



**HARMONY™**

# **DEVELOPING OUR PIPELINE OF QUALITY GROWTH PROJECTS**

**September 2004**

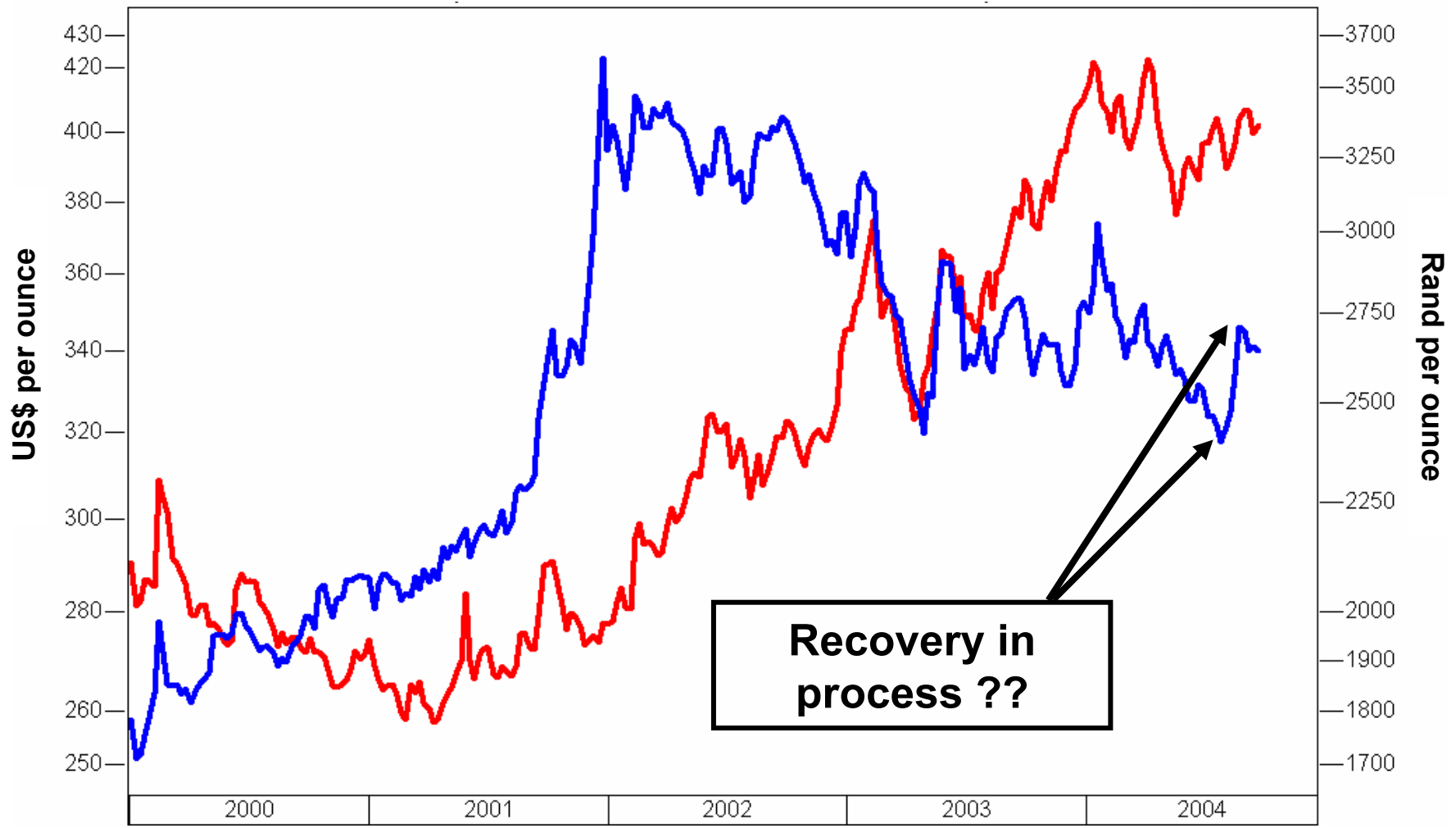
**HMY  
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NYSE.**

# SA RAND GOLD PRICE RECOVERY ??



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Gold price (US\$ per ounce and Rand per ounce)  
(Weekly data: 1 January 200 to present)



