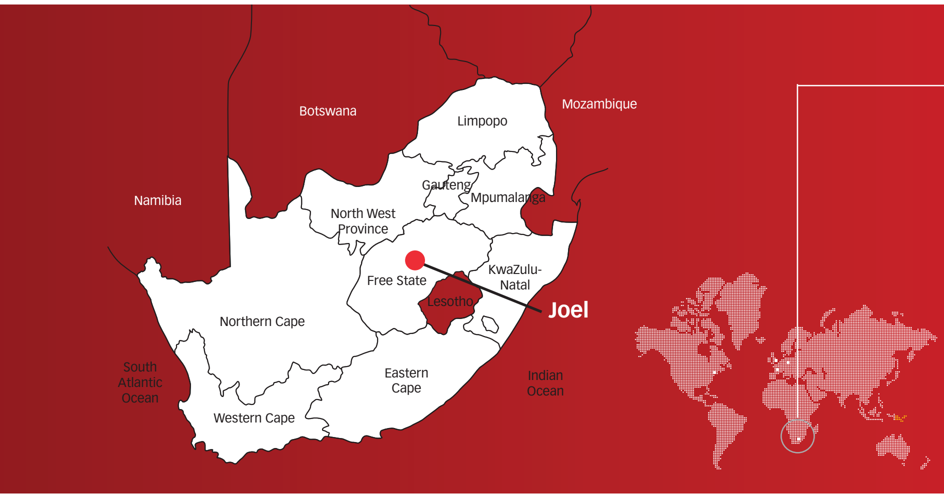
Review of operations cont.



Joel

Joel's contribution to production in FY09

Description

Joel mine, which is located in the Free State, near the town of Theunissen, on the south-western edge of the Witwatersrand Basin, comprises two shafts. Ore mined is transported to Central Plant some 38 kilometres away for processing, although the Joel Plant is in the process of being recommissioned and should come into operation in November 2009.

Harmony acquired Joel from AngloGold Ashanti Limited as part of the Freegold transaction in January 2002.

Scattered mining takes place on the Beatrix Reef, down to a depth of some 1 400 metres. Upgrading of the infrastructure at North Shaft is currently in progress.

In FY09, Joel employed 1 543 people – 1 518 employees and 25 contractors.

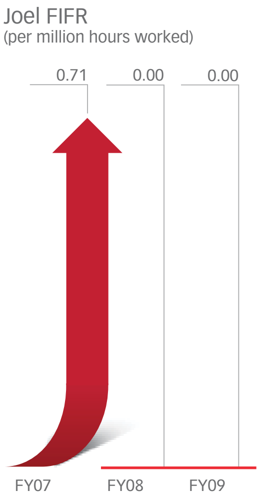
Mineral resources and ore reserves

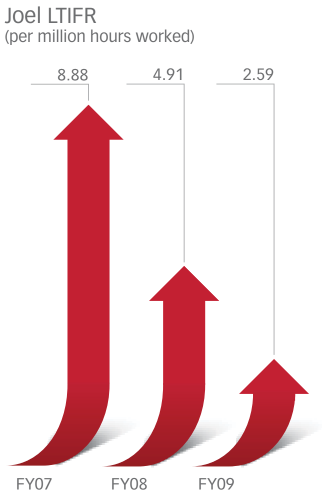
At the end of June 2009, Joel reported ore reserves of 0.565 million ounces and mineral resources of 4.330 million ounces. Joel's expected life-of-mine is in the region of eight years. Drilling of surface boreholes is currently under way in the deeper extension of the orebody towards the North to test the geology and to confirm grades, particularly the extension of the pay shoot. See pages 118 to 126 for further details.

Joel	Mineral resources				Ore reserves		
	Measured	Indicated	Inferred	Total	Proven	Probable	Total
Oz (000)	895	855	2 580	4 330	161	404	565
Tonnes (Mt)	4.3	3.9	12.3	20.5	0.9	2.2	3.1
Grade (G/t)	6.44	6.82	6.50	6.55	5.74	5.52	5.58

Safety

Safety performance at Joel continued to be exemplary. Joel has operated for two years and three months without a fatal accident, and has not had a fall of ground accident in over 18 months. The LTIFR improved by 47% from 4.91 per million hours worked to 2.59.





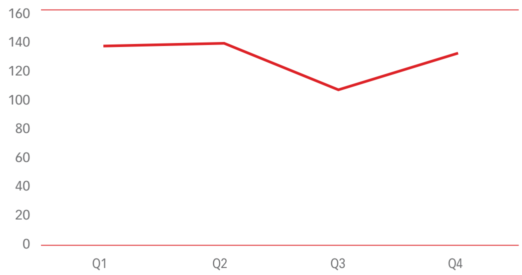
Joel key statistics:

	Unit	FY09	FY08	FY07
Production				
Volumes milled	000 t (metric)	**513**	407	457
	000 t (imperial)	**566**	449	504
Gold produced	kg	**2 043**	1 852	2 485
	oz	**65 684**	59 557	79 894
Average grade	g/t	**3.98**	4.55	5.44
	oz/t	**0.116**	0.133	0.159
Financial				
Revenue	R million	**503**	375	366
	US$ million	**56**	52	51
Cash costs	R/kg	**183 925**	148 035	98 956
	US$/oz	**636**	638	428
Cash operating profit	R million	**137**	91	125
	US$ million	**15**	13	18
Capital expenditure	R million	**56**	39	28
	US$ million	**6**	5	4

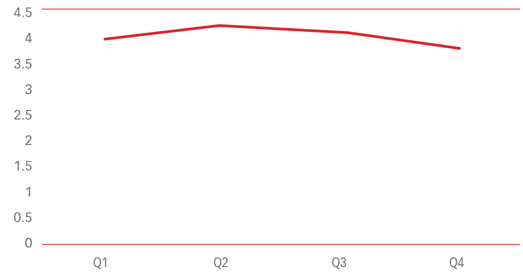
Review of operations cont.

Joel key quarterly indicators: FY09

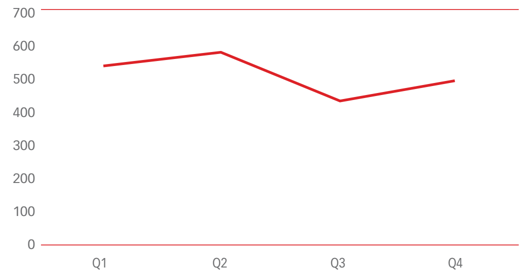
Tonnes (000)



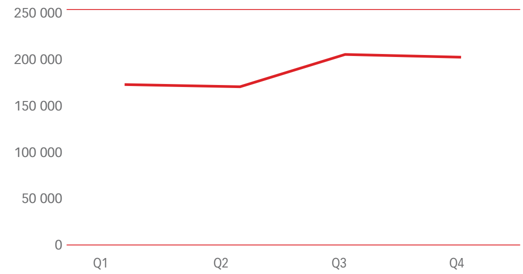
Grade (g/t)



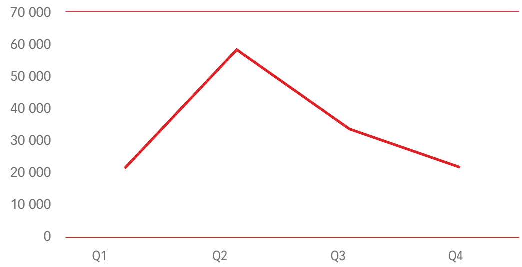
Gold produced (kg)



Cash cost (R/kg)



Cash profit R000



The year in review

Joel was beset by a series of operational problems that were consistently addressed during the year and overall performance improved substantially year-on-year.

The effects of the seismic event in the fourth quarter of FY08, that closed access to the four highest grade panels at the mine, continued into FY09. Access to these panels was re-established in November 2008, and extra vamping was undertaken to compensate for the loss of volumes.

Winder, loading and water problems were experienced during the year, hampering production. The north shaft winder rehabilitation programme was completed in the third quarter of the year, and it is expected that winder stoppages will be reduced in the future. The replacement of shaft guide ropes and the installation of pipes from 137 to 145 level to clean the north shaft bottom further exacerbated these production constraints. Lock-up tonnes, as a result of past winder problems, continued to be cleared.

Water still hampered development at 129 level where a system of dykes had to be negotiated and structures were put in place to ensure cover drilling and sealing operations took place. By year-end, development had advanced through most of the water-bearing structures, which will improve matters in FY10. Although some water may still be encountered in the main haulage, it will be less of a problem. The Klippan wash-out which was encountered to the east of Joel, has moved slightly further east enabling the development of two additional raise lines, which will assist in the build-up of production on 129 level.

Volumes mined increased by 26% year-on-year to 513 000 tonnes and gold production rose by 10% to 2 043 kilograms (65 684 ounces). Production is expected to improve further in FY10.

A concerted effort was made to increase development, particularly on 129 level, as this is critical to Joel's future. In total, 3 554 metres of development were undertaken in FY09, an increase of 66% on the prior year.

Grade control is well in place, but the lower average mining grade for the year resulted in a lower recovered grade of 3.98 g/t.

The Joel Plant will be recommissioned in November 2009. This will reduce transport costs and create the capacity to treat 40 000 tonnes of the waste rock dump material at Joel.

Cash costs, at R183 925/kg (or US$636/oz) continue to rise in response to higher electricity tariffs, higher labour costs and increases in the cost of consumables, although these were relatively well controlled. Cash operating profit was R137 million (US$15 million), a substantial increase on the prior year.

Capital expenditure for the year amounted to R56 million (US$6 million), and was spent mostly on on-going development and engineering equipment.

Outlook*

Production at Joel is expected to increase to 517 000 tonnes in FY10, while grade will rise to around 4.42 g/t. Gold production will consequently rise to some 2 288 kilograms (74 000 ounces). Cash costs are expected to decline.

Total capital expenditure** planned for FY10 is R67 million (US$9 million) – R36 million (US$5 million) on on-going development and R31 million (US$4 million) on major equipment maintenance and other shaft capital.

* 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.

Joel: Five-year production profile