
47 178		65 755		65 755		288 425		1 928 161		2 701 001	
15 916	n/a	21 351	n/a	21 351	n/a	99 325	n/a	268 155	n/a	518 004	n/a
17 224	n/a	25 322	n/a	25 322	n/a	99 796	n/a	792 826	n/a	1 068 236	n/a
14 038	n/a	19 082	n/a	19 082	n/a	89 304	n/a	867 180	n/a	1 114 761	n/a
13 301		30 262		30 262		88 184		147 930		411 686	
8 301	n/a	22 262	n/a	22 262	n/a	55 184	n/a	91 930	n/a	270 686	n/a
5 000	n/a	8 000	n/a	8 000	n/a	33 000	n/a	56 000	n/a	141 000	n/a
65 922		112 577		112 867		258 518		5 457 728		6 333 626	
2 031	112.64	2 328	112.64	2 618	112.64	8 950	112.64	312 742	112.64	335 787	112.64
40 544	70.54	78 934	70.54	78 934	70.54	124 064	70.54	460 733	70.54	956 945	70.54
–	102.00	–	102.00	–	102.00	–	102.00	–	102.00	46 154	102.00
9 695	77.81	13 006	77.81	13 006	77.81	39 903	77.81	1 090 360	77.81	1 201 402	77.81
4 881	77.28	6 548	77.28	6 548	77.28	31 757	77.28	1 763 611	77.28	1 832 958	77.28
4 773	84.81	6 400	84.81	6 400	84.81	28 480	84.81	889 972	84.81	956 364	84.81
3 998	104.79	5 361	104.79	5 361	104.79	25 364	104.79	940 310	104.79	1 004 016	104.79
126 401		**332 732**		**243 209**		**647 127**		**8 100 977**		**10 275 872**	

Summarised consolidated income statements

for the years ended 30 June 2012

SA rand				US dollar	
2011*	**2012**	Figures in million	Note	**2012**	2011*
		Continuing operations			
11 596	**15 169**	Revenue		**1 953**	1 659
(10 699)	**(12 137)**	Cost of sales	4	**(1 561)**	(1 533)
(8 504)	**(9 911)**	Production costs		**(1 276)**	(1 218)
(1 609)	**(1 921)**	Amortisation and depreciation		**(247)**	(230)
(264)	**60**	Reversal of impairment/(impairment) of assets		**7**	(39)
(136)	**(81)**	Employment termination and restructuring costs		**(10)**	(20)
(186)	**(284)**	Other items		**(35)**	(26)
897	**3 032**	**Gross profit**		**392**	126
(322)	**(352)**	Corporate, administration and other expenditure		**(45)**	(46)
(82)	**(72)**	Social investment expenditure		**(9)**	(12)
(324)	**(500)**	Exploration expenditure		**(64)**	(46)
27	**63**	Profit on sale of property, plant and equipment		**8**	4
(21)	**(50)**	Other expenses – net		**(6)**	(3)
175	**2 121**	**Operating profit**		**276**	23
(51)	**–**	Loss from associates		**–**	(7)
(142)	**56**	Reversal of impairment/(impairment) of investment in associate		**7**	(20)
–	**(144)**	Impairment of investments	8	**(19)**	–
129	**86**	Net gain on financial instruments		**11**	18
273	**–**	Gain on farm-in option		**–**	38
133	**97**	Investment income		**12**	19
(271)	**(286)**	Finance costs		**(37)**	(38)
246	**1 930**	**Profit before taxation**		**250**	33
387	**123**	Taxation	5	**16**	55
633	**2 053**	**Net profit from continuing operations**		**266**	88
		Discontinued operations			
(16)	**592**	Profit/(loss) from discontinued operations	6	**75**	(2)
617	**2 645**	**Net profit for the year**		**341**	86
		Attributable to:			
617	**2 645**	Owners of the parent		**341**	86
–	**–**	Non-controlling interest		**–**	–
		Earnings/(loss) per ordinary share (cents)	7		
148	**477**	Earnings from continuing operations		**61**	21
(4)	**137**	Earnings/(loss) from discontinued operations		**18**	(1)
144	**614**	**Total earnings**		**79**	20
		Diluted earnings/(loss) per ordinary share (cents)	7		
148	**476**	Earnings from continuing operations		**61**	21
(4)	**136**	Earnings/(loss) from discontinued operations		**18**	(1)
144	**612**	**Total diluted earnings**		**79**	20

** The prior year amounts have been re-presented due to Evander being classified as a discontinued operation during 2012. Refer to note 6.*

The accompanying notes are an integral part of these summarised consolidated financial statements.

Summarised consolidated statements of comprehensive income

for the years ended 30 June 2012

SA rand				US dollar	
2011	**2012**	Figures in million	Note	**2012**	2011
617	**2 645**	Net profit for the year		**341**	86
368	**1 587**	Other comprehensive income/(loss) for the year, net of income tax		**(595)**	540
470	**1 485**	Foreign exchange translation		**(607)**	555
(102)	**(42)**	Loss on fair value movement of available-for-sale investments		**(7)**	(15)
–	**144**	Impairment of available-for-sale investments recognised in profit or loss		**19**	–
985	**4 232**	**Total comprehensive income/(loss) for the year**		**(254)**	626
		Attributable to:			
985	**4 232**	Owners of the parent		**(254)**	626
–	**–**	Non-controlling interest		**–**	–

The accompanying notes are an integral part of these summarised consolidated financial statements.

Summarised consolidated balance sheets

as at 30 June 2012

SA rand				US dollar	
2011	**2012**	Figures in million	Note	**2012**	2011
		Assets			
		Non-current assets			
31 221	**32 853**	Property, plant and equipment		**4 003**	4 607
2 170	**2 196**	Intangible assets		**268**	320
31	**36**	Restricted cash		**4**	5
1 883	**1 842**	Restricted investments		**224**	278
1 149	**486**	Deferred tax assets		**59**	170
185	**146**	Investments in financial assets	8	**18**	27
172	**58**	Inventories	9	**7**	25
23	**28**	Trade and other receivables		**3**	3
36 834	**37 645**	**Total non-current assets**		**4 586**	5 435
		Current assets			
837	**996**	Inventories	9	**121**	124
1 073	**1 245**	Trade and other receivables		**152**	158
139	**118**	Income and mining taxes		**14**	21
693	**1 773**	Cash and cash equivalents		**216**	102
2 742	**4 132**			**503**	405
268	**1 423**	Assets of disposal groups classified as held for sale	6	**174**	40
3 010	**5 555**	**Total current assets**		**677**	445
39 844	**43 200**	**Total assets**		**5 263**	5 880
		Equity and liabilities			
		Share capital and reserves			
28 305	**28 331**	Share capital		**4 036**	4 033
762	**2 444**	Other reserves		**(64)**	519
1 093	**3 307**	Retained earnings/(accumulated loss)		**180**	(102)
30 160	**34 082**	**Total equity**		**4 152**	4 450
		Non-current liabilities			
4 216	**3 106**	Deferred tax liabilities		**378**	623
1 971	**1 865**	Provision for environmental rehabilitation		**227**	291
167	**177**	Retirement benefit obligation		**22**	25
7	**30**	Other provisions	10	**4**	1
1 229	**1 503**	Borrowings	11	**183**	181
7 590	**6 681**	**Total non-current liabilities**		**814**	1 121
		Current liabilities			
330	**313**	Borrowings	11	**38**	49
2	**1**	Income and mining taxes		**–**	–
1 746	**1 747**	Trade and other payables		**213**	258
2 078	**2 061**			**251**	307
16	**376**	Liabilities of disposal groups classified as held for sale	6	**46**	2
2 094	**2 437**	**Total current liabilities**		**297**	309
39 844	**43 200**	**Total equity and liabilities**		**5 263**	5 880

The accompanying notes are an integral part of these summarised consolidated financial statements.

Summarised consolidated statements of changes in shareholders' equity

for the years ended 30 June 2012

	Number of ordinary shares issued[1]	Share capital	Share premium	Retained earnings/ (accumulated loss)	Other reserves	Total
Figures in million (SA rand)						
Balance – 30 June 2010	428 654 779	214	28 047	690	258	29 209
Issue of shares						
– Exercise of employee share options	1 429 849	1	40	–	–	41
Share–based payments	–	–	3	–	136	139
Net profit for the year	–	–	–	617	–	617
Other comprehensive income for the year	–	–	–	–	368	368
Dividends paid[2]	–	–	–	(214)	–	(214)
Balance – 30 June 2011	**430 084 628**	**215**	**28 090**	**1 093**	**762**	**30 160**
Issue of shares						
– Exercise of employee share options	**1 479 608**	**1**	**25**	**–**	**–**	**26**
Share-based payments	**–**	**–**	**–**	**–**	**95**	**95**
Net profit for the year	**–**	**–**	**–**	**2 645**	**–**	**2 645**
Other comprehensive income for the year	**–**	**–**	**–**	**–**	**1 587**	**1 587**
Dividends paid[2]	**–**	**–**	**–**	**(431)**	**–**	**(431)**
Balance – 30 June 2012	**431 564 236**	**216**	**28 115**	**3 307**	**2 444**	**34 082**
Figures in million (US dollar)						
Balance – 30 June 2010	428 654 779	33	3 994	(159)	(40)	3 828
Issue of shares						
– Exercise of employee share options	1 429 849	–	6	–	–	6
Share-based payments	–	–	–	–	19	19
Net profit for the year	–	–	–	86	–	86
Other comprehensive income for the year	–	–	–	–	540	540
Dividends paid[2]	–	–	–	(29)	–	(29)
Balance – 30 June 2011	**430 084 628**	**33**	**4 000**	**(102)**	**519**	**4 450**
Issue of shares						
– Exercise of employee share options	**1 479 608**	**–**	**3**	**–**	**–**	**3**
Share-based payments	**–**	**–**	**–**	**–**	**12**	**12**
Net profit for the year	**–**	**–**	**–**	**341**	**–**	**341**
Other comprehensive loss for the year	**–**	**–**	**–**	**–**	**(595)**	**(595)**
Dividends paid[2]	**–**	**–**	**–**	**(59)**	**–**	**(59)**
Balance – 30 June 2012	**431 564 236**	**33**	**4 003**	**180**	**(64)**	**4 152**

[1] *Authorised*
1 200 000 000 (2011: 1 200 000 000) ordinary shares of SA 50 cents each.
Included in the total of issued shares is an amount of 335 shares held by Lydenburg Exploration Limited, a wholly owned subsidiary of the company. The directors have been authorised to allot and issue 43 008 462 authorised but unissued ordinary shares of the company, being 10% of the total issued share capital of the company as at 30 June 2011, subject to the provisions of the Companies Act and the JSE Limited Listings Requirements.

[2] *Dividends per share is disclosed under the earnings per share note. Refer to note 7.*

The accompanying notes are an integral part of these summarised consolidated financial statements.

Summarised consolidated cash flow statements

for the years ended 30 June 2012

SA rand				US dollar	
2011	**2012**	Figures in million	Note	**2012**	2011
		Cash flow from operating activities			
2 418	**4 551**	Cash generated by operations		**586**	346
138	**80**	Interest received		**10**	20
2	**–**	Dividends received		**–**	–
(134)	**(141)**	Interest paid		**(18)**	(19)
(45)	**(277)**	Income and mining taxes paid		**(33)**	(7)
2 379	**4 213**	**Cash generated by operating activities**		**545**	340
		Cash flow from investing activities			
(10)	**(48)**	Increase in amounts invested in environmental trusts		**(6)**	(1)
116	**–**	Decrease in restricted cash		**–**	17
229	**–**	Proceeds on disposal of Mount Magnet		**–**	30
16	**(3)**	Proceeds on disposal of available-for-sale financial assets		**–**	2
100	**125**	Proceeds on disposal of Evander 6 and Twistdraai		**15**	15
12	**–**	Disposal of investments		**–**	2
9	**(3)**	(Increase)/decrease in amounts invested in Social Trust Fund		**–**	1
(16)	**(31)**	Additions to intangible assets		**(4)**	(2)
–	**222**	Proceeds on disposal of investment in associate		**28**	–
18	**54**	Proceeds on disposal of property, plant and equipment		**7**	3
(3 128)	**(3 194)**	Additions to property, plant and equipment		**(411)**	(448)
(2 654)	**(2 878)**	**Cash utilised by investing activities**		**(371)**	(381)
		Cash flow from financing activities			
925	**1 443**	Borrowings raised		**188**	134
(546)	**(1 248)**	Borrowings repaid		**(159)**	(81)
44	**26**	Ordinary shares issued		**3**	6
(214)	**(431)**	Dividends paid		**(57)**	(30)
209	**(210)**	**Cash (utilised)/generated by financing activities**		**(25)**	29
(11)	**(45)**	**Foreign currency translation adjustments**		**(35)**	13
(77)	**1 080**	Net increase/(decrease) in cash and cash equivalents		**114**	1
770	**693**	Cash and cash equivalents – beginning of year		**102**	101
693	**1 773**	**Cash and cash equivalents – end of year**		**216**	102

The accompanying notes are an integral part of these summarised consolidated financial statements.

Notes to the summarised consolidated group financial statements

for the years ended 30 June 2012

1 General information

Harmony Gold Mining Company Limited (the company) and its subsidiaries (collectively Harmony or the group) are engaged in gold mining and related activities, including exploration, extraction and processing. Gold bullion, the group's principal product, is currently produced at its operations in South Africa and Papua New Guinea.

The company is a public company, incorporated and domiciled in South Africa. The address of its registered office is Randfontein Office Park, Corner Main Reef Road and Ward Avenue, Randfontein, 1759.

The summarised consolidated financial statements were authorised for issue by the board of directors on 25 October 2012.

2 Accounting policies

2.1 Basis of preparation

The summarised consolidated financial statements have been prepared in accordance with *IAS 34, Interim Financial Reporting*, the JSE listing requirements and the requirements of the Companies Act of South Africa. They should be read in conjunction with the annual financial statements for the year ended 30 June 2012, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS). The accounting policies are consistent with those described in the annual financial statements.

2.3 Foreign currency translation

(i) Functional and presentation currency. Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The summarised consolidated financial statements are presented in South African rand and US dollars for the benefit of local and international users.

For translation of the rand financial statement items to US dollar, the average of R7.77 (2011: R6.99) per US$1 was used for income statement items (unless this average was not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case these items were translated at the rate on the date of the transactions) and the closing rate of R8.21 (2011: R6.78) per US$1 for asset and liability items. Equity items were translated at historic rates.

The translation effect from rand to US dollar is included in other comprehensive income in the US$ financial statements.

References to "A$" refers to Australian currency, "R" to South African currency, "$" or "US$" to United States currency and "K" or "kina" to Papua New Guinean currency.

Notes to the summarised consolidated group financial statements continued

for the years ended 30 June 2012

3 Critical accounting estimates and judgements

The preparation of the financial statements in conformity with IFRS requires the group's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates may differ from actual results. The discussion on the estimates and assumptions relating to the impairment of mining assets and the valuation and impairment of available-for-sale financial assets has been extracted from the annual financial statements and is presented below:

3.1 Impairment of mining assets

The recoverable amount of mining assets is generally determined utilising discounted future cash flows. Management also considers such factors as the quality of the individual orebody, market risk, asset specific risks and country risk in determining the fair value.

Key assumptions for the calculations of the mining assets' recoverable amounts are the gold price, marketable discount rates (cost-to-sell), exchange rates and the annual life-of-mine plans. In determining the gold price to be used, management assess the long-term views of several reputable institutions on the gold price and based on this, derive the gold price. The life-of-mine plans are based on the proved and probable reserves as included in the Reserve Declaration, which are determined in terms of SAMREC and JORC, as well as resources where management has high confidence in the orebody and economical recovery of gold, based on historic and similar geological experience.

