



# PAPUA NEW GUINEA

# MINING AND PETROLEUM INVESTMENT CONFERENCE

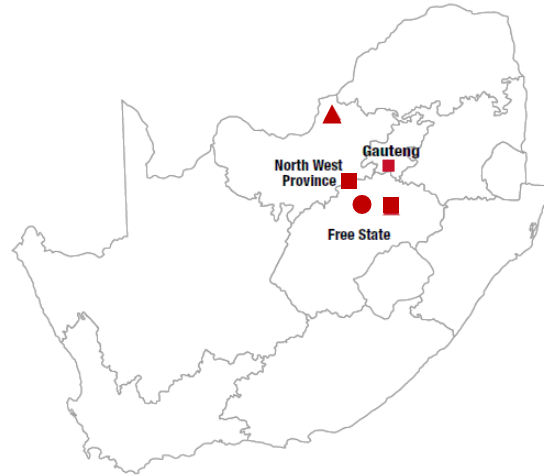
Peter Steenkamp, Chief Executive Officer

3 December 2018



# HARMONY - EXPERIENCED MINER IN EMERGING ECONOMIES

## SOUTH AFRICA (SA)



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

## PAPUA NEW GUINEA (PNG)



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

### Corporate profile:

Listed on the Johannesburg Stock Exchange and New York Stock Exchange

Operating for over 68 years, 38 000 employees

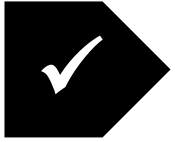
# MINING INTEGRAL TO ECONOMIC GROWTH

- Mining plays a dominant social, economic and political role in 81 countries<sup>1</sup>
- Resource industry accounts for a quarter of global GDP and half the world's population<sup>1</sup>
- Stakeholder partnerships essential to ensure mutual benefit



<sup>1</sup> Source: [www.worldbank.org/en/topic/extractiveindustries/overview](http://www.worldbank.org/en/topic/extractiveindustries/overview)

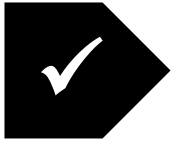
# KEY ELEMENTS TO GROWING EMERGING ECONOMIES



Mining is about people – build strong and healthy relationships



Multi-stakeholder engagement and collaboration critical



Balance socio and economic requirements to ensure sustainable growth



# SECURING A MUTUALLY BENEFICIAL OUTCOME: SOUTH AFRICA

- The mining industry has played a critical role in South Africa's economic development for over 140 years
- Mining has contributed to the industrialization, electrification and the advancement of financial services in South Africa
  - Manufacturing and service sector
  - 84% of households are connected to a mains electricity supply
  - Lead to the establishment of the Johannesburg Stock Exchange
- Today's focus is on economic transformation and supporting an environment which will build a sustainable and successful mining industry

# MINING CONTINUES TO MAKE A SIGNIFICANT CONTRIBUTION TO THE SA ECONOMY

South African mining sector contribution in 2017		
	US\$ billion	
GDP	25	6.8% contribution
Taxes and royalties	2	
Employee earnings	9	460 000 employees, supporting 4.5 million dependents
Goods and services spend	23	
Community and skills development	0.7	

Source: <https://www.mineralscouncil.org.za/downloads/send/18-current/634-facts-and-figures-2017>

Exchange rate: R/US\$13.30

# PAPUA NEW GUINEA - WELL ESTABLISHED RESOURCE INDUSTRY

## Economic contribution

In 2017, 24% of PNG's GDP and around 84% of the nation's export revenue (valued at K26 billion)

## Employment

Directly employ over 20,000 people and 30,000 more people are employed in businesses that depend on the sectors

