OKeefe Thomas J
Form 4
February 13, 2013

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

OMB APPROVAL

OMB Number:	3235-0287
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(Print or Type Responses)

1. Name and Address of Reporting Person *
OKeefe Thomas J

(Last) (First) (Middle)

OLIN CORPORATION, 600 POWDER MILL ROAD

(Street)

EAST ALTON, IL 62024

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
OLIN CORP [OLN]

3. Date of Earliest Transaction (Month/Day/Year)
02/11/2013

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
President, Winchester

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock $1 par value								19,548	D	
Common Stock $1 par value								12,115.8707 (1)	I	By ESOP Trustee

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option Right to Buy	$ 23.28	02/11/2013		A		18,000		(2)	02/10/2023	Common Stock	18,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
OKeefe Thomas J OLIN CORPORATION 600 POWDER MILL ROAD EAST ALTON, IL 62024			President, Winchester	

Signatures

/s/T. E. Murphy, Attorney-in-Fact	02/13/2013
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The figure represents shares of Olin Common Stock held under the Olin Common Stock Fund of the Olin Corporation Contributing Employee Ownership Plan (CEOP), a tax conditioned plan reflecting transactions exempt under Rule 16b-3, as reported by the CEOP Plan Administrator as of January 15, 2013.

(2) The option vests in three annual installments beginning February 11, 2014.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. nder shafts, the reason being that these shafts are achieving their objectives under the Conops system.

Work Stoppages

During July and August 2008, two days were lost as part of the national campaign by the largest trade union federation COSATU against soaring food prices.

During September 2008, a one day work stoppage occurred at Tshepong, in protest of mine safety, following a fatal accident in which a mineworker was killed. This work stoppage followed an agreement between our management and NUM and was limited only to Tshepong.

During October 2008, a four day long work stoppage occurred at the Elandsrand mine near Carletonville due to a fall of ground accident which resulted in the death of one mineworker.

There were no group wide work stoppages in fiscal 2007.

Women in mining

The Mining Charter stipulates that 10% of the total workforce should be made up of women by 2009. At the end of June 2009, there were 3,952 women in the group (11%), compared with 3,578 in fiscal 2008, or 9% of women in the total workforce. Various steps have been taken to accommodate women in the underground mining environment.

PNG obtained government approval to recruit females specifically in the surface mining environment. As a result, there are plans in place at Hidden Valley specifically to address the gender balance of employees, and eight heavy equipment women operator trainees were recruited in fiscal 2008. In addition, a process of transferring women landowners (who were part of the construction team) to the open-pit operations has started. Meanwhile, aptitude tests of women landowners are ongoing to establish a pool of available candidates. In fiscal 2009, 16% of the workforce in PNG was women, exceeding the 15% target set in fiscal 2008.

There is no differentiation in salary scales for men and women at Harmony.

Australia

Employee relations in Australia are regulated by a combination of federal and state statutes that stipulate minimum standards and provide for collective bargaining and action. All employment contracts are based on Australian Workplace Agreements. Our Australian workforce is not unionized.

PNG

Employee relations in PNG are regulated by the Employment Act of 1978 (PNG) and the Employment of Non-Citizens Act 1978 (PNG). Individual contracts are entered into, and the workforce is not unionized.

The workforce comprises both expatriates and national citizens, with most expatriates (8% of the workforce) working a fly-in fly-out roster.

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Long Term Incentive Schemes

In addition to employees annual salaries, Harmony has implemented various share option schemes, including the Harmony 2006 Share Plan. In all, 14% of Harmony s share capital is reserved for long- term incentive schemes, which were approved by shareholders at the annual general meeting held in November 2005.

Existing share option schemes

Harmony has two share option schemes, namely the 2001 Share Option Scheme and the 2003 Share Option Scheme (collectively), which all have similar rules. Since the implementation of the 2006 Share Plan, no options have been nor will be issued in terms of the existing schemes. Options granted before the implementation of the 2006 Share Plan remain open for acceptance for 10 years after the date of grant, subject to the terms of the relevant option scheme.

A share purchase trust was established in 2002 which is controlled by Harmony. Recourse loans are provided by the trust to employees to enable them to acquire shares or exercise their options under Share Option Schemes. Since March 27, 2003, share option scheme participants are no longer allowed to place their shares in the share purchase trust.

The share purchase trust is funded by a loan from Harmony, which it repays once it receives repayment of the recourse loans granted to employees. Members of the Remuneration Committee serve as trustees. The trustees are not eligible to receive loans from the trust. Participants are not allowed to use structures to lock-in profits as the options are meant to align employees with our shareholders.

Broad-Based Employee Scheme

The Group intends to implement a broad-based employee share scheme and intends to structure the scheme so as to maximise the recognition of black participation therein, both from the perspective of the MPRDA and the Broad-Based Black Economic Empowerment Act. Discussions relating to option benefits for non-managerial employees are ongoing with unions representing these employees.

The Harmony 2006 Share Plan

The Harmony 2006 Share Plan (the plan) was adopted by shareholders at the annual general meeting held on 10 November 2006. The plan incorporates the following elements: equity- settled share appreciation rights, performance shares and performance allocated restricted shares. The Plan is in line with global best practice and emerging South African practice, which in combination serves to reward the required attributes of shareholder alignment and long-term, sustained performance.

In terms of the Plan, executive directors and senior employees of Harmony and its subsidiaries are awarded rights to receive shares in Harmony, based on the value of these awards when time and performance conditions have been met, the awards have vested and, in the case of the Share Appreciation Rights (SARs), the restricted shares, have been exercised.

The primary intent of the Plan is to reward executives and senior management for long term, sustained performance achievements which are aligned to shareholder value, and at the same time to ensure an optimal positioning in terms of the accounting and regulatory environment.

It is envisaged that rewards will be settled in shares.

Annual allocations of SARs awards of performance shares and grants of restricted shares are governed by Harmony s reward philosophy, in which (*inter alia*) the expected value of long- term incentive rewards is set for defined categories of executives and senior management. The expected value is defined as the present value of the future reward outcome of an allocation/award/grant, given the targeted future performance of Harmony and its share price.

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Annual incentive scheme

Our Remuneration Committee ensures that our directors and senior executives are fairly rewarded for their individual contributions to our overall performance.

In September 2006, the Remuneration Committee approved an annual incentive scheme as part of Harmony s Reward Philosophy to benefit executive directors and members of management. Since July 2008 the shaft management teams get paid a quarterly bonus and are excluded from the annual incentive schemes.

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Item 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Major Shareholders

We are an independent gold producer, with no single shareholder exercising control. As of October 19, 2009, our issued share capital consisted of 426,028,533 ordinary shares. To our knowledge, (A) we are not directly or indirectly owned or controlled (i) by another corporation or (ii) by any foreign government and (B) there are no arrangements (including any announced or expected takeover bid), the operation of which may at a subsequent date result in a change in our control.

The voting rights of our major shareholders do not differ from the voting rights of other holders of the same class of shares.

Significant changes in the percentage ownership held by major shareholders in the past three years are described below on *Related Party Transactions* .

A list of the 5% holders of our securities as of October 19, 2009 is set forth below:

Holder	Number of Shares	Percentage
1. Bank of New York (1)	123,013,456	28.90%
2. ARM Limited (2)	63,632,922	14.99%
3. Allan Gray	56,383,055	13.29%
4. Blackrock Investment Management (UK) Ltd.	41,496,772	9.78%

(1) Depository with respect to the ADRs held on the U.S. register.

(2) Patrice Motsepe, our Chairman, has an indirect holding in ARM Limited.

As of October 19, 2009, there were 2,239 record holders of our ordinary shares in the United States.

Capital Raising

Harmony engaged in capital raising by issuing two tranches of shares following the resolution passed by shareholders at the Annual General Meeting held on November 24, 2008 that allowed directors to issue shares for cash. In the first tranche, completed between November 25, 2008 and December 19, 2008, 10,504,795 Harmony shares were issued at an average subscription price of R93.20 resulting in R979 million (U.S.$98 million) before costs being raised.

The second tranche of shares was issued between February 10, 2009 and March 6, 2009 and consisted of 7,540,646 Harmony shares being issued at an average subscription price of R124.45, resulting in R938 million (U.S.$94 million) before costs being raised. The combined share issue amounts to R1.9 billion (U.S.$192 million) at a cost of R30 million (U.S.$3.5 million).

Related Party Transactions

None of our directors or major shareholders or, to our knowledge, their families, had any interest, direct or indirect, in any transaction since July 1, 2006 or in any proposed transaction that has affected or will materially affect us or our subsidiaries, other than as stated below.

On November 21, 2008, the Group disposed of its Randfontein Cooke assets to Rand Uranium in exchange for 100% interest in the company. On the same date the Group disposed of 60% of the interest held in Rand Uranium to PRF which resulted in a 40% interest held and Rand Uranium became an associate.

The conditions precedent for the second part of the Rand Uranium transaction relating to the sale of the Old Randfontein assets were fulfilled on April 22, 2009. Additional shares were issued in settlement and 60% of these shares were sold to PRF in terms of the agreement. PRF paid its portion of the purchase price in cash on April 20, 2009. The total value of these transactions was U.S.$348 million.

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We have three directors on the board of Rand Uranium, being GP Briggs, F Abbott and Ms FFT De Buck. Rand Uranium owes the Group U.S.$5 million for services and goods provided in terms of the service level agreements entered into between the Group and Rand Uranium. The Group has subordinated a loan of U.S.$9 million owed by Rand Uranium. The loan bears interest at a rate equal to the 91 Day JIBAR plus 250 basis points and is repayable within seven years.

In fiscal 2008 Morobe Consolidated Goldfields Limited and Wafi Mining Limited, subsidiaries of Harmony Gold (Australia) (Proprietary) Limited entered into a Master Purchase and Farm-in Agreement with Newcrest. This agreement provided for Newcrest to purchase a 30.01% participating interest (stage 1) and a further buy-out of an additional 19.99% participating interest in Harmony s PNG Gold and copper assets, giving them a 50% interest.

Included in the Group s consolidated balance sheet is a loan to the Morobe Mining Joint Venture amounting to U.S.$10 million, being Newcrest s portion of the loan to the PNG joint venture companies.

On July 11, 2008, we sold our 37.8% share in Village Main Reef Gold Mining Company (1934) Limited for R1.1 million (U.S.$0.1 million) to To the Point Investments. ZB Swanepoel, our former Chief Executive Officer, is a director and founder of To The Point Investments.

On February 27, 2008, the Group sold its Orkney assets to Pamodzi in exchange for shares, whereby it obtained an interest of 32.4% and Pamodzi became an associate (refer to note 22). Subsequent to this, we provided goods and services to Pamodzi at cost plus an applicable margin as set out in the service level agreement. The balance of the unsecured loan at June 30, 2008 was R103 million (U.S.$13.2 million). Interest was charged at prime rate. When Pamodzi was placed into liquidation in March 2009, interest was no longer charged on the loan and the loan was provided for in full. The balance of the loan at that time was R116 million (U.S.$15.0 million).

ARM Limited currently holds approximately 15% of our shares. Patrice Motsepe, André Wilkens and Frank Abbott are directors of ARM Limited.

In fiscal 2005, as part of the disposal of our investment in ARM Limited to the ARM Broad-based Economic Empowerment Trust (**BEE Trust**), various agreements were put in place to which we accepted and resulted in the majority of the risk not being transferred away from us. Included in these agreements were two guarantees by us to Nedbank relating to the loans obtained by the BEE Trust to acquire the shares from us. On September 28, 2007, the guarantees were cancelled by Nedbank and, consequently, we have no further obligation to Nedbank in this regard. The ARM investment (and associated Nedbank loan) have been derecognized from this date.

INTERESTS OF EXPERTS AND COUNSEL

Not applicable.

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Item 8. FINANCIAL INFORMATION

CONSOLIDATED STATEMENTS

Please refer to *Item 18.   Financial Statements*   of this annual report.

Legal Proceedings

None of our properties is the subject of pending material legal proceedings. We have experienced a number of claims and legal and arbitration proceedings incidental to the normal conduct of our business, such as the ones described below. The directors, however, do not believe that liabilities related to such claims and proceedings are likely to be, individually or in the aggregate, material to the company s consolidated financial condition.

Class Action

There is a pending class action in the United States whereby certain ADR holders are seeking damages against us pertaining to our business practices. We have filed with the court a Motion to Dismiss all claims asserted in the class action case, the plaintiffs have filed an opposing response, and we have subsequently replied to that response. At this point the matter is in the hands of the U.S. court and we are awaiting a ruling. It is not possible to predict with certainty when the court will rule on the Motion to Dismiss as the timing of the ruling is entirely within the discretion of the Court, but we would estimate that such a decision will be made by the end of the calendar year, although it may be later than that.

***ArcelorMittal South Africa Limited* (ArcelorMittal)**

On September 14, 2009 Harmony and DRDGold withdrew a complaint to the Competition Commission against ArcelorMittal originally made in 2002. The complaint alleged that ArcelorMittal had abused its dominant position in the local market for flat steel products by charging excessive prices. Following several years of litigation, Harmony, DRDGold and ArcelorMittal entered into a settlement agreement, the terms of which are confidential.

Dividends and Dividend Policy

We paid interim and final dividends on our ordinary shares in 2003 and 2004. Due to operating conditions and our commitment to expenditure on long-term growth projects, we were not able to declare any dividends in fiscal 2005, fiscal 2006, fiscal 2007 or fiscal 2008. On August 13, 2009, the Board approved a final dividend for fiscal 2009 of R0.50 per share, that was paid on September 21, 2009. The total amount of the dividend paid was R213 million (U.S.$28.6 million). As the dividend was declared after the reporting date of June 30, 2009, the dividend was not recorded in fiscal 2009. For information on our accounting policy relating to dividends, see note 2.20 to the consolidated financial statements.

South African law was relaxed to permit the distribution of a company s equity as a dividend, provided that the necessary shareholder or board approval is obtained and, after the distribution of the dividend, the company remains solvent and liquid. Cash dividends, however, may only be paid out of accumulated profits or other distributable reserves. Previously under South African law, a company s equity could not be distributed as a dividend. The amount of dividends, if any, paid in the future will depend on our results of operations, financial condition, cash requirements and other factors deemed relevant by the Board.

Recent Developments

PNG exploration acquisition

On August 27, 2009, we acquired two new exploration projects, the Amanab and the Mount Hagen Projects, in PNG.

These ELs complement the exploration activities undertaken by Harmony and underscore our commitment and belief in the developing minerals industry in PNG.

Amanab project EL1708 was granted on July 6, 2009 and comprises of about 863 square kilometers of tenure. The tenement is located approximately 160 kilometers north of the OK Tedi copper-gold mine in the Sandaun Province and was pegged to target the bedrock source of the alluvial goldfield centered on the Yup River.

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The Mount Hagen project comprises two contiguous tenements, EL1611 & EL1596, encompassing approximately 1,100 square kilometers of tenure. The tenements are located approximately 20 kilometers north-northeast of Mount Hagen and are readily accessible via the Highlands Highway connecting Lae and Porgera.

Harmony acquired 100% of the mineral rights for EL1596 from Frontier Resources for the cash consideration of A$0.3 million (U.S.$0.25 million).

We also acquired the rights to explore the adjacent tenement EL1611 over a four year period, with the condition that our exploration program meets the minimum annual expenditure commitment. At any time during this period we may exercise an option to purchase 100% of the tenement for a total cash consideration of 6 million Kina (U.S.$2.4 million).

Pamodzi Gold Free State (Proprietary) Limited

During June 2009, Harmony reported that the provisional liquidators for Pamodzi Gold Free State (Proprietary) Limited (In Provisional Liquidation) (Pamodzi Free State) had chosen Harmony Group as the preferred bidder of Pamodzi Free State s assets. These assets consisted of President Steyn 1 and 2 Shafts, Loraine 3 Shaft, Freddie 7 Shaft and Freddie 9 Shaft, a metallurgical gold plant, a waste rock dump and a dormant tailings storage facility.

Harmony s offer was accepted during July 2009, following the approval from the Industrial Development Corporation of South Africa and the relevant trade unions.

In September 2009 Harmony entered into four separate agreements to purchase Pamodzi Free State s assets. The Pamodzi Free State assets will be purchased free from all liabilities, save for all associated rehabilitation and environmental liabilities. The purchase consideration for these assets is R405 million. The purchase was approved by the South African High Court on September 15, 2009.

The major conditions precedent that have to be fulfilled in order for the agreements to become unconditional are the conversion of the Pamodzi Free State mining rights and the consent for the cession thereof to Harmony by the Minister of Mineral Resources.

Avoca Resources Limited

During September 2009 and October 2009, the Group disposed of its Avoca Resources Limited shares for approximately A$6 million (US$5.2 million).

Big Bell Operations (Proprietary) Limited

During September 2009 quarter, the board approved the sale of Big Bell Operations (Proprietary) Limited (BBGO), operations in Western Australia. A tender process was completed and a preferred bidder was identified. The share sale agreement is expected to be completed and executed during the December 2009 quarter. BBGO has been classified as held-for-sale.

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Item 9. THE OFFER AND LISTING

Markets

Stock Exchange Listings and Ticker Codes

The primary listing of our ordinary shares is on the JSE Limited. Our ordinary shares are also listed on stock exchanges in London and Berlin, as well as being quoted in Brussels, Paris and Luxembourg in the form of International Depositary Receipts (IDRs) and on the New York Stock Exchange and NASDAQ in the form of ADSs.

JSE Limited	HAR
New York Stock Exchange	HMY
NASDAQ	HMY
London Stock Exchange	HRM
Euronext Brussels	HMY
Euronext Paris	HG
Berlin Stock Exchange	HAM1

Offering and Listing Details

The high and low sales prices in Rand for our ordinary shares on the JSE for the periods indicated were as follows:

	Harmony Ordinary Shares (Rand per Ordinary Share)	
	High	**Low**
Fiscal year ended June 30, 2007		
First Quarter	121.54	86.10
Second Quarter	123.00	101.00
Third Quarter	113.45	90.85
Fourth Quarter	117.85	94.30
Full Year	123.00	86.10
Fiscal year ended June 30, 2008		
First Quarter	104.05	60.00
Second Quarter	83.05	63.00
Third Quarter	118.50	69.00
Fourth Quarter	104.41	82.98
Full Year	118.52	60.00
Fiscal year ended June 30, 2009		
First Quarter	97.00	54.99
Second Quarter	103.75	62.50
Third Quarter	129.50	92.50
Fourth Quarter	104.40	75.50
Full Year	129.50	54.99
Month of		
July 2009	79.00	69.05
August 2009	76.50	70.80
September 2009	87.51	71.60
As of October 19, 2009	87.00	80.00

On October 19, 2009, the share price of our ordinary shares on the JSE was R85.60.

Our ADRs are dual-listed on the New York Stock Exchange and, as of November 29, 2005, on the NASDAQ. The high and low sales prices in U.S. dollars for our ADRs for the periods indicated, as reported on the NYSE and NASDAQ, were as follows:

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	NYSE Harmony ADRs ($ per ADR)		NASDAQ Harmony ADRs ($ per ADR)	
	High	**Low**	**High**	**Low**
Fiscal year ended June 30, 2007				
First Quarter	17.10	11.91	17.10	12.93
Second Quarter	17.26	13.44	15.75	13.44
Third Quarter	15.27	13.90	15.27	13.90
Fourth Quarter	14.31	14.27	14.31	14.27
Full Year	17.26	11.91	16.76	12.67
Fiscal year ended June 30, 2008				
First Quarter	15.27	8.42	15.27	8.42
Second Quarter	11.90	10.31	11.90	10.31
Third Quarter	11.51	10.75	11.51	10.75
Fourth Quarter	12.25	11.51	12.25	11.51
Full Year	15.27	8.42	15.27	8.42
Fiscal year ended June 30, 2009				
First Quarter	12.51	6.39	12.51	6.39
Second Quarter	10.97	5.58	10.97	5.58
Third Quarter	13.06	8.95	13.06	9.12
Fourth Quarter	12.10	8.17	12.10	8.17
Full Year	13.06	5.58	13.06	5.58
Month of				
July 2009	10.35	8.50	10.34	8.50
August 2009	9.62	8.93	9.58	8.91
September 2009	11.75	9.03	11.78	9.05
As of October 19, 2009	11.98	10.23	11.94	10.22

On October 19, 2009, the closing share price of our ordinary shares on the NYSE was U.S.$11.59.

On October 19, 2009, the closing share price of our ordinary shares on NASDAQ was U.S.$11.60.

The Securities Exchange In South Africa

The JSE is the sixth largest emerging market exchange and by far the leading exchange in Africa, playing a leadership role in the continent, supporting South Africa s role as the African financial hub. It is also recognized as a leading exchange in the global resources sector.

As South Africa s only full service securities exchange, the JSE connects buyers and sellers in five different markets; equities, which includes a primary and secondary board, equity derivatives, agricultural derivatives and interest rate instruments. The JSE is one of the top 20 exchanges in the world in terms of market capitalization. The market capitalization of the JSE equities market was R4,733 billion (U.S.$613 billion) at June 30, 2009. The mining market capitalization was, at June 30, 2009, 28.9% of the overall JSE market capitalization and constituted 29.2% in terms of value traded.

The JSE is the market of choice for local and international investors looking to gain exposure to the leading capital markets in South Africa and the broader African continent.

History

The Securities Exchange in South Africa, now known as JSE Limited, was formed in November 1887. In 1993 the JSE became an active member of the African Stock Exchanges Association. On May 15, 1996, the formal bond market passed from the JSE to the Bond Exchange of South Africa and is separately licensed as a financial market in terms of the Financial Markets Control Act.

Following the closure of the open outcry trading floor on June 7, 1996, an order driven, centralized automated trading system known as the JSE Equities Trading, or JET, system was introduced together with dual trading and negotiated brokerage. On August 18, 1997, the Listings division of the JSE introduced a real time news service for the dissemination of company announcements and price sensitive information. Stock Exchange News Service (**SENS**) ensures early, equal and wide dissemination of all information

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that is expected to have an effect on the prices of securities that trade on the JSE. In 1998, the JSE introduced an Internet-based Service, the Emerging Enterprise Zone, or the EEZ, to match seekers and providers of capital for small and medium business. In November 1999, the electronic clearing and settlement system, Share Transactions Totally Electronic (**STRATE**) was introduced and the JET system was modified to prepare for the implementation of an open interface to the system via the Application Program Interface. The Alternative Exchange, known as the AltX , aimed at attracting smaller companies to the JSE, was launched in October 2003 and at June 30, 2009 boasts 76 listings. Yield-X, which trades spot and derivative interest rate products across the yield curve on an automated central order book was introduced in February 2005. The JSE s Single Stock Futures market is the world leader in terms of contracts traded, according to the World Federation of Exchanges IOMA Derivative Markets Survey. Concurrent with its loss of tax-exempt status on July 1, 2005, the JSE Securities Exchange South Africa de-mutualized, ending its 118 year history as a tax-exempt, member owned, voluntary association to become JSE Limited, a public but unlisted company.

STRATE Settlement

Under STRATE there are essentially two types of clients: controlled and non-controlled. A controlled client is one who elects to keep his shares and cash with his broker and these shares are held in custody at the broker s chosen Custodian Bank, the CSDP. A non-controlled client is one who appoints his own CSDP to act as custodian on his behalf. Equity settlements take place on a contractual T+5 (where T= trade date) settlement cycle. Securities and funds become due for settlement a set number of business days after the trade. Contractual settlement is a market convention embodied in the rules of the JSE which states that a client has a contractual obligation to cause a JSE trade to settle on settlement day. The JSE, in its capacity as Settlement Authority, ensures that all on-market trades entered into by two JSE member firms settle five days after the trade date.

