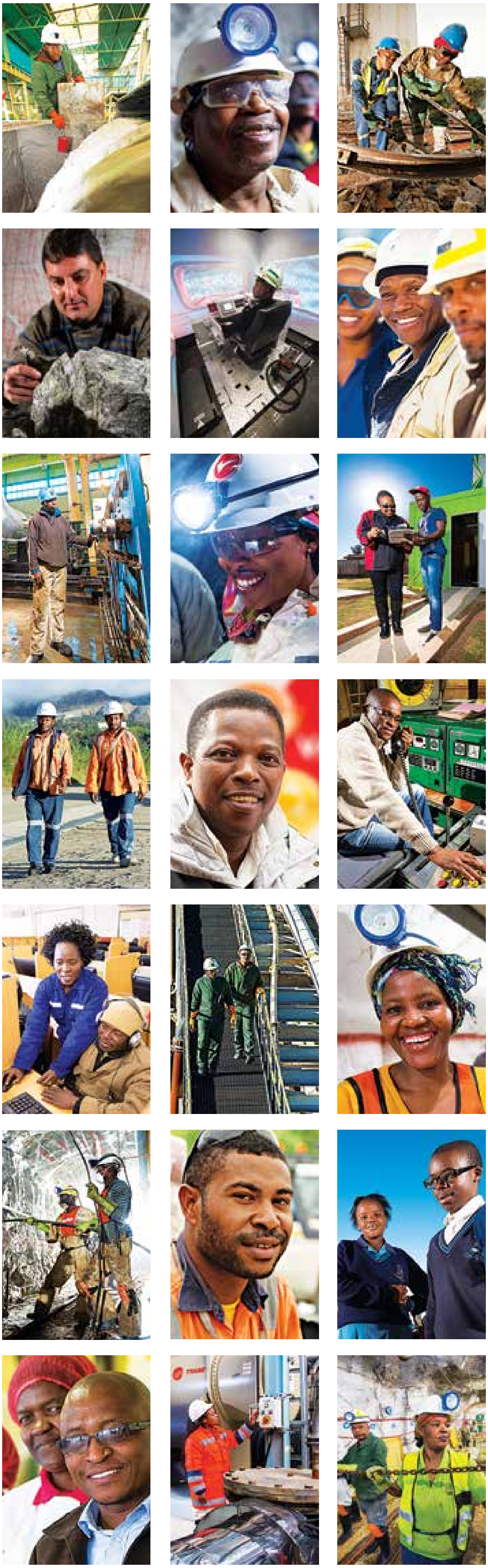


REPORT TO SHAREHOLDERS AND NOTICE OF MEETING AND SUMMARISED FINANCIAL STATEMENTS FY14

Our values

are at the core of all we do – they are part of our everyday actions and are built into the design of our business.

“We measure ourselves against these in everything we do and aim for.”

SAFETY

No matter the circumstances, safety is our main priority

ACCOUNTABLE

We are all accountable for delivering on our commitments

ACHIEVEMENT

Achievement is core to our success

CONNECTED

We are all connected as one team

HONESTY

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

CONTENTS

ABOUT THIS REPORT

Our 2014 Integrated Report tells the Harmony story – about the company, its people and assets, and how they contribute to our success. We also share with our readers information about our operating context, our strategy, the risks and opportunities we face, our targets, and how we have performed and intend to perform against these. In this summarised document for shareholders, we have introduced some of these elements from our Integrated Report, with guidance on how to find more detailed information. We hope that readers will see this as an invitation to join us on our integrated reporting journey.

The full integrated report is available at www.harmony.co.za/investors/reporting/annual-reports

WHO HARMONY IS

Harmony is a gold-mining and exploration company, with over six decades of experience, with operations in South Africa and Papua New Guinea (PNG), one of the world's most well-known gold mining regions and one of the world's premier new gold regions respectively. In 2014, Harmony was the third largest producer of gold in South Africa and the eleventh largest gold producer in the world.

At Harmony, we understand the significant impact that our company has on the lives of people, the environment and the communities that surround our mines, and the economic strength of the countries we operate in. We measure, we measure up and we deliver.

OUR OPERATIONS AND PROJECTS

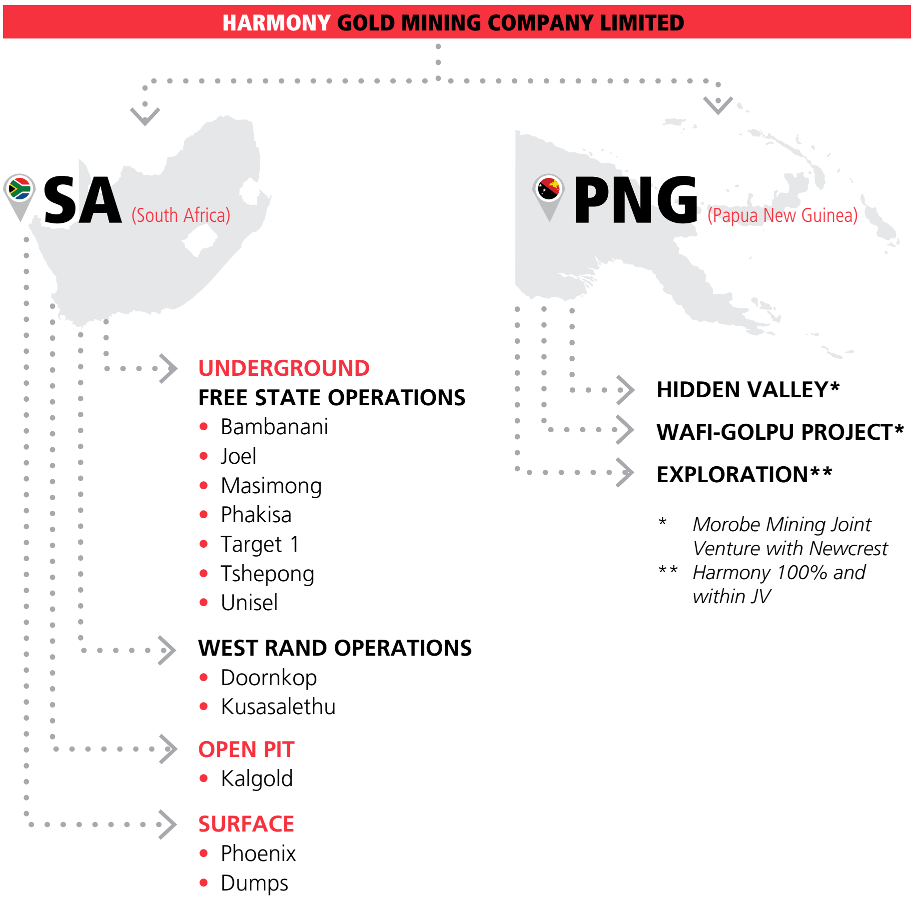
In South Africa our operations are focused on the world-renowned Witwatersrand Basin, as well as the Kraaipan Greenstone Belt. We operate nine underground mines, one open-pit mine and several surface operations.

Our operations in Papua New Guinea form part of a 50% joint venture with Newcrest Mining Limited. These operations include the Hidden Valley open-pit gold and silver mine, the Wafi-Golpu project and significant exploration tenements. In addition to our joint venture work, Harmony also has a 100%-owned exploration portfolio that focuses on highly prospective areas in Papua New Guinea.

In FY14, our South African operations accounted for 91% of our total production of 1.17Moz, with 9% coming from Papua New Guinea. At the same time, our South African holdings represent 70% of our mineral resource base, while those in Papua New Guinea represent 30%.

Looking ahead, the Golpu project is a differentiating feature for Harmony. This project is one of the best gold copper porphyries in South East Asia with an expected life-span of 40 years. It has a diameter of 600 metres and a proven depth of 1 700 metres so far, and is an asset that will contribute to the growth of Harmony for years to come.

WHERE WE OPERATE



OUR PEOPLE

Our strategy is to be a globally competitive gold mining company that delivers true long-term benefits to a broad range of stakeholders. We rely on experienced, skilled teams who live our values and play their role in maintaining stakeholder relationships, growing profits, and maintaining a sustainable company.

At the end of FY14, Harmony employed 34 686 people (28 991 employees and 5 695 contractors) in South Africa as well as 60 employees in Papua New Guinea (excluding employees from the Morobe Mining Joint Venture). Our employees are drawn from communities around our operations, and from other provinces in South Africa and other southern African countries.

Our corporate offices are located in Randfontein, South Africa, close to some of our South African operations, while our South-East Asia office is located in Brisbane, Queensland, Australia.

The company is governed by a board of directors comprising diverse skills and experience, which is committed to maintaining the highest levels of corporate governance. In turn, they entrust the management of Harmony to skilled management teams who work to ensure the company remains sustainable by creating healthy margins and earnings, while preserving low debt levels. For more on our board and management see www.har.co.za/14/about/board and www.har.co.za/14/about/management in our online integrated report.

OUR VALUES AND THEIR ROLE IN CREATING VALUE

Harmony lives its values - see the inside front cover of this report. These are the compass for our actions, ensuring that in addition to achieving strategic goals we seek to make the right decisions and support the members of our teams in doing so. These values are ingrained in training initiatives and decision-making processes, ensuring that they are at the forefront of employees' minds and actions. Our values extend beyond our gates. They guide how we interact with external stakeholders, from shareholders and the media to local communities and those from which our employees are drawn. Our hope is that through a commitment to these values we can build a company which people want to be associated with, and which will generate shared value into the future.

As a company Harmony understands that long-term value is about more than the gold we produce and the profits we make. These are fundamental to our ability to create value in the broadest sense, but our value is better reflected in the impact we make on the lives of people, now and in the future.

Our actions are guided by this understanding as well as our values, which are part of everyday behaviour at Harmony, and used as stepping stones on our path to achieving strategic goals.

OUR SHAREHOLDERS

Harmony is listed on the Johannesburg Stock Exchange and New York Stock Exchange. The company's shares are quoted in the form of American Depositary Receipts on the New York Stock Exchange and as International Depositary Receipts on the Berlin exchange.

OUR AWARDS

In FY14, Harmony was once again admitted to the Johannesburg Stock Exchange's Socially Responsible Investment Index, as we have been since the inception of that index. We were also awarded platinum status in the Johannesburg Stock Exchange top 100 companies for the Carbon Disclosure Project with a score of 98% for disclosure.

In addition, we were ranked eighth on the Nedbank BGreen Exchange Traded Fund and were given the Govan Mbeki National Award for best housing development project for the Masimong housing development in 2013, as well as the Govan Mbeki National Award for Best Community Residential Units project in 2014.

Our FY13 Integrated Report was awarded an excellent rating by Ernst&Young (EY), and we were one of 22 companies to receive an "A" rating, as well as joint tenth place in the Top 100 Integrated Reporting Awards by Nkonki Inc.

These awards all speak to our ongoing commitment to building a sustainable business, and we are proud to have been recognised.

Harmony in 2014
Produced: 1.17Moz of gold (FY13: 1.14Moz)
Employed: 34 746 people (FY13: 36 579)
Mineral reserves*: 49.5Moz (FY13: 51.5Moz)
Mineral resources*: 133.8Moz (FY13: 147.7Moz)
Revenue: R15 682 million (FY13: R15 902 million); US$ 1 515 million (FY13: US$1 803 million)
No dividends were declared in FY14

* *Gold and gold equivalents*

HOW WE PERFORMED

		FY14	FY13	FY12	FY11
Operating performance					
Ore milled	000t	**18 784**	18 373	18 154	18 449
Gold produced[1]	kg	**36 453**	35 374	36 273	37 801
	000oz	**1 172**	1 137	1 166	1 215
Operating costs[2]	R/kg	**328 931**	324 979	275 058	225 652
	US$/oz	**988**	1 146	1 101	1 004
All-in sustaining costs	R/kg	**413 433**	431 745	357 390	[10]
	US$/oz	**1 242**	1 522	1 431	[10]
Underground grade	g/t	**4.77**	4.54	4.26	4.63
Financial performance					
Revenue	R million	**15 682**	15 902	15 169	11 596
Production costs[2]	R million	**11 888**	11 321	9 873	8 504
Production profit[2]	R million	**3 794**	4 581	5 296	3 092
Operating margin	%	**24**	29	35	27
Net (loss)/profit for the year[2, 11]	R million	**(1 270)**	(2 349)	2 599	617
Total headline earnings per share[2, 11]	SA cents	**26**	52	603	223
Capital expenditure[5]	R million	**2 528**	3 649	3 049	2 948
Exploration spend	R million	**458**	673	500	324
Dividend spend	R million	**–**	435	431	214
Net debt	R million	**(1 031)**	(449)	(43)	(866)
Market performance					
Average gold price received[1]	R/kg	**432 165**	454 725	419 668	307 853
	US$/oz	**1 299**	1 603	1 681	1 370
Total market capitalisation	R billion	**13.6**	15.6	33.0	38.7
	US$ billion	**1.3**	1.6	4.0	5.7
Exchange rate	R/US$	**10.35**	8.82	7.77	6.99
Reserves					
Gold and gold equivalents	Moz	**49.5**	51.5	52.9	41.6
Geographical distribution of gold reserves					
– South Africa	%	**57**	58	58	89
– Papua New Guinea	%	**43**	42	42	11
Safety					
FIFR – fatal injury frequency rate	per million	**0.26**	0.10	0.11	0.18
LTIFR – lost-time injury frequency rate	per million	**7.54**[8]	5.46[7]	6.86[7]	8.25
Health (South Africa)					
– Shifts lost due to occupational illness and injury		**25 338**	20 236	23 497	26 492
– Noise-induced hearing loss (NIHL) compensated cases		**57**	52	101	365
– Silicosis cases certified[4]		**175**[8]	185[7]	872	731

