

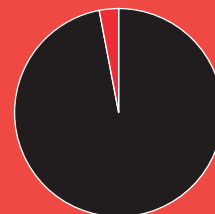
Review of operations cont.

2009



Doornkop

Doornkop's contribution to production in FY09



Doornkop 3%
Other Harmony operations 97%

Description

Doornkop, which is situated 30 kilometres west of Johannesburg in the province of Gauteng, is a joint venture with BEE company African Vanguard Resources (Pty) Ltd, which has a 26% share in the mine.

Doornkop comprises a single shaft system of intermediate depth (maximum depth of 1 973m) and is serviced by the Doornkop carbon-in-pulp (CIP) Gold Plant.

At Doornkop, both the Kimberley and South reefs are mined by means of narrow reef, conventional mining and mechanised bord and pillar mining. Production at the Doornkop South Reef Project, on which development began in FY03 and which enables access to the higher grade South Reef, began in FY08. The project is currently being ramped-up, with full production scheduled for FY15.

In FY09, Doornkop employs 2 532 people – 1 876 employees and 656 contractors.

Mineral resources and ore reserves

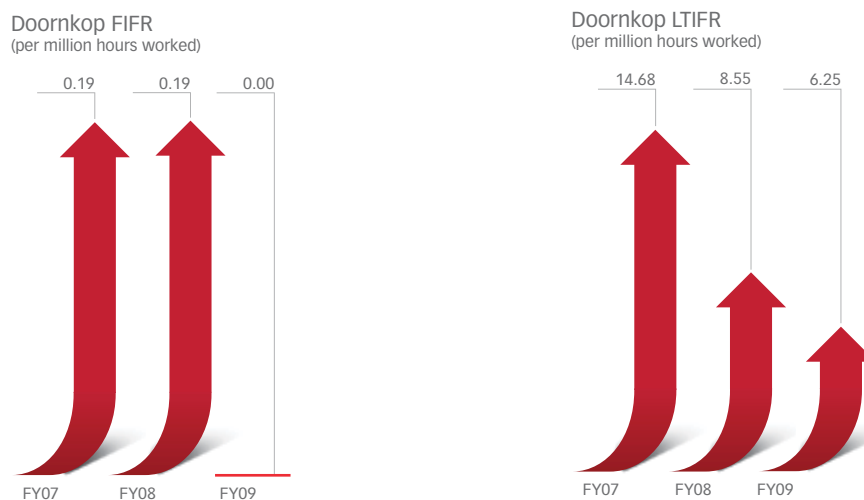
At the end of June 2009, Doornkop reported ore reserves of 0.223 million ounces and mineral resources of 21.044 million ounces. Doornkop currently has an expected life-of-mine of 15 years.

The mine's geological model on the South Reef continued to be improved as new information from delineation drilling and development became available. Additional exploration drilling will be undertaken in FY10 to increase the rate of gaining geological information on the South Reef orebody. Drilling platforms are being developed to enable exploration drilling to take place and to access the South Reef orebody in addition to normal access development. The objective of the additional exploration drilling is to reduce the risk of unknown geology and to improve the confidence levels of resources. See pages 131 to 133 for more detail.

Doornkop	Mineral resources				Ore reserves		
	Measured	Indicated	Inferred	Total	Proven	Probable	Total
Oz (000)	1 073	839	19 132	21 044	70	153	223
Tonnes (Mt)	9.7	8.1	182.2	200.0	0.7	1.2	1.9
Grade (G/t)	3.43	3.23	3.27	3.27	3.55	3.85	3.75

Safety

Doornkop's safety performance continued to improve during the year, with the mine recording 16 months without a fatal accident. There were no fatal accidents at the mine in FY09 (FY08: one), while the LTIFR improved to 6.25 per million hours worked in FY09, from 8.55 in FY08.



Doornkop key statistics:

		Unit	FY09	FY08	FY07
Production					
Volumes milled	000 t (metric)		549	448	541
	000 t (imperial)		605	494	597
Gold produced	kg		1 311	1 370	1 767
	oz		42 150	44 038	56 810
Average grade	g/t		2.38	3.06	3.27
	oz/t		0.070	0.089	0.095
Financial					
Revenue	R million		343	258	263
	US\$ million		38	35	37
Cash costs	R/kg		232 699	175 178	101 312
	US\$/oz		804	749	438
Cash operating profit	R million		62	33	82
	US\$ million		7	4	12
Capital expenditure	R million		395	349	270
	US\$ million		44	48	38

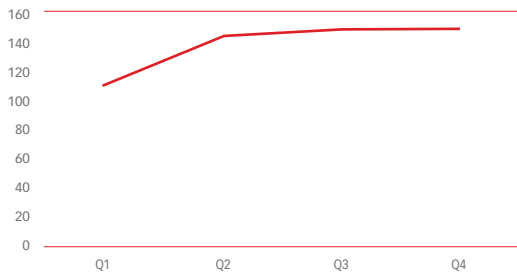


Review of operations cont.

