

HARMONY GOLD MINING CO LTD

Form 6-K

February 17, 2006

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO

RULE 13a-16 OR 15d-16 UNDER THE SECURITIES

EXCHANGE ACT OF 1934

For the Month of February 2006

Harmony Gold Mining Company

Limited

Suite No. 1

Private Bag X1

Melrose Arch, 2076

South Africa

(Address of principal executive offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes No

1

REVIEW FOR THE QUARTER ENDED 31 DECEMBER 2005
QUARTERLY HIGHLIGHTS

Operational improvements and a higher gold price clearly demonstrate the high gearing that Harmony has.

Leveraged shafts show a marked improvement following their restructuring.

Increase in cash operating profit from R119 million in the September Quarter to R389 million.

Cash operating costs decreased to R83 154/kg versus R85 718/kg in September.

QUARTERLY FINANCIAL HIGHLIGHTS

31 December

30 September

2005

2005

Gold produced

– kg

20 316

19 219

– oz

653 171

617 902

Cash costs

– R/kg

83 154

85 718

– \$/oz

396

410

Cash operating profit

– Rand

389 million

119 million

– US\$

60 million

18 million

Cash earnings

– SA cents per share

99

30

– US cents per share

15

5

Basic earnings/(loss)

– SA cents per share

6

(82)

– US cents per share

1

(13)

Headline loss

– SA cents per share

(75)

(86)

– US cents per share

(12)

(13)

Fully diluted earnings/(loss)

– SA cents per share

6

(82)

– US cents per share

1

(13)

2	
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CHIEF EXECUTIVE'S REVIEW – DECEMBER 2005

“Despite the low R/kg gold price environment that we have had to contend with during the last two years and the major restructuring exercise we went through, Harmony has stuck to its strategy to invest in our growth projects. I believe the company is now well positioned to pass the benefits from the improved gold price and the increased profitability through to our shareholders ”

SAFETY REPORT

Safety achievements during this quarter:

Mine

Fatality free shifts achieved

Date

Merriespruit 3

1 950 000

30 November 2005

Masimong Mine

750 000

21 October 2005

Tshepong Mine

500 000

5 October 2005

Harmony 2

250 000

22 November 2005

Target

250 000

9 October 2005

Elandsrand

250 000

21 November 2005

The LTIFR increased by 2% from 16,99 in September 2005 to 17,27 in December 2005 and the SLFR in December 2005 climbed to 404 compared to 379 in September 2005, a regression of 6%. A factor that contributed to this was the reskilling and redeployment of some labour into new positions during the restructuring process and the fact that December is typically influenced by the Christmas break.

Fatality injury rate (per million hours worked)

4

Eleven employees lost their lives in ten separate incidents during the past quarter at our South African operations. Harmony Australia had no fatalities or serious incidents during the period under review. Safety remains a non-negotiable for Harmony and the company's drive towards zero fatalities remains a major area of focus.

PAST QUARTER UNDER REVIEW

Harmony's cash operating profit increased by R270,6 million from R118,8 million in September 2005 to R389,4 million in the December period. Production increased by 6% quarter on quarter to 653 171 oz and cash operating costs decreased by 3% to R83 154/kg. In US\$ terms, cash costs dropped by 3% to US\$396/oz. The price received increased by 11% from 91 888/kg to R102 333/kg in December, due to an increase in the US\$/oz price.

The performance of the company is best highlighted in the following table:

December

September

Percentage

2005

2005

variance

Production

– kg

20 316

19 219

6

Production

– oz

653 171

617 902

6

Revenue

– R/kg

102 333

91 888

11

Revenue

– US\$/oz

487

440

11

Cash cost

– R/kg

83 154

85 718

3

Cash cost

– US\$/oz

396

410

3

Exchange rate

– USD/ZAR

6.53

6.50

0

Restoring our operating profit margins

December 2005

September 2005

Cash operating profit (Rm)

389,4

118,8

Cash operating profit margin

18,7%

6,7%

South African underground working costs increased from the R1 391,4 million in the September 2005 quarter to R1 451,2 million in the December period on the back of improved volumes.

On a group basis, working costs increased by 3% or R42 million from R1 647,4 million to R1 689,4 million.

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Quarter on quarter cash operating profit variance analysis

Cash operating profit –September 2005

R118,8 million

– volume change

(tonnes)

R86,5 million

– working cost change

(%)

(R42,0) million

– recovery grade change

(g/t)

R14,1 million

– Rand gold price change

(R/kg)

R212,0 million

– net variance

R270,6 million

Cash operating profit – December 2005

R389,4 million

Analysis of earnings per share (SA cents)

Quarter ended

Quarter ended

Earnings per share

December 2005

September 2005

Cash earnings

99

30

Basic earnings

6

(82)

Headline loss

(75)

(86)

Fully diluted earnings

6

(82)

Adjusted headline loss*

(46)

(63)

* Excludes all unrealised gains/(losses) in financial instruments as well as the tax implications.

Reconciliation between basic earnings and headline loss

Headline earnings in cents per share

Quarter ended December 2005

Basic earnings

6

Profit on sale of mining assets

(3)

Profit on disposal of Gold Fields investment

(78)

Headline loss

(75)

Our cash earnings for the year to date total 129 cents per share.

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FOCUS ON OUR GROWTH PROJECTS REMAINS

Despite the harsh financial and operating conditions encountered in the past year the company has remained focused on rebuilding its growth strategy. Accordingly expenditure on all of the local and international growth projects continued as planned. During the past quarter a total of R449 million was spent on capital. Of this R192 million was spent on project capital. Good progress continues to be made at our Phakisa, Masimong, Tshepong, Elandsrand New Mine and Doornkop South Reef projects locally. With our Hidden Valley project in PNG, the construction road has now reached the halfway mark. Good progress has also been made with the updating of the feasibility study.

Capital expenditure (Rm)

Actual**Forecast****December****March****OPERATIONAL CAPEX****2005****2006**

South African Operations

219

189

Australasian Operations

38

34

Total Operational Capex**257****223****PROJECT CAPEX**

Doornkop South Reef

38

41

Elandsrand New Mine

31

33

Tshepong North Decline

14

22

Phakisa Shaft

30

26

Target Shaft

12

12

PNG

67*

24

Total Project Capex**192****158****TOTAL CAPEX****449****381**

*

Increase due to the purchase of the suite of equipment required for the Hidden Valley road construction as well as for the site bulk earthworks.

Our focus to grow the company with respect to ounces and quality continues and has led to a unique pipeline of projects in South Africa. The construction of our Hidden Valley Mine in PNG is well on track and we believe that it will demonstrate to our shareholders our ability to also build mines internationally.

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Cash position – investing in our future

During the past quarter our cash balance has improved from R971 million to R2,914 million. The break down shows an operating contribution of R389,4 million being offset by R910,3 million spent on capex, corporate overheads and exploration, financing charges and working capital movements.

The proceeds on the disposal of our remaining investments in Gold Fields and Sangold have contributed a further R2,461 million to our cash balance.

Harmony Group cash reconciliation for December 2005

Cash and equivalents on 30 September 2005 (R'million)

970.8

Operational

(520.9)

Operating profit

389.4

Capex – net

(287.7)

Development cost capitalised

(161.0)

Corporate/Exploration expenditure

(104.1)

Employment termination and restructuring cost

(14.9)

Care and maintenance of non-operating shafts

(27.5)

Interest paid

(97.4)

Movement in working capital (excluding accrued liabilities)*

(257.9)

Movement in accrued liabilities

10.5

Other items

29.7

Other

2 464.4

Net sundry revenue

52.2

Foreign exchange losses

(20.5)

Shares issued – net of expenses

44.5

Avgold hedge payments – final instalment

(72.8)

Proceeds on sale of Gold Fields shares

2 441.7

Proceeds on sale of Sangold shares

19.3

Cash and equivalents on 31 December 2005

2 914.3

*

The movement in working capital was negatively affected by a R122 million increase in the gold receivables at the end of

the quarter, as well as the early payment of employees before the Christmas break amounting to R136 million.

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Capital project progress

The detail of the South African brownfields growth projects are discussed under the various shaft sections. As the projects in PNG are greenfields in nature and do not deliver production ounces as yet, they are discussed under this section.

Hidden Valley project

The feasibility update has been progressing well and it is expected that we will be able to submit the final documented study update to the board by April 2006. This will include sign-off on all technical aspects of the study, as well as a cash flow model that will reflect the updated economics of the project.

Construction of the access road is progressing well with all road building equipment delivered to site.

Pioneering has reached the 18.5km mark of the 40km road, with some difficult terrain ahead which will slow down the good progress made to date. It is expected that the pioneering crew will reach the proposed mine camp site by the end of May with road completion planned towards June 2006.

The Hidden Valley Environmental Management plan ("EMP") was completed and submitted to the Department of Environment and Conservation on 22 November 2005. This EMP has to be approved by the department before any site works can start. The department has three months to respond and question aspects of the plan after submission, which fits in with the proposed project construction timeline.

Cut-off and pit optimisation have resulted in significant project improvements, albeit at marginally lower recovery grades.

