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| | | | | |
|-------------------------------------|----|----------|--------|------|
| – US\$m | 19 | (4) | >100.0 | |
| Headline earnings/(loss) per share* | | | | |
| – SAc/s | 33 | (6) | >100.0 | |
| – USc/s | 5 | (1) | >100.0 | |
| Adjusted headline earnings | | – SAc/s | 51 | 13 |
| >100.0 | | | | |
| per share | | | | |
| (2)* | | | | |
| – USc/s | 7 | 2 | >100.0 | |
| Exchange rate | | – R/US\$ | 7.31 | 7.54 |
| (3.1) | | | | |

* Reported amounts include continuing operations only.

(1) Production statistics for Steyn 2 and Target 3 have been included. These mines are in a build-up phase and revenue and costs are currently capitalised. Revenue capitalised includes Steyn 2, 31kg (June 2010 – 29kg) and Target 3, 111kg (June 2010 – 92kg). 120kg were capitalised for Hidden Valley in June 2010.

(2) Headline earnings/(loss) adjusted for employee termination and restructuring cost.

Harmony’s Annual Report, Notice of Annual General Meeting, its Sustainable Development Report and its annual report filed on a Form 20F with the United States’ Securities and Exchange

Commission for the year ended 30 June 2010 are available on our website (www.harmony.co.za).

Incorporated in the Republic of South Africa

Registration Number 1950/038232/06

(“Harmony” or “Company”)

Results for the first quarter FY11, ended **30 September 2010**

JSE Share code: HAR | NYSE Share code: HMY | ISIN: ZAE 000015228

2

Results for the first quarter
ended 30 September 2010

Forward-looking statements

This quarterly report contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 with respect to Harmony's financial condition, results of operations, business strategies, operating efficiencies, competitive positions, growth opportunities for existing services, plans and objectives of management, markets for stock and other matters. Statements in this quarter that are not historical facts are "forward-looking statements" for the purpose of the safe harbour provided by Section 21E of the U.S. Securities Exchange Act of 1934, as amended, and Section 27A of the U.S. Securities Act of 1933, as amended. Forward-looking statements are statements that are not historical facts. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Forward-looking statements are generally identified by the words "expect", "anticipates", "believes", "intends", "estimates" and similar expressions. These statements are only predictions. All forward-looking statements involve a number of risks, uncertainties and other factors and we cannot assure you that such statements will prove to be correct. Risks, uncertainties and other factors could cause actual events or results to differ from those expressed or implied by the forward-looking statements. These forward-looking statements, including, among others, those relating to the future business prospects, revenues and income of Harmony, wherever they may occur in this quarterly report and the exhibits to this quarterly report, are necessarily estimates reflecting the best judgment of the senior management of Harmony and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this quarterly report.

Important factors that could cause actual results to differ materially from estimates or projections contained in the forward looking statements include, without limitation:

- overall economic and business conditions in South Africa and elsewhere;
- the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions;
- increases/decreases in the market price of gold;
- the occurrence of hazards associated with underground and surface gold mining;
- the occurrence of labour disruptions
- availability, terms and deployment of capital;
- changes in Government regulation, particularly mining rights and environmental regulations;
- fluctuations in exchange rates;
- currency devaluations and other macro-economic monetary policies; and
- socio-economic instability in South Africa and regionally.

Contents

Page

Chief Executive's Review

3

Safety and health

5

Financial review

6

Operational review

6

– Group operational results

6

– Build-up and steady operations

6

– Doornkop

6

– Kusasaletu

7

– Phakisa

7

– Masimong

7

– Tshepong

8

– Papua New Guinea

8

– Other South African operations

8

– Bambanani

| | |
|---|--|
| 8 | |
| – Steyn 2 | |
| 9 | |
| – Evander | |
| 9 | |
| – Joel | |
| 9 | |
| – Target 1 | |
| 9 | |
| – Target 3 | |
| 9 | |
| – Virginia | |
| 10 | |
| – South African surface operations | |
| 10 | |
| – Kalgold | |
| 10 | |
| – Phoenix | |
| 10 | |
| – Surface dumps | |
| 10 | |
| Development | |
| 11 | |
| Exploration | |
| 12 | |
| Operating results (Rand/Metric and US\$/Imperial) | |
| 14 | |
| Condensed consolidated income statement (Rand) | |
| 16 | |
| Condensed consolidated statement of other comprehensive income (Rand) | |
| 17 | |
| Condensed consolidated balance sheet (Rand) | |
| 18 | |
| Condensed consolidated statement of changes in equity (Rand) | |
| 19 | |
| Condensed consolidated cash flow statement (Rand) | |
| 20 | |
| Notes to the condensed consolidated financial statements for the first quarter ended 30 September 2010 | |
| 21 | |
| Operating results (US\$/Imperial) | |
| 28 | |
| Condensed consolidated income statement (US\$) | |
| 30 | |
| Condensed consolidated statement of other comprehensive income (US\$) | |
| 31 | |
| Condensed consolidated balance sheet (US\$) | |
| 32 | |
| Condensed consolidated statement of changes in equity (US\$) | |
| 33 | |
| Condensed consolidated cash flow statement (US\$) | |

34

Segment report (US\$)

35

Development results – metric and imperial

37

Contact details

40

3**Chief Executive's Review**

“The current quarter under review has brought us one step closer to achieving the previously stated production target of 2 million ounces by 2013. Despite declining gold production in the South African gold mining industry, Harmony has an exciting growth profile through its portfolio of South African and Papua New Guinean growth and development projects. Exploration drilling in Wafi/Golpu showed tremendous results and emphasises the potential for the Morobe Mining Joint Venture to establish another high quality, world-class operation in Papua New Guinea”, stated chief executive officer, Graham Briggs.

Safety

Performance on the safety front during the quarter was extremely disappointing. We experienced the loss of six colleagues in work-related accidents during the quarter, despite the fact that many of the safety performance indicators continued to demonstrate a positive trend.

Tragically, five Mine Rescue Team members died at the Phakisa mine on 24 June 2010 as a result of an explosion while they were manning a fresh-air base during an underground fire. They were Brigade Captain Siegfried Hildebrandt and Brigadesmen Burnett Bothma, Frans Prinsloo, Johannes Bothma and Jose Randall. The circumstances surrounding this accident are still under investigation and further detail will be provided upon its completion. Our condolences are extended to the families, colleagues and friends of these brave men, who selflessly and voluntarily gave of their time and energy to protect the lives of others.

In another accident, on 26 August 2010, Raimundo Tala, a winch operator at Tshepong, died in a fall-of-ground accident. Condolences are extended to his family, colleagues and friends.

It is our fundamental belief that safety in the workplace can only be addressed through a co-operative approach that ensures the right infrastructure is in place from systems, planning, communication and training perspectives. In addition to this approach, management and employees must accept joint responsibility for their actions and it is imperative the working environment empowers people – management, supervisors, workers and union representatives – to stop work and withdraw when they feel it is unsafe, or to prevent others from acting in an unsafe way.

Safety is not only about training, using the correct equipment and ensuring a safe working environment, it is also about the attitude and mindset of people. Harmony takes full responsibility for the attitude and mindset of its employees because it is recognised that these influence their behaviour at work. Therefore a renewed focus has been placed on implementing, communicating and reinforcing safety in the workplace, through the creation of a centralised safety function and structure which will co-ordinate initiatives between various regions and shafts.

A number of operations recorded excellent safety milestones during the quarter and we commend employees, management and union

representatives for these achievements. Refer to the detailed safety report on page 5.

