

# Harmony Gold Mining Company Limited

September 2009



**Ticker codes**    JSE : HAR  
                         NYSE : HMY  
                         NASDAQ : HMY  
                         LSE : HRM



## Private securities litigation reform act safe harbour 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 then 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 latest Annual Report on Form 20-F for the year ended June 30, 2008, 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.



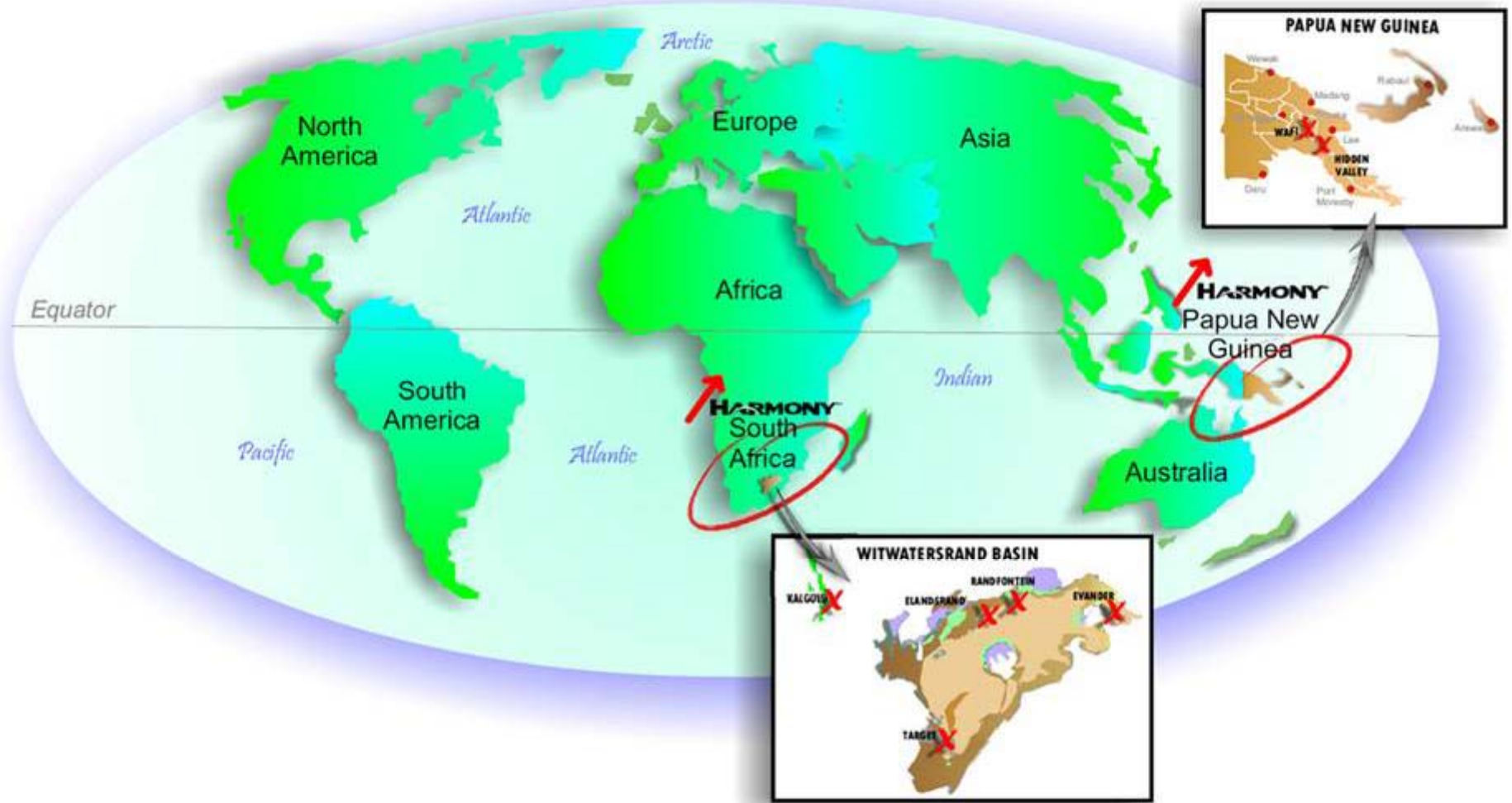
## Company profile



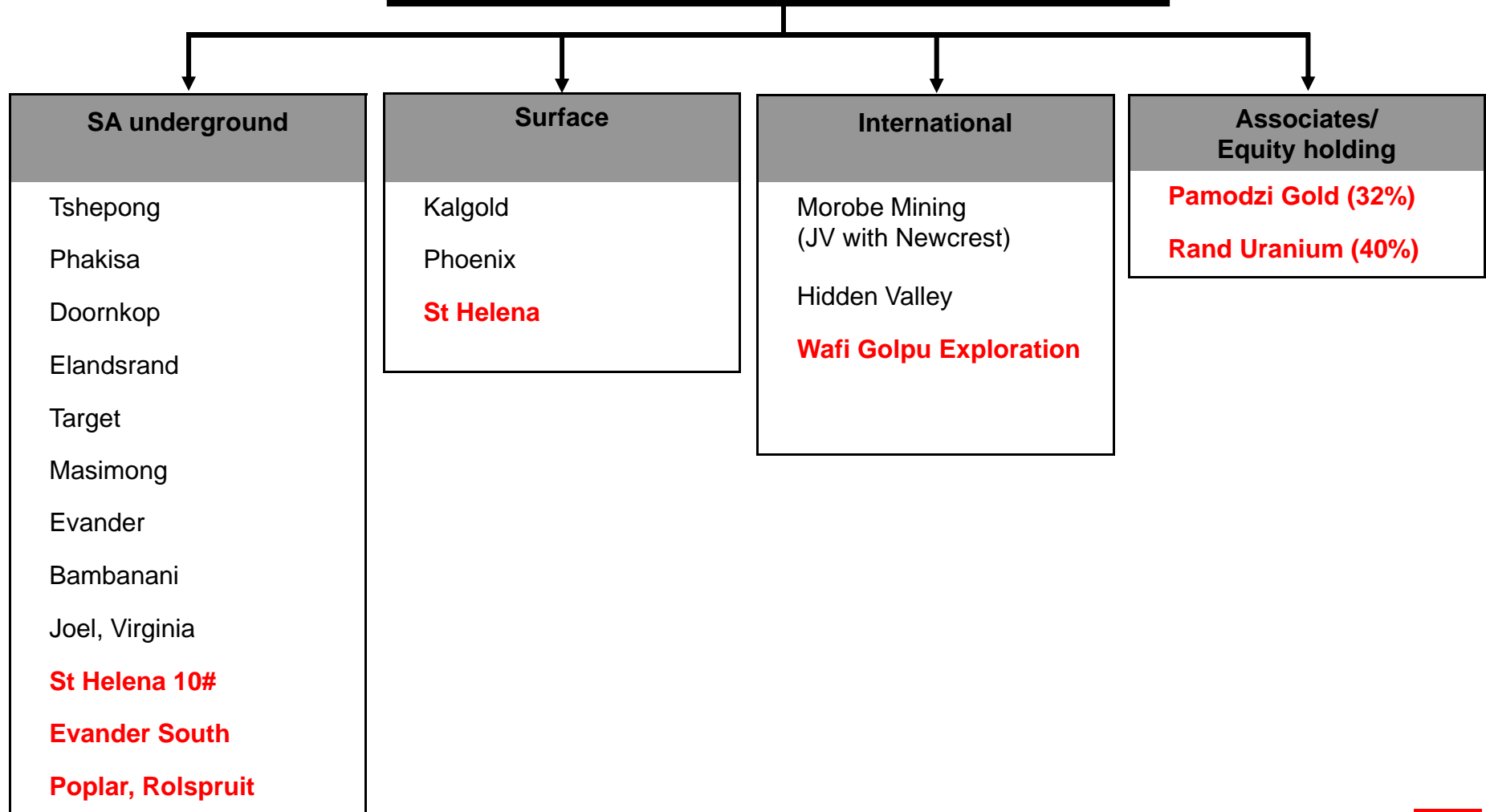
## A leading gold mining company

- Founded in 1950
- Among the world's top 10 gold-producing companies
- Primary listing
  - JSE (share code: HAR)
- Other listings
  - LSE (HRM)
  - NYSE & Nasdaq (HMY)
  - Euronext Paris (HG)
  - Brussels (HMY)
  - OTC Berlin (HAM1)
- Operations and projects
  - in South Africa: 10 underground mines, one surface operation, one open pit mine
  - in Papua New Guinea: one open pit mine
  - annual total production of 1.5 Moz (FY09)
- 44 600 employees





## Harmony Gold Mining Company Limited



## Ore reserve reconciliation: FY2008 to FY2009

	Gold (tonnes)	Gold (Moz)
<b>Balance as at June 2008</b>	<b>1 570</b>	<b>50.5</b>
<b>Reductions</b>		
Mined during FY2009	(50)	(1.6)
Equity adjustment (PNG)	(28)	(0.9)
Geology and scope changes	(87)	(2.8)
<b>Additions</b>		
Surface sources	34	1.1
Other adjustments	59	1.9
<b>Balance as at June 2009</b>	<b>1 499</b>	<b>48.2</b>

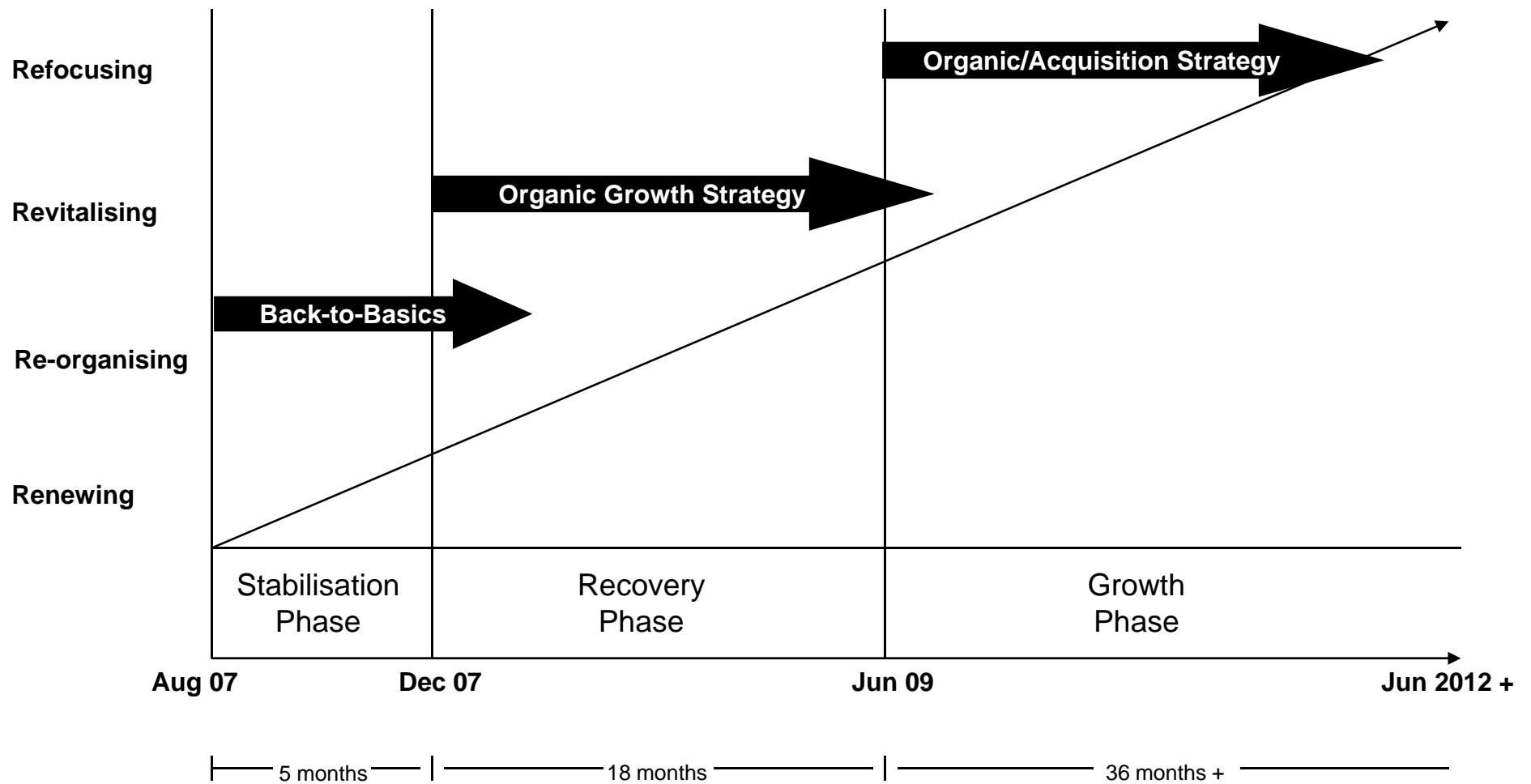
- Gold price of US\$750/oz
- Exchange rate of USD/ZAR 9.33 for SA operations
- Exchange rate of AUD/USD 0.75 for PNG operations
- Resulting in a gold price of R225 000/kg and A\$1000/oz respectively

- Knowledge of the ore body
  - exploration drilling and development
  - interpretation of geology; building credible geological models
- Formulating clear development strategies (ore body driven)
  - directing development ends into right areas at right rates
- Achieving development rates
  - improved planning and short interval control
  - company wide drive on productivity

