



**HARMONY™**

**BUILDING OUR  
PIPELINE OF QUALITY  
GROWTH PROJECTS**

**June 2005**



## HARMONY - OUR STRATEGIC PROFILE

- **international gold mining company with exposure in South Africa, Australasia and South America**
- **pursue potential growth opportunities in Africa, Central Asia and South America**
- **participation in further consolidation locally and internationally**



## HARMONY - OUR STRATEGIC PROFILE

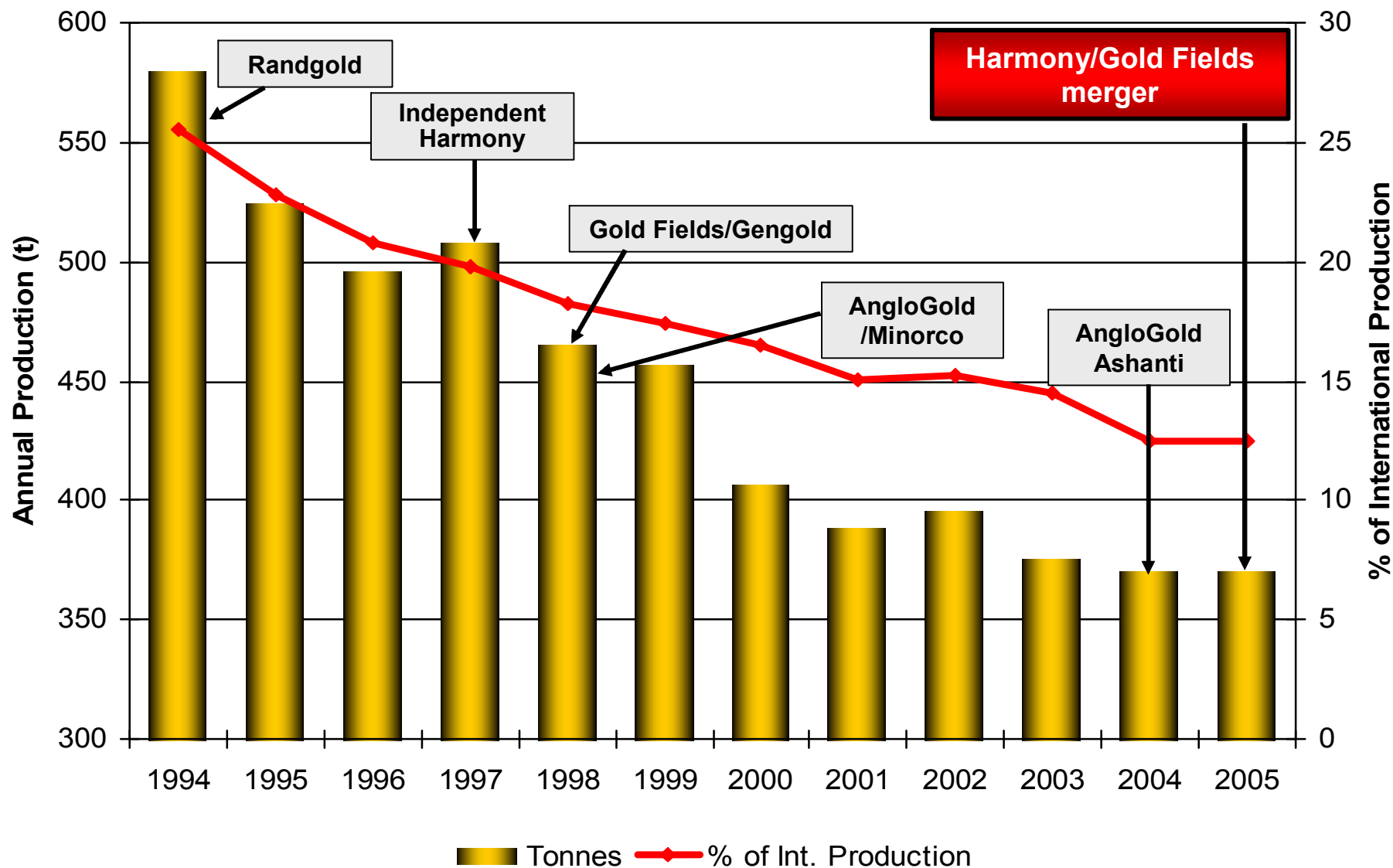
### WE HAVE DELIVERED ON:

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



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## SOUTH AFRICAN GOLD PRODUCTION AS A PERCENTAGE OF TOTAL WORLD PRODUCTION

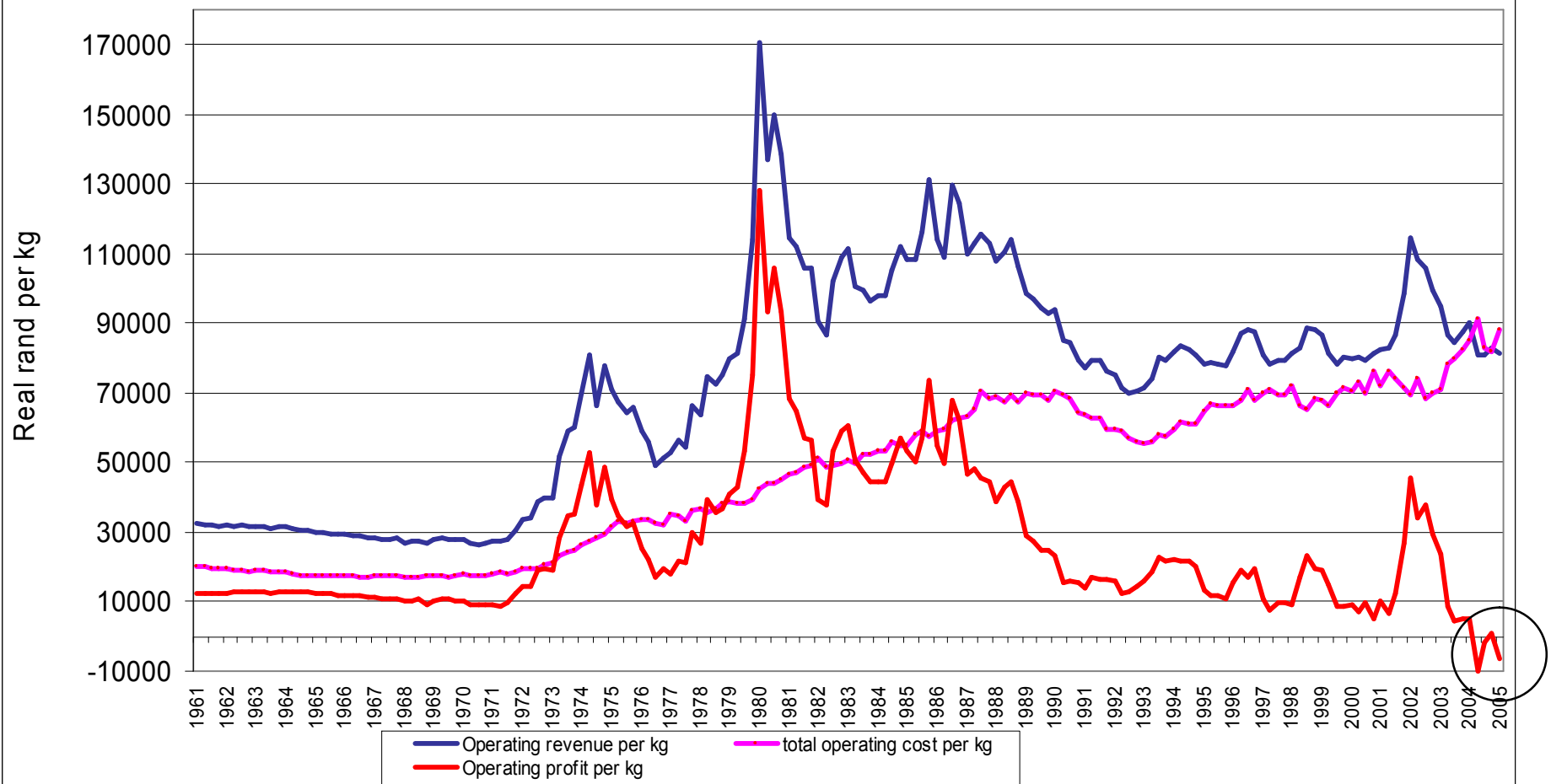




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**44 YEAR PERIOD  
1961-2005**

