



# 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.

# WHY INVEST IN HARMONY



Large, profitable producer



Balance sheet strength



Quality growth prospects



Share price uplift

# OUR INVESTMENT PROPOSITION



## Large, profitable producer

- >1 Moz annual production
- 36.7 Moz reserve
  - 5.3bn pounds copper
- Operating for more than 65 years
- Grades increasing
- Achieving operational plans, generating free cash flow



## Balance sheet strength

- Low net debt
- Successful hedging strategy protects margins



## Quality growth prospects

- Hidden Valley investment plan on budget and schedule
- Golpu – world class project
- Organic and exploration pipeline
- Evaluating value accretive acquisitions



## Share price uplift

- Highly geared to gold price and Rand/US\$ exchange rate
- Emerging market exposure
- Undervalued

# ESTABLISHED OPERATIONS, GROWTH OPPORTUNITIES

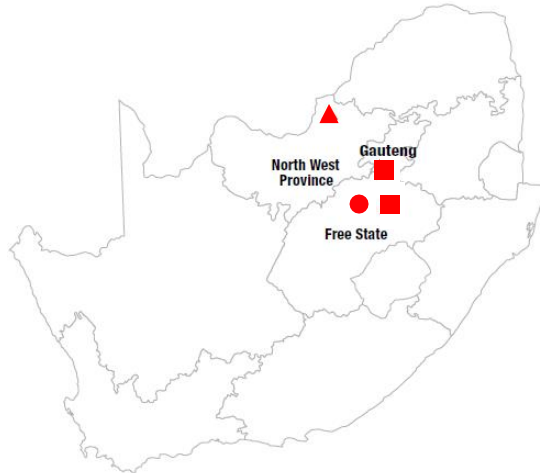


## SOUTH AFRICA

Production split

FY17	91%
FY19E	85%

- 9 underground operations
- ▲ 1 open pit mine
- Tailings retreatment operations



## PAPUA NEW GUINEA



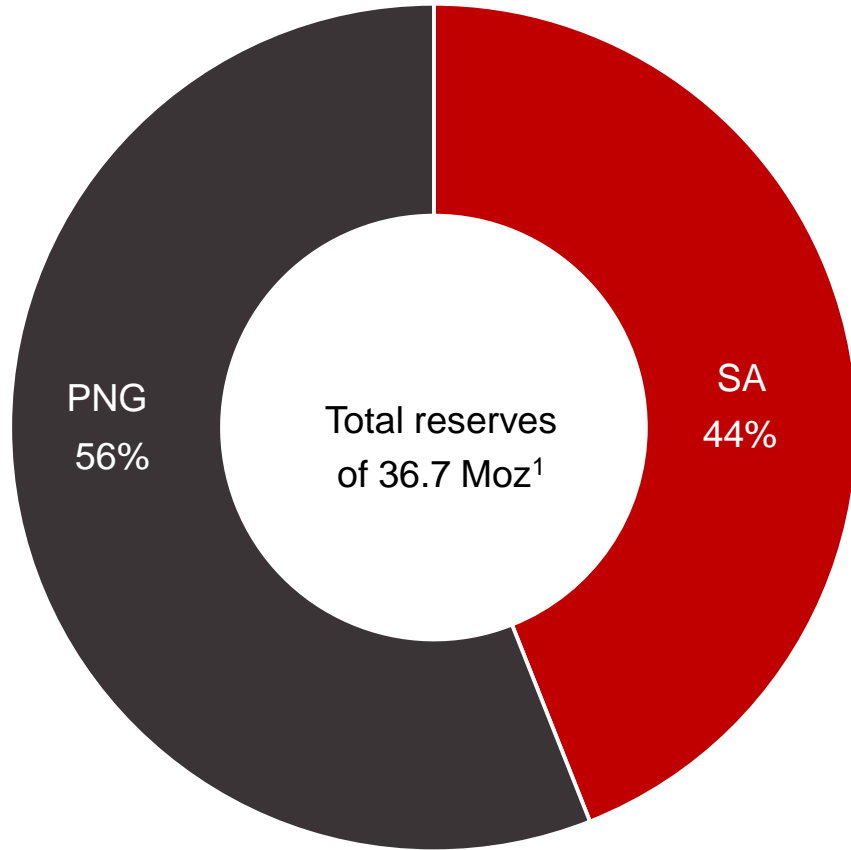
Production split

FY17	9%
FY19E	15%

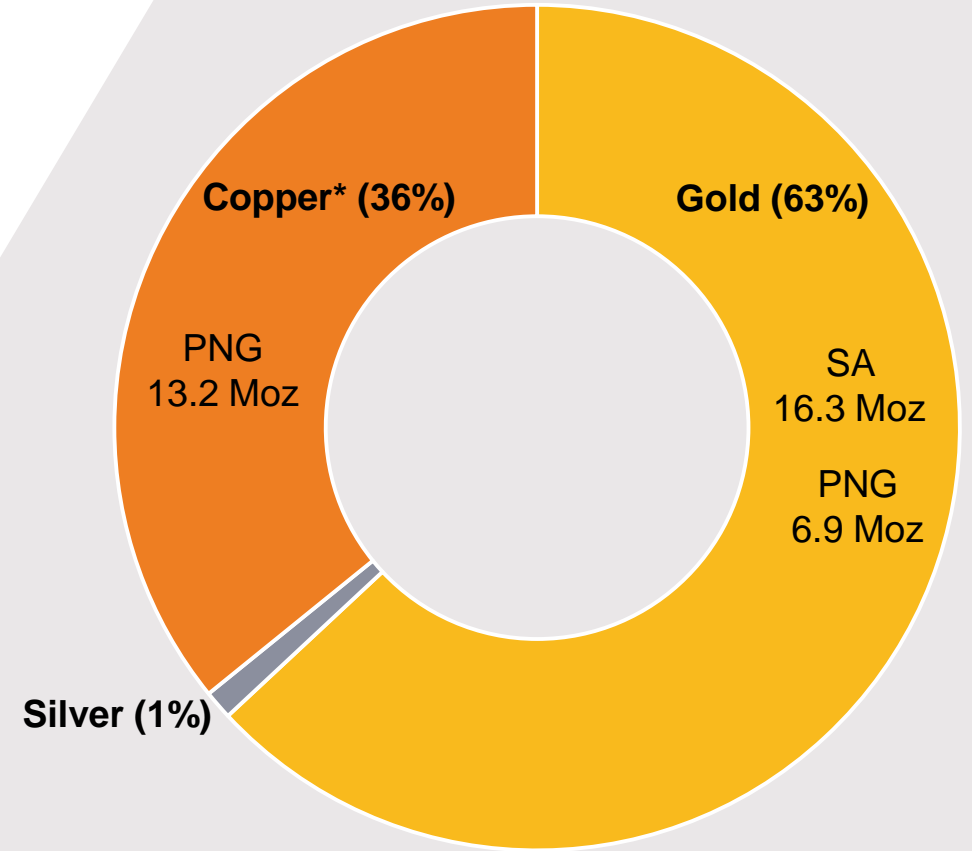
- ▲ Hidden Valley (open pit mine)
  - Golpu copper-gold project (50:50 JV)
- Multiple exploration areas (50% and 100%)

# QUALITY RESERVES – GOLD AND COPPER

Geographic diversification



Mineral diversification<sup>1</sup>



<sup>1</sup> Copper and silver as gold equivalents based on US\$1 200/oz Au, US\$3.0/lb Cu, US\$18.00/oz Ag  
 \* Represents Harmony's equity portion of 50%  
 Refer to [www.harmony.co.za](http://www.harmony.co.za) for detail.