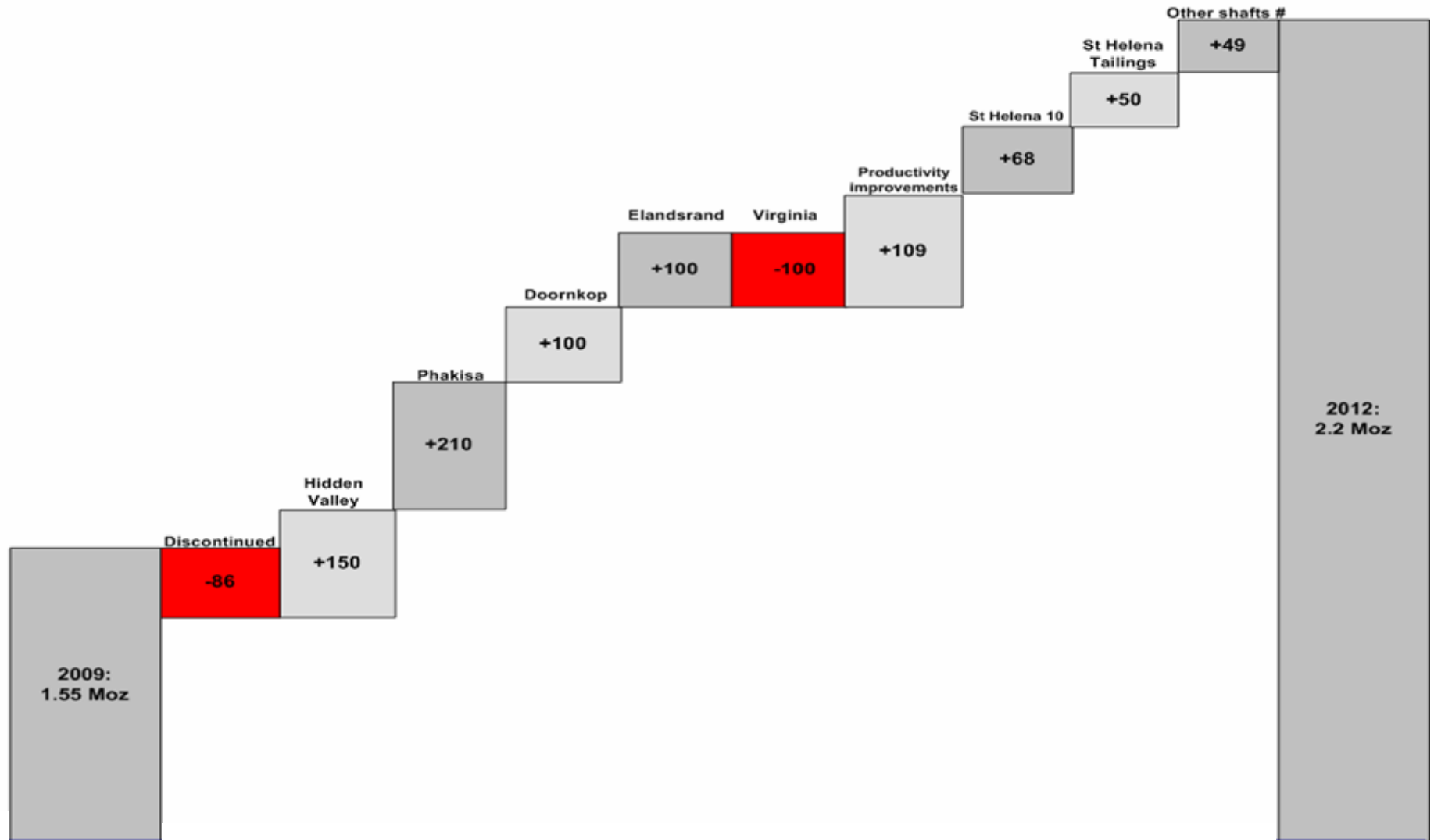




## Strategy implementation and delivery



What we said	What we have delivered
<p><b>We are creating an outstanding company...</b></p> <ul style="list-style-type: none"> <li>• safety first</li> <li>• unhedged</li> <li>• focused management</li> <li>• responsible corporate citizen</li> </ul>	<ul style="list-style-type: none"> <li>– Behaviour-based safety programmes</li> <li>– Stakeholder buy-in</li> <li>– Improved safety</li> <li>– Executive management strengthened</li> <li>– Empowered managers, close to the detail</li> <li>– Triple bottom line delivery a line responsibility</li> </ul>
<p><b>...generating sustainable earnings...</b></p> <ul style="list-style-type: none"> <li>• strong cash flow</li> <li>• healthy balance sheet</li> </ul>	<ul style="list-style-type: none"> <li>– Debt cleared</li> <li>– Two successful cash-generative transactions</li> <li>– Two successful capital-raising</li> </ul>
<p><b>....that fund dividends and growth</b></p>	<ul style="list-style-type: none"> <li>– Dividend of 50 SA cents per share declared</li> <li>– 4 growth projects under way; 4 under consideration</li> </ul>
<p><b>Through sound asset portfolio management, we will create the necessary platform to grow organically</b></p>	<ul style="list-style-type: none"> <li>– Non-profitable operations placed on care and maintenance</li> <li>– Close monitoring of operating shafts' performance</li> <li>– Good operational improvement overall</li> <li>• <b>but more to be done</b></li> </ul>
<p><b>We will exploit opportunities to conclude strategic partnerships and acquisitions as market conditions allow</b></p>	<ul style="list-style-type: none"> <li>– Several due diligences conducted</li> <li>– Pamodzi Free State Assets?</li> <li>– Newcrest earns-in 50% of Hidden Valley</li> <li>– Rand Uranium deal concluded</li> </ul>



#Other shafts: Production from Tshepong, Target, Masimong, Evander, Bambanani, Joel

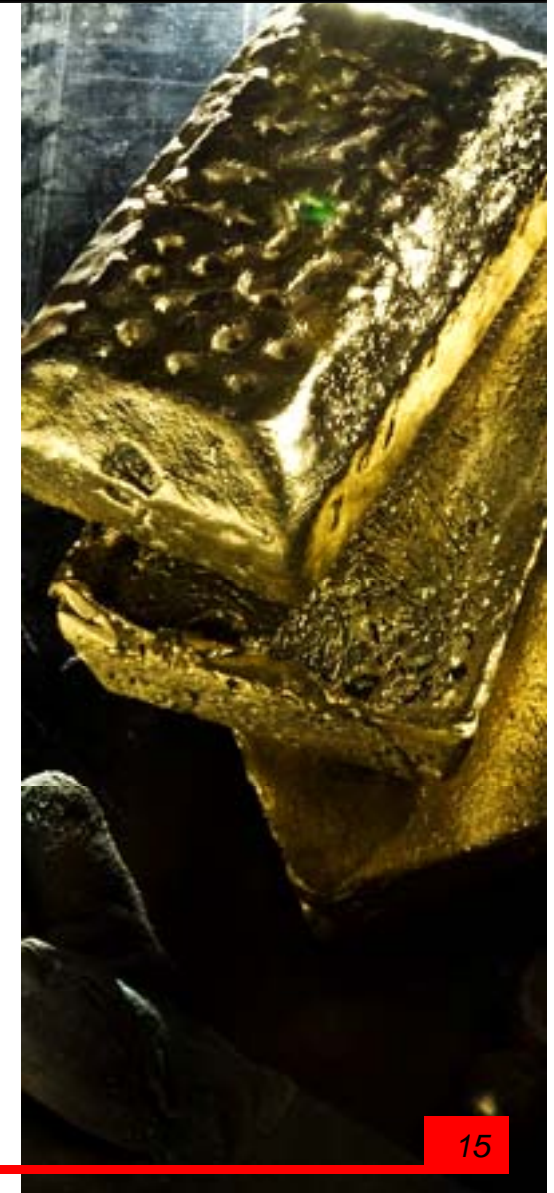
- Knowledge of the ore body
- Clear development strategies formulated
- Development rates achieved
- Phakisa, Doornkop and Elandsrand reach full production
- Target achieves set objectives
- Higher values from Tshepong Decline and Bambanani shaft pillar
- Higher grades from Evander 8 Decline
- Project pipeline



- Monthly targets: 30t/tec; 120g/tec
- Initiatives implemented
- Behavioural safety
- Lowered average age from 47 to 44
  - quality training and development programs
  - motivating climate
  - disciplined mining
  - team building initiatives to improve team work
  - proactive human resources policies and practice
- Projects: improved logistics



- Independent
- Partnership working well
- 220 000oz of gold pa
- Cash cost of R185 000/kg
- Underground ore resource being assessed for:
  - gold/uranium potential
  - joint cut-off
- Uranium plant feasibility study completion by end of calendar 2009
  - 450 000tpm
  - +2mlb uranium pa
  - primary ore feed: Cooke Dump
  - secondary feed: underground

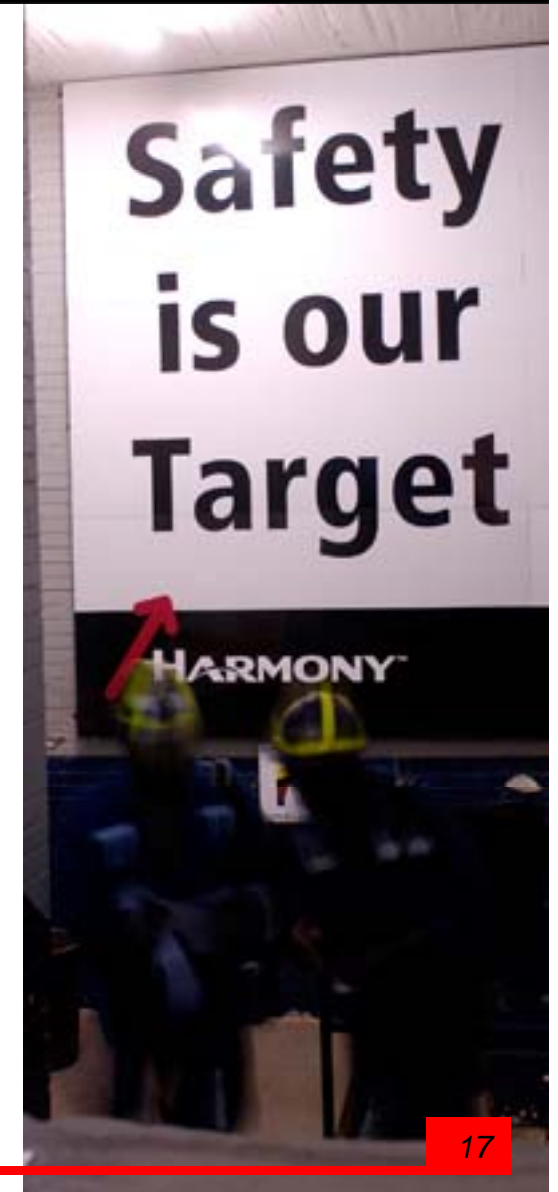




## Operations



- Management **leads by example**
  - leadership
  - change behaviour
  - coaching
- Improved **communication**
  - verbal and written
  - learn from mistakes
- Strong visible awareness
  - visible leadership
  - safety is our **Number 1 priority**



- Reward and recognise safety achievements
  - alignment of incentives to reflect importance of safety
  - recognise safety achievers, formal and informal
- Involvement of all stakeholders
  - implement company and industry level strategies
  - co-operate with all stakeholders on health and safety
- Brand safety for the company
  - innovative strategies
  - each shaft has a unique safety programme



## Rates per 1 000 000 man hours worked

YEAR	TIFR	LTIFR	RIFR	FIFR
2006	43.43	16.42	7.63	0.28
2007	31.91	15.27	7.53	0.22
2008	24.71	12.83	6.03	0.18
2009	18.73	9.35	4.97	0.21

# Quarter-on-quarter scorecard

	Safety	Gold production	R/kg costs
<b>Underground operations</b>			
Bambanani	✓	✓	✓
Doornkop	✓	✓	✓
Elandsrand	✓	✓	✓
Evander	X	X	X
Joel	✓	✓	✓
Masimong	X	X	X
Phakisa	✓	✓	X
Target	X	✓	✓
Tshepong	X	X	X
Virginia	✓	X	X
<b>Surface operations</b>			
Kalgold	✓	X	X
Phoenix	✓	✓	X

- 1% increase in total gold production
  - 2% increase in gold production from underground
- 5% increase in underground tonnage
  - 3% decline in underground grade
    - due to under-performance at Tshepong, Masimong, Bambanani, Evander and Virginia
- 6% increase in total cash operating costs
  - due to higher volumes, one month of winter electricity tariffs, higher stores costs
- 4.5% increase in total R/kg costs
- 16% drop in Rand gold price received to R245 953/kg
- Capital expenditure in line with planning
- 10% increase in on-going development metres
- 5% improvement in capital metres

		Jun 2009	Mar 2009	% change
Gold produced	kg	11 003	10 880	1.1
	oz	353 752	349 801	1.1
Inventory increase	kg	(174)	(633)	
	oz	(5 592)	(20 354)	
Gold sold	kg	10 829	10 247	5.7
	oz	348 160	329 447	5.7
Gold price	R/kg	245 953	293 238	(16.1)
	US\$/oz	908	919	(1.2)
Cash operating costs	R/kg	179 074	171 361	(4.5)
	US\$/oz	661	537	(23.1)
Cash operating profit	R(m)	743	1 175	(36.8)
	US\$ (m)	88	118	(25.4)
Exchange rate	US\$/R	8.42	9.92	(15.1)

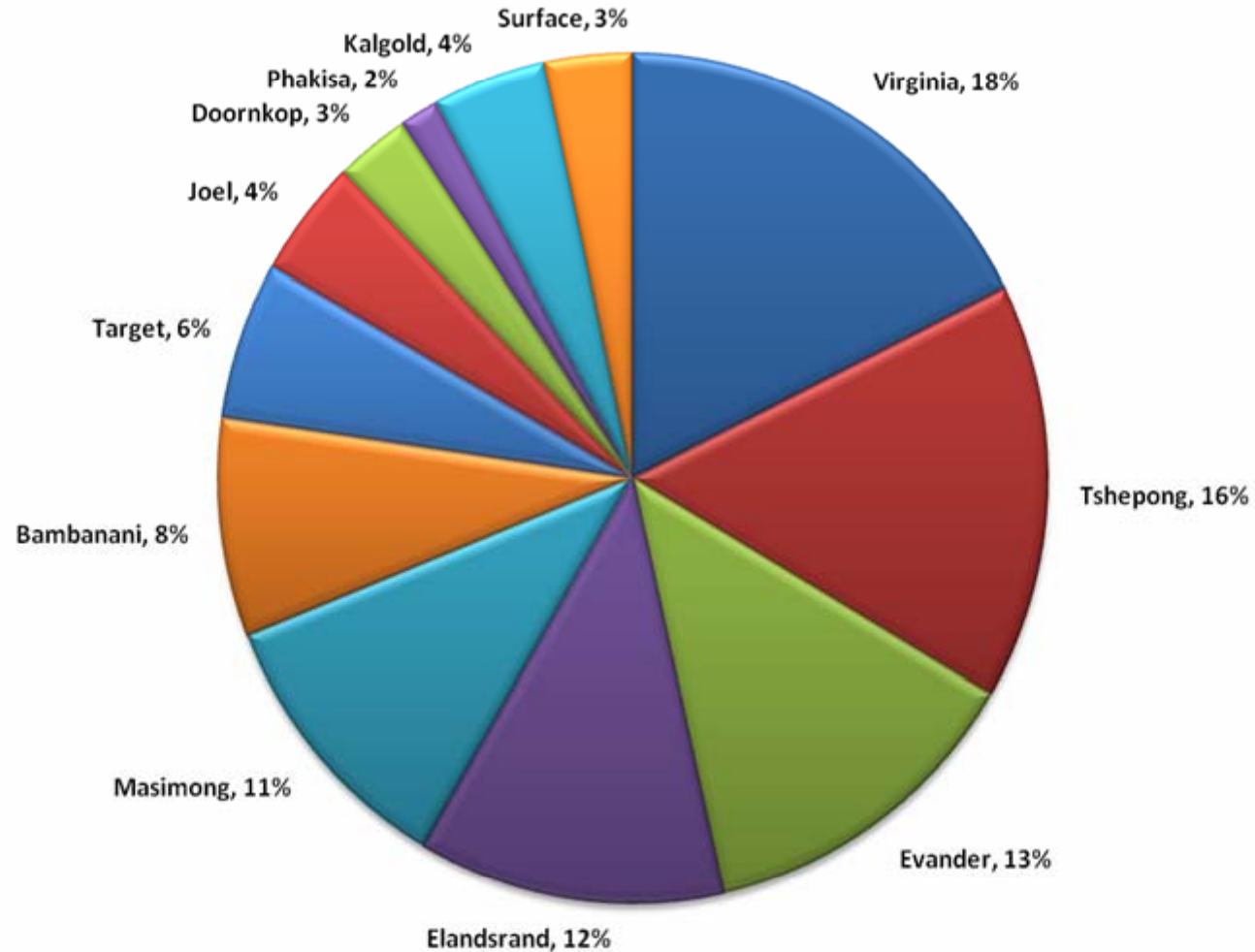
Operation	Comment
Bambanani	Good safety; increase in gold production
Doornkop	Increase in gold production: <ul style="list-style-type: none"> <li>– higher South Reef grade</li> <li>– reef/waste split</li> <li>– rock winder operational from 132 level</li> </ul>
Elandsrand	Safety and production improvements
Evander	Steady quarter <ul style="list-style-type: none"> <li>– good performance at 7 and 8 Shafts</li> <li>– grade under-performance at 2 and 5 Shafts</li> </ul>
Joel	Good safety; increase in gold production
Phakisa	Excellent safety; increase in gold production
Tshepong	Safety stoppages; reduced gold production
Target	Improved safety; increase in gold production
Virginia	Good safety; decrease in gold production due to lower grade