Gold market

Gold has established itself as a store of wealth and as a currency in the current uncertain times. We remain bullish on the gold price and continue to see it in the region of \$1 500/oz next year. However, as the gold price and the continued strength of the Rand are out of Harmony's control, we continue to focus on impacting factors within our control – safety, productivity, production and cost control.

Operating and financial performance

Production growth at our four growth projects of 193kg quarter-on-quarter was offset by the closure of some of our older shafts, lower grade at Bambanani and continued work on Joel's shaft bottom, which resulted in an overall decline in gold production for the group of 2.9% to 10 471kg for the quarter ended 30 September 2010.

This reduction can be attributed mainly to:

- lower grades at Bambanani (259kg);
- planned closure of Harmony 2 (58kg) and Merriespruit 3 (58kg) shafts;
- a 43-production day shaft stoppage at Joel to allow for the completion of modifications to the shaft bottom spillage arrangement (230kg);
- the loss of 13 production days at Phakisa following the tragic accident (39kg);
- lower grade at Kalgold (42kg).

Countering these events were improvements at:

- Kusasalethu, where gold production rose by 113kg;
- Hidden Valley, which recorded an 86kg increase in production;
- Doornkop, which recorded an 33kg increase in production;
- Masimong, an increase of 62kg in production;
- Other South African surface operations, which saw gold production rise by 52kg.

The Rand per kilogram gold price received decreased by 2.8% to an average of R287 401/kg in the September 2010 quarter, from R295 580/kg in the previous quarter. However, gold sold increased by 130kg compared with the previous quarter which resulted in a R38 million increase in revenue.

As expected, cash operating costs for the quarter increased by R238 million (11.2%) when compared with the previous quarter mainly due to:

- Hidden Valley in Papua New Guinea (PNG) being in production for the full quarter (R50 million);
 - cost increases at the South African operations comprised mainly of:
 - electricity cost increases owing to winter tariffs (R123 million);
- and
- labour costs increases of R46 million.

Consequently, unit costs rose by 13.5% to R228 658/kg.

Capital expenditure decreased by R75 million (9.1%) to R749 million in the quarter under review compared to R824 million in the June 2010 quarter.

Resources, Susan Shabangu, released the revised Mining Charter and the associated scorecard, the Broad-Based Socio-Economic

- Free State & Randfontein Commercial Services and Transport
- Evander Workshops
- Evander Services

Health

Our employees' state of health is important to us and we therefore continue to support healthcare programmes and measure any potential impact of threats.

Noise levels measured reduced with 75% of all mechanical loaders having been equipped with silencers. Internal radiation audits are being conducted and results reflect that all operational underground operations are well within the limits set by the National Nuclear Regulator (the NNR). Tuberculosis in conjunction with HIV remains a concern but is addressed through various initiatives. See our Sustainable Development Report for more details on our website www.harmony.co.za.

During the September 2010 quarter healthcare was brought closer to the operations in order to speed up treatment and identify early signs of epidemic trends. The medical station at Target was successfully completed and is now a Health Hub, which provides a fully integrated proactive healthcare service.

| | |
|----------------------|----------|
| 2010 | variance |
| Tonnes | |
| ('000) | |
| 140 | |
| 139 | |
| 0.7 | |
| Grade | |
| (g/t) | |
| 3.86 | |
| 3.65 | |
| 5.8 | |
| Gold produced | |
| (kg) | |
| 541 | |
| 508 | |
| 6.5 | |
| Cash operating costs | |
| (R/kg) | |
| 249 294 | |
| 222 276 | |
| (12.2) | |
| Operating profit | |
| (R'000) | |
| 20 502 | |
| 32418 | |
| (36.8) | |

Gold production increased by 6.5% quarter-on-quarter, to 541kg, mainly due to an improvement in face grade from the South Reef, which resulted in a higher recovered grade of 3.86g/t, 5.7% higher than the previous quarter. An improvement in development grades and development metres contributed to the grade improvements.

3.95
(0.3)
Gold produced
(kg)
552
577
(4.3)
Cash operating costs
(R/kg)
290 188
283 939
(2.2)
Operating (loss)/profit
(R'000)
(2 192)
4 429
(149.5)

Evander produced according to plan during the quarter as a result of improved environmental conditions in the decline working areas. Evander's plan includes lower production levels for the first six months of the 2011 financial year, because of a ventilation constraint on the decline shaft. It is expected that production will increase during the second half of the 2011 financial year.

The chilled water project, that pumps chilled water from 7 shaft refrigeration plant to 8 shaft, was completed during this quarter, and significantly reduced the heat load in the decline section.

Tonnes remained flat and recovered grade remained virtually constant at 3.94g/t.

Total cash operating costs decreased by 2.2% quarter-on-quarter mainly as a result of reduced labour cost after the restructuring, despite significant electricity cost increases. R/kg costs increased by 2.2% as a result of the lower tonnes and gold produced.

Joel

The shaft bottom rehabilitation process was completed in 50 days (rather than the planned 59 days) and a permanent spillage arrangement (spillage skip) will be installed during the December 2010 period. During the quarter, 43 production days were lost as a result of the stoppage, resulting in lower recovered grade at 3.70g/t. Cash costs decreased by 9.3%, mainly due to lower volumes mined due to the stoppage. Joel's results indicate the serious impact of the shaft bottom stoppage.

Target 1

September
June
%
Indicator
Units
2010
2010 variance
Tonnes
('000)

10

Results for the first quarter
ended **30 September 2010**

Virginia

September

June

%

Indicator

Units

2010

2010 variance

u/g tonnes milled

('000)

244

241

1.2

Grade

(g/t)

3.11

3.29

(5.5)

Gold produced

(kg)

760

793

(4.2)

Cash operating costs

(R/kg)

300 593

272 570

(10.3)

Operating profit

(R'000)

(2 136)

31 647

(106.7)

The Virginia operations recorded the same level of production as the previous quarter, despite the closure of Harmony 2 and Merriespruit 3.

The additional tonnes came from Merriespruit 1, albeit at a lower grade. Consequently, grade declined by 5.3% to 3.11g/t.

Total cash operating costs rose by 5.7% quarter-on-quarter mainly from increased electricity and plant costs. Savings were made on labour and stores compared with the previous quarter. Nonetheless, higher costs and lower gold production had a negative impact on operating profit, prompting the decision to close Merriespruit 1.

South African surface operations**Kalgold**

September

June

%

Indicator

The development metres at Target 3 shaft continues to increase quarter-on-quarter where some promising grades are being sampled in the A-reef raises. Once the ventilation constraints have been removed, development will also start on the Basal reef and B reef.

Tshepong

The Basal Reef development grade was lower quarter-on-quarter, but still in line with the ore reserve grade. Some of the raise lines sampled will be re-investigated to ensure that the bottom contact of the Basal reef has been exposed. There was an improvement in the B reef development grade quarter-on-quarter.

Virginia

At Unisel there was an improvement in the development grade, mainly because of better grades in the Middle reef in the decline section. The Leader and Basal reef grades were also better quarter-on-quarter.

Ore Reserve Block Grades v Development Grades

now being exploited by local artisanal miners.

Pinkish rhodochrosite (manganocarbonate) and base metal veins form Kulang Prospect with assaying 5.29g/t Au and 181g/t Ag.

Programme planning is currently underway with the aim to fast track drill testing of the mineralised structure.