PLAN OF DISTRIBUTION

Not applicable.

SELLING SHAREHOLDERS

Not applicable.

DILUTION

Not applicable.

EXPENSES OF THE ISSUE

Not applicable.

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Item 10. ADDITIONAL INFORMATION

Share Capital

Not applicable.

Memorandum and Articles of Association

This section summarizes certain material provisions of Harmony s Memorandum and Articles of Association, the Companies Act and the JSE listings requirements, each as currently in effect. These descriptions do not purport to be complete and are qualified in their entirety by reference to all of the provisions of those sources. Directions on how to obtain a complete copy of Harmony s Articles of Association are provided under Documents on Display below.

General

We are a public company with limited liability, and is registered under the Companies Act with the Registrar of Companies, Department of Trade and Industry under Registration number 1950/038232/06. We are governed by our Memorandum of Association and Articles of Association, the provisions of the Companies Act and the various Listings Requirements. Our operations are also subject to various laws and regulations, including those described in *Item 4. Information on the Company Regulation* .

Objects and Purposes

Our objects are set forth in Paragraph 3 of our Memorandum of Association and include:

- to acquire by purchase, cession, grant, lease, exchange or otherwise any movable or immovable property, mines, mineral property, claims, mineral rights, mining rights, mining leases, mining titles, mynpachts, lands, farms, buildings, water rights, concessions, grants, rights, powers, privileges, surface rights of every description, servitudes or other limited rights or interests in land and mineral contracts of every description; and any interest therein and rights over the same; and to enter into any contract, option or prospecting contract in respect thereof, and generally to enter into any arrangement that may seem conducive to our objects or any of them;

- to carry out all forms of exploration work and in particular to search for, prospect, examine, explore and obtain information in regard to mines, mineral properties, claims, mineral rights, mining rights, mining leases, mining titles, mynpachts, mining districts or locations and ground and soil supposed to contain or containing precious stones, minerals or metals of every description;

- to open, work, develop and maintain gold, silver, diamond, copper, coal, iron and other mines, mineral and other rights, properties and works, and to carry on and conduct the business of raising, crushing, washing, smelting, reducing and amalgamating ores, metals, minerals and precious stones, and to render the same merchantable and fit for use and to carry on all or any of the businesses of miners, mineralogists, metallurgists, amalgamators, geophysicists, smelters, quarry owners, quarrymen and brickmakers;

- to buy, sell, refine and deal in bullion, specie, coin and precious and base metals, and also precious stones and other products of mining; and

- to employ and pay mining experts, agents and other persons, partnerships, companies or corporations, and to organize, equip and dispatch expeditions for prospecting, exploring, reporting on, surveying, working and developing lands, farms, districts, territories and properties in any part of the world, whether the same are our property or otherwise.

Directors

Disclosure of Interests

A Harmony director may not vote in respect of any contract or arrangement in which he or she is interested, and may not be counted in the quorum for the purpose of any resolution regarding such a contract or arrangement. This restriction does not apply, however, to:

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any arrangement for giving the director a security or indemnity in respect of money lent, or an obligation undertaken, by such director for our benefit;

any arrangement by which we give any security to a third party in respect of our debt or obligation for which the director himself or herself has assumed responsibility, in whole or in part, whether under a guarantee or indemnity or by the deposit of a security;

any contract by the director to subscribe for or underwrite our shares or debentures;

any contract or arrangement with a company other than us, in which the director holds or controls, directly or indirectly, no more than 1% of shares representing either (i) any class of the equity share capital of that company or (ii) the overall voting rights of that company; or

any retirement scheme or fund which relates to both directors and to employees (or a class of employees) and does not accord to any director, as such, any privilege or advantage not generally accorded to the employees to which such scheme or fund relates.

The restrictions preventing directors from voting in respect of contracts or arrangement in which they are interested may be suspended or relaxed at any time, either generally or in respect of particular circumstances, by the holders of 75% of our ordinary shares who are present and voting in a general meeting.

A director, notwithstanding his of her interest, may be counted in the quorum present at any meeting where: (i) he or she or any other director is appointed to hold any office or position of profit in Harmony; (ii) the directors resolve to exercise any of our rights to appoint, or concur in the appointment of, a director to hold any office or position of profit in any other company; or (iii) the terms of any such appointment are considered or varied. At this meeting, each director may vote on the matters listed above, but no director may vote in respect of his or her own appointment, or the arrangement or variation of the terms of his or her own appointment.

The restrictions described above do not prevent or debar any director, as a holder of any class of our shares, from taking part in or voting upon any question submitted to a vote by that class at a general meeting, regardless of that director s personal interest or concern.

Compensation

The remuneration of our directors in their capacity as directors, including fees per directors meeting, and additional compensation for the performance of other services, such as serving on committees, may be established either by a majority of the holders of our ordinary shares, present and voting in a general meeting, or by a majority of disinterested directors at a meeting of directors, provided they constitute a quorum.

Borrowing Powers

Our directors may raise, borrow or secure the payment of any sums of money for our purposes as they see fit. However, without the consent of a majority of the holders of our ordinary shares present and voting in a general meeting, the aggregate principal amount outstanding in respect of monies raised, borrowed or secured by us and any of our subsidiaries may not exceed the greater of (i) R40 million or (ii) the aggregate amount, from time to time, of our issued and paid up capital, plus the aggregate of the amounts standing to the credit of all distributable and non-distributable reserves, plus our share premium account and the share premium accounts of our subsidiaries.

The Companies Act provides that a company may only make a loan to its owner, director or manager with the prior consent of all the members of the company or pursuant to a special resolution relating to a specific transaction.

Rotation

At each of our annual general meetings, one-third of the directors, or, if the number is not a multiple of three, then the number nearest to but not exceeding one-third, shall retire from office by rotation. Those directors who have been longest in office since their last election or re-election shall retire. As between directors of equal seniority, the directors to retire by rotation shall, in the absence of agreement, be selected by lot. If at the date of any annual general meeting, any director shall have held office for a period of at least three years since his or her last election or re-election, he or she shall retire at such meeting, either as one of the directors resigning pursuant to the aforementioned rotation principles, or in addition thereto. Retiring directors are eligible for re-election and said

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directors have made themselves available for re-election.

If a director is appointed to any Harmony executive office, his or her employment contract may provide that he or she shall be exempt from rotation for the lesser of (i) a period of 5 years or (ii) the period during which he or she continues to hold the relevant executive office. During the relevant period, the director in question shall not be taken into account in determining the retirement of directors by rotation. The number of directors who may be exempt from retirement by rotation in this manner shall not equal or exceed one-half of the total number of the directors at the time of the relevant director s appointment. Currently none of our directors are exempted from retirement under these provisions.

Qualifications

There is no age limit requirement with regard to retirement or non-retirement of directors. Directors are not required to hold any of our shares to qualify them for appointment as directors.

Share Capital

As of June 30, 2009, our issued share capital consisted of 425,986,836 ordinary shares with a par value of R0.50 each. As of October 19, 2009, our issued share capital consisted of 426,028,533 ordinary shares with a par value of R0.50 each. Our authorized share capital is 1,200,000,000 ordinary shares with a par value of R0.50 each. The terms of the ordinary shares are described in Description of Ordinary Shares below.

Description of Ordinary Shares

This section summarizes the material provisions of Harmony s ordinary shares as set out in Harmony s Memorandum and Articles of Association, the Companies Act and the JSE listings requirements, each as currently in effect. It does not purport to be complete and is qualified in its entirety by reference to all of the provisions of those sources.

Dividends

Either the Board or a majority of the holders of our ordinary shares, voting in a general meeting, may, from time to time, declare a dividend to be paid to the registered holders of ordinary shares according to their respective rights and interests in the profits, measured in proportion to the number of ordinary shares held by them. Under South African law, a company s equity may be distributed as a dividend, provided that any necessary shareholder approval is obtained and, after the distribution of the dividend, the company remains solvent and liquid. Cash dividends, however, may only be paid out of the profits of the company. Cash dividends paid by us will not bear any interest payable by us. Dividends may be declared either free of, or subject to, the deduction of income tax and any other tax or duty which may be chargeable. There is currently no tax payable in South Africa by the recipients of dividends who are outside South Africa.

Dividends are declared payable to holders of ordinary shares who are registered as such on a record date determined by the Board, which must be after the later of the date of the dividend declaration or the date of confirmation of the dividend. The period between the record date and the date of the closing of the transfer registers in respect of the dividend shall be not less than 14 days.

Holders of our ordinary shares, voting in a general meeting, may not declare a dividend greater than the amount recommended by the directors, but may declare a smaller dividend. Dividends will be paid to the holders of our ordinary shares in proportion to the number of their shares. All unclaimed dividends may be invested or otherwise utilized by the Board for our benefit until claimed; provided that dividends unclaimed after a period of twelve years from the date of declaration may be declared forfeited by the Board. Forfeited dividends revert to us.

Any dividend or other sum payable in cash to a holder may be transmitted by a payment method determined by the directors, such as electronic bank transfer or ordinary post to the address of the holder recorded in the register or any other address the holder may previously have given to us in writing. We will not be responsible for any loss in transmission.

Any dividend may be paid and satisfied, either wholly or in part, by the distribution of specific assets, including shares and debentures of any other company, in cash, or by one or more of such methods, as the Board may determine and direct at the time of the dividend declaration.

When any holders of our ordinary shares reside outside of South Africa, the Board has the power, subject to any applicable laws or regulations, to declare a dividend in a relevant currency other than the Rand and to determine the date on which and the rate of exchange at which the dividend shall be converted into the other currency.

All cash dividends paid by us are expected to be in Rand. Holders of ADRs on the relevant record date will be entitled to receive any dividends payable in respect of the ordinary shares underlying the ADRs, subject to the terms of the Deposit Agreement. Cash dividends paid in Rand will be converted by the depository to U.S. dollars and paid by the depository to holders of ADRs, to the extent it can do so on a reasonable basis and can transfer the U.S. dollars to the United States, net of conversion expenses of the depository, and in accordance with the Deposit Agreement.

Voting Rights

Subject to any rights or restrictions attached to any class of ordinary shares, every holder of our ordinary shares who is present in person at a shareholder meeting, or a person present as a representative of holders of one or more ordinary shares, shall on a show of hands have one vote, irrespective of the number of ordinary shares he holds or represents. Every holder of ordinary shares shall, on a poll, have one vote for every ordinary share held by him. A shareholder is entitled to appoint a proxy to attend and speak and vote at any meeting on his or her behalf. The proxy need not be a shareholder. On a poll, a shareholder entitled to more than one vote (or his representative, proxy or agent) need not, if he votes, use all of his votes or cast all of his votes in the same way.

Distribution of Assets on Liquidation

In the event of voluntary or compulsory liquidation, dissolution or winding up, the assets remaining after payment of all our debts and liabilities, including the costs of liquidation, will be applied to repay the amount paid up on our issued capital to holders of our ordinary shares and, thereafter, the balance will be divided pro rata among the holders of our ordinary shares, subject to any special rights or conditions attaching to any shares. Any portion of our assets may, upon such liquidation, dissolution or winding up, and with the approval of a special resolution, be paid to the ordinary shareholders by the distribution of specific assets or may be vested in trustees for the benefit of such ordinary shareholders.

Redemption/Purchase of Shares

No shares shall be issued which are redeemable by their terms or at the option of any party.

The Companies Act permits companies to establish share incentive trusts and provide funds with which such trusts may purchase securities (including debt and equity securities) of a company or its holding company. These securities are to be held by or for the benefit of employees, including salaried directors. The Companies Act also permits such a trust to loan funds to company employees for the purpose of purchasing or subscribing for our securities, provided that such trusts may not loan funds to directors who do not hold salaried employment or office.

The Companies Amendment Act provides that a company may approve the acquisition of its own shares by special resolution, if authorized to do so by its articles. A company is not, however, permitted to make any form of payment to acquire any of its own shares if there are reasonable grounds for believing that the company is or, after the payment, would be unable to pay its debts or if, after the payment, the consolidated assets of the company fairly valued would be less than the consolidated liabilities of the company. The procedure for acquisition of shares by a company is regulated, in the case of listed companies, both by the Companies Amendment Act and the Listings Requirements of the JSE. The Companies Amendment Act further provides that a company may make payments to its shareholders if authorized by its articles subject to the liquidity and solvency requirements described above.

We are authorized pursuant to our Articles of Association to approve the acquisition of our shares by special resolution from time to time. We are also authorized pursuant to our Articles of Association to make payments in cash or in specie to any class of our shareholders.

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Issue of Additional Shares and Pre-emptive Rights

The Companies Act does not provide holders of any class of our shares with pre-emptive rights. However, the JSE requires that any new issues of equity shares by companies listed on the exchange must first be offered to existing holders of such shares, in proportion to their current holding.

The JSE will, however, allow a company to issue shares to third parties without first offering them to existing shareholders, in circumstances such as the following:

pursuant to an employee share incentive scheme the terms of which have been approved by the holders of the relevant class of shares in a general meeting;

for the acquisition of an asset, provided that if the issue is more than 30% of the company s issued share capital, a simple majority of holders of ordinary shares present and voting, must vote in favor of the acquisition;

to raise cash by way of a general issue in the discretion of the directors (but not to related parties) of up to 15% of the issued share capital in any one fiscal year at an issue price with a discount not exceeding 10% of the 30-day weighted average trading price prior to the determination date, provided that the holders of ordinary shares, present and voting at a general meeting, must approve the granting of such authority to the directors by a 75% vote; or

to raise cash by way of a specific issue of a specified number or a maximum number of shares for cash provided that the holders of ordinary shares, other than controlling shareholders, present and voting, vote in favor of the resolution to issue the shares at a general meeting by a 75% vote. In terms of JSE listings requirements, the circular to be sent to all shareholders informing them of the general meeting must include, inter alia:

details of the persons to whom the shares are to be issued if such persons fall into the following categories or other categories identified by the JSE: directors of the company or its subsidiaries or their associates; trustees of employee or directors share scheme or pension funds; any person having the right to nominate directors of the company; and certain shareholders holding more than 10% of the issued share capital;

if the persons to whom the shares are to be issued are related parties, an independent expert s opinion that the issue price is fair and reasonable; and

should the maximum size of the issue equal or exceed 30% of the company s issued share capital, full listing particulars, which include, inter alia, a reporting accountant s report and, in the case of a mining company, a competent person s report setting out technical details of the company s operations and assets.

Transfer of Shares

Owners of our ordinary shares may transfer any or all of their shares in writing in any common form or in any form approved by our directors. Every instrument of transfer must be executed by the transferor or, if the directors so determine, by the transferor and the transferee. The transferor will remain the holder of the ordinary shares transferred until the name of the transferee is entered in our register of members in respect of such ordinary shares.

The Board may refuse to recognize any instrument of transfer that is not duly stamped (if required) or is not accompanied by appropriate evidence of the transferor s title. Such right of refusal will not prevent dealings occurring on an open and proper basis. We retain all instruments of transfer that are registered. Any instrument of transfer that the Board refuses to register is, except in the case of fraud, returned on demand to the person depositing such instrument.

Rights of Minority Shareholders and Fiduciary Duties

Majority shareholders of South African companies have no fiduciary obligations under South African common law to minority shareholders. However, under the Companies Act, a shareholder may, under certain circumstances, seek relief from the court if he has been unfairly prejudiced by the company. The provisions in the Companies Act are designed to provide relief for oppressed shareholders without necessarily overruling the majority s decision. There may also be common law personal actions available to a shareholder of a company.

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Although the concepts are similar, the specific interpretations of fiduciary obligations of directors in South Africa may differ from those in the U.S. and certain other countries. In South Africa, the common law imposes on directors a duty to act with care, skill and diligence and fiduciary duties, which include the duty to conduct the company s affairs honestly and in the best interests of the company.

Variation of Rights

We may vary the rights attached to any issued or not yet issued shares by special resolution. However, if at any time the issued share capital is divided into different classes of shares, the rights attached to any class may not be varied except with the consent in writing of the holders of at least 75% of the issued shares of that class or through a resolution passed at a separate general meeting of the holders of the shares of that class. The quorum for such a meeting shall be the lesser of (i) 3 shareholders or (ii) 75% of the shareholders of that class, present in person or by their representatives, agents or proxies, provided that such shareholders must control or hold at least one half of the issued shares of that class. A share shall be a share of a different class from another share if the two shares do not rank *pari passu* in every respect.

Changes in Capital or Objects and Powers of Harmony

The provisions of our Memorandum and Articles of Association pertaining to changes in our share capital and powers are substantially equivalent to the provisions of the Companies Act. We may by special resolution:

- increase our authorized or paid-up share capital;
- consolidate and divide all or any part of our shares into shares of a larger amount;
- increase the number of our no par value shares without an increase of our stated capital;
- sub-divide all or any part of our shares having a par value;
- convert all of our ordinary or preference share capital consisting of shares having a par value into stated capital constituted by shares of no par value and vice versa;
- convert our stated capital constituted by ordinary or preference shares of no par value into share capital consisting of shares having a par value;
- vary the rights attached to any shares whether issued or not yet issued;
- convert any of our issued or unissued shares into shares of another class;
- convert any of our paid-up shares into stock, and reconvert any stock into any number of paid-up shares of any denomination;
- convert any of our issued shares into preference shares which can be redeemed;
- cancel shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of the authorized share capital by the amount of the shares so cancelled; or
- reduce the authorized share capital.

We may by ordinary resolution:

- reduce our issued share capital;
- reduce our stated capital; or
- reduce our capital redemption reserve fund and share premium account.

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Meetings of Shareholders

Our directors may at any time convene general meetings of our shareholders. The directors shall convene a general meeting upon request of shareholders in accordance with the provisions of the Companies Act. No more than fifteen months may elapse between the date of one annual general meeting and the next, and the annual general meeting shall be held within six months after the expiration of each of our financial years.

We are required to provide our members with written notice of meetings, which shall specify the place, the day and time of the meeting. In every notice calling a meeting of Harmony or of any class of members of Harmony, there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote in lieu of such person and that a proxy need not also be a member. Notice of a general meeting shall be given to the JSE and to the following persons and no other person shall be entitled to receive notice of general meetings:

- to every member of Harmony except any member who has not supplied to Harmony a registered address for the giving of notices;
- to every person entitled to a share in consequence of the death or insolvency of a member;
- to the directors and auditor for the time being of Harmony; and
- by advertisement to the holders of share warrants to bearer.

Annual general meetings and meetings calling for the passage of a special resolution require twenty-one days notice in writing. Any other general meeting requires no less than fourteen days notice in writing. A meeting called upon shorter notice shall be deemed to have been duly called if a majority in number of the members having a right to attend and vote at the meeting agree to such a shortened notice period, and if such members hold no less than 95% of the total voting rights of all members.

Our business may be transacted at a general meeting only when a quorum of members is present. Three members present personally or by representative and entitled to vote are a quorum.

The annual general meeting deals with and disposes of all matters prescribed by our Articles of Association and by the Companies Act, including:

- the consideration of the annual financial statements and report of the auditors;
- the election of directors;
- the appointment of auditors; and
- any business arising from the annual financial statements considered at the meeting.

The holder of a general or special power of attorney given by a member, whether the holder is a member or not, shall be entitled to attend meetings of Harmony or of any class of members of Harmony and to vote at such meetings if so authorized by the power of attorney. Any member may appoint a proxy, who need not be a member, to attend, speak and, subject to the provisions of the Companies Act, to vote in his place on a show of hands and on a poll at any general meeting or at any meeting of any class of members. The instrument appointing a proxy to vote at a meeting of Harmony and the power of attorney or other authority shall be deposited at our transfer office not later than 48 hours (excluding Saturdays, Sundays and Public Holidays) before the meeting at which the person empowered proposes to vote. No instrument appointing a proxy shall be valid after the end of a period of 6 months commencing on the date on which it is signed unless otherwise expressly stated in the proxy.

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Title to Shares

The registered holder or holders of any shares shall, during his or their respective lifetimes and while not subject to any legal incapacity, be the only person or persons recognized by us as having any right to, or in respect of, such shares and, in particular, we shall not be bound to recognize:

that the registered holder or holders hold such shares upon trust for, or as the nominee of, any other person; or

that any person, other than the registered holder or holders, holds any contingent, future or partial interest in such shares or any interest in any fractional part of any of such shares.

Where any share is registered in the names of two or more persons they shall be deemed to be joint holders. Accordingly where any member dies, the survivor or survivors, where the deceased was a joint holder, and the executor of the deceased, where the deceased was the sole holder, shall be the only persons recognized by us as having any right to the interest of the deceased in any of our shares.

We may enter in the register as member, no mine official, of Harmony, the name of any person who submits proof of his appointment as the executor, administrator, trustee, curator or guardian in respect of the estate of a deceased member of Harmony or of a member whose estate has been sequestrated or of a member who is otherwise under disability or as liquidator of any body corporate in the course of being wound up which is a member of Harmony, and any person whose name has been so entered in the register shall be deemed to be a member of Harmony.

Non-South African Shareholders

There are no limitations imposed by South African law or by our Articles of Association on the rights of non-South African shareholders to hold or vote our ordinary shares or securities convertible into ordinary shares.

Disclosure of Interest in Shares

Pursuant to the Companies Amendment Act Number 37 of 1999, where securities of an issuer are registered in the name of a person and that person is not the holder of the beneficial interest in all of the securities so held, it is obliged, at the end of every three-month period after June 30, 1999 (i.e., commencing on September 30, 1999), to disclose to the issuer the identity of each person on whose behalf the registered holder holds securities and the number and class of securities issued by that issuer held on behalf of each such person. Moreover, an issuer of securities may, by notice in writing, require a person who is a registered shareholder, or whom the issuer knows or has reasonable cause to believe to have a beneficial interest in, a security issued by the issuer, to confirm or deny whether or not such person holds that beneficial interest and, if the security is held for another person, to disclose to the issuer the identity of the person on whose behalf a security is held. The addressee of the notice may also be required to give particulars of the extent of the beneficial interest held during the three years preceding the date of the notice. All issuers of securities are obliged to establish and maintain a register of the disclosures described above and to publish in their annual financial statements a list of the persons who hold beneficial interests equal to or in excess of 5% of the total number of securities of that class issued by the issuer together with the extent of those beneficial interests.

Changes in Control

There are various procedures under the Companies Act whereby mergers and takeovers can be effected. These procedures are not exclusive and there are a variety of techniques that can be used to acquire control. All of these procedures are, however, subject to control by the Securities Regulation Panel and the requirements embodied in the Securities Regulation Code on Takeovers and Mergers shall be adhered to. The JSE Listing Requirements also contain certain requirements with regard to the process involved in a merger or takeover. While the requirements of the Securities Regulation Panel and the JSE Listings Requirements might have the general effect of delaying, deferring or preventing a change in control of a company, our Memorandum and Articles of Association do not impose additional restrictions on mergers or takeovers.

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Register of Members

We keep a register of shareholders at our office and at the office of our transfer secretaries in South Africa, and our transfer secretaries in the United Kingdom keep a branch shareholders register at their offices.

The register of members includes:

- the names and address of the members;
- the shares held by each member, distinguishing each share by its denoting number, if any, by its class or kind, and by the amount paid or deemed to be paid thereon;
- the date on which the name of any person was entered in the register as a member; and
- the date on which any person ceased to be a member.