		Jun 2009	Mar 2009	% change
Tonnes milled	'000 (met)	2 267	2 162	4.9
	'000 (imp)	2 499	2 383	4.9
Recovery grade	g/t	4.50	4.65	(3.2)
	oz/t	0.131	0.136	(3.2)
Gold produced	kg	10 192	10 046	1.5
	oz	327 678	322 987	1.5
Gold sold	kg	10 035	9 425	6.5
	oz	322 632	303 019	6.5
Operating costs	R/kg	179 181	172 094	(4.1)
	US\$/oz	662	539	(22.8)
Operating costs	R/t	806	800	(0.8)
	US\$/t	87	73	(19.2)
Exchange rate	US\$/R	8.42	9.92	(15.1)



Operation	Comment
Kalgold	Mining from satellite pits; lower recovered grade
Evander surface sources	Start of gold production
Phoenix	Increase in gold production
<b>Total (surface dumps including Evander)</b>	Increase in production

		Jun 2009	Mar 2009	% change
Tonnes milled	'000 (met)	2 397	2 272	5.5
	'000 (imp)	2 643	2 506	5.5
Recovery grade	g/t	0.34	0.37	(7.8)
	oz/t	0.010	0.011	(7.8)
Gold produced	kg	811	834	(2.8)
	oz	26 074	26 814	(2.8)
Gold sold	kg	794	822	(3.4)
	oz	25 528	26 428	(3.4)
Operating costs	R/kg	177 721	162 529	(9.3)
	US\$/oz	656	509	(28.9)
Operating costs	R/t	60	60	-
	US\$/t	6	5	(20)
Exchange rate	US\$/R	8.42	9.92	(15.1)



		Jun 2009	Jun 2008	% change
Gold produced	kg	45 437	49 761	(8.7)
	oz	1 460 831	1 599 854	(8.7)
Inventory decrease	kg	396	864	
	oz	12 731	27 770	
Gold sold	kg	45 833	50 625	(9.5)
	oz	1 473 562	1 627 624	(9.5)
Gold price	R/kg	250 826	189 981	32.0
	US\$/oz	867	813	6.6
Cash operating costs	R/kg	168 661	139 544	(20.9)
	US\$/oz	583	598	2.5
Cash operating profit	R(m)	3 839	2 644	45.2
	US\$(m)	427	366	16.7
Exchange rate	US\$/R	9.00	7.26	24.0



## Financial overview

	Jun 2009 (Rm)	Mar 2009 (Rm)	% change
Revenue	2 663	3 005	(11)
Production costs	(1 920)	(1 830)	
- Cash operating costs	(1 970)	(1 864)	(5)
- Inventory movement	50	34	
Amortisation and depreciation	(546)	(303)	(80)
Impairments	(330)	(3)	(+100)
Corporate, administration and other expenses	(99)	(80)	(24)
Exploration expenditure	(77)	(75)	(3)
Other income/(expenditures) – net	(74)	332	(+100)
Loss from discontinued operations	(8)	(1)	(+100)
<b>Net profit (Rm)</b>	238	972	(76)
<b>Total headline earnings cps</b>	107	123	(13)

	Jun 2009 (Rm)	Jun 2008 (Rm)	% change
Revenue	11 496	9 617	20
Production costs	(7 657)	(6 973)	
- Cash operating costs	(7 664)	(6 944)	(10)
- Inventory movement	7	(29)	
Amortisation and depreciation	(1 467)	(846)	(73)
Impairments	(484)	(280)	(73)
Corporate, administration and other expenses	(362)	(228)	(59)
Exploration expenditure	(289)	(224)	(29)
Other income/(expenditures) – net	864	32	+100
Profit from discontinued operations	1 218	359	+100
<b>Net profit (Rm)</b>	<b>2 927</b>	<b>(245)</b>	<b>+100</b>
<b>Total headline earnings cps</b>	<b>262</b>	<b>126</b>	<b>+100</b>

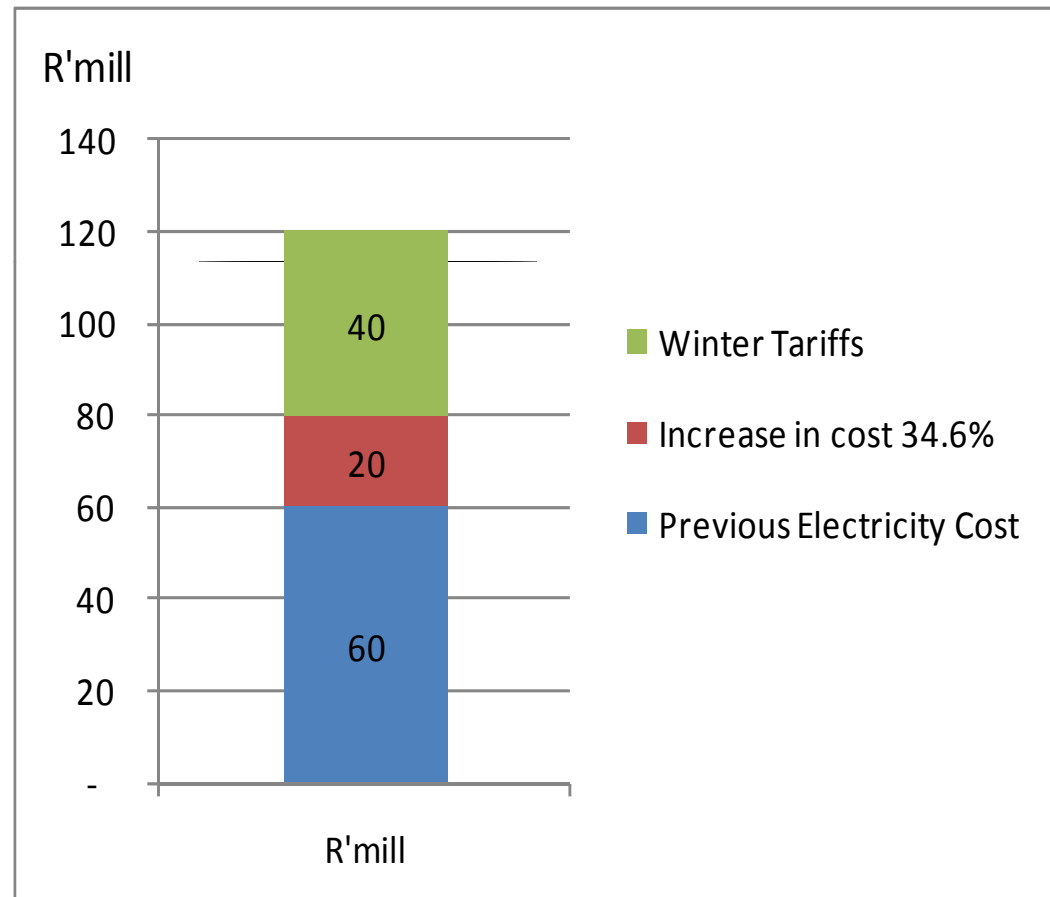
	<b>Debt</b>	<b>Cash</b>	<b>Net</b>
At 30 June 2008: Net debt	(4 099)	413	(3 686)
Rand Uranium inflows			2 135
Hidden Valley proceeds			1 792
Share capital raising			1 953
Capital expenditure (excl PNG)			(2 687)
Other			2 081
At 30 June 2009: Net cash	(362)	1 950	1 588



- Wages
  - cat. 3-8, miners and artisans, officials: average increase 9.23%
  - 5.2% increase in total cost
  - in September 2009 quarter leave liability will increase by R35 million
- Electricity
  - electricity cost to date R170 million per quarter
  - recent increase results in R230 million per quarter
  - winter tariffs adds additional R40 million per month
  - winter tariffs months June, July, August and September



## Effect of electricity increase per month





## Percentage of total cash operating cost

	June'09 R'mill	June'09	FC Sep'09
Payroll 1	529	27%	27%
Payroll 2	566	29%	28%
Total Payroll	1,095	56%	55%
Stores	511	26%	22%
Electricity	205	10%	16%
Water	26	1%	1%
Contractors	133	7%	6%
Total	1,970	100%	100%

	Budget FY 09/10 R'mill
<b>South Africa</b>	
Unisel: A Reef Project	0.5
Unisel: B Reef Project	0.3
Masimong 4#: A-Reef Exploration project	1.4
Merriespruit 1#: Equipping and Exploration	0.9
Kalgold: Exploration watertank	2.4
Kalgold: Spanover drilling	4.7
Central Projects: Exploration of the Evander South	15.3
Central Projects: Poplar exploration	13.4
Tshepong: B-Reef exploration project	15.4
Evander 7: 2010 payshoot - u/g exploration only	0.4
Evander 7: 2010 payshoot - surface exploration only	12.7
Evander 7: Exploration of the 2010 Payshoot (CXAA3)	4.4
Central Projects: Joel surface drilling	16.7
Evander 8: No 5 Decline drilling platform 2010 Payshoot	1.1
<b>Pre Feasibility - SA</b>	
Evander South Pre-feasibility	2.5
TPM pre-feasibility	3.6
Project Phoenix Pre-feasibility	0.4
Logistics project	0.6
<b>SA - Exploration &amp; Pre Feasibility</b>	<b>96.5</b>

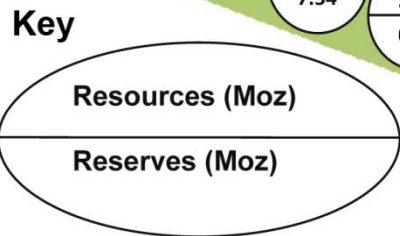
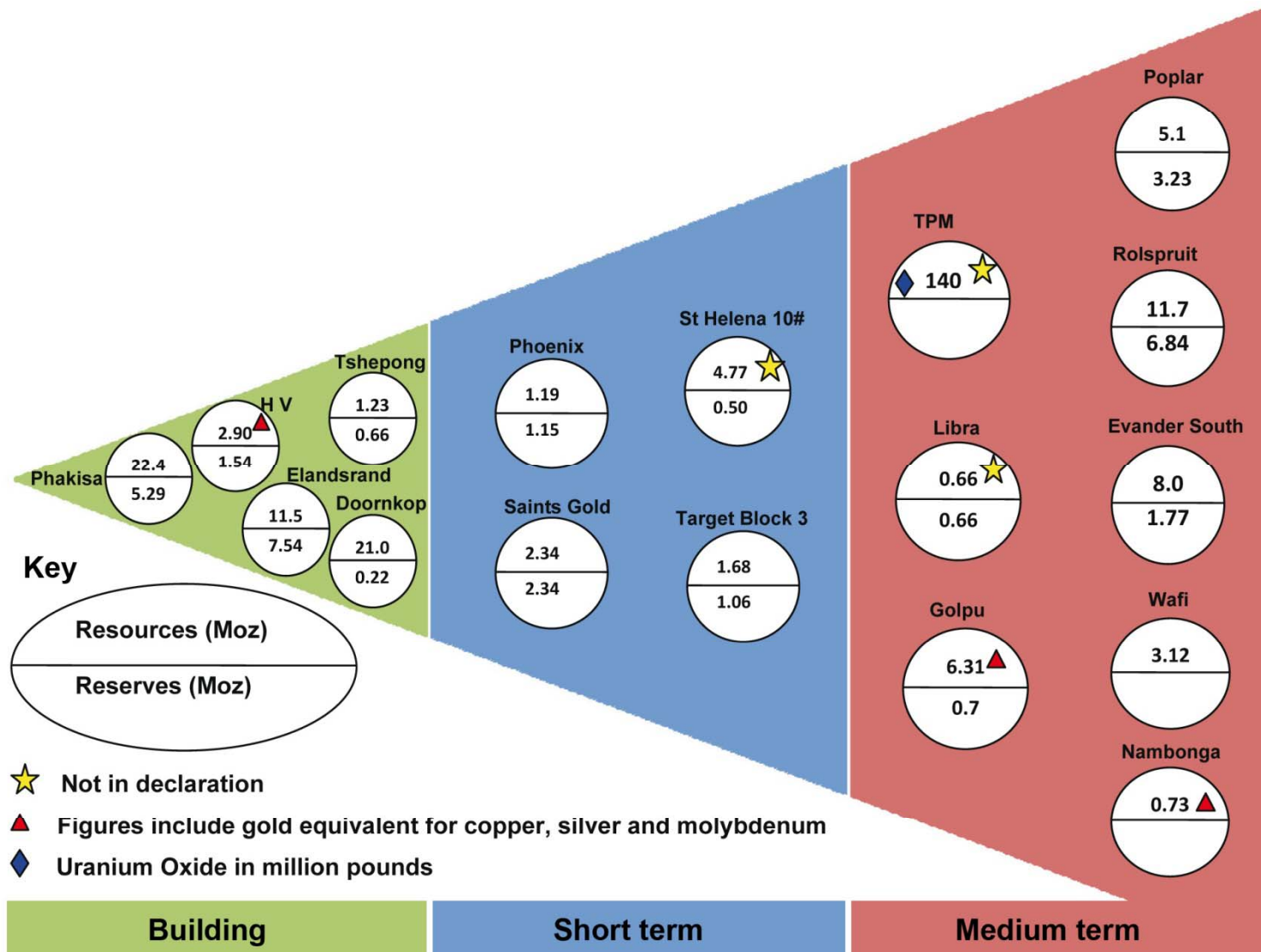
	Budget FY 09/10 R'mill
PNG Exploration	28.4
Mount Magnet Pre-feasibility	32.8
<b>PNG JV @ 50%</b>	
Exploration (Res Def) Consolidated Harmony Portion	24.1
Exploration Growth (Brownfields)(Excl MMG)	46.0
Exploration Growth (Greenfields)	33.9
Pre Feasibility Consolidated- Harmony portion only	8.5
<b>AU &amp; PNG - Exploration &amp; Pre Feasibility</b>	<b>173.6</b>
<b>SA - Exploration &amp; Pre Feasibility</b>	<b>96.5</b>
<b>Total - Exploration &amp; Pre Feasibility</b>	<b>270.1</b>

# Capital expenditure

	Actual Jun 09 Rm	Actual Mar 09 Rml	YTD Rml	FC Sep 09 Rml
Ongoing Dev Capital	270	237	986	280
AE's	50	16	93	51
Project Capital	378	366	1,608	425
Doornkop	75	81	337	61
Elandsrand	45	42	187	36
Phakisa	71	95	360	148
Tshepong	16	24	72	21
Bambanani	1	4	10	16
Evander	20	19	93	24
Virginia	8	7	24	20
Masimong	7	6	24	7
Joel	9	8	28	8
Kalgold	3	1	5	3
Target	58	55	251	30
Randfontein	-	-	54	-
Freestate Plants	18	1	20	16
Freegold Plants	21	4	29	24
Other Projects	24	20	112	11
Hidden Valley	406	442	1,782	344
Total	1,104	1,061	4,469	1,100