13

PNG Exploration (Harmony 100%)

Mount Hagen Project (EL1611 and EL1596)

Exploration activities focused on drilling at the Kurunga prospect with three holes completed for 949m. Reconnaissance mapping and sampling at Bakil Prospect continued. A regional helicopter borne magnetic survey for the Mount Hagen Project tenements commenced in September 2010.

Kurunga Prospect

First pass drilling was completed at the Kurunga prospect for a total of 7 holes/2 450m. Only part assay results returned from drill hole KUDD005 have been received with best results returned to date:
KUDD005:

3m @ 4.72g/t Au from 68m;

9m @ 0.53g/t Au from 83m.

The 3m intercept in KUDD005 correlates with a fault zone with sericite pyrite alteration and includes 1m grading 12.3g/t Au associated with massive pyrite mineralisation.

The final hole of the programme KUDD007 was completed to a depth of 335m and looked encouraging. The hole intersected +200 of moderate to intense sheeted to stockwork quartz-chlorite-carbonate-sulphide veining with associated magnetite-destructive phyllic alteration.

Assays for this hole remain outstanding.

Bakil Prospect

- 561 soil samples were collected over approximately 22 line kilometers of ridge and spur soil sampling in the western zone (west of the Mogilip River). The sampling covered an area of approximately 4 x 4 km and includes the area of strong argillic alteration identified in the Bakil landslips. Following completion of the western zone soils, a fly camp will be constructed on the eastern side of the Mogilip river to service the ridge and spur sampling there.

- 109 rock chip samples were collected, including channel samples. Results for some of the grab samples have been received and included the high grade copper results of up to 9.3% Cu as discussed in the significant results section.

- Preliminary mapping work at Bakil indicates a large (>1km diameter) clay-sulphide (argillic) alteration and leached zone occurring centred in the Bakil landslip area where bedrock is well-exposed. The alteration appears to show close association with E-W and NE-SW trending faults. Significantly, new occurrences of copper mineralisation in outcrop are being regularly discovered as the exploration team covers more ground.

Amanab Project (EL1708)

Field work at the Amanab project continued with first pass ridge and spur soil sampling and reconnaissance rock chip sampling at Yup river East and West prospects. A total of 360 soil samples and 17 rock chip samples were collected and submitted for assay during the quarter but to date only partial results have been received.

* The technical information was compiled by Greg Job, Harmony's New Business Executive for South-East Asia, who has the overall responsibility and accountability for the Golpu Project, in

terms of the South African Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (SAMREC) 2007. Mr Job has 21 years` experience in mine and resource geology and is a member of the Australian Institute of Mining and Metallurgy. He is a full time employee of Harmony and qualifies as Competent Person as defined in the SAMREC code and the Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (JORC). Mr Job has consented to the inclusion of the exploration details based on the information in the form and context in which it appears.

14

Results for the first quarter
ended 30 September 2010

15

Operating results (Rand/Metric)/(US\$/Imperial)

Underground production – South Africa

Surface production – South Africa

Total SA

South

South

Interna

Kusasa-

Under-

Total

Africa

Africa

Hidden

tional

Harmony

Bambanani

Doornkop

Evander

Joel

lethu Masimong

Phakisa

Steyn 2

Target 1

Target 3 Tshepong

Virginia

ground

Kalgold

Phoenix

Dumps

Surface

Other

Total

Valley

Other

Total

Ore milled

– t'000

Sep-10

129

140

140

40

269

243

86

–

205

-
338
244
1 834
433
1 546
858
2 837
-
4 671
427
-
5 098
Jun-10
129
139
146
91
314
218
95
-
199
-
344
241
1 916
431
1 337
711
2 479
-
4 395
304
-
4 699
Gold produced
- kg
Sep-10
911
541
552
148
1 513
1 263
377
31
836
111
1 688
760

8 731
368
165
536
1 069
 -
9 800
671
 -
10 471
 Jun-10
 1 170
 508
 577
 378
 1 400
 1 201
 416
 29
 869
 92
 1 718
 793
 9 151
 410
 154
 484
 1 048
 -
 10 199
 585
 -
 10 784
Gold produced
 - oz
Sep-10
29 289
17 394
17 747
4 758
48 644
40 606
12 121
997
26 878
3 569
54 270
24 435
280 708
11 831
5 305

17 233
34 369
 –
315 077
21 573
 –
336 650
 Jun-10
 37 616
 16 333
 18 551
 12 153
 45 011
 38 613
 13 375
 932
 27 939
 2 958
 55 235
 25 496
 294 212
 13 182
 4 951
 15 561
 33 694
 –
 327 906
 18 808
 –
 346 714
Yield
 – g/tonne Sep-10
7.06
3.86
3.94
3.70
5.62
5.20
4.38
 –
4.08
 –
4.99
3.11
4.68
0.85
0.11
0.62
0.38
 –
2.07

costs

Jun-10
164 200
222 276
283 939
253 926
209 112
145 521
231 570
-
221 938
-
165 375
272 570
201 753
185 629
231 195
158 539
179 814
-
199 472
244 544
-
201 460

Cash operating

- \$/oz

Sep-10

1 046
1 061
1 236
2 504
959
687
1 263
-
916
-
746
1 280
975
1 017
986
835
921
-
969
1 042
-
974
costs
Jun-10

677
 916
 1 171
 1 047
 862
 600
 955
 -
 915
 -
 682
 1 124
 832
 765
 953
 654
 741
 -
 822
 1 008
 -
 831
Cash operating
- R/tonne Sep-10
1 735
963
1 144
2 176
1 266
839
1 300
 -
877
 -
876
936
1 072
203
25
122
81
 -
470
385
 -
463
costs
Jun-10
 1 489
 812
 1 122

1 055
 932
 802
 1 014
 —
 969
 —
 826
 897
 951
 177
 27
 108
 76
 —
 457
 374
 —
 452
Gold sold
– kg
Sep-10
939
585
608
152
1 661
1 302
388
31
847
111
1 739
776
9 139
402
165
536
1 103
 —
10 242
627
 —
10 869
 Jun-10
 1 185
 486
 588
 339
 1 241
 1 216

421
29
835
92
1 740
949
9 121
405
154
484
1 043
–
10 164
575
–
10 739
Gold sold
– **oz**
Sep-10
30 190
18 808
19 548
4 887
53 402
41 860
12 474
997
27 232
3 569
55 910
24 949
293 826
12 925
5 305
17 233
35 463
–
329 289
20 158
–
349 447
Jun-10
38 099
15 625
18 905
10 899
39 899
39 095
13 535
932
26 846

2 958
55 942
30 511
293 246
13 021
4 951
15 561
33 533
—
326 779
18 487
—
345 266
Revenue
(R'000)
Sep-10
269 901
168 047
174 211
43 915
475 433
374 366
111 701
—
244 091
—
500 096
222 842
2 584 603
115 562
47 348
153 582
316 492
—
2 901 095
181 854
—
3 082 949
Jun-10
351 782
143 719
173 936
98 498
365 469
360 950
125 134
—
250 664
—
515 208
277 489

2 662 849
117 637
44 870
140 711
303 218

–

2 966 067
78 996

–

3 045 063

**Cash operating
(R'000)**

Sep-10

223 878

134 868

160 184

87 039

340 673

203 813

111 788

–

179 782

–

295 944

228 451

1 966 420

87 893

38 215

105 074

231 182

–

2 197 602

164 207

–

2 361 809

costs

Jun-10

192 114

112 916

163 833

95 984

292 757

174 771

96 333

–

192 864

–

284 114

216 148

1 821 834

76 108

35 604
76 733
188 445

—
2 010 279
113 713

—
2 123 992

**Inventory
(R'000)**

**Sep-10
(462)**

12 677

16 219

(11 971)