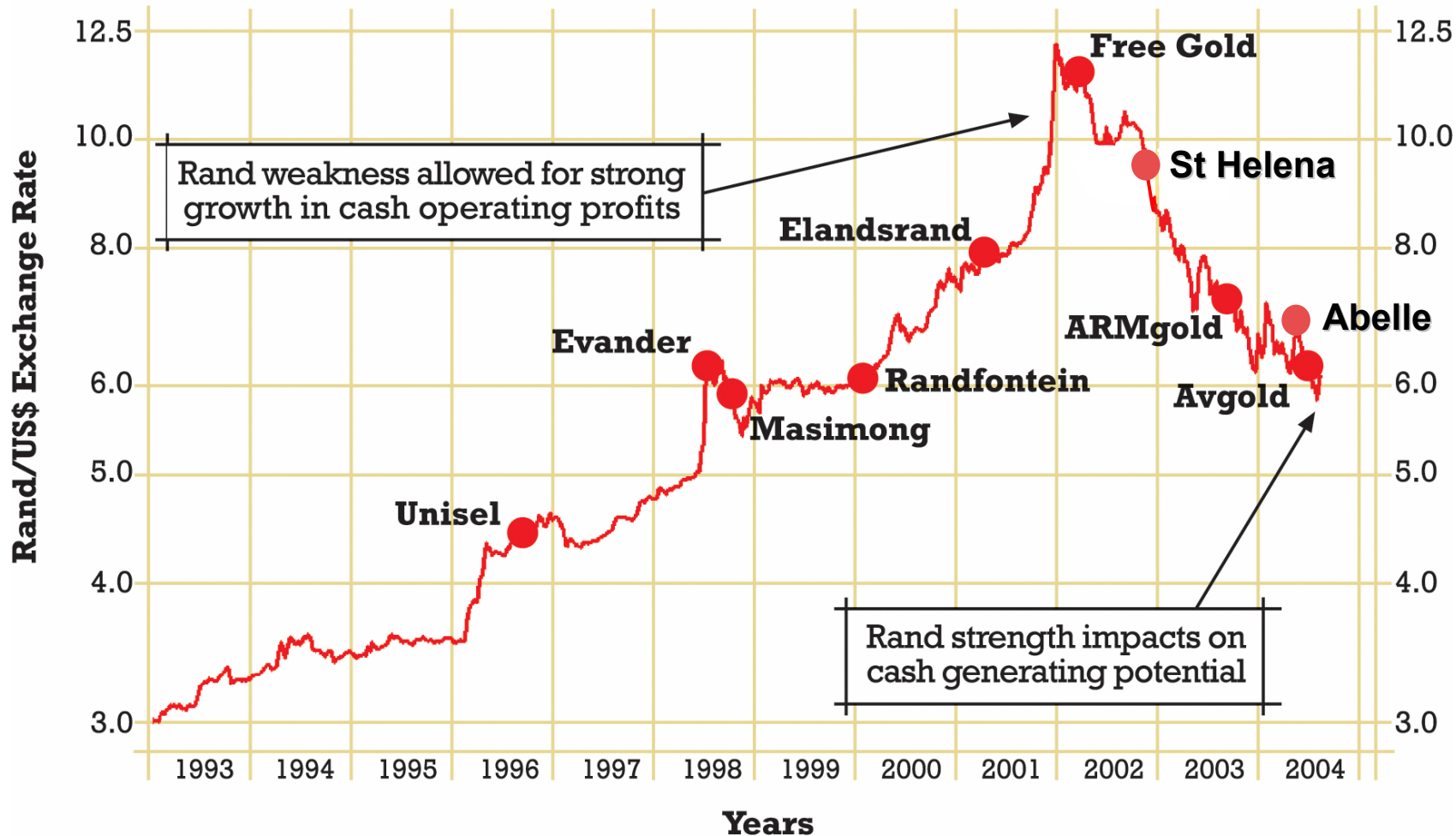
**Recovery in process ??**

Source: I-Net Bridge; Deutsche Securities

# EXCELLENT ACQUISITION OPPORTUNITIES DURING R/US\$ CYCLE



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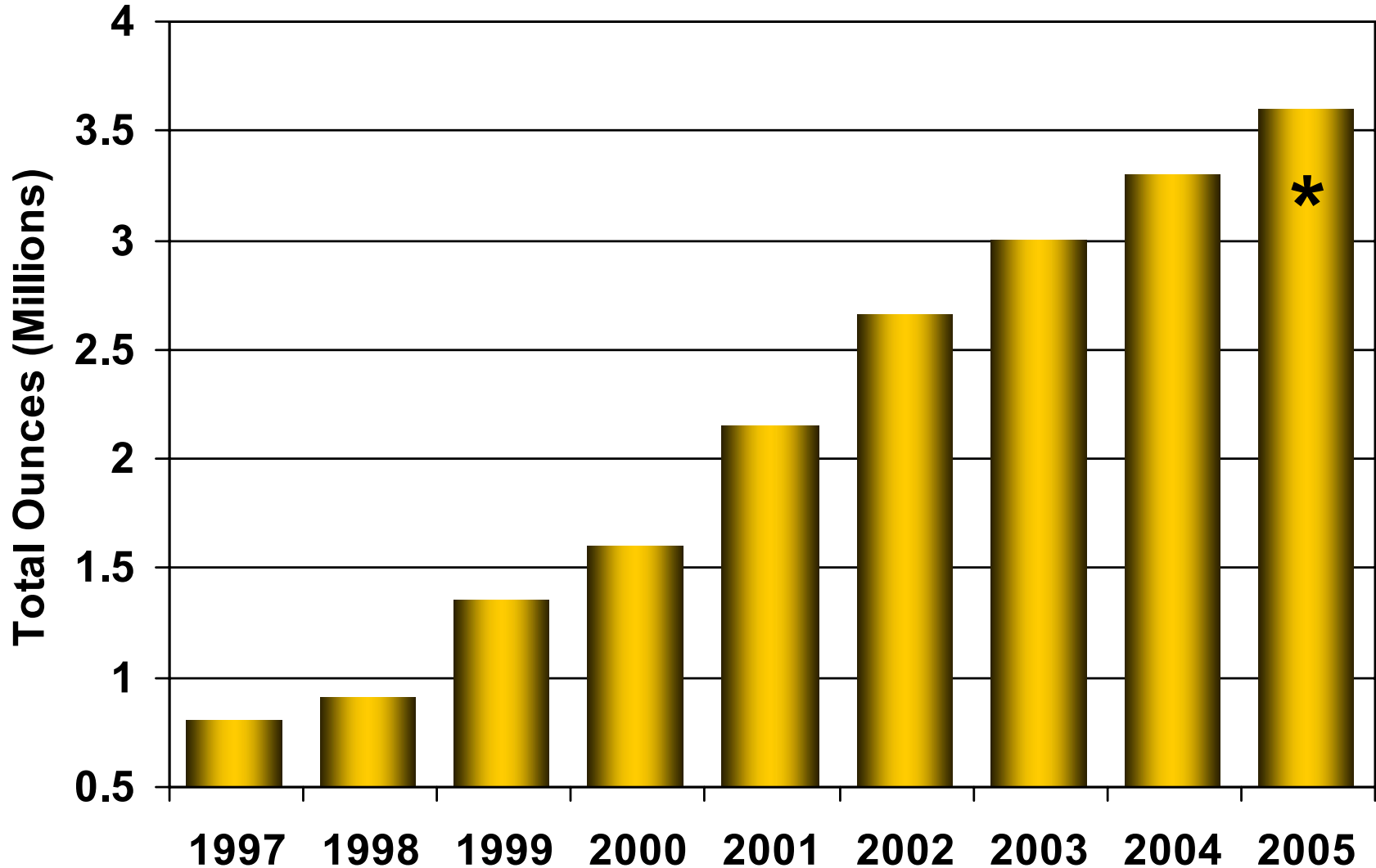


