

## Taxation of Dividends

The gross amount of dividends that you receive in cash (or that are part of the distribution of property that any shareholder has the right to receive in cash) in respect of the ordinary shares generally will be subject to U.S. federal income taxation as foreign source dividend income. Dividends paid in South African Rand will be includible in your gross income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day you receive

(or the depository receives, in the case of the ADSs) the dividend. You generally should not be required to recognize any foreign currency gain or loss to the extent such dividends are not taxable in the U.S.

### Exercise of Warrants

South African Rand are converted into U.S. dollars immediately upon receipt by the applicable party. In general, you will not recognize any gain or loss when you exercise warrants. The tax basis of the ordinary shares you receive when you exercise your warrants will

be equal to your tax basis, as adjusted, in the warrants so exercised, plus the exercise price. Your

holding period for the ordinary shares received upon exercise of your warrants will not include the exercise price of the warrants is subject to adjustment under certain circumstances.

The period during which you held the warrants for purposes, adjustments that have the effect of

increasing the proportionate interest of a U.S. holder of the warrants in Harmony's assets or

earnings can give rise to deemed dividend income to such holder. In some circumstances (e.g., a

distribution of our stock or rights to acquire our stock to holders of ordinary

### Capital Gains

failure to adjust the exercise price could also give rise to deemed dividend income to a U.S.

holder of If you sell your ordinary shares or warrants, you will recognize capital gain or loss equal to the difference between the amount you realize on the sale

and your

adjusted tax basis in the ordinary shares or warrants. You will recognize a capital loss if you fail

to exercise a warrant prior to its expiration date. Such gain or loss generally will be long-term

capital gain or loss if you held the ordinary shares or warrants for more than one year. Long-

term capital gain recognized by an individual U.S. holder is generally subject to a maximum tax

rate of 15% for U.S. holders, with a maximum rate of 20% for non-U.S. holders.

For U.S. holders, the sale of ordinary shares or warrants will be treated as U.S. source income or loss, as the

case may be of the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Securities Tax in the U.S. or the extent that you incur South African stamp duty, MST or uncertified

Warrants" above, such stamp duty, MST or uncertified securities tax will not be a creditable tax for U.S. foreign tax credit purposes.

**Non-U.S. Holders**

If you are a non-U.S. holder of the ordinary shares, you generally will not be subject to U.S. federal income or withholding tax on dividends received on such ordinary shares, unless such income is effectively connected with your conduct of a trade or business in the United States. If you are a non-U.S. holder of the ordinary shares or warrants, you will also generally not be subject to U.S. federal income or withholding tax in respect of gain realized on the sale of such ordinary shares or warrants, unless (i) such gain is effectively connected with your conduct of a trade or business in the United States or (ii) in the case of gain

**U.S. Information Reporting and Backup Withholding Rules**

individual non-U.S. holder, you are present in the United States for 183 days or more in the payments of dividends and sales proceeds that are made within the United States through a U.S. intermediary, or (ii) you are a U.S. resident for U.S. federal income tax purposes.

For purposes of the preceding discussion, you are a U.S. resident if you are a U.S. citizen or a U.S. resident alien, or if you are a non-U.S. citizen or alien who has elected to be treated as a U.S. resident for U.S. federal income tax purposes.

For purposes of the preceding discussion, you are a U.S. resident alien if you are a non-U.S. citizen or alien who has elected to be treated as a U.S. resident for U.S. federal income tax purposes.

For purposes of the preceding discussion, you are a U.S. resident alien if you are a non-U.S. citizen or alien who has elected to be treated as a U.S. resident for U.S. federal income tax purposes.

For purposes of the preceding discussion, you are a U.S. resident alien if you are a non-U.S. citizen or alien who has elected to be treated as a U.S. resident for U.S. federal income tax purposes.

For purposes of the preceding discussion, you are a U.S. resident alien if you are a non-U.S. citizen or alien who has elected to be treated as a U.S. resident for U.S. federal income tax purposes.

For purposes of the preceding discussion, you are a U.S. resident alien if you are a non-U.S. citizen or alien who has elected to be treated as a U.S. resident for U.S. federal income tax purposes.

For purposes of the preceding discussion, you are a U.S. resident alien if you are a non-U.S. citizen or alien who has elected to be treated as a U.S. resident for U.S. federal income tax purposes.

For purposes of the preceding discussion, you are a U.S. resident alien if you are a non-U.S. citizen or alien who has elected to be treated as a U.S. resident for U.S. federal income tax purposes.

For purposes of the preceding discussion, you are a U.S. resident alien if you are a non-U.S. citizen or alien who has elected to be treated as a U.S. resident for U.S. federal income tax purposes.

For purposes of the preceding discussion, you are a U.S. resident alien if you are a non-U.S. citizen or alien who has elected to be treated as a U.S. resident for U.S. federal income tax purposes.

For purposes of the preceding discussion, you are a U.S. resident alien if you are a non-U.S. citizen or alien who has elected to be treated as a U.S. resident for U.S. federal income tax purposes.

For purposes of the preceding discussion, you are a U.S. resident alien if you are a non-U.S. citizen or alien who has elected to be treated as a U.S. resident for U.S. federal income tax purposes.

**STATEMENTS BY EXPERTS**

Not applicable.

**DOCUMENTS ON DISPLAY**

Harmony's Memorandum and Articles of Association may be examined at its principal place of business being 4 The High Street, First Floor, Melrose Arch, Melrose North

2196, South Africa. Harmony also files annual and special reports and other information with the Securities and Exchange Commission, or the SEC. You may read and copy any reports or other information on file with the SEC at the public reference room at the following location:

Public Reference Room  
450 Fifth Street, N.W.  
Room 1024  
Washington, D.C. 20549

Please call the SEC at 1-800-SEC-0330 for further information on the reference rooms. The SEC filings are also available to the public from commercial document retrieval services. Harmony does not file electronically with the SEC, and the documents it files are not available on the SEC's website.

**SUBSIDIARY INFORMATION**

Not applicable.