46 002

(1 979)

(407)

—

9 607

—

(2 284)

(3 473)

63 929

1 633

—

4 975

6 608

—

70 537

(1 299)

—

69 238

movement

Jun-10

16 640

(1 615)

5 674

(5 817)

(50 066)

4 127

5 339

—

(7 829)

—

26 079

29 694

22 226

(822)

—

8 082

7 260

-

29 486

(50 369)

-

(20 883)

Operating costs

(R'000)

Sep-10

223 416

147 545

176 403

75 068

386 675

201 834

111 381

-

189 389

-

293 660

224 978

2 030 349

89 526

38 215

110 049

237 790

-

2 268 139

162 908

-

2 431 047

Jun-10

208 754

111 301

169 507

90 167

242 691

178 898

101 672

-

185 035

-

310 193

245 842

1 844 060

75 286

35 604

84 815

195 705

-

2 039 765

63 344

—

2 103 109

Operating

(R'000)

Sep-10

46 485

20 502

(2 192)

(31 153)

88 758

172 532

320

—

54 702

—

206 436

(2 136)

554 254

26 036

9 133

43 533

78 702

—

632 956

18 946

—

651 902

profit

Jun-10

143 028

32 418

4 429

8 331

122 778

182 052

23 462

—

65 629

—

205 015

31 647

818 789

42 351

9 266

55 896

107 513

—

926 302

15 652

—

941 954

Operating profit

(\$'000)

Sep-10

6 363

2 807

(300)

(4 265)

12 150

23 618

44

-

7 488

-

28 259

(292)

75 872

3 564

1 249

5 960

10 773

-

86 645

2 594

-

89 239

Jun-10

18 957

4 297

587

1 104

16 273

24 130

3 109

-

8 698

-

27 174

4 195

108 524

5 613

1 228

7 408

14 249

-

122 773

2 074

-

124 847

Capital

(R'000)

Sep-10
38 917
69 496
59 207
18 337
104 357
40 463
91 716
44 290
62 112
56 067
60 650
30 173
675 785
4 645
—
—
4 645
7 626
688 056
59 218
1 990
749 264
expenditure
Jun-10
33 366
104 138
38 078
18 100
85 991
44 759
117 399
59 206
69 223
42 839
69 935
37 775
720 809
4 383
599
—
4 982
23 958
749 749
73 149
1 363
824 261
Capital
(\$'000)
Sep-10
5 327

Non-controlling interest

-
-
-
-

21

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2010

1.

Accounting policies

Basis of accounting

The condensed consolidated financial statements for the period ended 30 September 2010 have been prepared using accounting policies that comply with International Financial Reporting Standards (IFRS), which are consistent with the accounting policies used in the audited annual financial statements for the year ended 30 June 2010. These condensed consolidated financial statements are prepared in accordance with IAS 34, Interim Financial Reporting, and in the manner required by the Companies Act of South Africa. They should be read in conjunction with the annual financial statements for the year ended 30 June 2010.

2.

Cost of sales

Quarter ended

Year ended

30 September

30 June

30 September¹

30 June

2010

2010

2009

2010

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

R million

R million

R million

R million

Production costs

2 408

2 075

2 195

8 325

Royalty expense

23

28

–

33

Amortisation and depreciation

426

383

350

1 375

Impairment of assets²

| |
|--|
| – |
| 30 |
| – |
| 331 |
| Rehabilitation expenditure |
| 4 |
| 14 |
| 4 |
| 29 |
| Care and maintenance cost of restructured shafts |
| 25 |
| 15 |
| 17 |
| 57 |
| Employment termination and restructuring costs |
| 78 |
| 82 |
| – |
| 205 |
| Share-based payments |
| 31 |
| 41 |
| 34 |
| 148 |
| Provision for post-retirement benefits |
| – |
| (19) |
| – |
| (19) |
| Total cost of sales |
| 2 995 |
| 2 649 |
| 2 600 |
| 10 484 |

(1)
The comparative figures are re-presented due to Mount Magnet being reclassified as part of discontinued operations. See note 4 in this regard.

(2)
The impairment for the year ended 30 June 2010 relates mainly to Virginia and Evander, which was recorded as a result of shaft closures.

**3.
Net gain on financial instruments**

On 3 September 2010, Harmony Gold Mining Company Limited (Harmony) entered into two transactions with Witwatersrand Consolidated Gold Resources Limited (Wits Gold), in which Wits Gold will obtain a prospecting right over Harmony's Merriespruit South area and the option held by ARMGold/Harmony Freegold Joint Venture Company (Proprietary) Limited (Freegold), a wholly owned subsidiary of Harmony. The option was to acquire a beneficial interest of up to 40% in any future mines established by Wits Gold on certain properties in the Southern Free State (Freegold option), which will be cancelled. Harmony will abandon a portion of its mining right in respect of the

Merriespruit South area

to enable Wits Gold to include this area in its prospecting right, which is located immediately south of the Merriespruit South area.

The total consideration is R336 million (R61 million for the prospecting area and R275 million for the cancellation of the option agreement),

which will be settled in cash or in a combination of cash and shares in Wits Gold, when all remaining conditions precedent to the transaction

have been fulfilled. The group classifies the Freegold option as a financial asset at fair value through profit and loss and has recognised a fair

value movement gain in the consolidated income statement of R273 million following the conclusion of the agreements on 3 September 2010.

4.

Disposal groups classified as held for sale and discontinued operations

The conditions precedent for the sale of Mount Magnet were fulfilled and the transaction became effective on 20 July 2010. A total purchase

consideration of R238 million was received from Ramelius Resources Limited in exchange for 100% of the issued shares of Mount Magnet.

The group recognised a total profit of R104 million, net of tax, before the realisation of accumulated foreign exchange losses of R107 million

from other comprehensive income to the consolidated income statement on the effective date. The income statement and earnings per share

amounts for all comparative periods have been re-presented to disclose the operation as a discontinued operation.

22

Results for the first quarter
ended 30 September 2010

5.

Earnings/(loss) per ordinary share

Earnings/(loss) per ordinary share is calculated on the weighted average number of ordinary shares in issue for the quarter ended

30 September 2010: 428.7 million (30 June 2010: 427.6 million, 30 September 2009: 425.9 million), and the year ended 30 June 2010: 426.4 million.

The fully diluted earnings/(loss) per ordinary share is calculated on weighted average number of diluted ordinary shares in issue for the

quarter ended 30 September 2010: 429.9 million (30 June 2010: 429.1 million, 30 September 2009: 427.2 million), and the year ended

30 June 2010: 427.8 million.

Quarter ended

Year ended

30 September

30 June

30 September¹

30 June

2010

2010

2009

2010

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

Total earnings/(loss) per ordinary share (cents):

Basic earnings/(loss)

23

3

(7)

(46)

Fully diluted earnings/(loss)

23

3

(7)

(46)

Headline earnings/ (loss)

33

(10)

(12)

(7)

– from continuing operations

33

(6)

(13)

1

– from discontinued operations

–

23**6.****Borrowings**

30 September

30 June

30 September

2010

2010

2009

(Unaudited)

(Audited)

(Unaudited)

R million

R million

R million

Total long-term borrowings

970

981

108

Total current portion of borrowings

207

209

260

Total borrowings

(

1

)

2

)

1 177

1 190

368

(

1

)

On 11 December 2009, the company entered into a loan facility with Nedbank Limited, comprising of a Term Facility of R900 million and

a Revolving Credit Facility of R600 million. Interest accrues on a day-to-day basis over the term of the loan at a variable interest rate,

which is fixed for a three-month period, equal to JIBAR plus 3.5%. Interest is repayable quarterly.