		FY14	FY13	FY12	FY11
People					
Number of employees and contractors		**34 746**	36 579	36 915	36 296
Employment equity (historically disadvantaged South Africans in management)	%	**46**[8]	46[7]	44[7]	42[7]
Number of people in single rooms in 100% completed hostels[6]		**1 678**[8]	1 102[7]	555[7]	2 673
Number of people sharing		**6 841**[8]	8 629[7]	10 237[7]	7 322
Number of people in critical skill positions trained (We invested R1.2million in FY14 (FY13: R5.1 million)		**56**[8]	124[7]	74[7]	[10]
Community – group local economic development[13]	R million	**77.1**[8,14]	87.5	61.6	81.6
Meaningful economic participation[9]	%	**28**	28	28	36
Preferential procurement	R million	**3 442**[8]	2 459[7]	2 138[7]	2 151
Environment					
Mineral waste (volume disposed)	000t	**33 498**[8]	32 807[7]	20 252[7]	[10]
Total electricity use	000MWh	**2 798**[8]	2 704[7]	3 058[7]	3 254
CO2 emissions[12]					
- Scope 1	000t CO_2e	**75**[8]	94	[10]	[10]
- Scope 2	000t CO_2e	**2 745**[8]	2 648	3 047	3 425
- Scope 3	000t CO_2e	**661**[8]	617	[10]	[10]
Water used for primary activities[3]	000m³	**16 495**[8]	18 556[7]	32 979[7]	33 164
Funding/guarantees for rehabilitation and closure	R million	**2 200**	2 330	2 386	2 466

1 *Zero gold production capitalised in FY14 and FY13 (FY12: 36kg/1 157oz) (FY11:621kg/19 967oz)*

2 *Prior year figures restated for IFRIC20*

3 *Definition changed for FY13 to exclude fissure water from the reported figure*

4 *The number of cases of pure silicosis confirmed by the South Africa's Medical Bureau of Occupational Diseases in FY13 and FY14. Previously we assured silicosis cases submitted to the Medical Bureau of Occupational Diseases*

5 *Prior year figures re-presented to exclude discontinued operations*

6 *The number of single rooms only represent hostels which are 100% converted. The total amount of single rooms (including single rooms in incomplete hostels) are 5 027 for FY14 (FY13: 3 214)*

7 *Assured by independent auditors in the prior years – refer to http://www.harmony.co.za/investors/reporting/annual-reports*

8 *Assured by independent auditors in the current year. Please refer to the assurance report (www.har.co.za/14/action/assurance-report) and glossary of terms for definitions applied (www.har.co.za/14/numbers/glossary)*

9 *Percentage of production attributed to historically disadvantaged South Africans interests*

10 *Not previously reported*

11 *Includes discontinued operations*

12 *FY13 figures have been revised due to the alignment with the carbon disclosure project and Harmony's financial year end, as well as a restatement of the Scope 3 emission figure as a result of an anomaly picked up during the assurance process*

13 *Restatement of the FY13 local economic development due to a change in the definition. Kindly refer to key performance indicators definition presented in the glossary (www.har.co.za/14/numbers/glossary)*

14 *In addition, capital of R106 million (US$10 million) was spent in FY14 on the upgrading of hostel accommodation at various operations*

DIRECTORS' STATEMENT OF RESPONSIBILITY

FINANCIAL STATEMENTS

The directors have pleasure in presenting the summarised consolidated financial statements for the year ended 30 June 2014 (included in the Report to Shareholders) and the complete consolidated and company annual financial statements for the same period (collectively the annual financial statements). The annual financial statements (available at www.harmony.co.za) were audited by PricewaterhouseCoopers Inc. who expressed an unmodified opinion thereon. The audited annual financial statements and the auditor's report thereon are available for inspection at the company's registered office. The summarised consolidated financial statements are extracted from audited information, but are not themselves audited.

The annual financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and IFRIC Interpretations (collectively IFRS), the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the Companies Act of South Africa.

The directors are responsible for the preparation, integrity and fair presentation of the annual financial statements of the company and its subsidiaries. The annual financial statements have been prepared by Harmony Gold Mining Company Limited's corporate reporting team, headed by Herman Perry. This process was supervised by the financial director, Frank Abbott. The directors take full responsibility for the preparation of the summarised report and the financial information has been correctly extracted from the underlying consolidated annual financial statements.

The directors are also responsible for the maintenance of effective systems of internal control which are based on established organisational structure and procedures. These systems are designed to provide reasonable assurance as to the reliability of the consolidated and company annual financial statements, and to prevent and detect material misstatements and loss.

Nothing has come to the attention of the board that caused it to believe that the systems of internal controls and risk management are not effective and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements. The board's opinion is underpinned by the audit and risk committee's statement.

The annual financial statements have been prepared on a going concern basis and the directors believe that the company and group will continue to be in operation in the foreseeable future.

APPROVAL

The annual financial statements and summarised consolidated financial statements were approved by the board of directors and signed on its behalf by:

GP Briggs
Chief executive officer
Randfontein
South Africa

F Abbott
Financial director
Randfontein
South Africa

23 October 2014

SUMMARISED CONSOLIDATED INCOME STATEMENTS

for the years ended 30 June 2014

SA rand Restated 2013*	SA rand 2014	Figures in million	Note	US dollar 2014	US dollar Restated 2013*
		CONTINUING OPERATIONS			
15 902	**15 682**	Revenue		**1 515**	1 803
(16 448)	**(16 088)**	Cost of sales	3	**(1 549)**	(1 829)
(11 321)	**(11 888)**	Production costs		**(1 148)**	(1 283)
(2 001)	**(2 143)**	Amortisation and depreciation		**(207)**	(227)
(2 733)	**(1 439)**	Impairment of assets		**(135)**	(274)
(46)	**(274)**	Employment termination and restructuring costs		**(26)**	(5)
(347)	**(344)**	Other items		**(33)**	(40)
(546)	**(406)**	**Gross loss**		**(34)**	(26)
(465)	**(430)**	Corporate, administration and other expenditure		**(42)**	(53)
(127)	**(88)**	Social investment expenditure		**(9)**	(14)
(673)	**(458)**	Exploration expenditure		**(44)**	(76)
139	**30**	Profit on sale of property, plant and equipment		**3**	16
(350)	**(208)**	Other expenses (net)	4	**(20)**	(40)
(2 022)	**(1 560)**	**Operating loss**		**(146)**	(193)
–	**(109)**	Loss from associates	8	**(10)**	–
(88)	**7**	Profit on disposal/(impairment) of investments		**1**	(10)
173	**170**	Net gain on financial instruments		**16**	20
185	**220**	Investment income		**21**	21
(256)	**(277)**	Finance cost		**(27)**	(29)
(2 008)	**(1 549)**	**Loss before taxation**		**(145)**	(191)
(655)	**279**	Taxation	5	**27**	(69)
(2 663)	**(1 270)**	**Net loss from continuing operations**		**(118)**	(260)
		DISCONTINUED OPERATIONS			
314	**–**	Profit from discontinued operations		**–**	36
(2 349)	**(1 270)**	**Net loss for the year**		**(118)**	(224)
		Attributable to:			
(2 349)	**(1 270)**	Owners of the parent		**(118)**	(224)
–	**–**	Non-controlling interest		**–**	–
		(Loss)/earnings per ordinary share (cents)	6		
(616)	**(293)**	Loss from continuing operations		**(27)**	(60)
73	**–**	Earnings from discontinued operations		**–**	8
(543)	**(293)**	**Total loss**		**(27)**	(52)
		Diluted (loss)/earnings per ordinary share (cents)	6		
(616)	**(293)**	Loss from continuing operations		**(27)**	(60)
73	**–**	Earnings from discontinued operations		**–**	8
(543)	**(293)**	**Total diluted loss**		**(27)**	(52)

** The prior year's results have been restated due to a change in accounting policy. Refer to note 2.3 for details.*

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 2014

SA rand				US dollar	
Restated 2013*	2014	*Figures in million*	Note	2014	Restated 2013*
(2 349)	**(1 270)**	Net loss for the year		**(118)**	(224)
737	**(140)**	Other comprehensive (loss)/income for the year, net of income tax		**(209)**	(666)
737	**(109)**	Items that may be reclassified subsequently to profit or loss		**(206)**	(666)
742	**(108)**	Foreign exchange translation (loss)/gain		**(206)**	(665)
(79)	**13**	Gain/(loss) on fair value movement of available-for-sale investments		**1**	(9)
88	**(14)**	Movement on available-for-sale investments recognised in profit or loss		**(1)**	10
(14)	**–**	Reversal of fair value movement on acquisition of associate		**–**	(2)
–	**(31)**	Items that will not be reclassified to profit or loss		**(3)**	–
–	**(38)**	Actuarial loss recognised during the year		**(4)**	–
–	**7**	Deferred taxation thereon		**1**	–
(1 612)	**(1 410)**	**Total comprehensive loss for the year**		**(327)**	(890)
		Attributable to:			
(1 612)	**(1 410)**	Owners of the parent		**(327)**	(890)
–	**–**	Non-controlling interest		**–**	–

** The prior year's results have been restated due to a change in accounting policy. Refer to note 2.3 for details.*

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

SUMMARISED CONSOLIDATED BALANCE SHEETS

SA rand					US dollar		
Restated At 1 July 2012*	Restated At 30 June 2013*	At 30 June 2014	*Figures in million*	Note	At 30 June 2014	Restated At 30 June 2013*	Restated At 1 July 2012*
			ASSETS				
			Non-current assets				
32 760	32 732	**33 069**	Property, plant and equipment		**3 116**	3 279	3 992
2 196	2 191	**886**	Intangible assets		**84**	220	268
36	37	**42**	Restricted cash		**4**	4	4
1 842	2 054	**2 299**	Restricted investments		**217**	206	224
486	104	**81**	Deferred tax assets		**8**	10	59
–	109	**–**	Investments in associates	8	**–**	11	–
146	49	**4**	Investments in financial assets	7	**–**	5	18
58	57	**50**	Inventories		**5**	6	7
28	–	**–**	Trade and other receivables		**–**	–	3
37 552	37 333	**36 431**	**Total non-current assets**		**3 434**	3 741	4 575
			Current assets				
980	1 417	**1 534**	Inventories		**145**	142	119
1 245	1 162	**951**	Trade and other receivables		**90**	116	152
118	132	**110**	Income and mining taxes		**10**	13	14
–	–	**15**	Restricted cash		**1**	–	–
1 773	2 089	**1 829**	Cash and cash equivalents		**172**	209	216
4 116	4 800	**4 439**			**418**	480	501
1 423	–	**–**	Assets of disposal groups classified as held for sale		**–**	–	174
5 539	4 800	**4 439**	**Total current assets**		**418**	480	675
43 091	42 133	**40 870**	**Total assets**		**3 852**	4 221	5 250
			EQUITY AND LIABILITIES				
			Share capital and reserves				
28 331	28 325	**28 325**	Share capital		**4 035**	4 035	4 036
2 429	3 442	**3 539**	Other reserves		**(887)**	(701)	(65)
3 213	448	**(822)**	(Accumulated loss)/retained earnings		**(223)**	(105)	168
33 973	32 215	**31 042**	**Total equity**		**2 925**	3 229	4 139
			Non-current liabilities				
3 106	3 021	**2 680**	Deferred tax liabilities		**253**	303	378
1 865	1 997	**2 098**	Provision for environmental rehabilitation		**198**	200	227
177	194	**247**	Retirement benefit obligation		**23**	19	22
30	55	**95**	Other non-current liabilities		**9**	5	4
1 503	2 252	**2 860**	Borrowings	9	**270**	226	183
6 681	7 519	**7 980**	**Total non-current liabilities**		**753**	753	814
			Current liabilities				
313	286	**–**	Borrowings	9	**–**	28	38
1	4	**–**	Income and mining taxes		**–**	–	–
1 747	2 109	**1 848**	Trade and other payables		**174**	211	213
2 061	2 399	**1 848**			**174**	239	251
376	–	**–**	Liabilities of disposal groups classified as held for sale		**–**	–	46
2 437	2 399	**1 848**	**Total current liabilities**		**174**	239	297
43 091	42 133	**40 870**	**Total equity and liabilities**		**3 852**	4 221	5 250