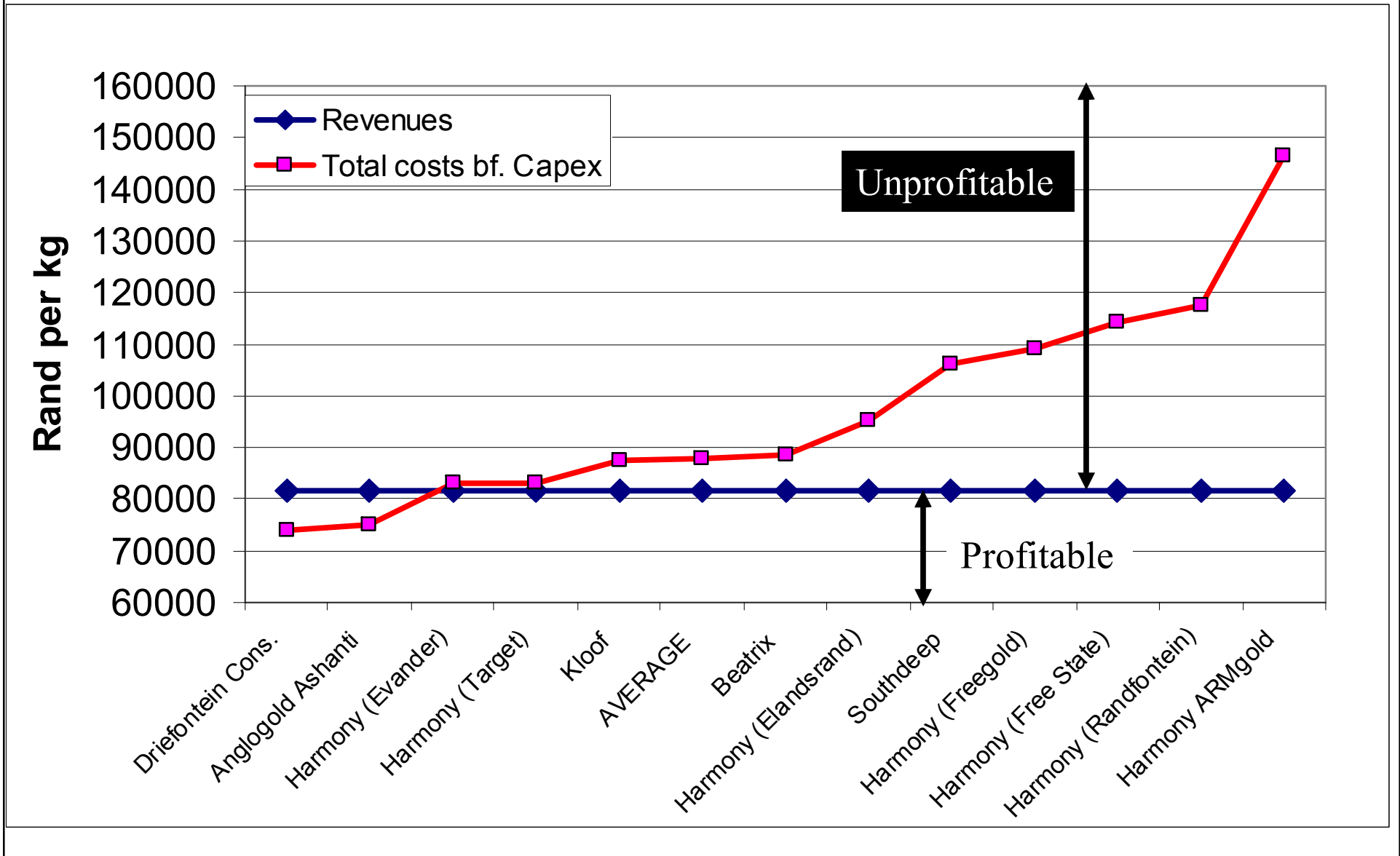
**Operating revenue, total operating costs and profit, all per kg in real first Quarter 2005 rand terms (PPI deflator)**





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# GOLD MINES COST CURVE, 1Q05, TOTAL PRODUCTION COST EXCL CAPEX





# INDUSTRY GOLD PRICE, COSTS AND PROFITS

	2003	2005 ave	%
Rand Gold price per kg	87 952	85 076	-3.3
Production costs excl capex	75 155	88 012	17.1
Profit/loss before capex	12 797	-2 936	-122.9