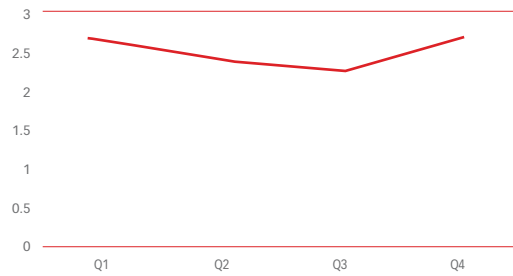
2009

Doornkop key quarterly indicators:FY09

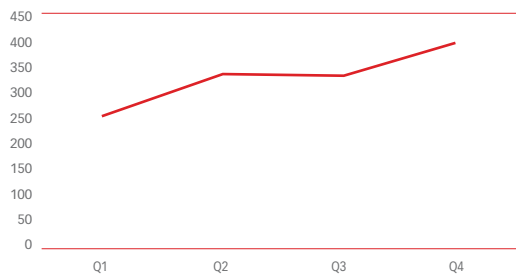
Tonnes (000)



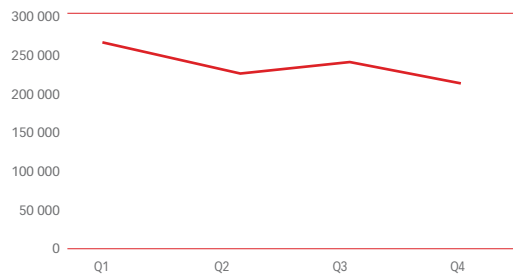
Grade (g/t)



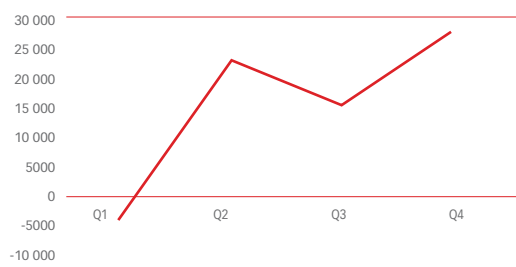
Gold produced (kg)



Cash cost (R/kg)



Cash profit (R000)



The year in review

Although performance at Doornkop improved year-on-year, FY09 was nonetheless disappointing as the operation reported ongoing under-performance against its plan. Production from the trackless mining sections on the Kimberley reef (76 and 106 levels) continued, but did not achieve the planned grade and volumes due to lower face grades and lower than normal trackless vehicle availability. Geological faulting on 192 level affected production build-up rates on the South Reef, as did the delays in the hoisting and water handling infrastructure capacity development. The latter was the main reason for the under-performance on the South Reef development and stoping objectives. Level 197 of the South Reef Project came into production in the second half of the year, boosting production from the project by more than 50% in the June 2009 quarter.

Despite the disappointing performance, volumes mined rose to 549 000 tonnes as the South Reef Project continued to ramp up.

The stoping plan is being built up to closely follow the development plan, with attention clearly being focussed on this critical factor. Development was much improved during the year with 97 729 metres achieved in FY09, on time and in line with plans.

The overall grade at Doornkop declined to 2.38g/t (FY08: 3.06g/t), mainly as a result of the decline in the grade mined on the Kimberley Reef and dilution of the South Reef ore. The delivered and recovered grade from the South Reef Project was negatively affected by dilution caused by the development waste rock that had to be tipped into the shaft reef system as a result of a delay in the commissioning of the waste rock handling system. The waste rock handling system was brought into operation during May 2009. The South Reef face grade is in line with expectations of 7.9 g/t.

The total amount of gold produced by Doornkop was 1 311 kilograms (42 150 ounces), 4% lower than production in FY08. Cash costs increased by 33% to R232 699/kg (US\$804/oz) as a result of electricity tariff increases, higher labour costs and higher consumable store costs. A cash operating profit of R62 million (US\$7 million) was reported at year-end.

Capital expenditure of R395 million (US\$44 million) for the year was 13% higher than the previous year.