During the year under review, the group calculated the recoverable amounts (generally fair value less costs to sell) based on updated life of mine plans, a gold price of R370 000 per kilogram (US$1 524 per ounce) and a post tax real discount rate, which ranges between 5.04% and 8.70%, depending on the asset (2011: R310 000 per kilogram (US$1 274 per ounce) and a post tax real discount rate ranging between 5.09% and 8.47% depending on the asset). Cash flows used in the impairment calculations are based on life-of-mine plans which exceed five years for the majority of the mines. Refer to note 4 for details of impairments and reversals of impairments recorded.

Should management's estimate of the future not reflect actual events, further impairments may be identified. Factors affecting the estimates include:

- changes to proved and probable ore reserves;
- economical recovery of resources;
- the grade of the ore reserves may vary significantly from time to time;
- review of strategy;
- unforeseen operational issues at the mines;
- differences between actual commodity prices and commodity price assumptions;
- changes in the discount rates and foreign exchange rates; and
- changes in capital, operating mining, processing and reclamation costs.

Sensitivity analysis

One of the most significant assumptions that influence the life-of-mine plans and therefore impairments is the expected gold price. A 10% decrease in the gold price at the reporting date would have resulted in an additional impairment at Steyn 2 Shaft (included in the Bambanani segment) of R29 million (US$3.6 million).This analysis assumes that all other variables remain constant.

3.2 Valuation and impairment of available-for-sale financial assets

If the value of financial instruments cannot be obtained from an active market, the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models refined to reflect the issuer's specific circumstances. When considering indications of an impairment, management considers a prolonged decline to be longer than 12 months. The significance of the decline is assessed for each security individually.

During the current year the investment in Wits Gold was considered to be impaired as the fair value of the equity instrument at 30 June 2012 (R131 million (US$16 million)) was significantly lower than its original cost at initial recognition (R275 million (US$41 million)). This was assessed by management to be a significant decline. In addition, the Wits Gold equity instruments traded below their original cost for more than 12 months.

4 Cost of sales

SA rand			US dollar	
2011	**2012**	Figures in million	**2012**	2011
8 504	**9 911**	Production costs (a)	**1 276**	1 218
1 537	**1 881**	Amortisation and depreciation of mining assets	**242**	220
72	**40**	Amortisation and depreciation of assets other than mining and mining related assets (b)	**5**	10
43	**(17)**	Rehabilitation (credit)/expenditure (c)	**(2)**	6
117	**88**	Care and maintenance cost of restructured shafts	**11**	17
136	**81**	Employment termination and restructuring costs (d)	**10**	20
125	**87**	Share-based payments	**11**	18
264	**(60)**	(Reversal of impairment)/impairment of assets (e)	**(7)**	39
(99)	**126**	Other (f)	**15**	(15)
10 699	**12 137**	**Total cost of sales**	**1 561**	1 533

(a) **Production costs** include mine production, transport and refinery costs, applicable general and administrative costs, movement in inventories, stockpiles, ongoing environmental rehabilitation costs and transfers to and from deferred stripping. Employee termination costs are included, except for employee termination costs associated with major restructuring and shaft closures, which are excluded. Production costs, analysed by nature, consist of the following:

SA rand			US dollar	
2011	**2012**	Figures in million	**2012**	2011
5 358	**6 456**	Labour costs, including contractors	**831**	767
2 378	**2 748**	Consumables	**354**	340
1 253	**1 518**	Water and electricity	**195**	179
102	**128**	Insurance	**16**	15
131	**163**	Transportation	**21**	19
232	**(157)**	Changes in inventory	**(20)**	33
(1 129)	**(1 217)**	Capitalisation of mine development costs	**(157)**	(161)
(41)	**(143)**	Deferred stripping	**(18)**	(6)
(160)	**(249)**	By-products sales	**(32)**	(23)
92	**120**	Royalty expense	**15**	13
288	**544**	Other	**71**	42
8 504	**9 911**	**Production costs from continuing operations**	**1 276**	1 218

(b) **Amortisation and depreciation of assets other than mining and mining related assets** includes the amortisation of intangible assets.

(c) **Rehabilitation credit/expenditure**
This expense includes the change in estimate for the rehabilitation provision where an asset no longer exists as well as ongoing rehabilitation cost. During 2012, the cost of rehabilitation work done at closed shafts in the Free State was lower than provided for and resulted in a reduction in the liability and a credit of R43 million (US$5.6 million) was recorded.

(d) **Employment termination and restructuring costs**
During the 2012 financial year and in line with the group's stated strategy to restructure for safe, profitable and quality ounces, it was decided to halt mining in the sub-shaft after Bambanani had struggled to meet production targets and curb costs for a number of quarters. As such, mining activities moved from deeper operating areas to accelerated development of the shaft pillar. The effect of this restructuring on jobs was mitigated by redeploying the majority of employees (97%) to other operations in build-up.

During the 2011 financial year Merriespruit 1 shaft was closed and placed on care and maintenance due to mining no longer being economically viable. The voluntary retrenchment process, which the group commenced in the 2010 financial year was finalised during the latter part of the 2011 financial year.

for the years ended 30 June 2012

4 Cost of sales continued

(e) **(Reversal of impairment)/impairment of assets** consist of the following:

SA rand			US dollar	
2011	**2012**	Figures in million	**2012**	2011
–	**6**	Kalgold	**1**	–
99	**–**	Steyn 1 (Bambanani)	**–**	15
104	**126**	Steyn 2 (Bambanani)	**15**	15
–	**2**	Other	**–**	–
61	**–**	St Helena (Other – underground)	**–**	9
–	**(194)**	Target 1	**(23)**	–
264	**(60)**	**Total (reversal of impairment)/impairment of assets**	**(7)**	39

During the 2012 financial year impairments to the value of R126 million (US$15.4 million (2011: R104 million (US$15.3 million)) were recognised as a result of the revised business (life-of-mine) plans, which are completed in June of each year, and included increases in electricity and labour costs and a decrease in reserves declared as a result of revised cut-off grades. An impairment of R194 million (US$23.6 million) was reversed during the year due to the revised life-of-mine plans at Target 1 principally due to the higher gold price. The remaining R8 million (US$1.0 million) (2011: R160 million (US$23.6 million)) impairment in 2012 relates to operations where a decision was made not to mine in future.

These adjustments impacted negatively on the recoverable amount of property, plant and equipment and contributed to the recognition of the impairments at the shafts. Impairments were performed as required by *IAS 36, Impairment of Assets*, and as a result these impairments were recorded. For assumptions used to calculate the recoverable amount, refer to note 3.1.

(f) Included in **Other** for the 2011 and 2012 financial years are amounts relating to gold inventory adjustments. Refer to note 9.

5 Taxation

SA rand			US dollar	
2011	**2012**	Figures in million	**2012**	2011
		Taxation by region		
		SA normal taxation		
(10)	**26**	Mining tax	**4**	(2)
9	**77**	– current year	**10**	1
(19)	**(51)**	– adjustment in respect of prior year	**(6)**	(3)
20	**147**	Non-mining tax	**19**	3
28	**44**	– current year	**6**	4
(8)	**103**	– adjustment in respect of prior year	**13**	(1)
(194)	**(143)**	Deferred tax	**(19)**	(27)
173	**(143)**	– deferred tax estimate	**(19)**	25
(367)	**–**	– previously unrecognised temporary differences	**–**	(52)
7	**26**	Secondary Tax on Companies (STC)	**3**	1
(177)	**56**		**7**	(25)
		Foreign normal taxation		
(210)	**(179)**	– deferred tax	**(23)**	(30)
(387)	**(123)**	**Total taxation**	**(16)**	(55)

5 Taxation continued

SA rand			US dollar	
2011	**2012**	Figures in million	**2012**	2011
		Taxation by type		
(10)	**26**	Mining tax	**4**	(2)
20	**147**	Non-mining tax	**19**	3
(404)	**(322)**	Deferred tax	**(42)**	(57)
7	**26**	STC	**3**	1
(387)	**(123)**		**(16)**	(55)

Income and mining tax rates

During March 2012, The National Treasury of South Africa repealed the higher gold mining tax formula due to the introduction of Dividend Tax. As a result, the rates that are applicable for the 2012 year are 34% for mining income and 28% for non-mining income.

Major items causing the group's income tax provision to differ from the maximum mining statutory tax rate of 34% (2011: 43%) for continuing operations were:

SA rand			US dollar	
2011	**2012**	Figures in million	**2012**	2011
(106)	**(656)**	Tax on net profit from continuing operations at the maximum mining statutory tax rate	**(85)**	(15)
(28)	**(180)**	Non-allowable deductions	**(23)**	(4)
(22)	**–**	Profit/(loss) from associates	**–**	(3)
20	**96**	Difference between effective mining tax rate and statutory mining rate on mining income[1]	**13**	3
15	**9**	Difference between non-mining tax rate and statutory mining rate on non-mining income	**1**	2
(306)	**467**	Effect on temporary differences due to changes in effective tax rates[2]	**60**	(44)
367	**–**	Previously unrecognised temporary differences[3]	**–**	52
27	**(52)**	Prior year (under)/overprovision – mining and non-mining tax[1]	**(7)**	4
427	**465**	Capital allowance, sale of business and other rate differences	**60**	61
(7)	**(26)**	STC	**(3)**	(1)
387	**123**	**Income and mining taxation**	**16**	55
(157)%	**(6)%**	**Effective income and mining tax rate**	**(6)%**	(167)%

[1] *Includes the effect of the change in the Freegold mining ringfencing application. Refer to note 14 for developments after year-end.*

[2] *The significant decreases in the deferred tax rates of ARMGold/Harmony Freegold Joint Venture Company (Proprietary) Limited (28.5% to 24.3%) and Randfontein Estates Limited (21.2% to 18.6%) is as a result of the repeal of the higher tax rate formula for gold mining companies in March 2012.*

[3] *The credit in 2011 of R367 million (US$52 million) is for the Freegold unredeemed capital allowance. The South African Revenue Service (SARS) previously disallowed Freegold's "post 1973 gold mine" additional capital allowance claim. SARS withdrew the additional capital allowance claim on 10 March 2011, conceding that the Freegold operations are entitled to claim this capital allowance caused an increase in the deferred tax asset in the balance sheet and the resulting credit in the income statement.*

Notes to the summarised consolidated group financial statements continued

for the years ended 30 June 2012

5 Taxation continued

Secondary Taxation on Companies (STC)

STC was a tax levied on South African companies at a rate of 10% with effect from 1 October 2007 to 31 March 2012 on dividends distributed.

Current and deferred tax are measured at the tax rate applicable to undistributed income and therefore only took STC into account to the extent that dividends had been received or paid.

On declaration of a dividend, the company included the STC on this dividend in its computation of the income tax expense in the period of such declaration.

SA rand			US dollar	
2011	**2012**	Figures in million	**2012**	2011
–	**151**	Available STC credits at end of year	**18**	–

Dividend Tax (DT)

A withholding tax of 15% on dividends (excluding a return of capital) and other distributions to the beneficial owners of shares (shareholders) became effective on 1 April 2012. DT will be withheld by the company declaring the dividend or the withholding agent, unless specifically exempt. Foreign residents could qualify for an exemption or a reduced DT rate in terms of their relevant tax treaty.

On 13 August 2012, the board of directors approved a final dividend for the 2012 financial year of 50 SA cents per share (6.2 US cents) (2011:60 SA cents per share (8.3 US cents)). The total dividend paid amounted to R218 million (US$26.4 million) (2011: R258 million (US$35.9 million)). As the dividends declared exceed the STC credits available, dividend tax has been withheld at a rate of 15% on the portion of the dividend that is in excess of the STC credit carried forward in respect of those shareholders that do not qualify for either a reduction or an exemption.

6 Disposal groups classified as held for sale and discontinued operations

(i) The assets and liabilities of Evander Gold Mines Limited (Evander), a wholly-owned subsidiary of Harmony Gold Mining Company Limited (Harmony), have been classified as held for sale following the signing of a sale of shares and claims agreement on 30 January 2012. On 30 May 2012, Harmony announced the signing of a new sale of shares and claims agreement with Pan African Resources plc (Pan African).The disposal will be for an aggregate purchase consideration of R1.5 billion (US$182.7 million), excluding the proceeds of the Taung Gold Limited transaction and less certain distributions made by Evander to Harmony between 1 April 2012 and the close of the transaction.

The transaction is subject to, among others, Pan African obtaining the requisite shareholder approval for the acquisition. The transaction is expected to be completed by 31 December 2012.

The operation also meets the requirements to be classified as a discontinued operation. The comparative figures in the income statement have been re-presented as a result.

(ii) Following a decision by the shareholders of Rand Uranium (Proprietary) Limited (Rand Uranium) to commence with a process to sell the company and the criteria for IFRS 5 being met subsequently, the investment in Rand Uranium and the subordinated shareholder's loan were classified as held for sale. An offer to purchase the investment was received from Gold One International Limited (Gold One) and was accepted by shareholders on 21 April 2011. The group's attributable portion of the sale proceeds, which includes the subordinated shareholder's loan, amounted to R304 million (US$37.25 million).

The investment did not meet the criteria to be classified as a discontinued operation. An impairment of R142 million (US$20.3 million) was recorded during the 2011 financial year to bring the investment in associate in line with its fair value less cost to sell. During 2012 an impairment reversal of R56 million (US$6.8 million) was recognised as a result of fluctuations in the exchange rate.

On 6 January 2012, the transaction with Gold One was concluded and the first payment of R193 million (US$23.8 million) was received. On 5 April 2012 and 24 April 2012 amounts of R73.5 million (US$9.4 million) and R37 million (US$4.8 million) were received, respectively, from Gold One as final payment on the sale of Rand Uranium shares. Of this R25 million (US$3.2 million) is being held in an escrow account for a period of 12 months.

(iii) On 10 September 2010, Harmony concluded a sale of assets agreement with Taung Gold Limited (Taung) in which Taung acquired the Evander 6 Shaft, the related infrastructure and surface rights permits as well as a mining right over the Evander 6 and Twistdraai areas. The assets and liabilities were presented as held for sale. The Evander 6 operation is on care and maintenance with a book value of Rnil (US$nil). The total purchase consideration of R225 million (US$33.2 million) was settled in cash with an initial payment of R100 million (US$15.2 million) received on 29 April 2011.

All conditions precedent to the sale were fulfilled on 28 May 2012 and on 30 May 2012 the group received an amount of R156.5 million (US$30.1 million) of which R20 million (US$2.3 million) had been held in escrow. A profit on sale of property, plant and equipment of R230 million (US$26.9 million) was recognised and included in discontinued operations.

(iv) On 20 July 2010, the conditions precedent for the sale of the Mount Magnet operations (operation in Western Australia) were fulfilled, this following approval of the group's management on 17 May 2010 to sell this operation. The assets and liabilities were presented as held for sale from this date and the operations also met the criteria to be classified as discontinued operation.

A total purchase consideration of R238 million (US$31.6 million) was received from Ramelius Resources Limited in exchange for 100% of the issued shares of Mount Magnet. The group recognised as total profit of R104 million (US$13.8 million) net of tax before the realisation of accumulated foreign exchange losses of R84 million (US$11.2 million) from other comprehensive income to the income statement.

7 Earnings/(loss) per share

Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the net income attributable to shareholders by the weighted number of ordinary shares in issue during the year.