* *The prior years' results have been restated due to a change in accounting policy. Refer to note 2.3 for details.*

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

SUMMARISED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY

for the years ended 30 June 2014

Figures in million (SA rand)	Number of ordinary shares issued [1]	Share capital	Share Premium	Retained earnings/ (accumulated loss)	Other reserves	Total
Balance – 30 June 2012 as previously reported*	431 564 236	216	28 115	3 307	2 444	34 082
Restatement for IFRIC 20	–	–	–	(94)	(15)	(109)
Restated balance – 30 June 2012	431 564 236	216	28 115	3 213	2 429	33 973
Issue of shares						
– Exercise of employee share options	225 654	–	1	–	–	1
– Shares issued to the Thlakanelo Employee Share Trust	3 500 000	–	–	–	–	–
Share-based payments	–	–	(7)	–	274	267
Net loss for the year*	–	–	–	(2 349)	–	(2 349)
Other comprehensive income for the year*	–	–	–	–	737	737
Option premium on BEE transaction	–	–	–	–	2	2
Share of retained earnings on acquisition on associate	–	–	–	19	–	19
Dividends paid [2]	–	–	–	(435)	–	(435)
Balance – 30 June 2013	435 289 890	216	28 109	448	3 442	32 215
Issue of shares						
– Exercise of employee share options	**535 557**	**–**	**–**	**–**	**–**	**–**
Share-based payments	**–**	**–**	**–**	**–**	**237**	**237**
Net loss for the year	**–**	**–**	**–**	**(1 270)**	**–**	**(1 270)**
Other comprehensive loss for the year	**–**	**–**	**–**	**–**	**(140)**	**(140)**
Balance – 30 June 2014	**435 825 447**	**216**	**28 109**	**(822)**	**3 539**	**31 042**

Figures in million (US dollar)						
Balance – 30 June 2012 as previously reported*	431 564 236	33	4 003	180	(64)	4 152
Restatement for IFRIC 20		–	–	(12)	(1)	(13)
Restated balance – 30 June 2012	431 564 236	33	4 003	168	(65)	4 139
Issue of shares						
– Exercise of employee share options	225 654	–	–	–	–	–
– Shares issued to the Thlakanelo Employee Share Trust	3 500 000	–	–	–	–	–
Share-based payments	–	–	(1)	–	30	29
Net loss for the year*	–	–	–	(224)	–	(224)
Other comprehensive loss for the year*	–	–	–	–	(666)	(666)
Share of retained earnings on acquisition of associate	–	–	–	2	–	2
Dividends paid [2]	–	–	–	(51)	–	(51)
Balance – 30 June 2013	435 289 890	33	4 002	(105)	(701)	3 229
Issue of shares						
– Exercise of employee share options	**535 557**	**–**	**–**	**–**	**–**	**–**
Share-based payments	**–**	**–**	**–**	**–**	**23**	**23**
Net loss for the year	**–**	**–**	**–**	**(118)**	**–**	**(118)**
Other comprehensive loss for the year	**–**	**–**	**–**	**–**	**(209)**	**(209)**
Balance – 30 June 2014	**435 825 447**	**33**	**4 002**	**(223)**	**(887)**	**2 925**

* *The prior years' results have been restated due to a change in accounting policy. Refer to note 2.3 for details.*

[1] ***Authorised***
1 200 000 000 (2013: 1 200 000 000) ordinary shares of 50 SA 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. During August 2012, 3.5 million shares were issued to the Tlhakanelo Trust. As the trust is controlled by the group, the shares are treated as treasury shares. During 2014, 828 921 (2013: 937 548) shares were exercised by employees and the remaining 1 733 531 shares are still held as treasury shares.

[2] *Dividends per share is disclosed under the earnings per share note. Refer to note 6.*

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

SUMMARISED CONSOLIDATED CASH FLOW STATEMENTS

for the years ended 30 June 2014

SA rand				US dollar	
Restated 2013*	**2014**	*Figures in million*	Note	**2014**	Restated 2013*
		CASH FLOW FROM OPERATING ACTIVITIES			
3 466	**2 247**	Cash generated by operations		**218**	394
138	**139**	Interest received		**13**	16
(125)	**(121)**	Interest paid		**(12)**	(14)
(312)	**3**	Income and mining taxes refunded/(paid)		**–**	(33)
3 167	**2 268**	**Cash generated by operating activities**		**219**	363
		CASH FLOW FROM INVESTING ACTIVITIES			
–	**(6)**	Increase in restricted cash		**(1)**	–
–	**(24)**	Increase in amounts invested in environmental trusts		**(2)**	–
1 264	**–**	Proceeds on disposal of Evander, net of cash disposed		**–**	139
–	**51**	Proceeds on disposal of investments		**5**	–
(4)	**–**	Increase in amounts invested in social trust fund		**–**	(1)
(86)	**–**	Purchase of investment in associate		**–**	(9)
(5)	**(13)**	Additions to intangible assets		**(1)**	(1)
137	**–**	Proceeds on disposal of property, plant and equipment		**–**	16
(4 096)	**(2 648)**	Additions to property, plant and equipment		**(256)**	(464)
(2 790)	**(2 640)**	**Cash utilised by investing activities**		**(255)**	(320)
		CASH FLOW FROM FINANCING ACTIVITIES			
678	**612**	Borrowings raised		**60**	80
(333)	**(468)**	Borrowings repaid		**(44)**	(35)
1	**–**	Ordinary shares issued		**–**	–
2	**–**	Option premium on BEE transaction		**–**	–
(435)	**–**	Dividends paid		**–**	(50)
(87)	**144**	**Cash generated/(utilised) by financing activities**		**16**	(5)
26	**(32)**	**Foreign currency translation adjustments**		**(17)**	(45)
316	**(260)**	Net (decrease)/increase in cash and cash equivalents		**(37)**	(7)
1 773	**2 089**	Cash and cash equivalents – beginning of year		**209**	216
2 089	**1 829**	**Cash and cash equivalents – end of year**		**172**	209

* *The prior year's results have been restated due to a change in accounting policy. Refer to note 2.3 for details.*

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

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

for the years ended 30 June 2014

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 (PNG).

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 23 October 2014.

2 ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The summarised consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, and the requirements of the Companies Act applicable to summarised financial statements. The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA *Financial Reporting Guides* as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*. The summarised consolidated financial statements should be read in conjunction with the consolidated annual financial statements for the year ended 30 June 2014, which have been prepared in accordance with IFRS. The accounting policies are consistent with those described in the consolidated annual financial statements.

2.2 FOREIGN CURRENCY TRANSLATION

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 dollar for the benefit of local and international users.

For translation of the rand financial statement items to US dollar, the average of R10.35 (2013: R8.82) 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 R10.61 (2013: R9.98) per US$1 for asset and liability items. Equity items were translated at historic rates. The profit from discontinued operations for the 2013 financial year was translated at the average rate for the eight months (being the period that Evander was part of the group during 2013) of R8.55 per US$1.

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.

2.3 CHANGES IN ACCOUNTING POLICIES

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

IFRIC 20 – *Stripping Costs in the Production Phase of a Surface Mine* (IFRIC 20) which became effective for annual periods beginning on or after 1 January 2013, clarifies the requirements for accounting for the costs of stripping activity in the production phase of surface mining when two benefits accrue:

(i) usable ore that can be used to produce inventory; and

(ii) improved access to further quantities of material that will be mined in future periods.

Harmony has applied IFRIC 20 on a prospective basis from 1 July 2011 in compliance with the transitional requirements of IFRIC 20.

Harmony previously accounted for stripping costs incurred during the production phase to remove waste material by deferring these costs, which were then charged to production costs on the basis of the average life-of-mine stripping ratio.

2 ACCOUNTING POLICIES CONTINUED

2.3 CHANGES IN ACCOUNTING POLICIES CONTINUED

A stripping activity asset shall be recognised if all of the following are met:

(i) it is probable that the future economic benefit (improved access to the orebody) associated with the stripping activity will flow to the entity;

(ii) the entity can identify the component of the orebody for which access has been improved; and

(iii) the cost relating to the stripping activity associated with that component can be measured reliably.

The stripping asset shall be depreciated over the expected useful life of the identified component of the orebody based on the units-of-production method.

Where there were no identifiable components of the orebody to which the predecessor asset relates, the asset was written off to retained earnings at the beginning of the earliest period presented. On 1 July 2011, an amount of R45 million (US$6.6 million) was written off to opening retained earnings.

The comparative periods presented have been restated.

Reconciliation of the effect of the change in accounting standard:

Summarised consolidated income statements

SA rand		US dollar
2013	*Figures in million*	2013
	Cost of sales	
	Production costs	
(11 400)	As previously reported	(1 292)
79	IFRIC 20 adjustment	9
(11 321)	Restated	(1 283)
	Amortisation and depreciation	
(1 942)	As previously reported	(220)
(59)	IFRIC 20 adjustment	(7)
(2 001)	Restated	(227)
	Other items	
(347)	As previously reported	(40)
–	IFRIC 20 adjustment	–
(347)	Restated	(40)
20	**Decrease in net loss for the period***	2

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

Summarised consolidated statements of comprehensive income

SA rand		US dollar
2013	*Figures in million*	2013
20	**Decrease in net loss for the period***	2
	Other comprehensive income for the period net of income tax	
	Foreign exchange translation	
749	As previously reported	(667)
(7)	IFRIC 20 adjustment	2
742	Restated	(665)
13	**Decrease in total comprehensive loss for the period***	4

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

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the years ended 30 June 2014

2 ACCOUNTING POLICIES CONTINUED

2.3 CHANGES IN ACCOUNTING POLICIES CONTINUED

Summarised consolidated balance sheets

SA rand			US dollar	
2012	2013	*Figures in million*	2013	2012
		Non-current assets		
		Property, plant and equipment		
32 853	32 820	As previously reported	3 287	4 003
(93)	(88)	IFRIC 20 adjustment	(8)	(11)
32 760	32 732	Restated	3 279	3 992
		Current assets		
		Inventories		
996	1 425	As previously reported	143	121
(16)	(8)	IFRIC 20 adjustment	(1)	(2)
980	1 417	Restated	142	119
		Share capital and reserves		
		Other reserves		
2 444	3 464	As previously reported	(702)	(64)
(15)	(22)	IFRIC 20 adjustment [1]	1	(1)
2 429	3 442	Restated	(701)	(65)
		Retained earnings		
3 307	522	As previously reported	95	180
(94)	(74)	IFRIC 20 adjustment	10	(12)
3 213	448	Restated	105	168
(109)	(96)	**(Decrease)/increase in total equity**	11	(13)

[1] *Translation effect of the IFRIC 20 adjustments on foreign operations*

Summarised consolidated cash flow statements

SA rand		US dollar
2013	*Figures in million*	2013
	Cash generated by operating activities	
2 855	As previously reported	328
312	IFRIC 20 adjustment	35
3 167	Restated	363
	Cash utilised by investing activities	
(2 478)	As previously reported	(285)
(312)	IFRIC 20 adjustment	(35)
(2 790)	Restated	(320)
–	**(Decrease)/increase in cash and cash equivalents**	–

for the years ended 30 June 2014

2 ACCOUNTING POLICIES CONTINUED

2.3 CHANGES IN ACCOUNTING POLICIES CONTINUED

(Loss)/earnings per share

SA rand 2013		US dollar 2013
	Total basic and diluted (loss)/earnings per share (cents)	
(548)	As previously reported	(53)
5	IFRIC 20 adjustment	1
(543)	Restated	(52)
	Total headline earnings	
	Figures in million	
204	As previously reported	31
20	IFRIC 20 adjustment	2
224	Restated	33
	Total headline and diluted headline earnings per share (cents)	
47	As previously reported	7
5	IFRIC 20 adjustment	–
52	Restated	7

3 COST OF SALES

SA rand Restated 2013	SA rand 2014	*Figures in million*	US dollar 2014	US dollar Restated 2013
11 321	**11 888**	Production costs	**1 148**	1 283
1 956	**2 092**	Amortisation and depreciation of mining assets	**202**	222
45	**51**	Amortisation and depreciation of assets other than mining assets	**5**	5
(24)	**8**	Rehabilitation expenditure/(credit)	**1**	(2)
68	**66**	Care and maintenance cost of restructured shafts	**6**	8
46	**274**	Employment termination and restructuring costs (a)	**26**	5
266	**270**	Share-based payments	**26**	30
2 733	**1 439**	Impairment of assets (b)	**135**	274
37	**–**	Other	**–**	4
16 448	**16 088**	**Total cost of sales**	**1 549**	1 829

(a) During 2013, the group's South African operations embarked on a programme whereby voluntary severance packages were offered to all employees while Hidden Valley underwent a significant restructuring process. This programme was concluded in June 2014.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the years ended 30 June 2014

3 COST OF SALES CONTINUED

(b) Impairment of assets consists of the following:

SA rand			US dollar	
2013	**2014**	*Figures in million*	**2014**	2013
–	**1 382**	Phakisa	**130**	–
27	**36**	Steyn 2 (Bambanani)	**3**	3
31	**21**	St Helena (Other – underground)	**2**	3
2 675	**–**	Hidden Valley	**–**	268
2 733	**1 439**	**Total impairment of assets**	**135**	274

During the 2014 year, an impairment of R1.38 billion (US$130.3 million) was recognised on Phakisa, following a change in the life-of-mine plan during the annual planning process. The change resulted after the completion of a feasibility study in the current year on the proposed decline shaft, which showed significant additional capital requirements. It was therefore decided not to proceed with the sinking of the decline shaft. The exclusion of the decline shaft from the life-of-mine plan resulted in a decrease in the reserves of Phakisa of 2 million ounces. The impairment comprises of R1.31 billion (US$123.1 million) goodwill and R75 million (US$7.1 million) mining assets. The recoverable amount of Phakisa is R4.26 billion (US$401.7 million) and has been determined on a fair value less costs to sell basis using the assumptions as set out below. This is a fair value measurement, classified as level 3.