The Term Facility is repayable bi-annually in equal instalments of R90 million over 5 years. The first instalment was paid on 30 June 2010.

The Revolving Credit Facility is repayable after 3 years.

(

2

)

Included in the borrowings is R74 million (June 2010: R91 million; September 2009: R104 million) owed to Westpac Bank Limited in terms

of a finance lease agreement. The future minimum lease payments are as follows:

30 September

30 June

30 September

2010

2010

2009

(Unaudited)

(Audited)

(Unaudited)

R million

R million

R million

Due within one year

30

33

31

Due between one and five years

46

60

76

76

93

107

Future finance charges

(2)

(2)

(3)

Total future minimum lease payments

74

91

104

7.

Commitments and contingencies

30 September

30 June

30 September

2010

2010

2009

(Unaudited)

(Audited)

(Unaudited)

R million

R million

R million

Capital expenditure commitments:

Contracts for capital expenditure

369

335

528

Authorised by the directors but not contracted for

2 070

1 006

(34)

Rehabilitation costs

(4)

(4)

Care and maintenance costs of restructured shafts

(25)

(17)

Gross profit as per income statements *

88

147

Reconciliation of total segment mining assets to consolidated property, plant and equipment:

Property, plant and equipment not allocated to a segment:

Mining assets

829

596

Undeveloped property

5 139

5 139

Other non-mining assets

67

66

6 035

5 801

1

The comparative figures are re-presented due to Mount Magnet being reclassified as discontinued operations. See note 4 in this regard.

*

The reconciliation was done up to the first recognisable line item on the income statement. The reconciliation will follow the income statement after that.

Joel
44
75
(31)
184
18
148
40
Kusasaletu
475
387
88
3 046
104
1 513
269
Masimong
374
202
172
815
41
1 263
243
Phakisa
112
111
1
4 133
92
377
86
Target
(2)
244
189
55
2 598
118
947
205
Tshepong
500
294
206
3 620
61
1 688
338
Virginia
223

Joel
128
105
23
230
18
515
136
Kusasaletu
350
281
69
2 797
111
1 625
260
Masimong
324
186
138
684
39
1 359
234
Phakisa
64
59
5
3 778
128
260
71
Target
219
160
59
2 262
84
909
193
Tshepong
421
294
127
3 660
71
1 703
418
Virginia
398
413

27

Results for the first quarter ended

30 September 2010

(US\$)

Incorporated in the Republic of South Africa

Registration Number 1950/038232/06

(“Harmony” or “Company”)

Results for the first quarter FY11, ended **30 September 2010**

JSE Share code: HAR | NYSE Share code: HMY | ISIN: ZAE 000015228

24 435
280 708
11 831
5 305
17 233
34 369
-
315 077
21 573
-
336 650
Jun-10
37 616
16 333
18 551
12 153
45 011
38 613
13 375
932
27 939
2 958
55 235
25 496
294 212
13 182
4 951
15 561
33 694
-
327 906
18 808
-
346 714
Yield
- oz/t
Sep-10
0.206
0.113
0.115
0.108
0.164
0.152
0.128
-
0.119
-
0.145
0.091
0.137
0.025

-
969
1 042
-
974
costs
Jun-10
677
916
1 171
1 047
862
600
955
-
915
-
682
1 124
832
765
953
654
741
-
822
1 008
-
831
Cash operating
- \$/t
Sep-10
216
120
142
271
157
104
161
-
109
-
109
116
133
25
3
15
10
-
58

48

—

58

costs

Jun-10

179

98

135

127

112

97

122

—

117

—

99

108

114

21

3

13

9

—

55

45

—

54

Gold sold

— oz

Sep-10

30 190

18 808

19 548

4 887

53 402

41 860

12 474

997

27 232

3 569

55 910

24 949

293 826

12 925

5 305

17 233

35 463

—

329 289

20 158

—

349 447
 Jun-10
 38 099
 15 625
 18 905
 10 899
 39 899
 39 095
 13 535
 932
 26 846
 2 958
 55 942
 30 511
 293 246
 13 021
 4 951
 15 561
 33 533
 -
 326 779
 18 487
 -
 345 266
Revenue
(\$'000)
Sep-10
36 946
23 004
23 848
6 011
65 081
51 247
15 291
 -
33 413
 -
68 458
30 505
353 804
15 819
6 481
21 024
43 324
 -
397 128
24 894
 -
422 022
 Jun-10
 46 626

19 049
 23 054
 13 055
 48 440
 47 841
 16 585
 -
 33 223
 -
 68 287
 36 779
 352 939
 15 592
 5 947
 18 650
 40 189
 -
 393 128
 10 470
 -
 403 598
Cash operating
(\$'000)
Sep-10
30 646
18 462
21 928
11 915
46 634
27 900
15 303
 -
24 610
 -
40 512
31 272
269 182
12 031
5 232
14 383
31 646
 -
300 828
22 478
 -
323 306
costs
Jun-10
 25 464
 14 966
 21 715

12 722
 38 803
 23 164
 12 768

—
 25 563

—
 37 656
 28 648
 241 469

10 088
 4 719
 10 171
 24 978

—
 266 447
 15 072

—
 281 519

Inventory

(\$'000)

Sep-10

(63)

1 735

2 220

(1 639)

6 297

(271)

(56)

—

1 315

—

(313)

(475)

8 750

224

—

681

905

—

9 655

(178)

—

9 477

movement

Jun-10

2 205

(214)

752

(771)

(6 636)

547
 708
 -
 (1 038)
 -
 3 457
 3 936
 2 946
 (109)
 -
 1 071
 962
 -
 3 908
 (6 676)
 -
 (2 768)
Operating costs
(\$'000)
Sep-10
30 583
20 197
24 148
10 276
52 931
27 629
15 247
 -
25 925
 -
40 199
30 797
277 932
12 255
5 232
15 064
32 551
 -
310 483
22 300
 -
332 783
 Jun-10
 27 669
 14 752
 22 467
 11 951
 32 167
 23 711
 13 476
 -

24 525

—

41 113

32 584

244 415

9 979

4 719

11 242

25 940

—

270 355

8 396

—

278 751

Operating profit

(\$'000)

Sep-10

6 363

2 807

(300)

(4 265)

12 150

23 618

44

—

7 488

—

28 259

(292)

75 872

3 564

1 249

5 960

10 773

—

86 645

2 594

—

89 239

Jun-10

18 957

4 297

587

1 104

16 273

24 130

3 109

—

8 698

—

27 174

4 195
108 524
5 613
1 228
7 408
14 249

—
122 773
2 074

—
124 847

**Capital
(\$'000)**

Sep-10

5 327

9 513

8 105

2 510

14 285

5 539

12 555

6 063

8 502

7 675

8 302

4 130

92 506

636

—

—

636

1 044

94 186

8 106

272

102 564

expenditure

Jun-10

4 422

13 803

5 047

2 399

11 397

5 932

15 560

7 847

9 175

5 678

9 269

5 007

95 536

581

79

—

660

3 175

99 371

9 695

181

109 247

Production statistics for Steyn 2 and Target 3 have been included. These mines are in a build-up phase and revenue and costs are currently capitalised, until commercial production levels are reached. Included in the gold produced for the June quarter is 3 858oz which was capitalised for Hidden Valley.