Annual Report and Accounts

The Board is required to keep such accounting records and books of account as are prescribed by the Companies Act.

The directors will cause to be prepared annual financial statements and a South African annual report as required by the Companies Act and the JSE rules. We will deliver a copy of the South African annual report and annual financial statements to every member not less than twenty-one days prior to the date of each annual general meeting.

Our annual report on Form 20-F is available on our website at www.harmony.co.za. We will deliver a paper copy of the annual report containing our IFRS audited financial statements, free of charge, to any shareholder upon request.

Material Contracts

We enter into material contracts in connection with our business, as described in *Item 4. Information on the Company Business* and in connection with financing arrangements, as described in *Item 5. Operating and Financial Review and Prospects Liquidity and Capital Resources* .

Exchange Controls

Introduction

The following is a general outline of South African exchange controls. Investors should consult a professional adviser as to the exchange control implications of their particular investments.

The Republic of South Africa s exchange control regulations provide for restrictions on exporting capital from a Common Monetary Area consisting of South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland. Transactions between South African residents (including corporations) and between residents of the Common Monetary Area are subject to these exchange controls, which are regulated by the South African Reserve Bank (**SARB**).

Since 1995 a number of exchange control regulations have been relaxed with regard to both residents and non-residents. The government remains committed to the total abolition of exchange controls, but has stated its intention of following a gradual approach. This gradual approach to the abolition of exchange controls adopted by the South African government is designed to allow the economy to adjust more smoothly to the removal of controls that have been in place for a considerable period of time. The stated objective of the authorities is to reach a point where there is equality of treatment between residents and non-residents in relation to inflows and outflows of capital. South Africa, being classified as an emerging market, is therefore still regarded as a capital importer, hence the controls over capital flows. Unlimited outward transfers of capital are not permitted at this stage, but the emphasis of regulation is expected to be increasingly on the positive aspects of prudential financial supervision.

A considerable degree of flexibility is built into the system of exchange controls, and the SARB possesses substantial discretionary powers in approving or rejecting the applications that fall outside the authority granted to authorized dealers.

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The main purpose of exchange controls is to ensure the timely repatriation of funds into the South African banking system of certain foreign currency acquired by residents of South Africa, whether through transactions of a current or of a capital nature. Timely repatriation of funds will help avoid undue pressure on the country s gold and foreign reserves and an undue depreciation of the exchange rate of the Rand. Payment of foreign currency and the use of gold and foreign reserves for importation of goods and services into the country are relatively freely allowed.

These comments relate to exchange controls in force at June 30, 2009. These controls are subject to change at any time without notice. It is not possible to predict whether existing exchange controls will be abolished, continued or modified by the South African government in the future.

Government Regulatory Considerations

Shares

A foreign investor may invest freely in shares in a South African company, whether listed on the JSE or not. The foreign investor may also sell his or her share investment in a South African company and transfer the proceeds out of South Africa without restriction. However, when the company is not listed on the JSE, the SARB must be satisfied that the sales price of any shares reflects fair market value.

Under present South African exchange control regulations, our ordinary shares and ADSs are freely transferable outside the Common Monetary Area between non-residents of the Common Monetary Area. No prior SARB approval is required for the transfer of proceeds to South Africa, in respect of shares listed on the JSE, provided these funds enter the country through the normal banking channels. In addition, the proceeds from the sale of ordinary shares on the JSE on behalf of those holders of ordinary shares who are not residents of the Common Monetary Area are freely remittable to those holders. Share certificates and warrant certificates held by non-residents will be endorsed with the words non-resident.

Loans

Generally, the making of loans to us or our subsidiaries, our or our subsidiaries ability to borrow from non-South African sources and the repatriation of dividends, interest and royalties by Harmony will be regulated by the Exchange Control Department of the SARB. If a foreign investor wishes to lend capital to a South African company, the prior approval of the SARB must be sought mainly in respect of the interest rate and terms of repayment applicable to such loan.

Interest on foreign loans is freely remittable abroad, provided the loans received prior approval from the SARB.

Investments

We are also required to seek approval from the SARB to use funds held in South Africa to make investments outside of South Africa.

Dividends

Dividends declared by a quoted company are freely transferable out of South Africa from both trading and non-trading profits earned in South Africa through a major bank as agent for the SARB.

Where 75% or more of a South African company s capital, voting power, power of control or earnings is directly or indirectly controlled by non-residents, such a company is designated an affected person by the SARB, and certain restrictions are placed on its ability to obtain local financial assistance. We are not, and have never been, designated an affected person by the SARB.

If an affected person made use of local borrowing facilities, the affected persons must apply for SARB approval prior to remitting dividends offshore. As a general matter, an affected person that has accumulated historical losses may not declare dividends out of current profits unless and until such time that the affected person s local borrowings do not exceed the local borrowing limit.

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Certain South African Tax Considerations

The discussion in this section is based on current law and our interpretation thereof. Changes in the law may alter the tax treatment of our ordinary shares or ADSs, as applicable, possibly on a retroactive basis. The following summary is not a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of our ordinary shares or ADSs, and does not cover the tax consequences that depend upon your particular tax circumstances. In particular, the following summary addresses tax consequences for holders of ordinary shares or ADSs who are not tax residents of South Africa. It specifically excludes the tax consequences for non-tax residents whose holding of shares or ADSs is effectively connected with a permanent establishment in South Africa through which the holder carries on business activities, or who is not a beneficial recipient of the dividends, or where the source of the transaction is to be in South Africa. In addition, it does not cover the tax consequences for the holder that is not entitled to the benefits of the double taxation agreement concluded between the Republic of South Africa and the United States of America signed on February 17, 1997 (**Treaty**). It also assumes that the holders would hold the ordinary shares or ADSs on capital account (that is, for investment purpose). We recommend that you consult your own tax adviser about the consequences of holding our ordinary shares or ADSs, as applicable, in your particular situation.

Dividends

South Africa does not currently level any withholding tax on dividends. Rather, it currently imposes a corporate tax known as Secondary Tax on Companies (**STC**) at a rate of 10% on dividends declared by a South African company. It is important to appreciate that STC is not a withholding tax on dividends, but a tax on profits of a company. However, it was announced that STC would be abolished and be replaced by a traditional dividend withholding tax. At this stage it is expected that the new dividend withholding tax will be introduced on 1 January 2011. The rate of the new dividend withholding tax will be 10%. The new withholding tax will be imposed on, amongst others, non-resident shareholders, and it would be withheld by the company declaring and paying the dividend to its shareholders or the regulatory intermediary, as the case may be.

Article 10 of the Treaty provides that a withholding tax may be levied by South Africa. However, it may not exceed 5% of the gross amount of the dividends if the beneficial owner is a company which holds directly at least 10% of the voting stock of the company paying the dividends. Although the Treaty refers to a maximum withholding tax rate of 15% in other cases, the rate would be 10%.

Capital Gains Tax

A Capital Gains Tax (**CGT**) was introduced with effect from October 1, 2001. In the case of an individual, 25% of the capital gain is included in its taxable income. In the case of a corporate entity, 50% of such gain is included in its taxable income, resulting in an effective tax rate of 14%. CGT is only applicable to non-residents if the proceeds from the sale are attributable to a permanent establishment of the non-resident shareholder. The Treaty (which would prevail the case of conflict) provides that the U.S. holder of ordinary shares or ADSs will not be subject to CGT if the assets have been held as capital assets, unless they are linked to a permanent establishment of such non-resident shareholder in South Africa. To the extent that shares or ADSs are hold on revenue account, a similar principle would apply with reference to the payment of income tax, and income tax will only be payable to the extent that the holder carries on business in South Africa through the permanent establishment situation therein. Any gains realized on the disposal of shares are automatically deemed to be of a capital nature if they have been held for a continuous period of 3 years. Such provision applies automatically and is not elective.

Generally the domestic laws of South Africa provide that a cpital gain will be deemed to have been sourced in South Africa and be subject to South African tax to the extent that the asset related to an interest in immovable property situatedin South Africa. It includes any equity shares held by a person in a company if

80% or more of the market value of the equity shares at the time of disposal thereof is attributable directly or indirectly to immovable property held otherwise than as trading stock; and

The person directly or indirectly holds at least 20% of the equity share capital of that company.

The provisions of the Treaty will override the deemed source rules to the extent applicable.

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Security Transfer Tax

A Security Transfer Tax (**STT**) has been introduced with effect from July 1, 2008 in respect of the transfer of any security issued by a South African company at a rate of 0.25% of the taxable amount of the security concerned (generally the market value thereof). A security is defined to include depository receipt in a company, in addition to company shares. STT is not payable on the issue of any security.

Although ADSs in respect of our shares are not listed on the JSE, reference is specifically made to the transfer of depository receipts in a South African company. As a consequence, STT will therefore be payable on the transfer of ADSs. In addition, the process of depositing shares listed on the JSE in return for ADSs, or withdrawing such shares from the deposit facility, may attract STT as and when the shares are transferred to or from the depository institution.

STT is payable by the broker or participant if a transaction is effected through a stockbroker or a strata participant, but it may be recovered from the person acquiring the beneficial ownership of the rights concerned. In other instances, STT is payable by the person acquiring beneficial ownership.

STT is also payable on the subsequent redemption or cancellation of shares or cancellation of shares or ADSs.

Capitalization Shares

Capitalization shares distributed at the option of holders of shares in lieu of cash dividends are currently not subject to STC. However, this position may change to the extent that the new withholding tax on dividends is introduced.

Voting Rights

There are no limitations on the right of non-resident or foreign owners to hold or vote our ordinary shares imposed by South African law or by our charter.

Certain United States Federal IncomeTax Considerations

Except as described below under the heading Non-U.S. Holders, the following is a discussion of certain material U.S. federal income tax consequences for a U.S. holder of purchasing, owning and disposing of the ordinary shares (for purposes of this summary, references to the ordinary shares include the ADSs, unless the context otherwise requires). This summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase the ordinary shares. In particular, this summary deals only with U.S. holders that will hold the ordinary shares as capital assets. It does not address considerations that may be relevant to you if you are an investor that is subject to special tax rules, such as a bank, real estate investment trust, regulated investment company, insurance company, dealer in securities or currencies, trader in securities or commodities that elects mark-to-market treatment, person that will hold the ordinary shares as a hedge against currency risk or as a position in a straddle or conversion transaction, tax-exempt organization, person whose functional currency is not the U.S. dollar, person liable for alternative minimum tax, or a person who owns directly, indirectly or by attribution, at least 10 percent of our stock.

You will be a U.S. holder if you are a beneficial owner of ordinary shares and you are:

- an individual who is a citizen or resident of the United States;
- a U.S. domestic corporation, or other entity treated as a domestic corporation for U.S. federal income tax purposes;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust if a U.S. court can exercise primary supervision over the trust s administration and one or more U.S. persons are authorized to control all substantial decisions of the trust.

If a partnership (including for this purpose any entity treated as a partnership for U.S. tax purposes) is a beneficial owner of the ordinary shares, the U.S. tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. A holder of the ordinary shares that is a partnership and partners in such a partnership should consult their own tax advisors about the U.S. federal income tax consequences of holding and disposing of the ordinary shares.

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A non-U.S. holder is a beneficial owner of ordinary shares that is not a U.S. person for U.S. federal income tax purposes. If you are a non-U.S. holder, the discussion below under Non-U.S. Holders will apply to you.

This summary is based on the U.S. Internal Revenue Code of 1986, as amended, or the Code, its legislative history, existing and proposed U.S. Treasury regulations, rulings, and decisions, all as now in effect and all of which may change. Any change could apply retroactively and could affect the continued validity of this summary.

In general, if you hold ADSs, you will be treated as the holder of the ordinary shares represented by those ADSs for U.S. federal income tax purposes.

We believe that we will not be a passive foreign investment company, or PFIC, for U.S. federal income tax purposes for the current taxable year. However, we cannot assure you that we will not be considered a PFIC in the current or future years. The determination whether or not we are a PFIC is a factual determination that is based on the types of income we earn and the value of our assets and cannot be made until the close of the applicable tax year. If we were currently or were to become a PFIC, U.S. holders of ordinary shares would be subject to special rules and a variety of potentially adverse tax consequences under the Code.

Taxation of Dividends

Subject to the PFIC rules referred to below, under U.S. federal income tax laws, if you are a U.S. holder, the gross amount of dividends that you receive in cash (or that are part of a distribution that any shareholder has the right to receive in cash) in respect of the ordinary shares generally will be subject to U.S. federal income taxation as dividend income to the extent paid out of our current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). You must include the amount of any South African tax withheld from the dividend payment in this gross amount even though you do not in fact receive it. Dividends received by an individual taxpayer during taxable years beginning before January 1, 2011 will be taxed at a maximum rate of 15% where certain holding period and other requirements are satisfied, if such dividends constitute qualified dividend income. Qualified dividend income includes dividends paid by a Qualified Foreign Corporation, and we believe that we are, and will continue to be, a Qualified Foreign Corporation. Holders of ordinary shares should consult their own tax advisors regarding the availability of the reduced dividend tax rate in light of their own particular circumstances. Dividends will not be eligible for the dividends-received deduction generally allowed to U.S. corporations in respect of dividends received from other corporations.

Dividends paid in South African Rand will be includible in your gross income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day you receive (or the depository receives, in the case of the ADSs) the dividend, regardless of whether the payment is in fact converted into U.S. dollars. If the foreign currency received as a dividend is not converted into U.S. dollars on the date of receipt, a U.S. holder will have a basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date you include the dividend payment in income to the date you convert the payment into U.S. dollars will be treated as ordinary income or loss. The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitations. You generally should not be required to recognize any foreign currency gain or loss to the extent such dividends paid in South African Rand are converted into U.S. dollars immediately upon receipt by the applicable party. If we distribute non-cash property as a dividend, you generally will include in income an amount equal to the fair market value of the property, in U.S. dollars, on the date that it is distributed. Subject to certain limitations, a U.S. holder may be entitled to a credit or deduction against its U.S. federal income taxes for the amount of any South African taxes that are withheld from dividend distributions made to such U.S. holders. The decision to claim either a credit or deduction must be made annually, and will apply to all foreign taxes paid by the U.S. holder to any foreign country or U.S. possession with respect to the applicable tax year.

Dividends received from us will generally be income from non-United States sources, for U.S. foreign tax credit purposes, subject to various classifications and other limitations. The rules relating to computing foreign tax credits are complex. You should consult your own tax advisor to determine the foreign tax credit implications of owning ordinary shares.

Distributions in excess of current and accumulated earnings and profits, as determined for U.S. federal income tax purposes, will be treated as a non-taxable return of capital to the extent of your basis in the ordinary shares and thereafter as capital gain.

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Capital Gains

Subject to the PFIC rules referred to below, if you are a U.S. holder and you sell your ordinary shares, you will recognize capital gain or loss in an amount equal to the difference between the U.S. dollar value of the amount you realize on the sale and your adjusted tax basis in the ordinary shares, determined in U.S. dollars. Such gain or loss generally will be long-term capital gain or loss if you held the ordinary shares for more than one year. Prior to January 1, 2011, long-term capital gain recognized by a non-corporate U.S. holder is generally subject to a maximum tax rate of 15%. In general, any capital gain or loss recognized upon the sale or exchange of ordinary shares will be treated as U.S. source income or loss, as the case may be, for U.S. foreign tax purposes. Your ability to offset capital losses against income is subject to limitations.

Deposits and withdrawals of ordinary shares by U.S. holders in exchange for ADSs will not result in the realization of gain or loss for U.S. federal income tax purposes.

To the extent that you incur South African stamp duty, MST or uncertified securities tax (to be replaced with STT) in connection with a *transfer or withdrawal of ordinary shares as described under Certain South African Tax Considerations Security Transfer Tax* above, such stamp duty, MST or uncertified securities tax will not be a creditable tax for U.S. foreign tax credit purposes.

Non-U.S. Holders

If you are a non-U.S. holder of the ordinary shares, you generally will not be subject to U.S. federal income or withholding tax on dividends received on such ordinary shares, unless such income is effectively connected with your conduct of a trade or business in the United States, and the dividends are attributable to a permanent establishment (or in the case of an individual, a fixed place of business) that you maintain in the United States if that is required by an applicable income tax treaty as a condition for subjecting you to U.S. taxation on a net income basis. In such cases, you generally will be taxed in the same manner as a U.S. holder, and will not be subject to U.S. federal income tax withholding. If you are a corporate non-U.S. holder, effectively connected dividends may, under certain circumstances, be subject to an additional branch profits tax at a 30% rate or a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

If you are a non-U.S. holder of the ordinary shares, you will also generally not be subject to U.S. federal income or withholding tax in respect of gain realized on the sale of such ordinary shares, unless (i) such gain is effectively connected with your conduct of a trade or business in the United States, and the gain is attributable to a permanent establishment (or in the case of an individual, a fixed place of business) that you maintain in the United States if that is required by an applicable income tax treaty as a condition for subjecting you to U.S. taxation on a net income basis; or (ii) in the case of gain realized by an individual non-U.S. holder, you are present in the United States for 183 days or more in the taxable year of the sale and certain other conditions are met. In the first case, the non-U.S. holder will be taxed in the same manner as a U.S. holder. In the second case, the non-U.S. holder will be subject to U.S. federal income tax at a rate of 30% on the amount by which such non-U.S. holder s U.S.-source capital gains exceed such non-U.S. holder s U.S.-source capital losses. If you are a corporate non-U.S. holder, effectively connected dividends may, under certain circumstances, be subject to an additional branch profits tax at a 30% rate or a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

PFIC Rules

We believe that our ordinary shares will not be treated as stock of a PFIC for U.S. federal income tax purposes for the current tax year. The determination of whether or not we are a PFIC is a factual determination that cannot be made until the close of the applicable tax year and that is based on the types of income we earn and the value of our assets (including goodwill), both of which are subject to change. In calculating goodwill for this purpose, we will value our total assets based on the total market value, determined with reference to the then market price of the ordinary shares, and will make determinations regarding the amount of this value allocable to goodwill. Because the determination of goodwill will be based on the market price of the ordinary shares, it is subject to change. It is possible that the U.S. Internal Revenue Service may challenge our valuation of our assets (including goodwill), which may result in our being classified as a PFIC. Thus, it is possible that we may be or become a PFIC in the current or any future taxable year and we cannot assure you that we will not be considered a PFIC in any such tax year.

In general, if you are a U.S. holder, we will be a PFIC with respect to you if for any taxable year in which you held the ordinary shares:

at least 75% of our gross income for the taxable year is passive income; or

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at least 50% of the value, determined on the basis of a quarterly average, of our assets is attributable to assets that produce or are held for the production of passive income.

Passive income generally includes dividends, interest, royalties, rents (other than certain rents and royalties derived in the active conduct of a trade or business), the excess of gains over losses from certain types of transactions in commodities, annuities and gains from assets that produce passive income. If a foreign corporation owns at least 25% by value of the stock of another corporation, the foreign corporation is treated for purposes of the PFIC tests as owning its proportionate share of the assets of the other corporation, as receiving directly its proportionate share of the other corporation s income.

If we are treated as a PFIC, and you are a U.S. holder that did not make a mark-to-market election, as described below, you will be subject to special rules with respect to:

any gain you realize on the sale or other disposition of your ordinary shares; and

any excess distribution that we make to you (generally, any distributions to you during a single taxable year that are greater than 125% of the average annual distributions received by you in respect of the ordinary shares during the three preceding taxable years or, if shorter, your holding period for the ordinary shares).

Under these rules:

the gain or excess distribution will be allocated rateably over your holding period for the ordinary shares;

the amount allocated to the taxable year in which you realized the gain or excess distribution will be taxed as ordinary income;

the amount allocated to each prior year, with certain exceptions, will be taxed at the highest tax rate in effect for that year; and

the interest charge generally applicable to underpayments of tax will be imposed in respect of the tax attributable to each such year.

Special rules apply for calculating the amount of the foreign tax credit with respect to excess distributions by a PFIC.

If you own shares in a PFIC that are treated as marketable stock, you may make a mark-to-market election. If you make this election in a timely fashion, you will not be subject to the PFIC rules described above. Instead, in general, you will include as ordinary income each year the excess, if any, of the fair market value of your ordinary shares at the end of the taxable year over your adjusted basis in your ordinary shares. You will also be allowed to take an ordinary loss in respect of the excess, if any, of the adjusted basis of your ordinary shares over the fair market value at the end of the taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). Your basis in the ordinary shares will be adjusted to reflect any such income or loss amounts.

We do not intend to furnish you with the information that you would need in order to make a qualified electing fund election to include your share of its income on a current basis.

If you own ordinary shares during any year that we are a PFIC, you must file U.S. Internal Revenue Service Form 8621 that describes the distribution received on the ordinary shares and the gain realized on the disposition of the ordinary shares. The reduced tax rate for dividend income, discussed in Taxation of Dividends, is not applicable to dividends paid by a PFIC.

U.S. Information Reporting and Backup Withholding Rules

Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries are subject to information reporting and may be subject to backup withholding at a rate currently of 28% unless the holder (i) is a corporation or other exempt recipient or (ii) provides a taxpayer identification number and certifies that no loss of exemption from backup withholding has occurred. Backup withholding is not an additional tax, and the amount of any backup withholding from a payment to a U.S. holder will be allowed as a credit against the U.S. holder s U.S. federal income tax liability provided that the appropriate returns are filed. A non-U.S. holder generally may eliminate the requirement for information reporting and backup withholding by providing certification of its foreign status to the payor, under penalties of perjury, on IRS Form W-8BEN.

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THE PRECEDING DISCUSSION OF CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES IS INTENDED FOR GENERAL INFORMATION ONLY AND DOES NOT CONSTITUTE TAX ADVICE. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN TAX ADVISER AS TO PARTICULAR TAX CONSEQUENCES TO IT OF PURCHASING, HOLDING AND DISPOSING OF THE ORDINARY SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR FOREIGN LAWS, AND PROPOSED CHANGES IN APPLICABLE LAWS.

DIVIDENDS AND PAYING AGENTS

Not applicable.

STATEMENTS BY EXPERTS

Not applicable.

DOCUMENTS ON DISPLAY

Our Memorandum and Articles of Association may be examined at our principal place of business at: Randfontein Office Park, Corner of Main Reef Road and Ward Avenue, Randfontein, 1760, South Africa. We also file annual and furnish interim reports and other information with the Securities and Exchange Commission, or the SEC. You may read and copy any reports or other information on file at the SEC s public reference room at the following location:

Public Reference Room
100 F Street, NW
Room 1580
Washington D.C. 20549

Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. The SEC filings are also available to the public from commercial document retrieval services. We file electronically with the SEC, and the documents it files are available on the website maintained by the SEC at *www.sec.gov.*

SUBSIDIARY INFORMATION

Not applicable.

Item 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

General

We are exposed to market risks, including credit risk, foreign currency risk, commodity price risk and interest rate risk associated with underlying assets, liabilities and anticipated transactions. Following periodic evaluation of these exposures, we may enter into derivative financial instruments to manage these exposures. We have policies in areas such as counterparty exposure and hedging practices, which have been approved by our senior management. We do not hold or issue derivative financial instruments for trading or speculative purposes.

We did not apply hedge accounting to incidental hedges held in the past.

In accordance with IAS 39 Financial Instruments: Recognition and Measurement, we account for our derivative financial instruments as hedging transactions if the following criteria are met:

- in the case of a hedge of an anticipated future transaction, there is a high probability that the transaction will occur.