Impairments on Steyn 2 (R36 million) (US$3.4 million) (2013: R27 million (US$2.7 million)) and St Helena (R21 million) (US$2.0 million) (2013: R31 million (US$3.1 million)) were recognised following the decision not to mine these operations in future. The operations were impaired to the recoverable amount of Rnil (US$nil).

During the 2013 financial year, an impairment to the value of R2.68 billion (US$268.0 million) was recognised for Hidden Valley. This was due to the operation's poor performance at that stage and the reduction in the US dollar gold and silver prices.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS – IMPAIRMENT OF 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 (costs to sell), exchange rates and the annual life-of-mine plans. In determining the gold price to be used, management assesses the long-term views of several reputable institutions on the gold price and based on this, derives 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 and the following gold price and exchange rate assumptions:

	2014	2013		
		Short term	Medium term	Long term
		Year 1	Year 2	Year 3+
US$ gold price per ounce	**1 300**	1 250	1 300	1 400
Exchange rate (R/US$)	**10.17**	9.95	9.57	8.89
Rand gold price (R/Kg)	**425 000**	400 000	400 000	400 000

During this year's planning and testing, we used a long-term gold price of US$1 300 per ounce, a silver price of US$21 per ounce and exchange rates of R10.17/US$ for South African operations and rates of A$0.92/US$ and PGK0.404/US$ for PNG. The post-tax real discount rate for Hidden Valley was 9.33% (2013: 8.52%) and the post-tax real discount rates for the South African operations ranged between 7.03% and 11.56% (2013: 6.21% and 10.20%), depending on the asset, were used to determine the recoverable amounts (generally fair value less costs to sell). Cash flows used in the impairment calculations are based on life-of-mine plans which exceed five years for the majority of the mines.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the years ended 30 June 2014

3 COST OF SALES CONTINUED

(b) Impairment of assets CONTINUED

SENSITIVITY ANALYSIS – IMPAIRMENT OF ASSETS

One of the most significant assumptions that influence the life-of-mine plans and therefore impairments is the expected commodity prices. A 10% decrease in the commodity price assumptions used in the models would have resulted in an additional impairment at 30 June 2014 for Kalgold of R23 million (US$2.2 million), Phakisa R1.0 billion (US$94.3 million), Target 1 R704 million (US$66.4 million) and Hidden Valley of R1.5 billion (US$141.4 million). This analysis assumes that all other variables remain constant.

4 OTHER EXPENSES (NET)

SA rand			US dollar	
2013	**2014**	*Figures in million*	**2014**	2013
330	**190**	Foreign exchange losses – net (a)	**18**	38
1	**21**	Bad debts provision expense	**2**	–
2	**–**	Bad debts written off	**–**	–
17	**(3)**	Other (income)/expenses – net	**–**	2
350	**208**	**Total other expenses (net)**	**20**	40

(a) Included in the total for 2014 is a loss of R155 million (US$15.0 million) (2013: R351 million (US$39.8 million)) related to the translation of the US dollar denominated loan into SA rand (refer to note 9) and a loss of R35 million (US$3.4 million) related to the Australasian intercompany loans not designated as forming part of the net investment of the group's international operations. The losses for 2013 from the US dollar loan were offset by the foreign exchange gains relating to the Australasian intercompany loans mentioned above.

5 TAXATION

SA rand			US dollar	
2013	**2014**	*Figures in million*	**2014**	2013
		SA taxation		
324	**29**	Mining tax [1]	**3**	37
324	**56**	– current year	**5**	37
–	**(27)**	– prior year	**(2)**	–
(53)	**(5)**	Non-mining tax	**(1)**	(6)
4	**15**	– current year	**1**	–
(57)	**(20)**	– prior year	**(2)**	(6)
(81)	**(334)**	Deferred tax	**(32)**	(9)
(81)	**(334)**	– current year	**(32)**	(9)
190	**(310)**		**(30)**	22
		Foreign taxation		
		Deferred tax		
(83)	**31**	– current year	**3**	(9)
548	**–**	– derecognition of deferred tax asset	**–**	56
655	**(279)**	**Total taxation (credit)/expense**	**(27)**	69

[1] *The decrease in mining tax year on year is due to the lower profitability resulting from lower revenue and higher costs.*

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the years ended 30 June 2014

5 TAXATION CONTINUED

INCOME AND MINING TAX RATES

Major items causing the group's income tax provision to differ from the South African mining statutory tax rate of 34% (2013: 34%) for continuing operations were:

SA rand			US dollar	
Restated 2013	**2014**	*Figures in million*	**2014**	Restated 2013
(683)	**(527)**	Tax on net loss from continuing operations at the mining statutory tax rate	**(49)**	(65)
284	**274**	Non-allowable deductions	**25**	32
–	**444**	Impairment of goodwill	**43**	–
(73)	**(49)**	Difference between effective mining tax rate and statutory mining rate on mining income	**(5)**	(8)
(1)	**(3)**	Difference between non-mining tax rate and statutory mining rate on non-mining income	**–**	–
(59)	**(115)**	Effect on temporary differences due to changes in effective tax rates [1]	**(11)**	(4)
(57)	**(47)**	Prior year adjustment	**(5)**	(6)
(461)	**(518)**	Capital allowance, sale of business and other rate differences [2]	**(50)**	(52)
548	**–**	Derecognition of deferred tax asset [3]	**–**	56
1 157	**262**	Deferred tax asset not recognised [4]	**25**	116
655	**(279)**	**Income and mining taxation**	**(27)**	69
33	**18**	**Effective income and mining tax rate (%)**	**19**	36

[1] The significant decreases in the deferred tax rates of Harmony Gold Mining Company Limited (Harmony) (26.4% to 13.4%) and ARMGold/Harmony Freegold Joint Venture Company (Proprietary) Limited (Freegold) (22.9% to 20.3%) in 2014 is mainly due to the lower estimated profitability. In 2013, the significant decreases related to Freegold (24.3% to 22.9%) and Randfontein Estates Limited (Randfontein) (18.6% to 17.4%).

[2] This relates to the additional capital allowance that may be deducted from taxable income from mining operations in South Africa. A significant portion relates to Avgold Limited (Avgold), which has a 0% effective tax rate.

[3] Represents the derecognition of the previously recognised deferred tax asset in respect of tax losses for the Hidden Valley operation for which future taxable profits are no longer considered probable.

[4] This relates primarily to the Hidden Valley operation and represents tax losses and deductible temporary difference arising in the year for which future taxable profits are not considered probable.

6 (LOSS)/EARNINGS PER SHARE

BASIC (LOSS)/EARNINGS PER SHARE

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

2013	**2014**		**2014**	2013
435 290	**435 825**	Ordinary shares in issue ('000)	**435 825**	435 290
(733)	**(287)**	Adjustment for weighted number of ordinary shares in issue ('000)	**(287)**	(733)
434 557	**435 538**	Weighted number of ordinary shares in issue ('000)	**435 538**	434 557
(2 676)	**(2 326)**	Treasury shares ('000)	**(2 326)**	(2 676)
431 881	**433 212**	**Basic weighted average number of shares in issue ('000)**	**433 212**	431 881

SA rand			US dollar	
Restated 2013	**2014**	*Figures in million*	**2014**	Restated 2013
(2 663)	**(1 270)**	Net loss from continuing operations	**(118)**	(260)
314	**–**	Net profit from discontinued operations	**–**	36
(2 349)	**(1 270)**	**Total net loss attributable to shareholders**	**(118)**	(224)
(616)	**(293)**	Basic loss per share from continuing operations (cents)	**(27)**	(60)
73	**–**	Basic earnings per share from discontinued operations (cents)	**–**	8
(543)	**(293)**	**Total basic loss per share (cents)**	**(27)**	(52)

6 (LOSS)/EARNINGS PER SHARE CONTINUED

DILUTED (LOSS)/EARNINGS PER SHARE

For diluted (loss)/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.

2013	2014		2014	2013
431 881	**433 212**	Weighted average number of ordinary shares in issue ('000)	**433 212**	431 881
836	**1 503**	Potential ordinary shares ('000)	**1 503**	836
432 717	**434 715**	**Weighted average number of ordinary shares for diluted earnings per share ('000)**	**434 715**	432 717

SA rand			US dollar	
Restated 2013	2014	*Figures in million*	2014	Restated 2013
(616)	**(293)**	Diluted loss per share from continuing operations (cents)	**(27)**	(60)
73	**–**	Diluted earnings per share from discontinued operations (cents)	**–**	8
(543)	**(293)**	**Total diluted loss per share (cents)**	**(27)**	(52)

The inclusion of share options issued to employees, as potential ordinary shares, has a dilutive effect on the (loss)/earnings 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 PER SHARE

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

SA rand			US dollar	
Restated 2013	2014	*Figures in million*	2014	Restated 2013
		Continuing operations		
(2 663)	**(1 270)**	Net loss	**(118)**	(260)
		Adjusted for:		
(139)	**(30)**	Profit on sale of property, plant and equipment	**(3)**	(16)
31	**6**	Taxation effect of profit on sale of property, plant and equipment	**1**	4
88	**(7)**	(Profit on disposal)/impairment of investments [1]	**(1)**	10
2 733	**1 439**	Impairment of assets	**135**	274
(38)	**(24)**	Taxation effect of impairment of assets	**(2)**	(4)
12	**114**	**Headline profit from continuing operations**	**12**	8
		Discontinued operations		
314	**–**	Net profit	**–**	36
		Adjusted for:		
(102)	**–**	Profit on sale of investment in subsidiary [1]	**–**	(11)
212	**–**	**Headline profit from discontinued operations**	**–**	25
224	**114**	**Total headline profit**	**12**	33

[1] *There is no taxation effect on these items.*

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the years ended 30 June 2014

6 (LOSS)/EARNINGS PER SHARE CONTINUED

HEADLINE EARNINGS PER SHARE CONTINUED

SA rand			US dollar	
Restated 2013	2014		2014	Restated 2013
3	**26**	Basic headline earnings per share from continuing operations (cents)	**2**	1
49	**–**	Basic headline earnings per share from discontinued operations (cents)	**–**	6
52	**26**	**Total basic headline earnings per share (cents)**	**2**	7
3	**26**	Diluted headline earnings per share from continuing operations (cents)	**2**	1
49	**–**	Diluted headline earnings per share from discontinued operations (cents)	**–**	6
52	**26**	**Total diluted headline earnings per share (cents)**	**2**	7

DIVIDENDS

No dividends were declared for the year ended 30 June 2014.

On 13 August 2012, the board declared a dividend of 50 SA cents (US$6.2 cents) per share related to the year ended 30 June 2012. An interim dividend for the year ended 30 June 2013 of 50 SA cents (US$5.7 cents) was declared on 1 February 2013.