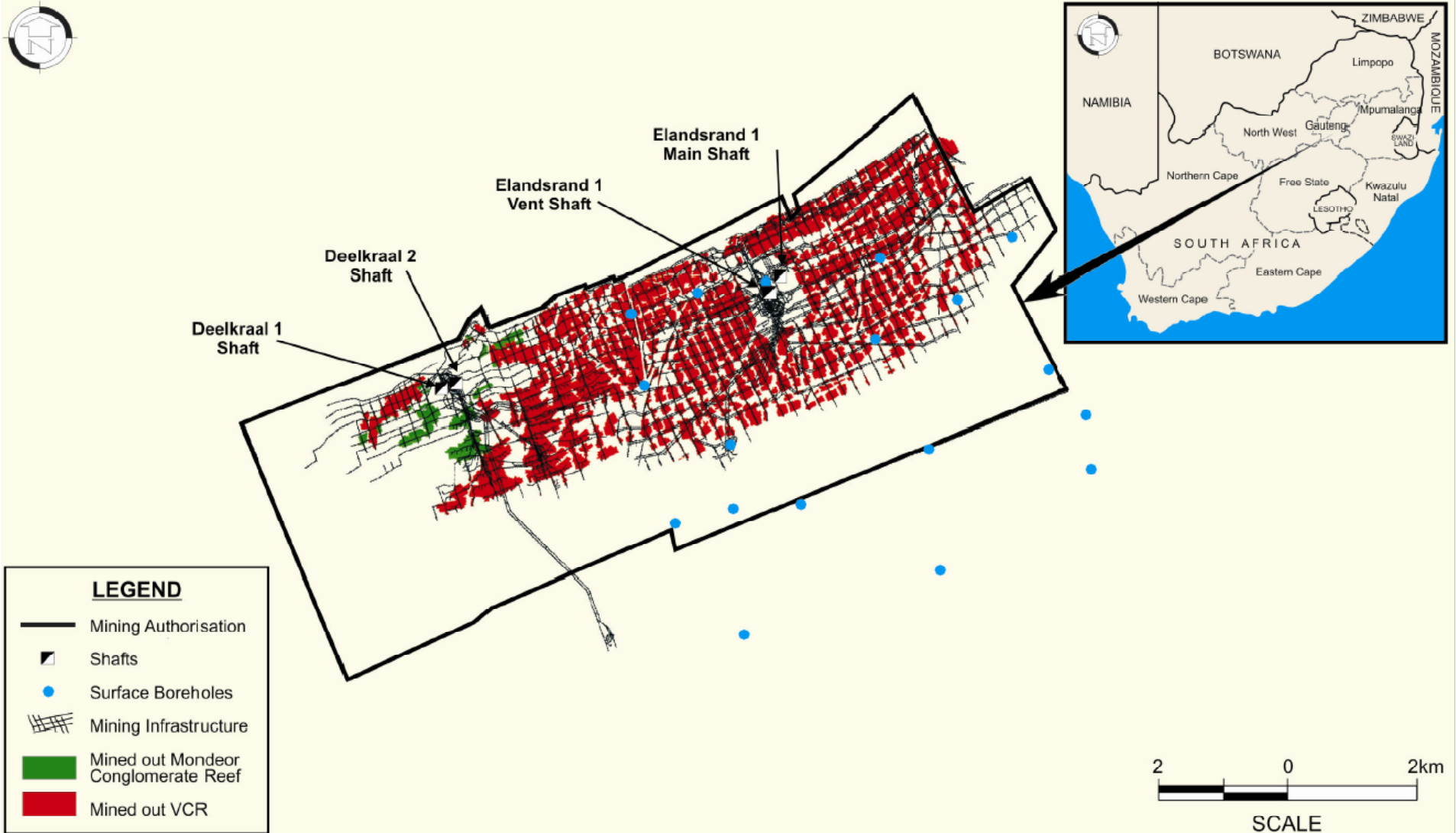


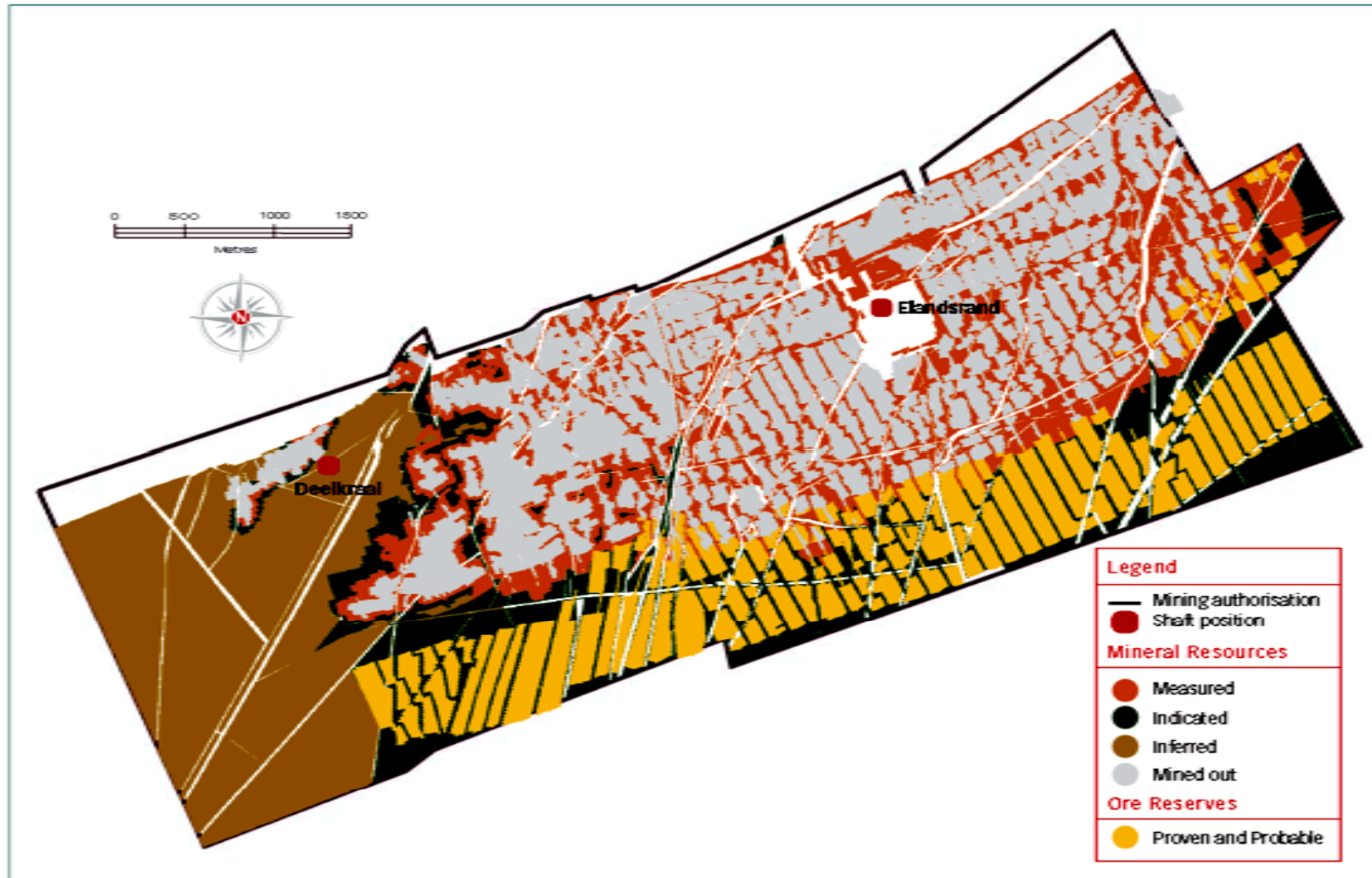
**Positioned for growth**



- ★ Not in declaration
- ▲ Figures include gold equivalent for copper, silver and molybdenum
- ◆ Uranium Oxide in million pounds

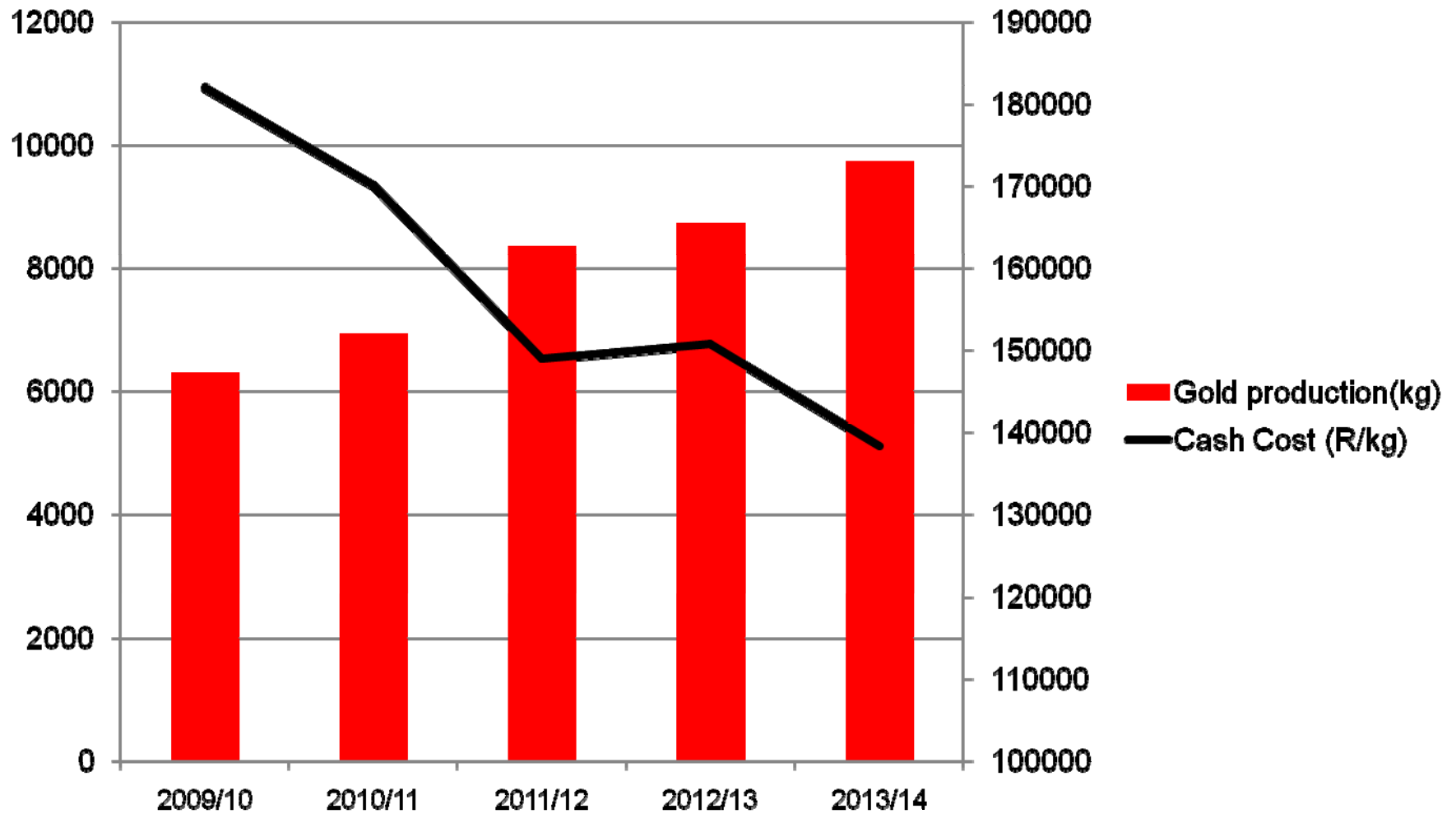






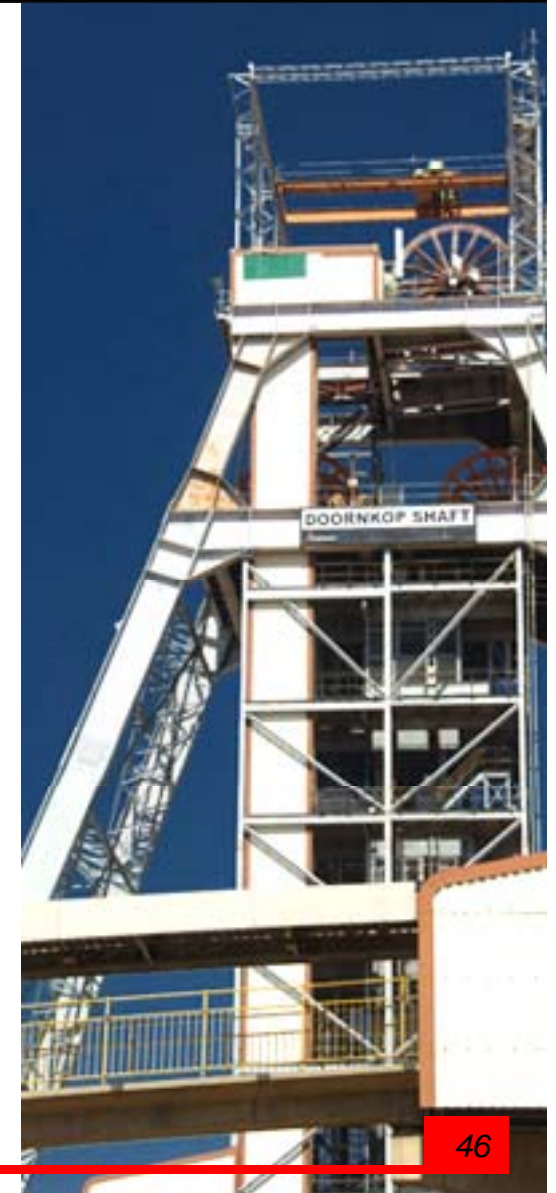
- Life of mine = 28 years (2037)
- Peak production (2013 – 2021)
  - 9 651kg (average/year for total mine)
  - 310 000oz (average/year for total mine)
  - 1,533Mt/year (average/year for total mine) at 6.29g/t
- 226 tons Au will be mined over LOM
- Recovery grade (average LOM) = 5.99g/t
- Cash operating cost (real terms):
  - R137 899/kg (average/year during peak production)
  - R865/t (average/year during peak production)
- Cost after capital (real terms):
  - R169 274/kg (average/year during peak production)
  - R1061/t (average/year during peak production)
- Productivity (average/year during peak production):
  - 151g/TEC
  - 24 Tons/TEC