Foreign Currency Sensitivity

In the ordinary course of business, we enter into transactions denominated in foreign currencies (primarily U.S. dollars, Australian dollars and Kina). In addition, we incur investments and liabilities in U.S. dollars, Canadian dollars, British pounds sterling and Australian dollars from time to time. As a result, we are subject to transaction and translation exposure from fluctuations in foreign currency exchange rates. We do not generally hedge our exposure to foreign currency exchange rates.

Our revenues and costs are very sensitive to the exchange rate of the Rand and other non-U.S. currencies to the U.S. dollar because gold is generally sold throughout the world in U.S. dollars, but most of our operating costs are incurred in Rand and other non-U.S. currencies. Appreciation of the Rand and other non-U.S. currencies against the U.S. dollar increases working costs at our operations when those costs are translated into U.S. dollars, which reduces operating margins and net income from our operations. Depreciation of the Rand and other non-U.S. currencies against the U.S. dollar reduces these costs when they are translated into U.S. dollars, which increases operating margins and net income from our operations. See *Item 3. Key Information Exchange Rates* and *Item 3. Key Information Risk Factors Because most of Harmony s production costs are in Rand and other non-U.S. currencies, while gold is generally sold in U.S. dollars, Harmony s financial condition could be materially harmed by an appreciation in the value of the Rand and other non-U.S. currencies* .

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Commodity Price Sensitivity

General

The market price of gold has a significant effect on our results of operations, our ability to pay dividends and undertake capital expenditures, and the market prices of our ordinary shares.

Gold prices have historically fluctuated widely and are affected by numerous industry factors over which we do not have any control. See *Item 3. Key Information Risk Factors The profitability of Harmony s operations, and the cash flows generated by those operations, are affected by changes in the market price for gold, which in the past has fluctuated widely* . The aggregate effect of these factors, all of which are beyond our control, is impossible for us to predict.

Harmony s Hedging Policy

As a general rule, we sell our gold production at market prices. We generally do not enter into forward sales, commodity, derivatives or hedging arrangements to establish a price in advance for the sale of our future gold production, although we may do so in the future. For more detailed information on our hedging policy, See *Item 4. Information on the Company Business Hedge Policy* .

A substantial proportion of the production of both New Hampton and Hill 50 was already hedged when acquired by us. In fiscal 2003, we restructured the overall hedge portfolio of the Australian operations and changed the classification of the hedge book from normal purchase and sale agreements to speculative contracts. The mark-to-market movements on these contracts were reflected in the income statement. We have reduced the remaining hedge positions of the Australian operations by primarily closing out the remainder of these hedge agreements. In fiscal 2007, we closed out the remainder of our Australian hedge book, which we had inherited with the acquisition of the Hill 50 mine. In total, some 220,000 ounces were closed out at an average spot rate of A$809/ounce, for a total cost of A$72.8 million (U.S.$60.0 million). This means that we are completely unhedged.

Commodity Sales Agreements

We did not have any forward commodity sales agreements in place during fiscal 2009 and 2008.

Commodity Hedging Experience

In fiscal 2009, we sold 1,559,308 ounces of gold at an average price of U.S.$863 per ounce. At a gold price of U.S.$500, product sales would have amounted to approximately U.S.$780 million for fiscal 2009, a reduction of approximately U.S.566 million in product sales. In fiscal 2008, we sold 1,948,776 ounces of gold at an average price of U.S.$818 per ounce. At a gold price of U.S.$500, product sales would have amounted to approximately U.S.$974 million for fiscal 2008, a reduction of approximately U.S.620 million in product sales. In fiscal 2007, we sold 2,334,198 ounces of gold at an average price of U.S.$638 per ounce. At a gold price of U.S.$500, product sales would have amounted to approximately U.S.$1,167 million for fiscal 2007, a reduction of approximately U.S.322 million in product sales.

The gold spot price on October 19, 2009 was U.S.$1,050.50 per ounce. During fiscal 2009, the gold spot price traded in a range from U.S.$712.50 to U.S.$989.00 per ounce.

Foreign Currency Sensitivity

Our revenues are sensitive to the exchange rate of the Rand and other non-U.S. currencies to the U.S. dollar. We generally do not enter into forward sales, commodity, derivatives or other hedging arrangements to establish a ZAR/U.S.$ exchange rate in advance for the sale of our future gold production.

We did not have any currency contracts in place as of June 30, 2009, 2008 or 2007.

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Interest Rate Sensitivity

Our interest rate risk arises mainly from long-term borrowings. We have both fixed and variable interest rate borrowings. Fixed rate borrowings expose us to fair value interest rate risk. Variable rate borrowings expose us to cash flow interest rate risk. We have not entered into interest rate swap agreements in fiscal years 2007, 2008 and 2009.

Sensitivity analysis

A change of 100 basis points in interest rates at June 30, 2009, 2008 and 2007 would have increased/(decreased) profit or loss before tax by the amounts shown below. This analysis assumes that all other variables remain constant.

	June 30,		
	2009	**2008**	**2007**
		($ in millions)	
Increase in 100 basis points		3	16
Decrease in 100 basis points		(3)	(16)

The above table excludes the fixed rate convertible bond. As it is accounted for at amortized cost, interest rate changes do not affect reported profit and loss.

For further information on sensitivities, see note 4 of the consolidated financial statements in Item 18.

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Item 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

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GLOSSARY OF MINING TERMS

The following explanations are not intended as technical definitions, but rather are intended to assist the general reader in understanding certain terms as used in this annual report.

Alluvial: the product of sedimentary processes in rivers, resulting in the deposition of alluvium (soil deposited by a river).

Arenaceous: said of a sediment or sedimentary rock consisting wholly or in part of sand-sized fragments or having a sandy texture or the texture of such a sediment or rock.

Auriferous: a substance that contains gold (AU).

Beneficiation: the process of adding value to gold products by transforming gold bullion into fabricated gold products.

Carbon In Pulp (CIP): a common process used to extract gold from cyanide leach slurries. The process consists of carbon granules suspended in the slurry and flowing counter-current to the process slurry in multiple-staged agitated tanks. The process slurry, which has been leached with cyanide prior to the CIP process, contains solubilized gold. The solubilized gold is absorbed onto the carbon granules, which are subsequently separated from the slurry by screening. The gold is then recovered from the carbon by electrowinning onto steel wool cathodes or by a similar process.

Carbon In Solution (CIS): a process similar to CIP except that the gold, which has been leached by the cyanide into solution, is separated by the process of filtration (solid/liquid separation). The solution is then pumped through six stages where the solution comes into contact with the activated carbon granules.

Cash cost: a measure of the average cost of producing an ounce of gold, calculated by dividing the total cash working costs in a period by the total gold production over the same period. Working costs represent total operating costs less certain administrative expenses, royalties and depreciation. In determining the cash cost of different elements of the operations, production overheads are allocated pro rata.

Conglomerate: a coarse-grained classic sedimentary rock, composed of rounded to sub-angular fragments larger than 2mm in diameter (granules, pebbles, cobbles, boulders) set in a fine-grained matrix of sand or silt, and commonly cemented by calcium carbonate, iron oxide, silica or hardened clay.

Crosscut: a mine working that is driven horizontally and at right angles to an adit, drift or level.

Cut and fill: a method of underground mining in which a stope is excavated and refilled with material (waste or tailings).

Cut-off grade: the grade at which the total profit from mining the orebodies, under a specified set of mining parameters, is maximized.

Cyanide leaching: the extraction of a precious metal from an ore by its dissolution in a cyanide solution.

Decline: an inclined underground access way.

Deferred Stripping: the removal of overburden through stripping in the current period to access ore expected to be exploited in a future period. Costs incurred with deferred stripping are deferred until the ore is accessed, in order to ensure matching of costs and revenues.

Depletion: the decrease in quantity of ore in a deposit or property resulting from extraction or production.

Development: activities (including shaft sinking and on-reef and off-reef tunneling) required to prepare for mining activities and maintain a planned production level and those costs to enable the conversion of mineralized material to reserves.

Electro-winning: the process of removing gold from solution by the action of electric currents.

Elution: removal of the gold from the activated carbon before the zinc precipitation stage.

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Exploration: activities associated with ascertaining the existence, location, extent or quality of mineralized material, including economic and technical evaluations of mineralized material.

Fabricated gold: gold on which work has been performed to turn it into a product, such as jewelry, which differs from a pure investment product, such as a gold bullion bar.

Fatal injury frequency rate: the number of fatal injuries per million hours worked.

Fluvial: produced by the action of a stream or river.

Footwall: the underlying side of a fault, orebody or stope.

Forward purchase: an agreement for the purchase of a commodity at a specified future date at a fixed price.

Forward sale: the sale of a commodity for delivery at a specified future date and price.

Gold reserves: the gold contained within proven and probable reserves on the basis of recoverable material (reported as mill delivered tons and head grade).

Gold lease rate swap: an agreement to pay a floating lease rate in exchange for the fixed lease rate inherent in establishing the fixed price in one or more forward gold sales.

Grade: the quantity of metal per unit mass of ore expressed as a percentage or, for gold, as ounces of gold per ton of ore.

Greenfield: a potential mining site of unknown quality.

Greenstone: a field term applied to any compact dark-green altered or metamorphosed basic igneous rock that owes its color to the presence of chlorite, actinolite or epidote.

Grinding: reducing mineralized rock to the consistency of fine sand by crushing and abrading in a rotating steel grinding mill.

Head grade: the grade of the ore as delivered to the metallurgical plant.

Heap leaching: a low-cost technique for extracting metals from ore by percolating leaching solutions through heaps of ore placed on impervious pads. Generally used on low-grade ores.

Leaching: dissolution of gold from the crushed and milled material, including reclaimed slime, for absorption and concentration on to the activated carbon.

Level: the workings or tunnels of an underground mine that are on the same horizontal plane.

Littoral: of or pertaining to a shore.

Longhole sub-level caving: a process for removing ore in which relatively thin blocks of ore are caused to cave in by successively undermining small panels of ore. The broken and caved ore is then extracted by mechanical means.

Lost time injury frequency rate: the number of lost time injuries per million hours.

Mark-to-market: the current fair value of a derivative based on current market prices or to calculate the current fair value of a derivative based on current market prices, as the case may be.

Measures: conversion factors from metric units to U.S. units are provided below.

Metric unit		U.S. equivalent
1 tonne	= 1 t	= 1.10231 short tons
1 gram	= 1 g	= 0.03215 ounces
1 gram per tonne	= 1 g/t	= 0.02917 ounces per short ton
1 kilogram per tonne	= 1 kg/t	= 29.16642 ounces per short ton
1 kilometer	= 1 km	= 0.621371 miles
1 meter	= 1 m	= 3.28084 feet
1 centimeter	= 1 cm	= 0.3937 inches
1 millimeter	= 1 mm	= 0.03937 inches
1 hectare	= 1 ha	= 2.47105 acres

Metallurgical plant: a processing plant used to treat ore and extract the contained gold.

Mill delivered tons: a quantity, expressed in tons, of ore delivered to the metallurgical plant.

Milling/mill: the comminution of the ore, although the term has come to cover the broad range of machinery inside the treatment plant where the gold is separated from the ore.

Mineable: that portion of a mineralized deposit for which extraction is technically and economically feasible.

Mineralization: the presence of a target mineral in a mass of host rock.

Mineralized material: a mineralized body that has been delineated by appropriately spaced drilling and/or underground sampling to support a sufficient tonnage and average grade of metals to warrant further exploration. Such a deposit does not qualify as a reserve until a comprehensive evaluation based upon unit cost, grade, recoveries, and other material factors conclude legal and economic feasibility.

Morphology: the form or shape of a crystal or mineral aggregate.

Open-pit/Open cast/Open cut: mining in which the ore is extracted from a pit. The geometry of the pit may vary with the characteristics of the orebody.

Ore: a mixture of mineralized material from which at least one of the contained minerals can be mined and processed at an economic profit.

Ore grade: the average amount of gold contained in a ton of gold bearing ore expressed in ounces per ton.

Ore reserves: that part of mineralized material which at the time of the reserve determination could be economically and legally extracted or produced. Ore reserves are reported as general indicators of the life of mineralized materials. Changes in reserves generally reflect:

- development of additional reserves;
- depletion of existing reserves through production;
- actual mining experience; and
- price forecasts.

Grades of ore actually processed may be different from stated reserve grades because of geologic variation in different areas mined, mining dilution, losses in processing and other factors. Recovery rates vary with the metallurgical characteristics and grade of ore processed. Neither reserves nor projections of future operations should be interpreted as assurances of the economic life of mineralized material nor of the profitability of future operations.

Orebody: a well defined mass of mineralized material of sufficient mineral content to make extraction economically viable.

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Ounce: one Troy ounce, which equals 31.1035 grams.

Overburden: the soil and rock that must be removed in order to expose an ore deposit.

Overburden tons: tons that need to be removed to access an ore deposit.

Palaeotopography: the topography implied at some time in the past.

Pay limit: the breakeven grade at which the orebody can be mined without profit or loss, calculated using the forecast gold price, working costs and recovery factors.

Placer: a sedimentary deposit containing economic quantities of valuable minerals mainly formed in alluvial environments.

Precipitate: the solid product of chemical reaction by fluids such as the zinc precipitation referred to below.

Probable reserves: reserves for which quantity and grade and/or quality are computed from information similar to that used for proven reserves, but the sites for inspection, sampling, and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven reserves, is high enough to assume continuity between points of observation.

Prospect: an area of land with insufficient data available on the mineralization to determine if it is economically recoverable, but warranting further investigation.

Prospecting license: an area for which permission to explore has been granted.

Proven reserves: reserves for which: (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling; and (b) the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of reserves are well-established.

Pyrite: a brassy-colored mineral of iron sulphide (compound of iron and sulfur).

Quartz: a mineral compound of silicon and oxygen.

Recovery grade: the actual grade of ore realized after the mining and treatment process.

Reef: a gold-bearing sedimentary horizon, normally a conglomerate band, that may contain economic levels of gold.

Refining: the final stage of metal production in which final impurities are removed from the molten metal by introducing air and fluxes. The impurities are removed as gases or slag.

Rehabilitation: the process of restoring mined land to a condition approximating its original state.

Sampling: taking small pieces of rock at intervals along exposed mineralization for assay (to determine the mineral content).

Shaft: a shaft provides principal access to the underground workings for transporting personnel, equipment, supplies, ore and waste. A shaft is also used for ventilation and as an auxiliary exit. It is equipped with a surface hoist system that lowers and raises conveyances for men, materials and ore in the shaft. A shaft generally has more than one conveyancing compartment.

Slimes: the finer fraction of tailings discharged from a processing plant after the valuable minerals have been recovered.

Slurry: a fluid comprising fine solids suspended in a solution (generally water containing additives).

Smelting: thermal processing whereby molten metal is liberated from beneficiated ore or concentrate with impurities separating as lighter slag.

Spot price: the current price of a metal for immediate delivery.

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Stockpile: a store of unprocessed ore.

Stockwork: mineralized material consisting of a three-dimensional network of planar to irregular veinlets closely enough spaced that the whole mass can be mined.

Stope: the underground excavation within the orebody where the main gold production takes place.

Stripping: the process of removing overburden to expose ore.

Sulphide: a mineral characterized by the linkages of sulfur with a metal or semi-metal, such as pyrite, FeS.

Syncline: a basin-shaped fold.

Tailings: finely ground rock from which valuable minerals have been extracted by milling.

Ton: one ton is equal to 2,000 pounds (also known as a short ton).

Tonnage: quantities where the ton or tonne is an appropriate unit of measure. Typically used to measure reserves of gold-bearing material in situ or quantities of ore and waste material mined, transported or milled.

Tonne: one tonne is equal to 1,000 kilograms (also known as a metric ton).

Trend: the arrangement of a group of ore deposits or a geological feature or zone of similar grade occurring in a linear pattern.

Unconformity: the structural relationship between two groups of rock that are not in normal succession.

Waste: ore rock mined with an insufficient gold content to justify processing.

Waste rock: the non-mineralized rock and/or rock that generally cannot be mined economically that is hoisted to the surface for disposal on the surface normally close to the shaft on an allocated dump.

Yield: the actual grade of ore realized after the mining and treatment process.

Zinc precipitation: a chemical reaction using zinc dust that converts gold solution to a solid form for smelting into unrefined gold bars.

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PART II

Item 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable.

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Item 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS

At a general meeting held on November 24, 2008, our shareholders authorized the Board to (i) place 10% of the unissued ordinary shares of the company under directors control and (ii) authorizing the Board to allot and issue up to 10% of all or any of our authorized but unissued ordinary shares for cash to such persons and on such terms as the Board may, without restriction, from time to time, deem fit as and when suitable opportunities arise, but subject to the requirements of the JSE.

At a general meeting held on November 26, 2007, our shareholders authorized the Board to (i) place 10% of the unissued ordinary shares of the company under directors control and (ii) authorizing the Board to allot and issue up to 10% of all or any of our authorized but unissued ordinary shares for cash to such persons and on such terms as the Board may, without restriction, from time to time, deem fit as and when suitable opportunities arise, but subject to the requirements of the JSE.

At a general meeting held on November 11, 2006, our shareholders authorized the Board to acquire from time to time such a number of our issued ordinary shares at such price or prices and on such terms and conditions as the Board may determine, but subject to the requirements of the JSE and the requirements of the other exchanges upon which our ordinary shares may be quoted or listed. The shareholders also approved amendments to our Articles of Association in order to comply with the JSE amended listing requirements.

USE OF PROCEEDS

Not applicable.

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Item 15. DISCLOSURE CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures

As of June 30, 2009, our management, with the participation of our Chief Executive Officer (**CEO**) and Chief Financial Officer (**CFO**), carried out an evaluation, pursuant to Rule 13a-15 promulgated under the Exchange Act of the effectiveness of our disclosure controls and procedures . Based on the foregoing, our management, including the CEO and CFO, concluded that our disclosure controls and procedures were effective as of June 30, 2009.

(b) Management s Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining effective internal control over financial reporting and for the assessment of the effectiveness of internal control over financial reporting. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Harmony s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company s assets that could have a material effect on the financial statements. Where appropriate, the necessary actions are taken to remedy any failings or weaknesses identified from review of the effectiveness of the internal control system.

Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human error. Internal control over financial reporting also can be circumvented by collusion or improper management override. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of change in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Management conducted an evaluation of the effectiveness of its internal control over financial reporting based on the framework in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (**COSO**). Management has assessed the effectiveness of internal control over financial reporting, as of June 30, 2009, and has concluded that such internal control over financial reporting was effective based upon those criteria.

PricewaterhouseCoopers Inc, an independent registered public accounting firm, which has audited the consolidated financial statements included in this Annual Report, has issued an attestation report on the effectiveness of Harmony s internal control over financial reporting as of June 30, 2009.

(c) Attestation Report of the Registered Public Accounting Firm

See report of PricewaterhouseCoopers Inc, an independent registered public accounting firm, on page F-2.

(d) Changes in Internal Control over Financial Reporting

There has been no change in Harmony s internal control over financial reporting that occurred during fiscal 2009 that has materially affected or is reasonably likely to materially affect, Harmony s internal control over financial reporting.

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Item 16A. AUDIT COMMITTEE FINANCIAL EXPERT

At this time, we do not have an individual audit committee financial expert as defined by the rules of the SEC.

The audit committee members through their collective experience do meet a majority of the definitions of the SEC for an audit committee financial expert in both the private and public sectors. The members have served as directors and officers of numerous public companies and have over the years developed a strong knowledge and understanding of IFRS as issued by the IASB, overseeing the preparation, audit and evaluation of financial statements. We believe that the combined knowledge, skills and experience of the Audit Committee, and their authority to engage outside experts as they deem appropriate to provide them with advice on matters related to their responsibilities, enable them, as a group, to act effectively in the fulfillment of their tasks and responsibilities required under the Sarbanes-Oxley Act of 2002. See *Item 7. Directors and Management Board Practices Audit Committee* .

Item 16B. CODE OF ETHICS

The Harmony Code of Ethics has been developed to respond to the challenge of ethical conduct in a business environment. The Code of Ethics goes beyond the company s legal and institutional responsibilities by formalizing our values. The purpose of the code is to guide employees behavior, not to provide specific answers to every conceivable situation in the workplace. We approached the development and the annual review of the Code of Ethics in a fully inclusive manner, with broad consultation and information gathering at all levels of the company. Employees have been kept fully informed about the Code of Ethics and all employees are expected to comply with its contents. (The term employees is used in the broadest sense and includes all staff with which a service contract exists, including management, non-management, directors, contractors, consultants, suppliers and temporary staff.) An Ethics Committee was formed in May 2006, which consists of four executive managers and the Company Secretary (who chairs the meeting). This committee is required to meet quarterly to monitor the gift registers and any reported unethical behavior. The Code of Ethics is available on our website at www.harmony.co.za.

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Item 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

AUDIT FEES

The following sets forth the aggregate fees billed for each of the two past fiscal years for professional fees to our principal accountants for the audit of the annual financial statements or for services normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years.

Fiscal year ended June 30, 2008	U.S.$1.949 million
Fiscal year ended June 30, 2009	U.S.$1.631 million

AUDIT-RELATED FEES

The following sets forth additional aggregate fees to those reported under Audit Fees in each of the last two fiscal years that were provided by the principal accountant that are reasonably related to the performance of the audit or review of the financial statements:

Fiscal year ended June 30, 2008	U.S.$0.752 million
Fiscal year ended June 30, 2009	U.S.$0.331 million

Fees related to interim reviews and review of interim reports, other SEC filings as well as guidance on section 404 Sarbanes Oxley compliance.

TAX FEES

The following sets forth the aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice and tax planning:

Fiscal year ended June 30, 2008	U.S.$0.052 million
Fiscal year ended June 30, 2009	U.S.$0.038 million

Services comprised advice on capital gains tax issues, treatment of tax in respect of acquisitions, guidance on share option schemes.

ALL OTHER FEES

The following sets forth the aggregate fees billed in each of the last two fiscal years for products and services provided by the principal accountant not described above:

Fiscal year ended June 30, 2008	U.S.$0.759 million
Fiscal year ended June 30, 2009	U.S.$0.300 million

AUDIT COMMITTEE APPROVAL

Our audit committee pre-approves our engagement of PricewaterhouseCoopers Inc to render audit or non-audit services. All of the services described above were approved by the audit committee.

Item 16D. EXEMPTIONS FROM LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

Item 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Not applicable.

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Item 16F. CHANGE IN REGISTRANT S CERTIFYING ACCOUNTANT

Not applicable.

Item 16G. CORPORATE GOVERNANCE

Significant ways in which Harmony s corporate governance practices differ from practices followed by publicly-listed US companies.

Foreign private issuers, such as Harmony, must briefly highlight any significant ways in which their corporate governance practices differ from those following by US-listed companies. Set out below is a brief, general summary of the significant differences:

US-listed companies are required to have a nominating/corporate governance committee, and all members of this committee must be non-executive directors. Harmony has a Nomination Committee which comprises three non-executive board members, two of whom are independent.

For US-listed companies, the chairperson of this committee is required to be the chairperson of the Board of Directors. The current chairman of the Harmony Board of Directors, Patrice Motsepe, is Chairman of one of Harmony s largest shareholders, African Rainbow Minerals Limited, and is thus not independent.

US-listed companies are required to have a remuneration committee composed entirely of independent directors. Harmony has appointed a Remuneration Committee, comprising three board members, all of whom are non-executive and two of whom are independent.