SA rand			US dollar	
2013	2014	*Figures in million*	2014	2013
435	**–**	Dividend declared	**–**	51
100	**–**	Dividend per share (cents)	**–**	12

7 INVESTMENTS IN FINANCIAL ASSETS

SA rand			US dollar	
2013	2014	*Figures in million*	2014	2013
146	**49**	Balance at beginning of year	**5**	18
86	**–**	Additions (a)	**–**	9
(79)	**6**	Fair value movement of available-for-sale investments (a) (b)	**1**	(9)
(14)	**–**	Reversal of fair value movements on acquisition of associate (a)	**–**	(2)
(90)	**–**	Reclassification to investment in associates (a)	**–**	(9)
–	**(51)**	Disposals (b)	**(5)**	–
–	**–**	Translation	**(1)**	(2)
49	**4**	**Balance at end of year**	**–**	5
		The carrying amount consists of the following:		
		Available-for-sale financial assets:		
44	**–**	Investment in listed shares - Wits Gold (b)	**–**	4
5	**4**	Investment in unlisted shares	**–**	1
49	**4**	**Total available-for-sale financial assets**	**–**	5

(a) At 1 July 2012, the group held a 1.8% interest in Rand Refinery (Proprietary) Limited (Rand Refinery) of R9 million (US$1.1 million), which was classified as an available-for-sale financial asset. The group purchased additional shares during 2013, taking the group's interest to just more than 10% and allowing for the appointment of a director to the Rand Refinery board. This resulted in the group being able to exercise a significant influence over the operations of Rand Refinery and as such the investment was classified as an investment in associates. Refer to note 8.

During 2013, an amount of R9 million (US$1.1 million) was recorded in the fair value reserve for the investment. On the acquisition of the associate, the cumulative fair value gains were reversed from the fair value reserve and the cost of the investment reclassified to investments in associates.

(b) Included in the amount for 2014 is a net increase in fair value of R7 million (US$0.7 million) for the investment in Wits Gold. During the December 2013 quarter, a cash offer for Wits Gold's entire share capital was made to all Wits Gold shareholders by Sibanye. Harmony accepted the offer and on 14 April 2014 a total consideration of R51 million (US$4.9 million) was received. The accumulated gain of R14 million (US$1.3 million) recognised in equity during the year was reclassified to the income statement, offsetting the impairment recognised during the year, resulting in a profit on disposal.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the years ended 30 June 2014

8 INVESTMENTS IN ASSOCIATES

(i) Harmony has equity accounted for its share of the profits and losses based on Rand Refinery's most recent available management accounts, adjusted for transactions that management deemed necessary to reflect the group's financial position.

One of the adjustments relate to the implementation of a new Enterprise Resource Planning (ERP) system at Rand Refinery on 1 April 2013 to conduct its financial and management accounting. Since the implementation of the ERP software, the customisation of the software has been problematic with the result that Rand Refinery has not been able to reconcile certain accounts at 30 September 2013 and therefore has not been able to finalise its annual financial statements for the year. Rand Refinery's management team is currently resolving the problems encountered with the ERP software and is in the process of investigating the transactions processed from 1 April 2013 on the ERP system to determine if any adjustments to their current financial records are required. Thus far a discrepancy has been noted between the actual inventory and the accounting records of approximately 87 000 ounces of gold. Due to the uncertainty surrounding the matter, Harmony has reflected its full share of the loss as an adjustment to the management accounts. Therefore, Harmony has recognised a R127 million (US$120 million) loss in the 2014 financial statements to account for its share of this discrepancy.

(ii) As a precautionary measure following the challenges experienced by the implementation of the software system, Rand Refinery's shareholders have extended Rand Refinery an irrevocable, subordinated loan facility of up to R1.2 billion (US$113.1 million), which can only be drawn down when there is confirmation that an actual loss has been recorded by Rand Refinery relating to the ERP Implementation. The facility, if drawn down, is convertible to equity after a period of two years. Harmony's maximum commitment in terms of this facility will be R140 million (US$13.2 million). Interest on the facility will be JIBAR plus a margin of 3.5%. The agreements relating to the facility were signed on 23 July 2014.

9 BORROWINGS

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 rate. The outstanding amount on the term loan was settled in December 2013 by drawing against the new facility (discussed below).

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 additional facility. The outstanding amount on the additional term loan was settled in December 2013 by drawing against the new facility (discussed below).

On 20 December 2013, the company entered into a loan facility with Nedbank Limited, comprising a revolving credit facility of R1 300 million (US$125.6 million). Interest accrues on a day-to-day basis over the term of the loan at a variable interest rate. R467 million (US$45.4 million) was drawn down during December 2013 to repay the outstanding amounts on the Nedbank term loans. The facility was repaid in March 2014, with the full amount being available at 30 June 2014.

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 PNG. The facility attracts interest at LIBOR plus 260 basis points, which is payable quarterly.

Terms and debt repayment schedule at 30 June 2014:

	Interest charge	Repayment terms	Repayment date	Security
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
Nedbank Limited (Secured loan – revolving credit facility)	3 month JIBAR plus 3.5%, payable quarterly	Repayable on maturity	23 December 2016	Cession and pledge of operating subsidiaries' shares

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the years ended 30 June 2014

9 BORROWINGS CONTINUED

Debt covenants

The debt covenant tests for both the Nedbank Limited facility and syndicated revolving credit facility were renegotiated during December 2013 and are as follows:

- The group's interest cover ratio shall not be less than five (EBITDA [1]/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.
- Tangible Net Worth [2] to facilities outstanding ratio shall not be less than six times.

[1] EBITDA as defined in the agreement excludes unusual items such as impairment and restructuring cost.
[2] Tangible Net Worth is defined as total equity less intangible assets.

The debt covenant tests are performed on a quarterly basis. No breaches of the covenants were identified during the tests in the 2014 financial year.

Interest-bearing borrowings

SA rand			US dollar	
2013	2014	*Figures in million*	2014	2013
		Non-current borrowings		
155	**–**	Nedbank Limited (secured loan – term facilities)	**–**	16
–	**(3)**	Nedbank Limited (secured loan – revolving credit facilities)	**–**	–
2 097	**2 863**	Syndicated (secured loan – US$ revolving credit facility)	**270**	210
2 252	**2 860**	**Total non-current borrowings**	**270**	226
		Current borrowings		
4	**–**	Current portion of the finance lease from Westpac Bank	**–**	–
303	**–**	Current portion of the loans from Nedbank Limited	**–**	30
(21)	**–**	Current portion of the loans from syndicate	**–**	(2)
286	**–**	**Total current borrowings**	**–**	28
2 538	**2 860**	**Total interest-bearing borrowings**	**270**	254
		The maturity of borrowings is as follows:		
286	**–**	Current	**–**	28
155	**2 860**	Between one and two years	**270**	16
2 097	**–**	Between two and five years	**–**	210
2 538	**2 860**		**270**	254
		Undrawn committed borrowing facilities:		
850	**318**	Expiring within one year	**30**	85
899	**1 300**	Expiring after one year	**123**	90
1 749	**1 618**		**153**	175

10 RELATED PARTIES

None of the directors or major shareholders of Harmony or, to the knowledge of Harmony, their families, had an interest, directly or indirectly, in any transaction from 1 July 2012 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. The remuneration of directors, prescribed officers and executive management is fully disclosed in the Remuneration Report in the Integrated Annual Report (refer to Directors' Emoluments in the report).

The following directors and prescribed officers own shares in Harmony at year-end:

	Number of shares	
Name of director/prescribed officer	**2014**	2013
Graham Briggs	**14 347**	14 347
Frank Abbott [1]	**139 500**	73 900
Ken Dicks	**20 000**	20 000
Andre Wilkens	**101 303**	101 303
Jaco Boshoff [2]	**n/a**	7 000
Johannes van Heerden	**6 500**	6 500

[1] Purchased 65 600 shares on 23 August 2013.
[2] Jaco Boshoff was a prescribed officer during 2013 only.

African Rainbow Minerals Limited (ARM) currently holds 14.6% of Harmony's shares. Patrice Motsepe, André Wilkens, Joaquim Chissano and Frank Abbott, who are directors of Harmony, are also directors of ARM.

All the production of the group's South African operations is sent to Rand Refinery in which Harmony holds a 10.38% interest. Refer to note 8.

During the 2013 financial year, Harmony sold its 100% interest in Evander.

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

SA rand			US dollar	
2013	**2014**	*Figures in million*	**2014**	2013
		Sales and services rendered to related parties		
19	**18**	Joint operations	**2**	2
		Purchases and services acquired from related parties		
1	**19**	Associates	**2**	–
		Outstanding balances due by related parties [1]		
17	**–**	Associates	**–**	2
14	**4**	Joint operations	**–**	1
31	**4**	**Total**	**–**	3
		Outstanding balances due to related parties [1]		
17	**–**	Associates [2]	**–**	2

[1] Included under current receivables and current payables.
[2] Retained from the consideration for the Pamodzi FS acquisition pending the transfer of the rehabilitation trust funds. During June 2014, the transfer of the rehabilitation trust funds was made.

The outstanding balances from the related parties are not secured and there are no special terms and conditions that apply.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the years ended 30 June 2014

11 COMMITMENTS AND CONTINGENCIES

COMMITMENTS AND GUARANTEES

SA rand			US dollar	
2013	2014	*Figures in million*	2014	2013
		Capital expenditure commitments		
184	**135**	Contracts for capital expenditure	**13**	18
232	**22**	Share of joint operation's contract for capital expenditure	**2**	23
1 545	**519**	Authorised by the directors but not contracted for	**49**	155
1 961	**676**	**Total capital commitments**	**64**	196

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 for land and buildings:

SA rand			US dollar	
2013	2014	*Figures in million*	2014	2013
12	**6**	Within one year	**1**	1
–	**3**	Between one year and five years	**–**	–
12	**9**	**Total commitments for operating leases**	**1**	1

Contractual obligations in respect of mineral tenement leases amount to R619 million (US$58.3 million) (2013: R326 million (US$32.6 million)). This includes R617 million (US$58.2 million) (2013: R308 million (US$30.8 million)) for the MMJV.

SA rand			US dollar	
2013	2014	*Figures in million*	2014	2013
		Guarantees [1]		
19	**21**	Guarantees and suretyships	**2**	2
345	**456**	Environmental guarantees [2]	**43**	35
364	**477**		**45**	37

[1] Guarantees and suretyships of R13 million (US$1.2 million) and environmental guarantees of R41 million (US$3.8 million) relating to the Evander group, which are in the process of being replaced by Pan African or cancelled, have been excluded.

[2] At 30 June 2014, R33 million (US$3.1 million) (2013: R26 million (US$2.6 million)) has been pledged as collateral for environmental guarantees in favour of certain financial institutions.

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 Depositary Receipts (ADRs) and options with regards 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 filed an appeal of the District Court's order approving the settlement. That appeal resulted in the United States Court of Appeals for the Second Circuit affirming the decision of the District Court on more than one occasion. The objecting plaintiff requested that the United States Supreme Court review the decision of the Second Circuit. Following the denial of the request for review of the case by the Supreme Court in May 2014, the case has been concluded. The settlement amount has been paid into escrow by the company's insurers and will be distributed to the plaintiffs once the administrative processes pertaining to the distribution have been completed.

11 COMMITMENTS AND CONTINGENCIES CONTINUED

CONTINGENT LIABILITIES CONTINUED

(b) On 3 March 2011, judgment was handed down in the Constitutional Court, in 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). The judgement allows Mr Mankayi's executor to proceed with the case in the High Court of South Africa for damages because he had allegedly contracted tuberculosis and other respiratory diseases as a result of exposure to harmful dust while working on a gold mine. 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 in exposing the claimant to harmful dust while in its employ) and the effect (the silicosis) will be an essential part of any case.

On 23 August 2012, Harmony and certain of its subsidiaries were served with court papers entailing an application by three of its former employees, requesting the South Gauteng High Court to certify a class for purposes of instituting a class action. In essence, the applicants want the court to declare them as suitable members representing a class of current and former mineworkers 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 and certain of its subsidiaries.

Similar applications were also brought against various other gold mining companies for similar relief.

On 8 January 2013, Harmony and certain of its subsidiaries, alongside other gold mining companies operating in South Africa (collectively the respondents), were served with another application to certify two classes of persons representing a class of current and former mine workers who work or have worked on gold mines owned and/or controlled by the respondents and who allegedly contracted silicosis and/or other occupational lung diseases, and another class of dependents of mine workers who have died of silicosis and who worked on gold mines owned and/or controlled by the respondents. The Harmony group filed notices of its intention to oppose both applications and instructed its attorneys to defend the claims. Following the receipt of the aforesaid application, Harmony was advised that there was a potential overlap between the application of 23 August 2012 and the application of 8 January 2013. After deliberation between the respondents' attorneys and the applicants' attorneys, it was resolved that the applicants' attorneys will consolidate the two applications, together with three other similar applications, and serve an amended application for consideration by the respondents. On 17 October 2013, the five certification applications were consolidated by Order of Court. It was agreed between the parties that the respondents have until 30 May 2014 to answer the allegations made in the consolidated application, and to state reasons why a class or classes should not be certified. On 30 May 2014, Harmony and certain of its subsidiaries served their answering affidavit on the applicants' attorneys. On 15 September 2014, the applicants' attorneys delivered their replying affidavit to the answering affidavit. The applicants' attorneys are also seeking to amend the relief sought in the consolidated application and to join further applicants to the present proceedings. The matter is presently ongoing.

On 3 May 2013, Harmony received a summons from Richard Spoor Attorneys on behalf of an employee. The plaintiff is claiming R25 million (US$ 2.4 million) in damages plus interest from Harmony and another mining company. The plaintiff alleges to have contracted silicosis with progressive massive fibrosis during the course of his employment. The plaintiff has undergone examinations and the results of these tests will be considered when they become available.

At this stage, in the absence of a court decision on this matter, it is uncertain as to whether the company will incur any costs (except legal fees) 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.

(c) On 1 December 2008, Harmony issued 3 364 675 Harmony 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 operators.

(d) 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.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the years ended 30 June 2014

11 COMMITMENTS AND CONTINGENCIES CONTINUED

CONTINGENT LIABILITIES CONTINUED

(e) 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 Resources 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 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.

(f) 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$7.1 million) of potential claims. Rand Uranium is therefore liable for all claims up to R75 million (US$7.1 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.

(g) Legal proceedings commenced in December 2010 against the Hidden Valley mine in PNG over alleged damage to the Watut River (which runs adjacent to the Hidden Valley mine), alleged to have been caused by waste rock and overburden run-off from the mine. The damages sought by the plaintiffs were not specified. The defendants intend to defend the claims. No active steps have been taken by the plaintiffs in this proceeding for more than two years. It is not practicable to make any reasonable assessment of the prospects of the plaintiffs succeeding should they proceed with these claims, nor the potential liability of the defendants if the plaintiffs were to succeed. As a result, no provision has been recognised in the financial statements for this matter.

12 SUBSEQUENT EVENTS

(a) Rand Refinery

During July 2014, Harmony extended an irrevocable, subordinated loan facility to Rand Refinery. The facility, if drawn down, is convertible to equity after a period of two years. Harmony's maximum commitment in terms of this facility is R140 million (US$13.2 million). Refer to note 8 for further details.

(b) Target 3

During August 2014, Harmony announced its intention to place Target 3 on care and maintenance. This is due to the shaft having experienced a sustained period of cash flow losses resulting from the significant capital investment required to sustain operations. Additional development and equipping is required to access the South Block to sustain operations at Target 3 and, in particular the build-up of stoping on the Basal reef. While the South Block remains a valuable resource, Target 3 will be placed on care and maintenance once the requirements of a section 189 have been fulfilled.

As far as it is possible to do so, measures will be taken to minimise and/or avoid job losses. Consultation with the Department of Mineral Resources, the Matjhabeng Local Municipality and the Free State Provincial government has begun. Retrenchment costs are expected to be approximately R25 million (US$2.4 million).

(c) KOSH

Included in Other non-current liabilities is a provision of R57 million (US$5.4 million) (2013: R42 million (US$4.2 million)) relating to the pumping and treatment costs of fissure water in the Klerksdorp, Orkney, Stilfontein and Hartbeesfontein (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. The appeal application heard in November 2013 was unsuccessful and Harmony has consequently entered into separate negotiations with the claimants. Subsequent to year-end, Harmony made a payment to Simmer and Jack Investments (Pty) Limited amounting to R24 million (US$2.3 million) and a payment of R30 million (US$2.8 million) to AngloGold Ashanti Limited, the two claimants in the matter, as full and final settlement.

(d) White Rivers Exploration joint venture

Harmony has entered into an exploration joint venture with White Rivers Exploration Pty Limited (White Rivers). The exploration joint venture has been established to explore and develop potential gold resources at White Rivers' Beisa project and abutting exploration areas within Harmony's adjacent operations in the Free State.

13 FINANCIAL RISK MANAGEMENT

Fair value determination

The table below presents the group's assets and liabilities that are measured at fair value by level (see list below) at 30 June 2014.

(1) Quoted prices (unadjusted) in active markets for identical assets (level 1);
(2) Inputs other than quoted prices included within level 1 that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from other prices) (level 2);
(3) Inputs for the asset that are not based on observable market data (that is, unobservable inputs) (level 3).

Assets	Level 1	Level 2	Level 3
Figures in million (SA rand)			
Available-for-sale financial assets [1]	**–**	**–**	**4**
Fair value through profit and loss [2]	**–**	**798**	**–**
Figures in million (US dollar)			
Available-for-sale financial assets [1]	**–**	**–**	**–**
Fair value through profit and loss [2]	**–**	**75**	**–**

The table below presents the group's assets and liabilities that are measured at fair value by level at 30 June 2013.

Assets	Level 1	Level 2	Level 3
Figures in million (SA rand)			
Available-for-sale financial assets [1]	44	–	5
Fair value through profit and loss [2]	–	1 041	–
Figures in million (US dollar)			
Available-for-sale financial assets [1]	4	–	1
Fair value through profit and loss [2]	–	105	–

[1] *Level 1 and 2 fair values are either directly or indirectly derived from actively trading shares on the JSE. Level 3 fair values have been valued by the directors by performing independent valuations on an annual basis.*

[2] *Level 2 fair values are directly derived from the Shareholders Weighted Top 40 index (SWIX 40) on the JSE, and are discounted at market interest rate. The fair value of R47 million (US$4.5 million) (2013: R45 million (US$4.5 million)) of the balance in 2014 is derived by reference to quoted prices of the shares held within the unit trust portfolio.*

14 SEGMENT REPORT

The group has one main economic 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 or open pit mine managed by a single general manager and management team.

After applying the quantitative thresholds from IFRS 8, the reportable segments were determined as: Kusasalethu, Doornkop, Phakisa, Tshepong, Masimong, Target 1, Bambanani, Joel, Unisel, Target 3, Hidden Valley and Evander (classified as held for sale and discontinued operation for the year ended 30 June 2013). All other operating segments have been grouped together under all other surface operations.

When assessing profitability, the CODM considers the revenue and production costs of each segment. The net of these amounts is the production profit or loss. Therefore, production profit has been disclosed in the segment report as the measure of profit or loss. The CODM also considers capital expenditure when assessing the overall economic sustainability of each segment. The CODM, however, does not consider depreciation or impairment and therefore these amounts have not been disclosed in the segment report.

Segment assets consist of mining assets and mining assets under construction included under property, plant and equipment which can be attributed to the segment. Current and non-current group assets that are not allocated at a segment level form part of the reconciliation to total assets.

A reconciliation of the segment totals to the summarised consolidated financial statements has been included in note 15.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the years ended 30 June 2014

14 SEGMENT REPORT CONTINUED

(SA rand)

	Revenue		Production cost		Production profit/(loss)	
	30 June		30 June		30 June	
	2014	2013	**2014**	Restated 2013	**2014**	Restated 2013
	R million		R million		R million	
CONTINUING OPERATIONS						
South Africa						
Underground						
Kusasalethu	**1 959**	1 213	**1 753**	1 484	**206**	(271)
Doornkop	**1 126**	1 615	**1 098**	1 042	**28**	573
Phakisa	**1 284**	1 103	**1 061**	982	**223**	121
Tshepong	**1 822**	1 887	**1 365**	1 427	**457**	460
Masimong	**1 171**	1 640	**983**	975	**188**	665
Target 1	**1 948**	1 794	**1 051**	937	**897**	857
Bambanani [3]	**1 279**	932	**681**	591	**598**	341
Joel	**995**	1 452	**668**	654	**327**	798
Unisel	**792**	825	**600**	567	**192**	258
Target 3	**609**	737	**557**	508	**52**	229
Surface						
All other surface operations	**1 263**	1 515	**981**	1 008	**282**	507
Total South Africa	**14 248**	14 713	**10 798**	10 175	**3 450**	4 538
International						
Hidden Valley	**1 434**	1 189	**1 090**	1 146	**344**	43
Total international	**1 434**	1 189	**1 090**	1 146	**344**	43
Total continuing operations	**15 682**	15 902	**11 888**	11 321	**3 794**	4 581
DISCONTINUED OPERATIONS						
Evander	**–**	874	**–**	533	**–**	341
Total discontinued operations	**–**	874	**–**	533	**–**	341
Total operations	**15 682**	16 776	**11 888**	11 854	**3 794**	4 922
Reconciliation of the segment information to the summarised consolidated income statements and balance sheets (refer to note 15)	**–**	(874)	**–**	(533)		
	15 682	15 902	**11 888**	11 321		

[1] Capital expenditure for international operations excludes expenditure spent on Wafi-Golpu of R12 million (2013: R537 million).
[2] Production statistics are unaudited.
[3] Includes Steyn 2.

	Mining assets 30 June		Capital expenditure[1] 30 June		Kilograms produced[2] 30 June		Tonnes milled[2] 30 June	
	2014	Restated 2013	**2014**	2013	**2014**	2013	**2014**	2013
	R million		R million		kg		000t	
	3 616	3 435	**509**	420	**4 694**	2 740	**1 143**	711
	3 386	3 378	**238**	285	**2 603**	3 631	**737**	1 008
	4 590	4 547	**360**	337	**2 976**	2 434	**577**	512
	3 941	3 877	**301**	310	**4 223**	4 154	**947**	1 040
	1 060	989	**168**	171	**2 718**	3 616	**670**	868
	2 770	2 704	**289**	331	**4 493**	3 967	**771**	717
	841	882	**127**	119	**2 968**	2 083	**239**	211
	450	290	**145**	160	**2 335**	3 228	**548**	611
	663	656	**85**	78	**1 838**	1 813	**408**	446
	542	457	**128**	145	**1 413**	1 626	**301**	323
	473	250	**44**	250	**2 900**	3 438	**10 442**	10 082
	22 332	21 465	**2 394**	2 606	**33 161**	32 730	**16 783**	16 529
	3 602	3 858	**122**	506	**3 292**	2 644	**2 001**	1 844
	3 602	3 858	**122**	506	**3 292**	2 644	**2 001**	1 844
	25 934	25 323	**2 516**	3 112	**36 453**	35 374	**18 784**	18 373
	–	–	**–**	140	**–**	1 955	**–**	390
	–	–	**–**	140	**–**	1 955	**–**	390
	25 934	25 323	**2 516**	3 252	**36 453**	37 329	**18 784**	18 763
	14 936	16 810						
	40 870	42 133						

HARMONY IN BRIEF

SUMMARISED FINANCIAL STATEMENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the years ended 30 June 2014

14 SEGMENT REPORT CONTINUED

(US dollar)

	Revenue 30 June		Production cost 30 June		Production profit/(loss) 30 June	
	2014	2013	**2014**	Restated 2013	**2014**	Restated 2013
	US$ million		US$ million		US$ million	
CONTINUING OPERATIONS						
South Africa						
Underground						
Kusasalethu	**189**	137	**169**	168	**20**	(31)
Doornkop	**109**	183	**106**	118	**3**	65
Phakisa	**124**	125	**103**	111	**21**	14
Tshepong	**176**	214	**132**	162	**44**	52
Masimong	**113**	186	**95**	110	**18**	76
Target 1	**188**	203	**101**	106	**87**	97
Bambanani[3]	**124**	106	**66**	67	**58**	39
Joel	**96**	165	**64**	74	**32**	91
Unisel	**77**	93	**58**	64	**19**	29
Target 3	**59**	84	**54**	58	**5**	26
Surface						
All other surface operations	**122**	172	**95**	115	**27**	57
Total South Africa	**1 377**	1 668	**1 043**	1 153	**334**	515
International						
Hidden Valley	**138**	135	**105**	130	**33**	5
Total international	**138**	135	**105**	130	**33**	5
Total continuing operations	**1 515**	1 803	**1 148**	1 283	**367**	520
DISCONTINUED OPERATIONS						
Evander	**–**	102	**–**	63	**–**	39
Total discontinued operations	**–**	102	**–**	63	**–**	39
Total operations	**1 515**	1 905	**1 148**	1 346	**367**	559
Reconciliation of the segment information to the summarised consolidated income statements and balance sheets (refer to note 15)	**–**	(102)	**–**	(63)		
	1 515	1 803	**1 148**	1 283		

[1] Capital expenditure for international operations excludes expenditure spent on Wafi-Golpu of US$1 million (2013: US$61 million).
[2] Production statistics are unaudited.
[3] Includes Steyn 2.