Golpu gold and copper reserves\*

Tonnes (Mt)	Grade %	Cu 'Bn lb	Grade g/t	Au Moz
189.6	1.26	5.26	0.91	5.5



**INCREASING MARGINS**



# OPERATIONAL EXCELLENCE

## Strategy

Safe, profitable ounces and increasing margins

## Strategic pillars



Operational  
excellence



Cash certainty



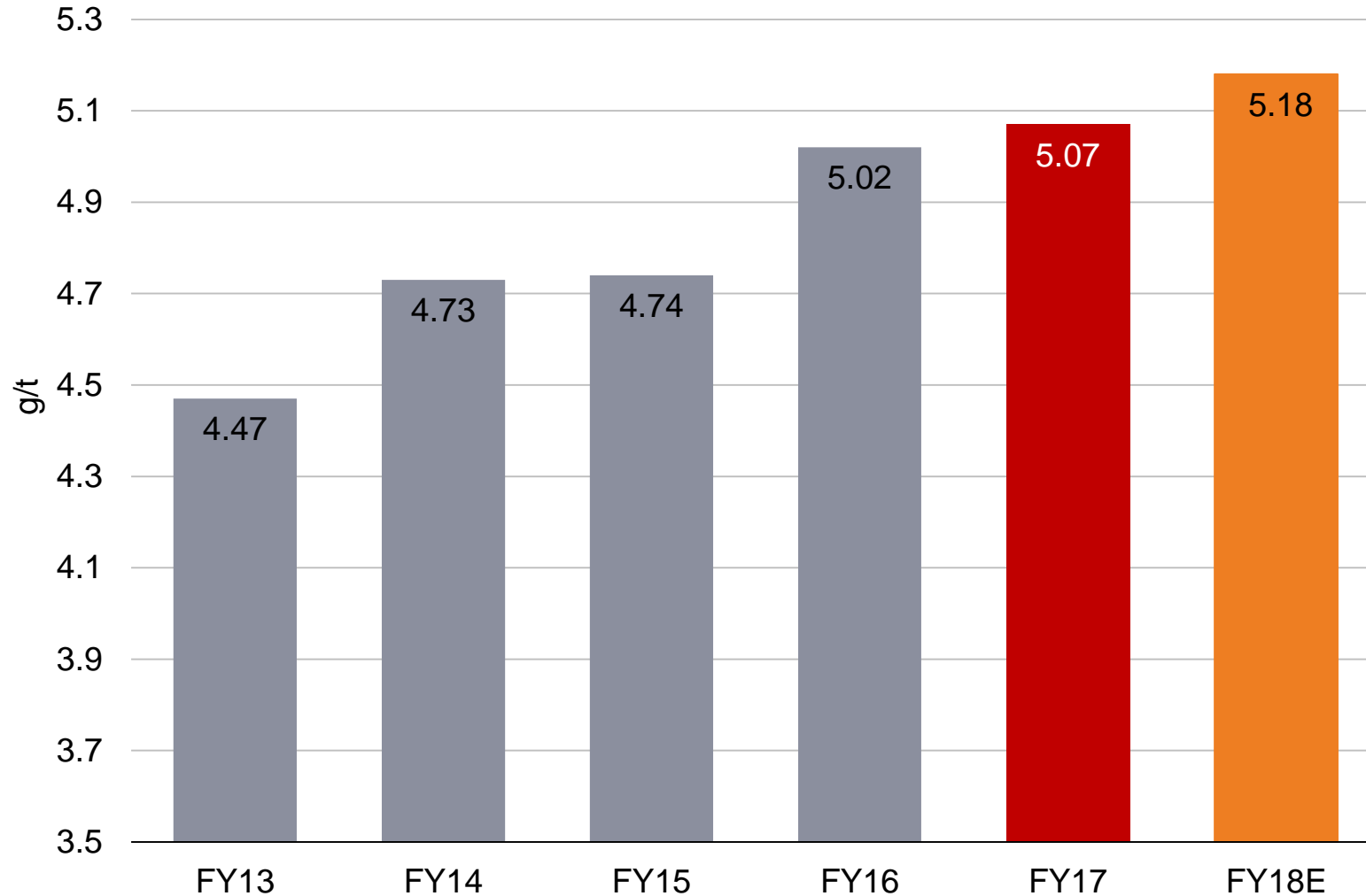
Effective capital  
allocation

## Delivered

- Safety performance improved
- Achieved FY17 production guidance - 2<sup>nd</sup> consecutive year
- Increase in underground recovery grade continued



# CONSISTENTLY IMPROVING UNDERGROUND GRADE



## Grade performance

- Only South African gold miner with improved underground grade profile
- Grade discipline is key
  - no mining below cut-off
  - mining to average reserve grade
- Projects deliver increased grade:
  - Phakisa, Tshepong decline deliver higher grades
  - mining the Bambanani high grade shaft pillar
  - Kusasaletu's shorter life-of-mine focuses on higher grade areas

# CASH CERTAINTY

**Strategy**

Safe, profitable ounces and increasing margins

**Strategic  
pillars**



Operational  
excellence



Cash  
certainty

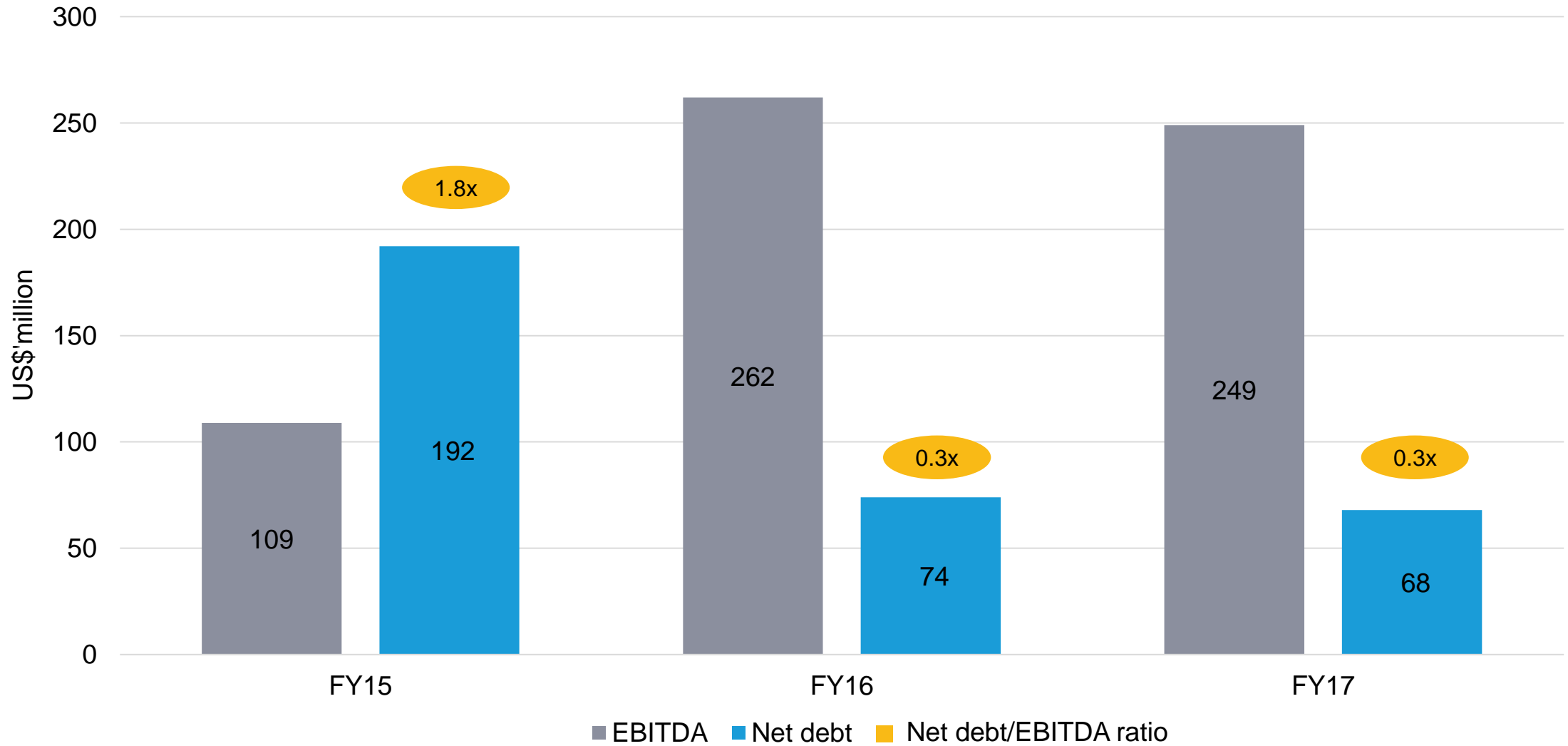


Effective capital  
allocation

**Delivered**

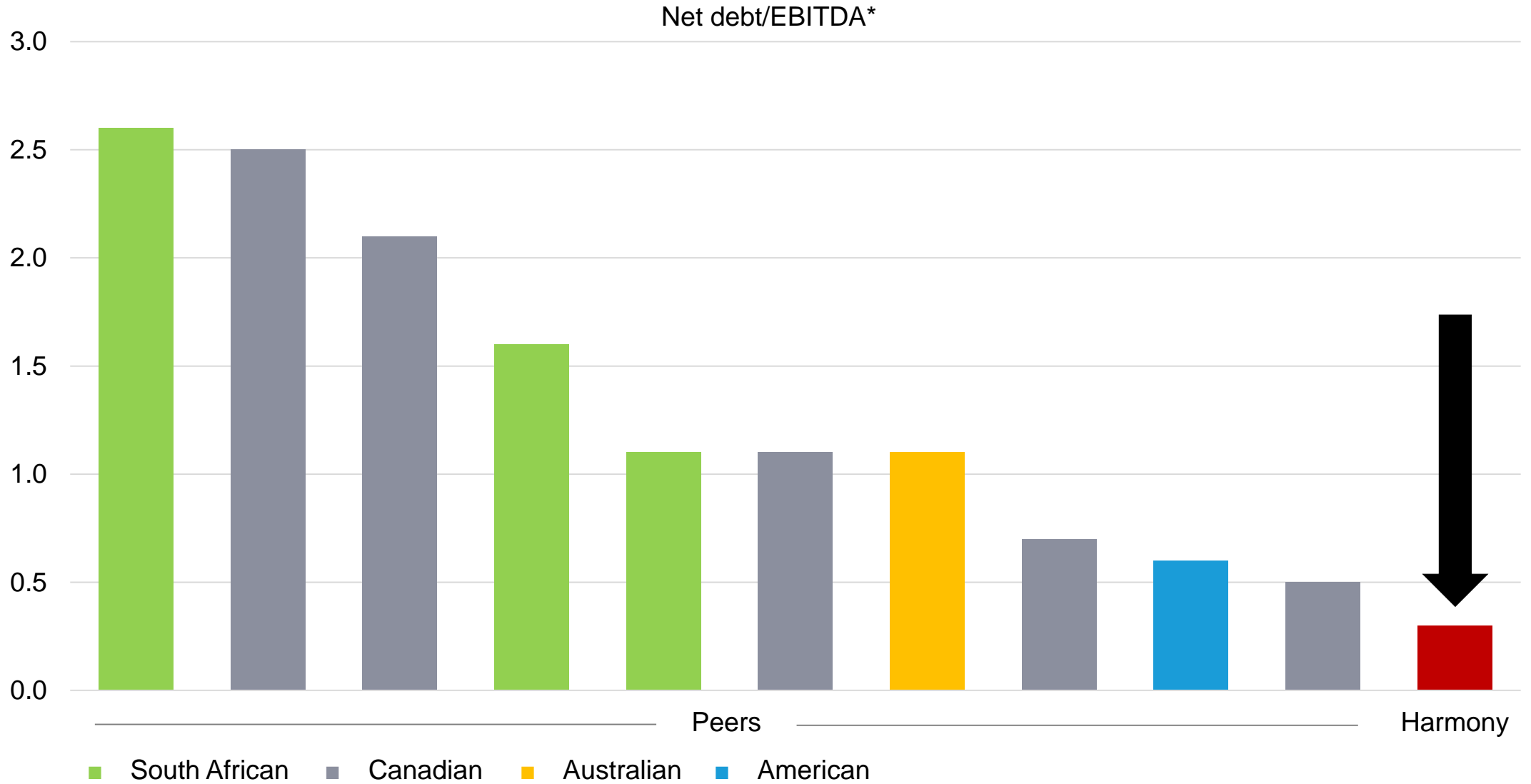
- Reduced net debt – strong balance sheet leads to flexibility
- Hedging strategy – secures cash flow margins

# LOW NET DEBT LEADS TO FLEXIBILITY



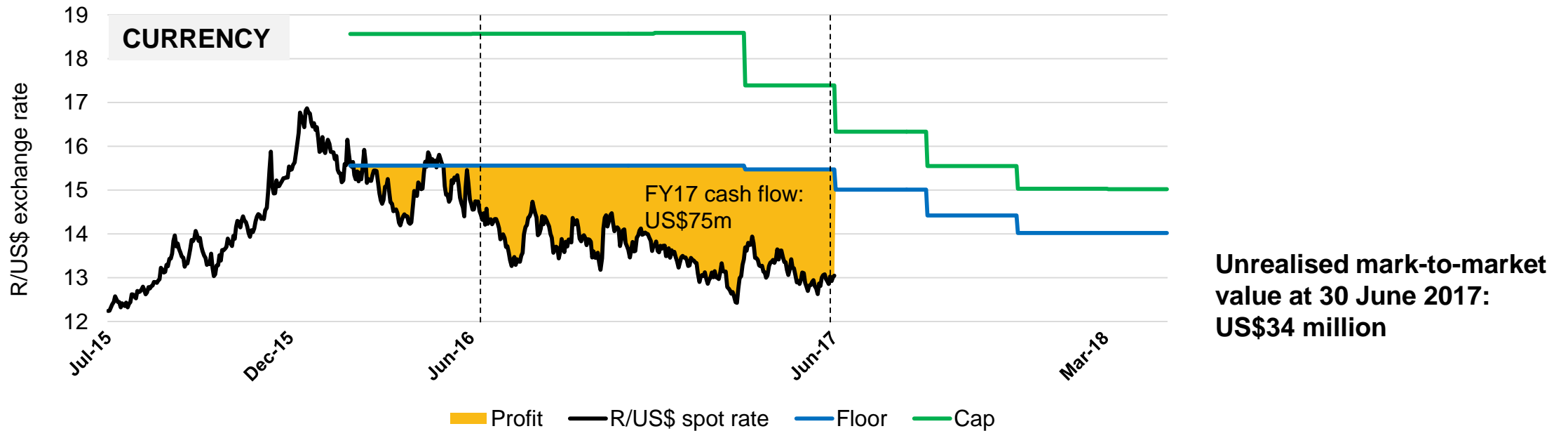
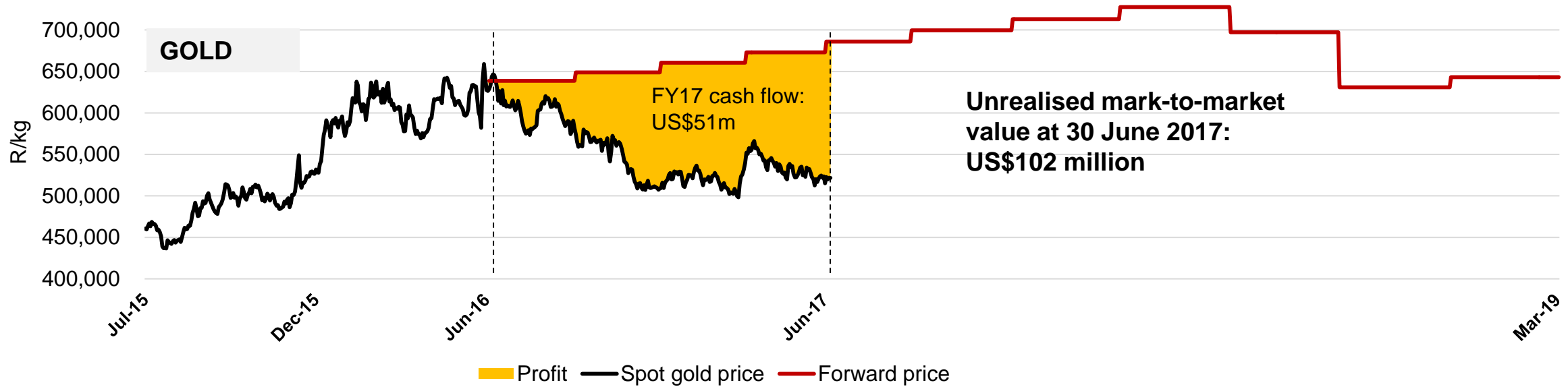
EBITDA: operating profit, excluding amortization and depreciation, impairment and loss on scrapping of property, plant and equipment

# NET DEBT COMPARED TO MAJOR PEERS



\* Net debt to last twelve months EBITDA.  
Source: Company filings for 30 June 2017.

# SUCCESSFUL HEDGING PROGRAMMES REALISE US\$126 MILLION



# EFFECTIVE CAPITAL ALLOCATION

## Strategy

Safe, profitable ounces and increasing margins

## Strategic pillars



Operational  
excellence



Cash  
certainty



Effective capital  
allocation

## Delivered

- Hidden Valley investment plan on budget and schedule (180koz)
- Golpu study updates underway
- Dividends declared out of profits

## Strong fundamentals

- ✓ Project economics – support FCF
  - IRR well exceeding 20%
  - LOM 6 years, AISC average US\$850/oz to US\$950/oz
  - Steady state production:  
Au:180 000oz; Ag: 3Moz
- ✓ Targeted commercial levels of production in June 2018 quarter
- ✓ Sizeable gold and silver reserve
- ✓ Potential mine life extension through stage 7 (in study phase, 25Mt, Au: 1.3 Moz; Ag: 25Moz)
- ✓ Further exploration opportunities