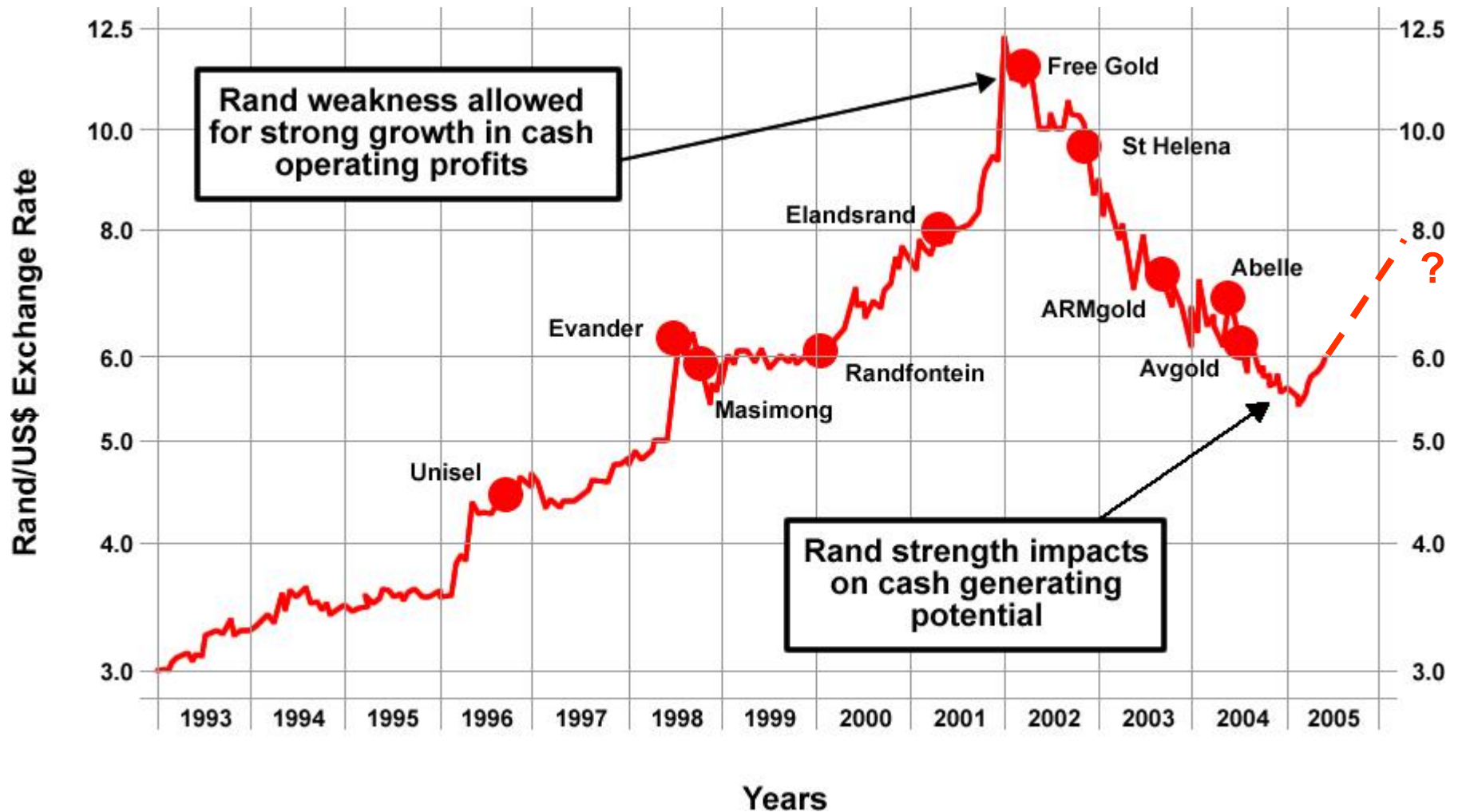
- **ore will remain in the ground**
- **marginal ore bodies will be closed or never developed**
- **existing projects will have to mine higher grades - thus leaving less ore to be mined**
- **employee numbers will be reduced**
- **investment into the sector will be curtailed**





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# EXCELLENT ACQUISITION OPPORTUNITIES DURING R/US\$ CYCLE

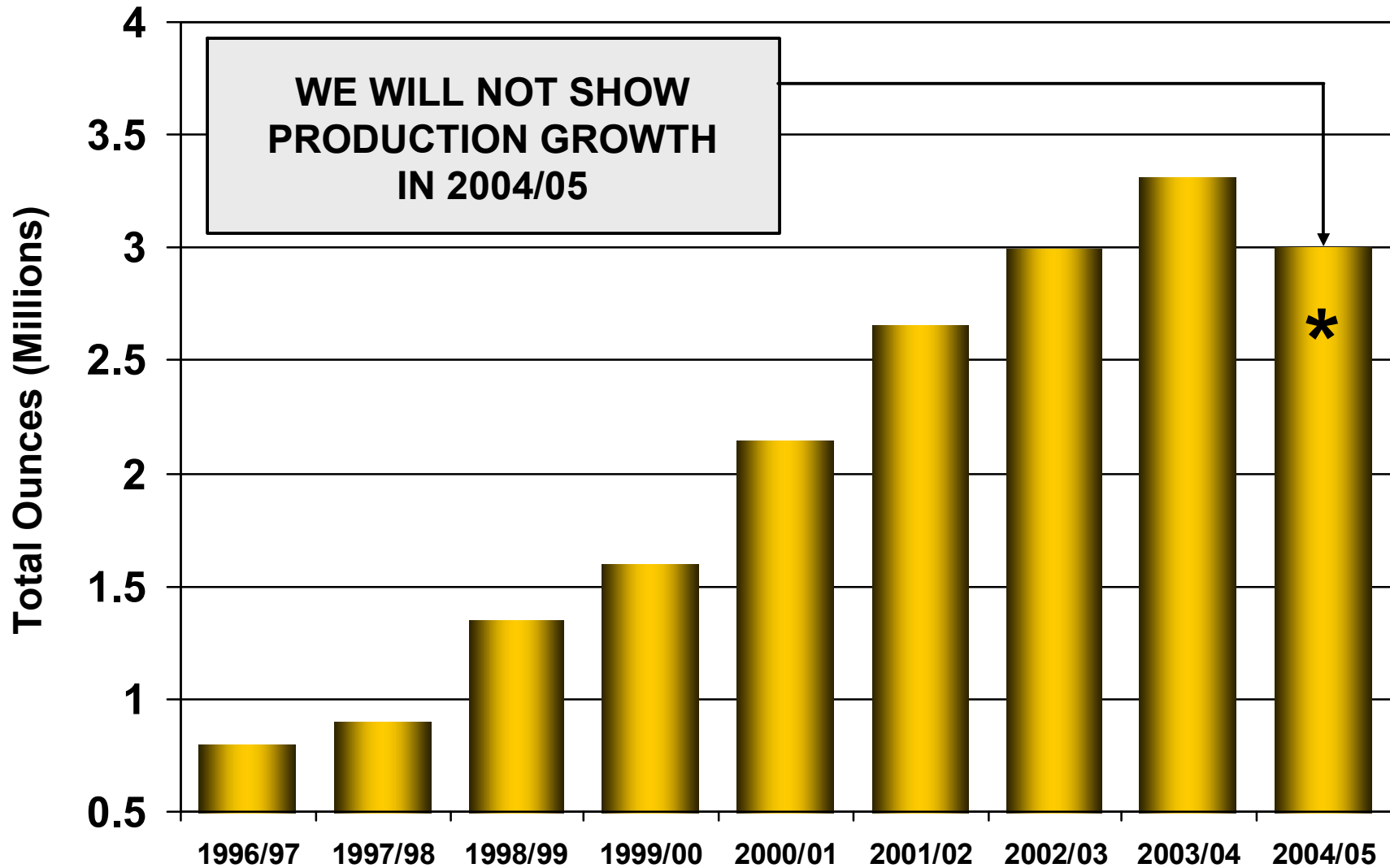


Source: I-Net Bridge; Deutsche Securities



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# RESTRUCTURING OUR OPERATIONS WILL HAVE AN IMPACT



\* Estimated production profile at R82 000/kg



# RECONCILIATION OF OUR ORE RESERVES

		Jan-05	CPR	Variance	
		Ounces (000)	Ounces (000)	Ounces	
1. Operations	Proven and Probable	43,737	41,720	2017	
2. Projects					
Below infrastructure	Proven and Probable	10,116	9,91	- 206	
3. Stockpiles					
Underground (Vamping)	Proven and Probable	1,095	-	1095	
4. Surface	Proven and Probable	703	548	155	
5. TOTAL	Proven and Probable	55,651	52,186	- 3465	-6%
	Inferred in Life of Mine	6,696	8,279	1583	
	Total in LoM	62,347	60,416	1931	-3%

**We have 62,3 million mineable ounces in our Life of Mine plans**



# ESTIMATED ANNUALISED PRODUCTION FY2005/06

## Estimated Annualised Production @ R6,25 per US\$

	Ounces	Cash Costs (R/kg)	Cash Costs (\$/oz)	Cash costs plus capex (R/kg)	Cash costs plus capex (\$/oz)
Leveraged shafts	865 000	84 394	420	85 387	425
Quality Shafts	1 383 000	66 881	333	70 497	351
Project Shafts	323 000	80 626	401	111 244	554
SA u/ground sources	2 571 000	74 497	371	80 624	401
Australia	273 000	71 875	358	83 854	417
SA Surface Operations	103 000	71 214	354	71 214	354
<b>Total Harmony</b>	<b>2 947 000</b>	<b>74 140</b>	<b>369</b>	<b>80 595</b>	<b>401</b>

**We plan to produce 3,0 million ounces per annum at a cash cost of US\$369/oz**

**ANNUAL COST OF RETAINING OREBODY  
OPTIONALITY**

<b>Estimated annual cost of care and maintenance</b>	<b>R35 million</b>
<b>Resource ounces contained in care and maintenance shafts (m)</b>	<b>113,8 million</b>
<b>% of total resource base</b>	<b>22%</b>

**It is costing the company US\$0,05 per ounce per annum to retain the optionality on these ounces**



## CASH RECONCILIATION FOR THE PERIOD APRIL 2004 TO MARCH 2005

	R million
Cash and equivalents on 31 March 2004	2 337
Operational	(2 184)
Operating profit	198
Capex (net)	(607)
Corporate / exploration expenditure	(235)
Retrenchment and restructuring	(618)
Interest paid	(287)
Other income - net	99
Other cash flow items and adjustments	(342)
Movement in working capital	(392)
Other investing and financing activities	(386)
Cash and equivalents on 31 March 2005	(233)

**During the past twelve months we have spent:-**

**R 607 million on our growth projects**

**R 618 million on restructuring to deal with  
the strong SA Rand environment**

**R1 225 on ensuring the long term future of  
the company**



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# 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”**

**PROJECTS BEING COMMISSIONED**

**Masimong Expansion  
Target Mine**

**PROJECTS UNDER CONSTRUCTION**

**Elandsrand New Mine  
Phakisa Mine  
Tshepong Decline  
Doornkop South Reef  
Hidden Valley (PNG)**

**PROJECTS UNDER INVESTIGATION**

**Wafi (PNG)  
Target North**

**PROJECTS REQUIRING STRONGER GOLD PRICE**

**Poplar  
Rolspruit**





## LOW CAPITAL COST PER PRODUCTION OUNCE

PROJECT		MINEABLE RESERVE ('000/oz)	TOTAL COST** (US\$M)	US\$ COST/oz	g/t	oz/ANNUM
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
Elandsrand	(SA)	6 300	210	33	8,8	450 000
Doornkop South Reef	(SA)	3 700	169	46	6,4	330 000
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

**WE ARE BUILDING SIX MINES TO EXPLOIT  
17,9 MILLION OUNCES OF GOLD AT A RATE OF  
1 527 000 OUNCES PER ANNUM**



# WE HAVE A DECREASING CASH COST PROFILE

	US\$ cash cost	US\$ total cost
<b>R7,00 PER US\$</b>		
<b>2004/05 Financial Year Cost/oz</b>	<b>350</b>	<b>375</b>

<u>Project cash cost/oz</u>		
<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>