Source: I-Net Bridge; Deutsche Securities

# CONTINUED GROWTH IN PRODUCTION FOR 8 YEARS IN A ROW



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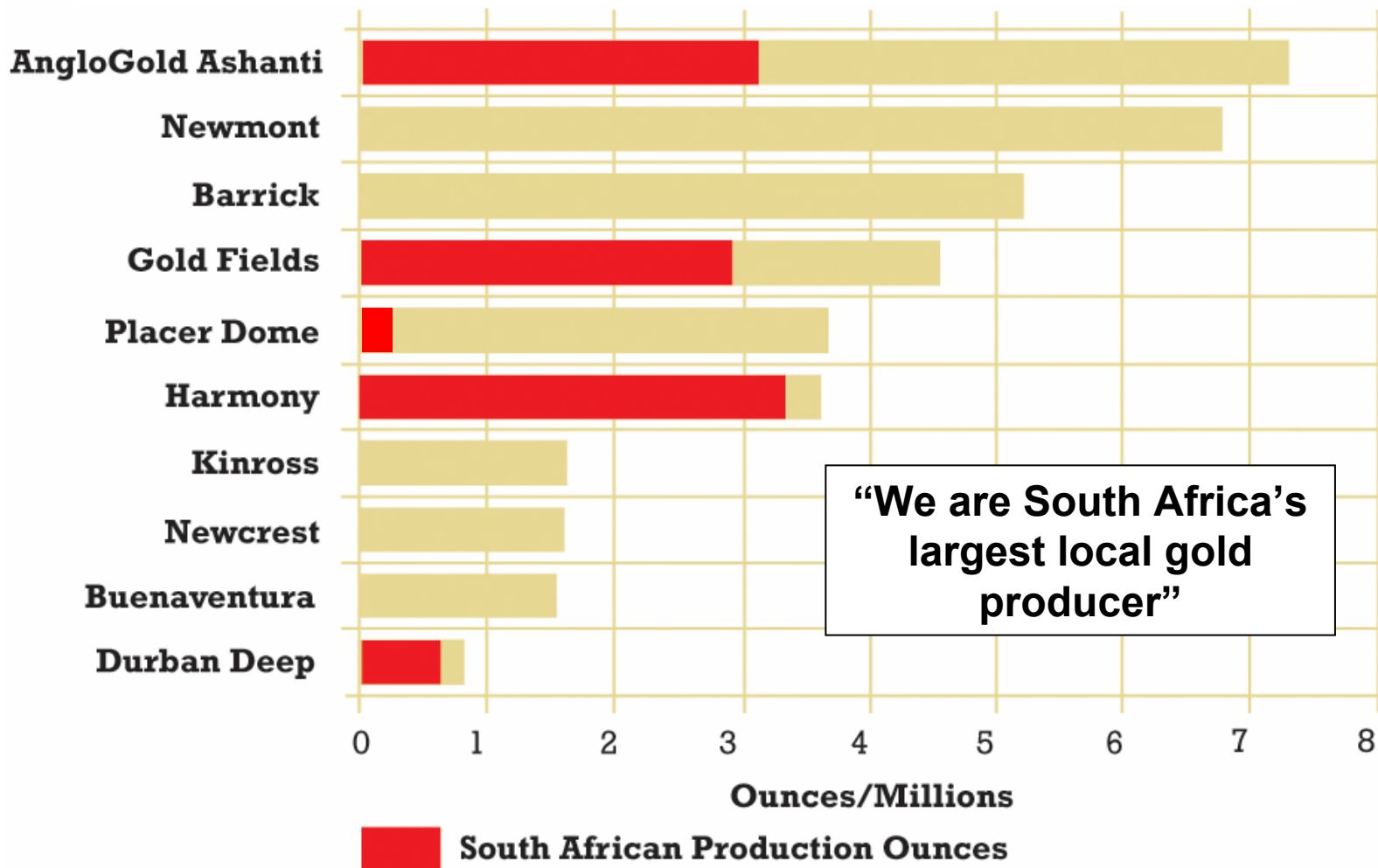


\* Estimated production profile at R82 000/kg



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## ESTIMATED PRODUCTION BY MAJOR GOLD PRODUCERS



Source: HSBC Senior Gold Book



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# WE OWN THE WORLD'S LARGEST ORE RESOURCE