# INVESTMENT PLAN ON BUDGET AND SCHEDULE

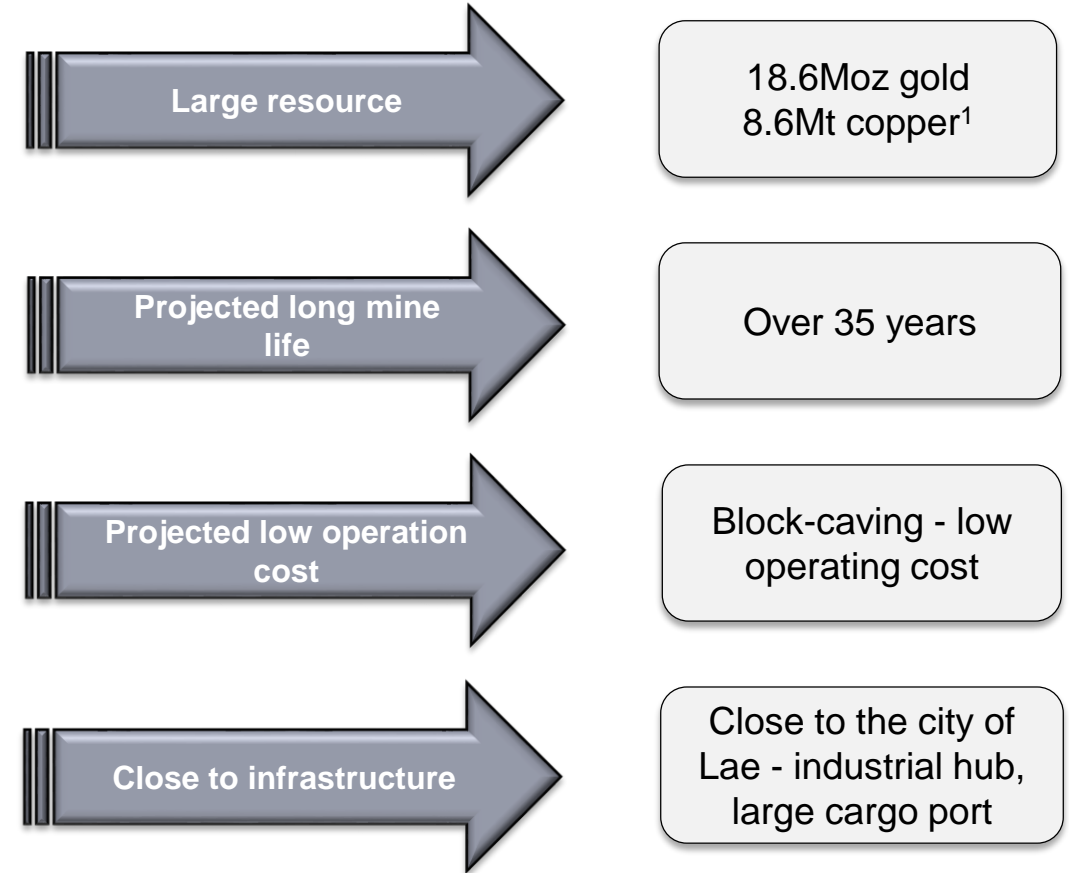
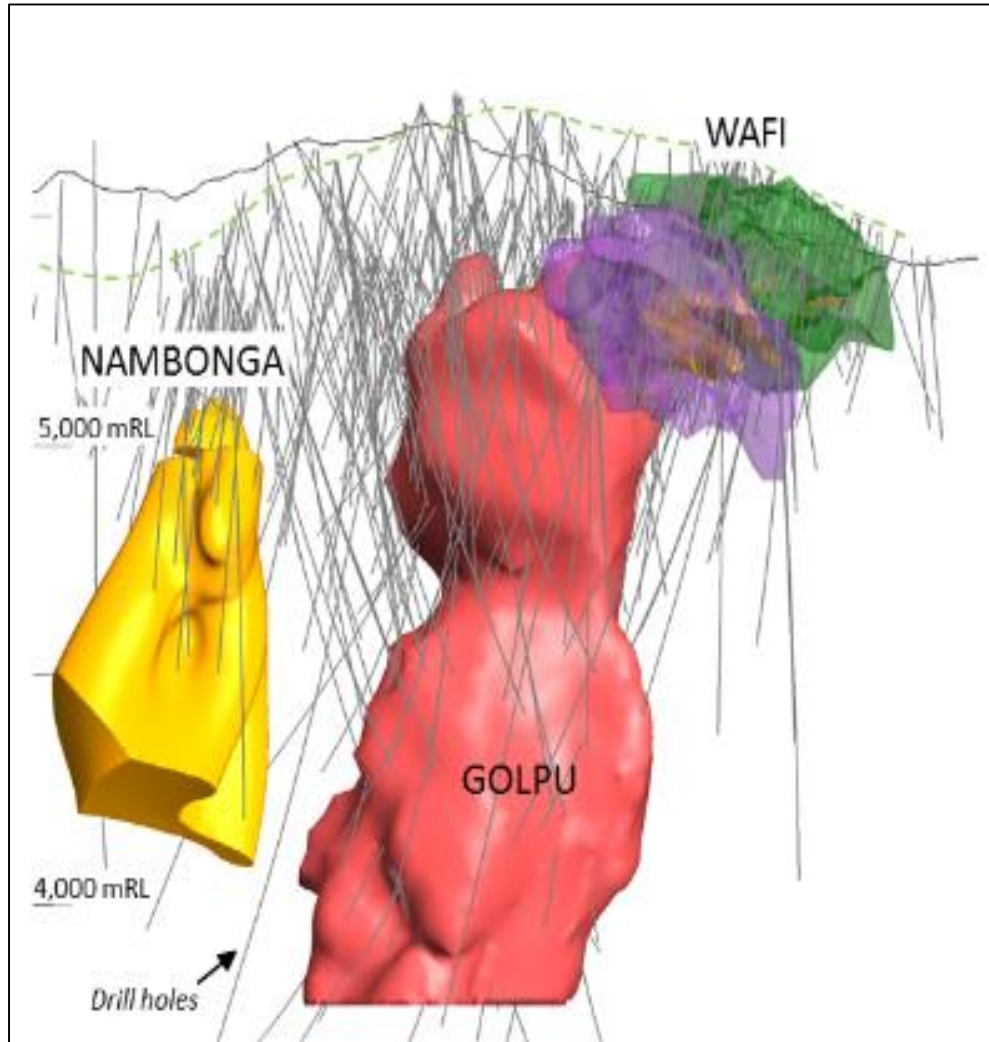
- ✓ Ahead of schedule and operational performance in line with budget

