



# INVESTOR BRIEF

November 2014

**Harmony Gold Mining Company Limited**

Registration no. 1950/038232/06

Ticker codes: JSE (HAR), NYSE (HMY)

[www.harmony.co.za](http://www.harmony.co.za)

- One of the world's leading gold mining companies, operating in South Africa and Papua New Guinea
- Harmony produces more than 1Moz of profitable gold annually
- The safety and health of our employees and contractors is vital to the creation of a sustainable, responsible business
  - safety is our key priority and one of our five core values
  - we strive to eliminate and prevent all fatalities and work-related injuries and illnesses, and to promote a culture that gives priority to health and safety
- Harmony does not work in isolation but is part of a broader community with stakeholders (both internal and external) who are affected by our business
  - ensuring the sustainability of our business will enable us to create lasting value in the short, medium and the long term for the benefit of all our stakeholders
  - sustainability is thus at the heart of our business strategy and will enable us to share the benefits of our success with a broad range of stakeholders

- Building world class mines in South Africa and Papua New Guinea
- Produced 1.17Moz\* of gold in FY14
- 9 underground mines, one open pit operation and several surface sources in South Africa
- 50% joint venture in Papua New Guinea with Newcrest Mining Ltd
  - Hidden Valley open pit mine
  - Wafi-Golpu
  - Exploration
- 100% Papua New Guinea exploration areas
- Reserves of 49.5Moz\* and resources of 133.8Moz\*
- Empowered– compliant with 2014 Mining Charter requirements
- Employs about 33 000 people (including 4 500 contractors)
- Market capitalisation as at end September 2014: US\$953 million
- 435 825 447 shares in issue

\* Moz = million ounces

## A COMPETITIVE, VALUE FOCUSED GOLD MINING COMPANY



1. Improving our margins



- Safely delivering on plans
- Increase free cash flow through higher grades and cost control
- Retain flexible balance sheet

2. Growing the value of our PNG assets to reflect in our share price



- Complete Golpu studies
- Build a mine at Golpu

3. Identifying acquisition opportunities



- Open pit mines and bulk mining project opportunities will be assessed and evaluated

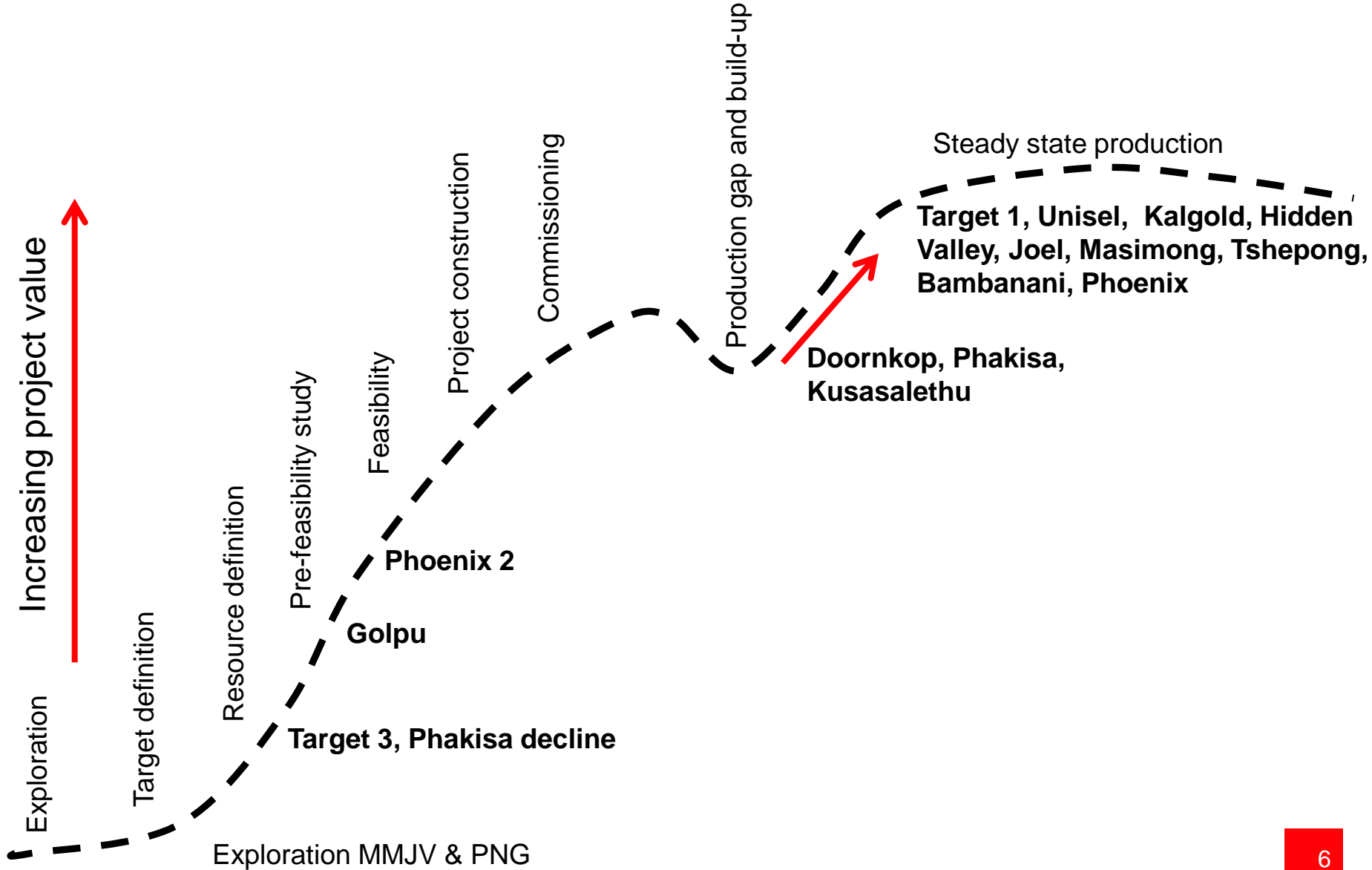
**EXPERIENCED TEAMS WITH STRONG VALUES; COMMITTED TO DELIVER**

# Progress against our strategy



Our strategy	Our performance q-on-q	
Safely delivering on plans	<ul style="list-style-type: none"> <li>• Safety record improved</li> <li>• Production improved</li> </ul>	✓
Increase free cash flow through higher grades and cost control	<ul style="list-style-type: none"> <li>• Free cash flow improved</li> <li>• Grades higher</li> <li>• Costs contained</li> </ul>	✓
Retain flexible balance sheet	Net debt decreased	✓
Complete Golpu studies and build mine	Pre feasibility study results planned for release in December 2014	✓