- Total recoverable ounces increased from 1.9M oz to 2.6M oz (which led to an increase in Life of Mine from 6.5 years to 9.5 years)

- Average head grade decreased to 2.2 g/t

- Strip ratio improved from 13:1 to 9:1

- Average annual bulk cubic metres (bcm) mined will be reduced from 19M bcm to 12M bcm

With the new design mill throughput has been planned to increase from 3.5 Mtpa to 4.2 Mtpa:

- Average gold produced per annum is planned at approximately 285 000 oz

- Total average silver produced per annum is planned at 3,9M oz which equates to 67 000 gold equivalent ounces

- The average cost per ounce will run at approximately US\$220/oz, net of silver credits

Re-engineered surface designs have led to:

- The tailings storage facility capacity being improved from 32 Mt to 43 Mt

- The waste dump's design now complying with acid rock drainage and other environmental commitments

- The establishment of a low grade stockpile with a capacity of 7 Mt (0.8g/t - 1.3 g/t)

- Cost and schedule improvements in the Pihema creek diversion

- Site bulk earthworks being done in-house, costed and scheduled more accurately

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WAFI - GOLPU

Highlights for the quarter

- Drilling progressed well at Golpu. Geotechnical data was collected and visible copper mineralisation is present outside of the existing model at depth
- Notice of preparatory work and letter of intent have been submitted to the Department of Environment and Conservation
- Environmental studies have commenced, with stream gauging stations installed and water quality monitoring in progress
- Metallurgical test work indicates that 40% oxidation of sulphides gives 90% cyanidation gold recovery in Wafi Link Zone
- Wafi project has been well defined in a study concept report, which is to be used as the key reference for all parties involved with the study in the future

Work to be completed in the next quarter and beyond

Work to be completed will include:

- Continuation of drilling at Golpu using two drill rigs. Geotechnical data collection and the award of Golpu mining study work will also be required
- Appointment of engineering consultant, and commencement of metallurgical test work and processing plant design
- Continuation of environmental baseline monitoring
- Completion of a new model for Wafi non-refractory gold and for the Wafi Link Zone is to be undertaken in-house
- Commencement of scoping studies for mining and processing of the Link Zone and non-refractory gold ore Wafi-Golpu pre-feasibility study

The December quarter has seen significant progress being made in building up the data base that is necessary for completion of the feasibility study. Continuation of the data gathering process and test work will be the main focus of the study programme for the next two quarters. Most technical mining studies have been planned to be completed during the second half of 2006.

Diamond drilling at Golpu progressed well, with two 800m holes completed, and a planned 450m hole drilled to 220m at the end of the quarter. Drill core collected to date has provided valuable geotechnical data and drill holes have also been used to collect hydrological data. Visual inspection of the core indicates that the copper porphyry extends beyond current model boundaries at depth. However assays from the first hole drilled are not expected until late in the March quarter.

Metallurgical test work of Wafi Link Zone ore continued throughout the month. The current testing programme is concentrating on establishing the suitability of bio-leaching and the programme is delivering encouraging results. Golpu Copper/Gold metallurgical test work is due to commence late in the March quarter, once sufficient drill core is available to blend suitable composite samples which represent the different ore zones present in the deposit. Road works on the Timini to Wafi Road were well advanced at the end of the quarter.

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QUARTERLY OPERATIONAL REVIEW

Operational highlights were as follows:

- Bambanani went back to the areas affected by the fires of February 2005 and achieved an excellent turn around with the recovery grade improving by 28% and tonnage up by 18%
- With CONOPS being phased in on Tshepong and Masimong, volumes increased by 11% and 12%, respectively
- Evander 2 and 5 Shaft returned to profitability

A quarter on quarter operating profit analysis of the various operations:

Operations

December 2005

September 2005

Variance

(R million)

(R million)

(R million)

Quality ounces

263,7

127,7

136,0

Growth projects

(2,5)

1,8

(4,3)

Leveraged ounces

76,0

(45,8)

121,8

Surface operations

10,9

5,5

5,4

Total South Africa

348,1

89,2

258,9

Australasian operations

41,3

29,6

11,7

Total

389,4

118,8

270,6

A detailed analysis of the operations is as follows:

Quality ounces – turnaround starting to show

Includes the following shafts: Target, Tshepong, Masimong, Evander and Randfontein's Cooke Shafts

December

September

2005

2005

U/g tonnes milled
(’000)
1 574
1 464
U/g recovery grade
(g/t)
6,10
5,96
U/g kilograms produced
(kg)
9 604
8 719
U/g working costs
(R/kg)
74 725
76 896
U/g working costs
(R/tonne)
456
458

Underground tons increased by 8% to 1 574 million tons during the quarter whilst recovery grades improved by 2% to 6.1 g/t. The combined effect of this was a 10% increase in gold production. Working cost in R/kg terms was reduced by 3% bringing the cost of production to R74 725/kg. Cost control in general was not satisfactory. The stronger gold price contributed to operating profit increasing by 106% to R263.7 million.

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Target Mine

During the quarter the mine improved its flexibility by opening up more attacking points in the orebody. Machine availability however continued to fall and it was decided that the maintenance contract would be taken over by Harmony.

Volume levels therefore remained fairly constant with 166 000 tons compared to 168 000 tons the previous quarter.

With the improved flexibility and maintenance contract now being done in-house, it is expected that the coming quarter should see improved volumes at lower unit costs for Target which would lead to better profit levels.

Tshepong Mine

The shaft reached the safety milestone of 500 000 fatality free shifts on 5 October 2005.

After the CONOPS agreements were signed off by the company and the respective unions and associations, Tshepong succeeded in redeploying all its CONOPS labour by mid-November. The efficient re-introduction of CONOPS by the team contributed to an improvement of 11% in volumes. The recovery grade also improved by 7% to 6.85 g/t compared to the 6.42 g/t of the previous quarter, which led to gold production improving by 19% from 2 380 kg to 2 825 kg.

Total operating costs decreased from R69 225/kg to R65 272/kg.

TSHEPONG DECLINE PROJECT REVIEW

Access development

Summary

The project team managed to develop 608m in this quarter. This brings the total development now to 4 726m out of a total of 6 281m, which is 75% of total development required.

Chair lift decline

72% of the 900m has been completed. Delays occurred during the quarter as a result of the blasting of the 71 travelling way and the slipping of the chair lift landing at 71 level where poor ground conditions were encountered. Progress in this area has been stopped as a result of the ground conditions and work could only continue when the secondary support had been completed. This was done by the second week of January 2006 and normal development has commenced again.

Material decline

A total of 809m of the 1 050m has been completed. New support solutions and blasting techniques that have been implemented resulted in better ground conditions and improved face advances.

69 level access development

On 69 level 1 207m of the 1 830m have been completed. The rehabilitation of the area where a fall of ground of 22.5m took place delayed development of the South haulage. A decision was therefore taken to blast a loop around the affected area, as further delays were also expected with the installation of arches and foam

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support which was required to make this area safe. Ground conditions dictated that the Haulage South be moved 30m to the west, thus increasing access development by 120m or two months. This change in design will, however, reduce risk significantly in the future.

69 Level reef and inclined waste development

95 Raise Line – 194m of the estimated 440m has been completed (44%).

96 Raise Line – 63m of the estimated 440m has been completed (14%).

71 Level access development

Development has also started on 71 Level during the quarter with 30m having been completed so far.

Project engineering

Overall project engineering was 59% completed during the quarter.

Although the project will be completed by February 2008, production should already commence during December 2007.

TSHEPONG DECLINE

Total project 54% complete

Access development 75% complete

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Capital cost update

R million

Approved capital

280.2

Final estimated cost

280.3

Sunk capital

164.9

Remaining capital

115.4

Annual capital expenditure profile

Table (R million)

2002/3

2003/4

2004/5

2005/6

2006/7

2007/8

Total

Plan 2003

37.4

78.5

62.6

66.7

35.6

280.8

Plan 2005 Rev

32.8

66.6

40.6

80.6

41.0

18.7

280.3

Actual

32.8

66.6

40.6

24.9

164.9

2003

2004

2005

2006

2007

2008

Total

Actual sunk

32.8

66.6

40.6

24.9

164.9

Forecast

55.7

41.0

18.7

115.4

Total

32.8

66.6

40.6

80.6

41.0

18.7

280.3

Financial evaluation update

Gold price (kg)

R92 000

NPV at 7.5%

R738.3 million

IRR

32.4%

14

Tshepong decline

15

Sub 66 Decline

Project

Masimong Mine

The mine achieved 1 000 000 fatality free shifts during January 2006.

With the phasing in of CONOPS, volumes increased by 12% to 232 000 tons. Grade however dropped by 6% to 4.7 g/t, which impacted negatively on the R/kg cost that went up to R96 573/kg. The Quality Mining Audit Team has been deployed on the mine to assist with getting the recovered grade back to planned levels which is around 5.5 g/t. The re-introduction of CONOPS will continue during the quarter and it is envisaged that it should be completed by March 2006. Masimong made a profit of R5.9 million for the quarter.

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Masimong expansion project

For the quarter, capital expenditure amounted to R5.5 million and a total of 1 284m capital development was achieved. This was an improvement in excess of 200m on the previous quarter's achievement. The seasonal change to summer has put environmental conditions under the spotlight and a consultant has been brought in to look at current designs and optimise the available ventilation. A major water fissure was intersected on 1810 level and sealing operations have already started. It is anticipated that this process should take approximately four weeks to complete.

Capital cost update

R million

Final estimated cost

193.4

Sunk capital

123.4

Remaining capital

70.0

Annual capital expenditure profile

Table (R million) 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 Total**Actual sunk**

26.4

38.7

24.5

21.1

12.7

123.4

Forecast

21.0

49.0

70.0

Total**26.4****38.7****24.5****21.1****33.7****49.0****193.4**

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Financial evaluation update

Gold price (kg)

R92 000

NPV at 7.5%

R302 million

IRR

154%

Evander Region

It was encouraging to see that Evander 2 and 5 shaft turned from the previous loss-making position (R12 million) to a profit of R12 million during this quarter. This was done on the back of improved volumes (+11%), grade (+25%) and real costs reduced by 2%. Volumes on 7 and 8 shafts improved by 8% and 7%, respectively. Total tons in the region for the quarter therefore went up from 374 000 tons to 402 000 tons, an improvement of 7.4%.

Recovery grades also improved by 1% which resulted in the gold production going up by 9% to 2 524kg.

As stated in the previous reports it must be noted that 7 shaft has been mining in a very high grade pay shoot area and that it was not sustainable. Mining in this pay shoot has now been completed and subsequent grades will therefore be lower until such time that development has reached the next payshoot area.