30

Results for the first quarter

ended 30 September 2010

CONDENSED CONSOLIDATED INCOME STATEMENT (US\$)

(Convenience translation)

Quarter ended

Year ended

30 September

30 June

30 September¹

30 June

2010

2010

2009

2010

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

US\$ million

US\$ million

US\$ million

US\$ million

Continuing operations

Revenue

422

404

353

1 489

Cost of sales

(411)

(352)

(334)

(1 383)

Production costs

(330)

(275)

(282)

(1 099)

Royalty expense

(3)

(4)

—

(4)

Amortisation and depreciation

(58)

(51)

(45)

(181)

Impairment of assets

—

| | |
|---|--|
| (4) | |
| — | |
| (43) | |
| Employment termination and restructuring costs | |
| (11) | |
| (11) | |
| — | |
| (27) | |
| Other items | |
| (9) | |
| (7) | |
| (7) | |
| (29) | |
| Gross profit | |
| 11 | |
| 52 | |
| 19 | |
| 106 | |
| Corporate, administration and other expenditure | |
| (13) | |
| (16) | |
| (10) | |
| (50) | |
| Social investment expenditure | |
| (2) | |
| (4) | |
| (1) | |
| (11) | |
| Exploration expenditure | |
| (14) | |
| (8) | |
| (6) | |
| (29) | |
| Profit on sale of property, plant and equipment | |
| 2 | |
| 13 | |
| — | |
| 14 | |
| Other (expenses)/income – net | |
| (7) | |
| 5 | |
| (10) | |
| (8) | |
| Operating (loss)/profit | |
| (23) | |
| 42 | |
| (8) | |
| 22 | |
| (Loss)/profit from associates | |
| (1) | |
| (1) | |

| | |
|---|--|
| 4 | |
| 7 | |
| Loss on sale of investment in subsidiary | |
| — | |
| — | |
| (3) | |
| Net gain on financial instruments | |
| 43 | |
| 2 | |
| — | |
| 5 | |
| Investment income | |
| 2 | |
| 3 | |
| 9 | |
| 25 | |
| Finance cost | |
| (8) | |
| (12) | |
| (7) | |
| (32) | |
| Profit/(loss) before taxation | |
| 13 | |
| 34 | |
| (2) | |
| 24 | |
| Taxation | |
| 1 | |
| (30) | |
| (2) | |
| (44) | |
| Normal taxation | |
| (1) | |
| (3) | |
| (3) | |
| (11) | |
| Deferred taxation | |
| 2 | |
| (27) | |
| 1 | |
| (33) | |
| Net profit t/(loss) from continuing operations | |
| 14 | |
| 4 | |
| (4) | |
| (20) | |
| Discontinued operations | |
| (Loss)/profit from discontinued operations | |
| — | |
| (2) | |

| | |
|---|--|
| 1 | |
| (4) | |
| Net profit/(loss) | |
| 14 | |
| 2 | |
| (3) | |
| (24) | |
| Attributable to: | |
| Owners of the parent | |
| 14 | |
| 2 | |
| (3) | |
| (24) | |
| Non-controlling interest | |
| – | |
| – | |
| – | |
| – | |
| Earnings/(loss) per ordinary share (cents) | |
| – Earnings/(loss) from continuing operations | |
| 3 | |
| 1 | |
| (1) | |
| (5) | |
| – Loss from discontinued operations | |
| – | |
| (1) | |
| – | |
| (1) | |
| Total earnings/(loss) per ordinary share (cents) | |
| 3 | |
| – | |
| (1) | |
| (6) | |
| Diluted earnings/(loss) per ordinary share (cents) | |
| – Earnings/(loss) from continuing operations | |
| 3 | |
| 1 | |
| (1) | |
| (5) | |
| – Loss from discontinued operations | |
| – | |
| (1) | |
| – | |
| (1) | |
| Total diluted earnings/(loss) per ordinary share (cents) | |
| 3 | |
| – | |
| (1) | |
| (6) | |

¹ The comparative figures are re-presented due to Mount Magnet being reclassified as a discontinued operation.

The currency conversion average rates for the quarter ended: September 2010: US\$1 = R7.31 (June 2010: US\$1 = R7.54, September 2009: US\$1 = R7.78)

The income statement for the year ended 30 June 2010 has been extracted from the 2010 Annual Report.

Note on convenience translations

Except where specific statements have been extracted from the 2010 Annual Report, the requirements of IAS 21, The Effects of the Changes in

Foreign Exchange Rates, have not necessarily been applied in the translation of the US Dollar financial statements presented on page 30 to 36.

| | |
|---|--|
| 31 | |
| CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (US\$) | |
| (Convenience translation) | |
| Quarter ended | |
| Year ended | |
| 30 September | |
| 30 June | |
| 30 September ¹ | |
| June | |
| 2010 | |
| 2010 | |
| 2009 | |
| 2010 | |
| (Unaudited) | |
| (Unaudited) | |
| (Unaudited) | |
| (Audited) | |
| US\$ million | |
| US\$ million | |
| US\$ million | |
| US\$ million | |
| Net profit/(loss) for the period | |
| 14 | |
| 2 | |
| (3) | |
| (24) | |
| Other comprehensive income/(loss) for the period, net of income tax | |
| 15 | |
| (22) | |
| 1 | |
| 25 | |
| Foreign exchange translation | |
| 15 | |
| (21) | |
| 2 | |
| 25 | |
| Fair value movement of available-for-sale investments | |
| - | |
| (1) | |
| (1) | |
| - | |
| Total comprehensive income/(loss) for the period | |
| 29 | |
| (20) | |
| (2) | |
| 1 | |
| Attributable to: | |
| Owners of the parent | |
| 29 | |
| (20) | |
| (2) | |

1

Non-controlling interest

–

–

–

–

The currency conversion average rates for the quarter ended: September 2010: US\$1 = R7.31 (June 2010: US\$1 = R7.54, September 2009:

US\$1 = R7.78)

The statement of other comprehensive income for the year ended 30 June 2010 has been extracted from the 2010 Annual Report.

32

Results for the first quarter

ended 30 September 2010

CONDENSED CONSOLIDATED BALANCE SHEET (US\$)

(Convenience translation)

At

At

At

30 September

30 June

30 September

2010

2010

2009

(Unaudited)

(Audited)

(Unaudited)

US\$ million

US\$ million

US\$ million

ASSETS

Non-current assets

Property, plant and equipment

4 289

3 874

3 774

Intangible assets

316

290

294

Restricted cash

17

19

22

Restricted investments

257

228

221

Investments in financial assets

43

2

5

Investments in associates

54

50

48

Inventories

34

28

–

Trade and other receivables

| |
|---|
| 10 |
| 10 |
| 10 |
| 5 020 |
| 4 501 |
| 4 374 |
| Current assets |
| Inventories |
| 130 |
| 129 |
| 152 |
| Trade and other receivables |
| 93 |
| 10 |
| 111 |
| Income and mining taxes |
| 10 |
| 122 |
| 6 |
| Cash and cash equivalents |
| 111 |
| 101 |
| 145 |
| 344 |
| 362 |
| 414 |
| Assets of disposal groups classified as held for sale |
| – |
| 32 |
| – |
| 344 |
| 394 |
| 414 |
| Total assets |
| 5 364 |
| 4 895 |
| 4 788 |
| EQUITY AND LIABILITIES |
| Share capital and reserves |
| Share capital |
| 4 059 |
| 4 027 |
| 3 726 |
| Other reserves |
| 57 |
| (40) |
| 51 |
| Retained earnings/(accumulated loss) |
| 83 |
| (159) |
| 113 |

4 199

3 828

3 890

Non-current liabilities

Deferred tax

513

463

433

Provisions for other liabilities and charges

247

222

207

Retirement benefit obligation and other provisions

24

22

22

Borrowings

139

129

14

923

836

676

Current liabilities

Borrowings

30

27

34

Income and mining taxes

2

1

3

Trade and other payables

210

185

185

242

213

222

Liabilities of disposal groups classified as held for sale

—

18

—

242

231

222

Total equity and liabilities

5 364

4 895

4 788

Number of ordinary shares in issue

428 850 584

428 654 779

426 024 653

Net asset value per share (cents)

979

893

913

The balance sheet for September 2010 converted at a conversion rate of US\$1 = R6.96 (September 2009: US\$1 = R7.54).

