



**2017 Global Metals & Mining Conference**  
**Bank of America-Merrill Lynch**

**Barcelona, 17 May 2017**

## PRIVATE SECURITIES LITIGATION REFORM ACT SAFE HARBOUR STATEMENT

This presentation contains forward-looking statements within the meaning of the safe harbor provided by Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended, with respect to our financial condition, results of operations, business strategies, operating efficiencies, competitive positions, growth opportunities for existing services, plans and objectives of management, markets for stock and other matters. These include all statements other than statements of historical fact, including, without limitation, any statements preceded by, followed by, or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “should”, “could”, “estimates”, “forecast”, “predict”, “continue” or similar expressions or the negative thereof.

These forward-looking statements, including, among others, those relating to our future business prospects, revenues and income, wherever they may occur in this report and the exhibits to this report, are essentially estimates reflecting the best judgment of our senior management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this presentation. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation: overall economic and business conditions in South Africa, Papua New Guinea, Australia and elsewhere, estimates of future earnings, and the sensitivity of earnings to the gold and other metals prices, estimates of future gold and other metals production and sales, estimates of future cash costs, estimates of future cash flows, and the sensitivity of cash flows to the gold and other metals prices, statements regarding future debt repayments, estimates of future capital expenditures, the success of our business strategy, development activities and other initiatives, estimates of reserves statements regarding future exploration results and the replacement of reserves, the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions, fluctuations in the market price of gold, the occurrence of hazards associated with underground and surface gold mining, the occurrence of labor disruptions, power cost increases as well as power stoppages, fluctuations and usage constraints, supply chain shortages and increases in the prices of production imports, availability, terms and deployment of capital, changes in government regulation, particularly mining rights and environmental regulation, fluctuations in exchange rates, the adequacy of the Group’s insurance coverage and socio-economic or political instability in South Africa and Papua New Guinea and other countries in which we operate.

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 Integrated Annual Report and Form 20-F which is on file with the Securities and Exchange Commission, as well as the Company’s other Securities and Exchange Commission filings. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events, except as required by law.

### OUR VALUES





# GLOBAL GOLD MINER

JSE (HAR); NYSE (HMY)  
Market cap of US\$1bn

## WHERE WE OPERATE

### South Africa



9 underground operations ■●

1 open pit mine ▲

Multiple surface sources ●

### Papua New Guinea



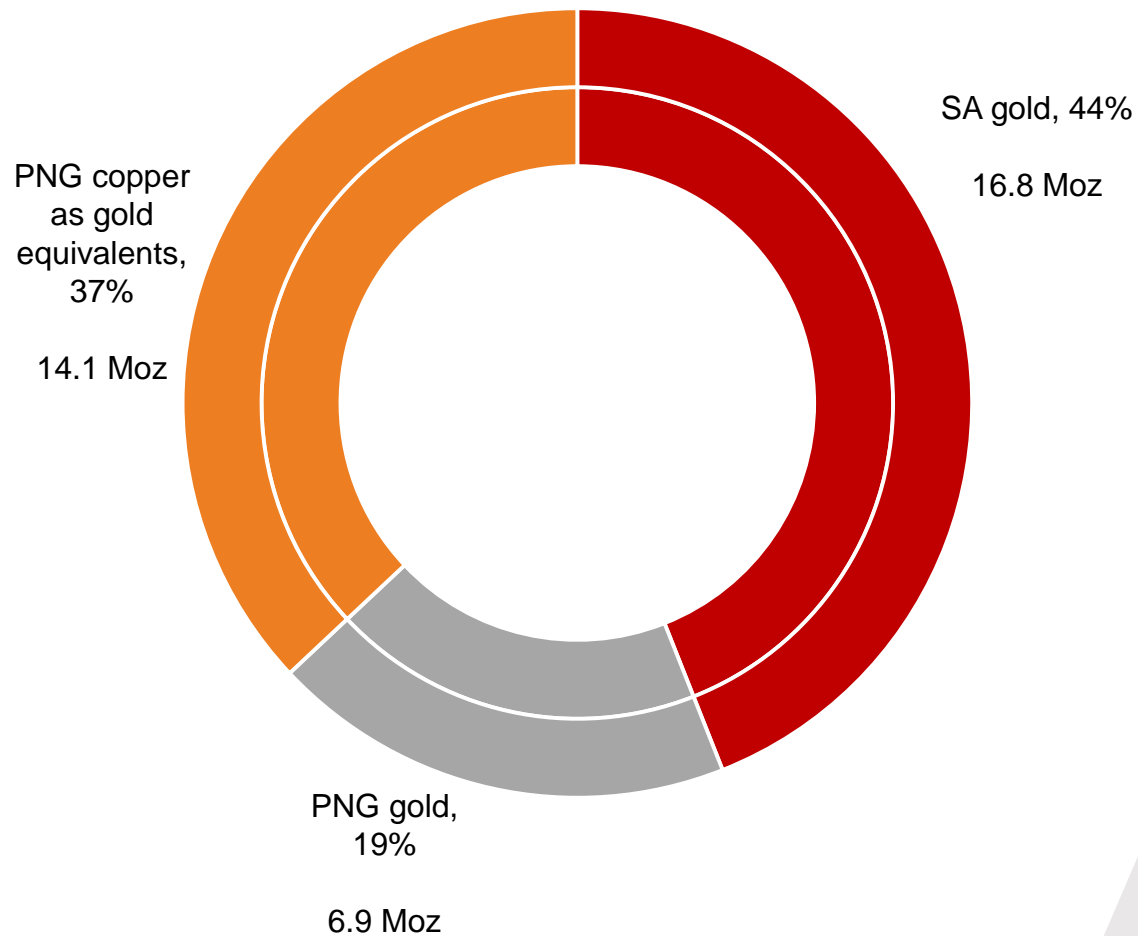
1 open pit mine ▲

Golpu project (50:50 JV) ●

Multiple exploration areas (50% and 100%)

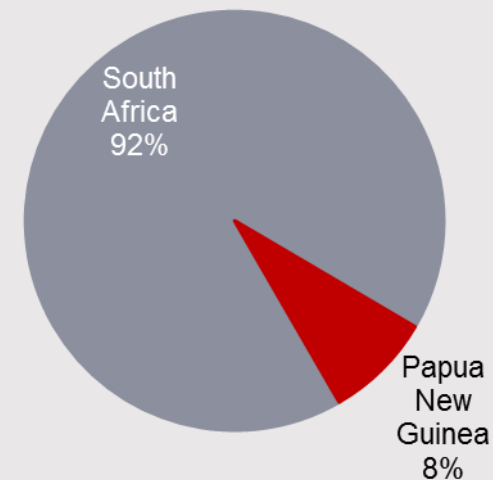
Kili Teke discovery (100% owned) ■

# PORTFOLIO OF BOTH GOLD AND COPPER RESERVES



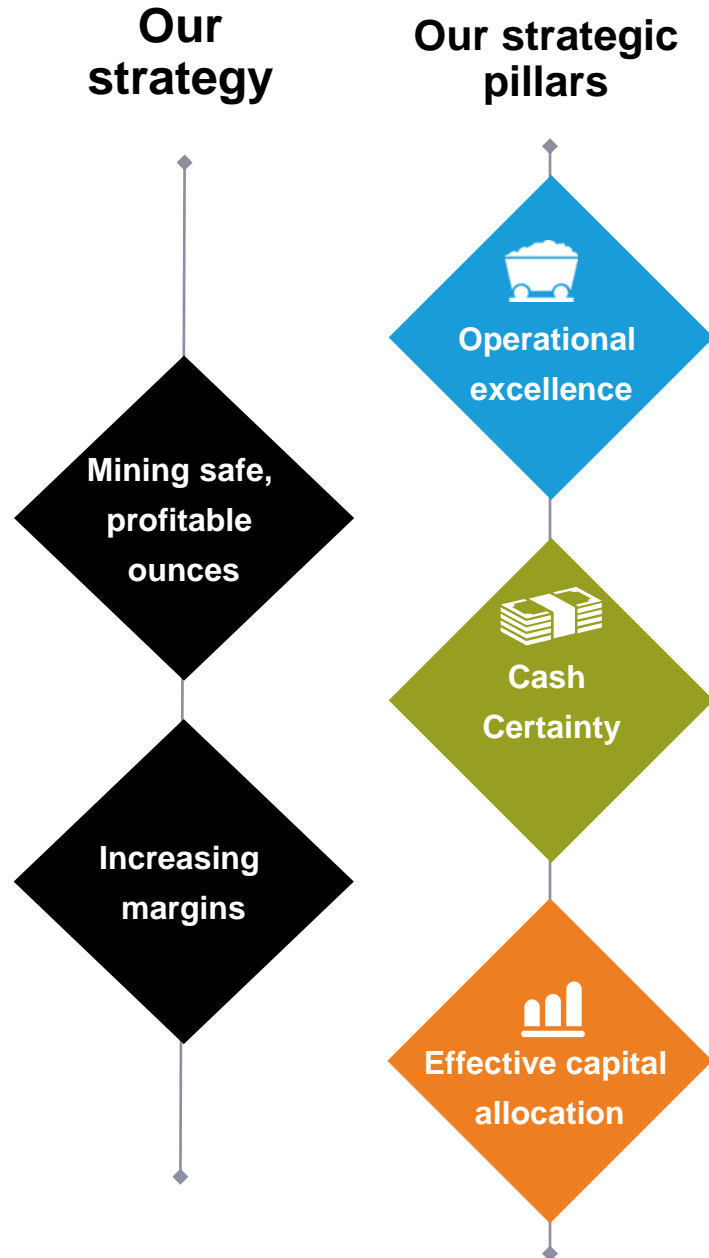
- ◆ Total reserves of 37.8 Moz<sup>1</sup>
- ◆ Total resources of 107.6 Moz<sup>1</sup>

Gold production H1FY17



1. Refer [www.harmony.co.za](http://www.harmony.co.za) for detail, Gold equivalent based on US\$1150 oz Au, and US\$3.0 lb Cu 100% of Hidden Valley included

## OUR STRATEGY



### Delivering on our strategy...

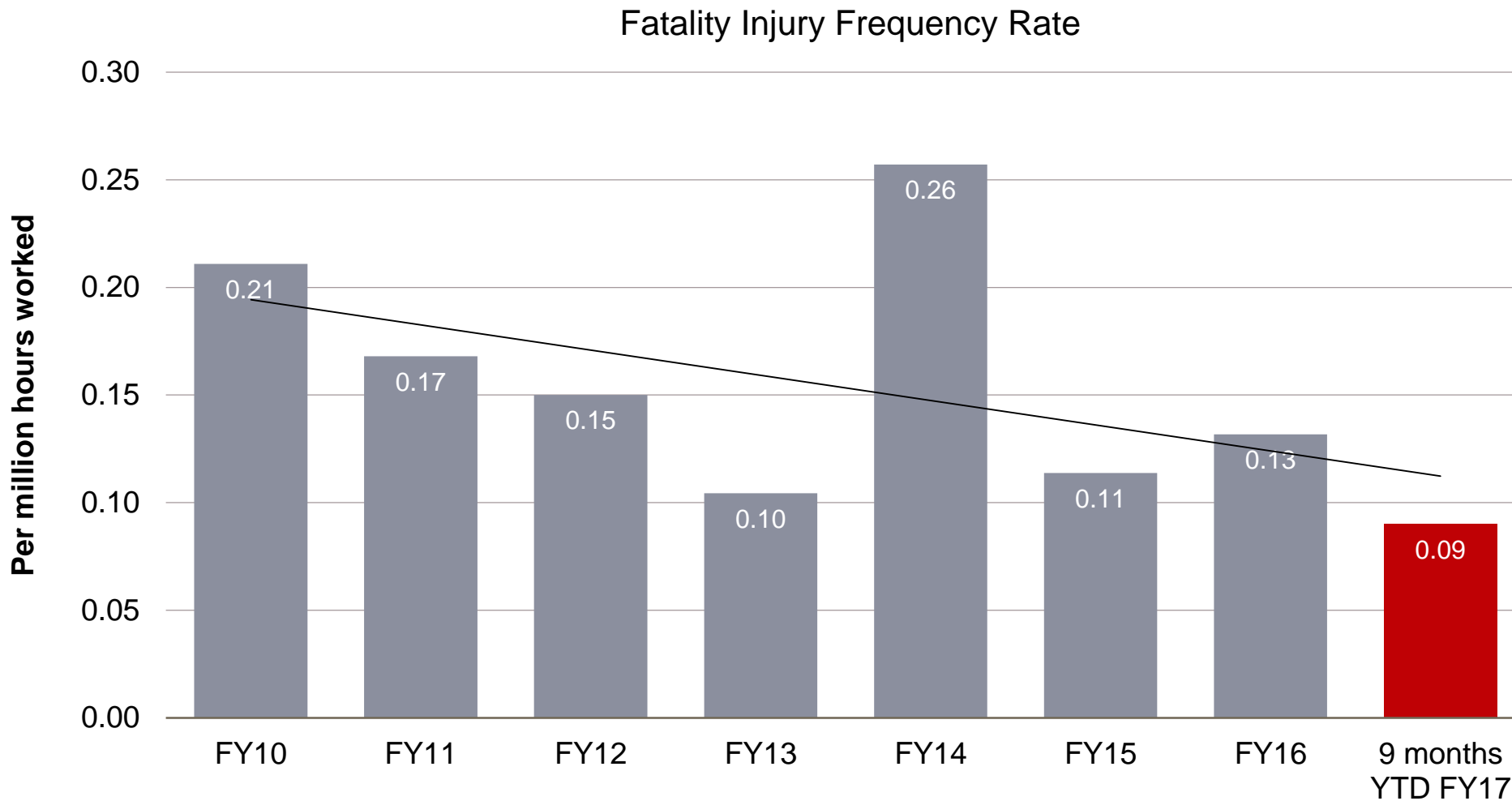
- ✓ Fatality and safety rates improved
- ✓ Grade management – no mining below cut off
- ✓ On track to meet production guidance in FY17
  
- ✓ Operations generating free cash flow
- ✓ Hedging strategy – cash flow margin certainty
- ✓ Low net debt – balance sheet flexibility
  
- ✓ Paid dividends out of profits
- ✓ Focus on organic growth (greenfields and brownfields exploration)
- ➔ Identifying value accretive acquisitions



# **OPERATIONAL EXCELLENCE**



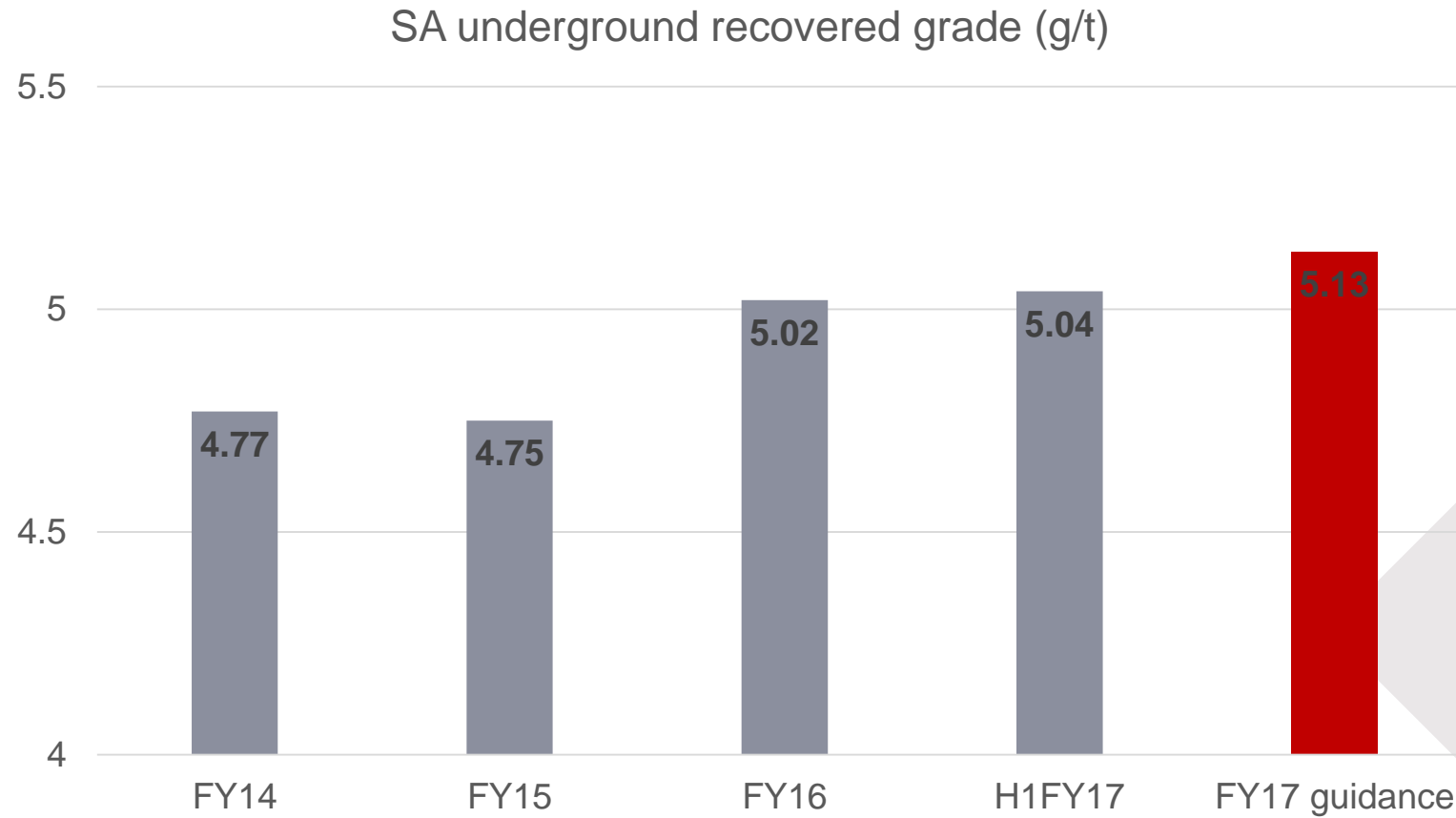
# SAFETY FIRST - WORKING TOWARDS ZERO HARM





## GRADE DISCIPLINE – NO MINING BELOW CUT-OFF

- ◆ Planned average mining grades are being achieved
- ◆ Medium to long term development strategies paying off



## MORE PREDICTABLE MINING



### ◆ Guidance delivery

	FY17 Guidance	Performance YTD (9 months March 2017)		Outlook
<b>Production</b>	1 050 000oz	812 192oz	77% of guidance	✓ Well in reach
<b>All-in Sustaining Costs (AISC)</b>	R495 000/kg US\$1 100/oz <sup>1</sup>	R516 630/kg US\$1 170/oz <sup>2</sup>	-4% variance -6% variance	↗ Increased production in Q4 expected

<sup>1</sup> Exchange rate of R14.00/US\$

<sup>2</sup> Average exchange rate of R13.73/US\$

### ◆ Operational free cash flow positive

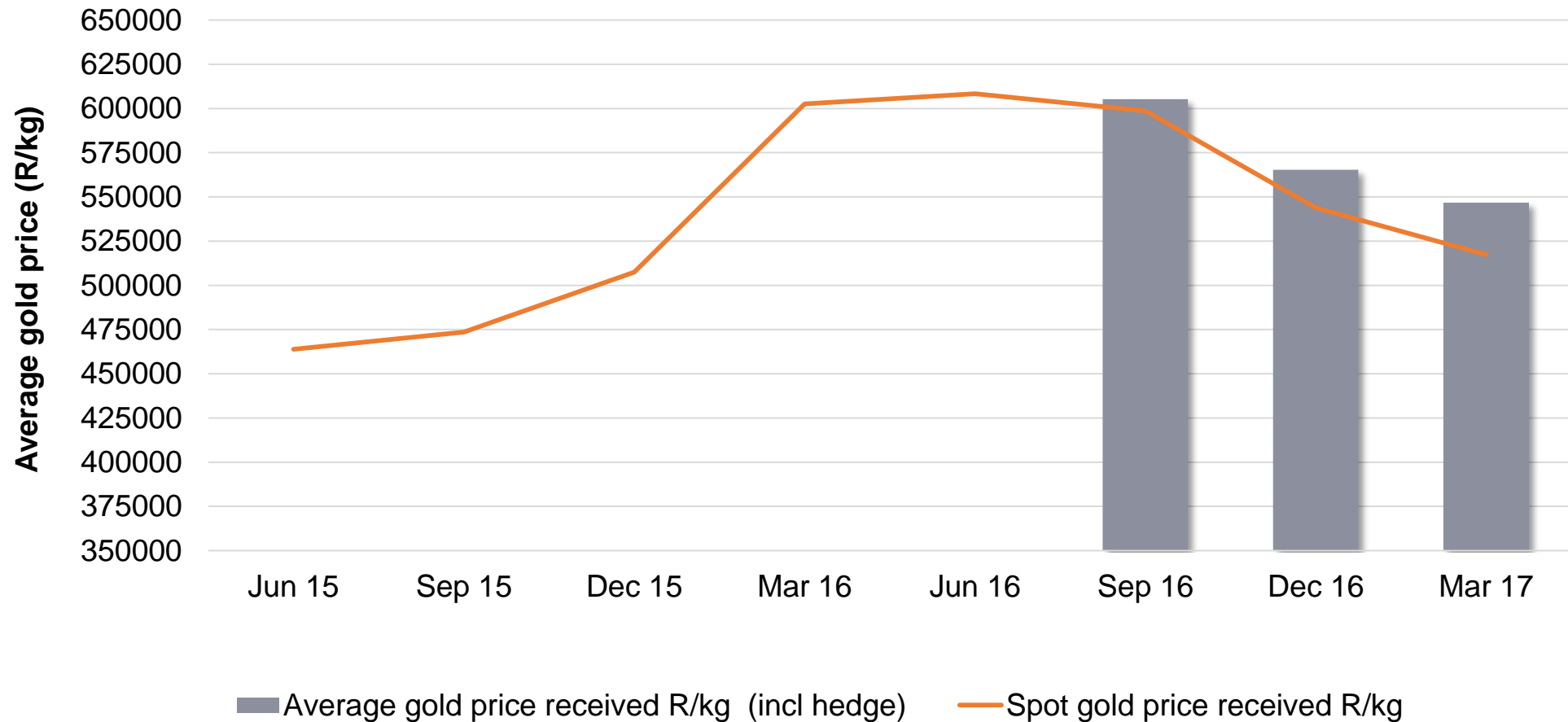
- YTD operational free cash flow margin of 8% achieved (after growth capital)



**CASH CERTAINTY**

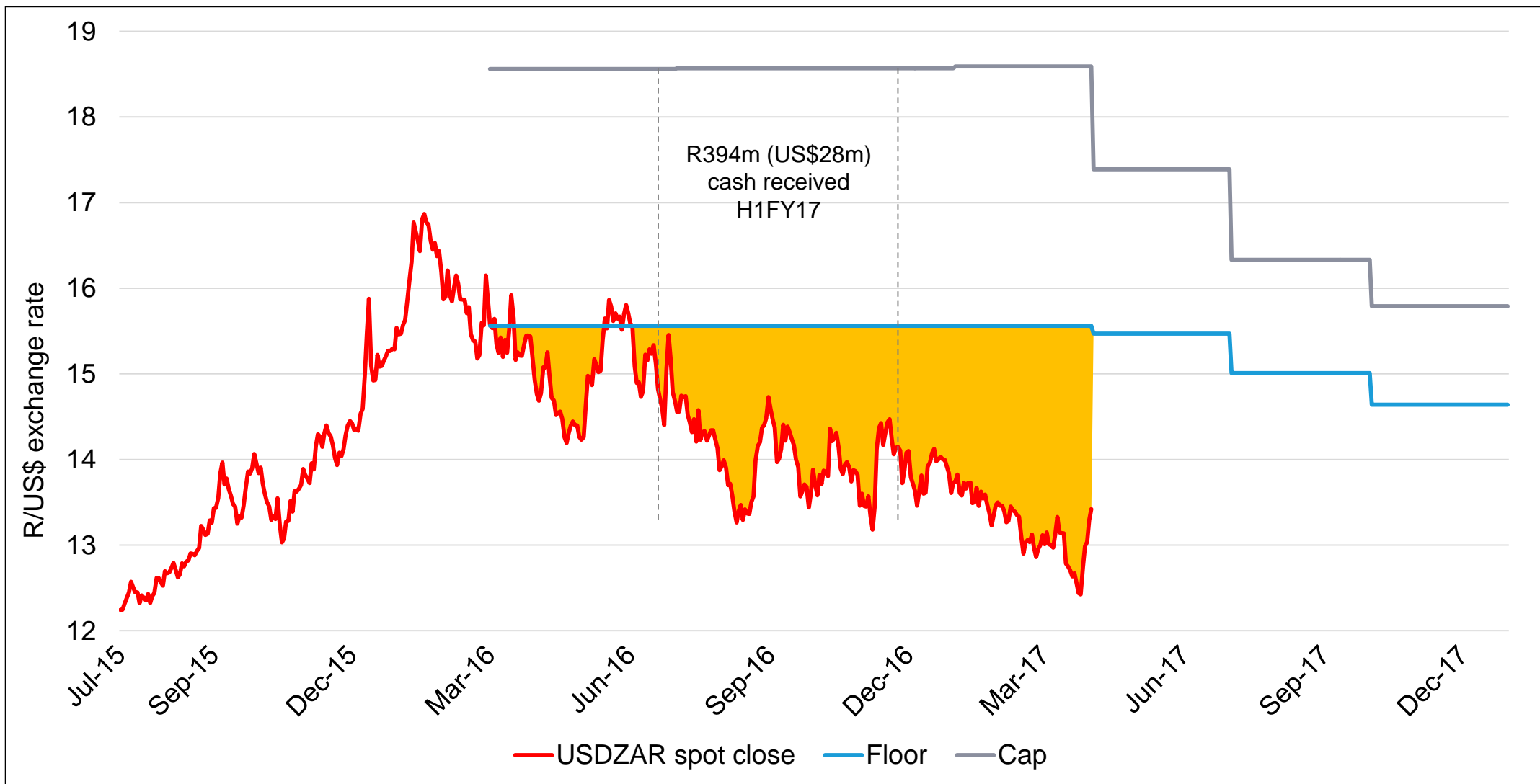


## GOLD HEDGE SECURES CASH

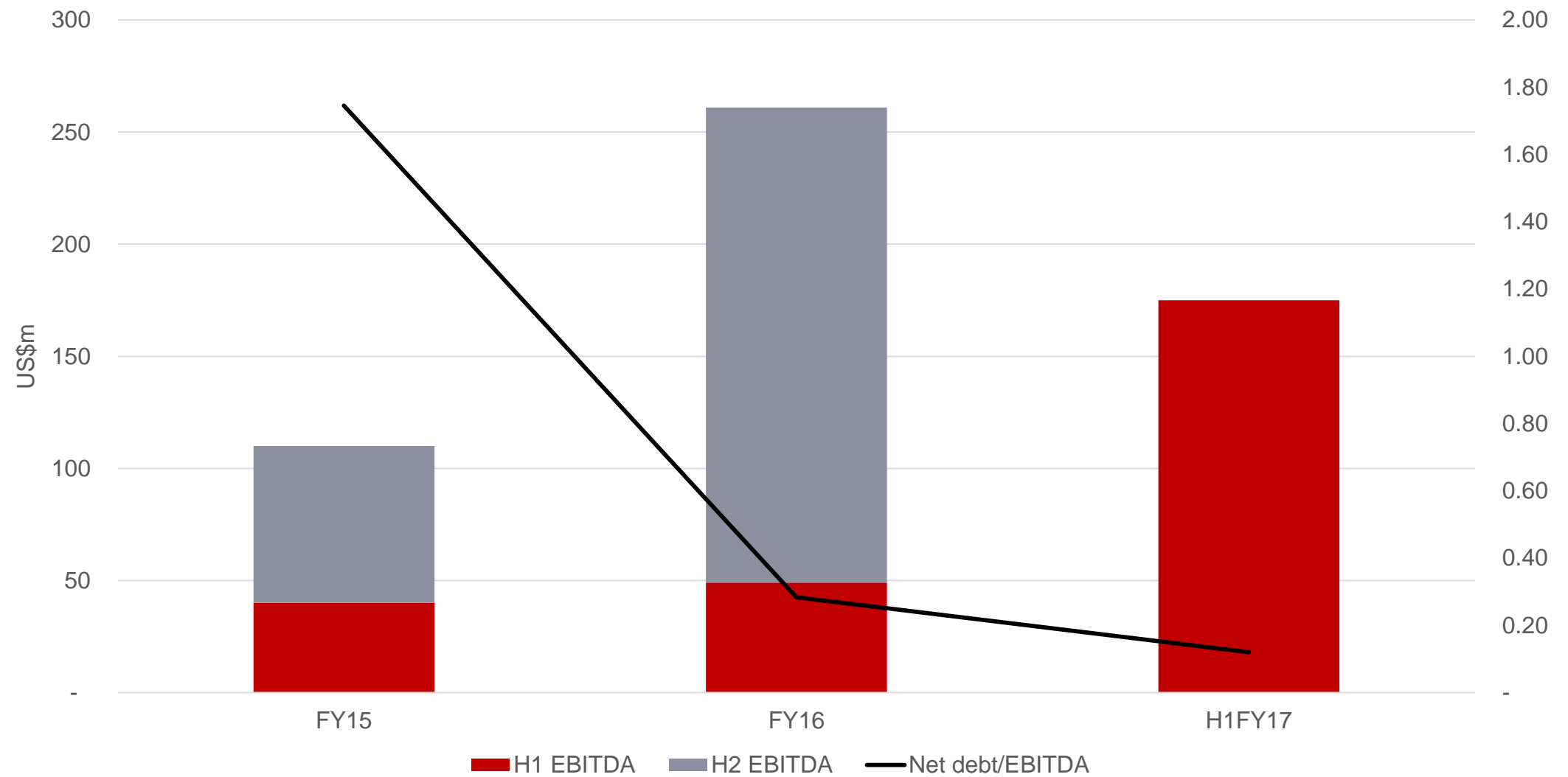


<b>Status 31 March 2017</b>	<b>Ounces:</b>	316 000 oz (avg of 32 000 oz per quarter)	<b>Up until:</b>	Q1 FY2019	<b>Average hedge price:</b>	R701 558/kg
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## FURTHER CASH CERTAINTY - CURRENCY HEDGE (SPOT vs FLOOR and CAP)



## SOLID BALANCE SHEET



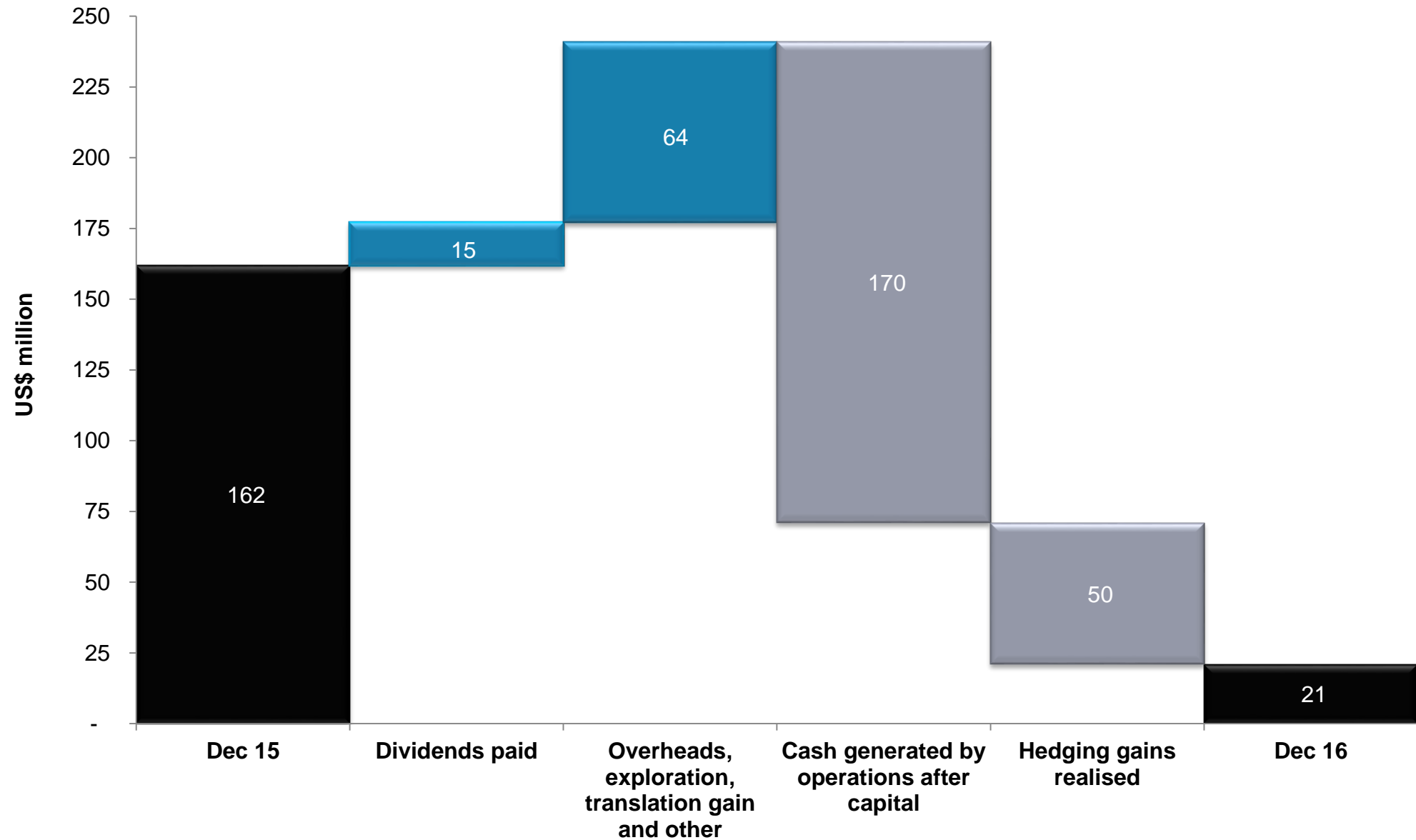
EBITDA: excludes impairment and loss on scrapping of property, plant and equipment



# **EFFECTIVE CAPITAL ALLOCATION**

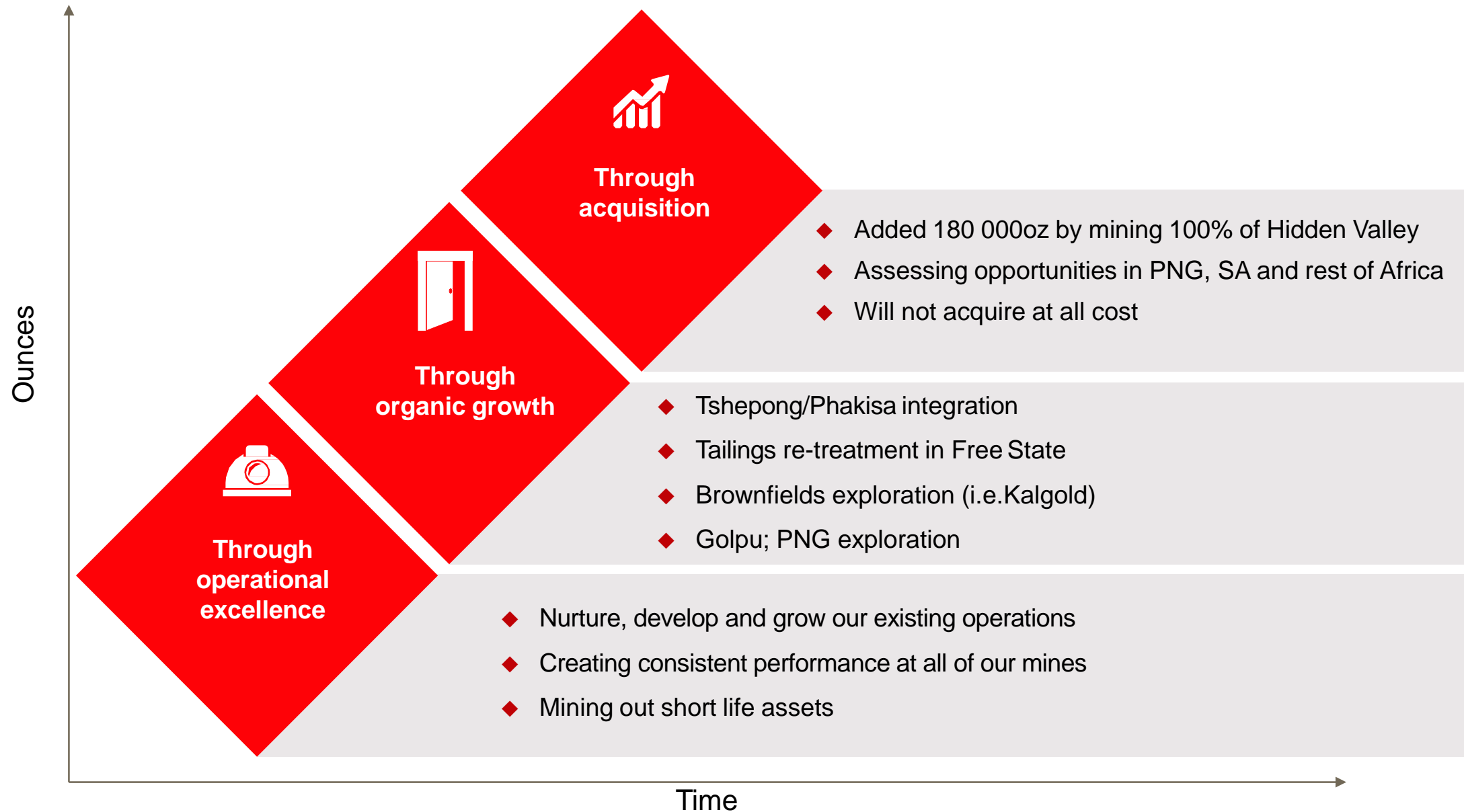


## REPAID DEBT AND PAID DIVIDENDS (US\$)

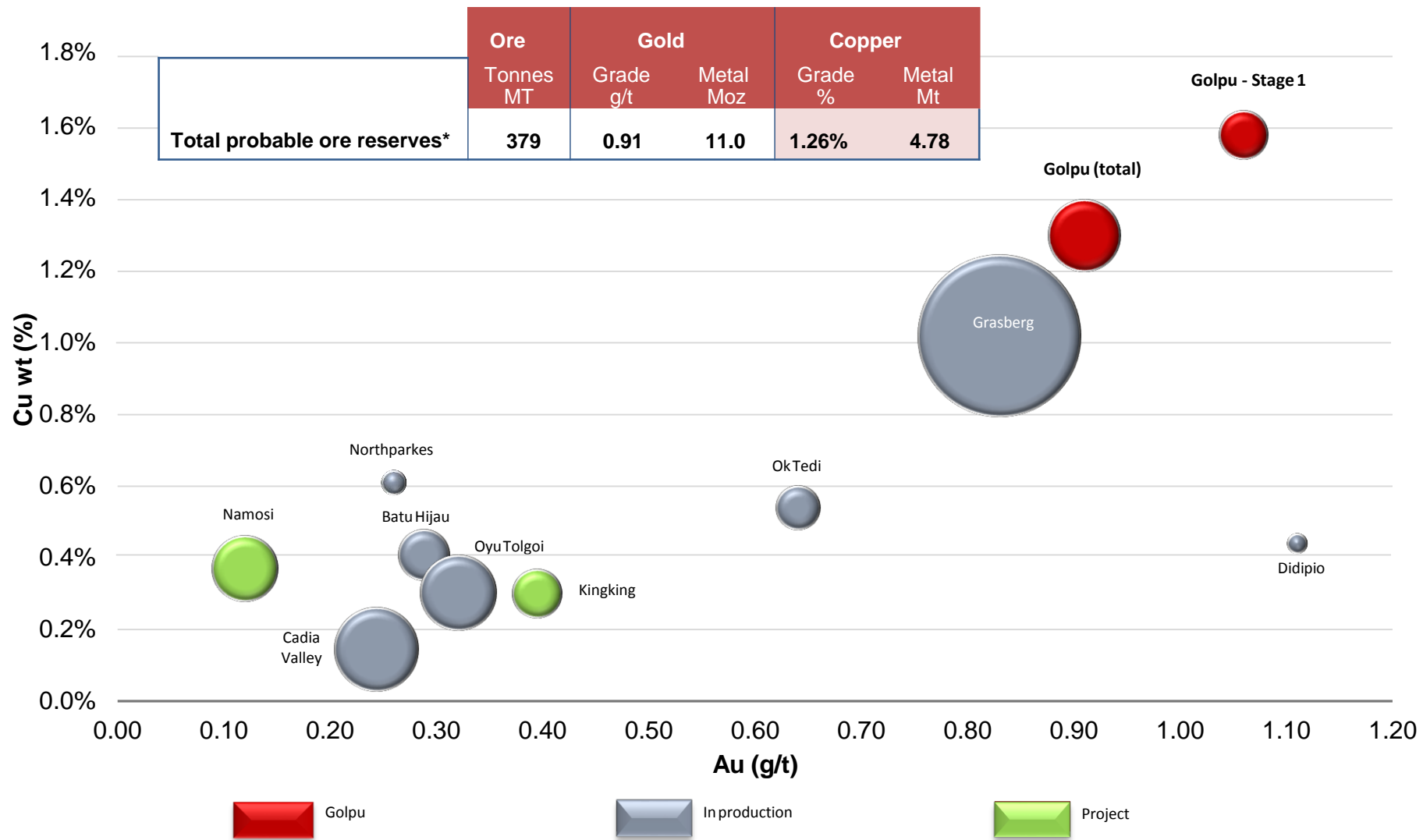




## OUR ASPIRATION IS TO GROW FROM 1.1 MOZ TO 1.5 MOZ BY JUNE 2019









# GOLPU (50% HELD) – A QUALITY HIGH GRADE RESERVE (SE ASIA)



Source: Rothschild  
 Reserve grade depicted in graph with bubble size represents equivalent resource  
 Refer to Harmony's resources and reserves statement at [www.harmony.co.za](http://www.harmony.co.za)

## ORGANIC GROWTH OPPORTUNITIES THROUGH EXPLORATION

<b>PNG</b>		
Golpu (50:50 JV)		Stage 1 FS and Stage 2 PFS
Kili Teke (100%)		6.0 million equivalent gold ounce resource <sup>1</sup> (785 Kt Cu & 1.8 Moz Au)
Hidden Valley (100%)		Stage 7 PFS FY18 targeting
<b>South Africa</b>		
Kalgold		Drill program – potential for larger opencast low risk mine
Doornkop		Seismic study and borehole drilling – enhance geological confidence
Most operations		Focused drill programmes

 Greenfields     Brownfields

<sup>1</sup> Gold equivalent based on US\$1150 oz Au, and US\$ 3.0 lb Cu. Refer [www.harmony.co.za](http://www.harmony.co.za) for resource statement detail.



# CONCLUSION



# DE-RISKING THE COMPANY THROUGH HEALTHY RELATIONSHIPS WITH OUR STAKEHOLDERS



## OUR VALUES



## SOLID INVESTMENT CASE



- ◆ Safer and more predictable production



- ◆ Maintain increase in grade (mining closer to reserve grade)



- ◆ Strong balance sheet, which allows for growth and dividends (paid from profits only)



- ◆ On track to produce in line with guidance (for a second consecutive year)



- ◆ Growth (exploration, only acquisitions that ensure shareholder returns)



- ◆ Share price uplift (current share price heavily discounted vs book value of assets)



## CONTACT US

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

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

Tel: +27 11 411 2314