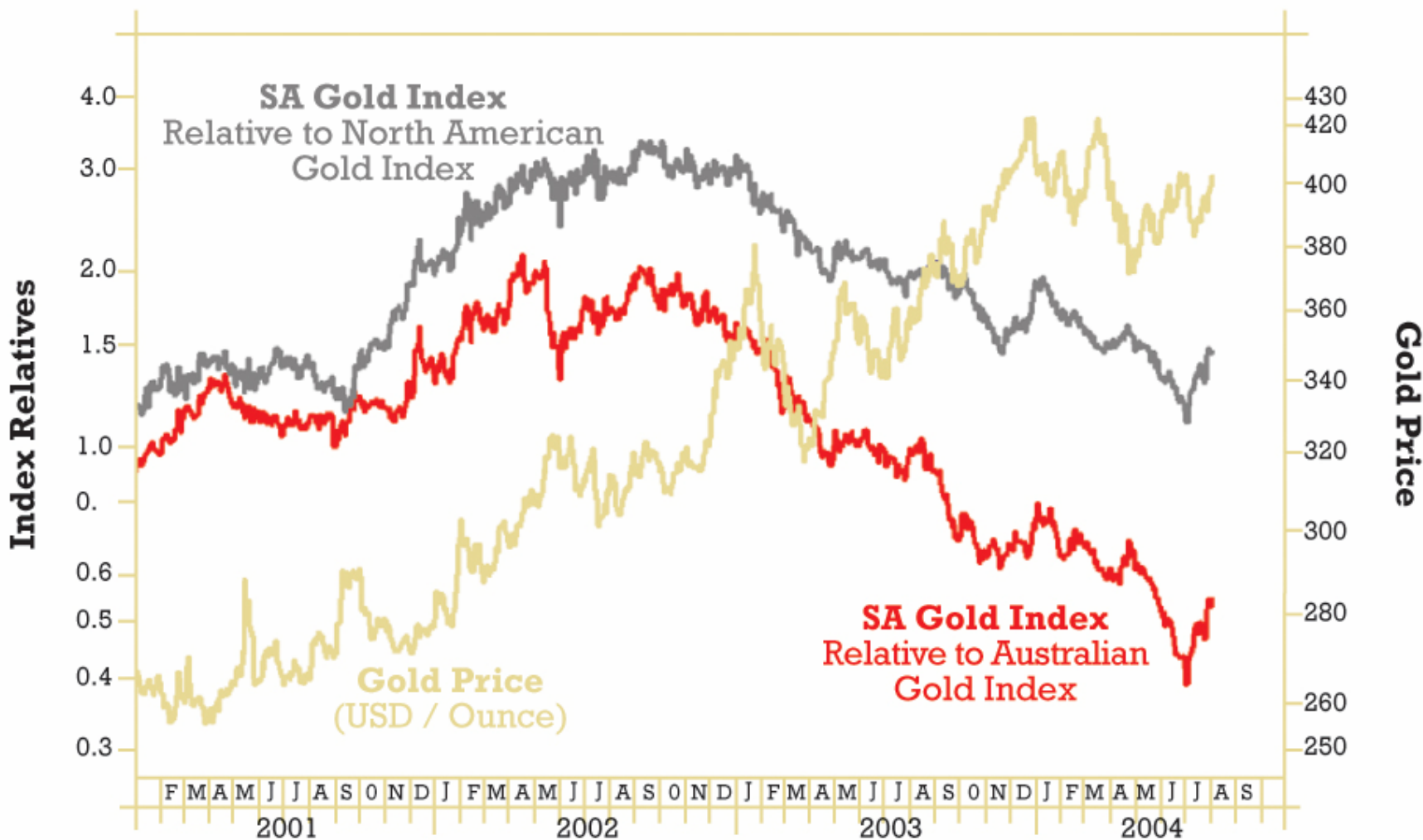
- using a long term gold price of R92 000/kg the company has an ore resource of 521 million ounces, of which 62,2 million is in reserve category

<b>ORE RESERVE STATEMENT</b>	<b>GOLD tonnes</b>	<b>GOLD Moz</b>
<b>Balance as at June 2003</b>	<b>1 926</b>	<b>61,9</b>
<b>Mined during current financial year</b>	<b>(109)</b>	<b>(3,5)</b>
<b>Added through acquisitions and on lease exploration</b>	<b>233</b>	<b>7,4</b>
<b>Reduction through closures</b>	<b>(114)</b>	<b>(3,8)</b>
<b>Balance as at June 2004</b>	<b>1 936</b>	<b>62,2</b>



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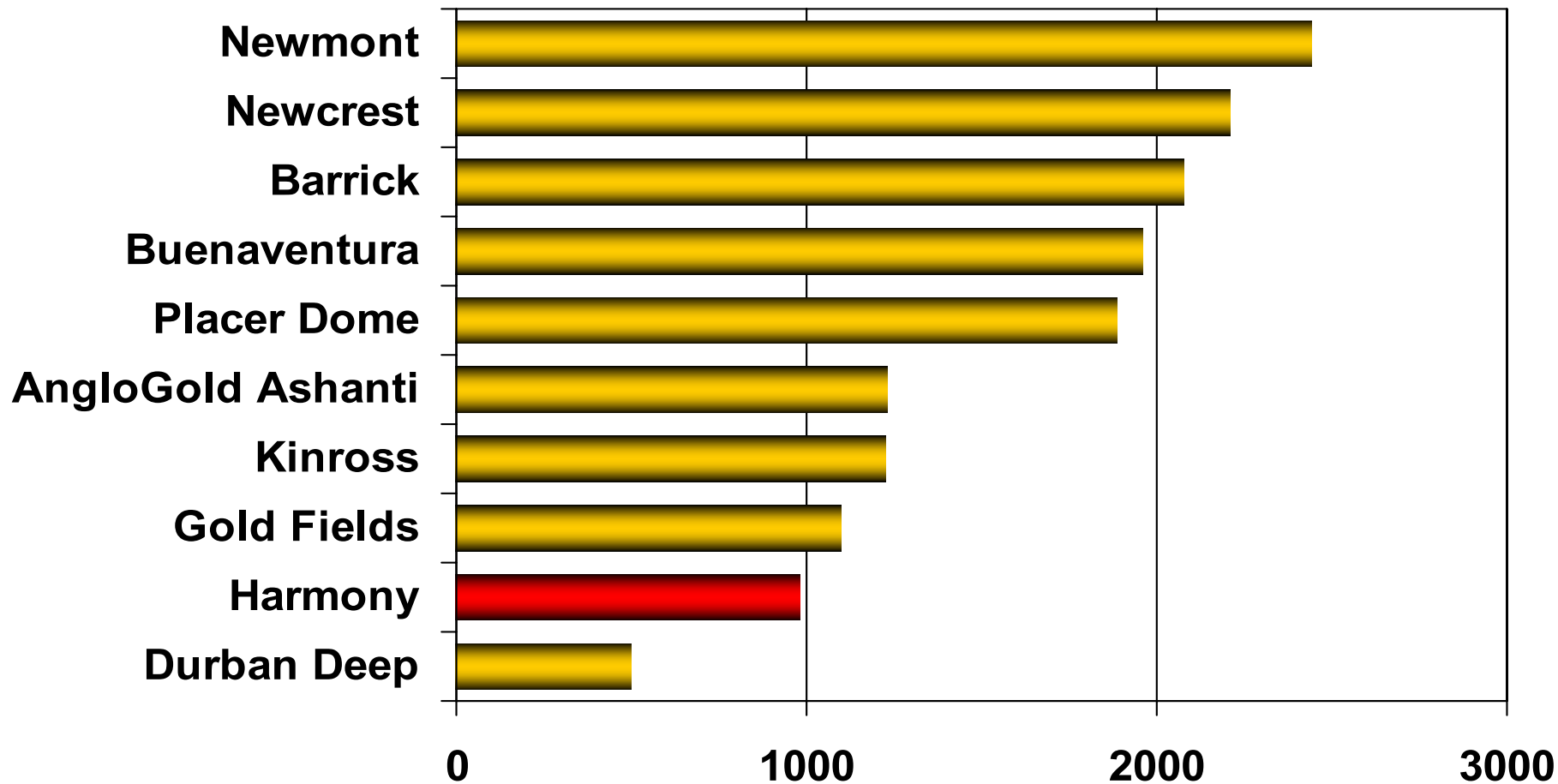
# SOUTH AFRICAN GOLD STOCKS' RELATIVE PERFORMANCE