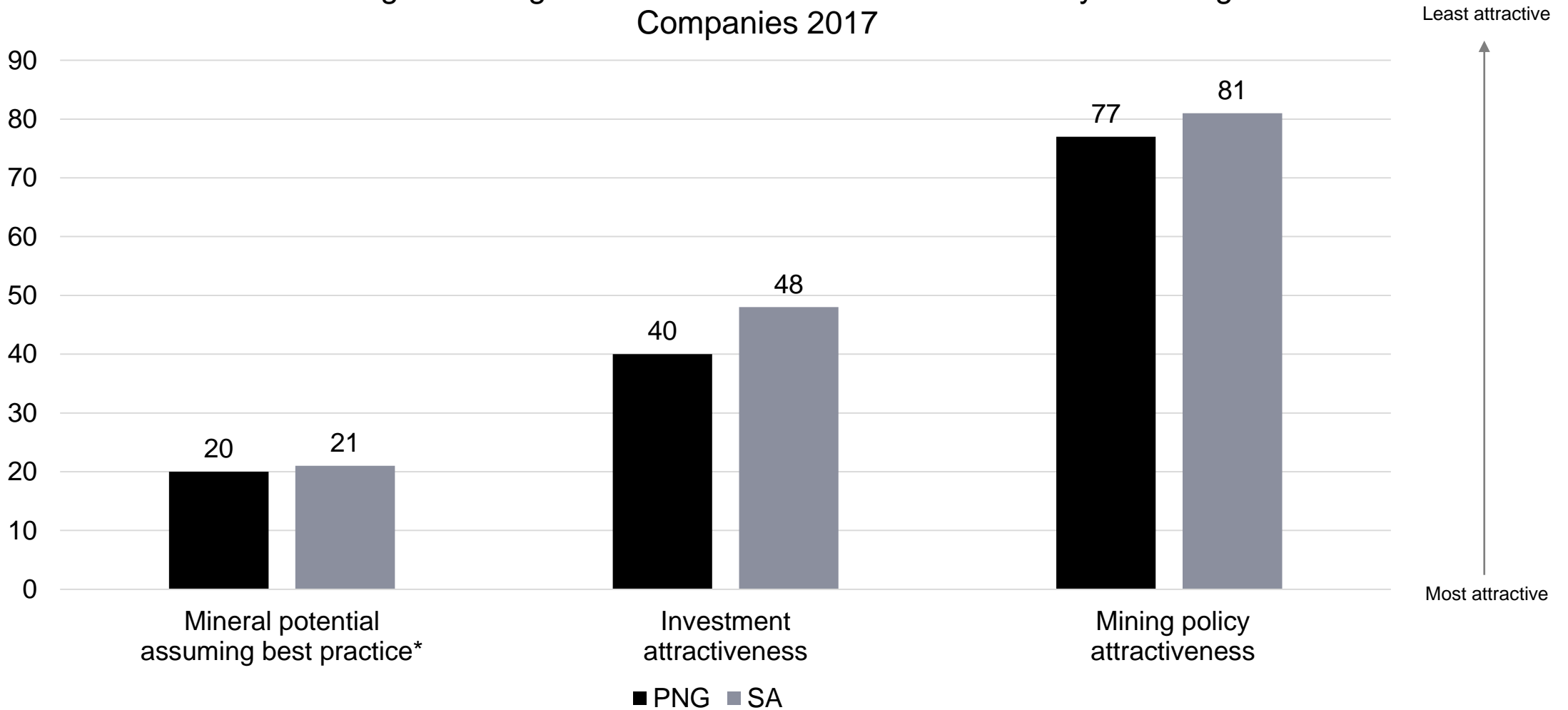
## Advancing community interests

- infrastructure development,
- employment and training,
- improving education and health service
- supporting agricultural projects



# UNLOCKING MINERAL POTENTIAL THROUGH MINING POLICY

Ranking according to the Fraser Institute's Annual Survey of Mining Companies 2017