The non-management directors of US-listed companies must meet at regularly scheduled executive sessions without management. Although Harmony does not specifically require such meetings of its non-executive directors, the Board has unrestricted access to all company information, records, documents and property. Directors may, if necessary, take independent professional advice at the company s expense and non-executive directors have access to management and may meet separately with management, without the attendance of executive directors.

US-listed companies are required to publish and distribute to shareholders an annual report within 120 days from the end of its fiscal year. Non-US companies such as Harmony are given 225 days from the end of the fiscal year.

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PART III

Item 17. FINANCIAL STATEMENTS

We have elected to provide financial statements for the fiscal year ended June 30, 2009 and the related information pursuant to Item 18.

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Item 18. FINANCIAL STATEMENTS

Financial Statements

The financial statements appear in this annual report on Form 20-F beginning on page F-4. The report of the independent registered public accounting firm appears on page F-2.

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Item 19. EXHIBITS

1.1 Memorandum of Association of Harmony, as amended (incorporated by reference to Harmony s Registration Statement (file no. 333-13516) on Form F-3 filed on June 21, 2001).

1.2 Articles of Association of Harmony, as amended (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2005, filed on November 3, 2005).

2.1 Notice to shareholders dated September 25, 2007 in respect of the Annual General Meeting held on November 26, 2007 (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2007, filed on December 7, 2007).

2.2 Share Exchange Agreement between Avmin and Harmony to acquire the shareholding in Avgold dated February 16, 2004 (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2004, as amended, filed on October 14, 2004).

2.3 Deposit Agreement among Harmony, The Bank of New York, as Depositary, and owners and holders of American Depositary Receipts, dated as of August 12, 1996, as amended and restated as of October 2, 1996, as further amended and restated as of September 15, 1998 (incorporated by reference to Post-Effective Amendment No. 1 to Harmony s Registration Statement (file no. 333-5410) on Form F-6 filed on May 17, 2001).

2.4 Form of ADR (included in Exhibit 2.3).

2.5 Form of Harmony s senior unsecured 13% bonds due June 14, 2006 (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2001 filed on September 26, 2001).

2.6 Form of Global Bond (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2004, as amended, filed on October 14, 2004).

2.7 Bond Offering Circular dated October 14, 2004 (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2004, as amended, filed on October 14, 2004).

4.1 Harmony (2003) Share Option Scheme, as amended (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2005, filed on November 3, 2005).

4.2 Harmony 2006 Share Scheme (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2007, filed on December 7, 2007).

4.3 Sale of Shares Agreement amongst Harmony, ARMgold Harmony Joint Investment Company (Proprietary) Limited, and The ARM Broad-Based Empowerment Trust signed on April 15, 2005 (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2005, filed on November 3, 2005).

4.4 Subordination Agreement amongst Harmony, Nedbank Limited and The ARM Broad-Based Empowerment Trust signed on April 15, 2005 (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2005, filed on November 3, 2005).

4.5

First Loan Agreement between Nedbank Limited and The ARM Broad-Based Empowerment Trust signed on April 15, 2005 (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2005, filed on November 3, 2005).

4.6 First Ranking Cessation and Pledge between The ARM Broad-Based Empowerment Trust and Nedbank Limited signed on April 15, 2005 (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2005, filed on November 3, 2005).

4.7 Second Loan Agreement between Nedbank Limited and The ARM Broad-Based Empowerment Trust signed on April 15, 2005 (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2005, filed on November 3, 2005).

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4.8 Second Ranking Cessation and Pledge between The ARM Broad-Based Empowerment Trust and Nedbank Limited signed on April 15, 2005 (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2005, filed on November 3, 2005).

4.9 Flow of Funds Agreement amongst Nedbank Limited, ARMgold Harmony Joint Investment Company (Proprietary) Limited, Harmony and The ARM Broad-Based Empowerment Trust signed on April 15, 2005 (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2005, filed on November 3, 2005).

4.10 Harmony Undertaking amongst Harmony, ARMgold Harmony Joint Investment Company (Proprietary) Limited and Nedbank Limited signed on April 15, 2005 (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2005, filed on November 3, 2005).

4.11 Term Loan Agreement with Rand Merchant Bank dated March 9, 2006 (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2006, filed on October 31, 2006).

4.12 Pledge Agreement in favor of FirstRand Bank Limited (acting through its Rand Merchant Bank division) dated March 9, 2006 (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2006, filed on October 31, 2006).

4.13 Senior Facility Agreement among Nedbank Limited and Harmony Gold Mining Company Limited and the Guarantors named therein dated on or about September 28, 2007 (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2007, filed on December 7, 2007).

4.14 Cessation and Pledge in Security by African Rainbow Minerals Gold Limited in favour of Nedbank dated on or about September 28, 2007 (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2007, filed on December 7, 2007).

4.15 Cessation and Pledge in Security by Harmony Gold Mining Company Limited in favour of Nedbank dated on or about September 28, 2007 (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2007, filed on December 7, 2007).

4.16 Preference Share Subscription Agreement dated March 20, 2007 by and among FirstRand Bank Limited (RMB), Harmony and the subsidiaries named therein (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2007, filed on December 7, 2007).

4.17 Senior Bridge Loan Facility with RMB dated June 29, 2007 (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2007, filed on December 7, 2007).

4.18 Draw Down Facility Agreement with Westpac Bank dated June 27, 2007 (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2007, filed on December 7, 2007).

4.19 Sale Agreement with Randfontein Estates Limited, Clidet No. 726 (Proprietary) Limited and Clidet No. 770 (Proprietary) Limited dated December 18, 2007 (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2008, filed on October 29, 2008).

4.20 Shareholders Agreement between ARMGold/Harmony Joint Investment Company (Proprietary) Limited, Clidet No. 770 (Proprietary) Limited and Clidet No. 726 (Proprietary) Limited dated December 18, 2007 (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2008, filed on October 29, 2008).

4.21 Sale of Shares and Claim Agreement with Randfontein Estates Limited, ARMGold/Harmony Joint Investment Company (Proprietary) Limited and Clidet No. 770 (Proprietary) Limited dated December 18, 2007 (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2008, filed on October 29, 2008).

4.22 Deed of Extinguishment of Royalty (Hidden Valley Project) dated May June 11, 2008 (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2008, filed on October 29, 2008).

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4.23	Senior Facility Agreement with Nedbank Limited dated September 28, 2007 (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2008, filed on October 29, 2008).
4.24	Master Lease Facility Agreement between Morobe Consolidated Goldfields Limited and Westpac Bank PNG Limited (Hidden Valley Project) dated June 14, 2007 (incorporated by reference to Harmony s Annual Report on Form 20-F for the fiscal year ended June 30, 2008, filed on October 29, 2008).
4.25	Deed of Extinguishment of Royalty (Wafi-Golpu Project) dated February 16, 2009.
4.26	Master Purchase and Farmin Agreement dated May 22, 2008 between Morobe Consolidated Goldfields Limited, Wafi Mining Limited, Morobe Exploration Limited, Newcrest PNG 1 Limited, Newcrest PNG 2 Limited and Newcrest PNG 1 Limited.
4.27	Hidden Valley Joint Venture Agreement dated May 22, 2008 between Morobe Consolidated Goldfields Limited, Newcrest PNG 1 Limited and Hidden Valley Services Limited.
4.28	Master Co-operation Agreement dated on or about August 5, 2008 between Hidden Valley Services Limited, Wafi-Golpu Services Limited, Morobe Exploration Services Limited, Harmony Gold (PNG Services) Pty Limited and Newcrest Mining Limited.
8.1	Significant subsidiaries of Harmony Gold Mining Company Limited.
*12.1	Certification of the principal executive officer required by Rule 13a-14(a) or Rule 15(d)-14(a), pursuant to Section 302 of the Sarbanes Oxley Act of 2002.
*12.2	Certification of the principal financial officer required by Rule 13a-14(a) or Rule 15(d)-14(a), pursuant to Section 302 of the Sarbanes Oxley Act of 2002.
*13.1	Certification of the principal executive officer, pursuant to Section 906 of the Sarbanes Oxley Act of 2002.
*13.2	Certification of the principal financial officer, pursuant to Section 906 of the Sarbanes Oxley Act of 2002.

* Filed herewith

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SIGNATURE

Pursuant to the requirements of Section 12 of the Exchange Act, we hereby certify that we meets all of the requirements for filing on Form 20-F and that we have duly caused this annual report to be signed on our behalf by the undersigned, thereunto duly authorized.

HARMONY GOLD MINING COMPANY LIMITED

By: /s/ Graham Briggs
Graham Briggs
Chief Executive Officer

Date: November 12, 2009

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Harmony Gold Mining Company Limited

In our opinion, the accompanying consolidated balance sheets and the related consolidated income statements, statements of other comprehensive income, of changes in shareholders equity and cash flows present fairly, in all material respects, the financial position of Harmony Gold Mining Company Limited and its subsidiaries at June 30, 2009 and 2008 and the results of their operations and their cash flows for each of the three years in the period ended June 30, 2009 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of June 30, 2009, based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company s management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management s Annual Report on Internal Control over Financial Reporting appearing under Item 15 (b). Our responsibility is to express opinions on these financial statements and on the Company s internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in

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accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers Inc

Johannesburg, Republic of South Africa

October 26, 2009

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Consolidated income statements
For the years ended June 30,

Figures in million	*Note*	US DOLLAR *2009*	*2008**	*2007**
Continuing operations				
Revenue		1,277	1,325	1,202
Cost of sales	*5*	(1,104)	(1,162)	(1,084)
Production costs		(850)	(959)	(907)
Amortisation and depreciation		(167)	(117)	(134)
Impairment of assets		(61)	(35)	(37)
Employment termination and restructuring costs		(4)	(32)	
Other items		(22)	(19)	(6)
Gross profit		**173**	**163**	**118**
Corporate, administration and other expenditure		(40)	(33)	(31)
Exploration expenditure		(32)	(32)	(30)
Profit on sale of property, plant and equipment	*6*	116	18	25
Other expenses net	*7*	(3)	(13)	
Operating profit	*8*	**214**	**103**	**82**
Profit/(loss) from associates	*22*	1	(11)	(3)
Profit on sale of investment in associate	*9*			33
Impairment of investment in associate	*22*	(14)	(12)	
Fair value (loss)/gain on financial instruments	*10*	(10)	5	15
Loss on sale of listed investments	*11*		(63)	(5)
Investment income	*12*	49	39	27
Finance cost	*13*	(24)	(71)	(66)
Profit/(loss) before taxation		**216**	**(10)**	**83**
Taxation	*14*	(23)	(68)	(50)
Net profit/(loss) from continuing operations		**193**	**(78)**	**33**
Discontinued operations				
Profit from discontinued operations	*15*	118	48	18
Net profit/(loss)		**311**	**(30)**	**51**
Earnings/(loss) per ordinary share (cents):	*16*			
Earnings/(loss) from continuing operations		47	(20)	8
Earnings from discontinued operations		28	12	4

Total earnings/(loss) for the period		**75**	**(8)**	**12**
Diluted earnings/(loss) per ordinary share (cents):	*16*			
Earnings/(loss) from continuing operations		46	(20)	8
Earnings from discontinued operations		28	12	4
Total diluted earnings/(loss) for the period		**74**	**(8)**	**12**

* The comparative periods have been re-presented for a change in discontinued operations. Refer to note 15.

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

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Consolidated statements of other comprehensive income
For the years ended June 30,

Figures in million	*Note*	*2009*	US DOLLAR *2008*	*2007*
Net profit/(loss) for the period		**311**	**(30)**	**51**
Attributable to:				
Owners of the parent		311	(30)	51
Other comprehensive income/(loss) for the period, net of income tax		111	(204)	41
Foreign exchange translation		105	(246)	87
Mark-to-market of available-for-sale investments	28	6	42	(46)
Total comprehensive income/(loss) for the period		**422**	**(234)**	**92**
Attributable to:				
Owners of the parent		422	(234)	92

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Consolidated balance sheets
As at June 30,

Figures in million	*Note*	US DOLLAR *2009*	*2008*
Assets			
Non-current assets			
Property, plant and equipment	*17*	3,614	3,531
Intangible assets	*18*	288	283
Restricted cash	*19*	21	10
Restricted investments	*20*	212	188
Investment in financial assets	*21*	7	9
Investment in associates	*22*	43	19
Deferred tax asset	*14*	222	190
Trade and other receivables	*24*	10	18
Total non-current assets		**4,417**	**4,248**
Current assets			
Inventories	*25*	134	89
Trade and other receivables	*24*	115	112
Income and mining taxes		6	11
Cash and cash equivalents	*26*	253	53
		508	265
Assets of disposal groups classified as held-for-sale	*15*		197
Total current assets		**508**	**462**
Total assets		**4,925**	**4,710**
Equity and liabilities			
Share capital and reserves			
Share capital	*27*	4,004	3,787
Other reserves	*28*	(72)	(196)
Accumulated loss		(108)	(419)
Total equity		**3,824**	**3,172**
Non-current liabilities			
Borrowings	*29*	14	31

Deferred tax	*14*	643	573
Provision for environmental rehabilitation	*30*	198	145
Retirement benefit obligation and other provisions	*31*	22	18
Total non-current liabilities		**877**	**767**
Current liabilities			
Trade and other payables	*32*	189	201
Income and mining taxes		2	12
Borrowings	29	33	494
		224	707
Liabilities of disposal groups classified as held-for-sale	*15*		64
Total current liabilities		**224**	**771**
Total equity and liabilities		**4,925**	**4,710**

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

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Consolidated statements of changes in shareholders equity
For the years ended June 30,

	Number of ordinary shares issued	Share capital	Share premium	Accumulated loss	Other reserves	Total
			Figures in million (US Dollar)			
Note		*27*			*28*	
Balance June 30, 2006	**396,934,450**	**32**	**3,700**	**(438)**	**(45)**	**3,249**
Dividends declared				(1)		(1)
Issue of shares						
Exercise of employee share options	2,673,934		19			19
Share-based payments			1		6	7
Total comprehensive income for the year				51	41	92
Balance June 30, 2007	**399,608,384**	**32**	**3,720**	**(388)**	**2**	**3,366**
Dividends declared				(1)		(1)
Issue of shares						
Exercise of employee share options	1,786,213		12			12
Exchange for PNG Royalty	1,859,159		20			20
Share-based payments			3		6	9
Total comprehensive loss for the year				(30)	(204)	(234)
Balance June 30, 2008	**403,253,756**	**32**	**3,755**	**(419)**	**(196)**	**3,172**
Issue of shares						
Exercise of employee share options	1,322,964		7			7
Exchange for PNG Royalty	3,364,675		23			23
Capital raising	18,045,441	1	186			187
Share-based payments					13	13
Total comprehensive income for the year				311	111	422
Balance June 30, 2009	**425,986,836**	**33**	**3,971**	**(108)**	**(72)**	**3,824**

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

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Consolidated cash flow statements
For the years ended June 30,

		US DOLLAR		
Figures in million	***Notes***	***2009***	***2008***	***2007***
Cash flow from operating activities				
Cash generated by operations	*33*	319	268	164
Interest received		51	38	25
Dividends received			5	3
Interest paid		(31)	(57)	(31)
Income and mining taxes paid		(85)	(18)	(2)
Cash generated by operating activities		**254**	**236**	**159**
Cash flow from investing activities				
Net increase in amounts invested in environmental trusts			(11)	(2)
(Increase)/decrease in restricted cash		(9)	28	(4)
Proceeds on disposal of South Kal Mine assets	*33*		18	
Proceeds on disposals of Papua New Guinea joint venture	*33*	235		
Proceeds on disposals of Randfontein Cooke assets	*33*	209		
Proceeds on disposal of available-for-sale financial assets			184	55
Acquisition of intangible assets		(4)	(3)	(6)
Acquisition of other non-current investments		(4)	(11)	(5)
Proceeds on disposal of property, plant and equipment		6	18	27
Additions to property, plant and equipment		(339)	(552)	(383)
Cash generated/(utilised) by investing activities		**94**	**(329)**	**(318)**
Cash flow from financing activities				
Long-term borrowings raised			323	253
Long-term borrowings paid		(427)	(256)	(139)
Ordinary shares issued		194	12	19
Dividends paid			(1)	(1)
Cash (utilised)/generated by financing activities		**(233)**	**78**	**132**
Foreign currency translation adjustments		**85**	**(2)**	**6**
Net increase/(decrease) in cash and equivalents		200	(17)	(21)
Cash and equivalents beginning of period		53	70	91

Cash and equivalents end of period	**253**	**53**	**70**

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

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Notes to the consolidated financial statements
For the years ended June 30,

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. Harmony has operations in Papua New Guinea, where the construction of the Hidden Valley mine is being completed, as well as in Western Australia.

The Company is a public company, incorporated and domiciled in South Africa. The address of the registered office is Randfontein Office Park, Corner Main Reef Road and Ward Avenue, Randfontein, 1759.

These consolidated financial statements were authorised for issue by the board of directors on October 9, 2009.

2 Accounting policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied in all years presented.

2.1 Basis of preparation

The annual financial statements are prepared on the historical cost basis, as modified by available-for-sale financial assets, and financial assets and liabilities, which have been brought to account at fair value. The financial statements are prepared in accordance with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**).

New accounting standards and IFRIC interpretations

(a) Standards and interpretations effective in 2009 but not relevant:

The following standards and interpretations to published standards are mandatory for accounting periods beginning on or after July 1, 2008 but are not relevant to the Group s operations:

Amendments to IAS 39 and IFRS 7, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures Reclassification of Financial Assets;

IFRIC 14, IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction;

IFRIC 12, Service concession arrangements; and

IFRIC 13, Customer Loyalty Programmes.

(b) Standards and amendments early adopted by the Group in the 2008 year:

IAS 1 (Revised) Presentation of Financial Statements:

IAS 23 (Revised) Borrowing Costs; and

IFRS 8 Operating Segments.

(c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group:

At the date of authorisation of these financial statements, the standards, amendments and interpretations listed below were in issue but not yet effective. These new standards and interpretations have not been early adopted by the Group and a reliable estimate of the impact of the adoption thereof for the Group cannot yet be determined for all of them, as management is still in the process of determining the impact of these standards and interpretations on future financial statements. The Group plans on adopting these standards, amendments and interpretations on the dates when they become effective.

Amendments and revised standards:

IAS 27 (Revised) Consolidated and Separate Financial Statements (effective from periods beginning July 1, 2009).

The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control. They will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value and a gain or loss is recognised in profit or loss. The effect of the amended IAS 27 will be recorded in future periods when such transactions are entered into.

IFRS 3 (Revised) Business Combinations (effective from periods beginning July 1, 2009).

The new standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with some contingent payments subsequently re-measured at fair value through income. Goodwill may be calculated based on the parent s share of net assets or it may include goodwill related to the minority interest. All transaction costs will be expensed. The effect of the revised IFRS 3 will be recorded in future periods when such transactions are entered into.

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IFRS 2 (Amendment) Share-Based Payment: Vesting Conditions and Cancellations (effective from periods beginning January 1, 2009).

The amendment deals with two matters. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The effect of the amended IFRS 2 will be recorded in future periods when such transactions affecting vesting conditions and cancellations on share based payment occurs.

IAS 32 and IAS 1 (Amendment) IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of financial statements: Puttable Financial Instruments and Obligations Arising on Liquidation (effective from periods beginning January 1, 2009).

The amendments require entities to classify the following types of financial instruments as equity, provided they have particular features and meet specific conditions: a) puttable financial instruments (for example, some shares issued by co-operative entities); b) instruments, or components of instruments, that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation (for example, some partnership interests and some shares issued by limited life entities). Additional disclosures are required about the instruments affected by the amendments. The Group does not expect the adoption of these amendments to have an impact on the consolidated financial statements.

IFRS 1 and IAS 27 (Amendment) IFRS 1 First-Time Adoption of International Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (effective from periods beginning January 1, 2009).

The amendment allow first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The amendment also removed the definition of the cost method from IAS 27 and replaced it with a requirement to present dividends as income in the separate financial statements of the investor. The Group is not a first-time adopter of IFRS. The effect of the amended IAS 27 will be recorded in future periods when such transactions are entered into.

IAS 39 (Amendment) IAS 39 Financial Instruments: Recognition and Measurement Exposures Qualifying for Hedge Accounting (effective from periods beginning January 1, 2009).

The amendment makes two significant changes. It prohibits designating inflation as a hedgeable component of a fixed rate debt. It also prohibits including time value in the one-sided hedged risk when designating options as hedges. The Group currently does not anticipate the change to affect the financial statements as the Group does not have hedges.

IFRS 7 (Amendment) Financial Instruments disclosures: Improving Disclosures about Financial Instruments (effective from periods beginning January 1, 2009).

The amendment increases the disclosure requirements about fair value measurement and reinforces existing principles for disclosure about liquidity risk. The amendment introduces a three-level hierarchy for fair value measurement disclosure and requires some specific quantitative disclosures for financial instruments in the lowest level in the hierarchy. In addition, the amendment clarifies and enhances existing requirements for the disclosure of liquidity risk primarily requiring a separate liquidity risk analysis for derivative and non-derivative financial liabilities. The standard will affect the disclosure of financial instruments in the financial statements.

Annual improvements to IFRS issued August 2008 (effective on or after January 1, 2009 unless otherwise specified).

This is a collection of amendments to IFRSs. These amendments are the result of conclusions the IASB reached on proposals made in its annual improvements project. The annual improvements project provides a vehicle for making non-urgent but necessary amendments to IFRSs. Some amendments involve consequential amendments to other IFRSs. The Group is assessing the impact that these improvements will have on the financial statements.

Annual improvements to IFRS issued April 2009 (effective on or after January 1, 2010 unless otherwise specified).

This is a collection of amendments to IFRSs. These amendments are the result of conclusions the IASB reached on proposals made in its annual improvements project. The annual improvements project provides a vehicle for making non-urgent but necessary amendments to IFRSs. Some amendments involve consequential amendments to other IFRSs. The Group will assess the impact that these improvements will have on the financial statements.

New interpretations:

IFRIC 15 Agreements for the Construction of Real Estate (effective from periods beginning January 1, 2009)

IFRIC 15 addresses diversity in accounting for real estate sales. IFRIC 15 clarifies how to determine whether an agreement is within the scope of IAS 11 Construction contracts or IAS 18 - Revenue and when revenue from construction should be recognised. The guidance replaces example 9 in the appendix to IAS 18. The Group does not expect this interpretation to have an impact on the financial statements.

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IFRIC 16 Hedges of a Net Investment in a Foreign Operation (effective from periods beginning October 1, 2008)

IFRIC 16 provides guidance on identifying the foreign currency risks that qualify as a hedged risk (in the hedge of a net investment in a foreign operation). It secondly provides guidance on where, within a group, hedging instruments that are hedges of a net investment in a foreign operation can be held to qualify for hedge accounting. Thirdly, it provides guidance on how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item. The Group currently does not anticipate the change affecting our financial statements as the Group does not have hedges on its net investments in foreign operations.

IFRIC 17 Distributions of Non-cash Assets to Owners (effective from periods beginning July 1, 2009)

IFRIC 17 applies to the accounting for distributions of non-cash assets (commonly referred to as dividends in specie) to the owners of the entity. The interpretation clarifies that: a dividend payable should be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity; an entity should measure the dividend payable at the fair value of the net assets to be distributed; and an entity should recognise the difference between the dividend paid and the carrying amount of the net assets distributed in profit or loss. The effect of the interpretation will be recorded in future periods when such transactions are entered into.