Unit costs in R/kg terms came down by 3% to R72 021 and profit went up by 89% to R73.8 million.

Randfontein (Cooke Section)

Volumes were up by 5% from 345 000 tons to 362 000 tons. Recovery grades went up by 8% from 5.4g/t to 5.8 g/t which increased gold production by 13%, to 2 113kg. Cost in real terms came down from R160.6 million to R154.7 million, a reduction of 4%. Unit costs came down by 15% from R85 767 to R73 207, which increased profit by R48.4 million from R11.3 million in the previous quarter to R59.7 million in the December quarter, demonstrating the high gearing that these operations have.

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Leveraged operations – significant operational turnaround at most shafts

Shafts included under this section are: Bambanani, Joel, West Shaft, St Helena 8, Harmony 2, Merriespruit 1 and 3 Shafts, Unisel, Brand 3 and Orkney 2 and 4 Shafts.

December

September

2005

2005

U/g tonnes milled

('000)

1 252

1 218

U/g recovery grade

(g/t)

4,88

4,42

U/g kilograms produced (kg)

6 113

5 380

U/g working costs

(R/kg)

90 074

100 158

U/g working costs

(R/tonne)

440

442

With the restructuring completed, major focus was placed on improving quality on these shafts. Volumes improved by some 3%, but recovery grades had an improvement of more than 10%. This led to gold production being up by 14% to 6 113 kg. Although real cost went up by 4%, unit cost in R/kg terms came down by 10% to R90 074, giving our leveraged operations a profit margin of 14% taking the average gold price received of R102 333. As a result of the improved volumes, grades and revenue received, a profit of R76.0 million was realised compared to a loss of R45.8 million in the previous quarter.

The star performer in this area has been Bambanani which returned a profit of R28.3 million after making a loss of R31.6 million in the previous quarter. Two other shafts that have performed significantly better for the quarter were Unisel, from break-even in the September quarter to a profit of R23.4 million and Harmony 2, from a loss of R5.0 million in the previous quarter to a profit of R17.2 million.

SA surface operations (includes Kalgold)

December

September

2005

2005

Surface tonnes milled

('000)

938

838

Surface recovery grade

(g/t)

0,99

1,47

Kilograms produced

(kg)

926

1 228

Working costs

(R/kg)

89 849

87 029

Working costs

(R/tonne)

89

128

Kalgold

As reported during the previous quarter, an unstable ground condition had been developing on the eastern wall of the D Zone pit, which had to be addressed during the December quarter. Work therefore was stopped in the D Zone and mining only continued in the lower grade A Zone. Although production levels continued to improve during the quarter by another 4% to 468 000 tons, recovery grades were down by 27%. It must be

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noted that this is a temporary drop in grade and that work will be completed during the March 2006 quarter after which mining operations will return to the D Zone again. Despite the significant drop in grade, unit costs in Rand per kilogram terms were only up by 19% due to good cost control and improved volumes. Rand per ton cost came in at R129/t which was 14% lower than the September quarter. Kalgold profit for the quarter decreased to R8.5 million (September 2005 – R15 million).

Growth projects – Elandsrand, Doornkop and Phakisa

December

September

2005

2005

U/g tonnes milled

('000)

312

315

U/g recovery grade

(g/t)

5,63

6,33

U/g kilograms produced (kg)

1 756

1 995

U/g working costs

(R/kg)

104 188

91 253

U/g working costs

(R/tonne)

586

578

Good progress continues to be made on the delivery of our growth projects. Volumes from the operating mines however decreased by 12.1% to 1 756 kg (September 2005 – 1 995 kg) and operating costs increased by 14% to R104 188/kg. The main impact here was made by Elandsrand mine.

ELANDSRAND NEW MINE PROJECT

Infrastructure

During the quarter the sinking and equipping of the No. 2 Service shaft progressed to within 13m of 102 level. The civil construction of 115 level pump station was completed during the quarter, which allowed the mechanical and electrical installation to begin. The raise boring of the 92 level turbine dam centre hole was completed during the quarter and this now allows the slipping of the dam to start. The additional ore pass (between 100 level and the existing ore pass system) has progressed well during the quarter. It is envisaged that the linking between the rock pass systems of the old mine and the new mine will take place during the next quarter. The rock loading system at 115 level has also been completely commissioned and has been operational for the December quarter. The complete loading system on 115 level and shaft bottom spillage arrangement has been completed and will be handed over to the mine during January 2006.

Access development

The progress on 109 level access development has been excellent during the quarter. An average advance of 90m per month has been achieved, on both the haulage and the return airway. The progress on 113 level has been hindered by the amount of methane that has been intersected on a number of occasions from diamond drilling holes. After discontinuing development on 113 level on 23 June 2005 due to a methane intersection, the end was started again on 9 December 2005 after it had been declared safe to continue with operations.

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Capital cost update

R million

Final estimated cost

798.1

Sunk capital

509.8

Remaining capital

288.3

Annual capital expenditure profile

Table (R million)

2001

2002

2003

2004

2005

2006

2007

2008

2009

2010

Total

Actual sunk

36

107

106

105

96

59

509

Forecast

70

131

63

21

4

289

Total

36

107

106

105

96

129

131

63

21

4

798

Financial evaluation update

Gold price (kg)

R92 000

NPV at 10%

R1 513 million

IRR

33,4%

Doornkop South Reef capital project

Station development continued on 202, 207 and 212 levels, with preparations underway to start-up station work on 205 level as well. Access development continued on 192 level and 197 level. Good progress was made on three separate reef raises on 192 level and the travelling way position to the first raise has also been reached on 197 level.

Shaft-sinking operations went well during the quarter and 80m have been sunk, lined and equipped since September, from below 132 level. The rate of sinking has been increasing steadily by a consistent 13,5m per week being achieved in November.

Sliping of the shaft to final diameter from 197 level is presently underway. This operation has progressed 100m from 197 level past 205 level where the station was cut and is now at the 207 level position where station-cutting operations are almost completed. Shaft-sinking resumed from below 207 level to 212 level early in January 2006. It is planned that the portion of shaft between 197m to 40m below 212 level will be sliped to final diameter by the time the sinking operation above reached 192 level. This should take place during May 2006.

The updated schedule provides for the main shaft to be partially commissioned (excluding the additional rock winder) by the end of 2006. Production will ramp-up over the next three years to 135 000 t/m of ore.

21

During the past quarter a commissioning team has been put together to start preparing for commissioning the new mine. Implementation plans have been drawn up for successful commissioning.

Capital cost update (end December 2005)

R million

Final estimated cost

959

Sunk capital

297

Remaining capital

662

Annual capital expenditure profile

Table (R m)

2003

2004

2005

2006

2007

2008

2009

2010

2011

Total

Actual sunk

13

98

114

72

297

Forecast

87

183

167

124

54

47

662

Total

13

98

114

159

183

167

124

54

47

959

22

Financial evaluation update

Gold price (kg)

R92 000

NPV at 7.5% – June 2005

R412 million

IRR

45%

Phakisa capital project

Shaft equipping

Milestone dates achieved during the December quarter

Equip shaft buntons and guides surface to 54 level

4 October 2005

Koepe winder headgear installation 54 level to 55 level

17 November 2005

Koepe winder commissioning and licensing

6 December 2005

55 level station equipping

16 December 2005

Shaft equipping from surface to 55 level to 59 level

23 December 2005

Project engineering

Development on 55 belt level

Preparation of Rail-veyor haulage on 55 level

20%

Rail-veyor connecting haulage development

82%

Bulk Air Cooler chamber development

55%

23

Capital cost update

Approved capital

R613 million

Nyala change from production shaft to care and maintenance

R31 million

Final estimated cost

R644 million

Annual capital expenditure profile

Table (R million)

2003/4

2004/5

2005/6

2006/7

2007/8

2008/9

Total

Actual sunk

117

116

75

308

Forecast

115

106

98

17

336

Total

117

116

190

106

98

17

644

Financial evaluation update

Gold price (kg)

R92 000

NPV at 7.5% – January 2005

R1 327.2 million

IRR

26%

24

Project status December 2005

Sinking line and equipping of Phakisa Shaft

AUSTRALIAN OPERATIONS

December

September

2005

2005

Tonnes milled

('000)

781

765

Recovery grade

(g/t)

2,45

2,48

Kilograms produced

(kg)

1 917

1 897

Working costs

(R/kg)

80 820

78 643

Working costs

(R/tonne)

198

195

Highlights

Hedge position reduced by another 10 000 ounces during the quarter

Production ounces increased by 11% at Mt Magnet

Further good exploration drill results for open pit resource at South Kal Mines

Achieved two years' Lost Time Injury ("LTI") free at Mt Marion underground at South Kal Mines

Production commenced at St George underground at the Mt Magnet operations

25

26

The Australian operations generated an operating profit of A\$8.5 million in the December quarter compared to A\$6.0 million in the previous quarter. Given that the production profile remained the same, this improvement was a direct result of the 10% improvement in the gold price received per ounce in Australia during the quarter. Delays in ramping up production at the St George underground at our Mt Magnet operations, and lower production at Mt Marion underground at our South Kal Mines contributed to the operation not achieving targeted production for the quarter. Capital expenditure decreased significantly from A\$12.7 million in the previous quarter to A\$7.7 million in the current quarter, mainly as a result of a reduction in expenditure on the St George underground mine, which has now been commissioned, as well as the completion of the tailings dam lift at the Mt Magnet operations.

During the quarter 10 000 ounces of calls were closed out. These out of the money hedge positions were inherited with the acquisition of Hill 50 and have an average strike price of A\$515. The negative mark to market valuation of the outstanding hedge commitments at quarter end amounted to A\$104 million, based on an A\$ spot price of A\$703/oz.