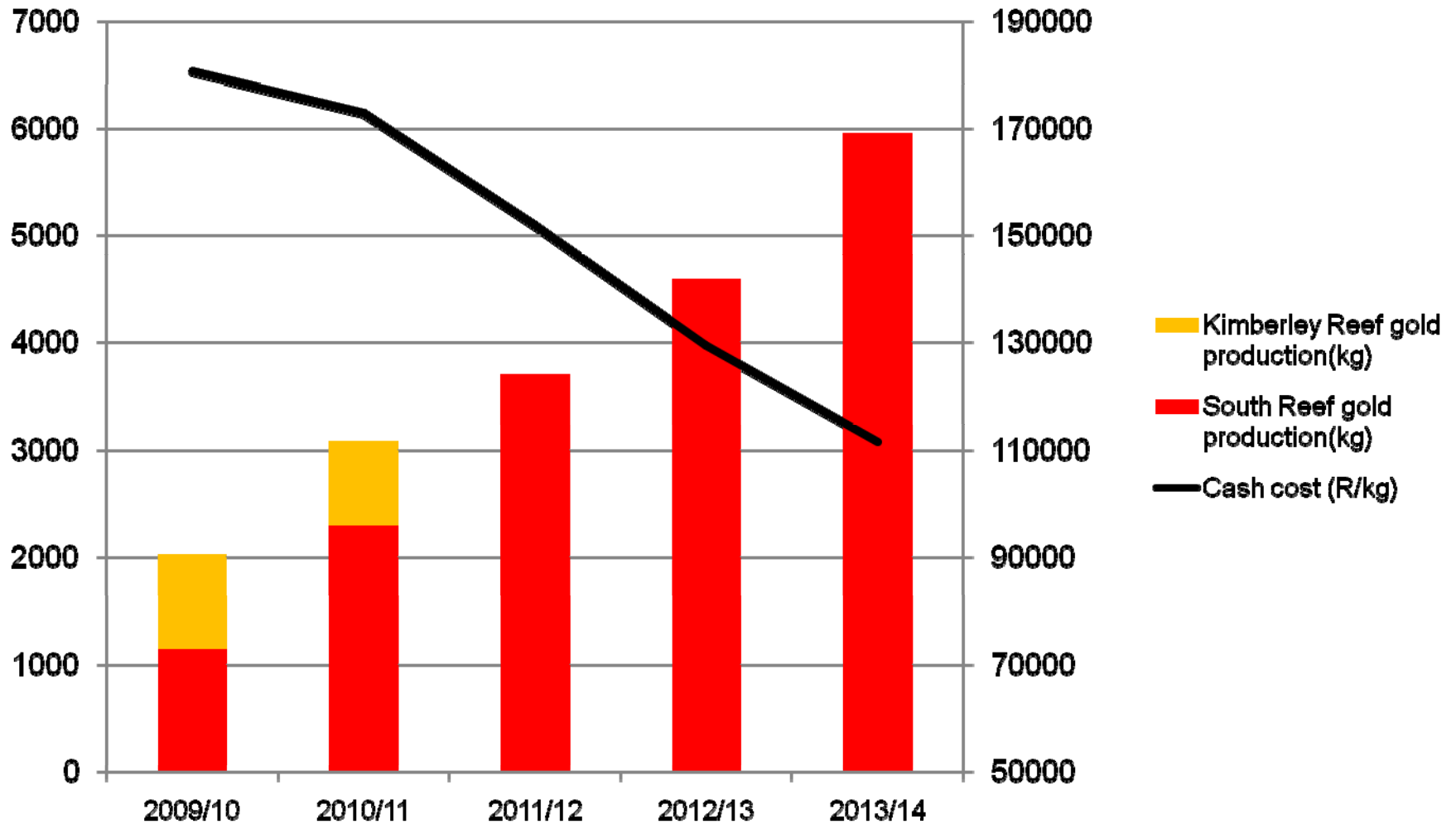


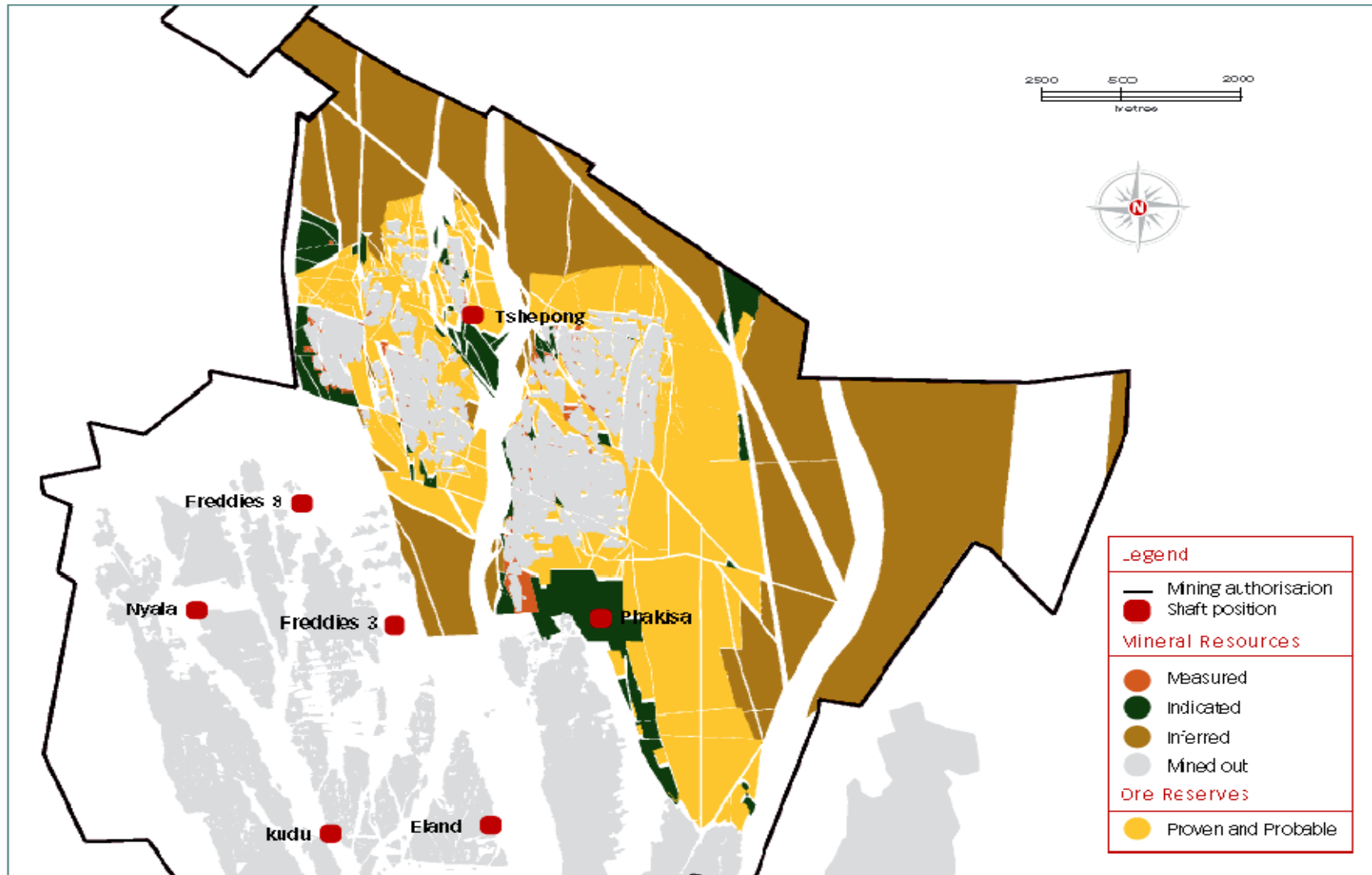




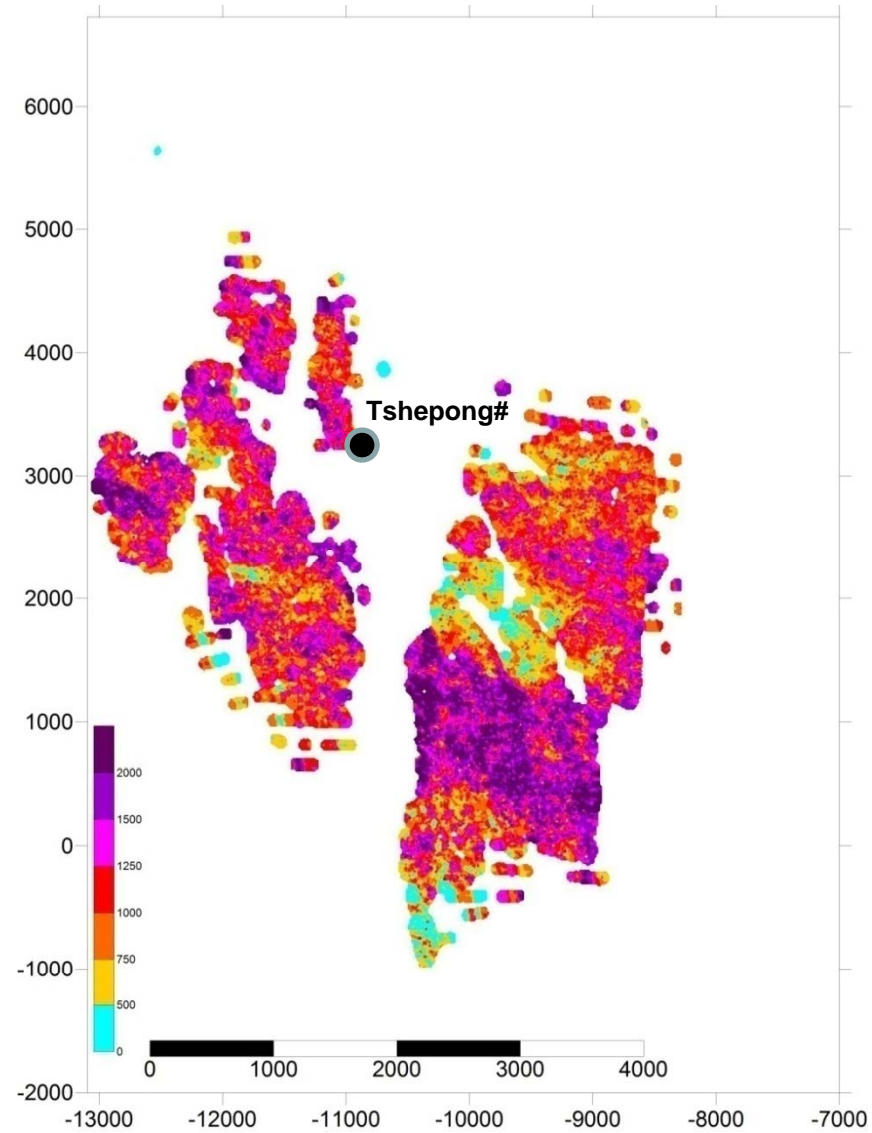
- Life of mine = 15 years (2024)
- Peak production (2014 – 2020)
  - 7 776kg (average/year for total mine)
  - 250 000oz (average/year for total mine)
  - 1,456Mt/year (average/year for total mine) at 5.34g/t
- 84 tons Au will be mined over LOM
- Recovery grade (average LOM) = 5.12g/t
- Cash operating cost (real terms):
  - R104 975/kg (average/year during peak production)
  - R560/t (average/year during peak production)
- Cost after capital (real terms):
  - R124 266/kg (average/year during peak production)
  - R662/t (average/year during peak production)
- Productivity (average/year during peak production):
  - 187g/TEC
  - 35 Tons/TEC