IFRIC 18 Transfers of assets from customers (effective from periods beginning July 1, 2009)

The interpretation clarifies the accounting treatment for transfers of property, plant and equipment received from customers. This Interpretation applies to agreements with customers in which the entity receives cash from a customer when that amount of cash must be used only to construct or acquire an item of property, plant and equipment and the entity must then use the item of property, plant and equipment either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods and services, or to do both. The Group currently does not expect this interpretation to have any effect on the financial statements.

2.2 Consolidation

The consolidated financial information includes the financial statements of the Company, its subsidiaries, its proportionate interest in joint ventures, special purpose entities (**SPEs**) and its interests in associates.

(i) **Subsidiaries**, which are those entities in which the Group has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies, are consolidated. Subsidiaries are consolidated from the date on which control is acquired and are no longer consolidated when control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities assumed at the date of acquisition plus costs directly attributable to the acquisition.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interests. Non-controlling interests are carried at a proportion of the net identifiable assets acquired.

The excess of the cost of acquisition over the fair value of the Group s share of the identifiable net assets acquired is recorded as goodwill (refer to 2.7).

In situations of successive share purchases when control already existed at the date of further acquisition, no fair value adjustment is made to the identifiable net assets acquired and any excess/deficit purchase price over the carrying value of non-controlling interests acquired is accounted for in equity.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated on consolidation. Unrealized losses are also eliminated and may provide evidence of an impairment that should be recognized. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

(ii) **Associates** are those entities, other than a subsidiary, in which the Group has a material interest and in respect of which the Group exercises significant influence over operational and financial policies, normally owning between 20% and 50% of the voting equity, but which it does not control.

Investments in associates are accounted for by using the equity method of accounting, and are initially recognized at cost. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities assumed at the date of acquisition plus costs directly attributable to the acquisition.

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The Group s share of the associates post-acquisition profits or losses is recognized in the income statement, and its share of post-acquisition movement in reserves is recognized in other reserves. Cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group s shares of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group s investment in associates includes goodwill identified on acquisition.

The carrying value of an associate is reviewed on a regular basis and, if an impairment in the carrying value has occurred, it is written off in the period in which such impairment is identified.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group s interest in the associates. Unrealized losses are also eliminated and may provide evidence of an impairment that should be recognized.

Accounting policies of associates have been reviewed to ensure consistency with the policies adopted by the Group.

(iii) **Joint ventures** are those entities in which the Group holds a interest and which is jointly controlled by the Group and one or more ventures under a contractual arrangement. The Group s interest in jointly controlled entities is accounted for by proportionate consolidation. Under this method, the Group includes its share of the joint venture s individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group s financial statements.

The Group recognizes the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other ventures. The Group does not recognize its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realizable value of current assets or an impairment loss, the loss is recognized immediately.

(iv) **Special purpose entities (SPEs)** are those undertakings that are created to satisfy specific business needs of the Group, These are consolidated where the Group has the right to the majority of the benefits of the SPE and/or is exposed to the majority of the risk thereof. SPEs are consolidated in the same manner as subsidiaries when the substance of the relationship indicates that the SPE is controlled by the Group.

(v) **Transactions with non-controlling interests.** The Group applies a policy of treating transactions with minority interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2.3 Foreign currency transactions

(i) **Functional and presentation currency:** 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).

For translation of the Rand financial statement items to US dollar, the average of R9.00 (2008: R7.26; 2007:R7.20) 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 R7.72 (2008: R7.80) per US$1 for asset and liability items. Equity items were translated at historic rates.

References to A$ refers to Australian currency, R to South African currency, $ or US$ to United Stat currency and K or Kina to Papua New Guinean currency.

(ii) Transactions and balances: Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation to year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. These transactions are included in the determination of other expenses net.

Changes in the fair value of monetary securities denominated in a foreign currency classified as available-for-sale are analyzed between translation differences resulting from changes in the amortized cost of the security, and other changes in the carrying amount of the security. Translation differences are recognized in profit or loss, and other changes in carrying amount are recognized in other reserves.

Translation differences on non-monetary financial assets and liabilities are reported as part of fair value gains or losses. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in other comprehensive income.

(iii) Group companies: The results and financial position of all Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the date of the transactions);

c) all resulting exchange differences are recognized as a separate component of other reserves; and

d) equity items are translated at historic rates.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other reserves. When a foreign operation is sold or the loans included in the net investment in foreign operations are repaid or partially repaid, exchange differences that were recorded in equity are recognized in profit or loss in the period in which the sale or repayment takes place.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.4 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the executive committee. The accounting policies of the segments are the same as those described in the accounting policy notes to the financial statements.

2.5 Property, plant and equipment

(i)

Mining assets including mine development costs and mine plant facilities are initially recorded at cost, where after it is measured at cost less accumulated amortization and impairment.

At the Group s surface mines, when it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves, costs incurred to develop the property are capitalized as incurred until the mine is considered to have moved into the production phase. These costs include costs to further delineate the ore body and remove overburden to initially expose the ore body. Stripping costs incurred during the production phase to remove waste ore are deferred and charged to production costs on the basis of the average life-of-mine stripping ratio. The average stripping ratio is calculated as the number of tonnes of waste material removed per tonne of ore mined. The average life-of-mine ratio is revised annually in the light of additional knowledge and change in estimates. The cost of excess stripping is capitalized as mine development costs when the actual stripping ratio exceeds the average life of mine stripping ratio. Where the average life of mine stripping ratio exceeds the actual stripping ratio, the cost is charged to the income statement.

At the Group s underground mines, all costs incurred to develop the property, including costs to access specific ore blocks or other areas of the underground mine, are capitalized to the extent that such costs will provide future economic benefits as a result of establishing proven and probable reserves associated with specific ore blocks or areas of operations. These costs include the cost of shaft sinking and access, the costs of building access ways, lateral development, drift development, ramps, box cuts and other infrastructure development.

During the development stage, the Group may enter into arrangements whereby it agrees to transfer a part of its mineral interest in consideration for an agreement by another party (the farmee) to meet certain expenditure which would otherwise have to be undertaken by the Group. Such arrangements, referred to as farm-in transactions, are accounted for as executory contracts particularly when the expenditures to be incurred by the farmee are discretionary in nature, and the mineral interest to be transferred may vary depending upon such discretionary spend. At the date of completion of each party s obligations under the farm-in arrangement, the Group derecognizes the proportion of the mining assets and liabilities associated with the joint venture that it has sold to the farmee, and recognizes its interest in the capital expenditure (consideration received) at fair value within operating assets. The difference between the net disposal proceeds and the carrying amount of the asset disposed of is recognized in profit or loss.

Borrowing costs are capitalized to the extent that they are directly attributable to the acquisition and construction of qualifying assets. Qualifying assets are assets that take a substantial time to get ready for their intended use. These costs are capitalized until the asset moves into the production phase. Other borrowing costs are expensed.

The net assets of operations placed on care and maintenance are impaired to their recoverable amount. Expenditure on the care and maintenance of these operations is charged against income, as incurred.

Where a depreciable asset is used in the construction or extension of a mine, the depreciation is capitalized against the mines cost.

(ii) **Non-mining assets:** Land is shown at cost and not depreciated. Other non-mining fixed assets are shown at cost less accumulated depreciation and accumulated impairment losses.

(iii) **Undeveloped properties** are initially valued at the fair value of resources obtained through acquisitions. The carrying value of these properties are annually tested for impairment. Once development commences, these properties are transferred to mining properties and accounted for in accordance with the related accounting policy.

(iv) **Mineral and surface use rights r**epresent mineral and surface use rights for parcels of land both owned and not owned by the Group. Mineral and surface rights include acquired mineral use rights in production, development and exploration phase properties. The amount capitalized related to a mineral and surface right represents its fair value at the time it was acquired, either as an individual asset purchase or as part of a business combination, and is recorded at cost of acquisition.

Production phase mineral interests represent interests in operating properties that contain proven and probable reserves. Development phase mineral interests represent interests in properties under development that contain proven and probable reserves. Exploration phase mineral interests represent interests in properties that are believed to potentially contain (i) other mineralized material such as inferred material within pits; measured, indicated and inferred material with insufficient drill spacing to qualify as proven and probable reserves; (ii) around-mine exploration potential such as inferred material not immediately adjacent to existing reserves and mineralization but located within the immediate mine infrastructure; (iii) other mine-related exploration potential that is not part of measured, indicated or inferred material and is comprised mainly of material outside of the immediate mine area; or (iv) greenfield exploration potential that is not associated with any production, development or exploration phase property as described above.

The Group s mineral use rights are enforceable regardless of whether proven or probable reserves have been established. In certain limited situations, the nature of a use changes from an exploration right to a mining right upon the establishment of proven and probable reserves. The Group has the ability and intent to renew mineral use rights where the existing term is not sufficient to recover all identified and valued proven and probable reserves and/or undeveloped mineral interests.

(v) **Leased assets:** The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. The assets are capitalized at the lease s commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Finance lease payments are allocated using the rate implicit in the lease, which is included in finance costs, and the capital repayment, which reduces the liability to the lessor. The corresponding rental obligations, net of finance charges, are included in Borrowings, with the current portion included under Current Liabilities.

Capitalized lease assets are depreciated over the shorter of their estimated useful lives and the lease terms.

(vi) **Depreciation and amortization of mining assets:** Depreciation and amortization of mineral property interests, mineral and surface rights, mine development costs and mine plant facilities are computed principally by the units of production method based on estimated proved and probable reserves. Changes in management s estimates of the quantities of economically recoverable reserves impact amortization and depreciation on a prospective basis.

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Costs incurred and capitalized to enable access to specific ore blocks or areas of the mine, and which only provide an economic benefit over the period of mining that ore block or area, are amortized using the units-of-production method where the denominator is the proven and probable reserves within that ore block or area.

If capitalized underground development costs provide an economic benefit over the entire life-of-mine, the costs are amortized using the unit-of-production method, where the denominator is the total accessible proven and probable reserves.

Proved and probable ore reserves reflect estimated quantities of economically recoverable reserves which can be recovered in future from known mineral deposits. Amortization is first charged on mining ventures from the date on which the mining ventures are considered to have moved into the production phase.

(vii) Depreciation and amortization of non-mining fixed assets: Other non-mining fixed assets are depreciated on a straight line basis over their estimated useful lives as follows:

Vehicles at 20% per year;

Computer equipment at 33.3% per year; and

Furniture and equipment at 16.67% per year.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

(viii) Depreciation and amortization of mineral and surface use rights: Mineral rights associated with production phase mineral interests are amortized over the life of mine using the units-of-production method in order to match the amortization with the expected underlying future cash flows. Mineral interests associated with development and exploration phase mineral interests are not amortized until such time as the underlying property is converted to the production stage.

For details on the Group s accounting policy on impairments, refer to note 2.8.

2.6 Exploration costs

The Group expenses all exploration and evaluation expenditures until the directors conclude that a future economic benefit is more likely to be realized than not, i.e. probable . The information that the directors use to make that determination depends on the level of exploration as well as the degree of confidence in the ore body.

Exploration and evaluation expenditure on greenfield sites, being those where the Group does not have any mineral deposits which are already being mined or developed, is expensed as incurred until a final feasibility study has been completed, after which the expenditure is capitalized within development costs if the final feasibility study demonstrates that future economic benefits are probable.

Exploration and evaluation expenditure on brownfield sites, being those adjacent to mineral deposits which are already being mined or developed, is expensed as incurred until the directors are able to demonstrate that future economic benefits are probable through the completion of a prefeasibility study, after which the expenditure is capitalized as a mine development cost. A prefeasibility study consists of a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established, and which, if an effective method of mineral processing has been determined, includes a financial analysis based on reasonable assumptions of technical, engineering, operating economic factors and the evaluation of other relevant factors. The prefeasibility study, when combined with existing knowledge of the mineral property that is adjacent to mineral deposits that are already being mined or developed, allows the directors to conclude that it is more likely than not that the Group will obtain future economic benefit from the expenditures.

Exploration and evaluation expenditure relating to extensions of mineral deposits which are already being mined or developed, including expenditure on the definition of mineralization of such mineral deposits, is capitalized as a mine development cost following the completion of an economic evaluation equivalent to a feasibility study. This economic evaluation is distinguished from a feasibility study in that some of the information that would normally be determined in a feasibility study is instead obtained from the existing mine or development. This information when combined with existing knowledge of the mineral property already being mined or developed allow the directors to conclude that more likely than not the Group will obtain future economic benefit from the expenditures.

Costs relating to property acquisitions are also capitalized. These costs are capitalized within development costs.

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2.7 Intangible assets

Intangible assets consist of all identifiable non-monetary assets without physical substance. They are stated at cost less accumulated amortization and accumulated impairment losses, if any. The following are the main categories of intangible assets:

i) Intangible assets with an indefinite useful life

Intangible assets with an indefinite useful life are not amortized but tested for impairment on an annual basis. Goodwill represents the excess of the cost of an acquisition over the fair value of the Group s share of the net assets of the acquired subsidiary, associate, joint venture or business at the date of acquisition. Goodwill on acquisition of subsidiaries, joint ventures and businesses are included in intangible assets. Goodwill on acquisition of associates is included in investments in associates and tested for impairment as part of the overall balance.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. The impairment testing is performed on June 30.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. If the composition of one or more cash-generating units to which goodwill has been allocated changes due to a re-organization, the goodwill is re-allocated to the units affected.

The gain or loss on disposal of an entity includes the carrying amount of goodwill relating to the entity sold.

(ii) Intangible assets with a finite useful life

Acquired computer software licenses are capitalized on the basis of costs incurred to acquire and bring to use the specific software. Intangible assets with a finite useful life are amortized on a straight line basis of over their estimated useful lives, which are reviewed annually, as follows:

Computer software at 20% per year.

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Each operating shaft, along with allocated common assets such as plants and administrative offices, is considered to be a cash generating unit as each shaft is largely independent from the cash flows of other shafts and assets belonging to the Group.

The assets recoverable amount is generally determined using discounted estimated future cash flows. Future cash flows are estimated based on quantities of recoverable minerals, expected gold prices (considering current and historical prices, price trends and related factors), production levels and cash costs of production, all based on life-of-mine plans.

The term recoverable minerals refers to the estimated amount of gold that will be obtained from proven and probable reserves and all related exploration stage mineral interests (except for other mine-related exploration potential and greenfields exploration potential discussed separately below) after taking into account losses during ore processing and treatment. Estimates of recoverable minerals from such related exploration stage mineral interests will be risk adjusted based on management s relative confidence in such materials. In estimating future cash flows, assets are grouped at the lowest level for which there are identifiable cash flows that are largely independent of cash flows from other asset groups. With the exception of other mine-related exploration potential and greenfields exploration potential, estimates of future undiscounted cash flows are included on an area of interest basis, which generally represents an individual operating mine, even if the mines are included in a larger mine complex.

In the case of mineral interests associated with other mine-related exploration potential and greenfields exploration potential, cash flows and fair values are individually evaluated based primarily on recent exploration results and recent transactions involving sales of similar properties, if any. Assumptions underlying future cash flow estimates are subject to significant risks and uncertainties.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversal of impairments is also considered when there is objective evidence to indicate that the asset is no longer impaired.

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2.9 Financial instruments

Financial instruments are initially measured at fair value when the Group becomes a party to their contractual arrangements. Transaction costs are included in the initial measurement of financial instruments, with the exception of financial instruments classified as at fair value through profit or loss. The subsequent measurement of financial instruments is discussed below.

A financial asset is derecognized when the right to receive cash flows from the asset has expired or the Group has transferred its rights to receive cash and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the assets.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss recognized in equity is recognized in profit or loss.

On derecognition of a financial liability, the difference between the carrying amount of the liability extinguished or transferred to another party and the amount paid is recognized in profit or loss.

Financial assets

The Group classifies its financial assets in the following categories: loans and receivables, available-for-sale, held-to-maturity and at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset.

(i) **Loans and receivables,** are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans and receivables are subsequently measured at amortized cost using the effective interest method. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables include trade and other receivables (excluding VAT and prepayments), restricted cash and cash and cash equivalents.

Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, deposits held at call with banks and short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents exclude restricted cash (discussed below).

Restricted cash

Restricted cash consists of cash held for guarantees and performance bonds related to environmental rehabilitation.

Trade and other receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset s carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of a provision for impairment (allowance account) and the amount of the loss is recognized in the income statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the income statement.

(ii) **Available-for-sale financial assets**, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

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Available-for-sale financial assets are subsequently carried at fair value. Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analyzed between translation differences resulting from changes in amortized cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognized in profit or loss, while translation differences on non-monetary securities are recognized in other reserves. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognized in other reserves.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized in other comprehensive income are reclassified in the income statement as profit or loss on sale of listed investments. Dividends on available-for-sale equity instruments are recognized in the income statement as part of investment income when the Group s right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the value for a financial instrument cannot be obtained from an active market, the Group establishes fair value by using valuation techniques. These include the use of recent arm s length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer s specific circumstances. The valuation techniques make maximum use of market inputs and rely as little as possible on entity-specific inputs.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If, in the opinion of the directors, permanent diminution in value exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss is removed from other reserves and recognized in the income statement. Subsequent increases in the fair value are recognized in equity impairment losses recognized in the income statement on equity instruments are not reversed through the income statement.

(iii) **Held-to-maturity investments** are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group s management has the positive intention and ability to hold to maturity. The Group s held-to-maturity investments are subsequently measured at amortized cost using the effective interest method.

The restricted investments held by the trust funds (refer note 20) are classified as held-to-maturity investments.

(iv) **Financial assets at fair value through profit or loss** have two sub-categories: financial assets held-for-trading, and those designated at fair value through profit and loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management in terms of specified criteria. Derivatives are also categorized as held-for-trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held-for-trading or are expected to be realized within 12 months of the balance sheet date. These assets are subsequently measured at fair value with gains or losses arising from changes in fair value recognized in the income statement in the period in which they arise.

Financial liabilities

Borrowings

Borrowings are initially recognized at fair value net of transaction costs incurred and subsequently measured at amortized cost, comprising original debt less principal payments and amortization, using the effective yield method.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortized cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds are allocated to the conversion option. This is recognized and included in equity, net of income tax effects.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

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2.10 Inventories

Inventories which include bullion on hand, gold in process, ore stockpiles and stores and materials, are measured at the lower of cost and net realizable value after appropriate allowances for redundant and slow moving items. Cost of bullion and gold in process is determined by reference to production cost, including amortization and depreciation at the relevant stage of production. Ore stockpiles are valued at average production cost. Stockpiles are classified as a non-current asset where the stockpile exceeds current processing capacity.

Stores and materials consist of consumable stores and are valued at weighted average cost.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to perform the sale.

Gold in process inventories represent materials that are currently in the process of being converted to a saleable product. Conversion processes vary depending on the nature of the ore and the specific mining operation, but include mill in-circuit, leach in-circuit, flotation and column cells, and carbon in-pulp inventories. In-process material is measured based on assays of the material fed to process and the projected recoveries at the respective plants. In-process inventories are valued at the average cost of the material fed to process attributable to the source material coming from the mine, stockpile or leach pad plus the in-process conversion costs, including the applicable depreciation relating to the process facility, incurred to that point in the process. Bullion on hand and gold in process at certain of the underground operations include gold in lockup which can be reliably measured, and generally this is from the smelter onwards. Where mechanized mining is used in underground operations, in-progress material is accounted for at the earliest stage of production when reliable estimates of quantities and costs are capable of being made, normally from when ore is broken underground. Given the varying nature of the Group s open pit operations, gold in process represents either production in broken ore form or production from the time of placement on heap leach pads.

2.11 Non-current assets or disposal group held-for-sale and discontinued operations

A non-current asset or disposal group (a business grouping of assets and their related liabilities) is designated as held-for-sale when its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The classification as held-for-sale of a non-current asset or disposal group occurs when it is available for immediate sale in its present condition and the sale is highly probable. A sale is considered highly probable if management is committed to a plan to sell the non-current asset or disposal group, an active divestiture programme has been initiated, the non-current assets or disposal group is marketed at a price reasonable to its fair value and the disposal will be completed within one year from classification.

Upon classification of a non-current asset or disposal group as held-for-sale, it is reviewed for impairment. The impairment charged to the income statement is the excess of the carrying value of the non-current asset or disposal group over its expected net selling price (fair value less costs to sell). At each subsequent reporting date, the carrying values are remeasured for possible impairment. A gain is recognized for any subsequent increase in net selling price but not in excess of the cumulative impairment loss already recognized.

No depreciation is provided on non-current assets from the date they are classified as held-for-sale.

When a disposal group is classified as held-for-sale it is also necessary to assess whether or not the criteria for discontinued operations are met. If the criteria are met, the results of the disposal group are classified as discontinued operations in the income statement and the comparative amounts restated for all periods presented.

If a non-current asset or disposal group is classified as held-for-sale but the criteria for classification as held-for-sale are no longer met, the disclosure of such non-current asset or disposal group as held-for-sale is ceased.

On ceasing such classification, the non-current assets are reflected at the lower of:

- the carrying amount before classification as held for sale adjusted for any depreciation or amortization that would have been recognized had the assets not been classified as held-for-sale; or

- the recoverable amount at the date the classification as held-for-sale ceases. The recoverable amount is the amount at which the asset would have been recognized after the allocation of any impairment loss arising on the cash generating unit as determined in accordance with the group s policy on impairment of non-financial assets.

Any adjustment required to be made on reclassification is charged to the income statement on reclassification, and included in income from continuing operations.

Where the disposal group was also classified as a discontinued operation, the subsequent classification from held-for-sale also requires that the discontinued operation be included in continuing operations. Comparative information in the income statement and cash flow note disclosures relating to the classification as a discontinued operation is re-presented accordingly. Comparative information in the balance sheet is not re-presented for this change.

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2.12 Environmental obligations

Estimated long term environmental obligations, comprising pollution control, rehabilitation and mine closure, are based on the Group s environmental management plans in compliance with current technological, environmental and regulatory requirements.

Based on disturbances to date, the net present value of expected rehabilitation cost estimates are recognized and provided for in full in the financial statements. The estimates are reviewed annually and are discounted using a pre-tax risk-free rate that is adjusted to reflect the current market assessments of the time value of money and the risks specific to the obligation.

Annual changes in the provision consist of finance costs relating to the change in the present value of the provision and inflationary increases in the provision estimate, as well as changes in estimates. The present value of environmental disturbances created are capitalized to mining assets against an increase in the rehabilitation provision. Rehabilitation projects undertaken, included in the estimates are charged to the provision as incurred. The cost of ongoing current programmes to prevent and control pollution is charged against income as incurred. Over time, the liability is increased to reflect an interest element, and the capitalized cost is depreciated over the life of the related asset.

2.13 Environmental trust funds

Contributions are made to the Group s trust funds, created in accordance with statutory requirements, to fund the estimated cost of pollution control, rehabilitation and mine closure at the end of the life of the Group s mines. Contributions are determined on the basis of the estimated environmental obligation over the life of the mine. The trusts are consolidated into the Group. Income earned on monies paid to environmental trust funds is accounted for as investment income. The funds contributed to the trusts plus growth in the trust funds are included under restricted investments on the balance sheet.

2.14 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the present value of the best estimate of the expenditure required to settle the present obligation at balance sheet date. This estimate takes into account the associated risks and uncertainties. The increase in the provision due to the passage of time is recognized as interest expense.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefits will be required, the provision is reversed.