Mount Magnet

Mt Magnet operations produced 38 394 ounces of gold in the December quarter from the milling of 4 4 3 2 9 0 tonnes of ore, compared to the production of 34 463 ounces of gold and the milling of 422 843 tonnes of ore in the September quarter. This resulted in a cash operating profit of A\$5.4 million for the site in the current quarter compared to A\$4.5 million in the previous quarter.

Underground production increased from 18 940 ounces in the previous quarter to 21 647 ounces in the current quarter, mainly as a result of additional ounces being produced by St George. 104 108 underground tonnes were milled at 6.47 g/t in the quarter compared to 77 619 underground tonnes milled at 7.59 g/t in the previous quarter. Full production at the St George underground was delayed until the middle of December due to additional orebody definition work resulting in increased resource ounces for the first stoping level, requirements for additional ground support in the crown pillar and delays in ventilation establishment. All of these resulted in less ounces produced than forecast for the period. This problem has however been resolved and it is expected that this will result in increased development and production rates from St George in the March quarter. The drill programme of the Water Tank Hill lodes, which are accessible from the St George underground is continuing, with 5 holes from a 12-hole phased programme completed with a number of mineralised zones intersected at target positions. These results will be modelled and subjected to a feasibility study in the March quarter. Depth extensions to the Northern lodes at St George which potentially could add additional levels to the mine will also be subjected to a drill programme in the March quarter.

Open pit mining is continuing in the Cue region, with expected completion of operations in May, after which open pit mining will resume around Mt Magnet. Production increased slightly in the current quarter to 16 747 ounces compared to 15 523 ounces in the previous quarter, however slips in the Rheingold pits continued to impact on ounces produced during the quarter.

71 000 ounces has been added to the Indicated Mineral Resource category since the start of the regional exploration drilling programme around the Mt Magnet and Cue regions in June 2005. 18 600 of these ounces have been converted to open pit reserves and will be mined in the near future. This drill programme is continuing, with a number of new targets which will be followed up in the March quarter. As part of the process of adding production ounces to these operations various discussions were held with parties controlling prospective tenements and projects within the Mt Magnet region. These discussions will be pursued in the current quarter.

27

The conversion of the diesel power station to gas is set to be completed by early February, with a number of gas generators already in operation. This conversion will reduce milling unit costs by 13% going forward.

South Kal Mines (“SKM”)

Mt Marion underground mine at our South Kal operations achieved two years’ LTI free production shifts during the December quarter, which is an exceptional performance for an underground operation. The operation produced 23 239 ounces of gold in the quarter compared to 26 540 ounces in the September quarter from the milling of 337 566 tonnes of ore.

Ground stability problems due to increased stress levels within the lower stope access drives at Mt Marion severely affected underground ore production in the quarter. Tonnage from underground was 103 430 tonnes at 4.21 g/t compared to the previous quarter’s production of 130 145 tonnes at 3.99 g/t. It is expected that these underground conditions will require increased ground support and drive rehabilitation activities going forward, which will affect production. As planned decline development stopped during the quarter as the economic depth limit has been reached, which will effectively put the mine in harvest mode and reduce capital expenditure going forward.

Negotiations with the underground contract mining company which was initiated last quarter were concluded during the quarter, with a new contract on the verge of being signed. The terms of the new contract will result in an increase in underground mining costs going forward.

Jubilee plant has seen general improvements in reagent consumption as a result of the upgraded gravity extraction unit which was installed in the previous quarter. Throughput rates however were reduced towards the end of the quarter as a result of problems with the crushing circuit which resulted in unscheduled down time. These problems have now been addressed.

Low grade stockpiled ore from various completed open pit mine areas is continuing to be trucked to the Jubilee mill to provide blending options with the underground Mt Marion ore.

A process has been initiated which will investigate the feasibility of doing an additional cutback on the HamptonBoulderJubilee (“HBJ”) pit. The pit which has been mined previously contains significant gold resources which may be economical to mine in the current gold price environment. A recommendation on whether to proceed with mining the pit or not will be made to the board in the June quarter.

Exploration work during the quarter at SKM focused on the Shirl prospect on Location 59. Reverse circulation and diamond drilling was utilised to test the bedrock below shallow RAB/aircore intercepts, as reported in the previous quarter and yielded some outstanding results:

05BSRC058

20m @ 4.8 g/t Au from 39m

16m @ 9.9 g/t Au from 76m

05BSRC060

9m @ 5.5 g/t Au from 78m

3m @ 25.0 g/t Au from 110m

05BSRC064

5m @ 9.7 g/t Au from 73m

3m @ 9.1 g/t Au from 90m

05BSRC068

19m @ 6.4 g/t Au from 105m

05BSRC069

14m @ 4.3 g/t Au from 73m

05BSDD003

13m @ 6.5 g/t Au from 112m

05BSDD004

11m @ 15.7g/t Au from 146m

28

The Main zone of mineralisation defined to date strikes northeast, dips to the northwest and is hosted in differentiated gabbro. Continuity of mineralisation has been established over 250m of strike and to a vertical depth of 140m below surface. Currently the Main zone is open along strike and at depth.

Drill intercepts have also highlighted potential for additional lodes sub-parallel with the Main zone and on the western gabbro/ultramafic contact. However, infill drilling is required to increase confidence in the continuity of these lodes.

A full scale resource/reserve definition drilling to scope out the size and extent of the deposit will proceed in the March quarter, as statutory clearing permits have now been received.

The site showed a cash operating profit for the quarter of A\$3.1 million compared to A\$1.5 million in the September quarter.

OTHER PROJECTS

Northern Territory Burnside Joint Venture (50%)

As reported in the previous quarter Northern gold NL has contracted to purchase Harmony's 50% interest in the Burnside Joint Venture for a series of staggered cash and share payments. The first instalment comprising A\$4 million cash, A\$1 million bond replacement and A\$5 million in the shares of Northern Gold's Toronto-listed parent company, GBS Gold International Inc, is due at the beginning of April 2006. The second instalment is due in early October 2006 (A\$5.0 million cash and A\$4.4 million in GBS shares) and the final instalment (A\$5.35 million cash) is due in October 2007.

The pre-conditions to the Sale and Purchase Agreement have now all been satisfied, other than for Northern Gold/GBS raising the necessary cash. GBS is planning to complete this raising in the North American capital markets in early February 2006, with various technical and regulatory documents having already been filed with the Canadian Regulatory Commissions. The Burnside JV continues to operate within budget, with recent activities focused on care and maintenance activities for the Northern Territory wet season. Planning activities will shortly turn to the handover of administration, accounting and tenement reporting activities to Northern Gold/GBS.

As soon as all the conditions precedent is met we will account for the sale.

29

OPERATING AND FINANCIAL RESULTS

(Rand/metric) (unaudited)

Underground production – South Africa

Leve-

Quality

Growth

rated

Ounces

Projects

Ounces

Sub-total

Ore milled – t'000

Dec-05

1 574

312

1 252

3 138

Sep-05

1 464

315

1 218

2 997

Gold produced – kg

Dec-05

9 604

1 756

6 113

17 473

Sep-05

8 719

1 995

5 380

16 094

Yield – g/tonne

Dec-05

6.10

5.63

4.88

5.57

Sep-05

5.96

6.33

4.42

5.37

Cash operating costs – R/kg

Dec-05

74 725

104 188

90 074

83 057

Sep-05

76 896

91 253

100 158

86 452

Cash operating costs – R/tonne

Dec-05

456

586

440

462

Sep-05

458

578

442

464

Working revenue (R'000)

Dec-05

981 335

180 504

626 599

1 788 438

Sep-05

798 188

183 850

492 960

1 474 998

Cash operating costs (R'000)

Dec-05

717 658

182 954

550 621

1 451 233

Sep-05

670 457

182 050

538 852

1 391 359

Cash operating profit (R'000)

Dec-05

263 677

(2 450)

75 978

337 205

Sep-05

127 731

1 800

(45 892)

83 639

Capital expenditure (R'000)

Dec-05

148 711

135 214

59 391

343 316

Sep-05

108 833

140 184

45 597

294 614

Quality Ounces – Evander Shafts, Randfontein Cooke Shafts, Target, Tshepong, Masimong

Growth Projects – Doornkop shaft and South Reef Project, Elandsrand shaft and New Mine Project, Phakisa shaft,

Tshepong Decline Project

Leveraged Ounces – Bambanani, Joel, West, St Helena 8, Harmony 2, Merriespruit 1 and 3, Unisel, Brand 3 and

Orkney 2

and 4

30

OPERATING AND FINANCIAL RESULTS

(Rand/metric) (unaudited)

South Africa

South Africa

Australia

Harmony

Surface

Total

Total

Total

Ore milled – t'000

Dec-05

938

4 076

781

4 857

Sep-05

838

3 835

765

4 600

Gold produced – kg

Dec-05

926

18 399

1 917

20 316

Sep-05

1 228

17 322

1 897

19 219

Yield – g/tonne

Dec-05

0.99

4.51

2.45

4.18

Sep-05

1.47

4.52

2.48

4.18

Cash operating costs – R/kg

Dec-05

89 849

83 398

80 820

83 154

Sep-05

87 029

86 493

78 643

85 718

Cash operating costs – R/tonne

Dec-05

89

376

198

348

Sep-05

128

391

195

358

Working revenue (R'000)

Dec-05

94 098

1 882 536

196 270

2 078 806

Sep-05

112 361

1 587 359

178 821

1 766 180

Cash operating costs (R'000)

Dec-05

83 200

1 534 433

154 931

1 689 364

Sep-05

106 872

1 498 231

149 186

1 647 417

Cash operating profit (R'000)

Dec-05

10 898

348 103

41 339

389 442

Sep-05

5 489

89 128

29 635

118 763

Capital expenditure (R'000)

Dec-05

304

343 620

105 103

448 723

Sep-05

0

294 614

71 389

366 003

31

TOTAL OPERATIONS – QUARTERLY FINANCIAL RESULTS

(Rand/metric) (unaudited)