## HIDDEN VALLEY – BOARD APPROVED PROJECT

- **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**

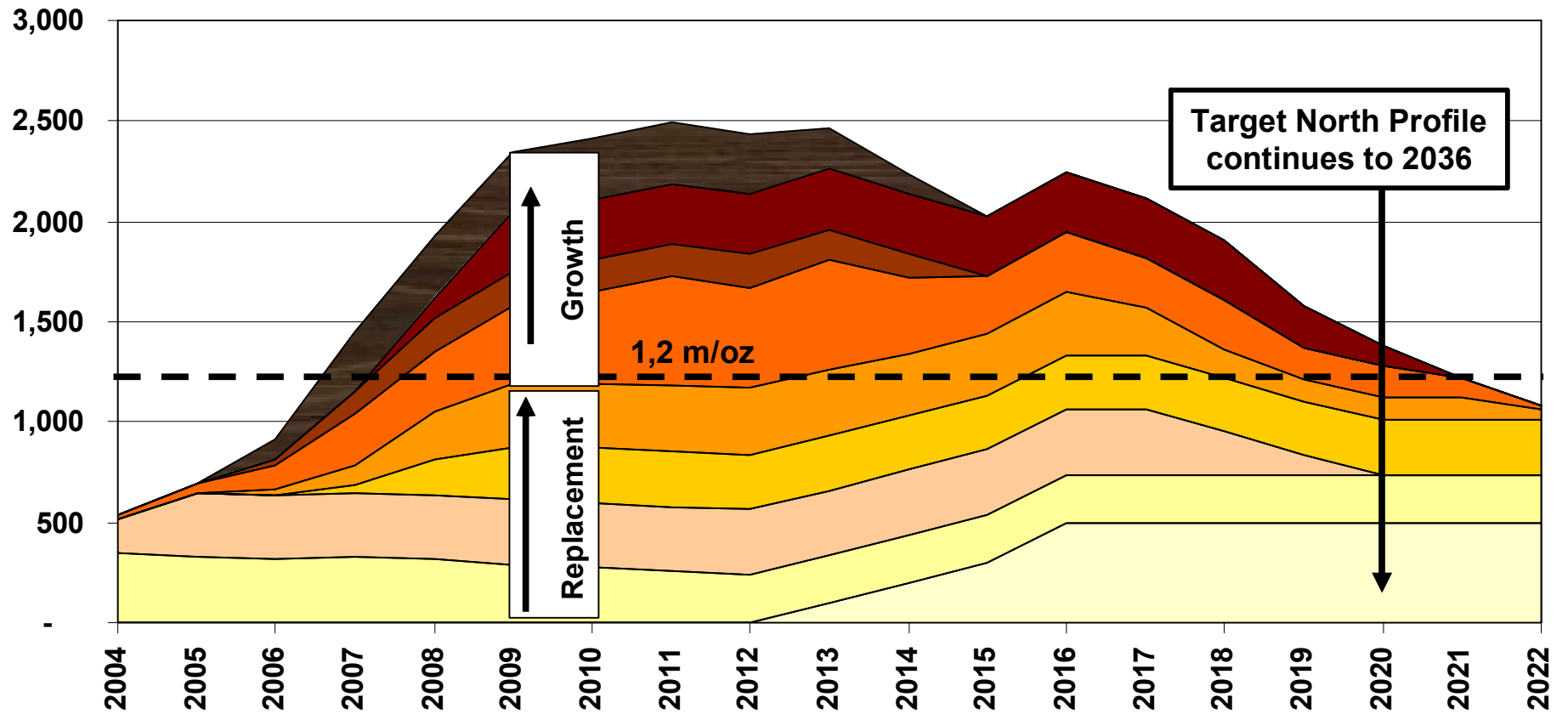


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# HARMONY PROJECT AND ACQUISITION PRODUCTION PROFILES

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



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

- **a South African Rand leveraged, unhedged, pure gold company producing 3,0 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”**



# PRIVATE SECURITIES LITIGATION REFORM ACT SAFE HARBOR STATEMENT

**This presentation contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and 21E of the Securities Exchange Act of 1934, as amended, that are intended to be covered by the safe harbour created by such sections. All statements other than those of historical facts included in this presentation are forward-looking statements including, without limitation, (i) estimates of future earnings, and the sensitivity of earnings to the gold and other metals prices; (ii) estimates of future gold and other metals production and sales, (iii) estimates of future cash costs; (iv) estimates of future cash flows, and the sensitivity of cash flows to the gold and other metals prices; (v) statements regarding future debt repayments; (vi) estimates of future capital expenditures; (vii) estimates of reserves, and statements regarding future exploration results and the replacement of reserves; and (viii) statements regarding modifications to the Company's hedge position. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, gold and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the countries in which we operate and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see the Company's Annual Report on Form 20-F for the year ended June 30, 2004, which is on file with the Securities and Exchange Commission, as well as the Company's other SEC filings. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this presentation, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.**



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# Questions

**Website**

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