The balance sheet as at 30 June 2010 has been extracted from the 2010 Annual Report.

33

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (US\$) (Unaudited)
for the period ended 30 September 2010 (Convenience translation)

| | |
|---|--------------|
| Share | |
| Other | |
| Retained capital reserves earnings | |
| Total | |
| US\$ million | |
| US\$ million | |
| US\$ million | |
| US\$ million | |
| Balance – 30 June 2010 | 4 058 |
| | 38 |
| | 99 |
| | 4 195 |
| Issue of shares | 1 |
| | – |
| | – |
| | 1 |
| Share-based payments | – |
| | 4 |
| | – |
| | 4 |
| Total comprehensive income for the period | – |
| | 15 |
| | 15 |
| | 30 |
| Dividends paid | – |
| | – |
| | (31) |
| | (31) |
| Balance as at 30 September 2010 | 4 059 |
| | 57 |
| | 83 |
| | 4 199 |
| Balance – 30 June 2009 | 3 726 |
| | 45 |
| | 145 |
| | 3 916 |
| Issue of shares | – |

| |
|---|
| - |
| - |
| - |
| Share-based payments |
| - |
| 5 |
| - |
| 5 |
| Total comprehensive loss for the period |
| - |
| 1 |
| (4) |
| (3) |
| Dividends paid |
| - |
| - |
| (28) |
| (28) |
| Balance as at 30 September 2009 |
| 3 726 |
| 51 |
| 113 |
| 3 890 |

The currency conversion closing rates for the year ended: September 2010: US\$1 = R6.96 (September 2009: US\$1 = R7.54).

34

Results for the first quarter

ended 30 September 2010

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (US\$)

(Convenience translation)

Quarter ended

Year ended

30 September

30 June

30 September

30 June

2010

2010

2009

2010

(Unaudited)

(Unaudited)

(Unaudited)

(Audited)

US\$ million

US\$ million

US\$ million

US\$ million

Cash flow from operating activities

Cash generated by operations

96

117

29

214

Interest and dividends received

2

3

9

25

Interest paid

(4)

(5)

(1)

(12)

Income and mining taxes paid

(1)

(7)

(3)

(17)

Cash generated by operating activities

93

108

34

210

Cash flow from investing activities

Decrease in restricted cash

| | |
|-------|---|
| 4 | |
| – | |
| – | |
| 2 | |
| | Proceeds on disposal of investment in subsidiary |
| 31 | |
| – | |
| – | |
| 3 | |
| | Proceeds on disposal of available-for-sale financial assets |
| – | |
| 1 | |
| 2 | |
| 7 | |
| | Other investing activities |
| 1 | |
| (1) | |
| 1 | |
| (2) | |
| | Net additions to property, plant and equipment |
| (102) | |
| (94) | |
| (117) | |
| (463) | |
| | Cash utilised by investing activities |
| (66) | |
| (94) | |
| (114) | |
| (453) | |
| | Cash flow from financing activities |
| | Borrowings raised |
| – | |
| 40 | |
| – | |
| 168 | |
| | Borrowings repaid |
| (1) | |
| (14) | |
| (1) | |
| (57) | |
| | Ordinary shares issued – net of expenses |
| 1 | |
| 1 | |
| – | |
| 3 | |
| | Dividends paid |
| (29) | |
| – | |
| (29) | |
| (29) | |
| | Cash (utilised)/generated by financing activities |

| | |
|--|--|
| (29) | |
| 27 | |
| (30) | |
| 85 | |
| Foreign currency translation adjustments | |
| 12 | |
| (6) | |
| 2 | |
| 6 | |
| Net increase/(decrease) in cash and cash equivalents | |
| 10 | |
| 35 | |
| (108) | |
| (152) | |
| Cash and cash equivalents – beginning of period | |
| 101 | |
| 66 | |
| 253 | |
| 253 | |
| Cash and cash equivalents – end of period | |
| 111 | |
| 101 | |
| 145 | |
| 101 | |
| Operating activities translated at average rates for the quarter ended: September 2010: US\$1 = R7.31 (June 2010: US\$1 = R7.54, September 2009: US\$1 = R7.78). | |
| Closing balance translated at closing rates of: September 2010: US\$1 = R6.96 (June 2010: US\$1 = R7.63, September 2009: US\$1 = R7.54). | |
| The cash flow statement for the year ended 30 June 2010 has been extracted from the 2010 Annual Report. | |

35
SEGMENT REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2010 (US\$/Imperial) (Unaudited)
(Convenience translation)

Production

Production

Mining

Capital

Ounces

Tons

Revenue

costs

(1)

profit/(loss)

assets

expenditure

produced

milled

US\$ million

US\$ million

US\$ million

US\$ million

US\$ million

oz

t'000

Continuing operations

South Africa

Underground

Bambanani

(2)

37

31

6

142

11

30 286

142

Doornkop

23

20

3

416

10

17 394

154

Evander

24

24

–

134

8

17 747

154
Joel
6
10
(4)
26
3
4 758
44
Kusasaletu
65
53
12
437
14
48 644
297
Masimong
51
28
23
117
6
40 606
268
Phakisa
15
15
—
593
12
12 121
95
Target
(2)
33
26
7
373
16
30 447
226
Tshepong
69
40
29
520
8
54 270
373
Virginia

31
31
—
100
4
24 435
269
Surface
All other surface operations
(3)
43
33
10
21
2
34 369
3 128
Total South Africa
397
311
86
2 879
94
315 077
5 150
International
Papua New Guinea
25
22
3
543
9
21 573
471
Total international
25
22
3
543
9
21 573
471
Total continuing operations
422
333
89
3 422
103
336 650
5 621

Discontinued operations

Mount Magnet

-
-
-
-
-
-
-

Total discontinued operations

-
-
-
-
-
-

Total operations

422

333

89

3 422

103

336 650

5 621

Notes:

(1)

Production costs includes royalty expense.

(2)

Production statistics for Steyn 2 and Target 3 are shown for information purposes. These mines are in build-up phase and revenue and costs are currently capitalised until commercial levels of production are reached.

(3)

Includes Kalgold, Phoenix, Dumps and President Steyn plant clean-up.

All income statement items, including capital expenditure, are converted at the currency conversion rate of US\$1 = R7.31.

Mining assets are converted at the currency conversion rate of US\$1 = R6.96.