Quarter ended Quarter ended Quarter ended

31 December 30 September

31 December

2005

2005

2004

(restated)

Ore milled

t'000

4 857

4 600

5 916

Gold produced

kg

20 316

19 219

24 604

Gold price received

R/kg

102 333

91 888

84 031

Cash operating costs

R/kg

83 154

85 718

77 415

R million

R million

R million

Revenue

2 079

1 766

2 068

Cash operating costs

(1)

1 690

1 647

1 749

Cash operating profit

389

119

319

Amortisation and depreciation of mining properties,
mine development costs and mine plant facilities

(1)

(249)

(244)

(267)

Corporate, administration and other expenditure

(72)

(56)

(41)

Provision for rehabilitation costs

(2)

(3)

(14)

Operating profit/(loss)

66

(184)

(3)

Amortisation and depreciation other than mining properties, mine development costs and mine plant facilities

(10)

(11)

(6)

Employment termination and restructuring costs

(15)

101

(74)

Care and maintenance cost

(27)

(88)

(35)

Share-based compensation

(30)

(33)

(19)

Exploration expenditure

(32)

(18)

(20)

Profit on sale of investment in Gold Fields

306

—

—

Mark-to-market of listed investments

22

21

—

Interest paid

(98)

(96)

(104)

Interest received

48

52

27

Other income/(expenses) – net

6

(21)

(16)

Loss on financial instruments

(183)

(115)

(29)

(Loss)/Gain on foreign exchange

(21)

20

14

Loss on sale of listed investments and subsidiaries

(1)

–

–

Profit/(Loss) before tax

31

(372)

(265)

Current tax – (expense)/benefit

(4)

–

56

Deferred tax – (expense)/benefit

(1)

(5)

48

(7)

Net profit/(loss)

22

(324)

(216)

(1) The change in accounting policy on capitalisation of mine development costs had the following effect:

– Cash operating costs – decrease

161

136

156

– Amortisation and depreciation of mining properties, mine development costs and mine plant facilities

(75)

(71)

(57)

– Deferred tax – expense

(18)

(13)

(19)

– Net effect of change in accounting policy

68

52

80

The effects of the change in policy are in the process of being audited. The company does not expect any material change to arise from the audit.

32

TOTAL OPERATIONS – QUARTERLY FINANCIAL RESULTS

(Rand/metric) (unaudited)

Quarter ended Quarter ended Quarter ended

31 December 30 September

31 December

2005

2005

2004

(restated)

Loss per share – cents*

– Basic earnings/(loss)

6

(82)

(63)

– Headline loss

(75)

(86)

(70)

– Fully diluted earnings/(loss)** ***

6

(82)

(63)

Dividends per share – (cents)

– Interim

–

–

–

– Proposed final

–

–

–

* Calculated on weighted average number of shares in issue at quarter end December 2005: 392.7 million (September 2005: 392.3 million) (December 2004: 345.0 million).

** Calculated on weighted average number of diluted shares in issue at quarter end December 2005: 398.5 million (September 2005: 392.3 million) (December 2004: 344.7 million).

*** The effect of the share options is anti-dilutive.

Reconciliation of headline loss:

Net profit/(loss)

22

(324)

(216)

Adjustments:

– Profit on sale of assets

(12)

(15)

(25)

– Loss on disposal of Sangold investment

1

–

–

– Profit on disposal of investment in Gold Fields

(306)

–

–

Headline loss

(295)

(339)

(241)

33

TOTAL OPERATIONS – YEAR TO DATE FINANCIAL RESULTS

(Rand/metric) (unaudited)

Year to date

Year to date

31 December

31 December

2005

2004

(restated)

Ore milled

t'000

9 457

12 480

Gold produced

kg

39 535

50 426

Gold price received

R/kg

97 256

83 528

Cash operating costs

R/kg

84 406

77 658

R million

R million

Revenue

3 845

4 212

Cash operating costs

(1)

3 337

3 601

Cash operating profit

508

611

Amortisation and depreciation of mining properties, mine development costs and mine plant facilities

(1)

(493)

(553)

Corporate, administration and other expenditure

(128)

(79)

Provision for rehabilitation costs

(5)

(28)

Operating loss

(118)

(49)
Amortisation and depreciation other than mining properties,
mine development costs and mine plant facilities

(21)

(15)
Employment termination and restructuring costs

86

(180)
Care and maintenance cost

(115)

(83)
Share-based compensation

(63)

(30)
Exploration expenditure

(50)

(44)
Profit on sale of investment in Gold Fields

306

–

Mark-to-market of listed investments

43

–

Interest paid

(194)

(204)

Interest received

100

63
Other expenses – net

(15)

(15)
Loss on financial instruments

(298)

(28)

(Loss)/Gain on foreign exchange

(1)

13

Loss on sale of listed investments and subsidiaries

(1)

–

Profit on Australian-listed investments

–

4

Loss before tax

(341)

(568)

Current tax – (expense)/benefit

(4)

39

Deferred tax – benefit

(1)	
43	
46	
Net loss	
(302)	
(483)	
(1) The change in accounting policy on capitalisation of mine development costs had the following effect:	
– Cash operating costs – decrease	
297	
315	
– Amortisation and depreciation of mining properties, mine development costs and mine plant facilities	
(146)	
(112)	
– Deferred tax – expense	
(31)	
(38)	
– Net effect of change in accounting policy	
120	
165	
The effects of the change in policy are in the process of being audited. The company does not expect any material change to arise from the audit.	

34

TOTAL OPERATIONS – YEAR TO DATE FINANCIAL RESULTS

(Rand/metric) (unaudited)

Year to date

Year to date

31 December

31 December

2005

2004

(restated)

Loss per share – cents*

– Basic loss

(77)

(145)

– Headline loss

(162)

(157)

– Fully diluted loss** ***

(77)

(145)

Dividends per share – (cents)

– Interim

–

–

– Proposed final

–

–

* Calculated on weighted average number of shares in issue for six months to December 2005: 392.6 million (December 2004: 332.9 million).

** Calculated on weighted average number of diluted shares in issue for six months to December 2005: 396.7 million (December 2004: 332.8 million).

*** The effect of the share options is anti-dilutive.

Reconciliation of headline loss:

Net loss

(302)

(483)

Adjustments:

– Profit on sale of assets

(27)

(34)

– Profit on Australian-listed investments

–

(4)

– Loss on disposal of Sangold investment

1

–

– Profit on disposal of investment in Gold Fields

(306)

–

Headline loss

(634)

(521)

35

ABRIDGED BALANCE SHEET AT 31 DECEMBER 2005

(Rand)

At 31 December At 30 September At 31 December

2005

2005

2004

R million

R million

R million

(Unaudited)

(Unaudited)

(Unaudited)

(restated)

ASSETS

Non-current assets

Property, plant and equipment

22 735

22 633

23 520

Intangible assets

2 268

2 268

2 268

Investments

2 191

4 709

6 364

27 194

29 610

32 152

Current assets

Inventories

560

552

550

Receivables

744

597

383

Income and mining taxes

24

27

—

Cash and cash equivalents

2 914

971

296

4 242

2 147

1 229

Total assets

31 436

31 757

33 381

EQUITY AND LIABILITIES

Share capital and reserves

Issued capital

25 689

25 645

25 500

Fair value and other reserves

(717)

(257)

(2 061)

Deferred share-based compensation

(185)

(215)

(128)

(Accumulated loss)/Retained earnings

(1 708)

(1 729)

1 222

23 079

23 444

24 533

Non-current liabilities

Long-term borrowings

2 506

2 464

2 861

Net deferred taxation liabilities

2 122

2 128

2 762

Net deferred financial liabilities

498

436

529

Long-term provisions

943

938

825

6 069

5 966

6 977

Current liabilities

Accounts payable

892

995

870

Accrued liabilities

309
298
362
Short-term portion of long-term borrowings
1 079
1 046
602
Income and mining taxes
—
—
27
Shareholders for dividends
8
8
10
2 288
2 347
1 871
Total equity and liabilities
31 436
31 757
33 381
Number of ordinary shares in issue
394 161 367
393 341 194
392 993 004
Net asset value per share (cents)
5 853
5 960
6 243

The balance sheet at 30 June 2005 is in accordance with the audited balance sheet, except for the effects of the adoption of IFRS 2, Share-based Payments, and the change in the accounting policy relating to the capitalisation of development costs.