# Harmony's portfolio of assets



- Diversified risk portfolio with exposure to South Africa, Papua New Guinea, gold and copper
- Revised operational plans create a profitable and cash generative Harmony
  - will produce approximately 1.2Moz at an AISC\* of approximately US\$1 150 - 1 300/oz<sup>1</sup> (R410 000 - 430 000/kg) in FY15
  - planning parameters used: Gold price of R425 000/kg for South Africa operations, the Hidden Valley operations and Wafi-Golpu project of US\$1 250/oz Au, US\$21/oz Ag, US\$15/lb Mo and US\$3.10/lb Cu
- We intend to develop Golpu during FY15 to FY20
- Only safe, profitable quality ounces will be mined

\* AISC: All-in sustaining costs

<sup>1</sup> Exchange rate of US\$/R10.50 was used

Au = gold; Ag = silver; Mo = molybdenum; Cu = copper

1. Labour disputes / labour unrest
2. Not achieving our operational objectives
3. Safety risks
4. Socio-economic, political and regulatory changes
5. Gold price and foreign exchange fluctuations (varying from planned levels)
6. Major infrastructure incidents
7. Not growing the company for future ounces/ growing the company for future ounces
8. Potential liability for occupational health diseases
9. Productivity
10. New technology



# Our four key value drivers

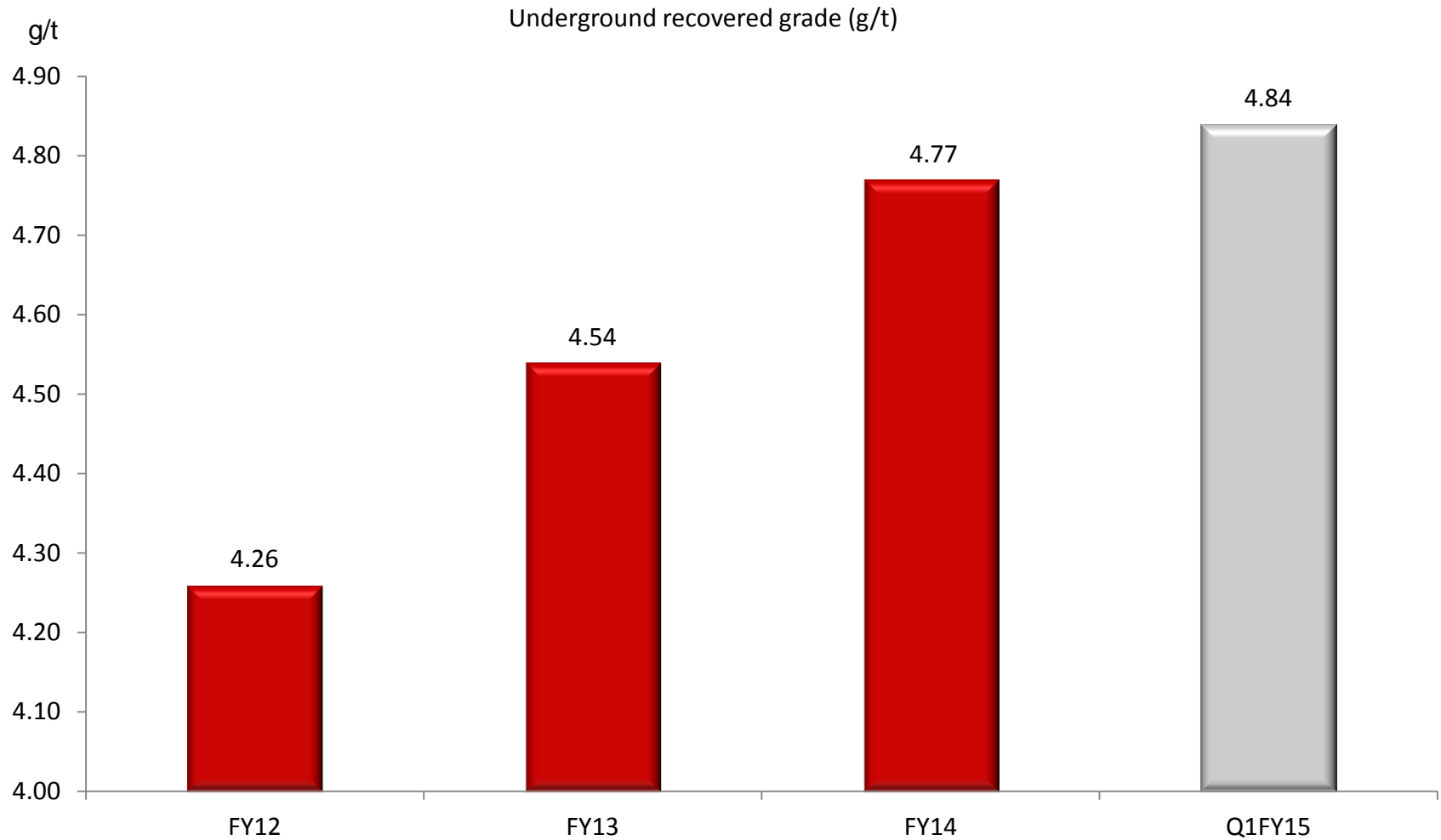


- 1 We are efficient miners
- 2 Capital spend that ensures future growth and profitability
- 3 We are experienced explorers, mine developers and operators in emerging economies
- 4 Golpu will develop into a world-class copper-gold mine