36
Results for the first quarter
ended 30 September 2010
SEGMENT REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2009 (Unaudited) (US\$/Imperial)
(Convenience translation)
Production
Production
Mining
Capital
Ounces
Tons
Revenue
costs
profit/(loss)
assets
expenditure
produced
milled
US\$ million
US\$ million
US\$ million
US\$ million
US\$ million
oz
t'000
Continuing operations
South Africa
Underground
Bambanani
30
25
5
371
3
30 415
162
Doornkop
16
13
3
128
9
16 075
143
Evander
37
35
2
485
7
39 835

286
Joel
16
13
3
31
2
16 558
150
Kusasaletu
45
36
9
91
14
52 245
287
Masimong
42
24
18
300
5
43 693
258
Phakisa
8
8
—
347
17
8 359
78
Target
28
20
8
501
11
29 225
213
Tshepong
54
38
16
89
9
54 753
461
Virginia
51

53
(2)
115
7
53 627
600
Surface
Other
(1)
26
17
9
19
2
28 646
2 307
Total South Africa
353
282
71
2 477
86
373 431
4 945
International
Papua New Guinea
—
—
—
492
32
—
—
Total international
—
—
—
492
32
—
—
Total continuing operations
353
282
71
2 969
118
373 431
4 945
Discontinued operations
Mount Magnet

-
-
-
36

-
-
-

Total discontinued operations

-
-
-
-
-
-

Total operations

353
282
71
3 005
118
373 431
4 945

Note:

(1)

Includes Kalgold, Phoenix and Dumps.

All income statement items, including capital expenditure, are converted at the currency conversion rate of US\$1 = R7.78.

Mining assets are converted at the currency conversion rate of US\$1 = R7.54.

37

DEVELOPMENT RESULTS (Metric)

Quarter ended 30 September 2010

Channel

Channel

Reef

Sampled

Width

Value

Gold

(metres)

(metres)

(cm's)

(g/t)

(cmg/t)

Tshepong

Basal

688

644

10.20

103.19

1 054

B Reef

137

100

57.00

11.82

678

All Reefs

825

744

16.49

60.85

1 003

Phakisa & Nyala

Basal

291

300

40.60

22.04

895

All Reefs

291

300

40.60

22.04

895

Total Bambanani

(incl. Bambanani, Steyn 1 & Steyn 2)

Basal

65.2

60
160.10
16.80
2 689
All Reefs
65
60
160.10
16.80
2 689
Doornkop
South Reef
484.0
489
65.00
15.20
990
All Reefs
484
489
65.00
15.23
990
Kusasaletu
VCR Reef
647.4
614
60.61
24.35
1 476
All Reefs
647
614
60.61
24.35
1 476
Total Target
(incl. Target 1 & Target 3)
Elsburg
317.6
183
174.76
13.59
2 375
A Reef
39.1
38
141.20
15.96
2 253
B Reef

33.0
34
27.20
41.51
1 129
All Reefs
390
255
150.09
14.59
2 190
Masimong
Basal
523.6
398
64.57
18.53
1 197
B Reef
24.7
-
-
-
-
All Reefs
548
398
64.57
18.53
1 197
Evander
Kimberley
287.0
303
36.00
76.42
2 751
All Reefs
287
303
36.00
76.42
2 751
Virginia
(incl. Unisel & Merriespruit)
Basal
696.9
630
126.09
9.16
1 155

Leader
330.7
304
180.61
7.16
1 293
Middle
57.9
52
147.27
13.70
2 017
All Reefs
1 086
986
144.01
8.63
1 243
Joel
Beatrix
58.5
66
204.00
6.92
1 412
All Reefs
59
66
204.00
6.92
1 412
Total Harmony
Basal
2 264
2 032
65.69
17.32
1 137.98
Beatrix
59
66
204.00
6.92
1 412.00
Leader
331
304
180.61
7.16
1 293.16
B Reef

195
134
49.44
16.03
792.43
A Reef
39.1
38.0
141.20
15.96
2 253.00
Middle
57.9
52.0
147.27
13.70
2 016.96
Elsburg
317.6
183.0
174.76
13.59
2 374.63
Kimberley
287.0
303.0
36.00
76.42
2 751.00
South Reef
484
489
65.00
15.23
990.00
VCR
647
614
60.61
24.35
1 475.79
All Reefs
4 682
4 215
79.10
17.26
1 365
DEVELOPMENT RESULTS (Imperial)
Quarter ended 30 September 2010
Channel
Channel

Reef
Sampled
Width
Value
Gold
(feet)
(feet)
(inches)
(oz/t)
(in.oz/t)

Tshepong

Basal

2 257

2 113

4.00

3.03

12

B Reef

450

328

22.00

0.35

8

All Reefs

2 707

2 441

6.00

1.92

12

Phakisa & Nyala

Basal

954

984

16.00

0.64

10

All Reefs

954

984

16.00

0.64

10

Total Bambanani

(incl. Bambanani, Steyn 1 & Steyn 2)

Basal

214

197

63.00

0.49

31

All Reefs

214
197
63.00
0.49
31
Doornkop
South Reef
1 588
1604
26.00
0.44
11
All Reefs
1 588
1 604
26.00
0.44
11
Kusasaletu
VCR Reef
2 124
2 014
24.00
0.71
17
All Reefs
2 124
2 014
24.00
0.71
17
Total Target
(incl. Target 1 & Target 3)
Elsburg
1 042
600
69.00
0.40
27
A Reef
128
125
56.00
0.46
26
B Reef
108
112
11.00
1.18
13

All Reefs

1 279

837

59.00

0.43

25

Masimong

Basal

1 718

1 306

25.00

0.55

14

B Reef

81

–

–

–

–

All Reefs

1 799

1 306

25.00

0.55

14

Evander

Kimberley

942

994

14.00

2.26

32

All Reefs

942

994

14.00

2.26

32

Virginia

(incl. Unisel & Merriespruit)

Basal

2 286

2 067

50.00

0.27

13

Leader

1 085

997

71.00

0.21

15
Middle
190
171
58.00
0.40
23
All Reefs
3 561
3 235
57.00
0.25
14
Joel
Beatrix
192
217
80.00
0.20
16
All Reefs
192
217
80.00
0.20
16
Total Harmony
Basal
7 429
6 667
26.00
0.50
13.07
Beatrix
192
217
80.00
0.20
16.21
Leader
1 085
997
71.00
0.21
14.85
B Reef
640
440
19.00
0.48
9.10

A Reef
128
125
56.00
0.46
25.87
Middle
190
171
58.00
0.40
23.16
Elsburg
1 042
600
69.00
0.40
27.27
Kimberley
942
994
14.00
2.26
31.59
South Reef
1 588
1 604
26.00
0.44
11.37
VCR
2 124
2 014
24.00
0.71
16.95
All Reefs
15 360
13 829
31.00
0.51
16

38

Results for the first quarter
ended 30 September 2010

NOTES

39
NOTES

40

Results for the first quarter
ended 30 September 2010

CONTACT DETAILS

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G P Briggs (Chief Executive Officer)

H O Meyer (Financial Director)

H E Mashego (Executive Director: Organisational
Development and Transformation)

F F T De Buck*[^] (Lead independent director)

F Abbott*

J A Chissano* 1

Dr C Diarra* †[^]

K V Dicks* [^], Dr D S Lushaba* [^], C Markus*[^],

M Motloba* [^], C M L Savage* [^], A J Wilkens*

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Trading Symbols

JSE Limited: HAR

New York Stock Exchange, Inc: HMY

London Stock Exchange Plc: HRM

Euronext, Brussels: HMY

Berlin Stock Exchange: HAM1

Registration number 1950/038232/06

Incorporated in the Republic of South Africa

ISIN: ZAE 000015228

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: November 1, 2010

Harmony Gold Mining Company Limited

By:

/s/

Hannes Meyer

Name:

Hannes Meyer

Title: Financial Director