36

OPERATING AND FINANCIAL RESULTS

(US\$/imperial) (unaudited)

Underground production – South Africa

Leve-

Quality

Growth

rated

Ounces

Projects

Ounces

Sub total

Ore milled – t'000

Dec-05

1 736

344

1 381

3 461

Sep-05

1 614

347

1 343

3 304

Gold produced – oz

Dec-05

308 774

56 456

196 537

561 767

Sep-05

280 321

64 140

172 970

517 431

Yield – oz/t

Dec-05

0.18

0.16

0.14

0.16

Sep-05

0.17

0.18

0.13

0.16

Cash operating costs – \$/oz

Dec-05

356

496

429

396

Sep-05

368

437

479

414

Cash operating costs – \$/t

Dec-05

63

81

61

64

Sep-05

64

81

62

65

Working revenue (\$'000)

Dec-05

150 267

27 640

95 948

273 855

Sep-05

122 809

28 287

75 847

226 943

Cash operating costs (\$'000)

Dec-05

109 892

28 015

84 314

222 221

Sep-05

103 157

28 010

82 908

214 075

Cash operating profit (\$'000)

Dec-05

40 375

(375)

11 634

51 634

Sep-05

19 652

277

(7 061)

12 868

Capital expenditure (\$'000)

Dec-05

22 771

20 705

9 094

52 570

Sep-05

16 745

21 569

7 016

45 330

Quality Ounces – Evander Shafts, Randfontein Cooke Shafts, Target, Tshepong, Masimong

Growth Projects – Doornkop shaft and South Reef Project, Elandsrand shaft and New Mine Project, Phakisa shaft,

Tshepong Decline Project

Leveraged Ounces – Bambanani, Joel, West, St Helena 8, Harmony 2, Merriespruit 1 and 3, Unisel, Brand 3 and Orkney 2

and 4

37

OPERATING AND FINANCIAL RESULTS

(US\$/imperial) (unaudited)

South Africa

South Africa

Australia

Harmony

Surface

Total

Total

Total

Ore milled – t'000

Dec-05

1 034

4 495

861

5 356

Sep-05

924

4 228

844

5 072

Gold produced – oz

Dec-05

29 771

591 538

61 633

653 171

Sep-05

39 481

556 912

60 990

617 902

Yield – oz/t

Dec-05

0.03

0.13

0.07

0.12

Sep-05

0.04

0.13

0.07

0.12

Cash operating costs – \$/oz

Dec-05

428

397

385

396

Sep-05

416
 414
 376
 410
Cash operating costs – \$/t
Dec-05
12
52
28
48
 Sep-05
 18
 55
 27
 50
Working revenue (\$'000)
Dec-05
14 409
288 264
30 054
318 318
 Sep-05
 17 288
 244 231
 27 513
 271 744
Cash operating costs (\$'000)
Dec-05
12 740
234 961
23 724
258 685
 Sep-05
 16 443
 230 518
 22 954
 253 472
Cash operating profit (\$'000)
Dec-05
1 669
53 303
6 330
59 633
 Sep-05
 845
 13 713
 4 559
 18 272
Capital expenditure (\$'000)
Dec-05
47

52 617

16 094

68 711

Sep-05

0

45 330

10 984

56 314

38

TOTAL OPERATIONS – QUARTERLY FINANCIAL RESULTS

(US\$/imperial) (unaudited)

Quarter ended Quarter ended Quarter ended

31 December 30 September

31 December

2005

2005

2004

(restated)

Ore milled

t'000

5 356

5 072

6 525

Gold produced

oz

653 171

617 902

791 033

Gold price received

\$/oz

487

440

434

Cash operating costs

\$/oz

396

410

367

\$ million

\$ million

\$ million

Revenue

318

272

343

Cash operating costs

(1)

259

254

290

Cash operating profit

59

18

53

Amortisation and depreciation of mining properties,
mine development costs and mine plant facilities

(1)

(38)

(38)

(44)
Corporate, administration and other expenditure

(11)

(9)

(7)

Provision for rehabilitation costs

–

–

(2)

Operating profit/(loss)

10

(29)

–

Amortisation and depreciation other than mining
properties, mine development costs and mine
plant facilities

(2)

(2)

(1)

Employment termination and restructuring costs

(2)

16

(12)

Care and maintenance

(4)

(14)

(6)

Share-based compensation

(5)

(5)

(3)

Exploration expenditure

(5)

(3)

(3)

Profit on sale of investment in Gold Fields

47

–

–

Mark-to-market of listed investments

3

3

–

Interest paid

(15)

(15)

(17)

Interest received

7

8

4

Other income/(expenses) – net

1

(3)

(3)

Loss on financial instruments

(28)

(18)

(5)

(Loss)/Gain on foreign exchange

(3)

3

2

Profit/(Loss) before tax

4

(59)

(44)

Current tax – (expense)/benefit

(1)

–

9

Deferred tax – (expense)/benefit

(1)

(1)

7

(1)

Net profit/(loss)

2

(52)

(36)

(1) The change in accounting policy on capitalisation of mine development costs had the following effect:

– Cash operating costs – decrease

25

21

26

– Amortisation and depreciation of mining properties, mine development costs and mine plant facilities

(11)

(11)

(9)

– Deferred tax – expense

(3)

(2)

(3)

– Net effect of change in accounting policy

11

8

14

The effects of the change in policy are in the process of being audited. The company does not expect any material change to arise from the audit.

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TOTAL OPERATIONS – QUARTERLY FINANCIAL RESULTS

(US\$/imperial) (unaudited)

Quarter ended Quarter ended Quarter ended

31 December 30 September

31 December

2005

2005

2004

(restated)

Loss per share – cents*

– Basic earnings/(loss)

1

(13)

(10)

– Headline loss

(12)

(13)

(12)

– Fully diluted earnings/(loss)** ***

1

(13)

(10)

Dividends per share – (cents)

– Interim

–

–

–

– Proposed final

–

–

–

Currency conversion rates average for the quarter: December 2005: US\$1 = R6.53 (September 2005: US\$1 = R6.50) (December 2004: US\$1 = R6.03).

** Calculated on weighted average number of shares in issue at quarter end December 2005: 392.7 million (September 2005: 392.3 million) (December 2004: 345.0 million).*

*** Calculated on weighted average number of diluted shares in issue at quarter end December 2005: 398.5 million (September 2005: 392.3 million) (December 2004: 344.7 million).*

**** The effect of the share options is anti-dilutive.*

Reconciliation of headline loss:

Net profit/(loss)

2

(52)

(36)

Adjustments:

– Profit on sale of assets

(2)

(2)

(4)

– Profit on disposal of investment in Gold Fields

(47)

-

-

Headline loss

(47)

(54)

(40)

40

TOTAL OPERATIONS – YEAR TO DATE FINANCIAL RESULTS

(US\$/imperial) (unaudited)

Year to date

Year to date

31 December

31 December

2005

2004

(restated)

Ore milled

t'000

10 428

13 762

Gold produced

oz

1 271 074

1 621 226

Gold price received

\$/oz

464

419

Cash operating costs

\$/oz

403

358

\$ million

\$ million

Gold sales

590

679

Cash operating costs

(1)

512

580

Cash operating profit

78

99

Amortisation and depreciation of mining properties,
mine development costs and mine plant facilities

(1)

(76)

(89)

Corporate, administration and other expenditure

(20)

(13)

Provision for rehabilitation costs

(1)

(5)

Operating loss

(19)

(8)
Amortisation and depreciation other than mining properties,
mine development costs and mine plant facilities

(3)

(2)

Employment termination and restructuring costs

13

(29)

Care and maintenance

(17)

(13)

Share-based compensation

(10)

(5)

Exploration expenditure

(8)

(7)

Profit on sale of investment in Gold Fields

47

–

Mark-to-market of listed investments

7

–

Interest paid

(30)

(33)

Interest received

15

10

Other expenses – net

(2)

(2)

Loss on financial instruments

(46)

(5)

Gain on foreign exchange

–

2

Profit on Australian-listed investments

–

1

Loss before tax

(53)

(91)

Current tax – (expense)/benefit

(1)

6

Deferred tax – benefit

(1)

7

8

Net loss

(47)

(77)

(1) The change in accounting policy on capitalisation of mine development costs had the following effect:

– Cash operating costs – decrease

46

51

– Amortisation and depreciation of mining properties, mine development costs and mine plant facilities

(22)

(18)

– Deferred tax – expense

(5)

(6)

– Net effect of change in accounting policy

19

27

The effects of the change in policy are in the process of being audited. The company does not expect any material change to arise from the audit.

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TOTAL OPERATIONS – YEAR TO DATE FINANCIAL RESULTS

(US\$/imperial) (unaudited)

Year to date

Year to date

31 December

31 December

2005

2004

(restated)

Loss per share – cents*

– Basic loss

(12)

(23)

– Headline loss

(25)

(25)

– Fully diluted loss** ***

(12)

(23)

Dividends per share – (cents)

– Interim

–

–

– Proposed final

–

–

Prepared in accordance with International Financial Reporting Standards.

Currency conversion rates average for the six months to: December 2005: US\$1 = R6.51 (December 2004: US\$1 = R6.21).

** Calculated on weighted average number of shares in issue for six months to December 2005: 392.6 million (December 2004: 332.9 million).*

*** Calculated on weighted average number of diluted shares in issue for six months to December 2005: 396.7 million (December 2004: 332.8 million).*

**** The effect of the share options is anti-dilutive.*

Reconciliation of headline loss:

Net loss

(47)

(77)

Adjustments:

– Profit on sale of assets

(4)

(5)

– Profit on Australian-listed investments

–

(1)

– Profit on disposal of investment in Gold Fields

(47)

–

Headline loss

(98)

(83)

42

ABRIDGED BALANCE SHEET AT 31 DECEMBER 2005

(US\$)

At 31 December At 30 September

At 31 December

2005

2005

2004

US\$ million

US\$ million

US\$ million

(Unaudited)

(Unaudited)

(Unaudited)

(restated)

ASSETS

Non-current assets

Property, plant and equipment

3 592

3 564

4 179

Intangible assets

358

357

403

Investments

346

742

1 131

4 296

4 663

5 713

Current assets

Inventories

88

87

98

Receivables

118

94

68

Income and mining taxes

4

4

—

Cash and cash equivalents

460

153

53

670

338

219

Total assets

4 966

5 001

5 932

EQUITY AND LIABILITIES

Share capital and reserves

Issued capital

4 058

4 039

4 530

Fair value and other reserves

(113)

(41)

(366)

Deferred share-based compensation

(29)

(34)

(23)

(Accumulated loss)/Retained earnings

(270)

(272)

217

3 646

3 692

4 358

Non-current liabilities

Long-term borrowings

396

388

508

Net deferred taxation liabilities

335

335

491

Net deferred financial liabilities

79

69

94

Long-term provisions

149

148

147

959

940

1 240

Current liabilities

Accrued payables

141

156

156

Accrued liabilities

49

47

64

Short-term portion of long-term borrowings

170

165

107

Income and mining taxes

–

–

5

Shareholders for dividends

1

1

2

360

369

334

Total equity and liabilities

4 966

5 001

5 932

Number of ordinary shares in issue

394 161 367

393 341 194

392 993 004

Net asset value per share (US cents)

925

939

1 109

Balance sheet converted at conversion rate of US\$1 = R6.33 (September 2005: R6.35) (December 2004: R5.63) .