Source: I-Net Bridge; Deutsche Securities



# MARKET CAP PER PRODUCTION OUNCE (US\$)



Source: HSBC Senior Gold Book



- **keeping our growth strategy intact**
- **over the past seven years consistently creating value for our shareholders**
- **anticipating and pro-actively managing change in the South African political and economic operating environment**
  - **submitted new order mining applications for Evander, Elandsrand and Randfontein**
- **building an international production base**

# OUR VALUE UPLIFTMENT PROCESS



**“Increasing the quality of our production base”**

**Cash available for dividends and re-investment in quality production**

**Restructure for profitability**

**Acquisition of marginal assets**

**“Owning sufficient quality replacement ounces”**

<b>PROJECTS BEING COMISSIONED</b>
Masimong Expansion Target Mine
<b>PROJECTS UNDER CONSTRUCTION</b>
Elandsrand New Mine Phakisa Mine Tshepong Decline Doornkop South Reef Hidden Valley (PNG)
<b>PROJECTS UNDER INVESTIGATION</b>
Wafi (PNG) Target North
<b>PROJECTS REQUIRING STRONGER GOLD PRICE</b>
Poplar Rolspruit



# LOW CAPITAL COST PER PRODUCTION OUNCE

PROJECT	MINEABLE RESERVE ('000/oz)	TOTAL COST** (US\$M)	US\$ COST/oz	g/t	oz/ANNUM
<b>NEW MINES</b>					
Masimong (SA)	2 530	30	12	5,2	315 000
Phakisa (SA)	4 100	73	18	7,4	265 000
Hidden Valley (PNG)	2 040	196	96	3,0	300 000
<b>NEW MINES THROUGH CURRENT INFRASTRUCTURE</b>					
Elandsrand (SA)	6 300	210	33	8,8	450 000
Doornkop South Reef (SA)	3 700	169	46	6,4	330 000
<b>EXPANSION PROJECTS</b>					
Tshepong (SA)	1 300	36	28	7,5	167 000
<b>TOTAL</b>	<b>17 930</b>	<b>518</b>	<b>29</b>	<b>-</b>	<b>1 527 000</b>

Based on R92 000/kg

\*\* Includes acquisition, exploration and capex charges



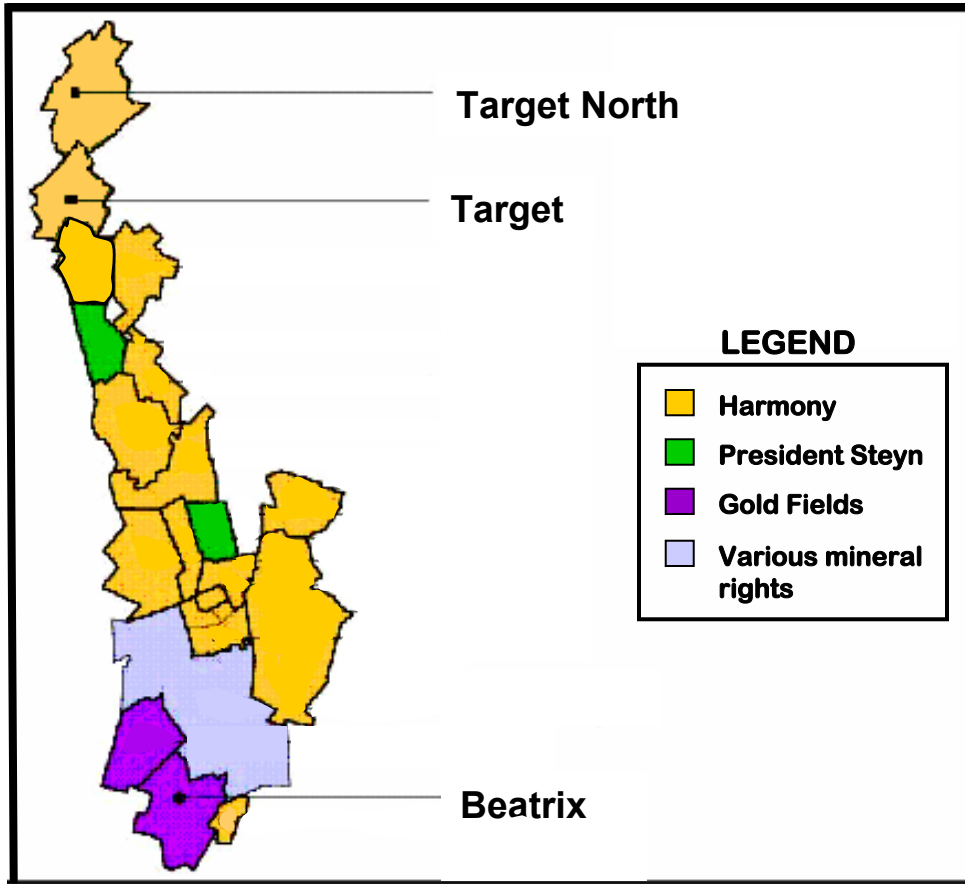
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# WE HAVE A DECREASING CASH COST PROFILE