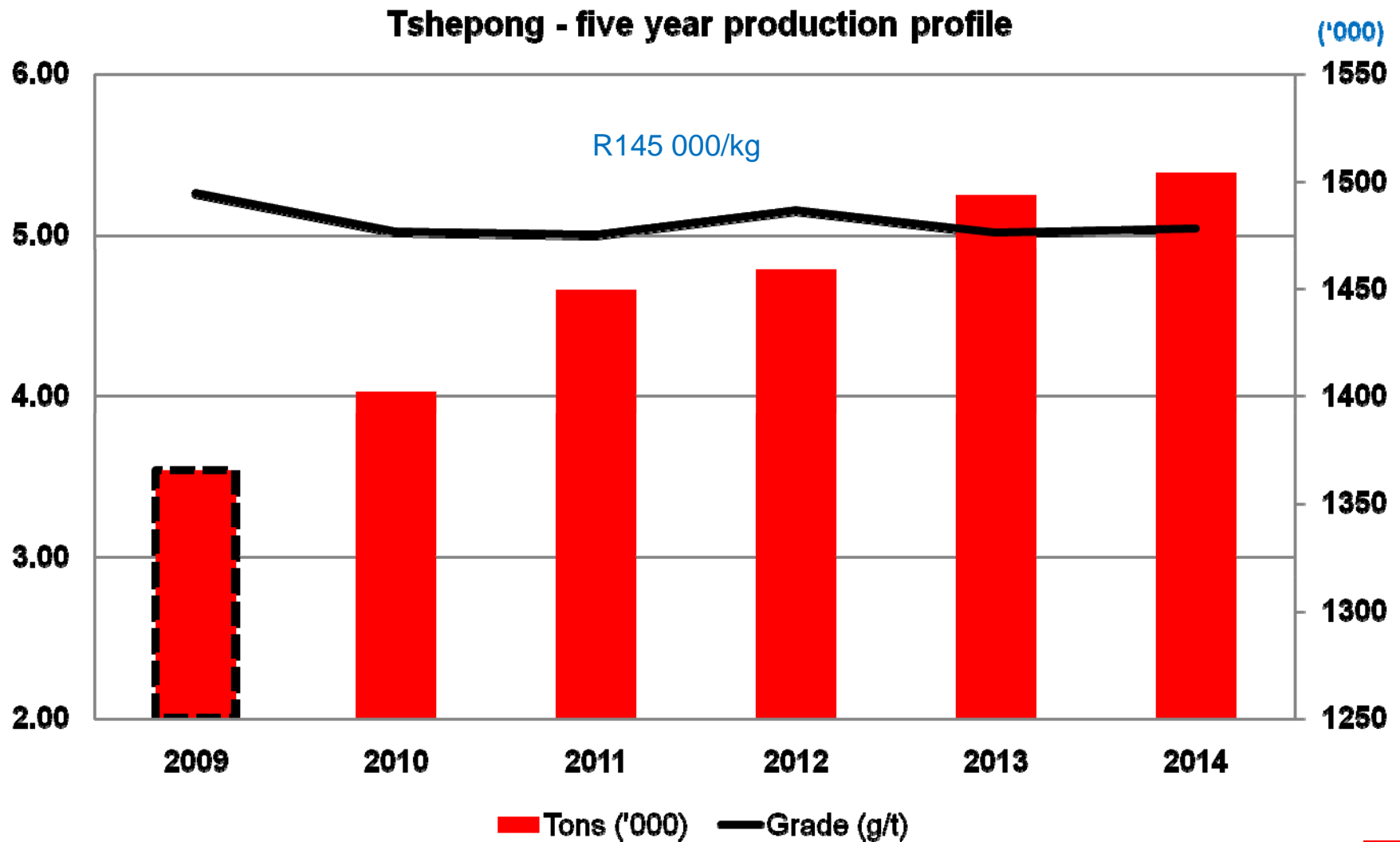


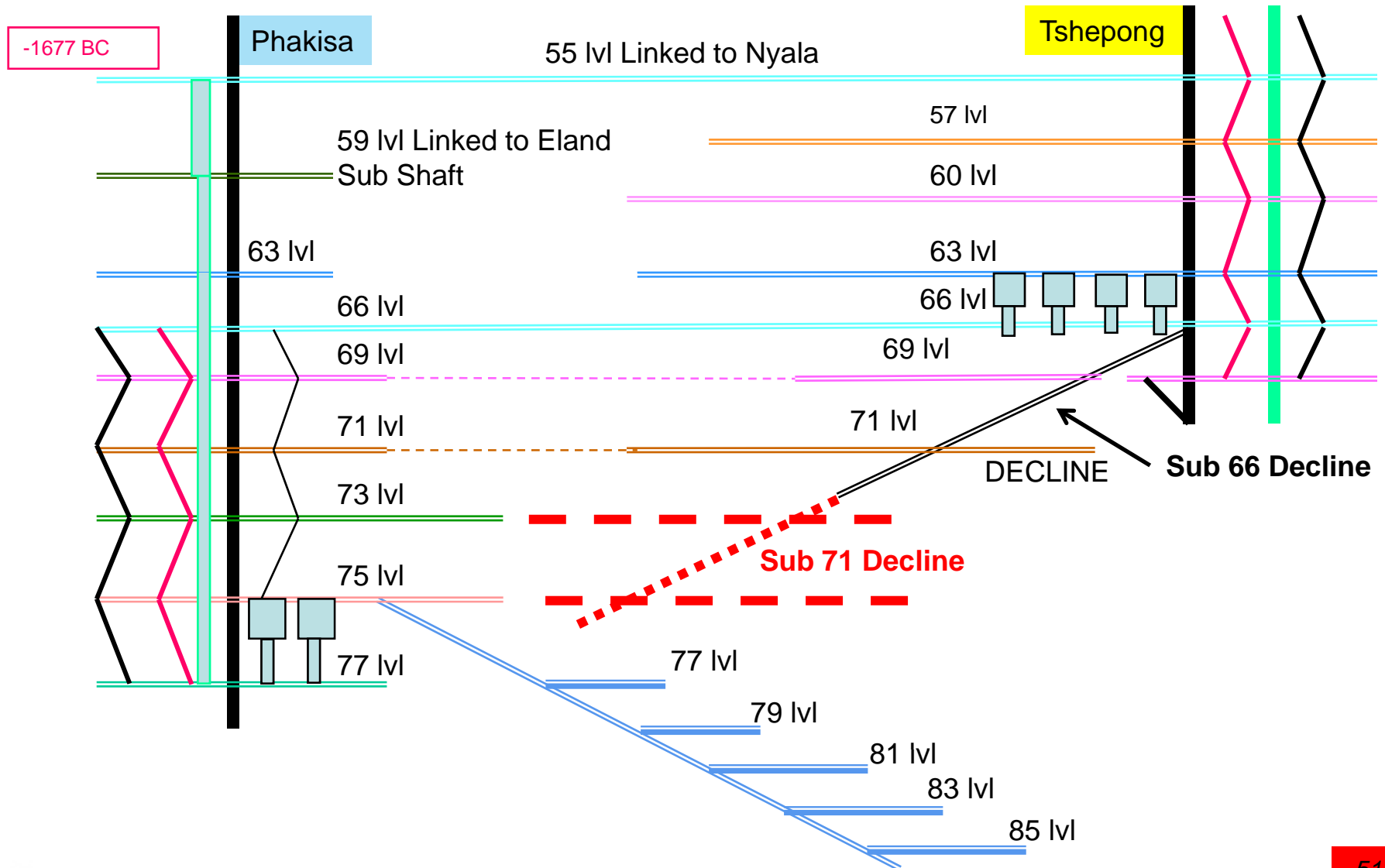


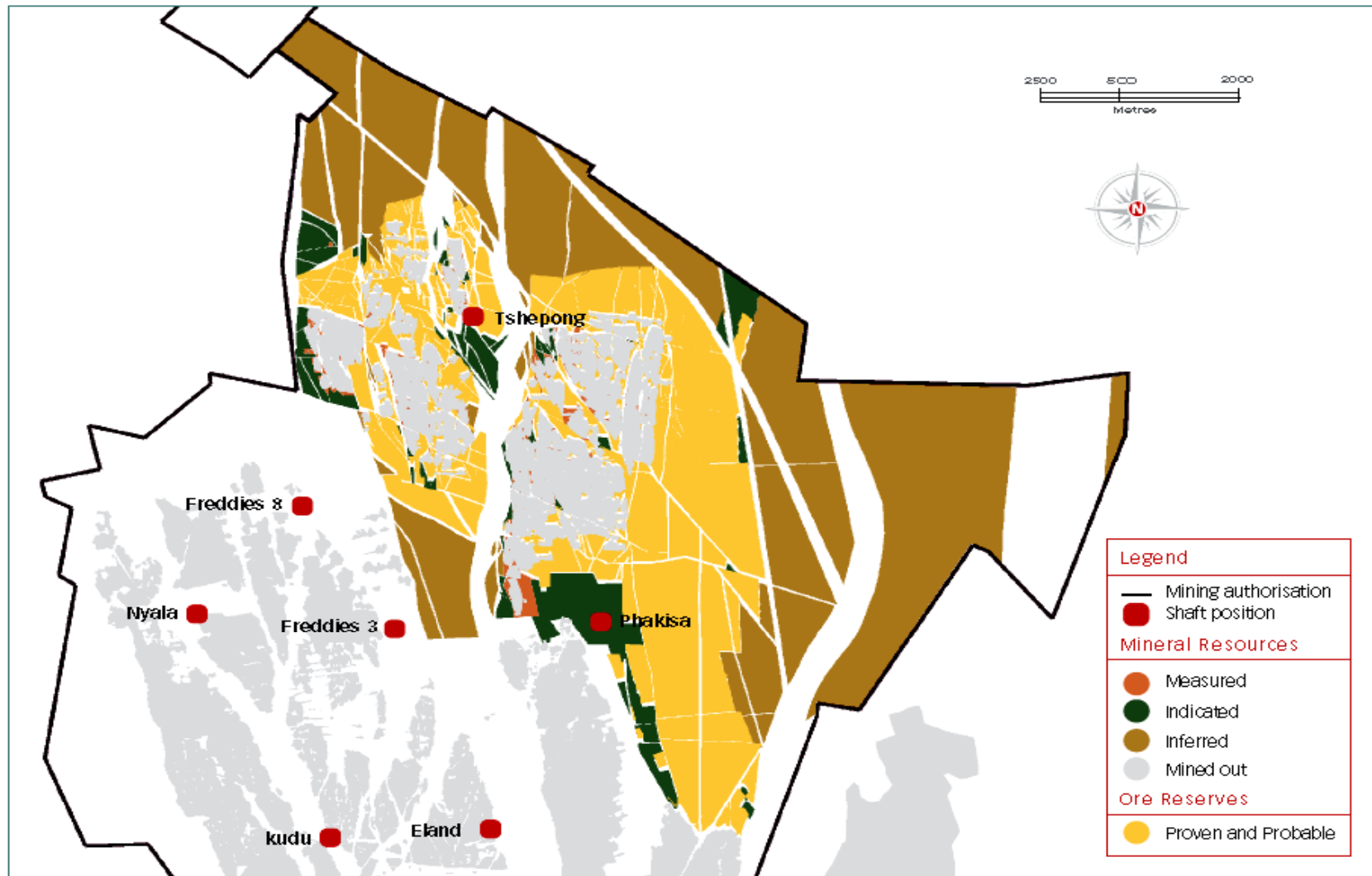


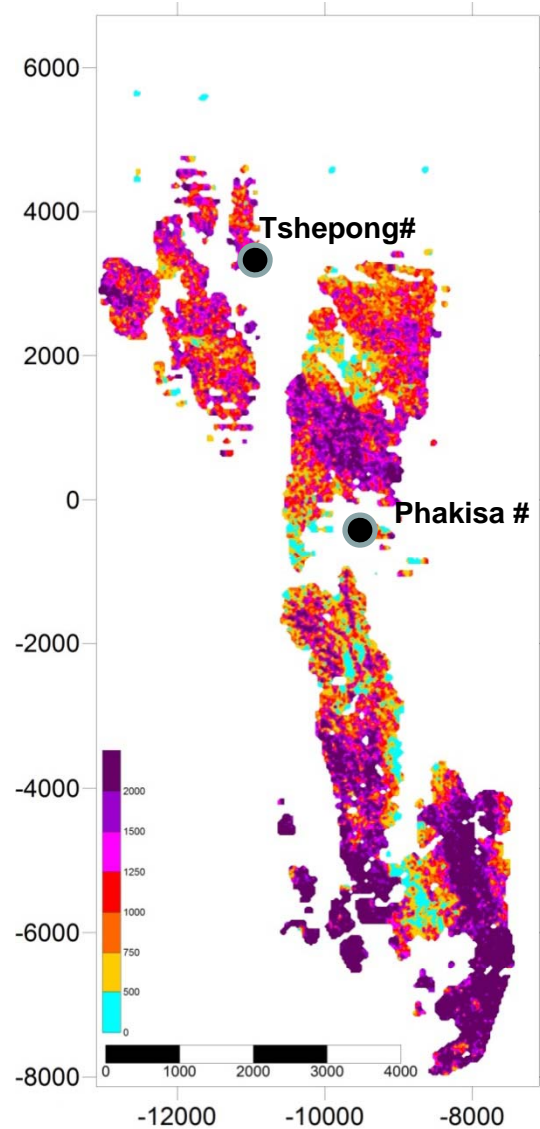






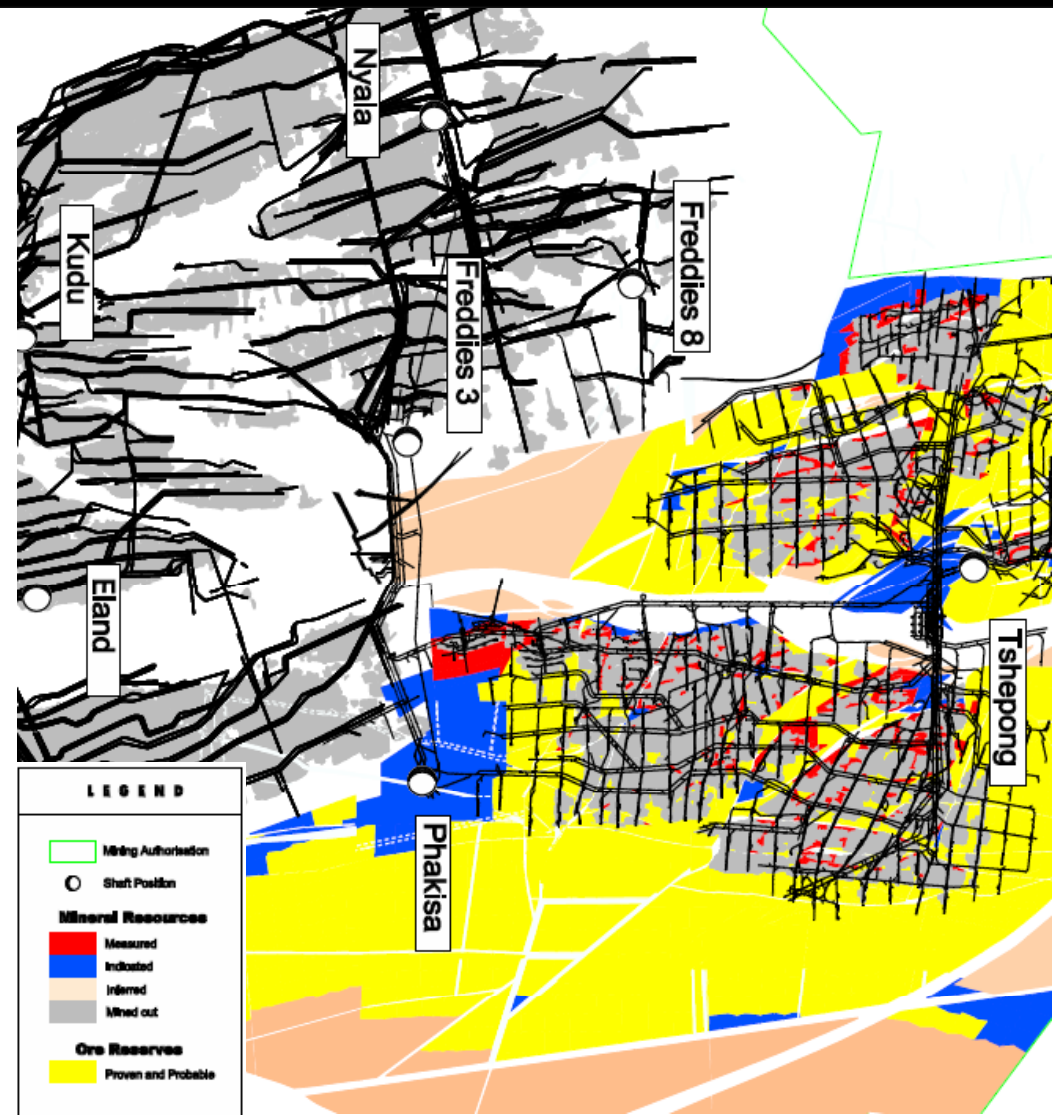


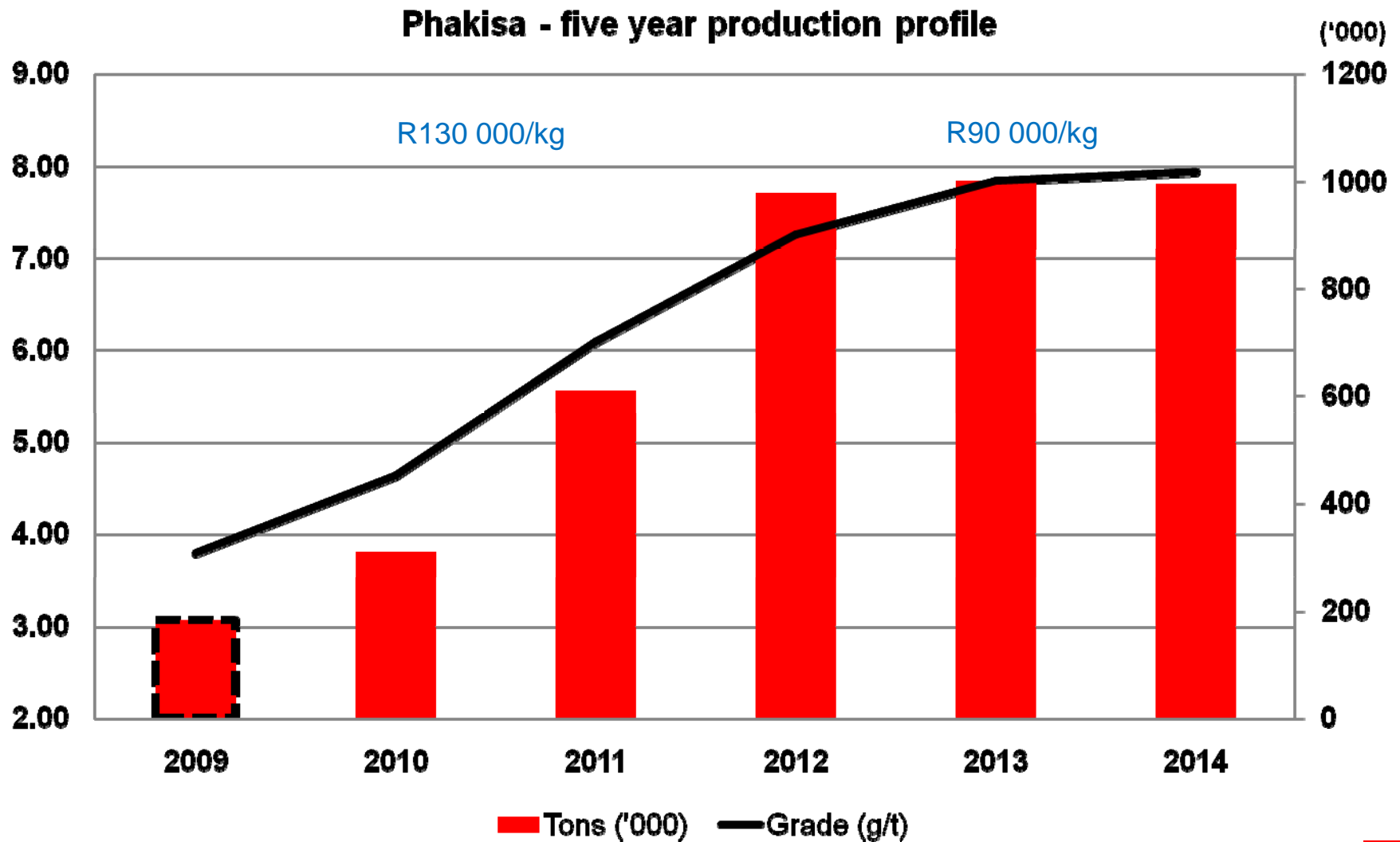


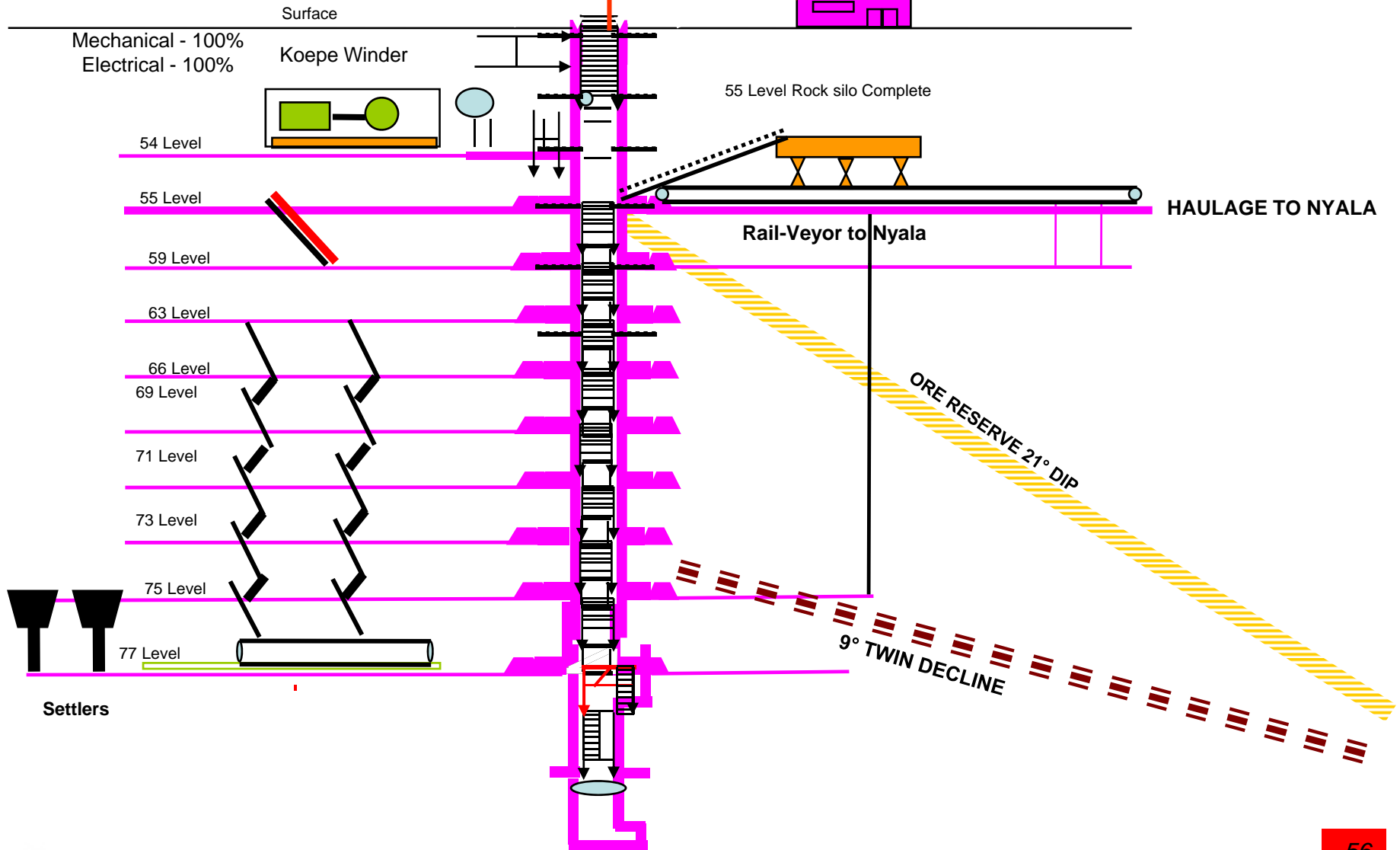


- Project goal:
  - to hoist 83 000tpm
  - producing 636kg
  - at R635/t (2009 m/terms) by 2011