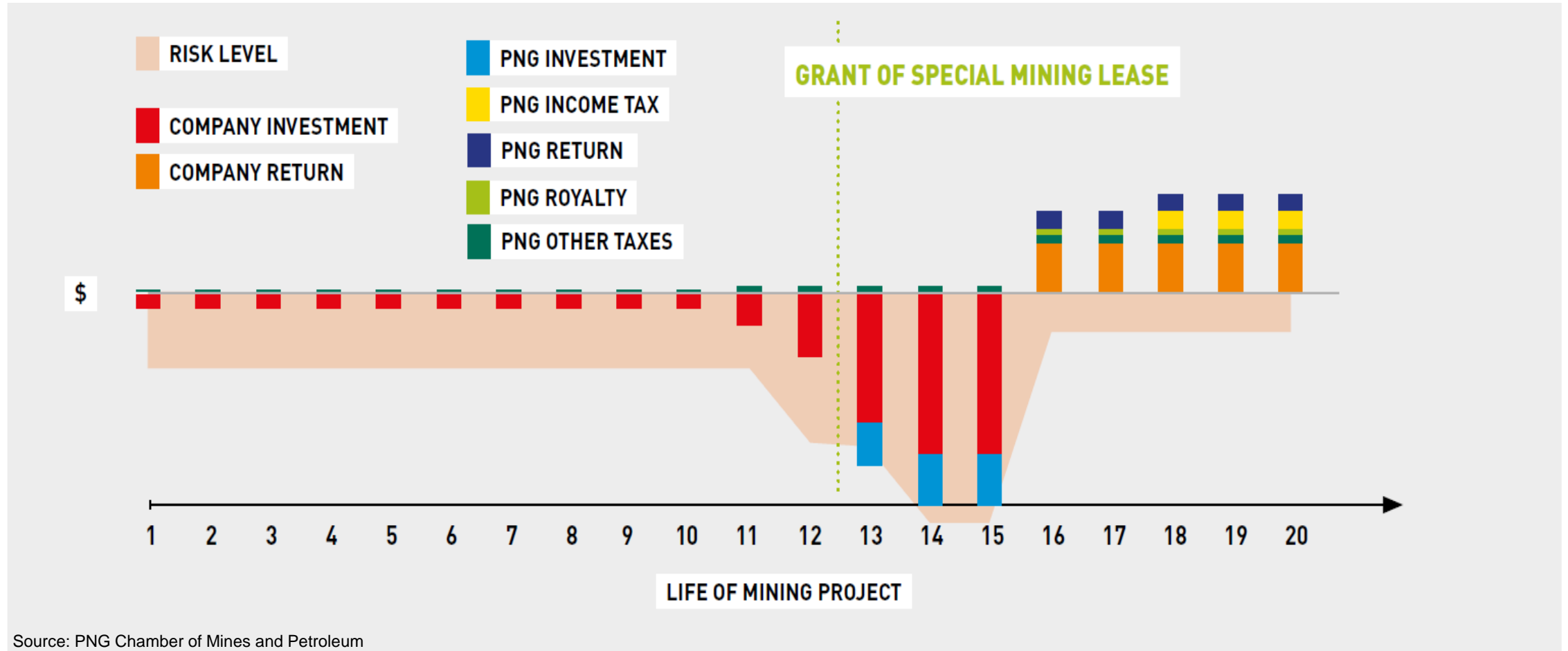
- Ranking out of 91 jurisdictions

\* Shows the mineral potential of jurisdictions, assuming their policies are based on “best practices” (i.e., world class regulatory environment, highly competitive taxation, no political risk or uncertainty, and a fully stable mining regime). In other words, this figure represents, in a sense, a jurisdiction’s “pure” mineral potential, since it assumes a “best practices” policy regime.

- Source: <https://www.fraserinstitute.org/sites/default/files/survey-of-mining-companies-2017.pdf>



# LONG TERM INVESTMENT DECISION



# REQUIREMENTS FOR A THRIVING MINING INDUSTRY

## RISKS

- A mining project is a long term investment – significant time between discovery, development and generating returns
- Significant risk and cost to bring a mining project to production