<b>R7,00 PER US\$</b>	<b>US\$ cash cost</b>	<b>US\$ total cost</b>
<b>2003/04 Financial Year Cost/oz</b>	<b>350</b>	<b>375</b>

<b><u>Project cash cost/oz</u></b>		
<b>Masimong Expansion</b>	<b>255</b>	<b>267</b>
<b>Phakisa Mine</b>	<b>238</b>	<b>256</b>
<b>Hidden Valley</b>	<b>205</b>	<b>301</b>
<b>Elandsrand New Mine</b>	<b>239</b>	<b>272</b>
<b>Doornkop South Reef</b>	<b>219</b>	<b>265</b>
<b>Tshepong Mine</b>	<b>225</b>	<b>253</b>

# INCORPORATING TARGET MINE AND TARGET NORTH PROJECT AREA



## Target Mine

- production - +300 000 oz per annum
- production costs - US\$230/oz
- reserves - 3.9 Moz
- resource - 7.8 Moz
- life of mine -  $\pm$  18 years

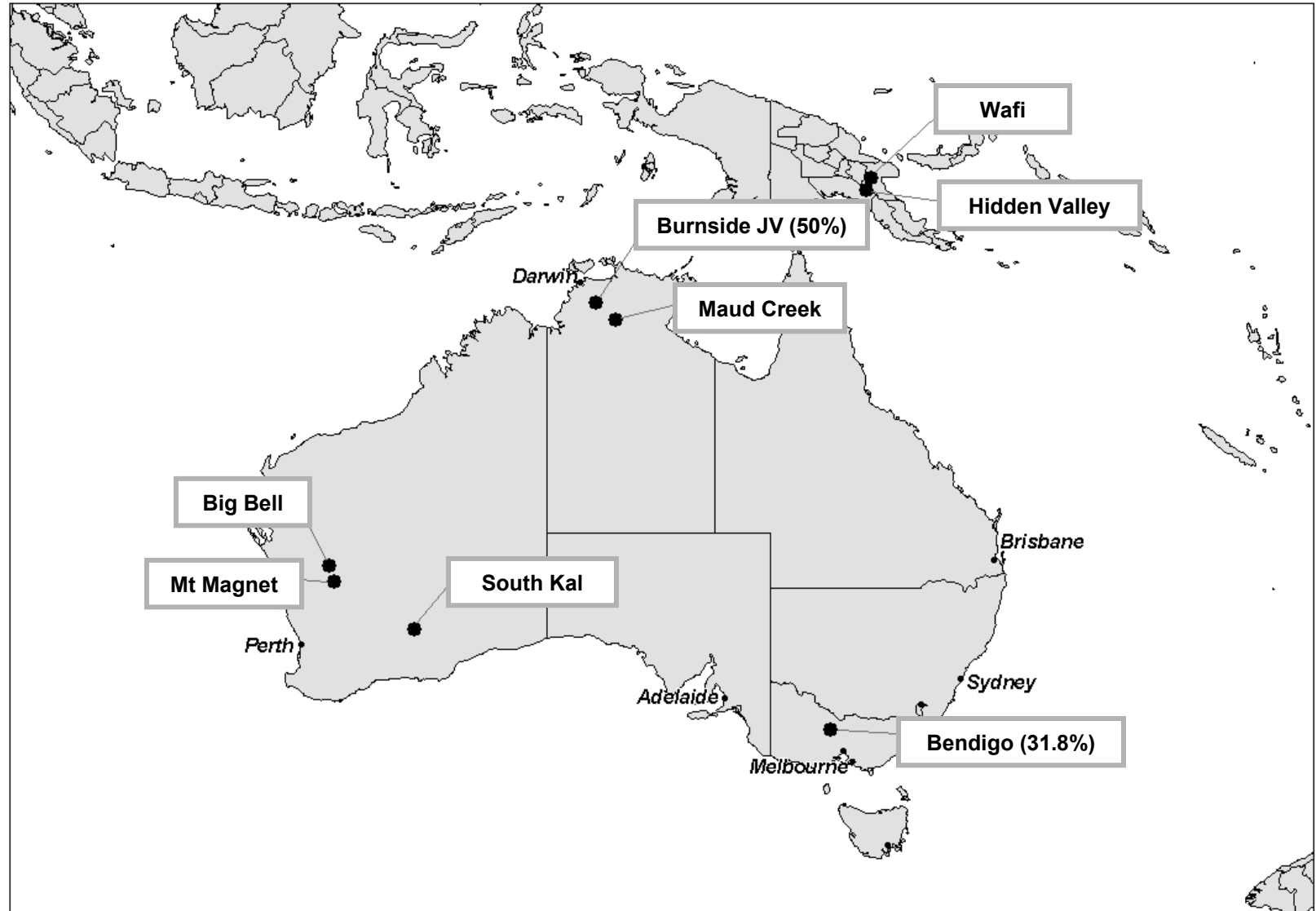
## Target North

- resource - 59,6 million oz (excluding Oribi)
- feasibility study underway

# GROWTH OPPORTUNITIES IN AUSTRALASIA



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- **production of 300 000 oz gold per annum and 4,5 million oz of silver (total gold equivalent 360 000 oz/annum), commencing early 2006**
- **2,04 million oz of gold produced in Phase I (plus 27,5 million oz silver)**
- **maximum capital requirement of A\$177 million**
- **IRR of 28%**
- **possibility exists over time to convert more of resource to reserves**
- **permitting of project underway**

