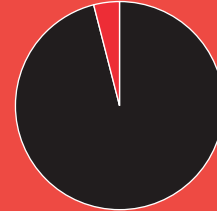


Review of operations cont.

2009

Kalgold

Kalgold's contribution to production in FY09



■ Kalgold 4%
■ Other Harmony operations 96%



Description

Kalgold is an open pit mining operation close to Mafekeng in North West Province. The mine, which accesses gold-bearing ore in a banded ironstone formation in a shear zone within the Kraaipan Greenstone Belt, has the Kalgold CIL Plant on site.

In FY09, Kalgold employed 468 people – 233 employees and 235 contractors.

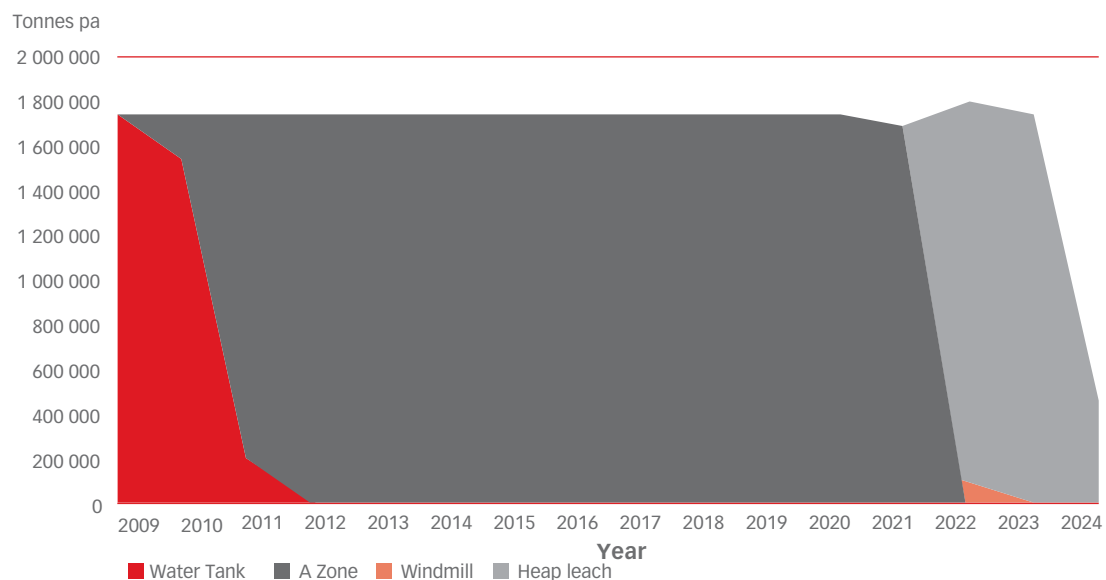
Mineral resources and ore reserves

At the end of June 2009, the Kalgold operation reported ore reserves of 0.732 million ounces of gold and mineral resources of 3.910 million ounces. The operation's expected life-of-mine extends to FY22, whereafter the heap leach material will be processed for a further two years.

Exploration drilling was undertaken during the year, encountering mostly narrow zones (2 to 5 metres) of mineralisation with grades of 1 to 3 g/t and limited strike length (less than 200 metres). Some potential for satellite mill feed was found at the Spanover Border and Spanover North areas, and high-grade mineralisation with uncertain geometry was discovered at the Farmhouse Zone. See pages 137 to 138 for further details.

Kalgold	Mineral resources				Ore reserves		
	Measured	Indicated	Inferred	Total	Proven	Probable	Total
Oz (000)	1 037	2 002	871	3 910	425	307	732
Tonnes (Mt)	34.5	66.0	28.4	128.9	15.5	9.0	24.5
Grade (G/t)	0.93	0.94	0.95	0.94	0.84	1.07	0.93

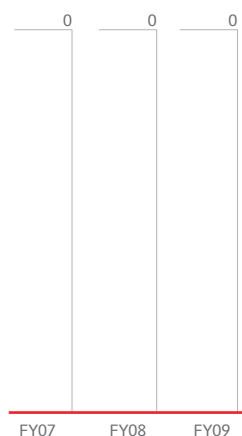
Kalgold life-of-mine



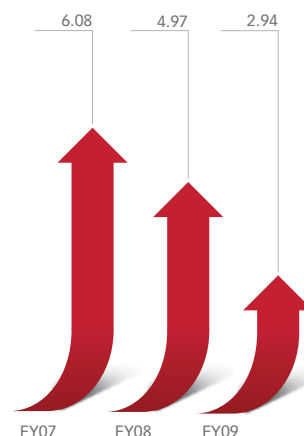
Safety

Kalgold achieved two million fatality-free shifts during the year. This operation has not had a fatal accident since inception. The LTIFR per million hours worked for the year was 2.94 (FY08: 4.97).