Total final estimated cost	R 1 591m
Act sunk Mar 2009	R 1224m
Remaining capital	R 447m
NPV Rm (R225/g)	6 624
IRR at 7.5%	24%
Full production (tons)	Sep 2011





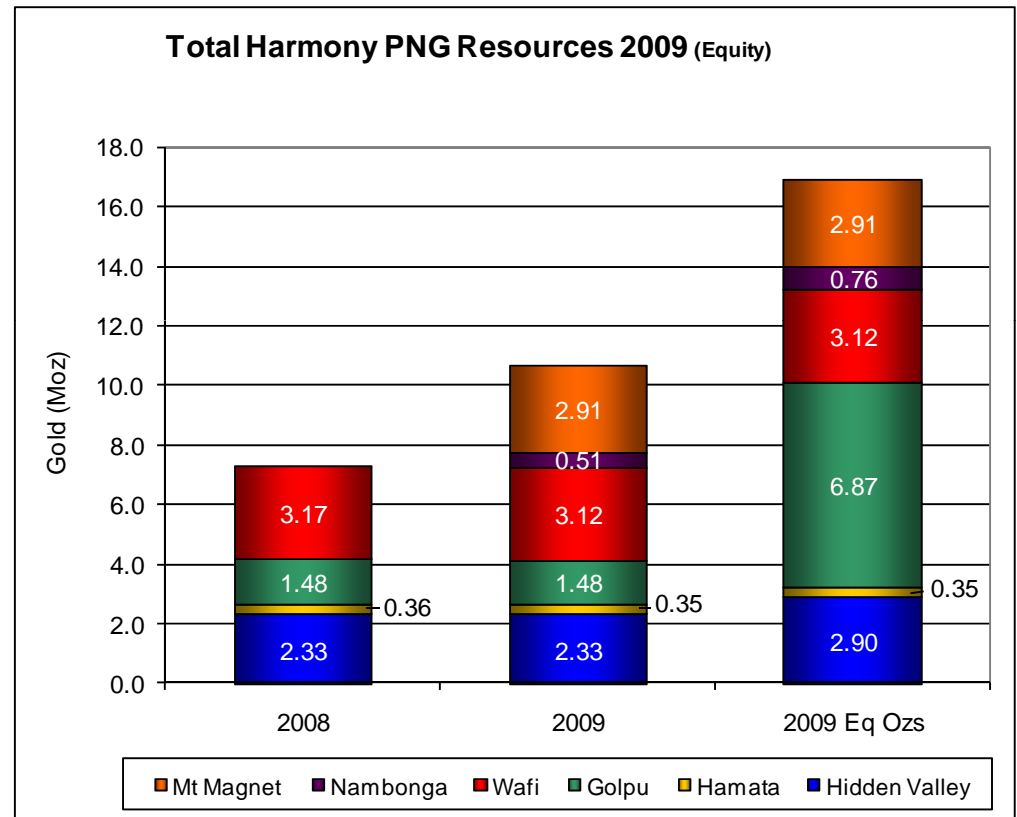




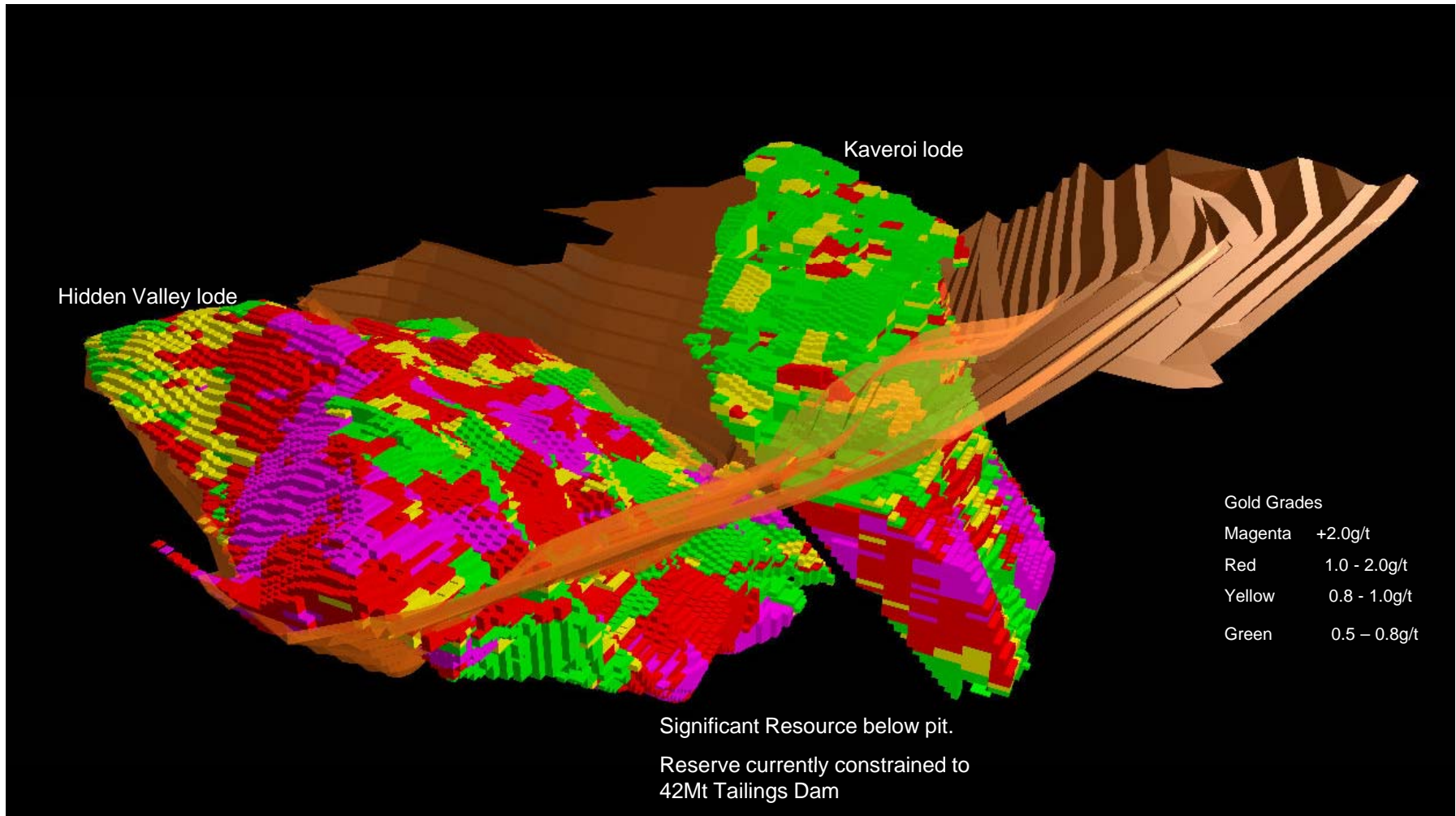


## Tomorrow's gold

- 2009 increase in resource with discovery on porphyry copper Nambonga deposit
- Mt Magnet also re-included in statement
- Equivalent ounces factors in copper and molybdenum credit
- Wafi-Golpu studies attempting to unlock value in region



*2008 resource factored for current equity*

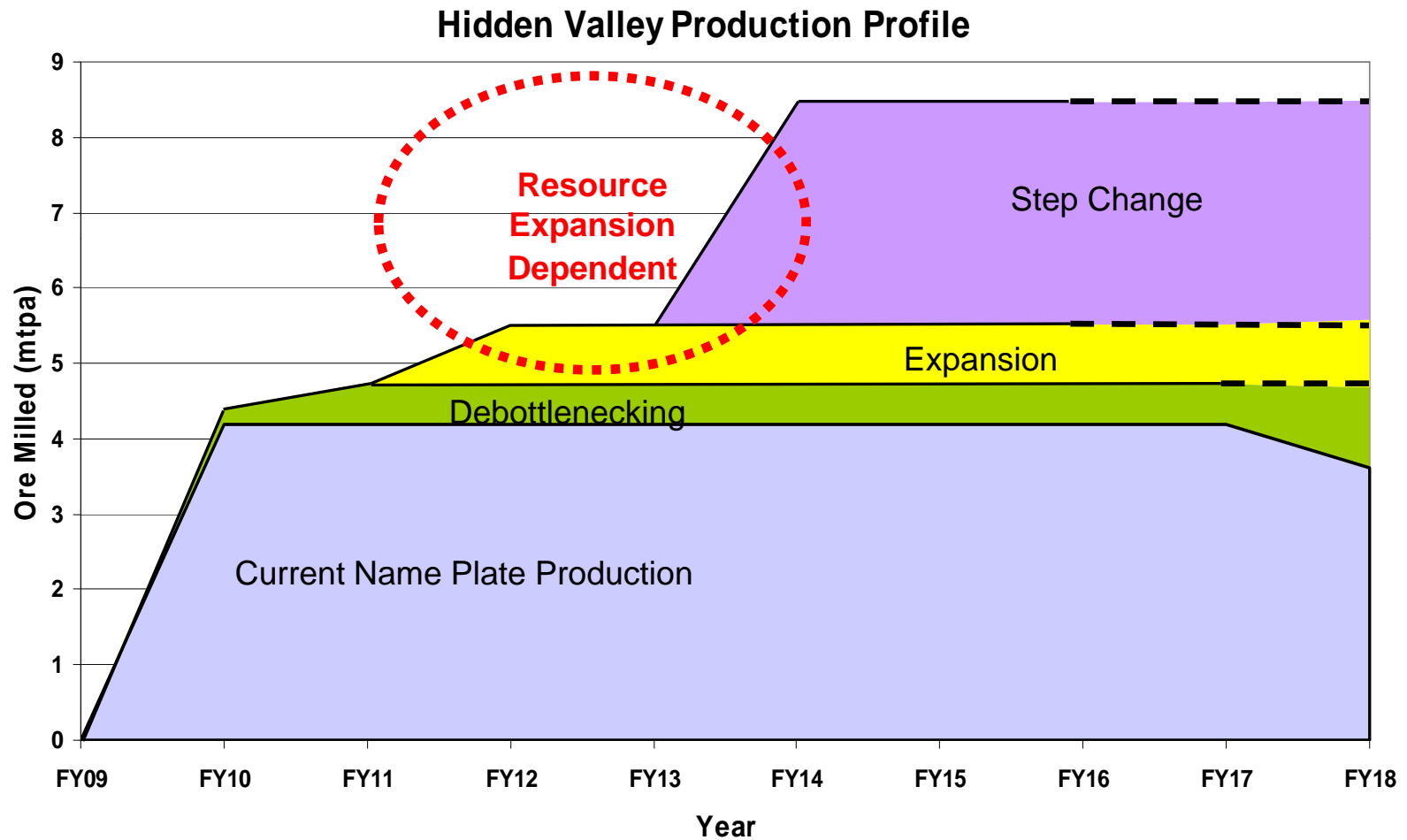


- Newcrest completed 50% earn-in for US\$526 million
- Project milestone achieved on schedule with first gold pour
- Increase mill throughput – feasibility study approved
- Estimated attributable gold production of 105 000 – 120 000 oz in 2010 financial year



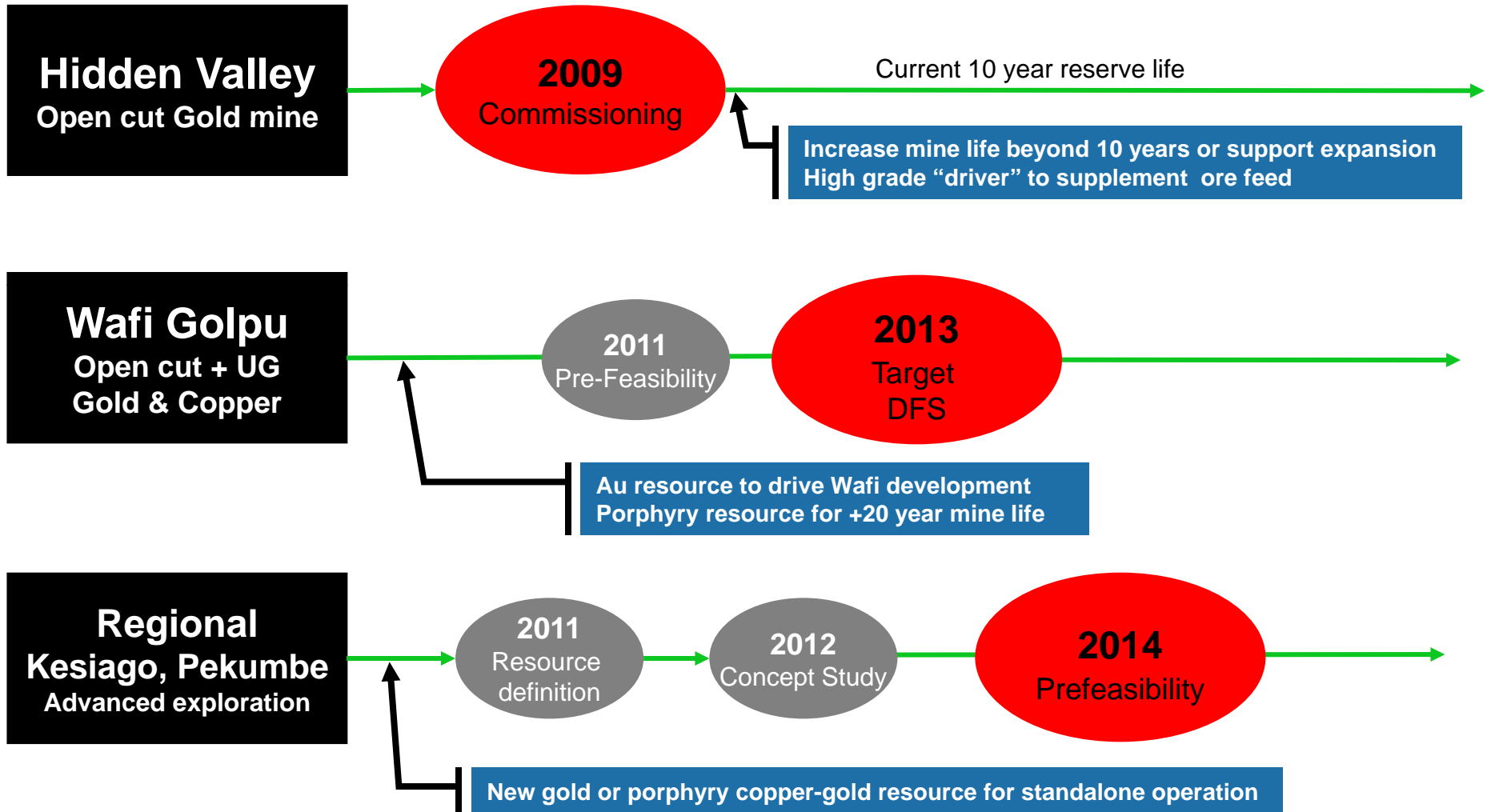
- Two open pits, Hidden Valley/Kaveroi and Hamata
- Hidden Valley/Kaveroi contains 80% of gold reserves, 100% of silver reserves
- Hamata, smaller higher grade (2.5g/t) gold only pit next to plant site
- Pre-strip operations completed
- Attributable capital for project completion, development and sustaining capital: A\$60 million expected during FY09/10
- LOM cash costs US\$350/oz net of silver credits