**Wafi indicated mineral resource estimates using a  
1,0 g/t cut-off grade**

<b>INDICATED</b>	<b>INFERRED</b>	<b>TOTAL IMR</b>
<b>44.3 M/tonnes 2.91 g/t Au 4.1 M/ounces</b>	<b>27.9 M/tonnes 2.42 g/t Au 2.2 M/ounces</b>	<b>72.2 M/tonnes 2.72 g/t Au 6.3 M/ounces</b>

- **approximately 70 kms from Hidden Valley**
- **the Wafi ore system located on a major epithermal gold mineralisation system**
- **to date approximately 25% of the prospective target area has been drilled**

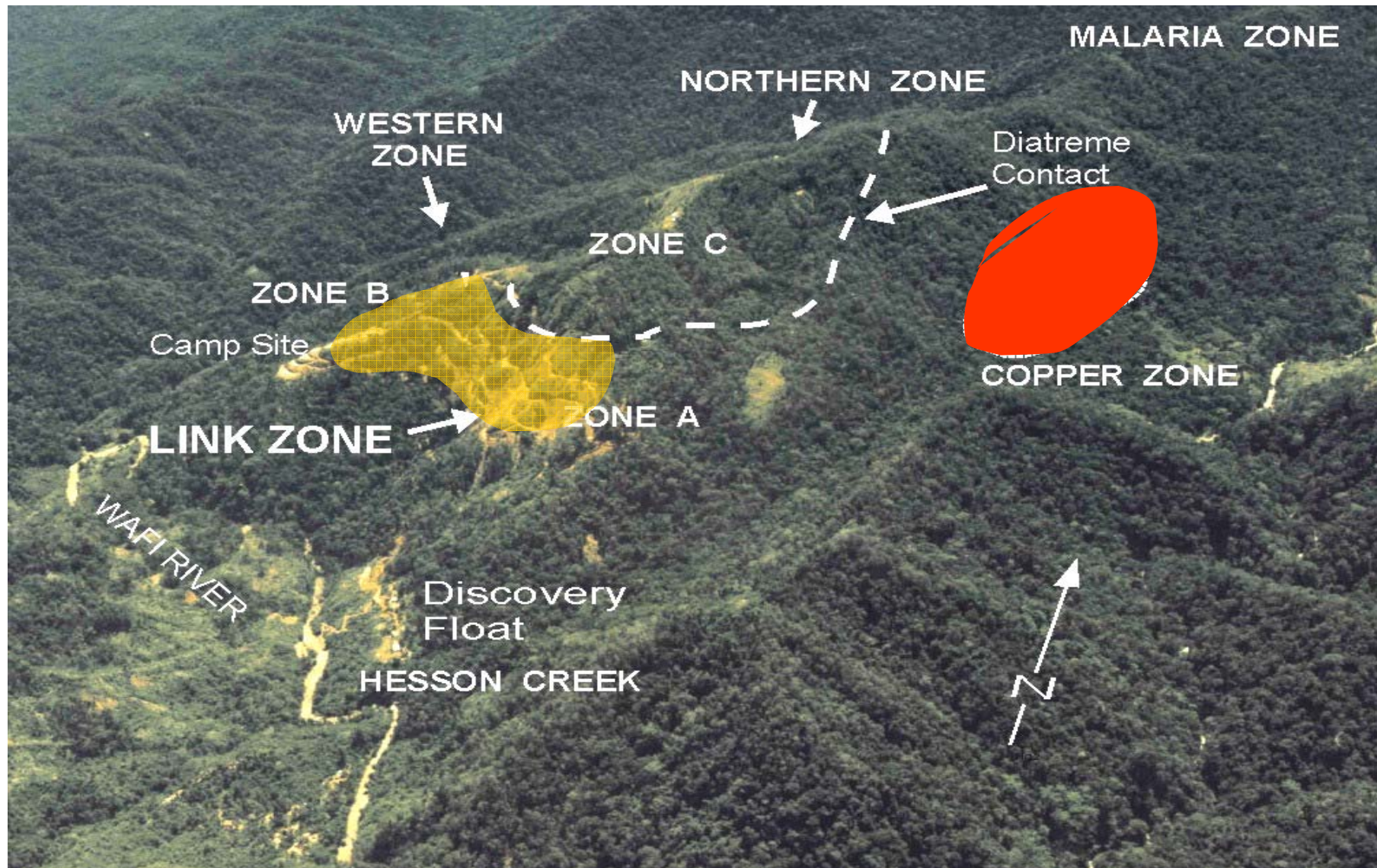




# EXPLORATION AT OUR WAFI GOLD PROJECT







- **completed 16 000 metre RC drilling programme, 5 538 metres in July and August 2004**
  - **WRC 014 - 25m @ 3,94 g/t from 161m – B-Zone**
  - **WRC 017 - 30m @ 5,03 g/t from 107m – B-Zone**
  - **WRC 028 - 33m @ 4,75 g/t from 313m – Link-Zone**
  - **WRC 046 - 71m @ 5,13 g/t from 63m – A-Zone**
- **orebody continuity between B-Zone and Link Zone with greatly improved definition**
- **re-modelling of orebody in progress**
- **metallurgical scoping study has commenced**



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## **EXPLORATION AT OUR GOLPU COPPER-GOLD PROJECT CONTINUES**

- **Golpu is located approximately 1 km north-east of the Wafi gold orebody**
- **leached oxide gold cap that sits above the Golpu porphyry copper-gold deposit**
- **resource of 118 million tonnes at 1,4% copper and 0,84 g/t gold containing 1,6 million tonnes of copper metal and 2,8 million ounces of gold**
- **pre-feasibility study underway**