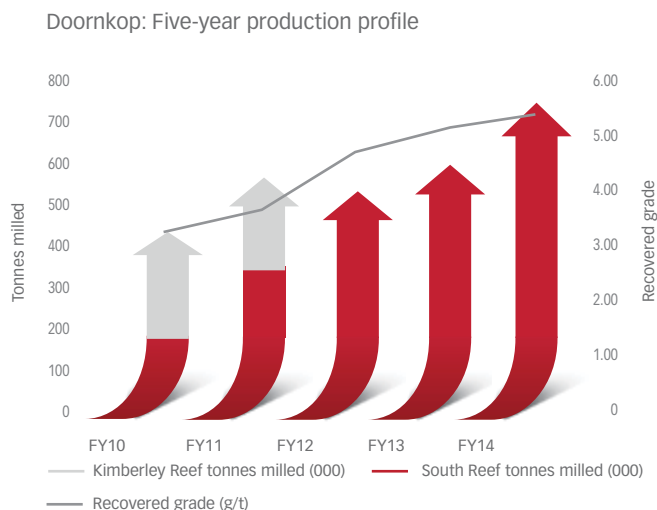
Outlook*

Trackless mining of the Kimberley Reef will continue for another two years while the build-up of production from the South Reef Project continues. Tonnes mined are expected to be in the region of 640 000 tonnes in FY10, at a recovered grade of 3.0 g/t. Cash costs** are anticipated to improve to approximately R172 000/kg (US\$693/oz) in FY10.

Planned capital expenditure** for FY10 is R283 million (US\$37 million) – R62 million (\$8 million) on on-going development, R12 million (US\$1.55 million) on other shaft capital and major equipment maintenance and R209 million (US\$27 million) on the South Reef project.

* Please refer to the forward-looking statement on the inside front cover of this report

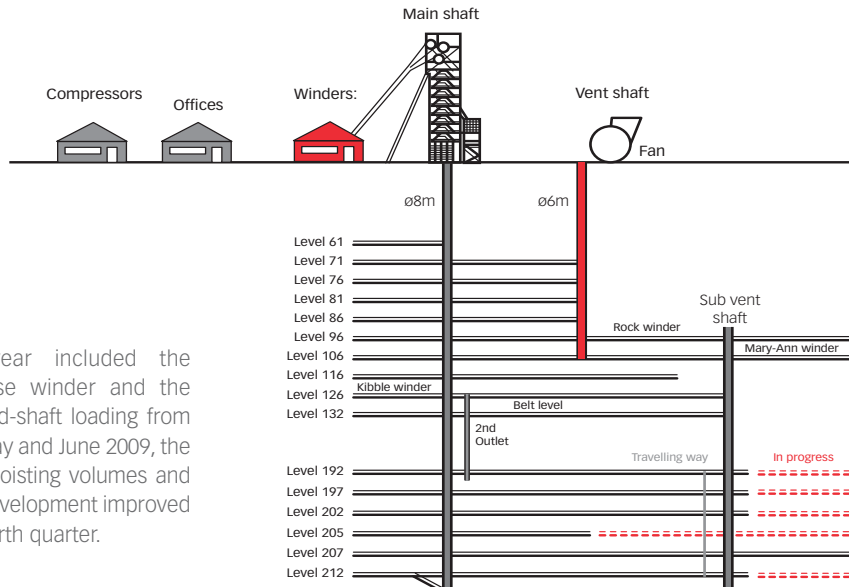
** June 2009 money terms. The exchange rate as at 30 June 2009 of R7.72/US\$ has been used for all forward-looking conversions.



Review of operations cont.

Doornkop South Reef Project

Following the start of production on this project in FY08, the build-up in volumes was slower in FY09 than had been planned, largely a result of logistical constraints and delays related to the transport of men and material, as well as the hoisting of ore. Production build-up resulted in increased pressure on available shaft time, which in turn led to delays in shaft construction work.



Major milestones during the year included the commissioning of the dual purpose winder and the dedicated winder to 132 level for mid-shaft loading from the Kimberley Reef section. In both May and June 2009, the operation achieved record monthly hoisting volumes and metres of development. South Reef development improved by 24% and stoping by 33% in the fourth quarter.

Future milestones include:

- ◆ commissioning of the main pump station in August 2009;
- ◆ implementation of ore tracking system in October 2009;
- ◆ installation of emergency generating capacity for the sub-shaft winder and completion of 202 level station modifications in January 2010;
- ◆ equipping of the rock winder compartment to shaft bottom (212 level) in February 2010; and
- ◆ completion of the construction contract in February 2010.

Key statistics

First production	July 2007
Full production	March 2015
Average annual production at full capacity	776 kg; 250 000 oz
Capital expenditure	R1.74 billion (US\$186.5 million at R9.33/US\$)
	R1.25 billion spent to date
Expected life-of-mine	15 years, to 2024
Average reserve head grade	4.28 g/t
Life-of-mine ounces	2.72 million

Doornkop South Reef Project capex (R million)