Kalgold FIFR
(per million hours worked)



Kalgold LTIFR
(per million hours worked)



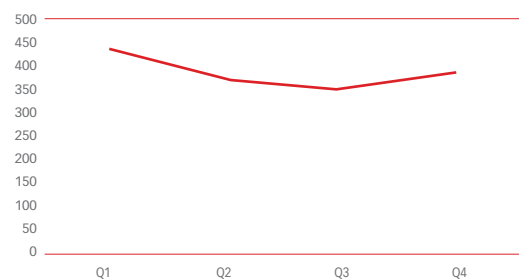
Kalgold key statistics:

Unit		FY09	FY08	FY07
Production				
Volumes milled	000 t (metric)	1 542	1 530	1 578
	000 t (imperial)	1 700	1 687	1 740
Gold produced	kg	2 015	2 869	1 764
	oz	64 784	92 229	56 714
Average grade	g/t	1.31	1.87	1.12
	oz/t	0.038	0.055	0.033
Financial				
Revenue	R million	512	557	257
	US\$ million	57	77	36
Cash costs	R/kg	146 314	94 312	117 155
	US\$/oz	506	401	506
Cash operating profit	R million	220	279	61
	US\$ million	25	39	9
Capital expenditure	R million	10	10	3
	US\$ million	1	1	–

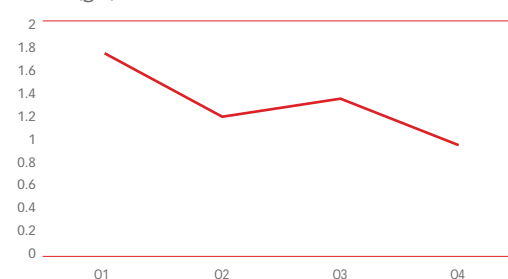
Review of operations cont.

Kalgold key quarterly indicators: FY09

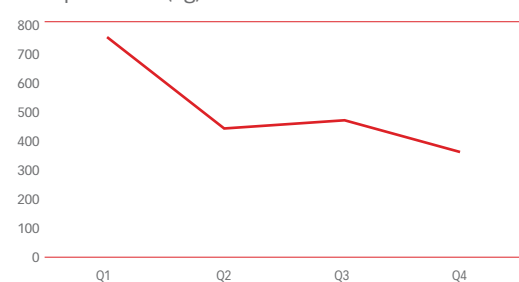
Tonnes (000)



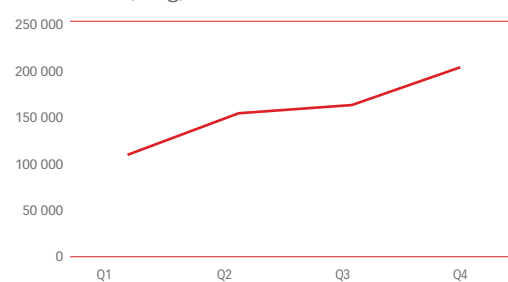
Grade (g/t)



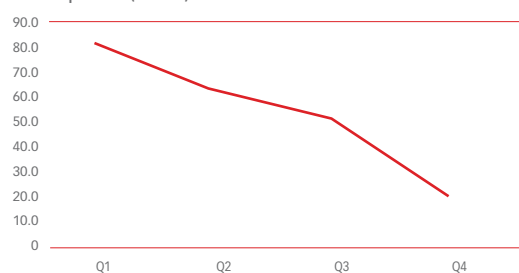
Gold produced (kg)



Cash costs (R/kg)



Cash profit (R000)



The year in review

Volumes processed at Kalgold, at 1 542 000 tonnes, were similar to FY08, despite technical problems (failure of a bearing on the C-mill), disruption to power supply as a result of excessive thunderstorm activity, excessive rain and delays caused by chokes in the crushers as a result of the high clay content of ore mined from the weathered zone in the Watertank pit.

Gold production declined by 30% to 2 015 kilograms (64 784 ounces), however, owing largely to the 30% decline in grade to 1.31g/t as operations at the high-grade D Zone pit came to an end in March 2009. Nonetheless, this zone was mined for six months longer than scheduled. Mining now takes place at the lower-grade Watertank satellite pit.

Cash costs were negatively affected by lower grade, with average cash costs for the year rising to R146 314/kg (US\$506/oz). Kalgold reported an operating profit of R220 million (US\$25 million). Capital expenditure for the year was R10 million (US\$1 million).

Harmony intends to continue with brownfields exploration in the areas surrounding the Kalgold operation.

Outlook*

The lower grade Watertank pit will be mined for the next 22 months, while reef in the A zone pit will begin in two years' time. Tonnes milled will remain stable at 1 719 000 tonnes over this period. An average recovered grade of 0.83g/t over the life of mine will not vary significantly. Gold production should therefore be around 1 443 kilograms per annum (46 000 ounces). Cash costs** are expected to be in the region of R188 000/kg in FY10 (US\$757/oz).

Total capital expenditure** planned for FY10 is R12 million (US\$1.55 million). This will mainly be spent on major equipment maintenance and other project 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.

Kalgold: Five-year production profile