**Exploration expenditure of US\$ 20 million  
planned for PNG**

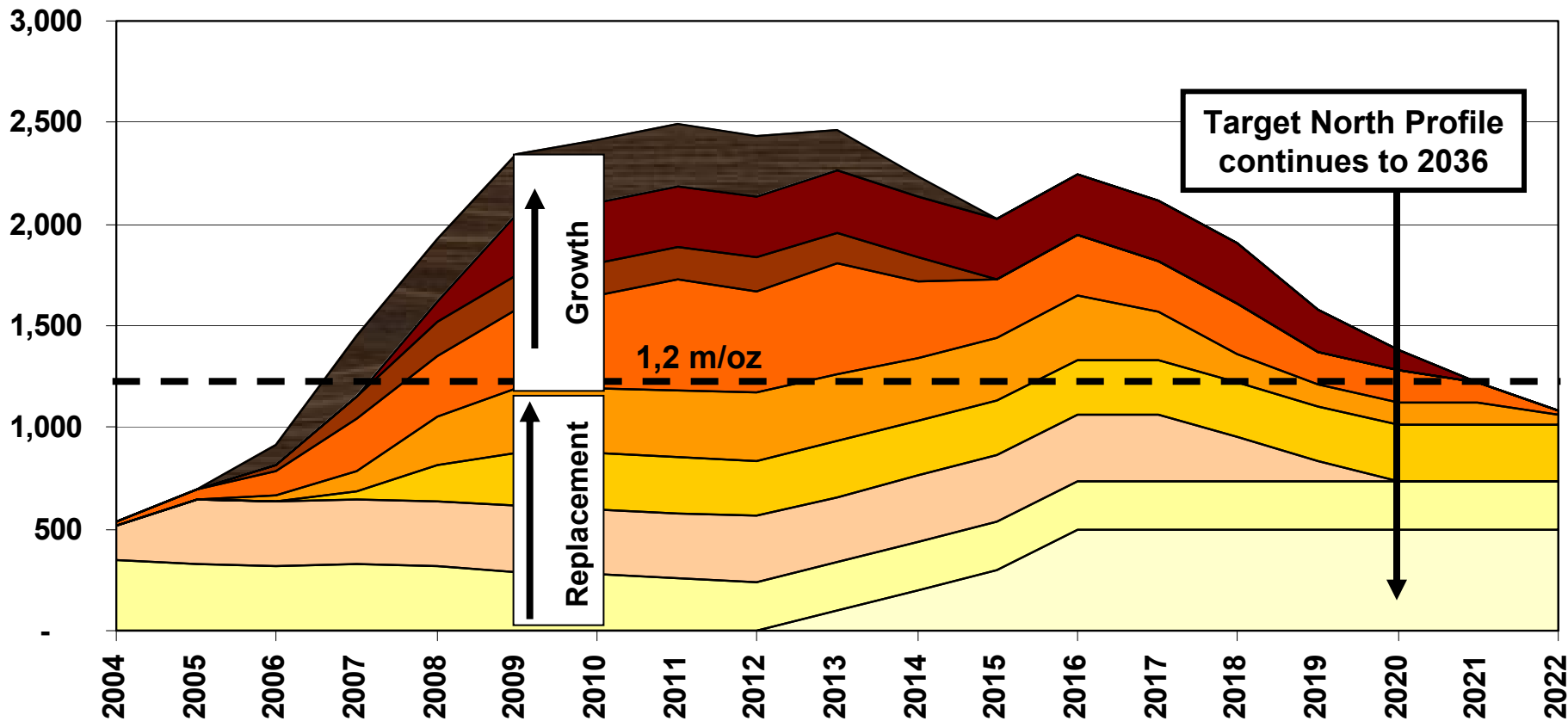


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## HARMONY PROJECT AND ACQUISITION PRODUCTION PROFILES

Projects not yet approved: Wafi and Target North

Ounces (000's)



- Target North
- Target
- Masimong Expansion
- Phakisa Shaft
- Doornkop South Reef
- Elandsrand
- Tshepong Decline Ext.
- Wafi
- Hidden Valley



- target of R75 000/kg by June 2005 (R83 173/kg – June 2004)
- annualised savings:-

	<u>R'million</u>
▪ labour restructuring	- R360
▪ integrating Target Mine	- R 60
▪ further overhead reductions	- <u>R 71</u>
<b>Total savings</b>	- <u><b>R491</b></u>
- implementation of new cut-offs increases u/g recovery grade to 5,6 g/t by December 2004 (5,2 g/t – June 2004)

		<u>R'million</u>
<b>16/06/2001</b>	<b>- Launched corporate bond (repayable on 14 June 2006)</b>	<b>R1 200</b>
<b>30/06/2002</b>	<b>- Profit on disposal of investment in AurionGold Ltd</b>	<b>R 595</b>
<b>17/10/2003</b>	<b>- Profit on sale of investment in High River Gold Mines</b>	<b>R 22</b>
<b>22/10/2003</b>	<b>- Profit on sale of investment in Highland Gold</b>	<b>R 577</b>
<b>21/05/2004</b>	<b>- Issuing of 4,78% 5 year convertible bonds (1 July 2004 to 15 May 2009). Strike price of R121,00 per share</b>	<b>R1 700</b>



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## **WE REMAIN A UNIQUE VALUE PROPOSITION**

- **a South African Rand leveraged, unhedged, pure gold company producing 3,6 million ounces per annum**
- **affordable quality projects to ensure long-term sustainability and growth**
- **rightsizing for profitability under low Rand/gold price scenario**
- **short-term production growth through CONOPS**
- **exposure to our exploration successes in PNG**
- **willing and able to do more value enhancing acquisitions**



**“MORE VALUE UPLIFTMENT TO FOLLOW”**





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# Questions

**Website**

**[www.harmony.co.za](http://www.harmony.co.za)**