2011	**2012**		**2012**	2011
429 310	**430 818**	Weighted average number of ordinary shares in issue ('000)	**430 818**	429 310

SA rand			US dollar	
2011	**2012**	Figures in million	**2012**	2011
633	**2 053**	Net profit from continuing operations	**266**	88
(16)	**592**	Net profit/(loss) from discontinued operations	**75**	(2)
617	**2 645**	**Total net profit/(loss) attributable to shareholders**	**341**	86
148	**477**	Basic earnings per share from continuing operations (cents)	**61**	21
(4)	**137**	Basic earnings/(loss) per share from discontinued operations (cents)	**18**	(1)
144	**614**	**Total basic earnings/(loss) per share (cents)**	**79**	20

Fully diluted earnings/(loss) per share

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potential dilutive ordinary shares as a result of share options granted to employees under the share option schemes in issue. A calculation is performed to determine the number of shares that could have been acquired at fair value, determined as the average annual market share price of the company's shares, based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

2011	**2012**		**2012**	2011
429 310	**430 818**	Weighted average number of ordinary shares in issue ('000)	**430 818**	429 310
1 110	**1 205**	Potential ordinary shares ('000)	**1 205**	1 110
430 420	**432 023**	**Weighted average number of ordinary shares for fully diluted earnings per share ('000)**	**432 023**	430 420

Notes to the summarised consolidated group financial statements continued

for the years ended 30 June 2012

7 Earnings/(loss) per share continued

SA rand			US dollar	
2011	**2012**	Figures in million	**2012**	2011
148	**476**	Fully diluted earnings per share from continuing operations (cents)	**61**	21
(4)	**136**	Fully diluted earnings/(loss) per share from discontinued operations (cents)	**18**	(1)
144	**612**	**Total fully diluted earnings/(loss) per share (cents)**	**79**	20

The inclusion of share options issued to employees, as potential ordinary shares, has a dilutive effect on the earnings/(loss) per share. The issue price and the exercise price include the fair value of any service to be supplied to the entity in the future under the share option or other share-based payment arrangement.

Headline earnings/(loss) per share

The calculation of headline earnings, net of tax, per share is based on the basic earnings per share calculation adjusted for the following items:

SA rand			US dollar	
2011	**2012**	Figures in million	**2012**	2011
		Continuing operations		
633	**2 053**	Net profit	**266**	88
		Adjusted for:		
(27)	**(63)**	Profit on sale of property, plant and equipment	**(8)**	(4)
6	**16**	Taxation effect of profit on sale of property, plant and equipment	**2**	1
47	**–**	Foreign exchange loss/(gain) reclassified from other comprehensive income	**–**	7
–	**144**	Impairment of investments*	**19**	–
142	**(56)**	(Reversal of impairment)/impairment of investment in associate*	**(7)**	20
264	**(60)**	(Reversal of impairment)/impairment of assets	**(7)**	39
(66)	**(34)**	Taxation effect of impairment of assets	**(4)**	(10)
(7)	**–**	Net loss/(gain) on financial instruments	**–**	(1)
2	**–**	Tax on net loss/(gain) on financial instruments	**–**	–
994	**2 000**	**Headline profit from continuing operations**	**261**	140
		Discontinued operations		
(16)	**592**	Net profit/(loss)	**75**	(2)
		Adjusted for:		
(2)	**(232)**	Profit on sale of property, plant and equipment	**(28)**	–
1	**72**	Taxation effect of profit on sale of property, plant and equipment	**9**	–
(54)	**–**	Profit on sale of investment in subsidiary	**–**	(7)
34	**–**	Taxation effect of loss on sale of investment in subsidiary	**–**	4
(37)	**432**	**Headline profit/(loss) from discontinued operations**	**56**	(5)
957	**2 432**	**Total headline profit/(loss)**	**317**	135

** There is no taxation effect on these items.*

SA rand			US dollar	
2011	**2012**		**2012**	2011
232	**465**	Basic headline earnings per share from continuing operations (cents)	**61**	32
(9)	**100**	Basic headline earnings/(loss) per share from discontinued operations (cents)	**13**	(1)
223	**565**	**Total basic headline earnings/(loss) per share (cents)**	**74**	31
231	**463**	Fully diluted headline earnings per share from continuing operations (cents)	**61**	32
(9)	**100**	Fully diluted headline earnings/(loss) per share from discontinued operations (cents)	**13**	(1)
222	**563**	**Total fully diluted headline earnings/(loss) per share (cents)**	**74**	31

Dividends

On 12 August 2011, the board declared a dividend of 60 SA cents (US$8.4 cents) per share related to the year ended 30 June 2011. An interim dividend of 40 SA cents (US$5.2 cents) was declared on 2 February 2012.

SA rand			US dollar	
2011	**2012**	Figures in million	**2012**	2011
214	**431**	Dividend declared	**59**	29
50	**100**	Dividend per share (cents)	**13.6**	6.8

On 13 August 2012, the board declared a dividend of 50 SA cents (US$6.2 cents) per share amounting to R216 million (US$26.5 million) relating to the year ended 30 June 2012. This dividend is not reflected on the financial statements as it was declared after the reporting date.

8 Investment in financial assets

SA rand			US dollar	
2011	**2012**	Figures in million	**2012**	2011
12	**185**	Balance at beginning of year	**27**	2
287	**3**	Additions	**–**	42
(17)	**–**	Disposals	**–**	(2)
(97)	**(42)**	Fair value movement of available-for-sale investments	**(5)**	(14)
–	**–**	Translation	**(4)**	(1)
185	**146**	**Balance at end of year**	**18**	27
		The carrying amount consists of the following:		
		Available-for-sale financial assets:		
175	**131**	Investment in Wits Gold (a)	**16**	26
10	**15**	Investment in unlisted shares	**2**	1
185	**146**	**Total available-for-sale financial assets**	**18**	27

(a) On 5 November 2010, the group received 4 376 194 shares in Wits Gold, as consideration for the cancellation of the option held by Freegold.

The value of the shares on acquisition date was R275 million (US$41 million) and represents 13% investment in Wits Gold. The group classifies the investment in Wits Gold as an available-for-sale financial asset. During the 2012 year, a loss of R44 million (US$5.6 million) (2011: a loss of R100 million (US$14.3 million) was recorded in the fair value reserve.

At 30 June 2012, management determined that the investment was impaired in terms of our accounting policy (refer to note 3.2 for detail) and the cumulative losses in the fair value reserves were reclassified to the income statement.

Notes to the summarised consolidated group financial statements continued

for the years ended 30 June 2012

9 Inventories

During the 2012 financial year, write-downs of

- R16 million (US$1.9 million) (2011: R41 million (US$6.1 million)) and R17 million (US$2.1 million) (2011: Rnil) for the Steyn plant and Freddies rock dump demolishment projects, respectively, as a result of changes to the life-of-mine plans.
- R81 million (US$9.9 million) (2011: R21 million (US$3.1 million)) for the net realisable value adjustment for other gold in lock-up.
- R32 million (US$3.9 million) (2011: R30 million (US$4.3 million)) relating to certain stockpiles.

10 Other provisions

Included in Other is a provision of R26 million (US$3.2 million) relating to the pumping and treatment costs of fissure water in the KOSH Basin. This provision was raised following the High Court's dismissal of Harmony's application to have a directive issued by the Department of Water Affairs (DWAF) in November 2005 set aside, as it relates to the Orkney operations, which were sold in 2008. Harmony filed an application to appeal the judgment on 20 July 2012.

11 Borrowings

Pacific Premium Funding (Proprietary) Limited

During October 2010 and December 2010, Morobe Consolidated Goldfields (MCG) entered into two US dollar loans with Pacific Premium Funding (Proprietary) Limited to finance insurance payments. The loans, totalling R25 million (US$3.6 million), were repaid during May 2011, at an average interest rate of 3.55%.

Westpac Bank

In July 2007, MCG entered into US dollar finance lease agreements with Westpac Bank for the purchase of mining fleet to be used on the Hidden Valley project. There is no debt covenant clause in the agreements.

Nedbank Limited

On 11 December 2009, the company entered into a loan facility with Nedbank Limited, comprising a term facility of R900 million (US$119.4 million) and a revolving credit facility of R600 million (US$79.6 million). The facility was utilised to fund the acquisition of the Pamodzi Free State assets as well as the group's major capital projects and working capital requirements. Interest accrues on a day-to-day basis over the term of the loan at a variable interest.

On 30 November 2010, the Company entered into an additional loan facility with Nedbank Limited, comprising a term facility of R500 million (US$70.1 million) and a revolving credit facility of R250 million (US$35.0 million). Interest terms are identical to the original facility. The repayment terms of the original revolving credit facility were amended to coincide with the repayment on the new facility.

Syndicated revolving credit facility

On 11 August 2011, the company entered into a loan facility which was jointly arranged by Nedbank Limited and FirstRand Bank Limited (acting through its Rand Merchant Bank division) (syndicate), comprising a US$300 million (R2 156 million) syndicated revolving credit facility. The facility is utilised to fund exploration projects in Hidden Valley and Wafi-Golpu. The facility attracts interest at LIBOR plus 260 basis points, which is payable quarterly.

Debt covenants

The debt covenant tests for the group for both the Nedbank Limited facilities and syndicated revolving credit facility are as follows:

- The group's interest cover shall not be less than two (EBIT/Total interest)
- Current ratio shall not be less than one (Current assets/current liabilities)
- Cash flow from operating activities shall be above R100 million for the six months prior to the evaluation date
- Total net debt shall not exceed R3 billion plus the rand equivalent of US$300 million
- Market capitalisation to facilities outstanding ratio shall not be less than six times.

The debt covenant tests are performed on a quarterly basis. No breaches of the covenants were identified during the tests in the 2012 financial year.

Terms and debt repayment schedule at 30 June 2012

	Interest charge	Repayment terms	Repayment date	Security
Westpac Bank (secured finance lease)	US – LIBOR plus 1.25%	Quarterly	30 June 2013	Mining fleet
Nedbank Limited (secured loan – term facility 1)	3 month JIBAR plus 3.5%, payable quarterly	Bi-annual equal instalments of R90 million (US$10.9 million)	31 December 2014	
Nedbank Limited (secured loan – term facility 2)	3 month JIBAR plus 3.5%, payable quarterly	Bi-annual equal instalments of R62.5 million (US$7.6 million)	31 December 2014	Cession and pledge of operating subsidiaries' shares
Nedbank Limited (secured loan – revolving credit facility)	1 or 3 month JIBAR plus 3.5%, payable after interest interval	Repayable on maturity	30 November 2013	
Syndicated (secured loan – US$ revolving credit facility)	LIBOR plus 260 basis points, payable quarterly	Repayable on maturity	15 September 2015	Cession and pledge of operating subsidiaries' shares and Joint venture interest

Interest-bearing borrowings

SA rand			US dollar	
2011	**2012**	Figures in million	**2012**	2011
		Non-current borrowings		
23	**3**	Westpac Bank (secured finance lease)	**–**	3
59	**23**	Balance at beginning of year	**3**	8
(29)	**(33)**	Repayments	**(4)**	(4)
4	**4**	Net adjustments to current portion	**(1)**	–
(11)	**9**	Translation	**2**	(1)

for the years ended 30 June 2012

11 Borrowings continued

SA rand			US dollar	
2011	**2012**	Figures in million	**2012**	2011
759	**458**	Nedbank Limited (secured loan – term facilities)	**56**	112
627	**759**	Balance at beginning of year	**112**	82
500	**–**	Draw down	**–**	73
(242)	**(305)**	Repayments	**(37)**	(36)
(4)	**–**	Issue cost	**–**	(1)
3	**3**	Amortisation of issue costs	**–**	–
(125)	**1**	Net adjustments to current portion	**–**	(22)
–	**–**	Translation	**(19)**	16
447	**–**	Nedbank Limited (secured loan – revolving credit facilities)	**–**	66
295	**447**	Balance at beginning of year	**66**	39
400	**400**	Draw down	**58**	57
(250)	**(850)**	Repayments	**(106)**	(37)
–	**(20)**	Issue costs	**(2)**	–
2	**23**	Amortisation of issue costs	**3**	–
–	**–**	Translation	**(19)**	7
–	**1 042**	Syndicated (secured loan – US$ revolving credit facility)	**127**	–
–	**–**	Balance at beginning of year	**–**	–
–	**1 043**	Draw down	**130**	–
–	**(47)**	Issue cost	**(6)**	–
–	**9**	Amortisation of issue costs	**1**	–
–	**12**	Net adjustments to current portion	**2**	–
–	**25**	Translation	**–**	–
1 229	**1 503**	**Total non-current borrowings**	**183**	181
		Current borrowings		
28	**24**	Current portion of the finance lease from Westpac Bank	**3**	4
302	**301**	Current portion of the loans from Nedbank Limited	**37**	45
–	**(12)**	Current portion of the loans from syndicate	**(2)**	–
330	**313**	**Total current borrowings**	**38**	49
1 559	**1 816**	**Total interest-bearing borrowings**	**221**	230
		The future minimum lease payments for Westpac Bank finance leases are:		
29	**24**	Due within one year	**3**	4
21	**3**	Due within one and two years	**–**	3
2	**–**	Due between two and five years	**–**	–
52	**27**		**3**	7
(1)	**–**	Future finance charges	**–**	–
51	**27**		**3**	7

SA rand			US dollar	
2011	**2012**	Figures in million	**2012**	2011
		The maturity of borrowings is as follows:		
330	**313**	Current	**38**	49
323	**294**	Between one to two years	**36**	48
906	**1 209**	Between two to five years	**147**	133
–	**–**	Over five years	**–**	–
1 559	**1 816**		**221**	230
		Undrawn committed borrowing facilities:		
–	**–**	Expiring within one year	**–**	–
400	**2 245**	Expiring after one year	**274**	59
400	**2 245**		**274**	59

	Effective rate	
	2012	2011
Westpac Bank	**1.6%**	2.0%
Nedbank Limited	**9.1%**	9.1%
Syndicate	**3.0%**	n/a

The level of Harmony's borrowing powers, as determined by its Articles of Association, shall not, except with the consent of the Harmony's general meeting, exceed R40 million or the aggregate from time to time of the issued and paid-up share capital of the company, together with the aggregate of the amounts standing to the credit of all distributable and non-distributable reserves (including minority interests in subsidiary companies and provisions for deferred taxation) and any share premium accounts of the company. In 2012, the borrowing powers were not exceeded.

12 Related parties

None of the directors or major shareholders of Harmony or, to the knowledge of Harmony, their families, had interest, direct or indirectly, in any transaction from 1 July 2010 or in any proposed transaction that has affected or will materially affect Harmony or its subsidiaries, other than as stated below.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly, including any director (whether executive or otherwise) of the group. Directors', prescribed officers' and executive management's remuneration is fully disclosed in the remuneration report.

André Wilkens holds 101 303 shares in Harmony. Subsequent to year-end, Harmony shares were purchased by several of the directors:

Graham Briggs	14 347 shares
Frank Abbott	73 900 shares
Ken Dicks	12 500 shares

African Rainbow Minerals Limited (ARM) currently holds 14.7% of Harmony's shares. Patrice Motsepe, André Wilkens, Joaquim Chissano and Frank Abbott are directors of ARM.

During the financial year ended 30 June 2012 Harmony sold its 40% interest in Rand Uranium. Refer to note 6.

A list of the major shareholders can be found on page 81.

for the years ended 30 June 2012

12 Related parties continued

A list of the group's subsidiaries, associates and joint ventures has been included in Annexure A.

SA rand			US dollar	
2011	**2012**	Figures in million	**2012**	2011
		Sales and services rendered to related parties		
387	**311**	Associates	**40**	55
9	**18**	Joint ventures	**2**	1
396	**329**		**42**	56
		Purchases and services acquired from related parties		
21	**14**	Associates	**2**	3
		Outstanding balances due by related parties		
149	**17**	Associates	**2**	22
–	**29**	Joint ventures	**4**	–
		Outstanding balances due to related parties		
17	**17**	Associates[1]	**2**	3

[1] *Retained from the consideration for the Pamodzi FS acquisition pending the transfer of rehabilitation trust funds.*

Interest amounting to R3 million (US$0.3 million) was accrued on the subordinated loan to Rand Uranium during 2012 (2011: R5 million (US$0.7 million)).