The balance sheet at 30 June 2005 is in accordance with the audited balance sheet, except for the effects of the adoption of IFRS 2 , Share-based Payments, and the change in accounting policy relating to the capitalisation of development costs.

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CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2005

(unaudited)

Issued

Fair value

Deferred

share

and other

share-based

Retained

capital

reserves compensation

earnings

Total

R million

R million

R million

R million

R million

Balance at 1 July 2005

25 645

(670)

(248)

(1 406)

23 321

Issue of share capital

44

–

–

–

44

Currency translation

adjustment and other

–

(47)

–

–

(47)

Adoption of IFRS 2,

share-based payments

–

–

63

–

63

Net loss

–

–

–

(302)

(302)

**Balance at
31 December 2005**

25 689

(717)

(185)

(1 708)

23 079

(restated)

Balance at 1 July 2004

20 945

(1 186)

(27)

1 801

21 533

Issue of share capital

4 424

—

—

—

4 424

Currency translation
adjustment and other

—

(875)

—

—

(875)

Adoption of IFRS 2,
share-based payments

131

—

(101)

—

30

Net loss

—

—

—

(483)

(483)

Dividends paid

—

—

—

(96)

(96)

Balance at 31 December 2004

25 500

(2 061)

(128)

1 222
24 533
Issued
Fair value
Deferred
share
and other
share-based
Retained
capital
reserves compensation
earnings
Total
US\$ million
US\$ million
US\$ million
US\$ million
US\$ million
Balance at 1 July 2005
4 051
(106)
(39)
(222)
3 684
Issue of share capital
7
—
—
—
7
Currency translation
adjustment and other
—
(7)
—
(7)
Adoption of IFRS 2,
share-based payments
—
—
10
—
10
Net loss
—
—
(48)
(48)
Balance at

31 December 2005

4 058

(113)

(29)

(270)

3 646

(restated)

Balance at 1 July 2004

3 721

(211)

(5)

320

3 825

Issue of share capital

786

—

—

—

786

Currency translation
adjustment and other

—

(155)

—

—

(155)

Adoption of IFRS 2,
share-based payments

23

—

(18)

—

5

Net loss

—

—

—

(86)

(86)

Dividends paid

—

—

—

(17)

(17)

Balance at 31 December 2004

4 530

(366)

(23)

217

4 358

Balances translated at closing rates of: December 2005: US\$1 = R6.33 (December 2004: US\$1 = R5.63).

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SUMMARISED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2005

(unaudited)

Six

Six

Six

Six

months

months

months

months

ended

ended

ended

ended

31 December

31 December

31 December 31 December

2004

2005

2005

2004

US\$ million

US\$ million

R million

R million

Cash flow from operating activities

(11)

(49) Cash utilised by operations

(320)

(67)

10

15

Interest and dividends received

100

63

(19)

(14) Interest paid

(94)

(120)

—

—

Income and mining taxes paid

(2)

—

(20)

(48) Cash utilised by operating activities

(316)

(124)

Cash flow from investing activities

Net proceeds on disposal/(additions)

(9)

365

of listed investments

2 461

(57)

Net additions to property, plant and

(116)

(121) equipment

(786)

(722)

–

1

Other investing activities

4

1

Cash generated/(utilised) by

(125)

245

investing activities

1 679

(778)

Cash flow from financing activities

3

(45) Long-term loans (repaid)/raised

(295)

18

(6)

7

Ordinary shares issued – net of expenses

45

(36)

(15)

–

Dividends paid

–

(95)

(18)

(38) Cash utilised by financing activities

(250)

(113)

(1)

26

Foreign currency translation adjustments

(29)

(103)

Net increase/(decrease) in cash

(164)

185

and equivalents

1 084

(1 118)

217

275

Cash and equivalents – 1 July

1 830

1 414

53

460

Cash and equivalents – 31 December

2 914

296

Operating activities translated at average rates of: December 2005: US\$1 = R6.51 (December 2004: US\$1 = R6.21).

Closing balance translated at closing rates of: December 2005: US\$1 = R6.33 (December 2004: US\$1 = R5.63).

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SUMMARISED CASH FLOW STATEMENT
FOR THE THREE MONTHS ENDED 31 DECEMBER 2005

(unaudited)

Three

Three

Three

Three

months

months

months

months

ended

ended

ended

ended

30 Septem- 31 December

31 December

30 Septem-

ber 2005

2005

2005

ber 2005

US\$ million

US\$ million

R million

R million

Cash flow from operating activities

(28)

(21) Cash utilised by operations

(136)

(184)

8

7

Interest and dividends received

48

52

(7)

(7) Interest paid

(47)

(47)

–

–

Income and mining taxes paid

(2)

–

(27)

(21) Cash utilised by operating activities

(137)

(179)

Cash flow from investing activities

–
 378
 Net proceeds on disposal of listed investments
 2 461
 –
 (54)
 (67) Net additions to property, plant and equipment
 (436)
 (350)
 –
 –
 Other investing activities
 3
 –
 (54)
 311
 Cash generated/(utilised) by investing activities
 2 028
 (350)
Cash flow from financing activities
 (45)
 –
 Long-term loans repaid
 –
 (295)
 –
 7
 Ordinary shares issued – net of expenses
 45
 –
 (45)
 7
 Cash generated/(utilised) by financing activities
 45
 (295)
 4
 10
Foreign currency translation adjustments
 7
 (35)
 (122)
 307
 Net increase/(decrease) in cash and equivalents
 1 943
 (859)
 275
 153
 Cash and equivalents – beginning of quarter
 971
 1 830
 153

460

Cash and equivalents – end of quarter

2 914

971

Operating activities translated at average rates of: December 2005 quarter: US\$1 = R6.53 (September 2005 quarter: US\$1 = R6.03).

Closing balance translated at closing rates of: December 2005: US\$1 = R6.33 (September 2005: US\$1 = R6.35).

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RECONCILIATION BETWEEN CASH OPERATING PROFIT AND CASH (UTILISED)/
GENERATED BY OPERATIONS – PERIOD ENDED 31 DECEMBER 2005

Six

Six

Quarter

Quarter

months to

months to

ended

ended

31 December 31 December 31 December 30 September

2005

2004

2005

2005

R million

R million

R million

R million

Cash operating profit

508

611

389

119

Other cash items per income statement:

Other income

85

61

33

52

Employment termination, restructuring
and care and maintenance costs

(29)

(263)

(42)

13

Corporate, administration and other
expenditure

(128)

(79)

(72)

(56)

Exploration expenditure

(50)

(44)

(32)

(18)

Provision for rehabilitation costs

(5)

(3)

(2)
(3)
Cash flow statement adjustments:
Cost of Avgold currency hedge and
close out of hedges
(139)
(94)
(77)
(62)
Profit on sale of mining assets
(27)
(34)
(12)
(15)
Interest and dividends received
(100)
(63)
(48)
(52)
Other non-cash items
(25)
(43)
(24)
(1)
Effect of changes in operating working
capital items:
Receivables
(113)
477
(148)
35
Inventories
18
(19)
(8)
26
Accrued liabilities
(68)
(54)
10
(78)
Accounts payable
(247)
(520)
(103)
(144)
Cash utilised by operations
(320)
(67)
(136)
(184)

47

NOTES TO THE RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2005

1.

Basis of accounting

The unaudited results for the quarter have been prepared using accounting policies that comply with International Financial Reporting Standards (IFRS). These consolidated quarterly statements are prepared in accordance with IFRS 34, Interim Financial Reporting. The accounting policies are consistent with those applied in the previous financial year, except for the adoption of the revised international accounting standards forthcoming from the IAS improvements project and the changes which are described in Notes 2 and 3.

2. New accounting policies adopted

(a) Share-based Payments (IFRS 2)

On 1 July 2005, the Company adopted the requirements of IFRS 2, Share-based Payments. In accordance with the transitional provisions, IFRS 2 has been applied to all grants of equity-settled payments after 7 November 2002 that were unvested at 1 January 2005. The Company issues equity-settled instruments to certain qualifying employees under an Employee Share Option Scheme to purchase shares in the Company's authorised but unissued ordinary shares. Equity share-based payments are measured at the fair value of the equity instruments at the date of the grant.

The total fair value of the options granted is recorded as deferred share-based compensation as a separate component of shareholders' equity with a corresponding amount recorded as share premium. The deferred share-based compensation is expensed over the vesting period, based on the Company's estimate of the shares that are expected to eventually vest. The Company used the binominal option pricing model in determining the fair value of the options granted.

The impact of this adjustment on the net profit/(loss) is an expense of R63 million for the December 2005 year to date (December 2004 year to date: R30 million) (December 2005 quarter: R30 million) (September 2005 quarter: R33 million) (December 2004 quarter: R19 million).

(b) Determining whether an arrangement contains a lease (IFRIC 4)

On 1 July 2005, the Company applied the requirements of IFRIC 4, Determining whether an arrangement contains a lease. The objective of the interpretation is to determine whether an arrangement contains a lease that falls within the scope of IAS 17, Leases. The lease is then accounted in accordance with IAS 17. The application of the interpretation had no impact on the results of the quarter or any prior reporting period.

3. Change in accounting policy

(a) Capitalisation of mine development costs

Previously mine development costs were capitalised when the reef horizon was intersected. Expenditure for all development that will give access to proven and probable ore reserves will now be capitalised. Capitalised costs are amortised over the estimated life of the proven and probable reserves to which the costs give access.

The impact of this adjustment on the net profit/(loss) is as follows:

– A decrease in the cash operating costs of R297 million for the December 2005 year to date (December 2004 year to date: R315 million) (December 2005 quarter: R161 million) (September 2005 quarter: R136 million) (December 2004 quarter: R156 million).