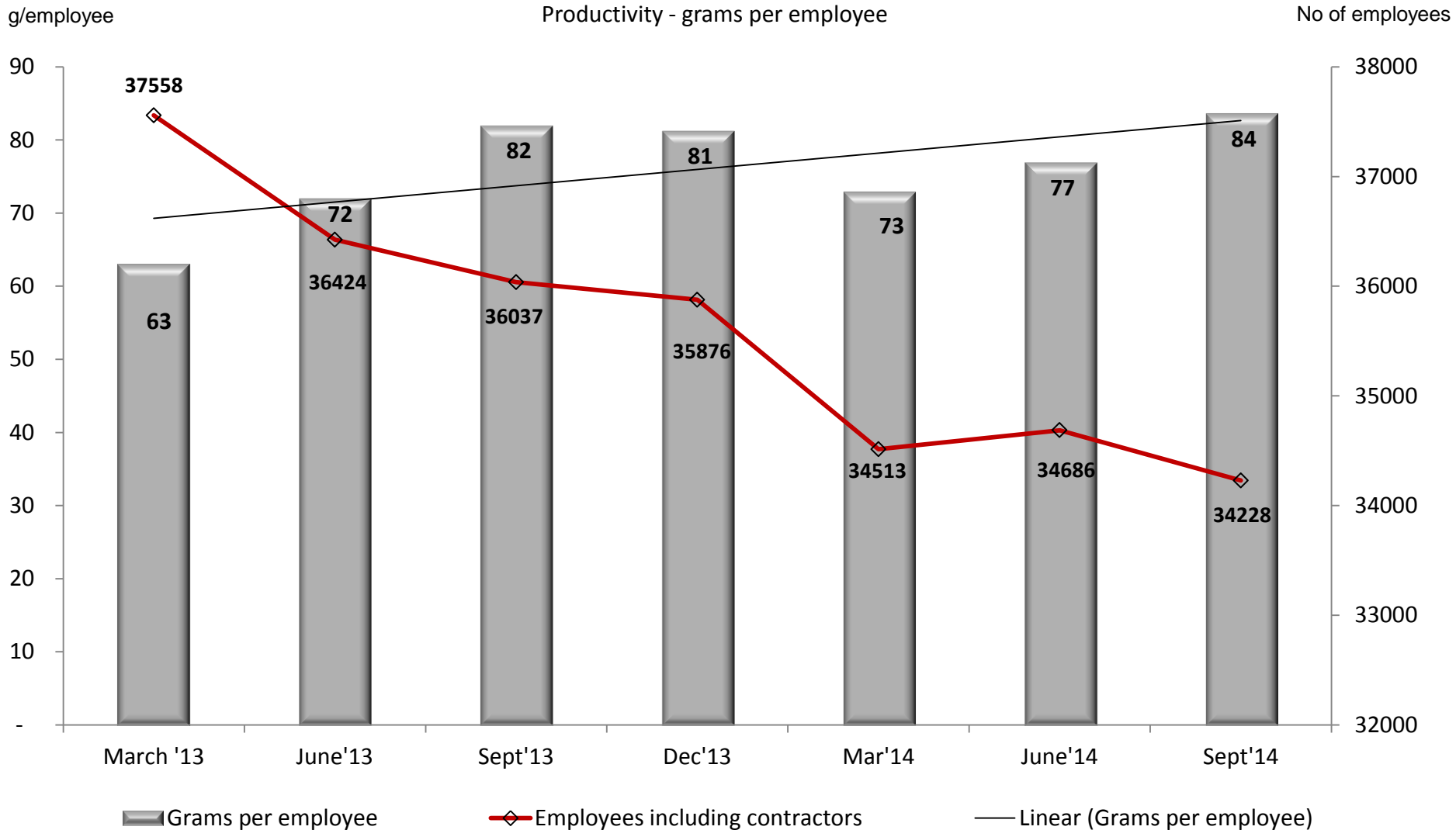


**WE ARE EFFICIENT  
MINERS**

# Continued grade improvements



# We are improving our productivity (grams/employee)

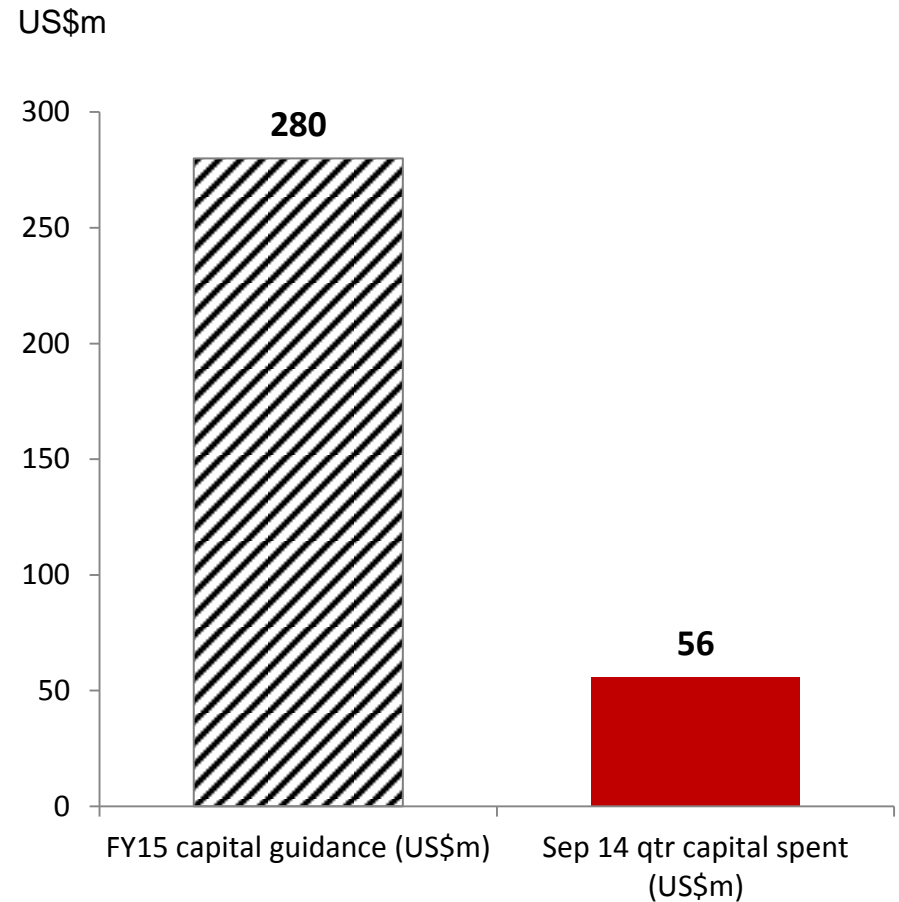
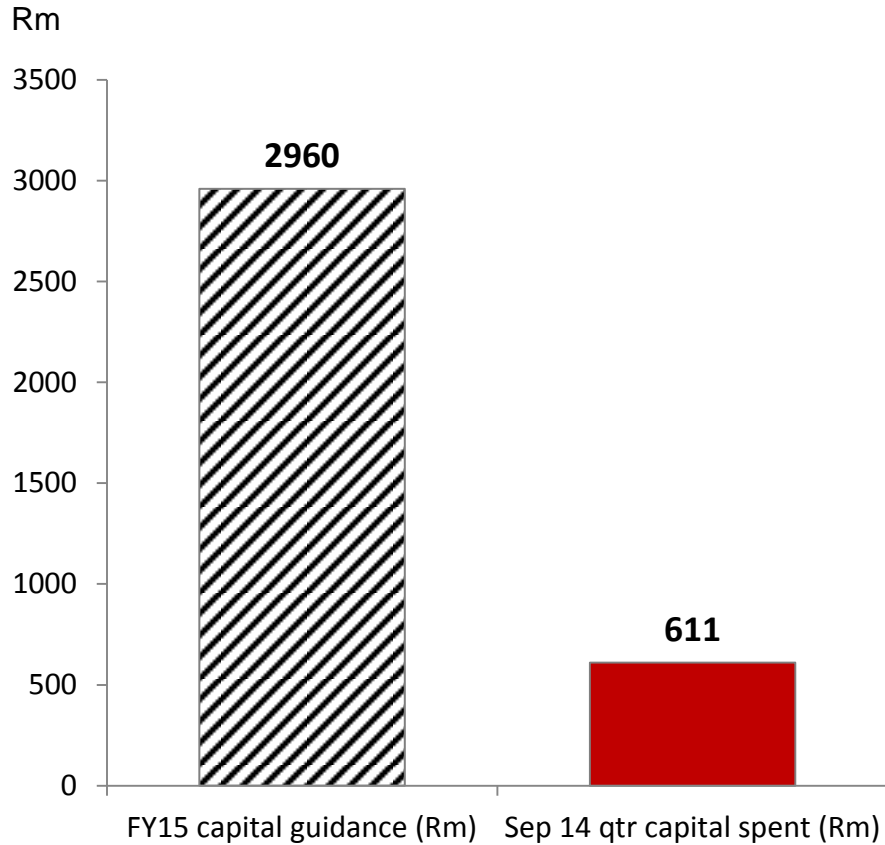




A photograph of a mining tunnel interior. Two large, red, spoked wheels are mounted on a metal frame. The tunnel walls are made of rough, yellowish rock. A metal mesh fence is visible on the right side. In the background, several workers in hard hats and safety gear are visible. The lighting is dim, with some blue and purple hues from the machinery.

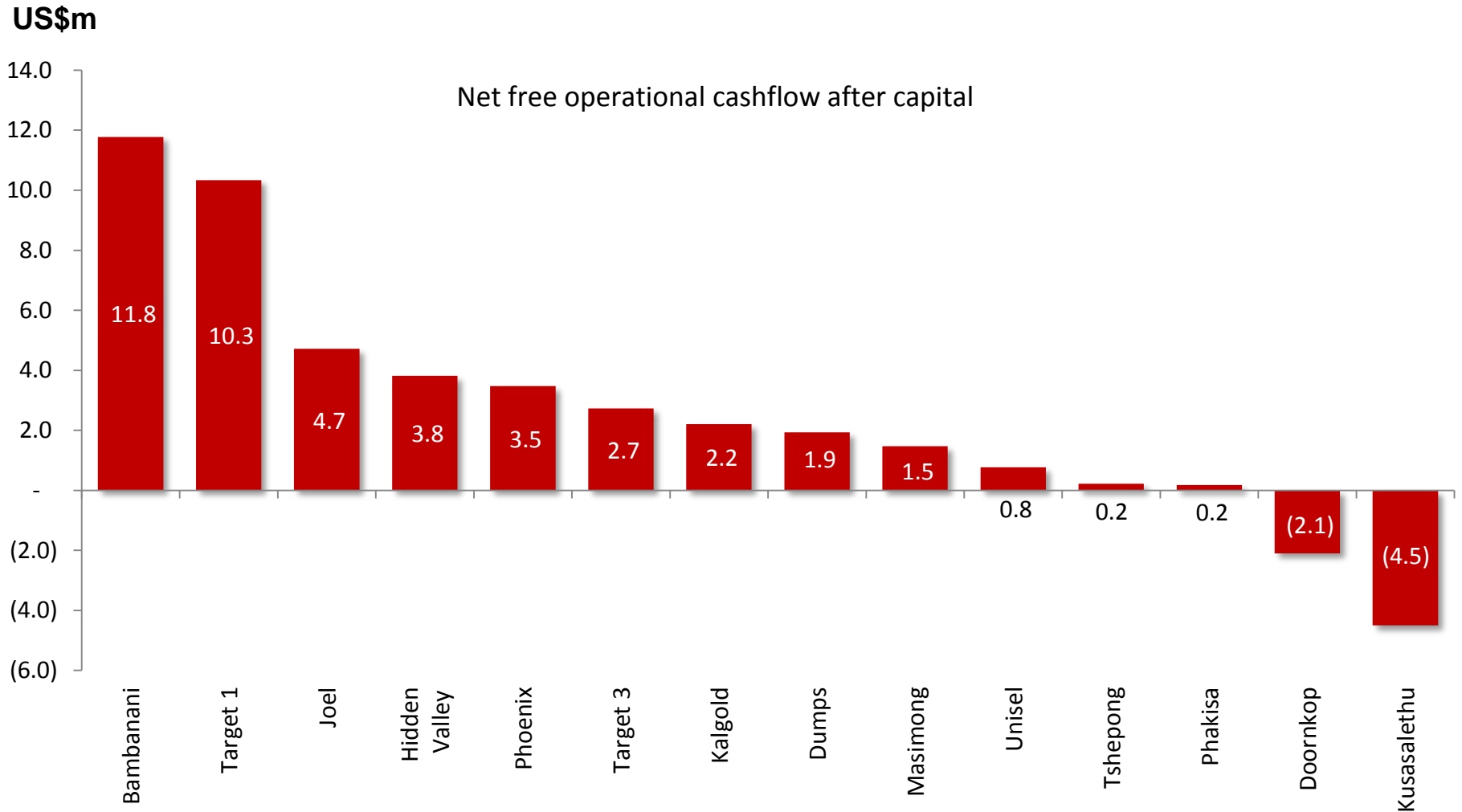
**CAPITAL SPEND THAT  
ENSURES FUTURE  
GROWTH AND  
PROFITABILITY**

# Capital expenditure



Capital expenditure that supports safe production and a sustainable future

# Cash flow generation by majority of operations





- 6% increase in gold production to 9 435kg (303 341oz)
- 8% increase in production profit at R913 million (US\$85 million)
- Grade continues to increase
  - 4% improvement in underground recovered grade at 4.84g/t
  - on back of 5% improvement in recovered grade for the year ended 30 June 2014
- 18% increase in revenue to R4.4 billion (US\$412 million)
- Net debt reduced from R1.0 billion to R771 million (from US\$98 million to US\$68 million)
- Net loss reduced by 78% to R266 million loss (US\$25 million)



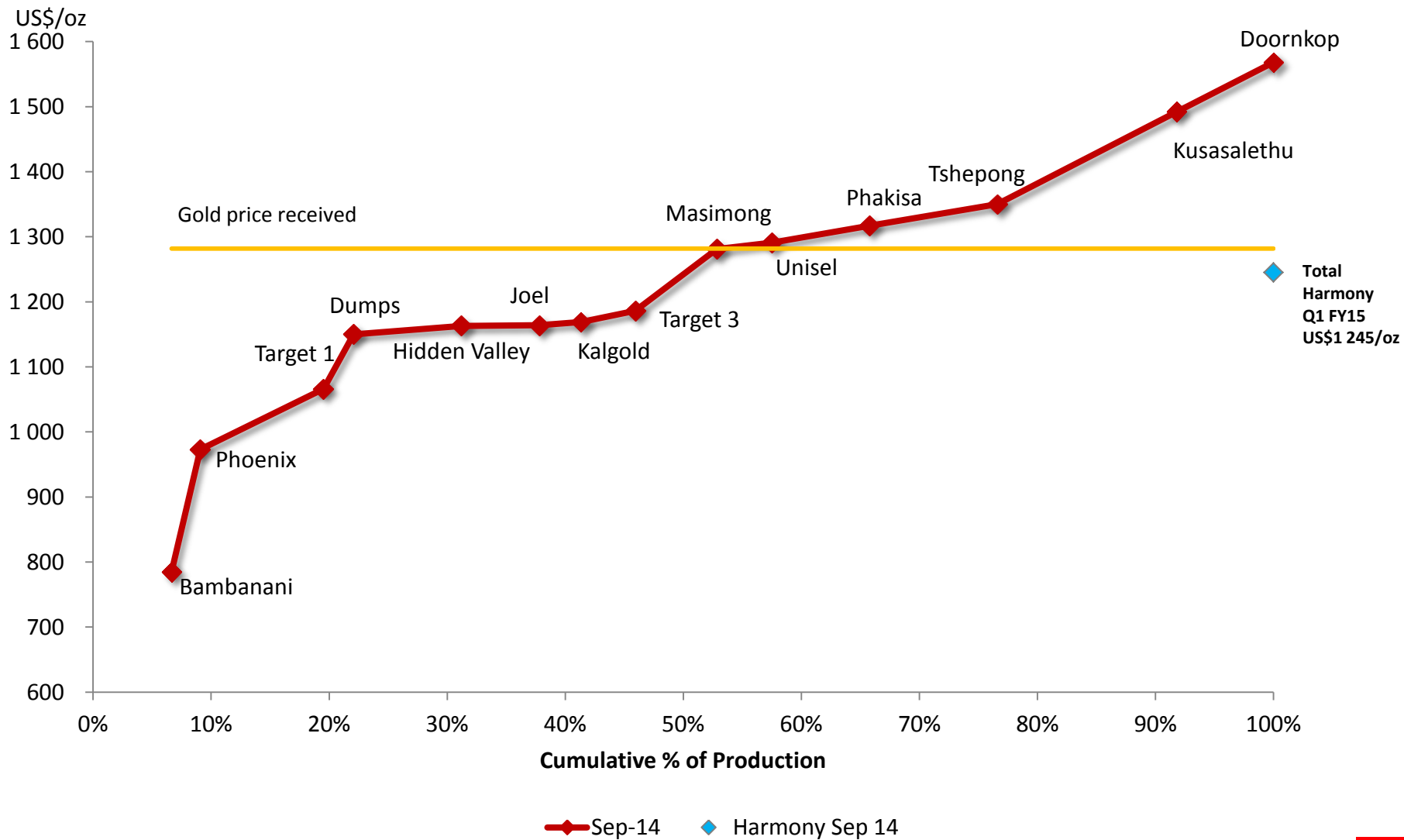
# Low net debt (q-on-q) – US\$



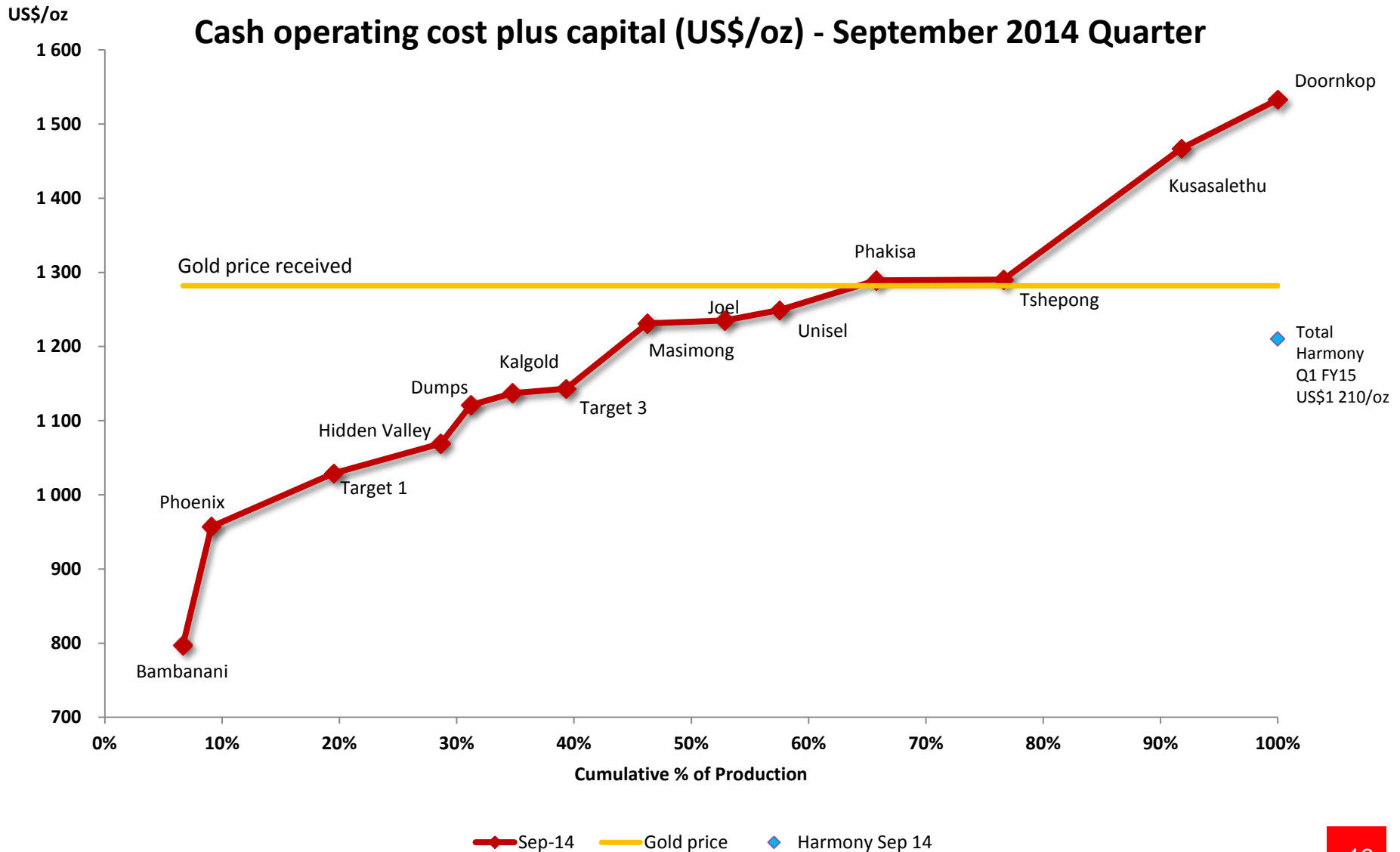
Extracts from the cash flow statement	Sep 2014 (US\$m)	Jun 2014 (US\$m)
Cash flow from operations before exploration	106	49
Exploration expenditure	(7)	(7)
Capital expenditure	(56)	(65)
Stripping activities	(4)	(1)
Net increase/(decrease) in cash and cash equivalents	30	(18)
<i>Cash balance</i>	202	172
<i>Debt</i>	270	270
<b>At 30 September 2014: Net debt</b>	<b>(68)</b>	<b>(98)</b>

Note: The exchange rate was R/US\$11.32 as at the end of September 2014 and R/US\$10.61 as at the end of June 2014

# All-in sustaining costs – Sep 2014 quarter



# Cash operating cost per capital – Sep 2014 quarter



# Sensitivity to the gold price- costs plus capital

Total costs (cash operating costs plus capital)	Mines currently operating at these levels	Comments
Less than US\$1000/oz	Bambanani, Phoenix	<ul style="list-style-type: none"> <li>• Operating at below US\$1000/oz*</li> <li>• On Plan</li> </ul>
Less than US\$1250/oz	Target 1, Joel, Hidden Valley, Kalgold, Surface dumps, Masimong, Unisel	<ul style="list-style-type: none"> <li>• Joel operating slightly below expectations</li> <li>• Target 1 overachieving grade</li> <li>• Others on plan</li> </ul>

<sup>1</sup> Exchange rate of US\$/R10.50 was used for guidance

\* Q1FY15 exchange rate was US\$/R10.77

# Sensitivity to the gold price - costs plus capital

Cash operating costs plus capital	Mines currently operating at these levels	Comments
> US\$1250/oz	Phakisa, Tshepong	<ul style="list-style-type: none"> <li>• Phakisa will continue to build up and will remain at higher capital costs for FY15</li> <li>• Requirement of Tshepong is more tonnage from the decline</li> </ul>
> US\$1400/oz	Doornkop, Kusasalethu	<ul style="list-style-type: none"> <li>• Management is considering a new production plan for Kusasalethu to return the mine to profitability</li> <li>• Doornkop has recovered from the accident earlier this year and should have lower costs and capital going forward</li> </ul>



**SUCCESSFULLY MINING  
AND EXPLORING IN  
EMERGING ECONOMIES**

Significant exploration land holding in Papua New Guinea, one of the most prospective geological areas of the world

- Industry leading cost per exploration discovery ounce less than US\$9/oz
- We embrace our social licences to mine and go beyond compliance
- Creating value from low margin assets
- Will continue to assess our portfolio to ensure that we produce safe, profitable quality ounces

Criteria	Mining Charter requirements	Harmony's performance in FY14	Planned for FY15	Achieved/ or not yet achieved
<b>Ownership</b>	26%	38%	38%*	✓
<b>Employment equity of HDSA's</b>				
Overall	40%	46%	46%	✓
Executive	40%	50%	50%	✓
Senior management	40%	49%	49%	✓
Middle management	40%	41%	41%	✓
Junior management	40%	46%	46%	✓

\*Ownership based on black empowerment transactions and the employee share option scheme, amounts to 38% HDSA ownership  
HDSA: Historical disadvantaged South Africans



## ***Kili Teke***

- *in PNG highlands (near Porgera)*
- surface sampling results
  - kilometer scale, copper-gold porphyry
  - surface sampling values of 2.7% Cu and 5.2 g/t Au
- within the broader anomaly footprint, four high grade copper-gold targets have been defined
- drill testing scheduled for Q2FY15

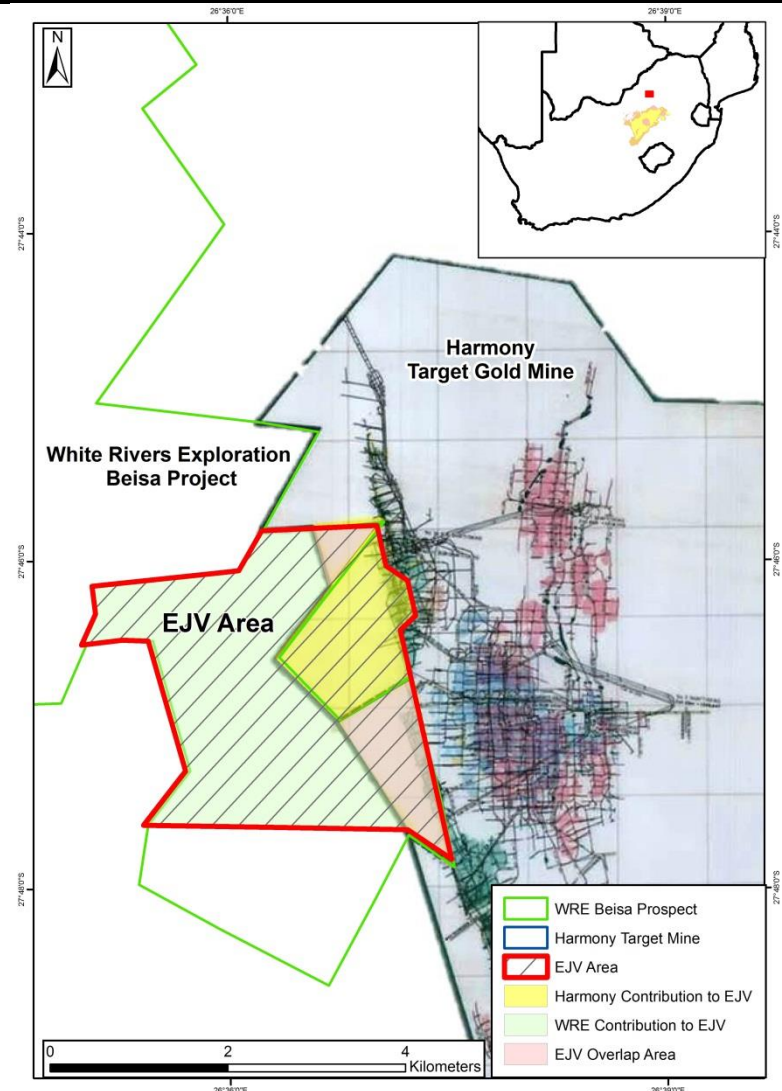


*Copper stained, gossanous hydrothermal breccia in outcrop at the head of Yalopi creek (2.6 g/t Au, 2.7% Cu)*


# Transaction with White Rivers Exploration (Pty) Ltd



- Joint venture agreement signed in September 2014
- Harmony has a 35% interest in the joint venture
- Objective is to explore and develop potential gold resources
- White Rivers' Beisa project adjacent to Harmony's Target mine
- White Rivers will fund and manage exploration activities to pre-feasibility study level







**GOLPU IS A  
SPECTACULAR ASSET**

# Targeted outcomes from new Golpu study

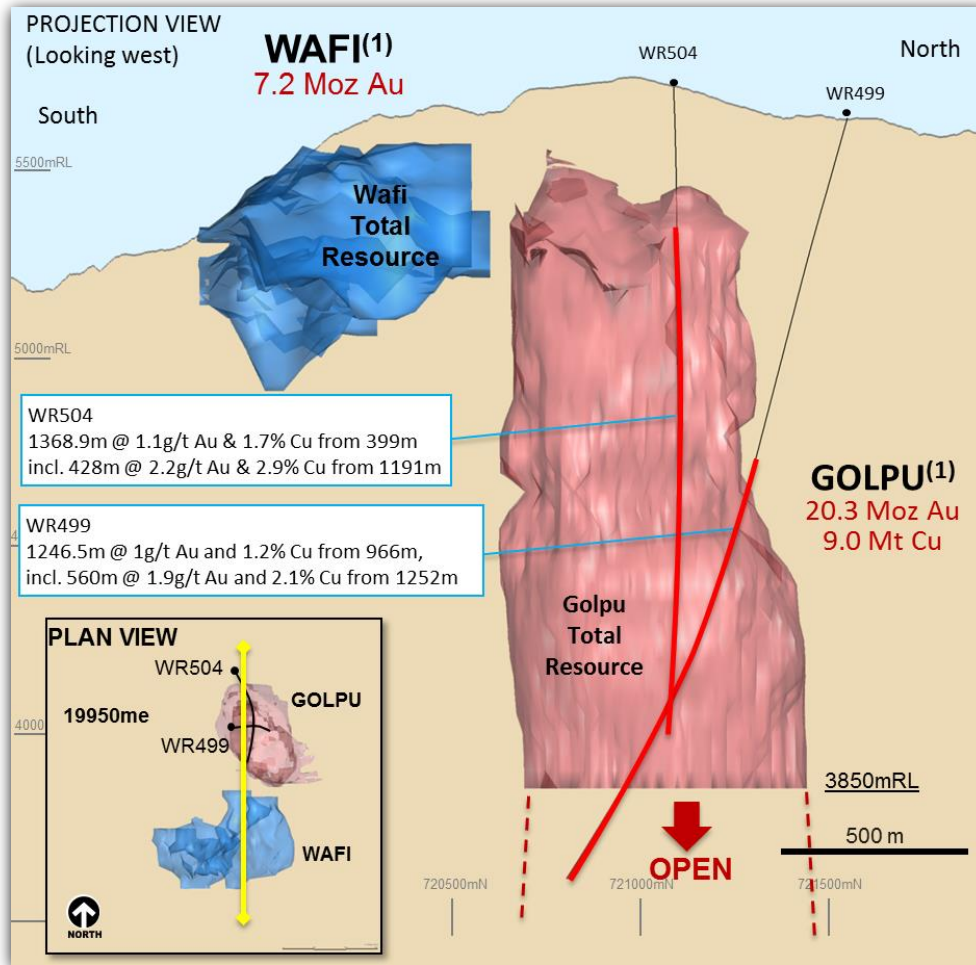
## Our consideration

- Investors seeking return on investment
- Project with lower capital and near term cash flow
- Scalable start-up mine
- Portfolio creates shareholder value through success
- Sustainable approach

## New targeted outcomes

- Modular expandable solution
- Lower total capital cost
- Potential to extract high-grade portions
- First mine targeting 2.5Mt to 5Mt a year mine
- Infrastructure will be built with the flexibility to allow for expansion

# Drill results showing higher grade areas



- **WR504 (west to east)**  
**1 369m @ 1.1g/t Au and 1.7% Cu from 399m, including 428m @ 2.2g/t Au and 2.9% Cu from 1 191m**
  - confirmed fault structure controlling higher grade blocks
- **WR499 (north to south)**  
**1 247m @ 1.0g/t Au and 1.2% Cu from 966m, including 560m @ 1.9g/t Au and 2.1% Cu from 1 252m**
  - confirmed northern margin
  - demonstrated continuity of mineralisation below the current resource