13 Commitments and contingencies

(i) Commitments and guarantees

SA rand			US dollar	
2011	**2012**	Figures in million	**2012**	2011
		Capital expenditure commitments		
151	**318**	Contracts for capital expenditure	**39**	22
43	**201**	Share of joint venture's contract for capital expenditure	**24**	6
1 504	**2 257**	Authorised by the directors but not contracted for	**275**	222
1 698	**2 776**	**Total capital commitments**	**338**	250

This expenditure will be financed from existing resources and where appropriate, borrowings.

The group is contractually obliged to make the following payments in respect of operating leases, including for land and buildings, and for mineral tenement leases:

SA rand			US dollar	
2011	**2012**	Figures in million	**2012**	2011
56	**100**	Within one year	**12**	8
53	**47**	Between one year and five years	**6**	8
109	**147**	**Total commitments for operating leases**	**18**	16

This includes R135 million (US$16.5 million) (2011: R98 million (US$14.4 million)) for the MMJV. For details on the group's finance leases, refer to note 11.

SA rand			US dollar	
2011	**2012**	Figures in million	**2012**	2011
		Guarantees		
25	**32**	Guarantees and suretyships	**4**	4
371	**386**	Environmental guarantees[1]	**47**	55
396	**418**		**51**	59

[1] *At 30 June 2012, R26 million (US$3.8 million) (2011: R26 million (US$3.8 million)) has been pledged as collateral for environmental guarantees in favour of certain financial institutions.*

(ii) Contingent liabilities

The following contingent liabilities have been identified:

(a) On 18 April 2008, Harmony Gold Mining Company Limited was made aware that it had been named as a defendant in a lawsuit filed in the US District Court in the Southern District of New York on behalf of certain purchasers and sellers of Harmony's American Depository Receipts (ADRs) and options with regard to certain of its business practices. Harmony retained legal counsel.

The company reached a mutually acceptable settlement with the plaintiff class and this settlement was found to be fair and reasonable and was approved by the United States District Court in November 2011. A single class member has filed an appeal of the District Court's order approving the settlement. That appeal is currently pending in the United States Court of Appeals for the Second Circuit. The settlement amount has been paid into escrow by the company's insurers and will be distributed to the plaintiffs once the appeal has been finalised.

(b) The Supreme Court of Appeals' decision on Freegold's appeal regarding the South African Revenue Service's (SARS) application of mining tax ringfencing was received on 1 October 2012 and the Court found in favour of SARS. The judgment on 1 October 2012, an adjusting post-balance sheet event, resulted in additional income taxes payable of R94 million (US$12.1 million). This was offset by the impact of additional allowances on unredeemed capital which resulted in deferred tax credits of R154 million (US$19.8 million).

(c) The case of Mr Thembekile Mankayi v AngloGold Ashanti Limited (AGA) regarding litigation in terms of the Occupational Diseases in Mines and Works Act (ODIMWA) was heard in the High Court of South Africa in June 2008, and an appeal heard in the Supreme Court of Appeals in 2010. In both instances judgment was awarded in favour of AGA. A further appeal that was lodged by Mr Mankayi was heard in the Constitutional Court in 2010. Judgement in the Constitutional Court was handed down on 3 March 2011. The judgement allows Mr Mankayi's executor to proceed with the case in the High Court of South Africa. Should anyone bring similar claims against Harmony in future, those claimants would need to provide that silicosis was contracted while in the employment of the company and that it was contracted due to negligence on the company's part. The link between the cause (negligence by the company while in its employ) and the effect (the silicosis) will be an essential part of any case.

On 23 August 2012, Harmony and all its subsidiaries have been served with court papers entailing an application by three of its former employees requesting the South Gauteng High Court to certify a class action. In essence, the applicants want the court to declare them as representing a class of people for purposes of instituting an action for relief and to obtain directions as to what procedure to follow in pursuing the relief required against Harmony. Harmony has subsequently retained legal counsel in this regard and on 5 September 2012, Harmony served and filed its notice of intention to oppose the application. At this stage and in the absence of a Court decision on this matter it is uncertain as to whether the company will incur any costs related to silicosis claims in the near future. Due to the limited information available on any claims and potential claims and the uncertainty of the outcome of these claims, no estimation can be made for the possible obligation.

(d) On 1 December 2008, Harmony issued 3 364 675 shares to Rio Tinto Limited (Rio Tinto) for the purchase of Rio Tinto's rights to the royalty agreement entered into prior to our acquisition of the Wafi deposits in PNG. The shares were valued at R242 million (US$23 million) on the transaction date. An additional US$10 million in cash will be payable when the decision to mine is made. Of this amount, Harmony is responsible for paying the first US$6 million, with the balance of US$4 million being borne equally by the joint venture partners.

for the years ended 30 June 2012

13 Commitments and contingencies continued

(e) The group may have a potential exposure to rehabilitate groundwater and radiation that may exist where the group has and/or continues to operate. The group has initiated analytical assessments to identify, quantify and mitigate impacts if and when (or as and where) they arise. Numerous scientific, technical and legal studies are underway to assist in determining the magnitude of the contamination and to find sustainable remediation solutions. The group has instituted processes to reduce future potential seepage and it has been demonstrated that Monitored Natural Attenuation (MNA) by the existing environment will contribute to improvement in some instances. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements. Should the group determine that any part of these contingencies require them being recorded and accounted for as liabilities, that is where they become estimable and probable it could have material impact on the financial statements of the group.

(f) Due to the interconnected nature of mining operations in South Africa, any proposed solution for potential flooding and potential decant risk posed by deep groundwater needs to be a combined one, supported by all the mines located in these goldfields. As a result, the Department of Mineral Resource and affected mining companies are involved in the development of a Regional Mine Closure Strategy. Harmony operations have conducted a number of specialist studies and the risk of surface decant due to rising groundwater levels has been obviated at Evander, the entire Free State region and Kalgold. Therefore there is no contingency arising from these operations. Additional studies have been commissioned at Doornkop and Kusasalethu. In view of the limitation of current information for accurate estimation of a liability, no reliable estimate can be made for these operations.

(g) In terms of the sale agreements entered into with Rand Uranium, Harmony retained financial exposure relating to environmental disturbances and degradation caused by it before the effective date, in excess of R75 million (US$9.1 million) of potential claims. Rand Uranium is therefore liable of all claims up to R75 million (US$9.1 million) and retains legal liability. The likelihood of potential claims cannot be determined presently and no provision for any liability has been made in the financial statements.

14 Subsequent events

(a) On 13 August 2012 the board approved a payment of dividend of 50 SA cents per share for the year ended 30 June 2012. Payment of the dividend took place on 17 September 2012.

(b) Refer to note 13 (ii) (c) for developments in the contingent liability for silicosis.

(c) The company issued 3.5 million shares to the Tlhakanelo Share Trust in August 2012 of which 3 409 150 shares has been allocated to participants. In terms of the awards all employees other than management received 100 Entitlement Shares and 200 Share Appreciation Rights (SARs). For employees with service in excess of 10 years the allocation was increased by 10 percent. Both the Entitlement Shares and SARs vest in five equal portions on each anniversary of the award. In addition these employees qualify for an additional cash bonus under the SARs in the event that the share price growth is less than R18 per share. The effect of the bonus puts the employees in the position they would have been in had the share price increased by R18 per share since issue date. As the awards were only made after year-end, no share-based cost is reflected in the 2012 financial year.

(d) Refer to note 13 (ii) (b) for details on the post-balance sheet date event relating to the Freegold court case.

15 Segment report

The group has only one product, being gold. In order to determine operating and reportable segments, management reviewed various factors, including geographical location as well as managerial structure. It was determined that an operating segment consists of a shaft or a group of shafts managed by a single general manager and management team.

Previously Target was assessed as a single reportable segment because it had one general manager. In August 2012 a general manager was appointed for each of the Target 1 and Target 3 operations. The comparatives for the two shafts have been re-presented as a result.

The Virginia segment comprised several shafts, which were placed on care and maintenance during 2010 and 2011, with the exception of Unisel. The comparative information includes the results of these shafts until October 2010, which was when Merriespruit 1 was placed on care and maintenance.

After applying the quantitative thresholds from IFRS 8, the reportable segments were determined as:

Bambanani, Doornkop, Joel, Kusasalethu, Masimong, Phakisa, Target 1, Target 3, Tshepong, Virginia, Hidden Valley and Evander (classified as held for sale and discontinued operation). All other operating segments have been grouped together under *all other surface operations*, under their classification as either continuing or discontinued.

When assessing profitability, the chief operating decision-maker (CODM) considers the revenue and production costs of each segment. The net of these amounts is the operating profit or loss. Therefore, operating profit has been disclosed in the segment report, however the CODM as the measure of profit or loss.

The CODM does not consider depreciation or impairment and therefore these amounts have not been disclosed in the segment report. However the CODM does consider capital expenditure, which has been disclosed.

The CODM does not review the segment assets and therefore no disclosure is made in this regard.

A reconciliation of the segment totals to the summarised consolidated financial statements has been included in note 16.

Notes to the summarised consolidated group financial statements continued

for the years ended 30 June 2012

15 Segment report continued

(SA rand/metric)

	Revenue R million		Production cost R million	
	30 June 2012	30 June 2011	**30 June 2012**	30 June 2011
Continuing operations				
South Africa				
Underground				
Bambanani	**549**	921	**597**	828
Doornkop	**1 284**	781	**862**	601
Joel	**1 124**	454	**565**	417
Kusasalethu	**2 320**	1 774	**1 439**	1 321
Masimong	**1 349**	1 326	**843**	756
Phakisa	**1 064**	551	**803**	473
Target 1	**1 525**	981	**855**	717
Target 3	**472**	99	**428**	98
Tshepong	**2 219**	2 007	**1 275**	1 172
Virginia	**672**	682	**494**	562
Surface				
All other surface operations	**1 428**	1 044	**899**	844
Total South Africa	**14 006**	10 620	**9 060**	7 789
International				
Hidden Valley	**1 163**	976	**851**	715
Other	**–**	–	**–**	–
Total international	**1 163**	976	**851**	715
Total continuing operations	**15 169**	11 596	**9 911**	8 504
Discontinued operations				
Evander	**1 405**	849	**767**	666
Total discontinued operations	**1 405**	849	**767**	666
Total operations	**16 574**	12 445	**10 678**	9 170
Reconciliation of the segment information to the summarised consolidated income statements (refer to note 16)	**(1 405)**	(849)	**(767)**	(666)
	15 169	11 596	**9 911**	8 504

[1] *Excludes non-operational capital expenditure for 2011 relating to PNG of R63 million and exploration capitalised of R45 million.*

* *Production statistics are unaudited.*

	Production profit/(loss) R million		Capital expenditure[1] R million		Kilograms produced* kg		Tonnes milled* t'000	
	30 June 2012	30 June 2011	**30 June 2012**	30 June 2011	**30 June 2012**	30 June 2011	**30 June 2012**	30 June 2011
	(48)	93	**266**	321	**1 374**	3 051	**197**	426
	422	180	**294**	292	**3 075**	2 512	**928**	718
	559	37	**84**	73	**2 663**	1 449	**557**	407
	881	453	**415**	380	**5 633**	5 609	**1 197**	1 099
	506	570	**208**	178	**3 220**	4 280	**933**	868
	261	78	**302**	369	**2 541**	1 762	**521**	387
	670	264	**259**	294	**3 630**	3 176	**788**	730
	44	1	**90**	145	**1 123**	805	**316**	75
	944	835	**288**	273	**5 287**	6 468	**1 233**	1 343
	178	120	**71**	79	**1 593**	2 213	**394**	576
	529	200	**162**	147	**3 372**	3 358	**9 324**	10 141
	4 946	2 831	**2 439**	2 551	**33 511**	34 683	**16 388**	16 770
	312	261	**296**	289	**2 762**	3 118	**1 766**	1 679
	–	–	**314**	–	**–**	–	**–**	–
	312	261	**610**	289	**2 762**	3 118	**1 766**	1 679
	5 258	3 092	**3 049**	2 840	**36 273**	37 801	**18 154**	18 449
	638	183	**177**	196	**3 369**	2 734	**638**	831
	638	183	**177**	196	**3 369**	2 734	**638**	831
	5 896	3 275	**3 226**	3 036	**39 642**	40 535	**18 792**	19 280

for the years ended 30 June 2012

15 Segment report continued

(US dollar/Imperial)

	Revenue US$ million		Production cost US$ million	
	30 June 2012	30 June 2011	**30 June 2012**	30 June 2011
Continuing operations				
South Africa				
Underground				
Bambanani	**71**	132	**77**	118
Doornkop	**165**	112	**111**	86
Joel	**145**	65	**73**	60
Kusasalethu	**299**	254	**185**	189
Masimong	**174**	190	**109**	108
Phakisa	**137**	79	**103**	68
Target 1	**196**	140	**110**	103
Target 3	**61**	14	**55**	14
Tshepong	**286**	287	**164**	168
Virginia	**86**	98	**64**	80
Surface				
All other surface operations	**183**	148	**115**	121
Total South Africa	**1 803**	1 519	**1 166**	1 115
International				
Hidden Valley	**150**	140	**110**	103
Other	**–**	–	**–**	–
Total international	**150**	140	**110**	103
Total continuing operations	**1 953**	1 659	**1 276**	1 218
Discontinued operations				
Evander	**181**	122	**99**	95
Total discontinued operations	**181**	122	**99**	95
Total operations	**2 134**	1 781	**1 375**	1 313
Reconciliation of the segment information to the summarised consolidated income statements (refer to note 16)	**(181)**	(122)	**(99)**	(95)
	1 953	1 659	**1 276**	1 218

[1] *Excludes non-operational capital expenditure for 2011 relating to PNG of US$8 million and exploration capitalised of US$6 million.*

* *Production statistics are unaudited.*

Production profit/(loss) US$ million		Capital expenditure[1] US$ million		Ounces produced* oz		Tons milled* t'000	
30 June 2012	30 June 2011	**30 June 2012**	30 June 2011	**30 June 2012**	30 June 2011	**30 June 2012**	30 June 2011
(6)	14	**34**	46	**44 174**	98 092	**217**	470
54	26	**38**	42	**98 863**	80 763	**1 023**	792
72	5	**11**	11	**85 618**	46 586	**614**	448
114	65	**53**	54	**181 105**	180 334	**1 320**	1 212
65	82	**27**	26	**103 526**	137 605	**1 029**	957
34	11	**39**	53	**81 695**	56 649	**575**	427
86	37	**33**	42	**116 708**	102 111	**869**	805
6	–	**12**	21	**36 106**	25 881	**348**	83
122	119	**37**	39	**169 980**	207 950	**1 359**	1 481
22	18	**9**	11	**51 216**	71 149	**434**	636
68	27	**20**	21	**108 412**	107 962	**10 281**	11 181
637	404	**313**	366	**1 077 403**	1 115 082	**18 069**	18 492
40	37	**38**	42	**88 800**	100 246	**1 948**	1 852
–	–	**40**	–	**–**	–	**–**	–
40	37	**78**	42	**88 800**	100 246	**1 948**	1 852
677	441	**391**	408	**1 166 203**	1 215 328	**20 017**	20 344
82	27	**23**	28	**108 317**	87 900	**704**	916
82	27	**23**	28	**108 317**	87 900	**704**	916
759	468	**414**	436	**1 274 520**	1 303 228	**20 721**	21 260

Notes to the summarised consolidated group financial statements continued

for the years ended 30 June 2012

16 Reconciliation of segment information to summarised consolidated income statements

SA rand			US dollar	
2011	**2012**	Figures in million	**2012**	2011
		Revenue from:		
849	**1 405**	Discontinued operations	**181**	122
		Production costs from:		
666	**767**	Discontinued operations	**99**	95
		Reconciliation of production profit to consolidated profit before taxation and discontinued operations		
12 445	**16 574**	Total segment revenue	**2 134**	1 781
(9 170)	**(10 678)**	Total segment production costs	**(1 375)**	(1 313)
3 275	**5 896**	Production profit	**759**	468
(183)	**(638)**	*Less:* Discontinued operations	**(82)**	(27)
3 092	**5 258**		**677**	441
(2 195)	**(2 226)**	Cost of sales items other than production costs	**(285)**	(315)
(1 537)	**(1 881)**	Amortisation and depreciation of mining assets	**(242)**	(220)
(72)	**(40)**	Amortisation and depreciation of other than mining and mining related assets	**(5)**	(10)
(43)	**17**	Rehabilitation credit/(expenditure)	**2**	(6)
(117)	**(88)**	Care and maintenance cost of restructured shafts	**(11)**	(17)
(136)	**(81)**	Employment termination and restructuring costs	**(10)**	(20)
(125)	**(87)**	Share-based payments	**(11)**	(18)
(264)	**60**	Reversal of impairment/(impairment) of assets	**7**	(39)
99	**(126)**	Other	**(15)**	15
897	**3 032**	Gross profit	**392**	126
(322)	**(352)**	Corporate, administration and other expenditure	**(45)**	(46)
(82)	**(72)**	Social investment expenditure	**(9)**	(12)
(324)	**(500)**	Exploration expenditure	**(64)**	(46)
27	**63**	Profit on sale of property, plant and equipment	**8**	4
(21)	**(50)**	Other expenses – net	**(6)**	(3)
175	**2 121**	Operating profit	**276**	23
(51)	**–**	Loss from associate	**–**	(7)
(142)	**56**	Reversal of impairment/(impairment) of investment in associate	**7**	(20)
–	**(144)**	Impairment of investments	**(19)**	–
129	**86**	Net gain on financial instruments	**11**	18
273	**–**	Gain on farm-in option	**–**	38
133	**97**	Investment income	**12**	19
(271)	**(286)**	Finance costs	**(37)**	(38)
246	**1 930**	**Profit before taxation and discontinued operations**	**250**	33

Annexure A

Statement of group companies at 30 June 2012

This schedule has been extracted from the integrated annual report. The complete list of subsidiaries, associates and joint ventures can be found in the integrated annual report.