Mining assets 30 June		Capital expenditure[1] 30 June		Ounces produced[2] 30 June		Tons milled[2] 30 June	
2014	Restated 2013	**2014**	2013	**2014**	2013	**2014**	2013
US$ million		US$ million		oz		000t	
341	344	**49**	48	**150 916**	88 093	**1 260**	784
319	338	**23**	32	**83 687**	116 738	**812**	1 112
433	455	**35**	38	**95 680**	78 255	**636**	565
372	388	**29**	35	**135 772**	133 554	**1 044**	1 147
100	99	**16**	19	**87 385**	116 256	**739**	958
261	271	**28**	38	**144 453**	127 542	**851**	790
79	88	**12**	14	**95 424**	66 970	**263**	231
42	29	**14**	18	**75 072**	103 782	**604**	674
63	66	**8**	9	**59 093**	58 289	**450**	492
51	46	**13**	16	**45 429**	52 277	**331**	355
45	25	**4**	28	**93 236**	110 534	**11 516**	11 118
2 106	2 149	**231**	295	**1 066 147**	1 052 290	**18 506**	18 226
340	387	**12**	57	**105 840**	85 007	**2 207**	2 033
340	387	**12**	57	**105 840**	85 007	**2 207**	2 033
2 446	2 536	**243**	352	**1 171 987**	1 137 297	**20 713**	20 259
–	–	**–**	16	**–**	62 855	**–**	430
–	–	**–**	16	**–**	62 855	**–**	430
2 446	2 536	**243**	368	**1 171 987**	1 200 152	**20 713**	20 689
1 406	1 685						
3 852	4 221						

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the years ended 30 June 2014

15 RECONCILIATION OF SEGMENT INFORMATION TO SUMMARISED CONSOLIDATED INCOME STATEMENTS AND BALANCE SHEETS

SA rand Restated 2013	SA rand 2014	*Figures in million*	US dollar 2014	US dollar Restated 2013
		Revenue from:		
874	–	Discontinued operations	–	102
		Production costs from:		
(533)	–	Discontinued operations	–	(63)
		Reconciliation of production profit to gross loss		
16 776	**15 682**	Total segment revenue	**1 515**	1 905
(11 854)	**(11 888)**	Total segment production costs	**(1 148)**	(1 346)
4 922	**3 794**	Production profit	**367**	559
(341)	–	Less discontinued operations	–	(39)
4 581	**3 794**		**367**	520
(5 127)	**(4 200)**	Cost of sales items other than production costs	**(401)**	(546)
(1 956)	**(2 092)**	Amortisation and depreciation of mining assets	**(202)**	(222)
(45)	**(51)**	Amortisation and depreciation of assets other than mining assets	**(5)**	(5)
24	**(8)**	Rehabilitation (expenditure)/credit	**(1)**	2
(68)	**(66)**	Care and maintenance cost of restructured shafts	**(6)**	(8)
(46)	**(274)**	Employment termination and restructuring costs	**(26)**	(5)
(266)	**(270)**	Share-based payments	**(26)**	(30)
(2 733)	**(1 439)**	Impairment of assets	**(135)**	(274)
(37)	–	Other	–	(4)
(546)	**(406)**	**Gross loss***	**(34)**	(26)

* *The reconciliation has been done up to the first recognisable line item on the summarised consolidated income statement. The reconciliation will follow the summarised consolidated income statement after that.*

Reconciliation of total segment assets to summarised consolidated assets includes the following:

SA rand Restated 2013	SA rand 2014	*Figures in million*	US dollar 2014	US dollar Restated 2013
		Non-current assets		
7 409	**7 135**	Property, plant and equipment	**670**	743
2 191	**886**	Intangible assets	**84**	220
37	**42**	Restricted cash	**4**	4
2 054	**2 299**	Restricted investments	**217**	206
104	**81**	Deferred tax asset	**8**	10
109	–	Investments in associates	–	11
49	**4**	Investments in financial assets	–	5
57	**50**	Inventories	**5**	6
		Current assets		
1 417	**1 534**	Inventories	**145**	142
1 162	**951**	Trade and other receivables	**90**	116
132	**110**	Income and mining taxes	**10**	13
–	**15**	Restricted cash	**1**	–
2 089	**1 829**	Cash and cash equivalents	**172**	209
16 810	**14 936**		**1 406**	1 685

ANNEXURE A

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

Company	Country of incorporation	Issued share capital R'000	Effective group interest 2014 %	Effective group interest 2013 %	Cost of investment by holding company 2014 Rm	Cost of investment by holding company 2013 Rm	Loans from/(to) holding company 2014 Rm	Loans from/(to) holding company 2013 Rm
Direct subsidiaries:								
Gold mining								
African Rainbow Minerals Gold Limited	(a)	96	**100**	100	**5 659**	6 416	**–**	–
ARMGold/Harmony Freegold Joint Venture Company (Proprietary) Limited	(a)	20	**100**	100	**153**	86	**(211)**	(16)
Avgold Limited	(a)	6 827	**100**	100	**6 978**	6 955	**(363)**	(134)
Randfontein Estates Limited	(a)	19 882	**100**	100	**1 407**	1 363	**2 018**	1 367
Business Venture Investments No 1692 (Proprietary) Limited (PhoenixCo) [1]	(a)	5 996	**100**	100	**43**	27	**305**	430
Investment holding								
Harmony Gold Australia (Proprietary) Limited	(b)	9 782 868	**100**	100	**10 283**	9 579	**1**	**–**
Indirect subsidiaries:								
Exploration								
Harmony Gold (PNG) Exploration Limited	(c)	#	**100**	100	**–**	–	**–**	–
Morobe Exploration Limited	(c)	1 104	**100**	100	**–**	–	**–**	–
Gold mining								
Kalahari Goldridge Mining Company Limited	(a)	1 275	**100**	100	**6**	2	**(560)**	(500)
Investment								
Abelle Limited	(b)	488 062	**100**	100	**–**	–	**–**	–
Aurora Gold (Wafi) (Proprietary) Limited	(b)	#	**100**	100	**–**	–	**–**	–
Harmony Gold Operations Limited	(b)	405 054	**100**	100	**–**	–	**–**	–
Mineral right investment								
Morobe Consolidated Goldfields Limited	(c)	#	**100**	100	**–**	–	**–**	–
Wafi Mining Limited	(c)	#	**100**	100	**–**	–	**–**	–
Mining-related services								
Harmony Gold (PNG Services) (Proprietary) Limited	(c)	#	**100**	100	**–**	–	**–**	–
Joint operations – indirect:								
Morobe Exploration Services Limited	(c)	$	**50**	50	**–**	–	**–**	–
Hidden Valley Services Limited	(c)	$	**50**	50	**–**	–	**–**	–
Wafi Golpu Services Limited	(c)	$	**50**	50	**–**	–	**–**	–
Morobe Mining JV Services (Australia) (Proprietary) Limited	(b)	$	**50**	–	**–**	–	**–**	–
Associate company – indirect:								
Mining-related services								
Rand Refinery	(a)	786	**10**	10	**–**	86	**–**	–

[1] The balance of the loan of R305 million comprises a loan from holding company of R333 million and a loan to holding company of R28 million. These loans have not been offset in the company's financial statements.

[2] For its interest in joint operations, the group includes its share of the joint operation's individual income and expenses, assets and liabilities in the relevant components of the financial statements on a line-by-line basis.

[3] 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 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

$ Indicates a share in the joint venture's capital assets

(a) Incorporated in the Republic of South Africa

(b) Incorporated in Australia

(c) Incorporated in Papua New Guinea

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Harmony Gold Mining Company Limited (the company) will be held on Friday, 21 November 2014 at 11:00 (SA time) at the Hilton Hotel, 138 Rivonia Road, Sandton, Johannesburg, South Africa (see map on inside back cover), 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, as amended (the Act), 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 the notice of the annual general meeting (being the date on which a shareholder must be registered in the company's securities register to receive the notice of the annual general meeting) as Friday, 17 October 2014; 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 to participate in and vote at the annual general meeting) as Friday, 14 November 2014.

PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The audited 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 2014 will be presented to the shareholders as required in terms of section 30(3)(d) of the Act.

Summarised consolidated financial statements are included in this document on pages 6 to 33. The complete consolidated annual financial statements are available on Harmony's website at www.har.co.za/14/numbers/financials.

PRESENTATION OF GROUP SOCIAL AND ETHICS COMMITTEE REPORT

In accordance with regulation 43(5)(c) of the Act, the social and ethics committee's report in the integrated annual report (www.har.co.za/14/about/sustainability-approach) will be presented to shareholders at the annual general meeting.

RESOLUTIONS FOR CONSIDERATION AND ADOPTION

1. ORDINARY RESOLUTION NUMBER 1:

Re-election of director

"RESOLVED THAT Ken Dicks, 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." (See Ken Dicks' résumé below).

Ken Dicks (75)

Mine Managers Certificate (Metalliferous Mines), Mine Managers Certificate (Fiery Coal Mines), Management diplomas (Unisa) and (INSEAD)

Independent non-executive director

Ken joined the Harmony board in 2008. He has a mining engineering background with 39 years' experience in the formal mining industry. He worked for Anglo American Plc gold and uranium divisions for 37 years in various senior positions. He also serves on the Board of Bauba Platinum Limited.

Member of the technical committee and the investment committee.

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." (See Simo Lushaba's résumé below).

Dr Simo Lushaba (48)

BSc (Hons), MBA (Wales), DBA (University of KwaZulu-Natal), CD (SA)

Independent non-executive director

Simo joined the Harmony board in 2002. As an entrepreneur and executive business coach, Simo previously held senior management positions at Spoornet (Rail and Terminal Services division), was vice president of Lonmin Plc and chief executive of Rand Water. He is a non-executive director on the Board of Cashbuild Limited and facilitates programmes on corporate governance for the Institute of Directors (SA), where he is also a member.

Chairman of the investment committee and member of the audit and risk committee and remuneration committee.

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 Mavuso Msimang, 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." (See Mavuso Msimang's résumé below).

Mavuso Msimang (72)

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

Independent non-executive director

Mavuso joined the board in 2011. He has 27 years' experience in management at executive level, and 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 chief executive officer of the State Information Technology Agency, South African National Parks and SA Tourism. He was country representative of the 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 Program.

Member of the nomination committee and social and ethics committee. Successor to the lead independent non-executive director.

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 John Wetton, 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." (See John Wetton's résumé below).

John Wetton (65)

CA (SA), FCA

Independent non-executive director

John joined the Harmony board in 2011. He was with Ernst & Young from 1967 to 2010. Corporate audit was his main focus, but for the final 11 years he played a business development role across Africa. He 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. He was a member of Ernst & Young's executive management committee and was, until retirement, a member of the Ernst & Young Africa governance board.

Chairman of the audit and risk committee and member of the social and ethics committee, remuneration committee and investment committee.

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.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

5. ORDINARY RESOLUTION NUMBER 5:

Re-election of audit and risk committee member

"RESOLVED THAT, subject to the passing of ordinary resolution number 4, John Wetton be and is hereby re-elected as a member of the company's audit and risk committee." (See John Wetton's résumé under ordinary resolution number 4).

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:

Re-election of audit and risk committee member

"RESOLVED THAT Fikile De Buck be and is hereby re-elected as a member of the company's audit and risk committee." (See Fikile De Buck's résumé below).

Fikile De Buck (53)

BA (Economics), FCCA (UK)

Lead independent non-executive director

Fikile joined the board in 2006. A Chartered Certified Accountant, she was only the second person to obtain this qualification in Botswana. She was awarded the Stuart Crystal Prize for Best Accounting Student at Birmingham Polytechnic (UK), now Birmingham University, being the first black overseas student to be awarded this prize. Fikile is a fellow of the Association of Chartered Certified Accountants (ACCA) UK. From 2000 to 2008, she 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 worked in various capacities at the Botswana Development Corporation and was the first treasurer of the Corporation. She also served on various boards representing the Corporation's interests, and was the founding chairman of the Credit Guarantee Insurance Co. She has 23 years' experience in financial reporting at executive level. Fikile is a non-executive director and chairman of the audit committee of Atlatsa Resources Corporation, and a member of various other committees. She is included in "South Africa's Most Inspirational Women" coffee table book (2011). Fikile mentors a number of young people, mostly women.

Chairman of the nomination committee and a member of the social and ethics committee, remuneration committee and audit and risk committee.

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:

Re-election of audit and risk committee member

"RESOLVED THAT, subject to the passing of ordinary resolution number 2, Simo Lushaba be and is hereby re-elected as a member of the company's audit and risk committee." (See Simo Lushaba's résumé under ordinary resolution number 2).

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:

Re-election of audit and risk committee member

"RESOLVED THAT Modise Motloba be and is hereby re-elected as a member of the company's audit and risk committee." (See Modise Motloba's résumé below).

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.

Modise Motloba (48)

BSc, Diploma in Strategic Management

Independent non-executive deputy chairman

Modise joined the board in 2004. He is currently chief executive officer of Quartile Capital (Proprietary) Limited. His 21 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 where he was instrumental in formulating and negotiating the historic financial services charter in 2003.

Chairman of the social and ethics committee and a member of the nomination committee and the audit and risk committee.