2.15 Current and deferred taxation

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Group follows the comprehensive liability method of accounting for deferred tax using the balance sheet approach. Under this method deferred income taxes are recognized for the tax consequences of temporary differences by applying expected tax rates to the differences between the tax base of all assets or liabilities and its balance sheet carrying amount. Deferred tax is charged to the income statement, except to the extent that deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and does not affect the accounting or taxable profit or loss at the time of the transaction. The effect on deferred tax of any changes in tax rates is recognized in the income statement, except to the extent that it relates to items previously charged or credited directly to equity.

The principal temporary differences arise from amortization and depreciation on property, plant and equipment, provisions, post retirement benefits, unutilized tax losses and unutilized capital allowances carried forward. Deferred tax assets relating to the carry forward of unutilized tax losses and unutilized capital allowances are recognized to the extent that it is probable that future taxable profit will be available against which the unutilized tax losses and unutilized capital allowances can be utilized.

Deferred income tax is provided on temporary differences arising from investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.16 Employee benefits

(i) **Pension and provident plans** are funded through annual contributions. The Group s contributions to the defined contribution pension and provident plans are charged to the income statement in the year to which they relate. The Group s liability is limited to its annually determined contributions.

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(ii) **Medical plans:** The Group provides medical cover to current employees and certain retirees through certain funds. The medical accounting costs for the defined benefit plan are assessed using the projected unit credit method. The health care obligation is measured as the present value of the estimated future cash outflows using market yields consistent with the term and risks of the obligation. Actuarial gains and losses as a result of these valuations are recognized in the income statement at revaluation date. The future liability for current and retired employees and their dependents is accrued in full based on actuarial valuations obtained annually.

(iii) **Equity compensation benefits:** The Group operates an equity-settled, share-based payments plan, where the Group grants share options to certain employees. Equity share-based payments are measured at fair value of the equity instruments at the date of the grant. The share-based payments are expensed over the vesting period, based on the Group s estimate of the shares that are expected to eventually vest. The Group used an appropriate option pricing model in determining the fair value of the options granted. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the estimates of the number of options that are expected to become exercisable are revised. The impact of the revision of original estimates, if any, are recognized in the income statement, with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

(iv) **Termination benefits** are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(v) **Leave pay:** The Group accrues for the cost of the leave days granted to employees during the period in which the leave days accumulate.

2.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.18 Leases

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

For the Group s policy on finance leases, refer to note 2.5 (v).

2.19 Revenue recognition

(i) **Revenue** arising from gold sales is recognized when the price is determinable, the product has been delivered in accordance with the terms of the contract, the significant risks and rewards of ownership have been transferred to the customer and collection of the sales price is reasonably assured. These criteria are typically met when the gold arrives at the refinery.

Revenue further excludes value-added tax. Revenues from silver and other by-products sales are credited to production costs as a by-product credit.

(ii) **Interest income:** Interest is recognized on a time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

(iii) **Dividend income** is recognized when the shareholder s right to receive payment is established. This is recognized at the last date of registration.

2.20 Dividends declared

Dividends declared are recognized in the period in which they are approved by the shareholders. Dividends are payable in South African Rand.

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3 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with IFRS requires the Group s management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates may differ from actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

3.1 Impairment of mining assets

The recoverable amount of mining assets is generally determined utilizing discounted future cash flows. Management also considers such factors as the quality of the individual orebody and country risk in determining the fair value.

Key assumptions for the calculations of the mining assets recoverable amounts are the forward gold price and the annual life of mine plans. In determining the gold price to be used, management assess the long term views of several reputable institutions on the gold price and based on this, derive the forward gold price. The life of mine plans are based on the proven and probable reserves as included in the Reserve Declaration, which are determined in terms of SAMREC and JORC.

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, a gold price of R225 000 per kilogram and a discount rate of 9.34% (2008: R180 000 per kilogram and a 11.36% discount rate; 2007: R115 000 and a discount rate of 9.18%). Cash flows used in the impairment calculations are based on life of mine plans which exceed five years for the majority of the mines. Refer to note 5 for details of impairments recorded.

Should management s estimate of the future not reflect actual events, further impairments may be identified. Factors affecting the estimates include:

changes to proven and probable ore reserves;

the grade of the ore reserves may vary significantly from time to time;

review of strategy;

differences between actual commodity prices and commodity price assumptions;

unforeseen operational issues at the mines;

changes in capital, operating mining, processing and reclamation costs.

It is impracticable to disclose the extent of the possible effects of the changes in assumptions for the forward gold price and life of mine plans at June 30, 2009, as these assumptions are inextricably linked.

3.2 Impairment of investment in associate

The investments in associates are evaluated for impairment by comparing the entire carrying value of the investment to the recoverable amount, which is the higher of value in use or fair value less costs to sell. In calculating fair value less cost to sell, the cash flows from disposal are looked at with reference to the closing share price at year end.

3.3 Valuation of available-for-sale financial assets

If the value of financial instruments cannot be obtained from an active market, the Group establishes fair value by using valuation techniques. These include the use of recent arm s length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models refined to reflect the issuer s specific circumstances. When considering indications of an impairment, management considers a prolonged decline to be longer than 12 months. The significance of the decline is assessed for each security individually.

3.4 Estimate of exposure and liabilities with regard to rehabilitation costs

Estimated long term environmental obligations, comprising pollution control, rehabilitation and mine closure, are based on the Group s environmental management plans in compliance with current technological, environmental and regulatory requirements.

Management used an inflation rate of 6% (2008: short-term (two years): 9% and long-term: 6%; 2007: 5%) and the expected life of the mines according to the life-of-mine plans in the calculation of the estimated net present value of the rehabilitation liability. The discount rates used for the calculation are dependant on the shaft s life of mine and are as follows: for 12 months 6.75% (2008: 12.25%; 2007: 13.77%); for 1 - 5 years 8.25% (2008: 11.75%; 2007:10.61%); for 5 - 9 years 8.25% (2008: 10.5%; 2007: 9.49%) and for 10 years or more 8.75% (2008: 10.25%; 2007: 9.25%). These estimates were based on recent yields determined on government bonds.

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3.5 Estimate of employee benefit liabilities

An updated actuarial valuation is carried out at the end of each financial year. Assumptions used to determine the liability included a discount rate of 10%, no increases in employer subsidies (in terms of the agreement) and mortality rates according to the SA 1956/62 mortality table (SA a mf tables) (60 years) and a medical inflation rate of 7.8% (2008: discount rate of 12%, 60 years and 9.8% inflation rate; 2007: discount rate of 9%, 60 years and 6.34% inflation rate).

Management determined the discount rate by assessing financial instruments with similar terms to the liability. The decreases to the discount rate and medical inflation rate are similar to changes in interest and inflation rates in South Africa.

3.6 Estimate of taxation

The Group is subject to income tax in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters are different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Management has to exercise judgment with regards to deferred tax assets. Where the possibility exists that no future taxable income may flow against which these assets can be offset, the deferred tax assets are not raised.

3.7 Fair value of share-based payments

The fair value of options granted are being determined using either a binominal, Black-Scholes or a Monte Carlo valuation model. The significant inputs into the model are: vesting period, risk free interest rate, volatility, price on date of grant and dividend yield. (Refer to note 36 for detail on each of the share option schemes.)

3.8 Impairment of goodwill

Due to the wasting nature of mining assets and the finite life of a mine s reserves, the allocation of goodwill to a shaft will eventually result in an impairment charge for the goodwill. The Group tests annually whether separately identifiable goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.8. These calculations require the use of estimates as stated in note 3.1.

3.9 Gold in lock-up

Gold in lock-up in certain plants is estimated based on the calculated plant call factor. Plant call factor is the efficiency measurement of the percentage of gold extracted from the ore.

3.10 Assessment of contingencies

Contingencies will only realize when one or more future events occur or fail to occur. The exercise of significant judgment and estimates of the outcome of future events are required during the assessment of the impact of such contingencies.

3.11 Gold mineral reserves

Gold mineral reserves are estimates of the amount of ounces that can be economically and legally extracted from the Group s properties. In order to calculate the gold mineral reserves, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, commodity prices and exchange rates.

Estimating the quantities and/or grade of the reserves requires the size, shape and depth of the orebodies to be determined by analyzing geological data such as the logging and assaying of drill samples. This process may require complex and difficult geological judgments and calculations to interpret the data.

Because the economic assumptions used to estimate the gold mineral reserves change from year to year, and because additional geological data is generated during the course of operations, estimates of the mineral reserves may change from year to year. Changes in the proven and probable reserves may affect the Group s financial results and financial position in a number of ways, including:

- asset carrying values may be affected due to changes in estimated cash flows;
- depreciation and amortization charged in the income statement may change as they are calculated on the units-of-production method; and
- environmental provisions may change as the timing and/or cost of these activities may be affected by the change in mineral reserves.

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At the end of each financial year, the estimate of proven and probable gold mineral reserve is updated. Depreciation of mining assets is prospectively adjusted, based on these changes.

3.12 Production start date

Various relevant criteria are considered in order to assess when the mine is substantially complete and ready for its intended use and moves into the production phase. Some of the criteria would include but are not limited to the following:

- the level of capital expenditure compared to the total project cost estimates;
- the ability to produce gold in a saleable form (where more than an insignificant amount of gold has been produced); and
- the ability to sustain the ongoing production of gold.

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4 Financial risk management

The Group s financial instruments expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and other price risk), credit risk and liquidity risk. The Group may use derivative financial instruments to hedge certain risk exposures.

The Group s financial instruments are set out below:

Figures in US dollar million	Loans and receivables	Available-for-sale financial assets	Held-to-maturity investments	Financial liabilities at amortized cost
At June 30, 2009:				
Restricted cash	21			
Restricted investments			212	
Investments in financial assets		7		
Trade and other receivables	90			
Cash and cash equivalents	253			
Borrowings				47
Trade and other payables				71
At June 30, 2008:				
Restricted cash	10			
Restricted investments			188	
Investments in financial assets		9		
Trade and other receivables	87			
Cash and cash equivalents	53			
Borrowings				525
Trade and other payables				94

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges certain selected financial risks in close co-operation with the Group s operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and the investment of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar (US$). Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity s functional currency. Harmony s revenues are sensitive to the ZAR/US$ exchange rate as all revenues are generated by gold sales denominated in US$. Harmony generally does not enter into forward sales, derivatives or other hedging arrangements to establish a ZAR/US$ exchange rate in advance for the sale of its future gold production.

The Group is exposed to foreign exchange risk arising from inter-company loans denominated in a currency other than the functional currency of that entity (A$ and Kina). Harmony generally does not enter into forward sales, derivatives or other hedging arrangements to manage this risk.

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Sensitivity analysis

The group has reviewed its foreign currency exposure on financial assets and financial liabilities and has identified the following sensitivities for a 10% change in the exchange rate.

	US DOLLAR	
Figures in million	***2009***	***2008***
A$ against US$		
Increase by ten percent	1	3
Decrease by ten percent	(1)	(3)
Closing rate	0.81	0.96
A$ against Rand		
Increase by ten percent		30
Decrease by ten percent		(30)
Closing rate	7.72	7.51
Kina against A$		
Increase by ten percent	17	35
Decrease by ten percent	(17)	(35)
Closing rate	2.71	2.42

(ii) Other price risk

The Group is exposed to the risk of fluctuations in the fair value of the available-for-sale financial assets as a result of changes in market prices (other than changes in interest rates and foreign currencies). Harmony generally does not use any derivative instruments to manage this risk.

Sensitivity analysis

The equity investments are listed on the Australian Securities Exchange. A one percent increase in the share price at the reporting date, with all other variables held constant, would have increased other comprehensive income by US$0.07 million (2008: US$0.1 million; an equal change in the opposite direction would have decreased other comprehensive income by US$0.07 million (2008: US$0.1 million). The analysis is performed on the same basis for 2008.

Commodity price sensitivity

The profitability of the Group s operations, and the cash flows generated by those operations, are affected by changes in the market price of gold. Harmony generally does not enter into forward sales, derivatives or other hedging arrangements to establish a price in advance for the sale of future gold production.

(iii) Cash flow and fair value Interest rate risk

The Group s interest rate risk arises mainly from long-term borrowings. The Group has both fixed and variable interest rate borrowings. Fixed rate borrowings expose the Group to fair value interest rate risk. Variable rate borrowings expose the Group to cash flow interest rate risk. The Group has not entered into interest rate swap agreements.

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Sensitivity analysis

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss before tax by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2008.

	US DOLLAR	
Figures in million	***2009***	***2008***
Increase by 100 basis points		3
Decrease by 100 basis points		(3)

The above table excludes the fixed rate convertible bond. As it is accounted for at amortized cost, interest rate changes do not affect reported profit or loss.

(b) Credit risk

Credit risk is the risk that a counterparty may default or not meet its obligations timeously. Financial instruments, which subject the Group to concentrations of credit risk, consist predominantly of restricted cash, restricted investments, trade and other receivables (excluding non-financial assets) and cash and cash equivalents.

Exposure to credit risk on trade and other receivables is monitored on a regular basis. The credit risk arising from restricted cash, cash and cash equivalents and restricted investments is managed by ensuring amounts are only invested with financial institutions of good credit quality. The Group has policies that limit the amount of credit exposure to any one financial institution.

It is the policy of the Group to renegotiate credit terms with long-standing customers who have a good credit history with the Group. These customers are monitored on an ongoing basis to ensure that the customer remains within the renegotiated terms.

The Group s maximum exposure to credit risk is represented by the carrying amount of all financial assets determined to be exposed to credit risk, amounting to US$610.8 million as at June 30, 2009 (2008: US$361.2 million).

(c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities.

In the ordinary course of business, the Group receives cash from its operations and is required to fund working capital and capital expenditure requirements. The cash is managed to ensure that surplus funds are invested in a manner to achieve market-related returns and to provide sufficient liquidity at the minimum risk. The Group is able to actively source financing at competitive rates.

The following are the contractual maturities of financial liabilities (including principal and interest payments):

US DOLLAR

Figures in million	*Current*	*More than 1 year*
2009		
Borrowings(1)(2)	33	15
Trade and other payables (excluding non-financial liabilities)	71	
	104	**15**
2008		
Borrowings(1)(2)	518	29
Trade and other payables (excluding non-financial liabilities)	94	
Trade and other payables (Discontinued operations, Note 15)	8	
	620	**29**

(1) US$32.9 million is due between 6 to 12 months. (2008: US$226.8 million).

(2) US$4.6 million is due between 1 to 2 years. (2008: US$7.4 million).

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(d) Capital risk management

The primary objective of managing the Group s capital is to ensure that there is sufficient capital available to support the funding requirements of the Group, in a way that optimizes the cost of capital and matches the current strategic business plan.

The Group manages and makes adjustments to the capital structure which consists of debt and equity as and when borrowings mature or when funding is required. This may take the form of raising equity, market or bank debt or hybrids thereof. The Group may also adjust the amount of dividends paid, sell assets to reduce debt or schedule projects to manage the capital structure.

There were no changes to the Group s approach to capital management during the year.

(e) Fair value determination

The carrying values (less any impairment allowance) of short-term financial instruments are assumed to approximate their fair values.

The fair value of available-for-sale financial assets are determined by reference to quoted market prices. The fair value of other non-current financial instruments are determined using a discounted cash flow model with market observable inputs, such as market interest rates.

The carrying values of financial assets and liabilities are assumed to approximate their fair value. The exception is the unsecured convertible fixed rate bond which had a fair value of R1 632 million (US$209.2 million) being 96% of the normal value of R1 700 million for the year ended June 30, 2008.

	US DOLLAR		
Figures in million	***2009***	***2008***	***2007***
5 Cost of sales			
Production costs (a)	850	959	907
Amortization and depreciation of mining properties, mine development costs and mine plant facilities (b)	158	107	130
Amortization and depreciation of assets other than mining properties, mine development costs and mine plant facilities (c)	9	10	4
Provision/(reversal of provision) for rehabilitation costs (d)	3	2	(6)
Care and maintenance cost of restructured shafts	6	10	8
Employment termination and restructuring costs (e)	4	32	
Share-based payments (f)	13	6	6
Impairment of assets (g)	61	35	37
Provision for post retirement benefits		1	(2)
Total cost of sales	**1,104**	**1,162**	**1,084**

(a) Production costs include mine production, transport and refinery costs, applicable general and administrative costs, movement in inventories and ore stockpiles and ongoing environmental rehabilitation costs as well as transfers to and from deferred stripping. Ongoing employee termination costs are included, however employee termination costs associated with major restructuring and shaft closures are excluded. Production costs, analyzed by nature, consist of the following:

	US DOLLAR		
Figures in million	***2009***	***2008***	***2007***
Labor costs, including contractors	540	632	612
Stores and materials	215	229	196
Water and electricity	93	90	91
Insurance	25	19	21
Transportation	15	9	5
Changes in inventory	(2)	9	(10)
Capitalization of mine development costs	(106)	(109)	(70)
By-products sales	(3)	(4)	(3)
Other	73	84	65
Total production cost	**850**	**959**	**907**

(b) While Mount Magnet was classified as held-for-sale, no depreciation was recorded as per the requirements of IFRS 5, Non-current assets held-for-sale and Discontinued Operations. When Mount Magnet ceased being classified as held-for-sale, depreciation was calculated for the period from April 2007 to June 2009 and US$28 million recorded in the 2009 year.

(c) Amortization and depreciation of assets other than mining properties, mine development costs and mine plant facilities consist of the following:

Figures in million	US DOLLAR *2009*	*2008*	*2007*
Other non-mining assets	1	4	2
Intangible assets	3	2	1
Amortization of issue costs	5	4	1
Total amortization and depreciation	**9**	**10**	**4**

(d) For the assumptions used to calculate the rehabilitation costs, refer to note 3.4.

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	US DOLLAR		
Figures in million	***2009***	***2008***	***2007***

(e) Employment termination and restructuring costs consist of the following:

Free State	1	10	
Randfontein and Elandskraal	1	5	
Evander	1	3	
Freegold	1	10	
Avgold		1	
Australia		3	
Total employment termination and restructuring cost	**4**	**32**	

During the December 2007 quarter, a voluntary retrenchment process was begun, following the Group s decision to decentralize central services, as well as the restructuring of shafts due to the cessation of Conops.

(f) Refer to note 36 for details on the share-based payments schemes operated by the Group.

(g) Impairment consist of the following:

	US DOLLAR		
Figures in million	***2009***	***2008***	***2007***
Virginia (1)	7		2
Target (1)	31		
Evander (1)	33	16	
Kalgold (1)		8	(19)
Mount Magnet (2)	(10)	(5)	56
Other underground assets (1)		3	(2)
Other underground goodwill (3)		13	
Total impairment	**61**	**35**	**37**

(1) During 2009 and 2008 impairments were recognized, which resulted primarily from the revised business (Life-of-Mine) plans that were completed during the June quarter of each year. Included in the revised plans were increases in labor and electricity costs, Also included in the revised plans for 2009 for Evander and Target was additional capital expenditure that is needed to access reserve ounces in areas where geological anomalies have been discovered. These adjustments impacted negatively on the recoverable amount and contributed to the recognition of the impairments at the shafts. Impairment tests were performed as required by IAS 36, Impairment of Assets, and as a result these impairments were recorded. For assumptions used to calculate the recoverable amount, refer to note 3.1.

During June 2007, the Group recorded an impairment at the Free State operations relating to the cessation of operations at the Refinery. The Group also reversed impairments previously recorded at its Kalgold and Freegold operations, where the recoverable amounts calculated using fair value less costs to sell exceeded the carrying values.

(2) In 2009, the impairment recorded for Mount Magnet since being classified as held-for-sale was reversed when the requirement for IFRS 5 were no longer met and the carrying value was adjusted for depreciation as per IFRS 5. Refer to note 5(b) in this regard.

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During the 2008 year, the disposal group was tested for impairment and as the recoverable amount exceeded the carrying value, a portion of the impairment previously recognized was reversed.

When Mount Magnet was classified as held-for-sale in April 2007, the carrying value had to be measured against the recoverable amount, in terms of IFRS 5. The carrying value exceeded the recoverable amount and therefore an impairment was recorded.

(3) During 2008 goodwill relating to certain underground operations, classified as Other underground, was also impaired. For further details on the allocation of goodwill, refer to note 18.

6 Profit on sale of property, plant and equipment

	US DOLLAR		
Figures in million	***2009***	***2008***	***2007***
Profit on sale of property, plant and equipment	116	18	25

Included in the total for 2009 is US$111.9 million profit on sale of 50% of Harmony s gold and copper assets in Morobe province, Papua New Guinea (**PNG**), to Newcrest Mining Limited (**Newcrest**) in terms of the Master Purchase and Farm-in agreement. The sale was concluded in three stages.

On July 31, 2008, stage 1, being the sale of an initial 30.1% participating interest in the assets, was concluded at a profit of US$57.9 million. The remaining 19.99% interest was sold in two further stages, resulting in a profit of US$44.6 million for the 10% interest of stage 2 and a profit of US$9.9 million for the 9.99% interest of stage 3. These stages were completed on February 27, 2009 and June 30, 2009 respectively. Refer to note 23.

The amount in 2008 includes the sale of tenements by Mount Magnet to BHP Nickel for a profit of US$10.8 million.

The Randfontein 4 Shaft was sold to Ezulwini Mining Company (Proprietary) Limited on December 29, 2006, resulting in a profit of US$9.8 million.

The Deelkraal surface assets were disposed of at a profit of US$13.7 million to Ogoerion Construction CC on April 5, 2007.

7 Other expenses net

	US DOLLAR		
Figures in million	***2009***	***2008***	***2007***
Foreign exchange gain net (a)	(14)	(14)	(2)
Loss/(gain) on financial instruments		1	(6)
Bad debts provision expense (b)	11	13	1
Bad debts written off (b)	3		
Other expenses net	3	13	7
Total other expenses net	3	13	

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(a) (i) During the 2008 year, two intercompany loans, previously designated as forming part of the net investment of the Group s international operations, were de-designated, mainly as a result of the expected repayment of these loans from the proceeds from the PNG Partnership Agreement (refer to note 23).

In accordance with the Group s accounting policies, accumulated exchange gains that arose while the loans were considered to form part of the Group s net investment in its international operations remain in equity and are only reclassified to the consolidated income statements as and when the loans are repaid. Therefore, following partial repayment of the loans in 2009 an accumulated exchange gain of US$53.1 million that arose while the loans were considered to form part of the Group s net investment in its international operations has been reclassified from other reserves to the consolidated income statements.

On June 30, 2009, the Group converted the remainder of the loan between the Company and Harmony Gold (Australia) (Proprietary) Limited (**Harmony Australia**) to ordinary shares, and the portion of the accumulated exchange gain that arose while the loan to Harmony Australia formed part of the Group s net investment, continues to be deferred in equity until the investment in Harmony Australia is sold.

Foreign exchange gains/(losses) arising after de-designation of the loans in 2008 have been included in the consolidated income statements and in 2009 amounted to a loss of US$22.3 million (2008: gain of US$15.3 million).

(ii) During the 2009 year, foreign exchange losses of US$30.0 million were recognised relating to the exchange movements on the US$ denominated Pamodzi Resources Fund 1 LLP (**PRF**) loan for the Cooke transaction. Refer to note 22 for further detail.

In anticipation of the receipt of the purchase consideration for the Cooke assets, the Group arranged a forward exchange contract, allowing the Group to sell the proceeds at R10.27 per US$1 on April 21, 2009. The gain on this arrangement was US$21.1 million.