Company	Country of incorporation	Status	Issued share capital R'000	Effective group interest 2012 %	Effective group interest 2011 %	Cost of investment by holding company 2012 Rm	Cost of investment by holding company 2011 Rm	Loans from/(to) holding company 2012 Rm	Loans from/(to) holding company 2011 Rm
Direct subsidiaries:									
Gold mining									
African Rainbow Minerals Gold Limited	(a)		96	**100**	100	**7 081**	7 081	**202**	208
ARMGold/Harmony Freegold Joint Venture Company (Proprietary) Limited	(a)		20	**100**	100	**17**	17	**472**	1 063
Avgold Limited	(a)		6 827	**100**	100	**6 935**	6 935	**434**	762
Evander Gold Mines Limited	(a)	*	39 272	**100**	100	**545**	545	**(336)**	(220)
Randfontein Estates Limited	(a)		19 882	**100**	100	**1 311**	1 311	**876**	1 202
Investment holding						**–**		**–**	
ARMGold/Harmony Joint Investment Company (Proprietary) Limited	(a)		#	**100**	100	**–**	–	**–**	127
Harmony Gold Australia (Proprietary) Limited	(c)		7 506 228	**100**	100	**7 506**	6 391	**–**	–
Indirect subsidiaries:									
Exploration						**–**			
Harmony Gold (PNG) Exploration Limited	(b)		#	**100**	100	**–**	–	**–**	–
Morobe Exploration Limited	(b)		1 104	**100**	100	**–**	–	**–**	–
Gold mining						**–**			
Harmony Gold PNG Limited	(b)		#	**100**	100	**–**	–	**–**	–
Kalahari Goldridge Mining Company Limited	(a)		1 275	**100**	100	**–**	–	**(445)**	(456)
Investment						**–**			
Abelle Limited	(c)		488 062	**100**	100	**–**	–	**–**	–
Mineral right investment						**–**		**–**	
Morobe Consolidated Goldfields Limited	(b)		#	**100**	100	**–**	–	**–**	–
Wafi Mining Limited	(b)		#	**100**	100	**–**	–	**–**	–
Mining related services						**–**			
Harmony Gold (PNG Services) (Proprietary) Limited	(c)		#	**100**	100	**–**	–	**–**	–

Statement of group companies at 30 June 2012 continued

Company	Country of incor-poration	Status	Issued share capital R'000	Effective group interest 2012 %	Effective group interest 2011 %	Cost of investment by holding company 2012 Rm	Cost of investment by holding company 2011 Rm	Loans from/(to) holding company 2012 Rm	Loans from/(to) holding company 2011 Rm
Joint venture operations – indirect:									
Morobe Exploration Services Limited	(b)		$	**50**	50	**–**	–	**–**	–
Hidden Valley Services Limited	(b)		$	**50**	50	**–**	–	**–**	–
Wafi Golpu Services Limited	(b)		$	**50**	50	**–**	–	**–**	–

The group's interest in jointly controlled operations is accounted for by proportionate consolidation. Under this method the group includes its share of the joint venture's individual income and expenses, assets and liabilities in the relevant components of the financial statements on a line by line basis.

Company	Country of incor-poration	Status	Issued share capital R'000	Effective group interest 2012 %	Effective group interest 2011 %	Cost of investment by holding company 2012 Rm	Cost of investment by holding company 2011 Rm	Loans from/(to) holding company 2012 Rm	Loans from/(to) holding company 2011 Rm
Pamodzi Gold Limited	(a)	Ω	30	**32**	32	**–**	–	**–**	–
Associate company – indirect:									
Gold and uranium mining									
Rand Uranium	(a)	Δ	#	**0**	40	**–**	–	**–**	25

Investments in associates are accounted for by using the equity method of accounting. Equity accounting involves recognising in the income statement the group's share of the associates' profit or loss for the period. The group's interest in the associate is carried on the balance sheet at an amount that reflects the cost of the investment, the share of post acquisition earnings and other movement in the reserves.

- # Indicates issued share capital of R1 000 or less
- * Agreement to sell investment to PAR plc entered on 30 May 2012
- Ω In final stages of liquidation order
- $ Indicates a share in the joint venture's capital assets
- Δ Investment sold during the 2012 year
- (a) Incorporated in the Republic of South Africa
- (b) Incorporated in Papua New Guinea
- (c) Incorporated in Australia

The above investments are valued by the directors at carrying value.

Investor relations

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The integrated annual report for 2012 and sustainable development report 2012 are available in electronic format at **www.harmony.co.za** and may also be requested in printed format from Harmony's investor relations contacts above.

In addition, Harmony has produced the Form 20-F, an annual report which it is required to file with the United States' Securities and Exchange Commission in accordance with its listing on the NYSE. Electronic copies will be available towards the end of October 2012 free of charge on EDGAR at www.sec.gov and on our corporate website: **www.harmony.co.za.**

Stock exchange listings and ticker codes

Harmony's primary listing is on the JSE Limited. The company's shares are also quoted in the form of American Depositary Receipts (ADRs) on the New York Stock Exchange and as International Depositary Receipts (IDRs) on the Berlin and Brussels exchanges.

Harmony's quoted share codes on these exchanges are:

JSE Limited	HAR
NYSE Euronext	HMY
Berlin Stock Exchange	HAM1
Brussels Stock Exchange	HMY

Investor relations continued

Share information

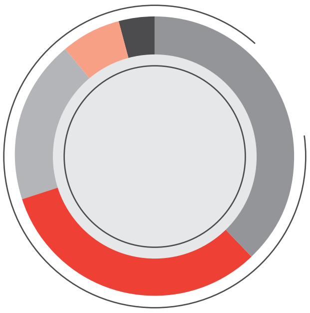
Sector		Resources
Sub-sector		Gold
Nature of business		Harmony Gold Mining Company Limited and its subsidiaries are engaged in underground and open-pit gold mining, exploration and related activities in South Africa and Papua New Guinea
Issued share capital as at 30 June 2012		431 564 236 shares in issue
Market capitalisation		
	at 30 June 2012	R33.0 billion or US$4.0 billion
	at 30 June 2011	R38.7 billion or US$5.7 billion
Share price statistics – FY 2012		
JSE:	12-month high	R115.75
	12-month low	R72.84
	Closing price	R76.50
NYSE:	12-month high	US$14.87
	12-month low	US$8.70
	Closing price	US$9.40
Free float		100%
ADR ratio		1:1
Performance on JSE in FY12		
Number of shares traded		381 million
Total issued shares		431 564 236
Value of shares traded		R35.4 billion
ADR performance in FY12		
Number of ADRs traded		585 million
Total number of ADRs outstanding		128 million
Value of ADRs traded		US$7.1 billion

Shareholder spread as at 30 June 2012

	Number of shareholders	% of shareholders	Number of shares	% of issued share capital
Public	12 624	99.97	431 443 962	99.98
Non-public	4	0.03	120 274	0.02
Share option scheme	3	0.02	18 971	0.00
Directors*	1	0.01	101 303	0.02
Totals	12 628	100.00	431 564 236	100.00

** Held by AJ Wilkens*

Geographic distribution of shareholders
as at 30 June 2012



Ownership summary as at 30 June 2012

Rank	Institution	Current combined position	% shares in issue
1	ARM Limited	63 632 922	14.74
2	Blackrock Investment Management (UK) Limited	46 159 758	10.70
3	Public Investment Corporation of South Africa	28 137 663	6.52
4	Allan Gray Unit Trust Management Limited	24 608 847	5.70
5	First Eagle Investment Management LLC	20 976 648	4.86
6	Van Eck Global	19 772 533	4.58
7	FIL Investments International	12 988 085	3.01
8	Dimensional Fund Advisors, Inc	11 521 591	2.67
9	Investec Asset Management Pty Limited (South Africa)	10 134 504	2.35
10	The Vanguard Group, Inc	10 117 468	2.34
11	Capital International Research & Management	9 182 815	2.13
12	Fidelity Management & Research Co	9 116 194	2.11
13	BlackRock Fund Advisors	8 224 577	1.91
14	Domestic Broker Dealers	7 305 702	1.69
15	Government of Singapore Investment Corp Pte Limited (Investment Management)	6 739 127	1.56
16	Old Mutual Investment Group South Africa (Pty) Limited	5 165 040	1.20
17	Soges Fiducem (IDRs)	4 643 806	1.08
18	Baker Steel Capital Managers LLP	4 386 603	1.02
19	Regarding Capital Management (Pty) Limited	4 377 788	1.01
20	Retail Brokers (ADR)	4 299 030	1.00

Investor relations continued

Analysis of ordinary shares (Strate) as at 30 June 2012

	Number of shareholders	% of shareholders	Number of shares held	% of issued shared held
1 to 10 000	11 988	94.94	5 266 467	1.22
10 001 to 100 000	441	3.49	16 047 290	3.72
100 001 to 1 000 000	158	1.25	47 853 796	11.09
1 000 001 and more	41	0.32	362 396 683	83.97
Total	12 628	100.00	431 564 236	100.00

Historical performance of shares on the JSE

	FY12	FY11	FY10
As at 30 June: (R/share)	**76.50**	89.95	81.40
Year high (R/share)	**115.75**	103.25	87.51
Year low (R/share)	**72.84**	71.90	68.65
Number of ordinary shares issued (000)	**431 564**	430 085	428 655
Volume of shares traded (000)	**381 047**	392 035	463 826
Volume of shares traded as % of total issued shares	**88**	91	108

Historical performance of shares on the ADR programme

	FY12	FY11	FY10
As at 30 June (US$/share)	**9.40**	13.22	10.57
Year high (US$/share)	**14.87**	15.73	12.96
Year low (US$/share)	**8.70**	10.26	8.73
Number of ADRs outstanding	**128 011 912**	131 048 775	120 922 003
Volume of ADRs traded (000)	**585 089**	647 222	850 096

Shareholders' diary

Financial year-end	30 June
Annual financial statements issued	25 October 2012
Form 20-F issued	25 October 2012
Annual general meeting	28 November 2012

Dividend dates

Interim dividend declared	2 February 2012
Final dividend declared	13 August 2012

Quarterly results presentations FY13

Quarter 1	7 November 2012
Quarter 2	4 February 2013
Quarter 3	8 May 2013
Quarter 4	14 August 2013

Glossary of terms and acronyms

$	United States dollar
A$	Australian dollar
Available-for-sale financial asset	A financial asset designated as available-for-sale or one other than those classified as loans and investment receivables, held-to-maturity investments or derivative instruments
By-products	Any products emanating from the core process of producing gold, including silver and uranium in South Africa and copper, silver and molybdenum in Papua New Guinea
Capital expenditure (capex)	Expenditure on tangible assets – includes ongoing and project capital. In particular, capex includes spending on ongoing development, abnormal expenditure, shaft projects and major projects, and covers both sustaining and growing operations
Cash costs	Total cash costs include site costs for all mining, processing and administration, reduced by contributions from by-products and include royalties and production taxes. Amortisation, rehabilitation, corporate administration, retrenchment, capital and exploration costs are excluded. Total cash costs per ounce are attributable total cash costs divided by attributable ounces of gold produced.
CO_2 emissions	Total CO_2 emissions calculated from direct emissions generated from petrol and diesel consumption and indirect emissions generated from electricity consumption (expressed in tonnes)
Critical skills training – number of people trained in 2011/2012	The following disciplines are defined as core skills: • Mining • Engineering • Ore Reserves • Metallurgy The critical skills within these disciplines are: • Mining – General Manager; Mine Manager; Mining Manager • Engineering – Engineers; Junior Engineers • Ore Reserves – ORM; HOD – Geology, Survey & Planning; Section Geologist/Senior Geologist; Section Surveyor/Mine Surveyor/Senior Shaft Surveyor; Section Geostatistician/Senior Geostatistician (Geological Technician); Section Planner/Senior Planner; Surveyors/Geotechs • Metallurgy – Plant Manager; Senior Metallurgist
Cyanide Code	International management code for manufacture, transport and use of cyanide in producing gold. The aim is to promote responsible management of cyanide used in gold mining; to protect human health and reduce potential for environmental impacts
Cut-off grade	Minimum grade at which a unit of ore will be mined to achieve the desired economic outcome
Development	Process of accessing an orebody through shafts or tunnelling in underground mining
Discontinued operation	A component of an entity that has been disposed of or abandoned or classified as held-for-sale until conditions precedent to the sale have been fulfilled
EBITDA	Earnings before interest, tax, depreciation and amortisation
Effective tax rate	Current and deferred taxation as a percentage of profit before taxation
Electricity purchased (kWh)	Electricity purchased from the supplier during the reporting period. This should include all electricity purchased by source (fossil fuel, nuclear, hydroelectric, wind, solar, etc). It should exclude electricity generated by the operation itself and electricity supplied to the third parties such as communities and businesses
Employment equity in management in South Africa	For HDSA we refer to the following: black people males and females; and white women EE is measured in the bands D, E and F, where: • Top management (F band) • Senior management (E band) • Middle management (D4-D5) • Junior management (D3-D1) • Core and critical (E-D1 management levels in under core disciplines) EE is reported as a percentage of the total employed per band
Equity	Shareholders' equity adjusted for other comprehensive income and deferred taxation
ESOP	Employee share ownership scheme

Glossary of terms and acronyms continued

FIFR	Fatal injury frequency rate, the number of fatalities per million hours worked
GDP	Gross domestic profit
GHG	Greenhouse gas – a gas that contributes to the greenhouse effect by absorbing infrared radiation, such as carbon dioxide and chlorofluorocarbons (CFCs)
Gold produced	Refined gold derived from the mining process, measured in ounces or kilograms in saleable form
Grade	Quantity of gold contained in a unit weight of gold-bearing material, generally expressed in ounces per short ton of ore (oz/t), or grams per metric tonne (g/t)
HAART	Highly active antiretroviral treatment
HDSAs	Historically disadvantaged South Africans – all people and groups discriminated against on the basis of race, gender and disability as per the MPRDA definition
HIV	Human immuno deficiency virus
Housing and living conditions – conversion from sharing to single occupancy rooms	The number of employees that share a room in Harmony's company accommodation, and the number of employees that have single rooms in Harmony's company accommodation. This is calculated by comparing the total physical hostel design capacity (room numbers) versus the total number of hostel occupants. This gives the total average occupancy rate per hostel. An average of greater than one person confirms that the occupant is sharing accommodation
Interest cover	EBITDA divided by finance costs and unwinding of obligations
ISO 14001	Published in 1996 by the International Organisation for Environmental Standardisation, it specifies actual requirements for an environmental management system
JIBAR	Johannesburg interbank agreed rate
JORC	Australian code for reporting exploration results, mineral resources and mineral reserves
JSE	JSE Limited
Kina	Papua New Guinea currency
King III	King report on governance for South Africa, published in 2009
Land disturbed and land available for rehabilitation (km^2)	Total land footprint disturbed and the land footprint used for ongoing or future mining activities
LIBOR	London interbank offer rate
Life-of-mine (LOM)	Number of years an operation is scheduled to mine and treat ore, based on current mine plan
Local Economic Development (LED) spend/Community spend in PNG	Local economic development project spend that is linked to the licence of each mine. All costs relating to community development initiatives and housing projects qualify as LED spend
Lost Time Injury Frequency Rate (LTIFR)	An LTI is a work-related injury that calls for medication, treatment, medical checks, reviews and subsequent days off work. This injury or illness incapacitates the injured employee from performing his/her normal occupation on the next scheduled work day or shift. Where logistic/administration issues resulted in a dressing case becoming a lost-time injury, all relevant documentation, evidence and statements must be obtained, recorded and filed. The calculation for the lost-time injury frequency rate (LTIFR): • Actual lost-time injuries x 1 000 000/hours worked The calculation for hours: • Actual shifts worked x 9 (this is throughout Harmony for consistency to assume every person works nine hours)
Measured mineral resource	Part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from outcrops, trenches, pits, workings and drill holes. Locations are spaced closely enough to confirm geological and grade continuity

Mineral resource	A concentration or occurrence of material of intrinsic economic interest in/on the earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral resources are sub-divided, in order of increasing geological confidence, into inferred, indicated and measured categories
Mining Charter	Broad-based social-economic empowerment charter for the South African mining industry. The goal of the charter is to create an industry that reflects the promise of a non-racial South Africa
MMJV	Morobe Mining Joint Ventures, the 50:50 partnership between Harmony and Newcrest Mining Company Limited
MPRDA	Mineral and Petroleum Resources Development Act No 28 of 2002
PNG	Papua New Guinea
Preferential procurement – BEE total spend (ZAR)	Procurement spend collected from the Harmony ERP system's payment register, which is only the spend value spent with suppliers that hold a valid BEE certificate, and comply with the minimum HDSA ownership of 25%, or more. Reporting is aligned with the requirement of the revised Mining Charter of September 2010, and only the portion of the spend value that is defined as discretionary is included
Productivity	An expression of labour productivity based on the ratio of grams of gold produced per month to the total number of employees in underground mining operations
Project capital	Capital expenditure to either bring a new operation into production; to materially increase production capacity; or to materially extend the productive life of an asset
Reclamation	In South Africa, reclamation describes the process of reclaiming slimes (tailings) dumps using high-pressure water cannons to form a slurry that is pumped back to metallurgical plants for processing
Reef	A gold-bearing sedimentary horizon, normally a conglomerate band that may contain economic levels of gold
SAMREC	South African code for reporting exploration results, mineral resources and mineral reserves
Silicosis – number of new cases identified in 2011/2012	The number of new cases of pure silicosis submitted by the doctor in the 2011/2012 financial year. Cases where other conditions are present, specifically Tuberculosis (TB), are not included in this number
Tailings	Finely ground rock of low residual value from which valuable minerals have been extracted. Discarded tailings stored in dam facilities
TB	Tuberculosis
Tonne (t)	Metric = 1 000 kilograms
Ton	Imperial = 2 000 pounds (1 016kg). Referred to as a short ton
US	United States
Volumes of mineral waste disposed (tonnes)	Rock and tailings waste generated and removed to landfill and tailings dams
Waste	Material with insufficient mineralisation for future treatment and discarded
Water used for primary activity (kilolitres)	The total make-up or new water that is drawn into the boundaries of the reporting organisation from all sources (including surface water, groundwater, rainwater and municipal water supply) for use for mining and processing-related activities including use by contractors. This definition excludes: internally recycled water, water discharged to receiving environment and supply to third parties such as communities and businesses
Weighted average number of ordinary shares	Number of ordinary shares in issue at the beginning of the year, increased by shares issued during the year, weighted on a time basis for the period in which they have participated in the income of the company, and increased by share options that are virtually certain to be exercised
Yield	Amount of valuable mineral or metal recovered from each unit mass of ore expressed as ounces per short ton or grams per metric tonne

Notice of annual general meeting

Notice is hereby given that the annual general meeting of the company will be held on Wednesday, 28 November 2012 at 11h00 (SA time) at The Michelangelo Hotel, Nelson Mandela Square, West Street, Sandown, South Africa (see map on page 94, to conduct the business set out below and to consider and, if deemed fit, adopt, with or without modification, the ordinary and special resolutions set out in this notice.

In terms of section 59(1)(a) and (b) of the Companies Act 71 of 2008, the board of directors of the company (**board**) has set the record date for the purpose of determining which shareholders are entitled to:

(i) receive notice of the annual general meeting (being the date on which a shareholder must be registered in the company's securities register in order to receive notice of the annual general meeting) as Friday, **19 October 2012**; and

(ii) participate in and vote at the annual general meeting (being the date on which a shareholder must be registered in the company's securities register in order to participate in and vote at the annual general meeting) as Friday, **23 November 2012**.

Presentation of annual financial statements

The consolidated annual financial statements of the company and its subsidiaries, incorporating the reports of the auditors, the audit and risk committee and the directors for the year ended 30 June 2012 will be presented to the shareholders as required in terms of section 30(3)(d) of the Companies Act.

Resolutions for consideration and adoption

1. **ORDINARY RESOLUTION NUMBER 1: Re-election of director**

   "RESOLVED THAT Fikile De Buck, who retires by rotation at this annual general meeting in accordance with the company's memorandum of incorporation and who is eligible and available for re-election, be and is hereby re-elected as a director of the company." (Fikile De Buck's curriculum vitae appears on page 10 under the heading "Board of directors".)

   The percentage of voting rights required for Ordinary Resolution Number 1 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution.

2. **ORDINARY RESOLUTION NUMBER 2: Re-election of director**

   "RESOLVED THAT Simo Lushaba, who retires by rotation at this annual general meeting in accordance with the company's memorandum of incorporation and who is eligible and available for re-election, be and is hereby re-elected as a director of the company." (Simo Lushaba's curriculum vitae appears on page 11 under the heading "Board of directors".)

   The percentage of voting rights required for Ordinary Resolution Number 2 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution.

3. **ORDINARY RESOLUTION NUMBER 3: Re-election of director**

   "RESOLVED THAT Modise Motloba, who retires by rotation at this annual general meeting in accordance with the company's memorandum of incorporation and who is eligible and available for re-election, be and is hereby re-elected as a director of the company." (Modise Motloba's curriculum vitae appears on page 10 under the heading "Board of directors".)

   The percentage of voting rights required for Ordinary Resolution Number 3 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution.

4. **ORDINARY RESOLUTION NUMBER 4: Re-election of director**

   "RESOLVED THAT Patrice Motsepe, who retires by rotation at this annual general meeting in accordance with the company's memorandum of incorporation and who is eligible and available for re-election, be and is hereby re-elected as a director of the company." (Patrice Motsepe's curriculum vitae appears on page 10 under the heading "Board of directors".)

   The percentage of voting rights required for Ordinary Resolution Number 4 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution.

5. **ORDINARY RESOLUTION NUMBER 5: Election of audit committee member**

   "RESOLVED THAT Fikile De Buck be and is hereby elected as a member of the company's audit committee." (Fikile De Buck's curriculum vitae appears on page 10 under the heading "Board of directors".)

   The percentage of voting rights required for Ordinary Resolution Number 5 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution.

6. **ORDINARY RESOLUTION NUMBER 6: Election of audit committee member**

"RESOLVED THAT Simo Lushaba be and is hereby elected as a member of the company's audit committee." (Simo Lushaba's curriculum vitae appears on page 11 under the heading "Board of directors".)

The percentage of voting rights required for Ordinary Resolution Number 6 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution.

7. **ORDINARY RESOLUTION NUMBER 7: Election of audit committee member**

"RESOLVED THAT Modise Motloba be and is hereby elected as a member of the company's audit committee." (Modise Motloba's curriculum vitae appears on page 10 under the heading "Board of directors".)

The percentage of voting rights required for Ordinary Resolution Number 7 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution.

8. **ORDINARY RESOLUTION NUMBER 8: Election of audit committee member**

"RESOLVED THAT John Wetton be and is hereby elected as a member of the company's audit committee." (John Wetton's curriculum vitae appears on page 12 under the heading "Board of directors".)

The percentage of voting rights required for Ordinary Resolution Number 8 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution.

9. **ORDINARY RESOLUTION NUMBER 9: Re-appointment of external auditors**

"RESOLVED THAT PricewaterhouseCoopers Incorporated be and is hereby re-appointed as the external auditors of the company to hold office until conclusion of the next annual general meeting."

The percentage of voting rights required for Ordinary Resolution Number 9 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution.

10. **ORDINARY RESOLUTION NUMBER 10: Approval of remuneration policy**

"RESOLVED, as a non-binding advisory vote that the remuneration policy of the company, as set out on pages 176 to 181 of the integrated annual report, be and is hereby approved."

As this is not a matter that is required to be resolved or approved by shareholders, no minimum voting threshold is required. Nevertheless, for record purposes, the minimum percentage of voting rights required for Ordinary Resolution Number 10 to be adopted is more than 50% (fifty percent) of the voting rights exercised on the resolution.

11. **ORDINARY RESOLUTION NUMBER 11: Authority to issue shares**

"RESOLVED THAT the directors of the company be and are hereby authorised to allot and issue up to 21 578 212 authorised but unissued ordinary shares with a par value of R0.50 each in the share capital of the Company, being 5% of the total issued share capital of the Company as at 30 June 2012, at such time or times to such person or persons or bodies corporate upon such terms and conditions as the directors may from time to time in their sole discretion determine, subject to the provisions of the Companies Act and the Listings Requirements of the securities exchange licensed to and operated by the JSE Limited (**JSE Listings Requirements**.)"

The percentage of voting rights required for Ordinary Resolution Number 11 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution.

12. **ORDINARY RESOLUTION NUMBER 12: Amendment of the Broad-Based Employee Share Ownership Plan (ESOP)**

"RESOLVED THAT, in accordance with Schedule 14 of the JSE Listings Requirements, the trust deed of the Harmony Employees' Share Trust, be and is hereby amended in accordance with the proposed amendments detailed in Annexure 1 to this notice."

The percentage of voting rights required for Ordinary Resolution Number 12 to be adopted: more than 75% (seventy five percent) of the voting rights exercised on the resolution, excluding participants in the ESOP.

13. **SPECIAL RESOLUTION NUMBER 1: Non-executive directors' remuneration**

"RESOLVED, as a special resolution in terms of section 66(9) of the Companies Act, that the company be and is hereby authorised to pay the following annual remuneration to its non-executive directors for their services as directors for a period of two years from the date of this annual general meeting or until such time as the non-executive directors' remuneration is amended by way of special resolution of shareholders, whichever comes first:

	Board			Deputy	Audit Committee		Social & Ethics		Remuneration		Nomination Investment		Technical	
	Chairman	Member	LID*	Chairman	Chairman	Member	Chairman	Member	Chairman	Member	Chairman	Member	Chairman	Member
Financial year	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
FY12**	825	178	265	350	196	98	152	76	155	77.5	134	67	152	76
2 years from AGM	888.5	192	285	377	211	105.5	167	83.5	167	83.5	167	83.5	167	83.5

* *Lead independent director*
** *For information purposes*
Ad hoc fees: R8 600 per ad hoc meeting/attendance to company business per day

The percentage of voting rights required for Special Resolution Number 1 to be adopted: at least 75% (seventy five percent) of the voting rights exercised on the resolution.

14. SPECIAL RESOLUTION NUMBER 2: Adoption of new memorandum of incorporation

"RESOLVED, as a special resolution, that the memorandum of incorporation in the form of the draft tabled at this annual general meeting and initialled by the company secretary for the purposes of identification, be and is hereby adopted in substitution for and to the exclusion of the company's entire current memorandum of incorporation."

The percentage of voting rights required for Special Resolution Number 2 to be adopted: at least 75% (seventy five percent) of the voting rights exercised on the resolution.

The salient features of the memorandum of incorporation are set out in Annexure 2 on pages 93 to 94.

Electronic participation

Should any shareholder of the company wish to participate in the annual general meeting by way of electronic participation, that shareholder shall be obliged to make application in writing (including details as to how the shareholder or its representative can be contacted) to so participate, to the transfer secretaries at the applicable address set out below at least 5 (five) business days prior to the annual general meeting. Shareholders who wish to participate in the meeting by dialling in must note that they will not be able to vote electronically. Should such shareholders wish to have their votes counted at the meeting, they are welcome to cast their votes via representation at the meeting either by proxy or by letter of representation, as provided for in this notice of annual general meeting. The costs of accessing any means of electronic participation provided by the company will be borne by the shareholder so accessing the electronic participation. The company cannot be held liable for any loss, damage, penalty or claim arising in any way from the use of the telecommunication facility whether or not as a result of any act or omission on the part of the Company or anyone else.

IDENTIFICATION, PROXIES AND VOTING

Shareholders are reminded that –

- **a shareholder entitled to attend and vote at the annual general meeting is entitled to appoint a proxy (or more than one proxy) to attend, participate in and vote at the annual general meeting in the place of the shareholder, and shareholders are referred to the proxy form attached to this notice in this regard;**
- **a proxy need not also be a shareholder of the company; and**
- **in terms of section 63(1) of the Companies Act, any person attending or participating in a general meeting of shareholders must present reasonably satisfactory identification and the person presiding at the general meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as shareholder or as proxy for a shareholder) has been reasonably verified.**

All beneficial owners whose shares have been dematerialised through a Central Securities Depository Participant (**CSDP**) or broker other than with "own name" registration, must provide the CSDP or broker with their voting instructions in terms of their custody agreement should they wish to vote at the annual general meeting. Alternatively, they may request the CSDP or broker to provide them with a letter of representation, in terms of their custody agreements, should they wish to attend the annual general meeting.

Unless you advise your CSDP or broker, in terms of the agreement between you and your CSDP or broker by the cut off time stipulated therein, that you wish to attend the annual general meeting or send a proxy to represent you at the annual general meeting, your CSDP or broker will assume that you do not wish to attend the annual general meeting or send a proxy.

Forms of proxy (which form may be found enclosed) must be dated and signed by the shareholder appointing a proxy and must be received at the offices of the transfer secretaries, Link Market Services South Africa (Proprietary) Limited or Capita Registrars by no later than 11h00 (SA time) on Monday, 26 November 2012. Before a proxy exercises any rights of a shareholder at the annual general meeting, such form of proxy must be so delivered.

In compliance with the provisions of section 58(8) (b)(i) of the Companies Act, a summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Companies Act, is set out immediately below:

An ordinary shareholder entitled to attend and vote at the annual general meeting may appoint any individual (or two or more individuals) as a proxy or as proxies to attend, participate in and vote at the annual general meeting in the place of the shareholder. A proxy need not be a shareholder of the company.

A proxy appointment must be in writing, dated and signed by the shareholder appointing a proxy, and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the annual general meeting.

A proxy may delegate the proxy's authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.

The appointment of a proxy is suspended at any time and to the extent that the shareholder who appointed such proxy chooses to act directly and in person in the exercise of any rights as a shareholder.

The appointment of a proxy is revocable by the shareholder in question cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of (a) the date stated in the revocation instrument, if any; and (b) the date on which the revocation instrument is delivered to the company as required in the first sentence of this paragraph.

If the instrument appointing the proxy or proxies has been delivered to the company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the company's memorandum of incorporation to be delivered by the company to the shareholder, must be delivered by the company to (a) the shareholder, or (b) the proxy or proxies, if the shareholder has (i) directed the company to do so in writing; and (ii) paid any reasonable fee charged by the company for doing so.

Attention is also drawn to the notes to the form of proxy.

The completion of a form of proxy does not preclude any shareholder from attending the annual general meeting.

On a show of hands every shareholder present in person or by proxy, and if a member is a body corporate, its representative, shall have one vote and on a poll every shareholder present in person or by proxy and, if the person is a body corporate, its representative, shall have one vote for every share held or represented by him/her.

By order of the board
Harmony Gold Mining Company Limited

R Bisschoff

Company secretary
Randfontein

25 October 2012

Annual general meeting – Explanatory notes

Presentation of annual financial statements

At the annual general meeting, the directors must present the annual financial statements for the year ended 30 June 2012 to shareholders as required in terms of section 30(3)(d) of the Companies Act 71 of 2008, together with the reports of the directors, the audit and risk committee and the auditors. These are contained within the Integrated Annual Report.

Ordinary Resolutions Numbers 1 to 4 – Re-election of directors

In accordance with the company's current memorandum of incorporation, one third of the directors are required to retire at each annual general meeting and may offer themselves for re-election.

The following directors are eligible for re-election and are available for re-election:
F De Buck
S Lushaba
M Motloba
P Motsepe

Ordinary Resolutions Numbers 5 to 8 – Election of audit committee

In terms of section 94(2) of the Companies Act, a public company must at each annual general meeting elect an audit committee comprising at least three members who are directors and who meet the criteria of section 94(4) of the Companies Act. Companies Regulation 42 to the Companies Act specifies that one third of the members of the audit committee must have appropriate academic qualifications or experience in the areas as listed in the regulation.

The board of the company is satisfied that the proposed members of the audit committee meet all relevant requirements.

Ordinary Resolution Number 9 – Re-appointment of external auditors

PricewaterhouseCoopers Incorporated has indicated its willingness to continue in office and Ordinary Resolution number 9 proposes the re-appointment of that firm as the company's auditors with effect from 1 July 2012. Section 90(3) of the Companies Act requires the designated auditor to meet the criteria as set out in section 90(2) of the Companies Act.

The board of the company is satisfied that both PricewaterhouseCoopers Incorporated and the designated auditor meets all relevant requirements.

Ordinary Resolution Number 10 – Remuneration policy

The King Report on Corporate Governance for South Africa, 2009 (King III) recommends that the remuneration policy of the company be submitted to shareholders for consideration and for an advisory, non-binding vote to provide shareholders with an opportunity to indicate should they not be in support of the material provisions of the remuneration policy of the company.

Ordinary Resolution Number 11 – Authority to issue shares

In terms of the Companies Act, directors are authorised to issue the unissued shares of the company, unless otherwise provided in the company's memorandum of incorporation or in instances as listed in section 41 of the Companies Act. In terms of articles 2 and 3 of the company's current memorandum of incorporation (to be replaced by a new memorandum of incorporation at this meeting), the directors are unable to issue shares without the approval of shareholders at a general meeting of shareholders. The board of the company confirms that there is no specific intention to issue any shares, other than as part of and in terms of the rules of the company's share incentive schemes, as at the date of this notice.

Ordinary Resolution Number 12 – Amendment of the Broad-Based Employee Share Ownership Plan (ESOP)

The proposed amendments to the ESOP are more fully explained in Annexure 1 attached hereto.

Special Resolution Number 1 – Non-executive directors' remuneration

In terms of section 66(8) and section 66(9) of the Companies Act, companies may pay remuneration to directors for their services as directors unless otherwise provided by the memorandum of incorporation and on approval of shareholders by way of a special resolution. Executive directors are not specifically remunerated for their services as directors but as employees of the company and as such, the resolution as included in this notice requests approval only for the remuneration paid to non-executive directors for their service as directors of the company. The proposed fees are recommended for approval for a period of two years from the date of this annual general meeting or until such time as the non-executive directors' remuneration is amended by way of special resolution of shareholders, whichever comes first.

Special Resolution 2 – Adoption of new memorandum of incorporation

The Companies Act came into effect on 1 May 2011 (**general effective date**.) In terms of item 4(2)(a) of Schedule 5 to the Act, at any time within the two year period immediately following the general effective date, a pre-existing company (such as the company) may file, without charge, an amendment to its memorandum of incorporation to bring it in harmony with the Companies Act.

The memorandum of incorporation in the form of the draft tabled at this annual general meeting (**new MOI**) is an entirely new document and its adoption will result in the harmonisation of the company's current memorandum of incorporation (**current MOI**) with the requirements of the Companies Act and the JSE Listings Requirements (particularly the new Schedule 10 thereof.)

The salient features of the new MOI are set out in Annexure 2 attached hereto. A copy of the complete new memorandum of incorporation may also be inspected at the company's registered office, situated at cnr Main Reef Road and Ward Avenue, Randfontein, 1760 during normal business hours from 25 October 2012 to and including 27 November 2012. In addition, a copy thereof is available at www.harmony.co.za. Printed copies may be requested from the company secretary at corporate@harmony.co.za or P.O. Box 2, Randfontein, 1760 or telephone number: (+27)11 411 2019.

General

Shareholders and proxies attending the annual general meeting on behalf of shareholders are reminded that section 63(1) of the Companies Act requires that reasonably satisfactory identification be presented in order for such shareholder or proxy to be allowed to attend or participate in the meeting.

Annexure 1

Proposed amendments to the broad-based employee share ownership plan ("ESOP")

1 Salient terms of the ESOP

1.1 In order to enable shareholders to understand the proposed amendments to the ESOP, the relevant salient terms of the ESOP are set out below.

1.2 At the company's annual general meeting held on 1 December 2010, shareholders approved the implementation of the ESOP via a trust called the Harmony Employees' Share Trust ("**Trust**".)

1.3 The ESOP is an equity settled share incentive and share appreciation right ("**SAR**") scheme in terms of which –

1.3.1 a total of (i) 4 288 000 ordinary shares in the share capital of the company ("**Scheme Shares**") at par value and (ii) 8 576 000 SARs have been offered to approximately 33 567 Harmony qualifying employees ("**Qualifying Employees**") in the ratio of 1 Scheme Share : 2 SARs, subject to the terms and conditions of the deed of Trust ("**Trust Deed**");

1.3.2 the Scheme Shares and SARs allocated to Qualifying Employees ("**Participants**") will vest in equal tranches on each anniversary of the relevant allocation date;

1.3.3 upon vesting of Scheme Shares, the Participants will be entitled to take delivery of the vested Scheme Shares;

1.3.4 upon the vesting of SARs, the Participants will be entitled to receive a number of ordinary shares in the share capital of the Company ("**Entitlement Shares**") and/or a cash bonus. The number of Entitlement Shares which a Participant will be entitled to receive will be determined by reference to the appreciation of the Share price between the offer date of the SARs ("**Offer Date**") and the vesting date ("**Vesting Date**"), subject to a maximum appreciation value of R32. To the extent that the share price –

1.3.4.1 appreciates less than R18 between the Offer Date and the Vesting Date, the Participant will, in addition to receiving Shares, receive a cash bonus equal to the difference between R18 and the appreciation of each vested SAR;

1.3.4.2 depreciates between the Offer Date and the Vesting Date, the Participant will not be entitled to any Shares but will instead receive a cash bonus of R18 per vested SAR, collectively hereinafter referred to as the "**Cash Bonus**";

1.3.5 prior to vesting, Participants are entitled to elect to either (i) receive their vested Scheme Shares and/or Entitlement Shares or (ii) have their vested Scheme Shares and/or Entitlement Shares sold on their behalf and to receive the proceeds of such sale ("**Election**".)

2 Previous amendments to the Trust Deed

Subsequent to the approval of the Trust, the Trust Deed has been amended as follows:

2.1 At the annual general meeting held on 30 November 2011, shareholders approved amendments in order to provide for a guaranteed minimum cash pay-out to Participants in the event that the share price either depreciates between the Offer Date and the Vesting Date, or in the event that the Share price appreciation between the Offer Date and the Vesting Date is less than R18. In order to counter this minimum guaranteed benefit, the Share price appreciation was also capped at R32.

2.2 On 7 August 2012, the trustee of the Trust approved certain amendments in order to provide for –

2.2.1 flexibility in the number of Scheme Shares and SARs to be allocated pursuant to the first allocation in light of the fact that the number of Qualifying Employees fluctuates (this amendment did not change the total number of shares authorised by shareholders to be issued for purposes of ESOP or the total number of shares authorised by shareholders to be issued to a single Qualifying Employee);

2.2.2 the exact number of Scheme Shares and SARs to be allocated to Qualifying Employees to be specified in the Trust Deed in order to comply with the BEE Codes;

2.2.3 the rounding of fractional entitlements up or down to the nearest whole number;

2.2.4 the rounding up of Entitlement Shares to the nearest whole number in order to correct a patent error in the formula which calculates the number of Entitlement Shares to be delivered to a Participant;

2.2.5 the remittance of the average realisation price obtained pursuant to the sale of Scheme Shares and/or Entitlement Shares sold on behalf of all the Participants who have made the Election to have their shares sold after vesting;

2.2.6 easier administration of the Trust and a shorter lifespan of the ESOP by eliminating the requirement for Participants to exercise their SARs after vesting so that, immediately upon vesting of SARs, Participants become entitled to settlement;

2.2.7 automatic vesting of SARs upon death or permanent disability of a Participant;

2.2.8 a deemed (default) Election to sell vested Scheme Shares and/or Entitlement Shares in the event that Participants fail or neglect to make their Election timeously;

2.2.9 ability of trustees to, either deliver a distribution *in specie* to the Participants or, if it is impractical to do so, realise the distribution on behalf of the Participants;

2.2.10 the clarification of the position of Scheme Shares which are forfeited by Participants who are "bad leavers"; and

2.2.11 the correction of certain errors in the Trust Deed.

3 Rationale and proposed amendments to the ESOP

3.1 Vesting period

3.1.1 There have been several and substantial delays in implementing the Scheme. These delays stem from negotiations with the various labour unions as well as the implementation of amendments to the Trust Deed. Furthermore, although the ESOP was announced to employees on 15 March 2012, due to various delays outside of the control of the Company, the first allocation was only made on 31 August 2012 ("**First Allocation**".)

3.1.2 In order to ensure that employees are not prejudiced by the aforesaid delays, the board hereby proposes that the Trust Deed be amended to provide that the vesting period in respect of Scheme Shares and SARs allocated in terms of the First Allocation be calculated with effect from 15 March 2012 rather than the anniversary of 31 August 2012 (the date on which the First Allocation was made.) This will give Participants the benefit of the time period which lapsed since the announcement of the ESOP and the date of the First Allocation.

3.1.3 Furthermore, the Trust Deed currently provides that in the event that allocations are made in between the anniversary of the First Allocation Date, the last tranche of that allocation may occur after the termination date of the ESOP (i.e. the fifth anniversary of the First Allocation date, being 31 August 2017.)

3.1.4 In order to ensure that the ESOP terminates on 31 August 2017, it is proposed that the Trust Deed be amended to provide that the last tranche of all allocations shall vest by no later than 31 August 2017.

3.2 Treatment of retired or retrenched Participants

3.2.1 In terms of the current Trust Deed, Scheme Shares and SARs of Participants who terminated their service due to retirement or retrenchment are not forfeited but remain subject to Vesting periods set out in Trust Deed. As a result, such Participants are required to wait out the Vesting Period before becoming entitled to receive their Scheme Shares and Entitlement Shares (and make the Election.) It is however often a difficult, timeous and costly exercise to locate these Participants after their employment has been terminated.

3.2.2 In order to eliminate the administrative burden of locating such Participants years after their employment has been terminated, the board hereby proposes that the Trust Deed be amended to provide that, upon termination of a Participant's employment with the company due to his retirement or retrenchment, any unvested Scheme Shares and/or SARs held by him will be deemed to have immediately vested on the date on termination of his employment ("**Termination Date**") and the Participant will be deemed to have elected to have all of his vested Scheme Shares and Entitlement Shares sold on his behalf and the trustees shall, within 30 (thirty) days of the Termination Date remit the (i) proceeds of the sale of the shares and (ii) the Cash Bonus (if any), to the Participant.

3.3 Treatment of deceased and disabled Participants

3.3.1 In respect of Participants who die or become seriously disabled or incapacitated, the Trust Deed presently provides for the Vesting of their unvested Scheme Shares and SARs to be accelerated to the Termination Date (date of death or when the Participant is declared seriously disabled/incapacitated.) Upon Vesting the Participant or the executor of the deceased estate or the heirs, as the case may be, are entitled to make an Election and the Scheme Shares and Entitlement Shares, or the proceeds of the sale, as the case may be, are delivered to the Participant, his heirs or the executor within 30 days of the Termination Date. The Trust will encounter an administrative burden in attempting to trace executors and/or heirs in order to obtain their instructions regarding the Election (and this may be further complicated by disputes between heirs.)

3.3.2 In order to avoid the aforesaid administrative burden, the board hereby proposes that the Trust Deed be amended to provide that, upon termination of a Participant's employment with the company due to his death or permanent disability, any unvested Scheme Shares and/or SARs held by him will be deemed to have immediately vested on the Termination Date and the Participant will be deemed to have elected to have all of his vested Scheme Shares and Entitlement Shares sold on his behalf and the trustees shall, within 30 (thirty) days of the Termination Date remit the (i) proceeds of the sale of the shares and (ii) the Cash Bonus (if any), to the Participant or his heirs or the executor of his deceased estate, as the case may be.

3.4 The proposed amended Trust Deed will be available for inspection by shareholders from the date of this notice to the date of the Annual General Meeting, during normal business hours on business days at the company's registered office.

Annexure 2

Memorandum of incorporation: Salient features

The notice of the annual general meeting contained in the 2012 Integrated Annual Report includes a special resolution for the adoption of a new memorandum of incorporation for the company by shareholders.

1. The new memorandum of incorporation (**revised MOI**) which has been drafted for Harmony Gold Mining Company Limited (**company**) takes the form of an entirely new document in order to achieve a proper harmonisation of the company's existing Memorandum and Articles of Association (**current MOI**) with the Companies Act, 2008 (Act) as well as to incorporate the new listing requirements prescribed by the JSE Limited (**Listings Requirements**.)
2. As a result, the revised MOI differs from the current MOI in so far as the Act differs from the Companies Act, 1973. Having said that, alterable provisions of the Act have been amended in the revised MOI to ensure that the same position which applies under the current MOI will continue to apply to the extent possible or appropriate. Generally, the shareholders of the company will remain in substantially the same position as is currently the case.
3. Some of the more pertinent provisions of the revised MOI are set out below –

3.1 Directors

3.1.1 The board of directors of the company must comprise at least 4 (four) directors.

3.1.2 There shall be no restriction on the maximum number of directors that may be appointed to the board of directors of the company unless otherwise determined by the shareholders at any time, and from time to time, by way of ordinary resolution.