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- Additional amortisation charges of R146 million for the December 2005 year to date (December 2004 year to date: R112 million) (December 2005 quarter: R75 million) (September 2005 quarter: R71 million) (December 2004 quarter: R57 million).
- Taxation effect of the capitalised development costs and additional amortisation charges of R31 million for December 2005 year to date (December 2004 year to date: R38 million) (December 2005 quarter: R18 million) (September 2005 quarter: R13 million) (December 2004 quarter: R19 million).

4. Derivative financial instruments

Commodity contracts

The Harmony Group's outstanding commodity contracts against future production, by type at 31 December 2005 are indicated below. The total net delta of the hedge book at 31 December 2005 was 455,379 oz (14,164 kg).

Year

30 June

30 June

30 June

30 June

2006

2007

2008

2009

Total

AUSTRALIAN DOLLAR GOLD

Forward contracts Kilograms

3,110

4,572

3,110

3,110

13,903

Ounces

100,000

147,000

100,000

100,000

447,000

AUD per oz

511

515

518

518

515

Call options sold Kilograms

–

311

–

–

311

Ounces

–

10,000

–
–
10,000
AUD per oz
–
562
–
–
562
Total commodity contracts
Kilograms
3,110
4,883
3,110
3,110
14,214
Ounces
100,000
157,000
100,000
100,000
457,000
Total net gold*
Delta (kg)
3,110
4,874
3,099
3,080
14,164
Delta (oz)
99,991
156,707
99,642
99,039
455,379

* The Delta of the hedge position indicated above, is the equivalent gold position that would have the same marked-to-market sensitivity for a small change in the gold price. This is calculated using the Black-Scholes option formula with the ruling market prices, interest rates and volatilities at 31 December 2005.

These contracts are classified as speculative and the marked-to-market movement is reflected in the income statement.

The mark-to-market of these contracts was a negative R486 million (negative USD77 million) at 31 December 2005 (at 30 September 2005: negative R345 million or negative USD54 million). The values at 31 December 2005 were based on a gold price of USD514 (AUD704) per ounce, exchange rates of USD1/R6.33 and AUD1/USD0.73 and prevailing market interest rates and volatilities at that date. These valuations were provided by independent risk and treasury management experts.

At 27 January 2006, the marked-to-market value of the hedge book was a negative R557 million (negative USD91 million), based on a gold price of USD559 (AUD741) per ounce, exchange rates of USD1/R6.11 and AUD1/USD0.75 and prevailing market interest rates and volatilities at that time.

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These marked-to-market valuations are not predictive of the future value of the hedge position, nor of the future impact on the revenue of the company. The valuation represents the cost of buying all hedge contracts at the time of the valuation, at market prices and rates available at the time.

Harmony closed out 10,000 oz call option contracts during the quarter ended 31 December 2005 at a cost of R3.3 million (USD500,000). During the quarter ended 30 September 2005, Harmony closed out 20,000 oz call option contracts and 8,000 oz forward contracts, at a cost of R4.3 million (USD680,000).

Interest rate swaps

The Group has interest rate swap agreements to convert R600 million of its R1,2 billion fixed rate bond to variable rate debt. The interest rate swap runs over the term of the bond, interest is received at a fixed rate of 13% and the Company pays floating rate based on JIBAR plus a spread ranging from 1.8% to 2.2%.

These transactions which mature in June 2006 are designated as fair value hedges. The marked-to-market value of the transactions was a positive R11 million (USD2 million) at 31 December 2005, based on the prevailing interest rates and volatilities at the time.

Currency contracts

Harmony inherited currency contracts with the acquisition of Avgold. These currency contracts matured on 31 December 2005 and was closed out accordingly. The contracts were classified as speculative and the mark-to-market movement was reflected in the income statement.

The mark-to-market of these contracts was R NIL (USD NIL) at 31 December 2005 (30 September 2005: negative R64 million or negative USD10 million). These values were based upon an exchange rate of USD1/R6.35 at 30 September 2005 and prevailing market interest rates at the time. Independent risk and treasury management experts provided these valuations.

Z B Swanepoel

N V Qangule

Chief Executive

Financial Director

Virginia

10 February 2006

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DEVELOPMENT RESULTS

(metric)

Quarter ended 30 September 2005

Quarter ended 31 December 2005

Channel Channel

Channel Channel

Reef Sampled

width

value

Gold

Reef Sampled

width

value

Gold

metres

metres

(cm's)

(g/ t) (cmg/t)

metres

metres

(cm's)

(g/t) (cmg/t)

Randfontein

VCR Reef

1,822

1,368

93

15.41

1,437

1,599

1,407

83

21.39

1,767

UE1A

820

730

144

9.81

1,412

595

674

137

7.43

1,020

E8 Reef

283

264

198

3.44

683
57
57
186
2.08
387
Kimberley Reef
96
108
42
24.81
1,042
640
230
133
5.64
752
South Reef
0
0
0
0.00
0
0
0
0
0
0
All Reefs
3,021
2,470
117
11.36
1,332
2,890
2,368
106
13.47
1,423
Free State
Basal
1,117
1,007
83
12.37
1,029
1,354
1,174
91
11.98
1,091

Leader

867

646

168

5.12

863

1,040

894

187

6.13

1,148

A Reef

741

606

88

3.90

344

708

668

87

4.87

425

Middle

141

118

232

11.00

2,555

137

144

250

3.57

892

B Reef

396

484

82

19.11

1,567

515

488

65

23.43

1,523

All Reefs

3,261

2,861

109

9.14

1,000

3,753

3,368

119

8.65

1,028

Evander

Kimberley Reef

1,660

1,674

62

12.33

766

1,772

1,695

59

13.97

818

Elandskraal

VCR Reef

149

116

119

10.18

1,209

158

248

168

9.29

1,561

Orkney

Vaal Reef

47

0

0

0.00

0

140

0

0

0.00

0

VCR

0

0

0

0.00

0

0

0

0

0.00

0

All Reefs

47

0

0

0.00

0

140

0

0

0.00

0

Target

Elsburg

350

338

360

8.35

3,006

448

377

277

5.69

1,576

Freegold JV

Basal

1,170

1,124

52

24.99

1,291

1,538

1,388

31

46.32

1,424

Beatrix

302

291

116

11.88

1,381

242

249

155

8.09

1,251

Leader

0

0

0

0.00

0
45
45
208
4.39
911
B Reef
0
0
0
0.00
0
0
0
0
0.00
0
All Reefs
1,472
1,415
65
20.16
1,310
1,825
1,682
54
25.73
1,385

51

DEVELOPMENT RESULTS

(imperial)

Quarter ended 30 September 2005

Quarter ended 31 December 2005

Channel Channel

Channel Channel

Reef Sampled

width

value

Gold

Reef Sampled

width

value

Gold

feet

feet (inches)

(oz/t) (in.oz/t)

feet

feet (inches)

(oz/t) (in.oz/t)

Randfontein

VCR Reef

5,976

4,488

37

0.45

17

5,244

4,615

33

0.62

20

UE1A

2,691

2,395

57

0.28

16

1,951

2,211

54

0.22

12

E8 Reef

929

866

78

0.10

8

187

187
73
0.05
4
Kimberley Reef
316
354
17
0.71
12
2,101
755
52
0.17
9
South Reef
0
0
0
0.00
0
0
0
0
0.00
0
All Reefs
9,912
8,103
46
0.33
15
9,483
7,767
42
0.38
16
Free State
Basal
3,664
3,304
33
0.33
12
4,442
3,852
36
0.35
13
Leader
2,844

2,119
66
0.15
10
3,411
2,933
74
0.18
13
A Reef
2,429
1,988
35
0.11
4
2,322
2,192
34
0.14
5
Middle
463
387
91
0.32
29
448
472
98
0.10
10
B Reef
1,300
1,588
32
0.56
18
1,689
1,601
26
0.67
17
All Reefs
10,700
9,386
43
0.27
11 12,313
11,050
47
0.25

12

Evander

Kimberley Reef

5,446

5,492

24

0.37

9

5,814

5,561

23

0.41

9

Elandskraal

VCR Reef

489

381

47

0.30

14

518

814

66

0.27

18

Orkney

Vaal Reef

154

0

0

0.00

0

459

0

0

0.00

0

VCR

0

0

0

0.00

0

0

0

0

0.00

0

All Reefs

154

0

0
0.00
0
459
0
0
0.00
0
Target
Elsburg
1,148
1,109
142
0.24
35
1,469
1,237
109
0.17
18
Freegold JV
Basal
3,837
3,688
20
0.74
15
5,046
4,554
12
1.36
16
Beatrix
991
955
46
0.34
16
794
817
61
0.24
14
Leader
0
0
0
0.00
0
148
148

82
0.13
10
B Reef
0
0
0
0.00
0
0
0
0
0.00
0
All Reefs
4,828
4,642
24
0.58
15
5,988
5,518
21
0.76
16

52

CONTACT DETAILS

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Z B Swanepoel (Chief Executive)

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†

, V N Fakude*

Dr D S Lushaba*, M Motloba*,

N V Qangule, C M L Savage*

(*non-executive) (

†

Mozambique)

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Philip Kotze

Executive: Investor Relations

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Capita Registrars

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The Bank of New York

101 Barclay Street

New York, NY 10286

United States of America

Telephone:

+1888-BNY ADRS

Fax:

+1 212 571 3050

Trading Symbols

JSE Limited

HAR

New York Stock Exchange, Inc.

HMY

London Stock Exchange plc

HRM

Euronext Paris

HG

Euronext Brussels

HMY

Berlin Stock Exchange

HAM1

NASDAQ

HMY

Registration number 1950/038232/06

Incorporated in the Republic of South Africa

ISIN: ZAE000015228

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:

17 February

, 200

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Harmony Gold Mining Company Limited

By:

/s/ Nomfundo Qangule

Name: Nomfundo Qangule

Title: Chief Financial Officer