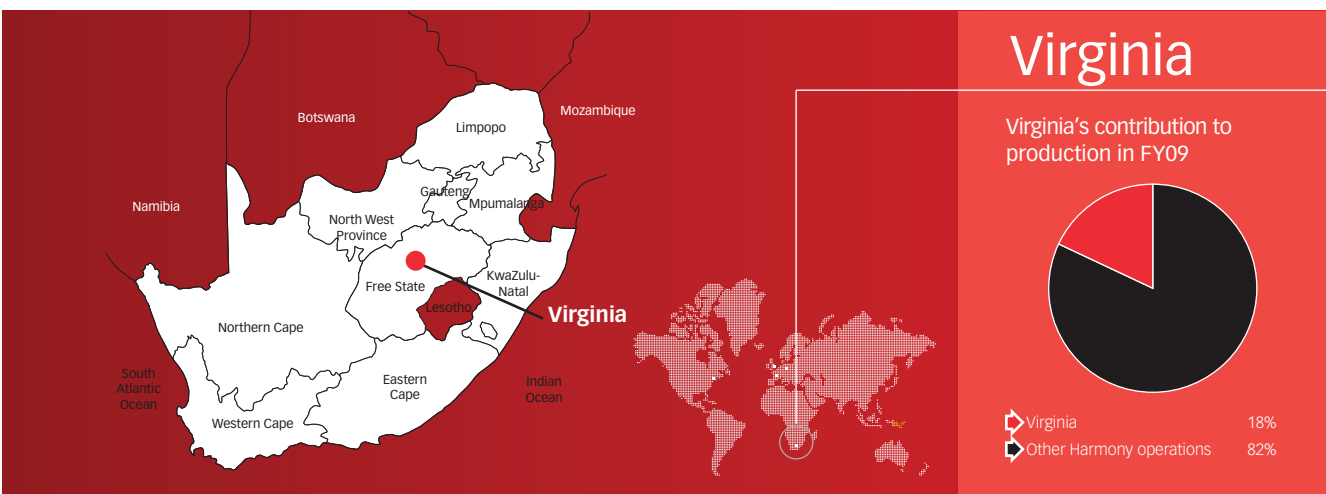


Review of operations cont.

2009



Description

The Virginia Operations – the Harmony 2, Merriespruit 1 and 3, Unisel and Brand 3 shafts – are situated in the Free State, near Virginia and Welkom. Ore from Unisel, Brand 3 and Harmony 2 shafts is processed at Harmony 1 plant, while ore from Merriespruit 1 and 3 shafts is processed at Central Plant.

These mature operations are among the oldest shafts in the group, with mining having begun here between 30 and 60 years ago. They are intermediate in depth, ranging from 1 000 to 2 000 metres. Scattered mining and pillar reclamation is being undertaken on the Basal, Leader, Middle and A reefs.

Mineral resources and ore reserves

At the end of June 2009, the Virginia operations reported ore reserves of 1.347 million ounces of gold and mineral resources of 31.993 million ounces. Each Virginia shaft's expected life-of-mine is as follows: two years (Brand 1 and 3 shafts), three years (Merriespruit 3) and two years (Harmony 2 shaft), five years (Merriespruit 1 shaft) and 11 years (Unisel).

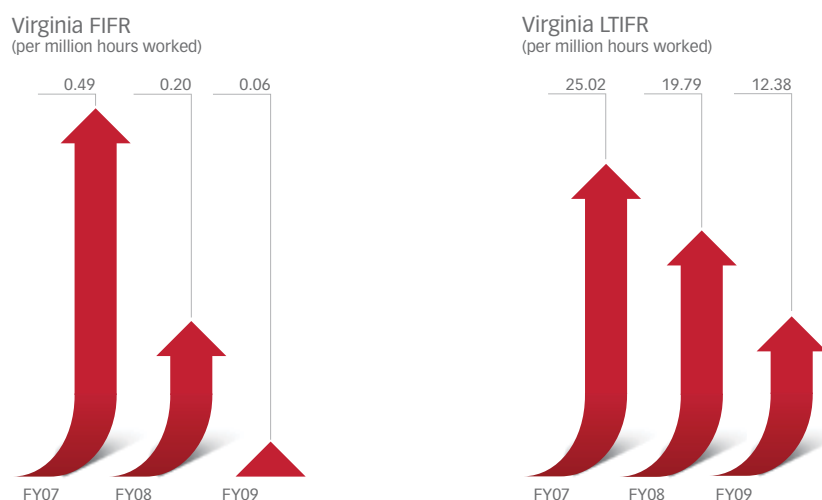
Exploration is being undertaken at Harmony 2 shaft predominantly on the A reef where good results have been reported in last financial year. See pages 118 to 125 for further details.

| Virginia | Mineral resources | | | | Ore reserves | | |
|-------------|-------------------|-----------|----------|--------|--------------|----------|-------|
| | Measured | Indicated | Inferred | Total | Proven | Probable | Total |
| Oz (000) | 7 352 | 4 572 | 20 069 | 31 993 | 940 | 407 | 1 347 |
| Tonnes (Mt) | 42.8 | 29.8 | 154.3 | 226.9 | 6.6 | 2.8 | 9.4 |
| Grade (G/t) | 5.35 | 4.77 | 4.05 | 4.39 | 4.43 | 4.56 | 4.47 |



Safety

Safety performance has improved consistently at the Virginia operations over the past three years. There was one fatal accident recorded in FY09 (FY08: 1). The LTIFR improved by 37% to 12.38 per million hours worked (FY08: 19.79). Harmony 2 shaft has been without a fatal accident for three years, while Merriespruit 1 and 3 shafts have both operated without a fatal accident for two years.