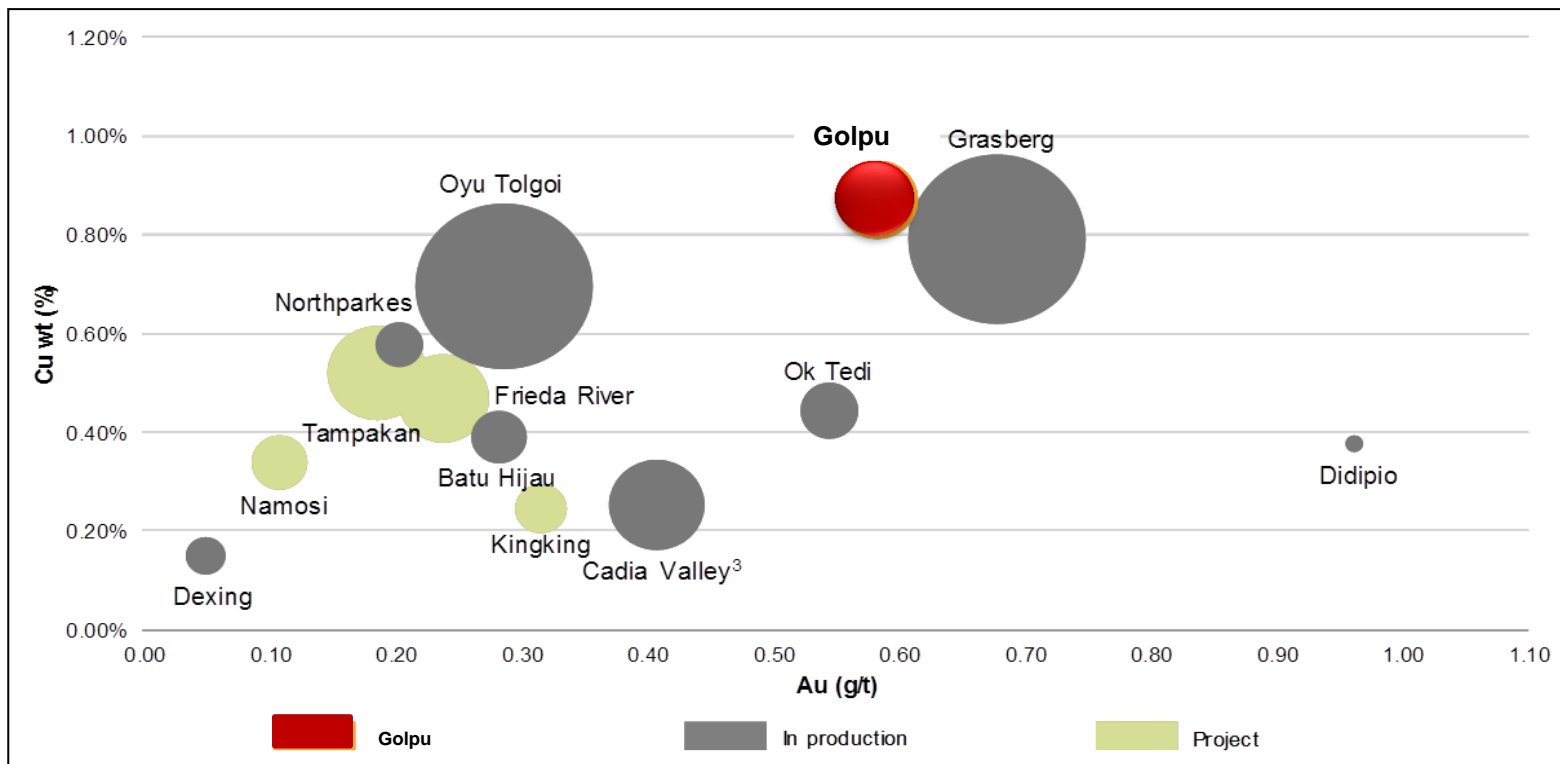
(1) Refer to Harmony's Mineral Resource and Reserves statement ended 30 June 2013. Resource figures quoted on 100% basis

# Golpu is a massive, high grade copper gold resource



- Golpu's new prefeasibility study for a scalable start-up mine close to being finalised
  - results to be released in December 2014
  - considerations: return on investment, lower capital, near term cash flow

Asian porphyry copper-gold deposits (bubble represents total Resource – gold equivalent ounces)





A photograph of a large industrial mining facility, likely a processing plant, set against a clear blue sky at dusk. The facility includes several large buildings with red roofs and green accents, and two prominent, tall, lattice-structured towers. The foreground is a dry, brownish landscape with sparse vegetation.

# PRODUCTION OUTLOOK

# FY15 production and grade guidance



Operation	Adjusted reserve grade (-5%)	FY15 grade guidance (g/t)	Q1FY15 recovered grade (g/t)	Annual guidance range for FY15 production (oz)	Annual production guidance – average per quarter (oz)	Q1FY15 gold production (oz)
Kusasaletu #	5.66	4.41#	4.60	190 000 - 200 000#	47 500 - 50 000#	42 889
Doornkop	5.13	4.43	4.55	95 000 - 105 000	23 750 - 26 250	19 901
Phakisa	6.62	5.56	5.41	95 000 - 105 000	23 750 - 26 250	27 489
Tshepong	5.26	4.35	4.16	135 000 - 145 000	33 750 - 36 250	34 658
Masimong	4.71	3.80	3.77	85 000 - 90 000	20 000 - 21 250	22 441
Target 1	4.62	4.95	5.69	120 000 - 130 000	30 000 - 32 500	33 501
Bambanani	9.81	11.06	12.32	80 000 - 90 000	20 000 - 22 500	23 374
Joel	5.38	4.41	3.65	70 000 - 80 000	17 500 - 20 000	17 136
Unisel	4.00	4.03	4.18	55 000 - 60 000	13 750 - 15 000	15 336
Target 3 <sup>1</sup>	5.11	4.95 <sup>1</sup>	5.46 <sup>1</sup>	11 000 - 14 500 <sup>1</sup>	2 750 - 3 625	14 211 <sup>1</sup>
<b>Underground operations</b>	<b>5.41</b>	<b>4.74</b>	<b>4.84</b>			
Hidden Valley				100 000 - 110 000	25 000 - 27 500	27 296
Various surface				60 000 - 70 000	15 000 - 17 500	14 628
Kalgold				40 000 - 45 000	10 000 - 11 250	10 481
<b>Total production guidance</b>				<b>~ 1.2moz</b>	<b>~ 300koz</b>	<b>303koz</b>

# Note that a new plan for Kusasaletu is currently under consideration

<sup>1</sup> Target 3 was placed on care and maintenance in October 2014



# Private Securities Litigation Reform Act Safe Harbour Statement



This presentation contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and 21E of the Securities Exchange Act of 1934, as amended, that are intended to be covered by the safe harbour created by such sections. These statements may be identified by words such as "expects", "looks forward to", "anticipates", "intends", "believes", "seeks", "estimates", "will", "project" or words of similar meaning. All statements other than those of historical facts included in this presentation are forward-looking statements, including, without limitation, (i) estimates of future earnings, and the sensitivity of earnings to the gold and other metals prices; (ii) estimates of future gold and other metals production and sales, (iii) estimates of future cash costs; (iv) estimates of future cash flows, and the sensitivity of cash flows to the gold and other metals prices; (v) statements regarding future debt repayments; (vi) estimates of future capital expenditures; and (vii) estimates of reserves, and statements regarding future exploration results and the replacement of reserves. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, gold and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, project cost overruns, as well as political, economic and operational risks in the countries in which we operate and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors (such as availability of credit or other sources of financing), see the Company's latest Annual Report on Form 20-F for the year ended June 30, 2014 which is on file with the Securities and Exchange Commission, as well as the Company's other SEC filings. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this presentation, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

# QUESTIONS?

## CONTACT US

Email: [HarmonyIR@harmony.co.za](mailto:HarmonyIR@harmony.co.za)

[www.harmony.co.za](http://www.harmony.co.za)

## OUR KEY VALUE DRIVERS

1. We are efficient miners
2. We fund our capital to ensure future growth and profitability
3. We are experienced explorers, mine developers and operators in emerging economies
4. Golpu will develop into a world-class copper-gold mine

JSE (HAR)  
NYSE (HMY)