Milestones	FY17 achievements
<b>Safety</b>	<ul style="list-style-type: none"> <li>▪ No safety related work stoppages</li> <li>▪ Industry benchmark LTIFR achieved</li> </ul>
<b>Production performance</b>	<ul style="list-style-type: none"> <li>▪ Operational ounces exceeded plan</li> <li>▪ Waste stripping ahead of plan</li> </ul>
<b>Process plant shutdown, upgrade and major maintenance projects</b>	<ul style="list-style-type: none"> <li>▪ Reduced from 5 months to 4 months (commenced August 2017)</li> </ul>
<b>Budget</b>	<ul style="list-style-type: none"> <li>▪ Net investment spend in line with market guidance of US\$70 million (FY17 actual: US\$68 million)</li> </ul>



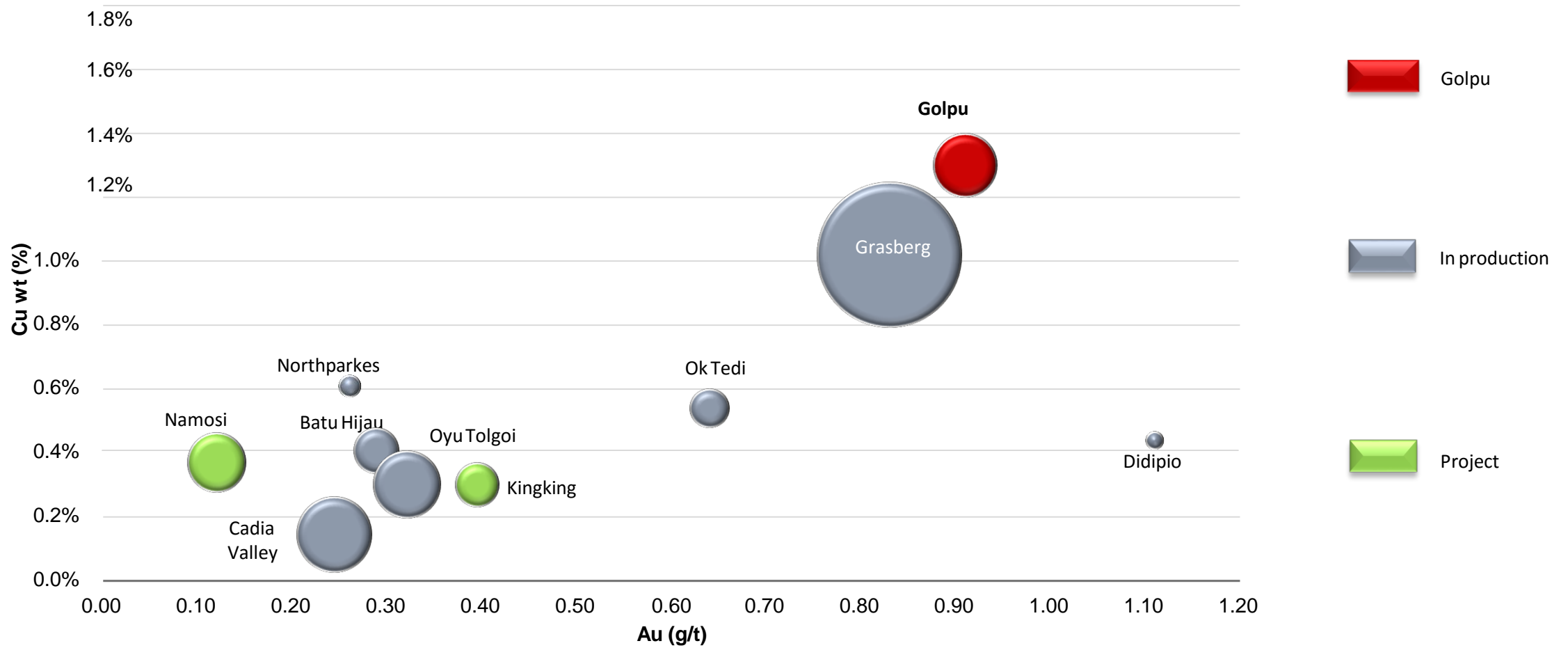


# WAFI-GOLPU IS A WORLD CLASS OREBODY



<sup>1</sup> Wafi-Golpu is held in a 50:50 JV with Newcrest Mining Limited (Newcrest). For full Resource and Reserve declarations please refer to either [www.harmony.co.za](http://www.harmony.co.za) or to Newcrest's Annual Statement of Mineral Resources and Ore Reserves at [www.newcrest.com.au](http://www.newcrest.com.au). Resource figures quoted on 100% basis.