9. ORDINARY RESOLUTION NUMBER 9:

Re-election of audit and risk committee member

"RESOLVED THAT Karabo Nondumo be and is hereby re-elected as a member of the company's audit and risk committee." (See Karabo Nondumo's résumé below).

Karabo Nondumo (36)

BAcc, HDip (Acc), CA (SA)

Independent non-executive director

Karabo joined the board in 2013. She is an executive director of Igagu Communications. She held various roles at Vodacom Group Limited including executive head of Vodacom Business as well as Mergers and Acquisitions. She was inaugural chief executive officer of AWCA Investment Holdings Limited and former head of Global Markets Operations at Rand Refinery Limited. She is a former associate and executive assistant to the former executive chairman at Shanduka Group. She was seconded to Shanduka Coal, where she was a shareholder representative, and also served on various boards representing Shanduka's interests. She is a qualified Chartered Accountant, a member of the South African Institute of Chartered Accountants and African Women Chartered Accountants. She is an independent non-executive director of Merafe Resources Limited, Richards Bay Coal Terminal (Pty) Ltd, South African Express SOC Limited and Rolfes Holdings Limited. She is on the advisory board of Senatla Capital and Trustee of Innovator Trust. She is a patron of Women In Mining South Africa.

Member of the audit and risk committee, technical committee and remuneration committee.

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:

Reappointment of external auditors

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

The percentage of voting rights required for ordinary resolution number 10 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution.

11. ORDINARY RESOLUTION NUMBER 11:

Approval of remuneration policy

"RESOLVED, as a non-binding advisory vote, that the remuneration policy of the company, as set out in the integrated annual report (www.harmony.co.za/investors/reporting/annual-reports), be and is hereby approved."

As this matter is non-binding, no minimum voting threshold is needed.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

13. SPECIAL RESOLUTION NUMBER 1:

Non-executive directors' remuneration

"RESOLVED, as a special resolution in terms of section 66(9) of the 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 the non-executive directors' remuneration is amended by way of special resolution of shareholders, whichever comes first:

	Board					Audit and risk		Social and ethics		Remuneration		Nomination Investment		Technical	
	Annual retainer				Attendance fee*										
Period	Chairman	Deputy chairman	Lid**	Member	Member	Chairman	Member	Chairman	Member	Chairman	Member	Chairman	Member	Chairman	Member
FY14*** (R'000)	933	396	300	202	–	222	111	176	88	176	88	176	88	176	88
Two years from 2014 annual general meeting (R'000)	989	420	318	214	10	235	118	187	93	187	93	187	93	187	93

* *New proposed attendance fee per board meeting. See explanatory note on page 40*

** *Lead Independent Director*

*** *As approved at the annual general meeting held on 5 December 2013*

Ad hoc fees: R10 000 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.

ELECTRONIC PARTICIPATION

Should any shareholder of the company wish to participate in the annual general meeting by way of electronic participation, that shareholder is obliged to apply in writing (including details on how the shareholder or its representative can be contacted) to the transfer secretaries at the 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 dialing 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. The company cannot be held liable for any loss, damage, penalty or claim arising in any way from using 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 eligible to attend and vote at the annual general meeting is entitled to appoint a proxy (or proxies) to attend, participate in and vote at the meeting in place of the shareholder. 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 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 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 your agreement, by the cut-off time stipulated therein, that you wish to attend the annual general meeting or send a proxy to represent you, your CSDP or broker may assume that you do not wish to attend the annual general meeting or send a proxy.

Forms of proxy (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 by no later than 11:00 (SA time) on Wednesday, 19 November 2014.

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

An ordinary shareholder entitled to attend and vote at the annual general meeting may appoint any individual (or individuals) as a proxy/ies to attend, participate in and vote at the annual general meeting in 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 its 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 exercising any rights as a shareholder.

The appointment of a proxy is revocable by the shareholder cancelling this 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 required by the 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.

Completing 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, will 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, will 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
23 October 2014

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

ANNUAL GENERAL MEETING – EXPLANATORY NOTES

PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

At the annual general meeting (annual general meeting), the directors must present the annual financial statements for the year ended 30 June 2014 to shareholders as required in terms of section 30(3)(d) of the Act, together with the reports of the directors, audit and risk committee and the auditors. These are included in the integrated annual report.

PRESENTATION OF GROUP SOCIAL AND ETHICS COMMITTEE REPORT

At the annual general meeting, the social and ethics committee must report, through one of its members, on matters within its mandate as required in terms of Regulation 43(5)(c) of the Act.

ORDINARY RESOLUTIONS 1 TO 4: RE-ELECTION OF DIRECTORS

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

The following directors are eligible and available for re-election:

- Ken Dicks
- Simo Lushaba
- Mavuso Msimang
- John Wetton

See their résumés on pages 34 to 37 of this report.

ORDINARY RESOLUTIONS 5 TO 9: ELECTION OF AUDIT AND RISK COMMITTEE

In terms of section 94(2) of the Act, a public company must at each annual general meeting elect an audit committee comprising of at least three members who are directors and who meet the criteria of section 94(4) of the Act. Regulation 42 to the 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 is satisfied that the proposed members of the audit and risk committee meet all relevant requirements.

ORDINARY RESOLUTION 10: REAPPOINTMENT OF EXTERNAL AUDITORS

PricewaterhouseCoopers Incorporated has indicated its willingness to continue in office and ordinary resolution 10 proposes the reappointment of that firm as the company's auditors. Section 90(3) of the Act requires the designated auditor to meet the criteria as set out in section 90(2) of the Act.

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

ORDINARY RESOLUTION 11: 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 give shareholders an opportunity to indicate their support for or opposition to the material provisions of the remuneration strategy.

SPECIAL RESOLUTION 1: NON-EXECUTIVE DIRECTORS' REMUNERATION

In terms of section 66(8) and section 66(9) of the 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 2 (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.

King III principle 2.25, paragraph 153 provides that non-executive directors' fees should comprise a base fee as well as an attendance fee per meeting. The board proposes that the annual retainer for non-executive directors' fees increases in line with the consumer price index of 6% and, in addition, that a per board meeting attendance fee be paid in line with the provisions of King III.

GENERAL

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

FORM OF PROXY

To be completed by certificated shareholders and dematerialised shareholders with 'own name' registration only

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

For completion by registered members of Harmony who are unable to attend the annual general meeting of the company to be held at the Hilton Hotel, 138 Rivonia Road, Sandton, Johannesburg, South Africa (see map on inside back cover), on Friday, 21 November 2014 at 11:00 (SA time) or at any adjournment thereof.

I/We (please print names in full)	
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 or ballot, vote on my/our behalf at this annual general meeting of members or at any adjournment, 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 Ken Dicks as a director			
2.	Ordinary resolution 2: To re-elect Simo Lushaba as a director			
3.	Ordinary resolution 3: To re-elect Mavuso Msimang as a director			
4.	Ordinary resolution 4: To re-elect John Wetton as a director			
5.	Ordinary resolution 5: To re-elect John Wetton as a member of the audit and risk committee			
6.	Ordinary resolution 6: To re-elect Fikile De Buck as a member of the audit and risk committee			
7.	Ordinary resolution 7: To re-elect Simo Lushaba as a member of the audit and risk committee			
8.	Ordinary resolution 8: To re-elect Modise Motloba as a member of the audit and risk committee			
9.	Ordinary resolution 9: To re-elect Karabo Nondumo as a member of the audit and risk committee			
10.	Ordinary Resolution 10: To reappoint the external auditors			
11.	Ordinary Resolution 11: To approve the remuneration policy			
12.	Special Resolution 1 - To approve non-executive directors' remuneration			

Please indicate with an 'X' in the appropriate spaces 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	2014
Signature			
Assisted by me, where applicable (name and signature)			

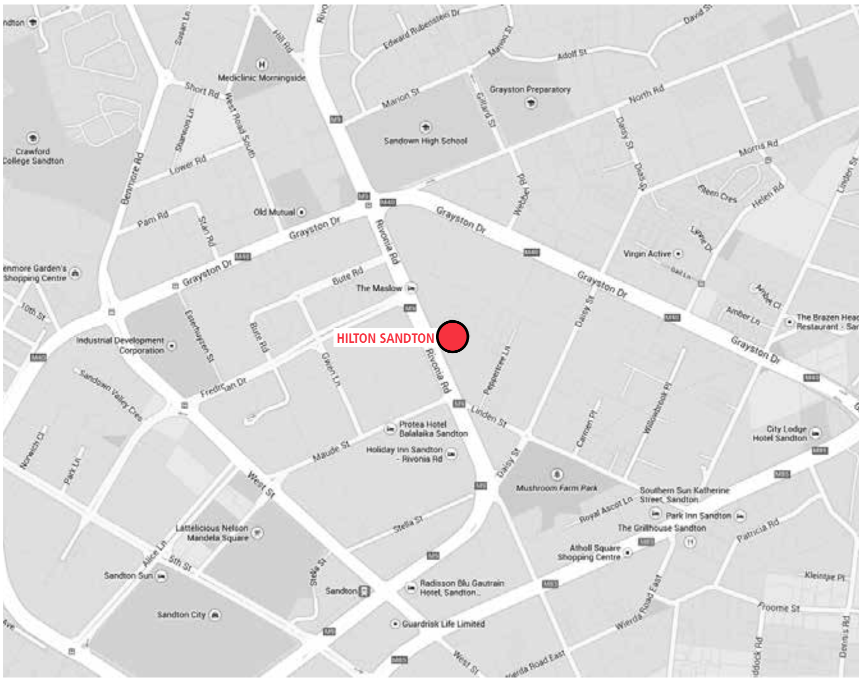
Completed forms of proxy must be lodged with Link Market Services South Africa Proprietary Limited by no later than 11:00 on **Wednesday, 19 November 2014**.

Please read the notes and instructions on the reverse side.

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 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 provided. 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 will have one (1) vote irrespective of the number of shares he/she holds or represents, provided that a proxy will, irrespective of the number of members he/she represents, have only one (1) vote. On a poll, a member who is present or represented by proxy will 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 inserting the relevant numbers of votes exercisable by the member in the appropriate box. Failure to comply 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. 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 votes cast and in respect of which abstention is recorded may not exceed the total of votes exercisable by the member or by the proxy.
6. Forms of proxy (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, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000, fax number: +27 86 674 2450, email: meetfax@linkmarketservices.co.za) by no later than 11:00 (SA time) on **Wednesday, 19 November 2014**.
7. Completing and lodging this form of proxy will not preclude the relevant member from attending the annual general meeting and speaking and voting in person 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. Despite 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 will be entitled to vote.

DIRECTIONS TO ANNUAL GENERAL MEETING



Annual General Meeting venue:
Hilton Sandton

GPS Coordinates
-26.101516
28.059487

138 Rivonia Road • Sandton • 2146
Tel: +27 (0) 11 322 1888

DIRECTIONS

From OR Tambo International

- Take the R24 JOHANNESBURG highway
- Take the NI2/N3 NORTH highway
- Take the MARLBORO ROAD turn off
- At the traffic light, turn left and carry on until you see a “Shell” petrol/gas station on your left
- Turn right into SOUTH ROAD and carry on this road until you reach a T-junction (which will bring you to RIVONIA ROAD)
- Turn left into RIVONIA ROAD
- You will pass the Southern Sun Grayston Hotel on your left, followed by an apartment block
- HILTON SANDTON is directly after these two buildings, also on your left

From Pretoria

- Take the N1 to Johannesburg, then the M1
- Take the GRAYSTON offramp, turn right into GRAYSTON DRIVE
- Turn left into RIVONIA ROAD (McDonalds on your right)
- You will pass the Southern Sun Grayston Hotel on your left, followed by an apartment block
- HILTON SANDTON is directly after these two buildings, also on your left

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 DSS Lushaba*^
KT Nondumo*^
VP Pillay*^
C Markus*^
M Msimang*^
JL Wetton*^
AJ Wilkens*

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

INVESTOR RELATIONS

E-mail: harmonyIR@harmony.co.za

Henrika Ninham
Investor Relations Manager
Telephone: +27 11 411 2314
Fax: +27 11 692 3879
Mobile: +27 82 759 1775
E-mail: henrika@harmony.co.za

Marian van der Walt
Executive: Corporate and Investor Relations
Telephone: +27 11 411 2037
Fax: +27 86 614 0999
Mobile: +27 82 888 1242
E-mail: marian@harmony.co.za

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

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
E-mail: meetfax@linkmarketservices.co.za
Fax: +27 86 674 2450

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

**ADR: American Depository Receipts*

SPONSOR

JP Morgan Equities South Africa (Pty) Ltd
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
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 Exchange 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 expenditures; and (vii) estimates of reserves, and statements regarding future exploration results and the replacement of reserves. 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, project cost overruns, as well as political, economic 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 (such as availability of credit or other sources of financing), see the Company's latest Annual Report on Form 20-F 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 report, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.