- Pre-Concept Level study completed
- Objective was to identify and evaluate potential business cases for production of >400 000oz Au from Hidden Valley
- Stage phased approach considered:
  1. de-bottlenecking – to 4.7Mtpa
  2. expansion – to 5.5Mtpa
  3. step Change – 6 to 8.8Mtpa (potential to yield 400k – 500koz)



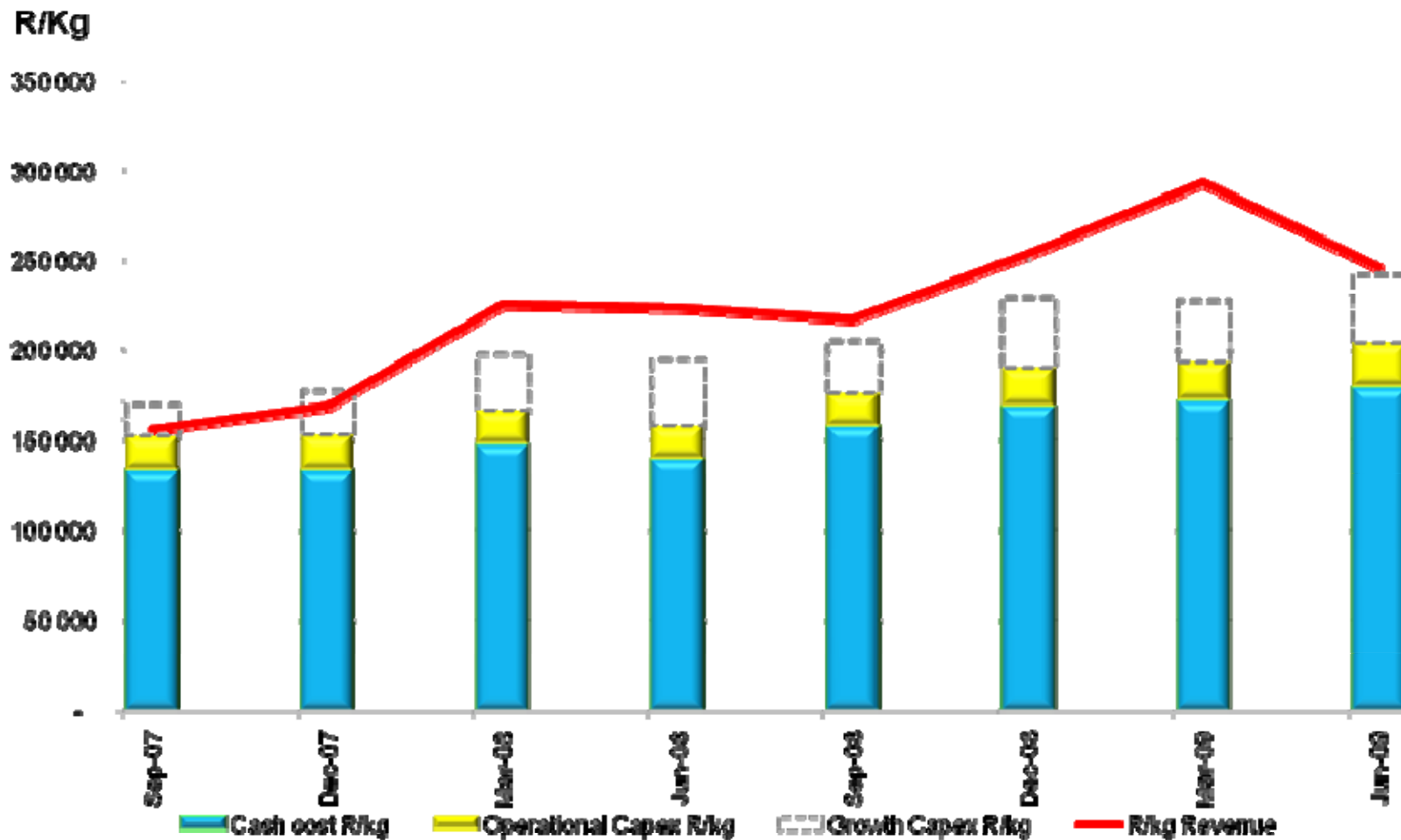




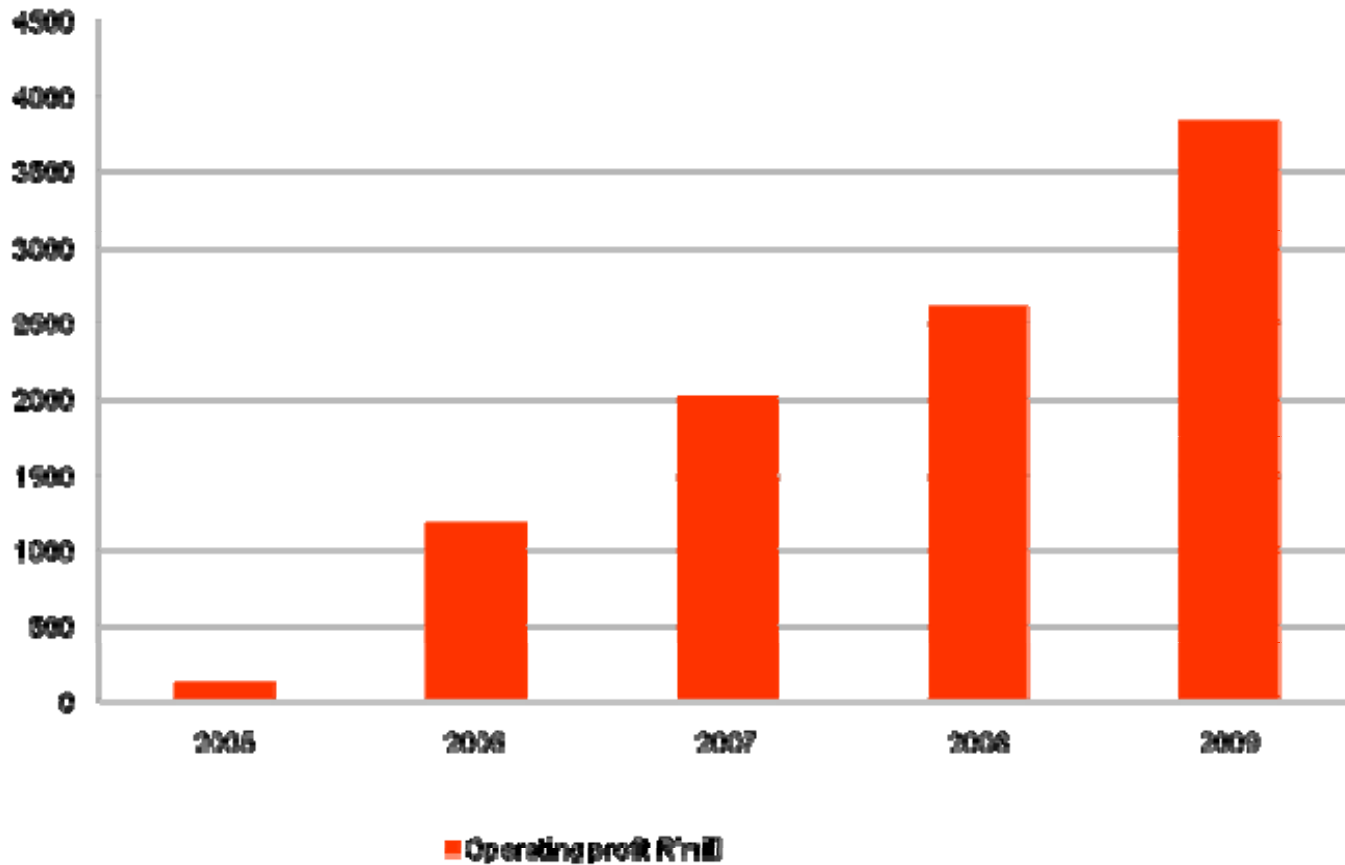
- Project Evander South
  - pre-feasibility study showed 13.9Mt at 4.75 g/t of reserves and detailed the potential for a shallow, 100 000tpm, mine starting at 400m below surface
- Joel North
  - exploration drilling programme to increase Joel's life of mine beyond five years
- Project Poplar
  - pre-feasibility study showed 13.9Mt at 7.45g/t of reserve
    - mine will produce at a rate of 100 000tpm
- Tshepong B Reef Project
  - B Reef exploration project development meters increased year on year



## Why Harmony?

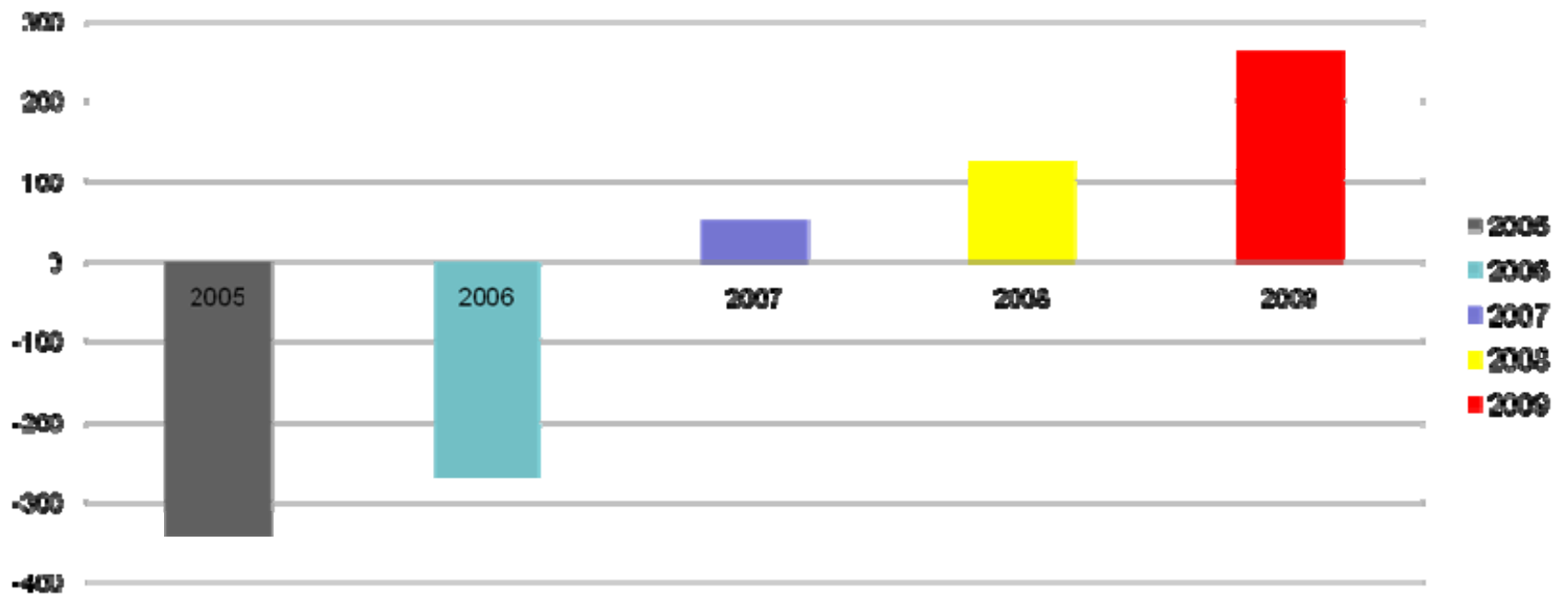


\*Excluding PNG



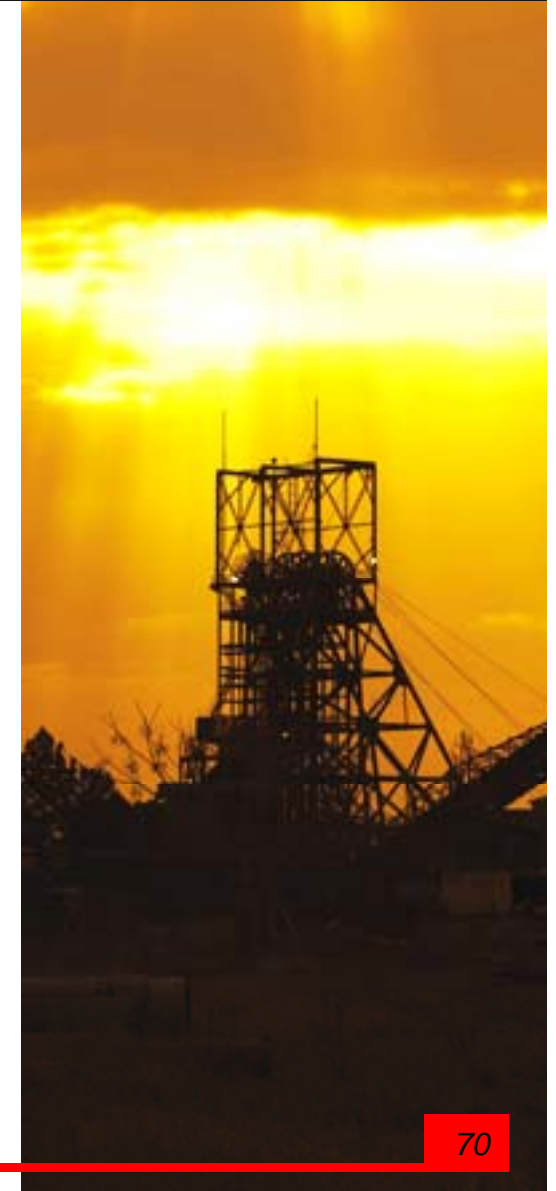
\* Only QA continuing operations

# Headline earnings cents/share



\* Including discontinued

- Throughput, grade, ounces set to increase
  - from existing assets
  - from 5 new projects under way
- Development achieved in line with plan
- Several new projects under consideration
- Restructuring for profitability or for value adding
- Healthy balance sheet
  - strong cash flow
  - net debt-free
- Unhedged
- Strong, cohesive management team
- Shareholder returns
  - dividends
  - share price appreciation



- Your company:
  - is net debt free
  - continues to invest in growth projects, funded through cashflows
  - remains bullish on gold price
  - is now rewarding shareholders with a 50c dividend (5x cover)





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