# GOLPU – 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)  
 \*Wafi: Golpu is held in a 50:50 JV with Newcrest Mining Limited.

	Cu '000t	Au '000oz	Au equivalent Moz
Peak annual production (100%)*	150	320	+ 1

# WAFI-GOLPU STUDY UPDATE

## Current study focus

- power supply options
- reassessment of block cave levels and increased mining rates
- optimal tailings placement options

## Business case

- business case to be updated and optimised
  - expected completion March 2018
- timing of first production
  - subject to obtaining necessary approvals

## Special mining lease

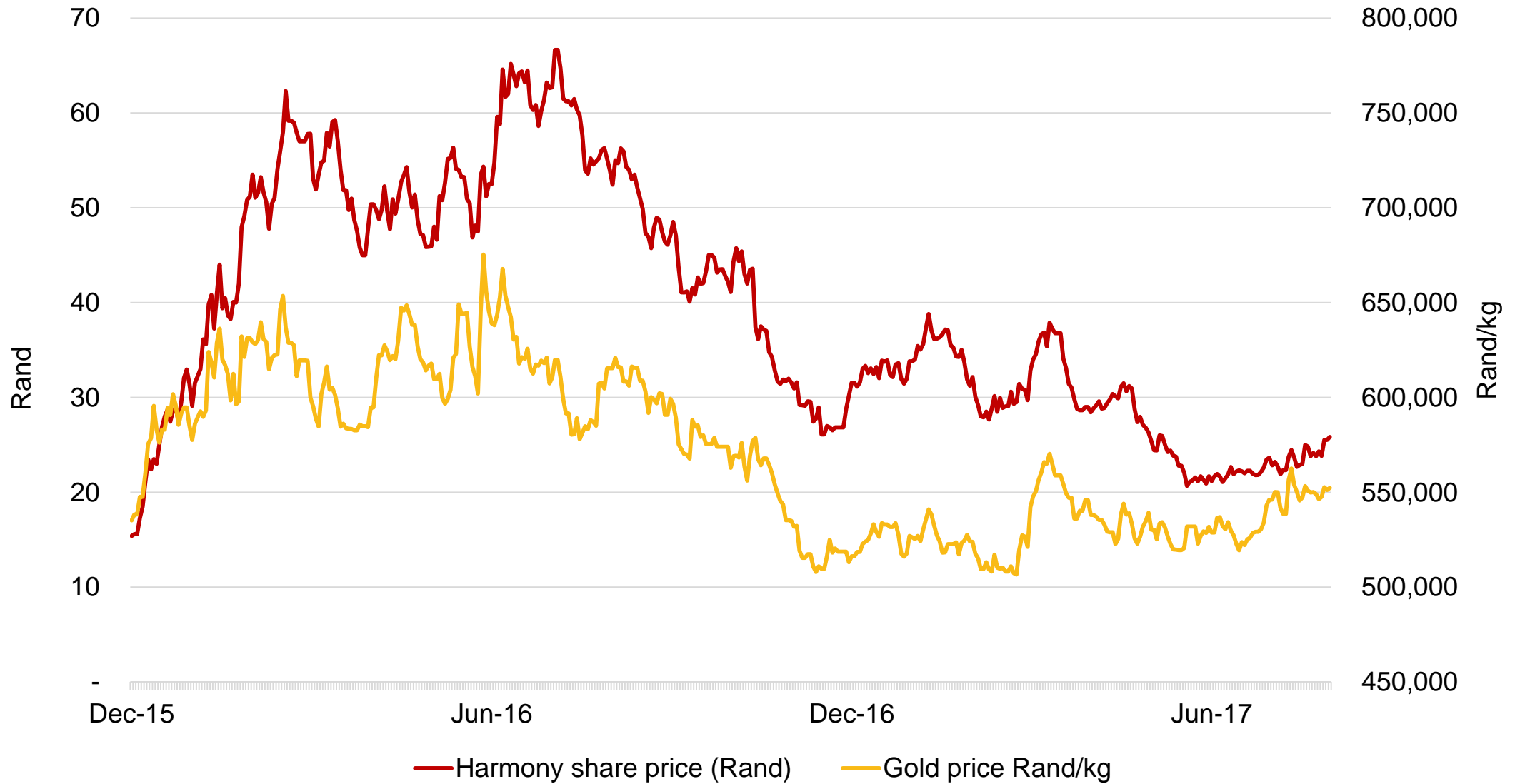
- Special mining lease application submitted in August 2016
  - any changes to study may require amendment to the supporting documents



# CONCLUSION



# SHARE PRICE GEARED TO RAND GOLD PRICE



Source: Factset,

# SOLID INVESTMENT CASE



## Large, profitable producer

- safe, predictable production
- maintain increase in grade



## Balance sheet strength

- low net debt allows for growth
- hedging strategy protects margins



## Quality growth prospects

- Golpu – world class project
- organic, exploration, value accretive acquisitions



## Share price uplift

- Rand hedge gearing
- emerging market exposure, undervalued



## **CONTACT US**

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