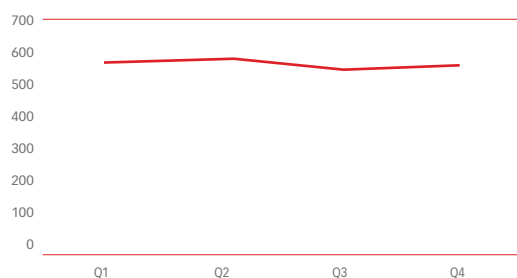
Virginia key statistics:

| Unit | | FY09 | FY08 | FY07 |
|-----------------------|------------------|---------|---------|---------|
| Production | | | | |
| Volumes milled | 000 t (metric) | 2 261 | 2 130 | 2 274 |
| | 000 t (imperial) | 2 493 | 2 349 | 2 507 |
| Gold produced | kg | 8 030 | 7 708 | 8 239 |
| | oz | 258 170 | 247 820 | 264 890 |
| Average grade | g/t | 3.55 | 3.62 | 3.62 |
| | oz/t | 0.104 | 0.106 | 0.106 |
| Financial | | | | |
| Revenue | R million | 2 033 | 1 488 | 1 232 |
| | US\$ million | 226 | 204 | 172 |
| Cash costs | R/kg | 184 538 | 169 544 | 122 196 |
| | US\$/oz | 638 | 726 | 528 |
| Cash operating profit | R million | 545 | 180 | 183 |
| | US\$ million | 61 | 24 | 25 |
| Capital expenditure | R million | 199 | 152 | 135 |
| | US\$ million | 22 | 20 | 19 |

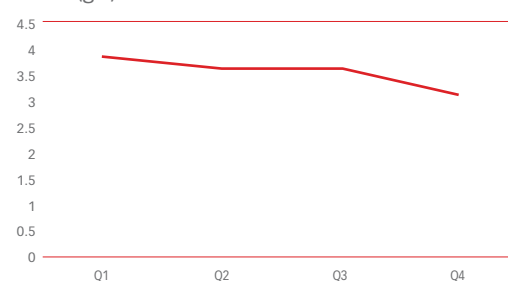
Review of operations cont.

Virginia key quarterly indicators: FY09

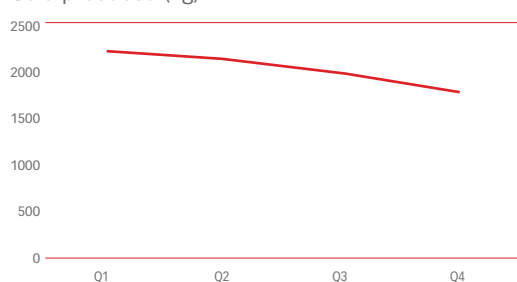
Tonnes (000)



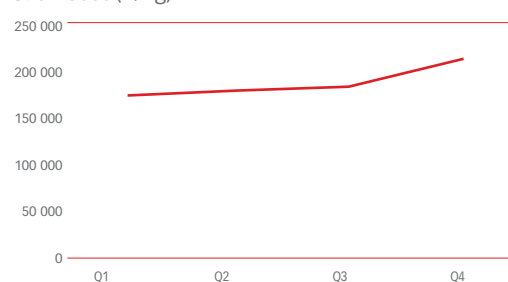
Grade (g/t)



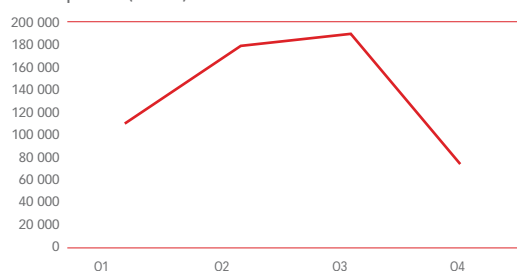
Gold produced (kg)



Cash cost (R/kg)



Cash profit (R000)



The year in review

The five shafts making up this operation will be reviewed on an ongoing basis as to its viability. Development remained constant year-on-year at 23 000 metres. Flexibility is a critical factor at these operations, particularly in respect of pillar mining.

Cash costs were also well-maintained despite inflationary pressures, rising by only 9% to R184 538/kg (US\$638/oz). Given the sensitivity of these operations to the gold price, cash operating profit was much improved, at R545 million (US\$61 million). Capital expenditure, of R199 million (US\$22 million) was 31% higher.

Outlook*

Volumes mined are expected to rise in FY10 to about 2 408 000 tonnes, and grade should improve slightly to 3.70 g/t. Gold production is expected to rise to 8 909 kilograms (286 400 ounces), while cash costs** should be of the order of R186 000/kg (US\$643/oz).

The future of these operations clearly lies with the longer-life Unisel. A great deal of development is still required to access the Basal reefs at this operation, and the high-grade shaft pillar will be exploited at the end of the life-of-mine.

Capital expenditure** of R192 million (US\$25 million) is planned for FY10 – R162 million (US\$21 million) on on-going development and R30 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.

Virginia: Five-year production profile