3.1.3 Either the chairman or the deputy chairman of the board of directors of the company shall be entitled, with the written consent of the remaining directors on the board of directors of the company, to appoint any person as a director in terms of section 66(4)(a)(i) of the Act, provided that such appointment must be ratified by the shareholders at the next shareholders meeting following such appointment.

3.1.4 No provision is made in the revised MOI for the appointment of alternate directors.

3.2 Shareholder quorum requirements

The quorum for a shareholders' meeting to begin, or for a matter to be considered, in terms of the revised MOI shall be at least 3 (three) shareholders entitled to attend and vote, present in person. In addition to the aforegoing –

3.2.1 a shareholders' meeting may not begin until sufficient persons are present at the meeting to exercise, in aggregate, at least 25% of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the meeting; and

3.2.2 a matter to be decided at a shareholders' meeting may not begin to be considered unless sufficient persons are present at the meeting to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised in respect of that matter at the time the matter is called on the agenda.

3.3 Solvency and liquidity test

3.3.1 The solvency and liquidity test is required to be applied by the directors of the company in certain circumstances. Failure to do so may result in the directors incurring personal liability.

3.3.2 In terms of section 4 of the Act, the solvency and liquidity test is only satisfied if the fair value of the company's assets equal or exceed the fair value of its liabilities and it appears that the company will be able to satisfy its debts as and when they arise in the ordinary course of business over the 12 month period following the event which triggered the application of the test.

3.3.3 The solvency and liquidity test must be applied in various instances. Most notably, however, the solvency and liquidity test must be applied when the company acquires its own shares (clause 16 of the revised MOI), makes distributions (clause 34 of the revised MOI), offers a cash payment in lieu of awarding a capitalisation share (clause 13.3 of the revised MOI) and when providing financial assistance (clause 15 of the revised MOI read together with sections 44 and 45 of the Act.)

3.4 Financial assistance

When the company grants financial assistance (which is very broadly defined in section 45 of the Act and is a concept in addition to and distinct from financial assistance for the subscription or acquisition of shares in the company which still applies (section 44 of the Act)) the directors must be satisfied that the terms of the financial assistance, from the company's perspective, are both fair and reasonable. Furthermore, the financial assistance must be sanctioned by way of a special resolution.

3.5 Acquiring own shares

The directors may determine that the company is to acquire a number of its own shares, but such a determination:

3.5.1 must be approved by a special resolution of the shareholders if any of the shares are to be acquired by the company from a director or prescribed officer of the company, or a person related to a director or prescribed officer of the company; and

3.5.2 is subject to the requirements of sections 114 and 115 of the Act (which imposes additional requirements which would ordinarily only apply to certain fundamental transactions) if considered alone, or together with other transactions in an integrated series of transactions, it involves the acquisition by the company of more than 5% of the issued shares of any particular class of the company's shares.

3.6 Record date

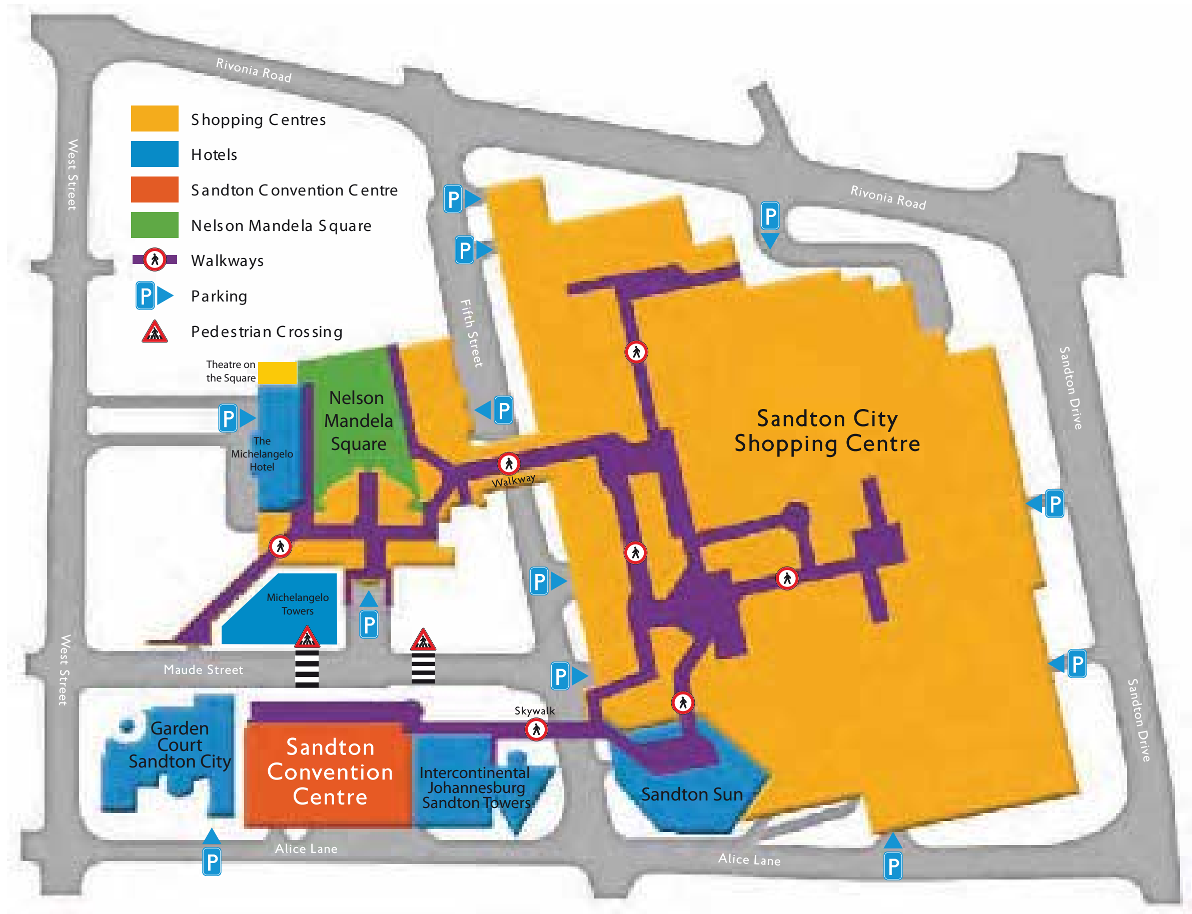
The record date, for purposes of determining which shareholders shall enjoy the rights attaching to their respective shares, shall be determined by the directors of the company, provided that such record date shall not be retrospective and shall not be more than 10 days before the date on which the applicable corporate action is scheduled to take place (clause 17 of the revised MOI read in conjunction with the Listings Requirements.)

3.7 Notice

Any notice given by the company must be given by way of one of the prescribed means which are set out in Table CR3, annexed to the regulations published in terms of the Act (clause 37 of the revised MOI.) Practically, the effect is that notice can only be delivered by way of registered post unless the company successfully applies for an order of substituted service or obtains an exemption from the Companies Tribunal in this regard (i.e. to serve by ordinary post.)

4. Please be aware of the fact that this note only contains a high-level summary of certain of the provisions of the revised MOI, and should only be referred to in conjunction with a review of the revised MOI.

Map to The Michelangelo Hotel, Nelson Mandela Square, West Street, Sandown



Form of proxy

Harmony Gold Mining Company Limited

Incorporated in the Republic of South Africa
Registration number: 1950/038232/06
(Harmony or Company)
JSE Share code: HAR
NYSE Share code: HMY
ISIN Code: ZAE 000015228

TO BE COMPLETED BY CERTIFICATED SHAREHOLDERS AND DEMATERIALISED SHAREHOLDERS WITH "OWN NAME" REGISTRATION ONLY

For completion by registered members of Harmony who are unable to attend the annual general meeting of the company to be held at The Michelangelo Hotel, Nelson Mandela Square, West Street, Sandown, South Africa (see map on page 94), on Wednesday, 28 November 2012 at 11h00 (SA time) or at any adjournment thereof.

I/We

of ____address)

being the holder/s of______________________________shares in the company, do hereby appoint:

1____or, failing him/her

2____or, failing him/her

the chairman of the annual general meeting, as my/our proxy to attend, speak and, on a poll, vote on my/our behalf at the abovementioned annual general meeting of members or at any adjournment thereof, and to vote or abstain from voting as follows on the ordinary and special resolutions to be proposed at such meeting:

	For	Against	Abstain
1. Ordinary Resolution 1:To re-elect Fikile De Buck as a director			
2. Ordinary resolution 2: To re-elect Simo Lushaba as a director			
3. Ordinary resolution 3: To re-elect Modise Motloba as a director			
4. Ordinary resolution 4: To re-elect Patrice Motsepe as a director			
5. Ordinary resolution 5: To elect Fikile De Buck as a member of the audit committee			
6. Ordinary resolution 6: To elect Simo Lushaba as a member of the audit committee			
7. Ordinary resolution 7: To elect Modise Motloba as a member of the audit committee			
8. Ordinary resolution 8: To elect John Wetton as a member of the audit committee			
9. Ordinary Resolution 9: To re-appoint the external auditors			
10. Ordinary Resolution 10: To approve the remuneration policy			
11. Ordinary Resolution 11: To authorise the issue of shares			
12. Ordinary Resolution 12: To amend the Broad-Based Employee Share Ownership Plan			
13. Special Resolution 1: To approve non-executive directors' remuneration			
14. Special Resolution 2: To adopt a new memorandum of incorporation			

Please indicate with an "X" in the appropriate spaces provided above how you wish your vote to be cast. If no indication is given, the proxy may vote or abstain as he/she sees fit.

Signed at ____________________this________________day of____________________________2012

Signature____

Assisted by me, where applicable (name and signature)______________________________________

Completed forms of proxy must be lodged with:

1. **Link Market Services South Africa (Pty) Limited by no later than 11:00 on Monday, 26 November 2012; or**
2. **Capita Registrars, the Registry, 39 Beckenham Road, Beckenham, Kent, BR3 4TU, England by no later than 11h00 (SA time) on Monday, 26 November 2012**

Please read the notes and instructions on the reverse side hereof.

Notes

1. A form of proxy is only to be completed by those ordinary shareholders who are:
   1.1 registered holders of ordinary shares in certificated form; or
   1.2 holders of dematerialised shares of the company in their own name.

2. If you have already dematerialised your ordinary shares through a Central Securities Depository Participant (**CSDP**) or broker and wish to attend the annual general meeting, you must request your CSDP or broker to provide you with a Letter of Representation or you must instruct your CSDP or broker to vote by proxy on your behalf in terms of the agreement entered into between yourself and your CSDP or broker.

3. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space. The person whose name stands first on the form of proxy and who is present at the annual general meeting of shareholders will be entitled to act to the exclusion of those whose names follow.

4. On a show of hands a member of the company present in person or by proxy shall have one (1) vote irrespective of the number of shares he/she holds or represents, provided that a proxy shall, irrespective of the number of members he/she represents, have only one (1) vote. On a poll a member who is present in person or represented by proxy shall be entitled to that proportion of the total votes in the Company, which the aggregate amount of the nominal value of the shares held by him/her bears to the aggregate amount of the nominal value of all the shares issued by the company.

5. A member's instructions to the proxy must be indicated by the insertion of the relevant numbers of votes exercisable by the member in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the member's votes exercisable thereat. A member or the proxy is not obliged to use all the votes exercisable by the member or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the member or by the proxy.

6. Forms of proxy (as enclosed) must be dated and signed by the shareholder appointing a proxy and must be received at the offices of the transfer secretaries, Link Market Services South Africa (Proprietary) Limited, 11 Diagonal Street, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000, Fax number: 086 674 4381) or Capita Registrars, the Registry, 39 Beckenham Road, Beckenham, Kent, BR3 4TU, England, by no later than 11:00 (SA time) on Monday, 26 November 2011.

   Before a proxy exercises any rights of a shareholder at the special general meeting, such form of proxy must be so delivered.

7. The completion and lodging of this form of proxy will not preclude the relevant member from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.

8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity or other legal capacity must be attached to this form of proxy, unless previously recorded by the transfer secretaries or waived by the chairman of the annual general meeting.

9. The completion of blank spaces overleaf need not be initialled. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.

10. Notwithstanding the aforegoing, the chairman of the annual general meeting may waive any formalities that would otherwise be a prerequisite for a valid proxy.

11. If any shares are jointly held, all joint members must sign this form of proxy. If more than one of those members is present at the annual general meeting either in person or by proxy, the person whose name appears first in the register shall be entitled to vote.

Directorate and administration

Harmony Gold Mining Company Limited
Corporate office
Randfontein Office Park
PO Box 2, Randfontein, 1760
South Africa
Corner Main Reef Road and Ward Avenue
Randfontein, 1759
South Africa
Telephone: +27 11 411 2000
Website: www.harmony.co.za

Directors
PT Motsepe* (chairman)
M Motloba*^ (deputy chairman)
GP Briggs (chief executive officer)
F Abbott (financial director)
HE Mashego (executive director)
FFT De Buck*^ (lead independent director)
JA Chissano*[1]^
KV Dicks*^
Dr DS Lushaba*^
C Markus*^
M Msimang*^
J Wetton*^
AJ Wilkens*

** Non-executive*
^ Independent
[1] Mozambican

Investor relations
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Henrika Basterfield
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Mobile: +27 82 759 1775
E-mail: henrika@harmony.co.za
Marian van der Walt
Executive: Corporate and Investor Relations
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Fax: +27 86 614 0999
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Company secretary
Riana Bisschoff
Telephone: +27 11 411 6020
Fax: +27 11 696 9734
Mobile: +27 83 629 4706
E-mail: riana.bisschoff@harmony.co.za

South African share transfer secretaries
Link Market Services South Africa (Proprietary) Limited
(Registration number 2000/007239/07)
13th Floor, Rennie House
Ameshoff Street
Braamfontein
PO Box 4844
Johannesburg, 2000
South Africa
Telephone: +27 86 154 6572
Fax: +27 86 674 4381

United Kingdom registrars
Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
United Kingdom
Telephone: 0871 664 0300 (UK)
(calls cost 10p a minute plus network extras,
lines are open 09:00 to 17:30, Monday to Friday)
or +44 (0) 20 8639 3399 (calls from overseas)
E-mail: shareholder.services@capitaregistrars.com

ADR depositary
Deutsche Bank Trust Company Americas
c/o American Stock Transfer and Trust Company
Peck Slip Station
PO Box 2050
New York, NY 10272-2050
E-mail queries: db@amstock.com
Toll free: +1-800-937-5449
Int: +1-718-921-8137
Fax: +1-718-921-8334

Sponsor
JP Morgan Equities Limited
1 Fricker Road, corner Hurlingham Road
Illovo, Johannesburg, 2196
Private Bag X9936, Sandton, 2146
Telephone: +27 11 507 0300
Fax: +27 11 507 0503

Trading symbols
JSE Limited: HAR
New York Stock Exchange, Inc: HMY
Euronext, Brussels: HMY
Berlin Stock Exchange: HAM1
Registration number: 1950/038232/06
Incorporated in the Republic of South Africa
ISIN: ZAE 000015228

Forward-looking statements
Private Securities Litigation Reform Act
Safe Harbour Statement

This report contains 'forward-looking statements' within the meaning of section 27A of the Securities Act of 1933, as amended, and 21E of the Securities Act of 1934, as amended, that are intended to be covered by the safe harbour created by such sections. These statements may be identified by words such as 'expects', 'looks forward to', 'anticipates', 'intends', 'believes', 'seeks', 'estimates', 'will', 'project' or words of similar meaning. All statements other than those of historical facts included in this report 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 expenditure; and (vii) estimates of reserves, and statements regarding future exploration results and the replacement of reserves. Where the group 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, project cost overruns, as well as political, economic and operational risks in the countries in which we operate and governmental regulation and judicial outcomes. The group 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.

BASTION GRAPHICS