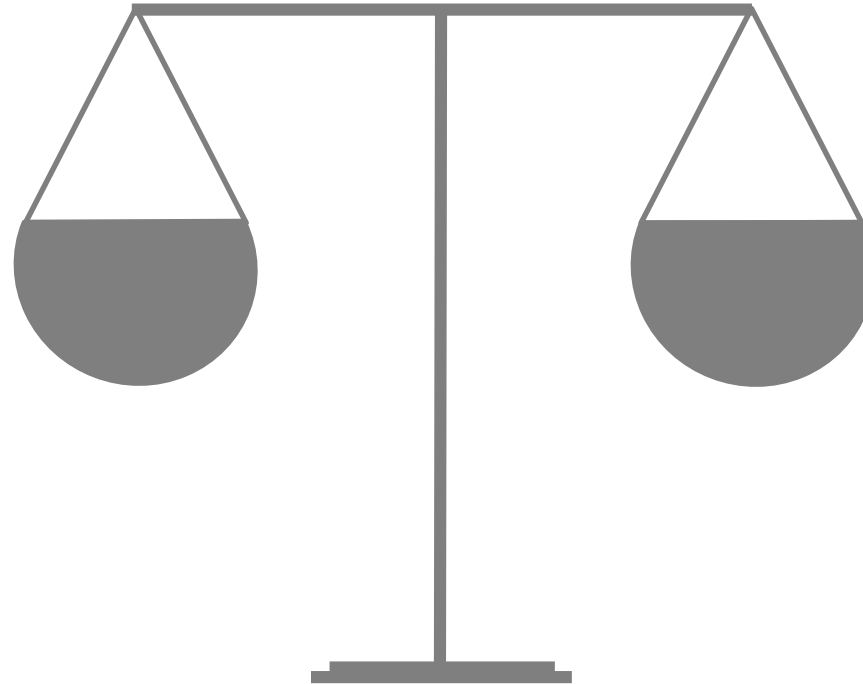
## REQUIREMENTS

- Stable, predictable and consistent regulatory and investment framework
- Policy that promotes prospecting and exploration
- Good governance
- Trust between business, government and communities
- Multi-stakeholder collaboration

# BALANCING STAKEHOLDER EXPECTATIONS

## Governments and communities

- Ownership/equity
- Taxes and royalties
- Employment and skills development
- Community support and infrastructure development
- Local procurement and business development
- Regulatory policies that address investment risks



## Mining companies

- Generating shareholder returns
  - Volatility of commodity prices
  - Capital intensive - attracting sources of capital
  - High risk industry – long lead times
- Investor friendly and stable regulatory environment

# HARMONY'S APPROACH TO SOCIO-ECONOMIC DEVELOPMENT

Good corporate citizenship and living our values

Committed to sustainable socio-economic development

Engage with host communities, province and country and build reputation as a valued partner

Investment in the future of host communities and regions central to preserving social license to operate

Creating shared value





**THANK YOU**

**FORWARD LOOKING STATEMENTS**

This presentation contains forward-looking statements within the meaning of the safe harbor provided by Section 21E of the Exchange Act and Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), 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 forward-looking statements, including, among others, those relating to our future business prospects, revenues, and the potential benefit of acquisitions (including statements regarding growth and cost savings) wherever they may occur in this presentation and the exhibits, are necessarily 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 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; estimates of provision for silicosis settlement; statements regarding future debt repayments; estimates of future capital expenditures; the success of our business strategy, development activities and other initiatives; future financial position, plans, strategies, objectives, capital expenditures, projected costs and anticipated cost savings and financing plans; 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, as well as at existing operations; 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 and the availability, terms and deployment of capital; changes in government regulation and the political environment, particularly tax, mining rights, environmental regulation and business ownership including any interpretation thereof ; fluctuations in exchange rates and currency devaluations and other macroeconomic monetary policies; the adequacy of the Group’s insurance coverage; and socio-economic or political instability in South Africa, Papua New Guinea, Australia 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. The foregoing factors and others described under “Risk Factors” should not be construed as exhaustive.

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 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 report or to reflect the occurrence of unanticipated events, except as required by law. All subsequent written or oral forward-looking statements attributable to Harmony or any person acting on its behalf are qualified by the cautionary statements herein.

**DISCLAIMER**

This communication is for informational purposes only and does not constitute or form part of an offer of securities for sale or solicitation of an offer to purchase securities in the United States, Canada, Australia, Japan or in any other jurisdiction in which such offer may be restricted. The securities referred to in this communication have not been registered under the US Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any state in the United States and absent registration may not be offered or sold in the United States, except in reliance on an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Any public offering of securities made in the United States will be made by means of a prospectus that may be obtained from Harmony and that will contain detailed information about Harmony, its management and financial statements.