(b) The amount in 2008 includes a provision for the outstanding balance of US$6.4 million on the sale of Deelkraal to Ogoerion Construction CC.

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During the 2009 year, trade debt and loans of US$3.4 million was written off as the Group considered the debts irrecoverable. A net provision of US$11.2 million was made, where the Group considered the recoverability of the debts to be doubtful. Refer to note 24.

8 Operating profit

The following have been included in operating profit:

		US DOLLAR	
Figures in million	***2009***	***2008***	***2007***
Auditors remuneration	3	4	2
External			
Fees current year	2	2	2
Fees prior year under provision			
Fees other services		1	
Internal			
Fees current year	1	1	

9 Profit on sale of investment in associate

Profit on the sale of Western Areas Limited			33
Total profit on sale of investment in associate			**33**

On December 8, 2006, the Group disposed of its interest in Western Areas Limited.

10 Fair value (loss)/gain on financial instruments

Fair value through profit or loss			
Mark-to-market adjustment (a)		5	15
		5	15
Available-for-sale			
Impairment recognized in profit or loss (b)	(12)		
Realized portion of mark-to-market movement (c)	2		
	(10)		
Total fair value (loss)/gain on financial instruments	**(10)**	**5**	**15**

(a) The sale agreement of African Rainbow Minerals Limited (**ARM**) shares gave rise to a non-derivative financial instrument that is designated as at fair value through profit or loss . The fair value movement recognized is equivalent to the interest paid on the Nedbank loans, which were guaranteed by the Group. These guarantees were cancelled in September 2007.

(b) This amount relates to the portion of the mark-to-market losses reclassified from other reserves to the income statement when the investments were considered to be permanently impaired. Refer to note 21(b) and 28 in this regard.

(c) This portion relates to the realised portion of the mark-to-market gains reclassified from other reserves to the income statement on the disposal of the Dioro investment. Refer to note 21(b) and 28 for further detail.

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Figures in million	2009	US DOLLAR 2008	2007

11 Loss on sale of listed investments

Loss on sale of investment in Gold Fields Limited		(63)	(5)

The Group acquired its investment in Gold Fields Limited (**Gold Fields**) in December 2006, in exchange for its interest in Western Areas Limited (see note 9). The Group disposed of 2 650 000 shares during 2007, and the remaining 7 348 079 shares in 2008 resulting in realized losses of US$5 million and US$63 million, respectively.

12 Investment income

Figures in million	2009	US DOLLAR 2008	2007
Interest received	49	34	24
Loans and receivables	10	5	1
Held-to-maturity investments	19	18	14
Cash and cash equivalents	20	11	9
Dividend income on available for sale		5	3
Total investment income	**49**	**39**	**27**

13 Finance costs

Financial liabilities			
Bank and short-term facilities	2	5	
Convertible unsecured fixed rate bonds	15	22	21
Nedbank Limited	23	38	18
Westpac Bank			
Rand Merchant Bank		2	13
Other creditors		1	5
Total finance costs from financial liabilities	40	68	57
Non-financial liabilities			
Post-retirement benefits	2	1	1
Time value of money and inflation component of rehabilitation costs	11	16	16
South African Revenue Services (SARS)	2	8	2

Total finance costs from non-financial liabilities	15	25	19
Total finance cost before interest capitalized	**55**	**93**	**76**
Interest capitalized	(31)	(22)	(10)
Total finance costs	**24**	**71**	**66**

The capitalization rate used to determine the amount of borrowing costs eligible for capitalization during the year is 12.3% (2008: 11.7% and 2007: 9.8%).

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Figures in million	US DOLLAR 2009	2008	2007
14 Taxation			
SA normal taxation			
Mining tax (a)			
- current year	14	5	
- prior year	5	15	
Non-mining tax (b)			
- current year	18	1	2
- prior year	1	1	(1)
Deferred tax (c)			
- deferred tax	40	55	60
Foreign normal taxation			
- deferred tax (d)	(55)	(9)	(11)
Total normal taxation	**23**	**68**	**50**

(a) Mining tax on gold mining income in South Africa is determined according to a formula, based on the taxable income from mining operations. Gold Mining Companies within the Group that have elected to be exempt from Secondary Tax on Companies (STC) are taxed at higher rates than those that have not made the election.

All qualifying mining capital expenditure is deducted from taxable mining income to the extent that it does not result in an assessed loss and accounting depreciation is eliminated when calculating the South African mining tax income. Excess capital expenditure is carried forward as unredeemed capital to be claimed from future mining taxable income. The Group has several tax paying entities in South Africa. In terms of the mining ring-fencing application, each ring-fenced mine is treated separately and deductions can normally only be utilized against mining income generated from the relevant ring-fenced mine.

The formulas for determining the South African gold mining tax rates are:

$Y = 43 - 215/X$ (elect not to pay STC) (2009 and 2008)

$Y = 45 - 225/X$ (elect not to pay STC) (2007)

$Y = 34 - 170/X$ (no election made) (2009 and 2008)

$Y = 35 - 175/X$ (no election made) (2007)

Where Y is the percentage rate of tax payable and X is the ratio of taxable income, net of any qualifying capital expenditure that bears to mining income so derived, expressed as a percentage.

(b) Non-mining income is taxed at 35% (exempt from STC) (2008: 35% and 2007: 37%) and 28% (no election made) (2008: 28% and 2007: 29%). Non-mining companies are taxed at the statutory corporate rate of 28%

(2008: 28% and 2007: 29%).

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(c) The tax rate used to calculate deferred tax is based on the current estimate of future profitability when temporary differences will reverse, based on tax rates (and tax laws) that have been enacted at balance sheet date. Depending on the profitability of the operations, the tax rate can consequently be significantly different from year to year.

(d) Mining and non-mining income of Australian and PNG operations are taxed at a standard tax rate of 30% (2008: 30% and 2007: 30%). Deferred tax is provided at the estimated expected future mining tax rate for temporary differences, based on tax rates (and tax laws) that have been enacted at balance sheet date.

Income and mining tax rates

The South African taxation rates were changed in the 2008 year after an announcement of a reduction in the applicable rates by the Finance Minister in his annual budget speech in February 2008. There was no change in the 2009 year.

Major items causing the Group s income tax provision to differ from the maximum mining statutory tax rate of 43% (2008: 43% and 2007: 45%) were:

	US DOLLAR		
Figures in million	***2009***	***2008***	***2007***
Tax on net income/(loss) from continuing operations at the maximum mining statutory tax rate	(93)	4	(37)
Non-allowable deductions	(42)	(88)	(11)
Difference between effective mining tax rate and statutory mining rate on mining income	14	4	
Difference between non-mining tax rate and statutory mining rate on non-mining income	11		(1)
Effect on temporary differences due to changes in effective tax rates	53	(10)	
Prior year adjustment mining and non-mining tax	(5)	(16)	(1)
Capital allowances	39	38	
Income and mining taxation	**(23)**	**(68)**	**(50)**
Effective income and mining tax rate	**-10%**	**680%**	**-1%**

Deferred tax liabilities and assets on the balance sheet as of June 30, 2009 and 30 June 2008, relate to the following:

	US DOLLAR	
Figures in million	***2009***	***2008***
Deferred tax		
Gross deferred tax liability	643	579
Amortization and depreciation	620	540

Product inventory not taxed	12	13
Convertible bonds		1
Other	11	25
Gross deferred tax asset	(222)	(190)
Deferred financial liability		
Unredeemed capital expenditure	(183)	(105)
Provisions, including non-current provisions	(30)	(27)
Tax losses	(9)	(58)
Disposal groups classified as held-for-sale		(6)
Net deferred tax liability	**421**	**383**

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Movement in the net deferred tax liability recognized in the balance sheet is as follows:

Figures in million	US DOLLAR 2009	2008
Balance at beginning of year	383	386
Total charge per income statement (a)	29	47
Foreign currency translation adjustments	9	(41)
Tax directly charged to equity (b)		(4)
Disposal groups classified as held-for-sale		(5)
Balance at end of year	**421**	**383**
The following amounts that will realize or be recovered in the next 12 months have been included in the deferred tax liabilities and assets:		
Deferred tax liabilities	15	38
Deferred tax assets	(12)	(21)
Net deferred tax liability	**3**	**17**

(a) The charge includes the amounts for both continuing and discontinued operations.

(b) The charge relates to deferred tax asset on the downward mark-to-market adjustment during the year on available-for-sale financial assets by Australian operations. Refer to note 21 and 28 in this regard.

As at June 30, certain subsidiaries in the Group had the following tax credits:

Figures in million	*2009*	US DOLLAR *2008*	*2007*
Unredeemed capital expenditure available for utilization against future mining taxable income	1,586	1,195	1,235
Tax losses carried forward utilizable against taxable income	25	338	198
Capital Gains Tax (CGT) losses available to be utilized against future CGT gains.	74	73	
As at June 30, the Group has not recognized the following deferred tax asset amounts	379	330	
The unrecognized temporary differences are:			
Unredeemed capital expenditure	926	795	
Tax losses	25	133	
CGT losses	74	73	
Temporary differences relating to investments in associates	154		

Secondary Taxation on Companies

STC is a tax levied on South African companies at a rate of 10% with effect from October 1, 2007 (previously 12.5%) on dividends distributed.

Current and deferred tax are measured at the tax rate applicable to undistributed income and therefore only take STC into account to the extent that dividends have been received or paid.

On declaration of a dividend, the Company includes the STC on this dividend in its computation of the income tax expense in the period of such declaration.

	US DOLLAR		
Figures in million	***2009***	***2008***	***2007***
Available STC credits at end of year	35	35	39

On August 13, 2009, the Board of Directors approved a final dividend for the 2009 financial year of 50 SA cents per share. The total dividend, paid on September 21, 2009, amounted to US$28.6 million. As the STC credit exceeded the dividend no STC was payable on this declaration.

15 Disposal groups classified as held-for-sale and discontinued operations

The assets and liabilities related to Mount Magnet and South Kal (operations in Australia), Orkney operations (operations in Northwest province) have been presented as held-for-sale following approval of the Group s management and Board of Directors on April 20, 2007. These operations also met the criteria to be classified as discontinued operations and were reported in the Discontinued Operations other segment in the segment report.

On December 6, 2007, the sale relating to the South Kal operation (operation in Australia) was concluded at a loss, net of tax, of US$7.6 million and the assets were derecognized.

On February 27, 2008, the sale relating to the Orkney operations (operations in the Northwest province) was concluded at a profit of US$8.9 million and the assets were derecognized.

The Mount Magnet operations were first classified as held-for-sale in 2007, when Harmony signed a letter of intent for the sale of its Mount Magnet operations with Monarch. However, in July 2008, Harmony was advised that Monarch placed itself in voluntary administration, and in August 2008, the Administrator indicated that Monarch would not proceed with the purchase and consequently the purchase agreement was terminated.

Harmony resumed management of the operation and re-commenced the sale process early in 2009. However, during the fourth quarter 2009, it was decided that further drilling at the Mount Magnet operation would enhance the selling potential of the operation and, as a result, the operation no longer met the requirements to be classified as held-for-sale in terms of IFRS 5. Consequently, the consolidated income statements, earnings per share and related notes for comparative periods have been re-presented to include income and expenses relating to the Mount Magnet operations in continuing operations. The Mount Magnet operations continue to be under care and maintenance.

On ceasing to be classified as held-for-sale, the carrying value was re-measured as per IFRS 5 (refer to note 2.11) and depreciation amounting to US$28 million was recorded. This also lead to the recording of a reversal of impairment of US$28 million. Refer to note 5(b) and (g) respectively.

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The assets and liabilities relating to the Cooke 1, Cooke 2, Cooke 3, Cooke plant and related surface operations (operations in the Gauteng province) have been presented as held-for-sale following the approval of the Group s management on October 16, 2007. These operations were also deemed to be discontinued operation.

The sale of assets to Rand Uranium (Proprietary) Limited (**Rand Uranium**) had two tranches, the first being the sale of the Randfontein Cooke assets. The second tranche relates to the sale of the Old Randfontein assets, which is situated near the Cooke operations and contains gold and uranium. Both tranches were subject to conditions, including the approval of the Ministerial Consent of the cession of the Mining Right (Section 11). In exchange for 60% of the issued share capital of Rand Uranium, PRF agreed to pay Harmony a purchase consideration of US$209 million.

The conditions precedent for the sale of Randfontein s Cooke assets to Rand Uranium were fulfilled and the transaction became effective on November 21, 2008. US$40 million of the consideration was received on the effective date with the balance and the interest on the outstanding amount, together amounting to US$172 million, being received on April 20, 2009. The conditions for the second sale were fulfilled on April 22, 2009.

The total profit for the transaction is US$171 million before tax.

The assets and liabilities for the operations classified as held-for-sale at the reporting dates presented follow below:

		US DOLLAR
Figures in million	***2009***	***2008***
Balance sheet		
Assets of disposal groups classified as held-for-sale		
Property, plant and equipment		152
Restricted investments		22
Investment in financial assets		
Inventories		22
Trade and other receivables		1
Cash and cash equivalents		
Total assets of disposal groups classified as held-for-sale		**197**
Balance sheet		
Liabilities of disposal groups classified as held-for-sale		
Borrowings		
Deferred income tax		6
Provisions for other liabilities and charges		50
Trade and other payables		8
Total liabilities of disposal groups classified as held-for-sale		64

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The results and cash flows relating to these operations are disclosed in the tables below:

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Figures in million	US DOLLAR 2009	2008	2007
Income statement			
Analysis of the results of discontinued operations, and the results recognized on the re-measurement of assets for disposal by the Group			
Revenue	69	253	287
Expenses net	(51)	(199)	(271)
Profit on sale of shares	171	9	
Loss on sale of property, plant and equipment		(13)	
Profit from discontinued operations before tax	189	50	16
Taxation	(71)	(2)	2
Profit for the year from discontinued operations	**118**	**48**	**18**
Cash flows			
Operating cash flows	20	67	(17)
Investing cash flows	199	(19)	
Foreign exchange translation adjustment	69	(6)	
Total cash flows	**288**	**42**	**(17)**

16 Earnings/(loss) per share

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

Figures in million	US DOLLAR 2009	2008	2007
Weighted average number of ordinary shares in issue (000)	414,121	400,750	397,911
Net profit/(loss) from continuing operations	193	(78)	33
Net profit from discontinued operations	118	48	18
Total net profit/(loss) attributable to shareholders	**311**	**(30)**	**51**
Basic earnings/(loss) per share from continuing operations (cents)	47	(20)	8
Basic earnings per share from discontinued operations (cents)	28	12	4
Total basic earnings/(loss) per share (cents)	**75**	**(8)**	**12**

Fully diluted earnings/(loss) per share

For diluted 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.

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Figures in million	2009	US DOLLAR 2008	2007
Weighted average number of ordinary shares in issue (000)	414,121	400,750	397,911
Potential ordinary shares (000)	1,842	2,144	4,471
Weighted average number of ordinary shares for fully diluted earnings per share (000)	**415,963**	**402,894**	**402,382**
Fully diluted earnings/(loss) per share from continuing operations (cents)	46	(20)	8
Fully diluted earnings per share from discontinued operations (cents)	28	12	4
Total fully diluted earnings/(loss) per share (cents)	**74**	**(8)**	**12**

The inclusion of share options issued to employees as at June 30, 2009, as potential ordinary shares, had a dilutive effect on the diluted earnings per share. Additionally for the 2008 and 2007 year, the potential ordinary shares to be issued upon the conversion of the convertible unsecured fixed-rate bond (refer to note 29) had an anti-dilutive effect on the diluted earnings per share. Accordingly, such additional shares were not taken into account in the determination of the diluted loss per share.

17 Property, plant and equipment

Figures in million	2009	US DOLLAR 2008
Mining properties, mine development costs and mine plant facilities	1,628	1,532
Mining assets under construction	725	561
Undeveloped properties	1,253	1,434
Other non-mining assets	8	4
Total property, plant and equipment	**3,614**	**3,531**
Mining properties, mine development costs and mine plant facilities		
Cost		
Balance at beginning of year	2,521	2,745
Additions	219	316
Disposals	(324)	(174)
Adjustment to rehabilitation asset	27	13
Transfers and other movements	160	166
Translation	(113)	(176)
Net reclassification from/(to) held-for-sale	746	(369)

Balance at end of year	**3,236**	**2,521**
Accumulated depreciation and impairments		
Balance at beginning of year	989	1,307
Impairment of fixed assets (a)	71	13
Disposals	(141)	(104)
Depreciation for the year (a)	153	118
Depreciation for the year capitalized to mining assets under construction	5	6
Translation	(89)	(34)
Net reclassification from/(to) held-for-sale	620	(317)
Balance at end of year	1,608	989
Net book value	**1,628**	**1,532**

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		US DOLLAR
Figures in million	***2009***	***2008***
Mining assets under construction		
Cost		
Balance at beginning of year (b)	561	404
Additions (c)	300	233
Finance costs capitalized	31	22
Disposals	(186)	(4)
Transfers and other movements	13	(84)
Translation	6	(13)
Net reclassification from held-for-sale		3
Book value	**725**	**561**
Undeveloped property		
Cost		
Balance at beginning of year	1,436	1,630
Additions	23	
Disposals	(39)	(24)
Transfers and other movements	(173)	(74)
Translation	(40)	(80)
Net reclassification from/(to) held-for-sale	113	(16)
Balance at end of year	**1,320**	**1,436**
Accumulated depreciation and impairments		
Balance at beginning of year	2	9
Reversal on impairment of fixed assets (a)	(10)	(6)
Transfers and other movements		9
Translation	(12)	16
Net reclassification from/(to) held-for-sale	87	(26)
Balance at end of year	**67**	**2**
Net book value	**1,253**	**1,434**
Deferred stripping		
Cost		
Balance at beginning of year	8	12
Translation		(1)

Reversal of deferred costs		(3)
Balance at end of year	**8**	**8**
Accumulated depreciation		
Balance at beginning of year	8	
Impairment of fixed assets		8
Balance at end of year	**8**	**8**
Net book value		

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Figures in million	US DOLLAR 2009	2008
Other non-mining assets		
Cost		
Balance at beginning of year	44	46
Additions	4	2
Disposals		(5)
Transfers and other movements		4
Translation		(6)
Net reclassification from held for sale	1	3
Balance at end of year	**49**	**44**
Accumulated depreciation		
Balance at beginning of year	40	37
Disposals		(4)
Depreciation for the year	1	4
Transfers and other movements		4
Translation		(4)
Net reclassification from held for sale		3
Balance at end of year	**41**	**40**
Net book value	**8**	**4**
Total net book value	**3,614**	**3,531**

(a) For the 2008 figures these amounts include both continuing and discontinued operations.

(b) Included in this amount is the balance pertaining to the undivided 26% share of the mining titles in the Doornkop South Reef Project owned by African Vanguard Resources (Doornkop) (Proprietary) Limited (**AVRD**). The Group is required to consolidate AVRD - refer to note 29 (c).

In terms of a revised agreement signed on March 13, 2009, Harmony will purchase this share back from AVRD in exchange for Harmony ordinary shares. The conditions precedent to this transaction are expected to be completed by end of February 2010.

(c) The additions include amounts relating to purchase of the royalty agreements that Rio Tinto had over Hidden Valley and Kerimenge deposits in PNG. During March 2008, Harmony concluded the buy back of these royalty rights for US$22 million through the issue of US$20 million Harmony shares and US$2 million in cash.

On December 1, 2008, Harmony issued a further 3.4 million Harmony shares to Rio Tinto to cancel the Rio Tinto royalty rights over Wafi-Golpu in PNG. The value of the issued shares were US$23 million.

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Figures in million	2009	2008
	US DOLLAR	
(d) Additional disclosures		
Leased assets		
Carrying value of capitalized leased assets (included in mining assets under construction)	17	35
Cost	21	38
Accumulated depreciation	(4)	(3)
Finance lease additions	1	28
18 Intangible assets		
Goodwill		
Cost		
Balance at beginning of year (a)	304	337
Translation	3	(33)
Balance at end of year	**307**	**304**
Accumulated depreciation		
Balance at beginning of year (a)	27	15
Impairment loss (b)		13
Translation		(1)
Balance at end of year	**27**	**27**
Net book value	**280**	**277**
Computer software		
Cost (c)		
Balance at beginning of year	8	6
Acquired during the year	4	3
Translation	1	(1)
Balance at end of year	**13**	**8**
Accumulated depreciation		

Balance at beginning of year	2	1
Amortization charge for the year	3	2
Translation		(1)
Balance at end of year	**5**	**2**
Net book value	**8**	**6**
Total net book value	**288**	**283**

(a) The 2008 opening carrying value of goodwill amounting US$322 million relates to the acquisition of ARMgold on September 22, 2003.

The net book value of goodwill has been allocated to the cash generating units:

	US DOLLAR	
Figures in million	***2009***	***2008***
Bambanani	29	29
Tshepong	72	72
Phakisa	172	170
Other underground	7	6
	280	**277**

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(b) The impairment of goodwill in 2008 relates to goodwill allocated to other underground segments. The related mining assets have also been impaired. Refer to note 5(g).

(c) The amount relates to the acquisition of the Oracle ERP software implemented in December 2006, as well as additional acquisition and implementation costs for the Oracle ERP software during the year.

19 Restricted cash

	US DOLLAR	
Figures in million	***2009***	***2008***
Environmental guarantees call account (a)	15	
Cash Management Account (b)	6	10
Total restricted cash	**21**	**10**

(a) The amount relates to funds set aside for guarantees made to the Department of Mineral Resources in South Africa for environmental and rehabilitation obligations.

(b) The amount relates to funds set aside by the international operations for performance bonds related to guarantees in Australia for environmental obligations.

20 Restricted investments

	US DOLLAR	
Figures in million	***2009***	***2008***
Held-to-maturity financial assets		
Investments held by Environmental Trust Funds (a)	207	206
Investments held by Social Trust Fund (b)	5	5
	212	211
Disposal groups classified as held-for-sale		(23)
Total restricted investments	**212**	**188**

(a) The environmental trust funds are irrevocable trusts under the Group s control. Contributions to the trust are invested in interest-bearing short-term investments. The costs of these investments approximate their fair value. These investments provide for the estimated cost of rehabilitation during and at the end of the life of the Group s mines. Income earned on the investments are restricted in use and may only be used to fund the Group s approved rehabilitation costs.

	US DOLLAR	
Figures in million	***2009***	***2008***
Reconciliation of the movement in the Environmental Trust Funds:		
Balance at beginning of year	206	198
Interest income	21	21
Disposal of business	(20)	(4)

Contributions made		11
Translation		(20)
	207	206
Disposal groups classified as held-for-sale		(23)
Balance at end of year	**207**	**183**

(b) The social trust fund is an irrevocable trust under the Group s control. The Group has undertaken to donate over a period of 10 years to The Harmony Gold Mining Group Social Plan Trust in terms of an agreement signed on November 3, 2003. An initial donation of US$2.7 million was made during the 2004 year. The balance will be donated in installments of US$0.45 million per annum with the final installment to be made in 2013. The purpose of the Trust is to fund the social plan to reduce the negative effects of restructuring on the Group s workforce, to put measures in place to ensure that the technical and life skills of the Group s workforce are developed and to develop the Group s workforce in such a manner to avoid or minimize the effect of job losses and a decline in employment through turnaround or redeployment strategies.

	US DOLLAR	
Figures in million	***2009***	***2008***

Reconciliation of the movement in the Social Trust Fund: