



# HIDDEN VALLEY

Shared Value  
Opportunities

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Petroleum Conference  
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# PRIVATE SECURITIES LITIGATION REFORM ACT SAFE HARBOUR STATEMENT

## FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of the safe harbour 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 report 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 report. 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 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, exploration and 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 labour disruptions related to industrial action or health and safety incidents; 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; our ability to hire and retain senior management, sufficiently technically-skilled employees, as well as our ability to achieve sufficient representation of historically disadvantaged HDSAs in management positions; our ability to comply with requirements that we operate in a sustainable manner and provide benefits to affected communities; potential liabilities related to occupational health diseases; changes in government regulation and the political environment, particularly tax and royalties, mining rights, health and safety, environmental regulation and business ownership including any interpretation thereof; court decisions affecting the South African mining industry, including, without limitation, regarding the interpretation of mining rights; our ability to protect our information technology and communication systems and the personal data we retain; risks related to the failure of internal controls; the outcome of pending or future litigation or regulatory proceedings; fluctuations in exchange rates any further downgrade of South Africa's credit rating; 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 report 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.

# HARMONY TODAY

JSE, NYSE listed (HAR; HMY)

Experienced operator

- 69+ years

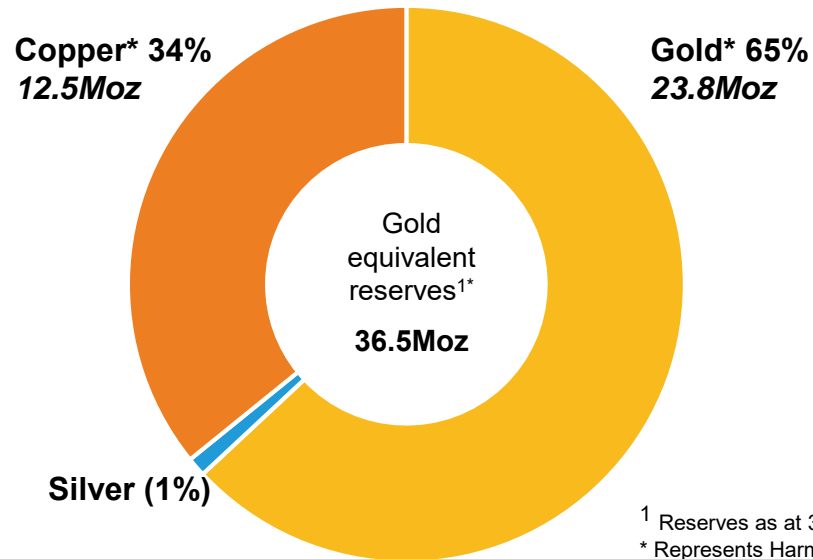
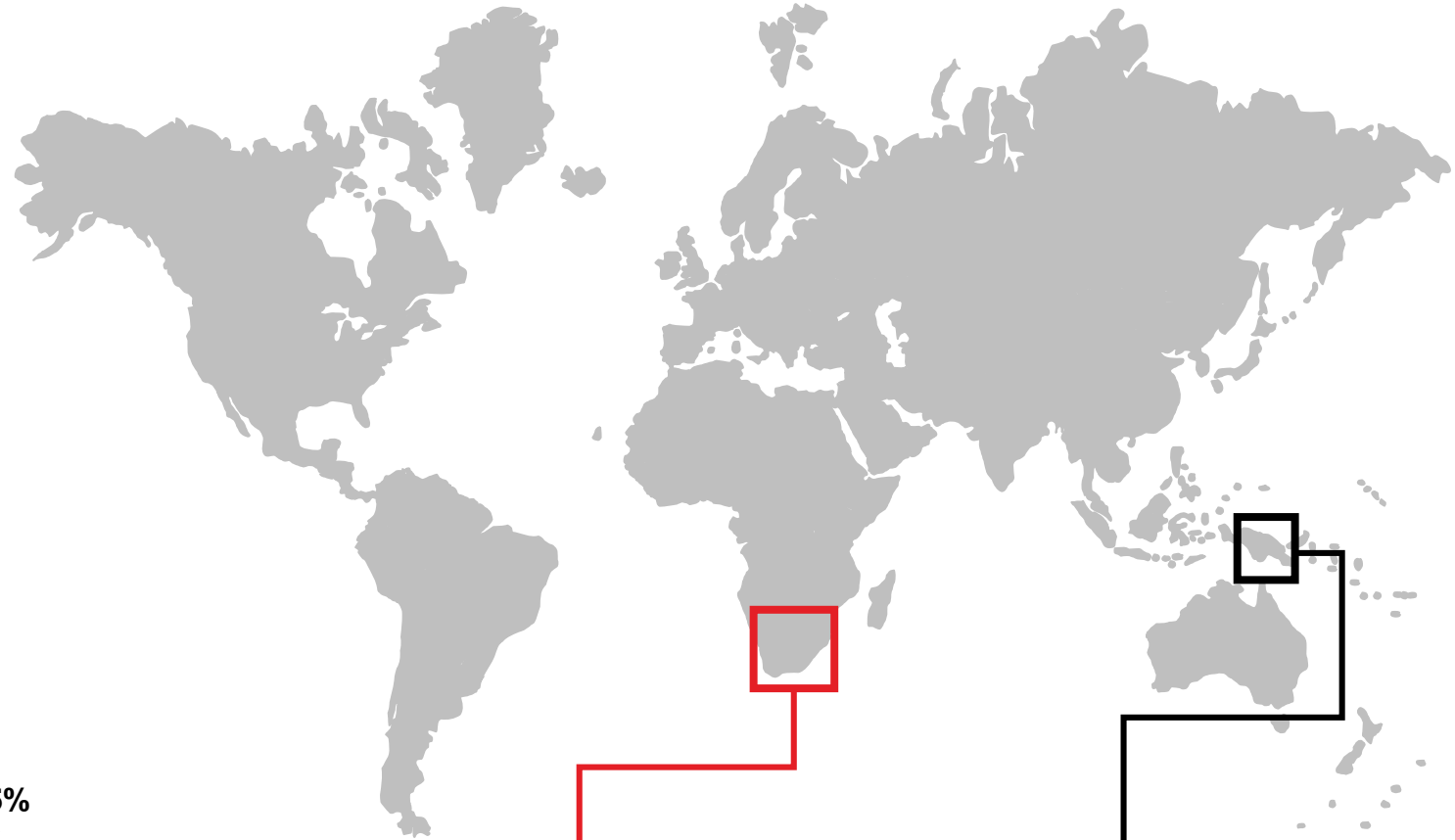
Market cap of close to US\$1.8bn

Mines in:

- South Africa
- Papua New Guinea

Total reserves (gold equivalent)

- gold >23 Moz
- copper >12 Moz



**SOUTH AFRICA**

**Production split:**

**FY19** ~1.3Moz (86%)

9 underground operations

1 open pit mine

2 tailings retreatment operations

**PAPUA NEW GUINEA**

**Production split:**

**FY19** ~200koz (14%)

Hidden Valley (open pit mine)

Wafi-Golpu project (50:50 JV)

Multiple exploration areas

<sup>1</sup> Reserves as at 30 June 2019; copper and silver as gold equivalents based on: US\$1 290/oz Au, US\$3.00/lb Cu, US\$17.00/oz Ag  
 \* Represents Harmony's equity portion of 50% of Wafi-Golpu.

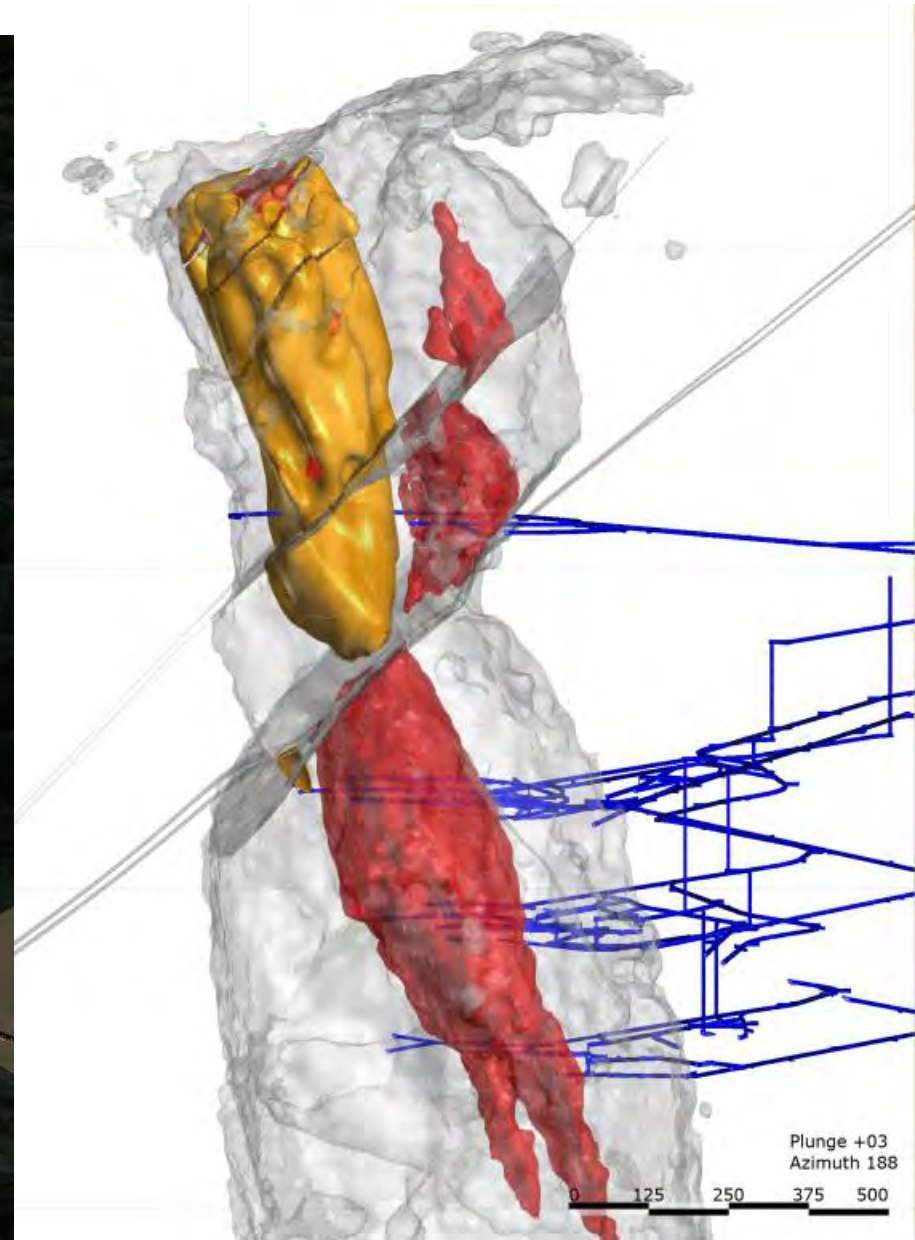


# HIDDEN VALLEY MINE – MOROBE PROVINCE





# WAFI-GOLPU PROJECT – MOROBE PROVINCE



Plunge +03  
Azimuth 188

0 125 250 375 500



# KILI TEKE – HELA PROVINCE (MINERALISED INTRUSIVE COMPLEX)





# WHAT IS SHARED VALUE?

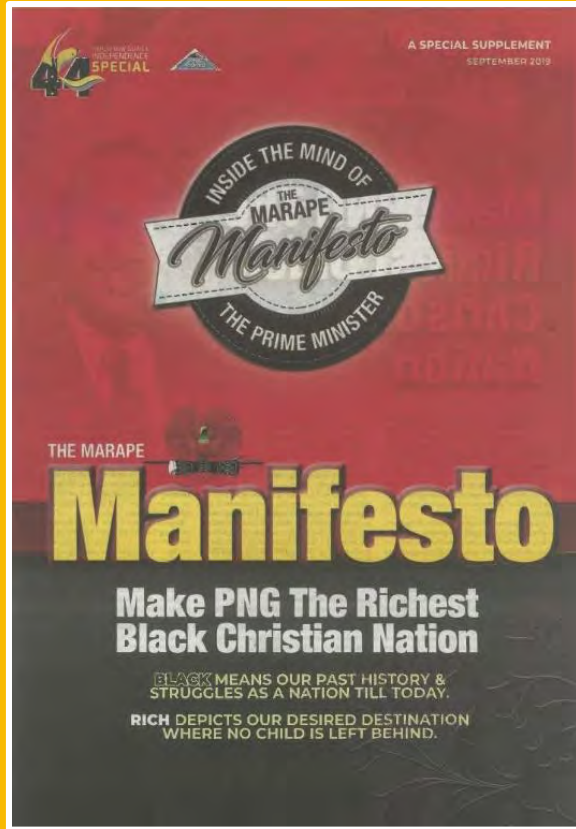


# MINING IS A COMMUNAL ACTIVITY





# SIMILAR ASPIRATIONS



**“...a fair arrangement ...”**

## SOUTH AFRICAN MINING CHARTER



**“...sustainable transformation, growth and development...”**



# HARMONY'S SHARED VALUES



No matter the circumstance, **safety** is our main priority



We are all **accountable** for delivering on our commitments



**Achievement** is core to our success



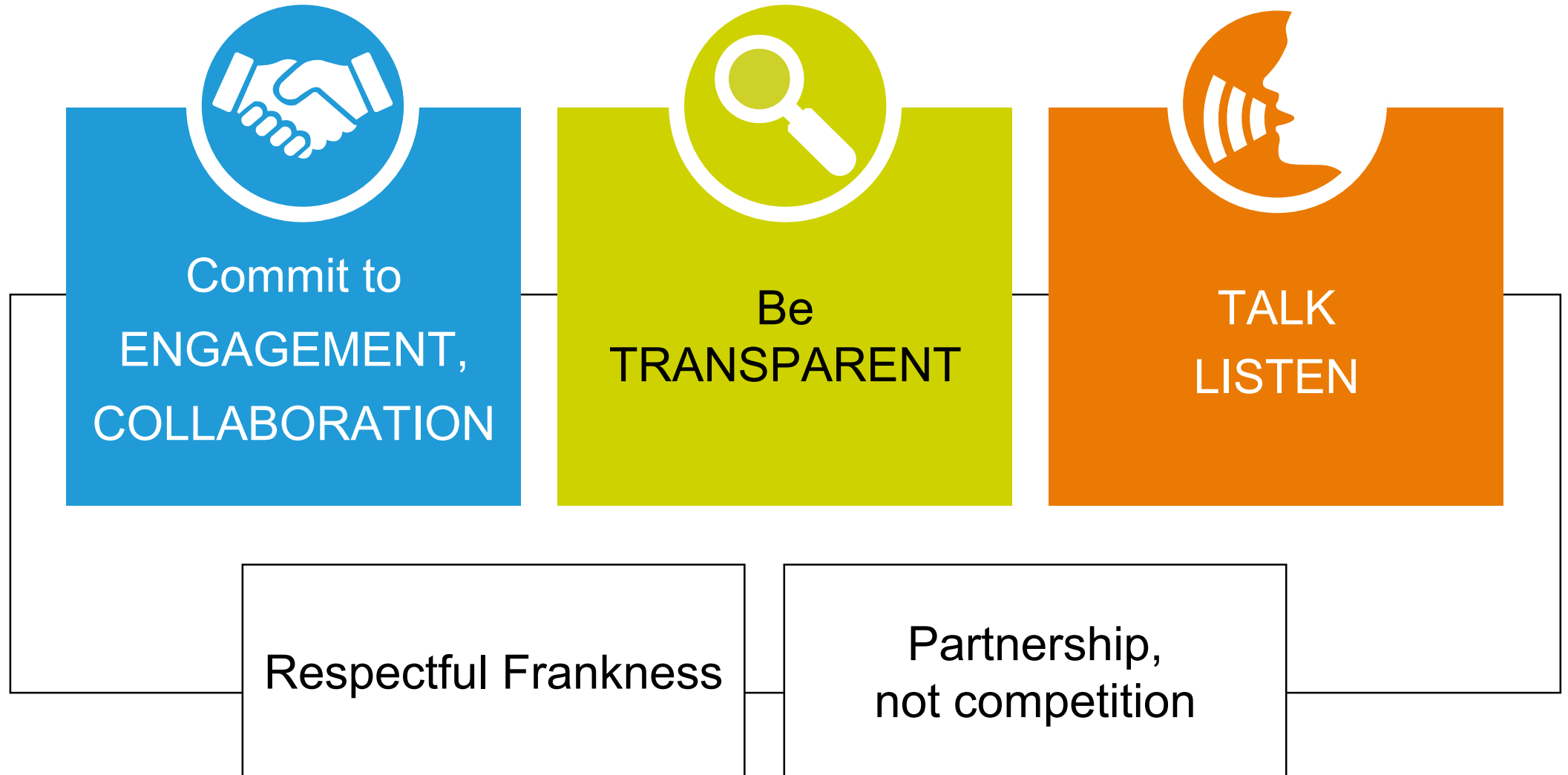
We are all **connected** as one team



We uphold **honesty** in all our business dealings and communicate openly with stakeholders

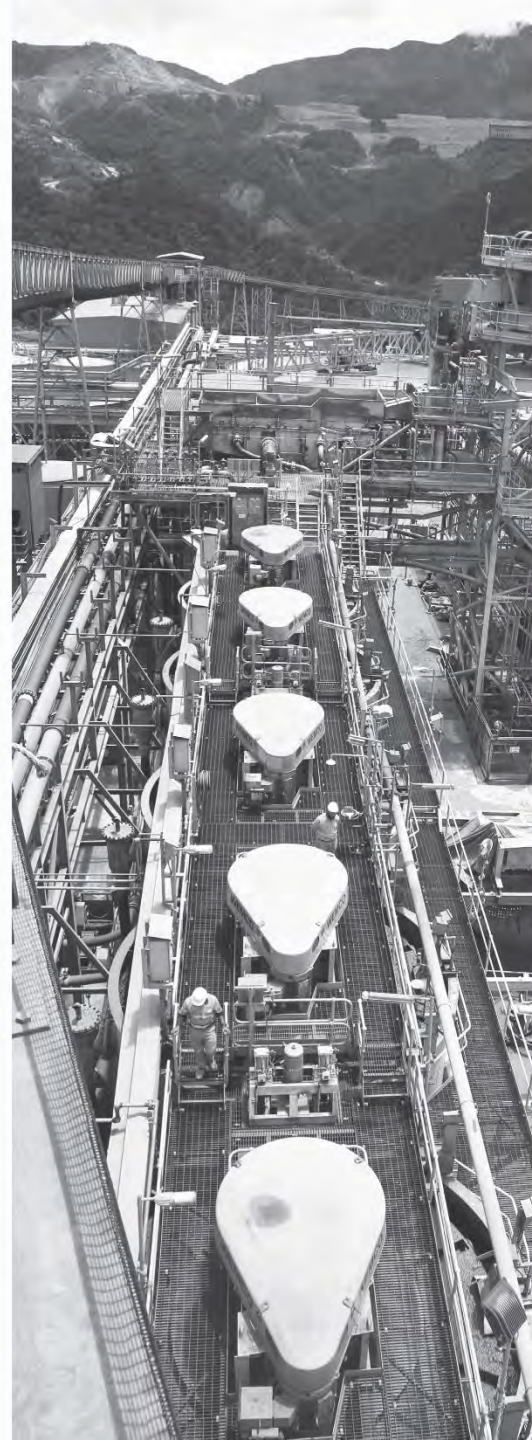


# ESSENTIAL SHARED VALUES



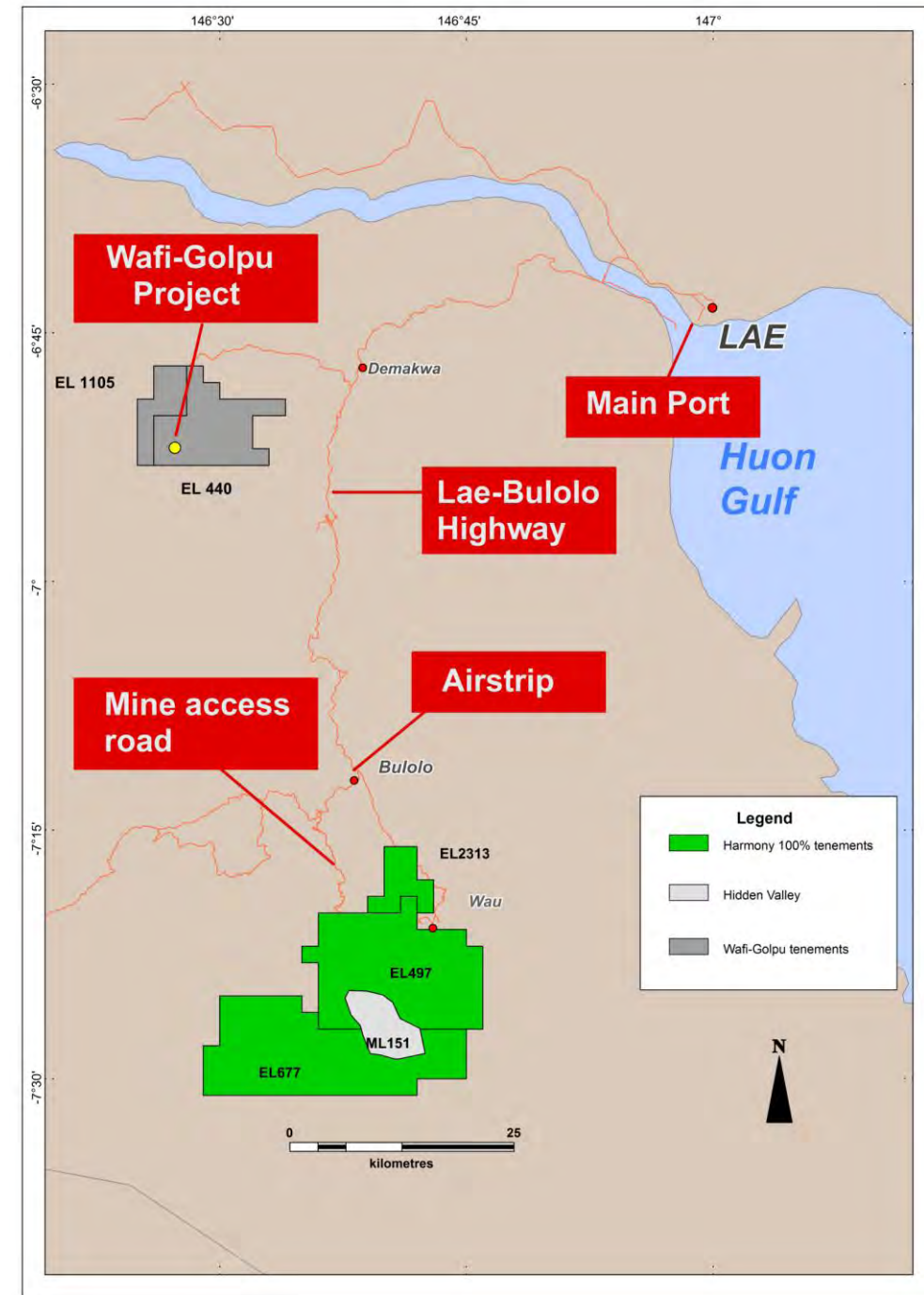


# HIDDEN VALLEY



# A SUMMARY

- Located in Bulolo District of Morobe Province
- Operations started in 2009
- ±PGK560 million recapitalisation during FY 17 and FY 18
  - Stage 5 waste stripping
  - replacement of mobile fleet
- Safety
  - two years lost time injury free on 28 April 2019
  - 2.2 million shifts fatality free on 31 October 2019
  - current Lost Time Injury Frequency Rate (LTIFR): 0.51
  - current All Injury Frequency Rate (AIFR): 3.42
  - target AIFR for FY20: 2.5





# HIDDEN VALLEY EXTENSION – FEASIBILITY STUDY

- Hidden Valley Extension feasibility study under way
- Hidden Valley Extension base case provides:
  - three-year mine life extension
  - additional 485 000 ounces of gold
  - AISC of approximately US\$1 031/oz
- Feasibility study expected to be completed by September 2020

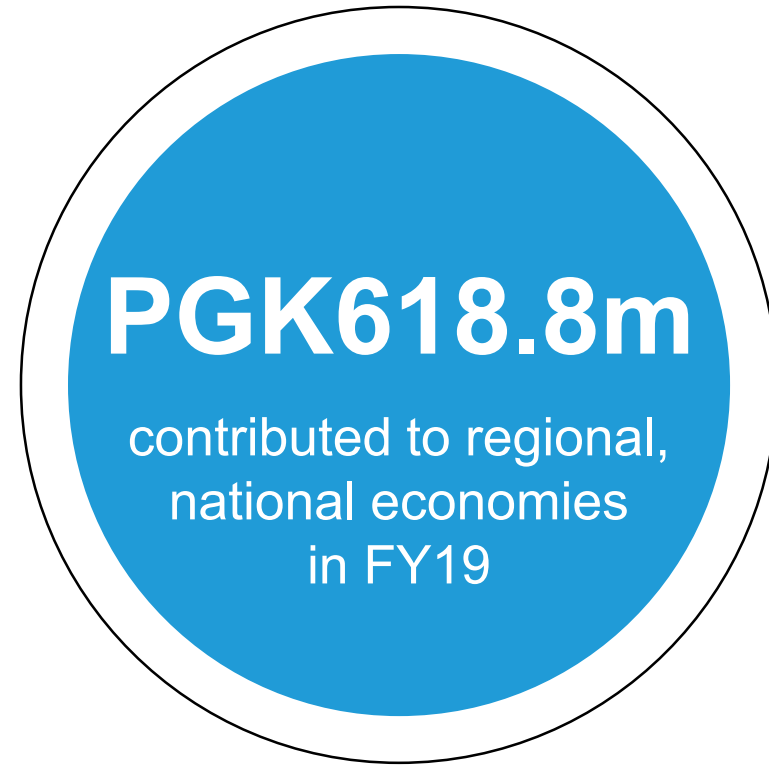




# DIRECT CONTRIBUTIONS TO PAPUA NEW GUINEA'S ECONOMY







PGK 5 billion includes 100% of Hidden Valley life of project investment

**>PGK131m**  
paid in royalties  
to 30 June 2019

**PGK39m**  
paid since  
Harmony  
re-investment  
(FY17-FY19)

**37.5%**  
to landowner  
groups

**23.5%**  
to Morobe  
Provincial  
Government

**20.0%**  
to local level  
government

**2%**  
to Future  
Generation  
Trust

**4.5%**  
to local  
communities

**12.5%**  
to Bulolo  
District  
Treasury



**PGK2.9bn**

**Harmony's net investment**  
through its various  
subsidiary entities

**PGK30.8m**

paid in royalties



**Infrastructure**



**Health**

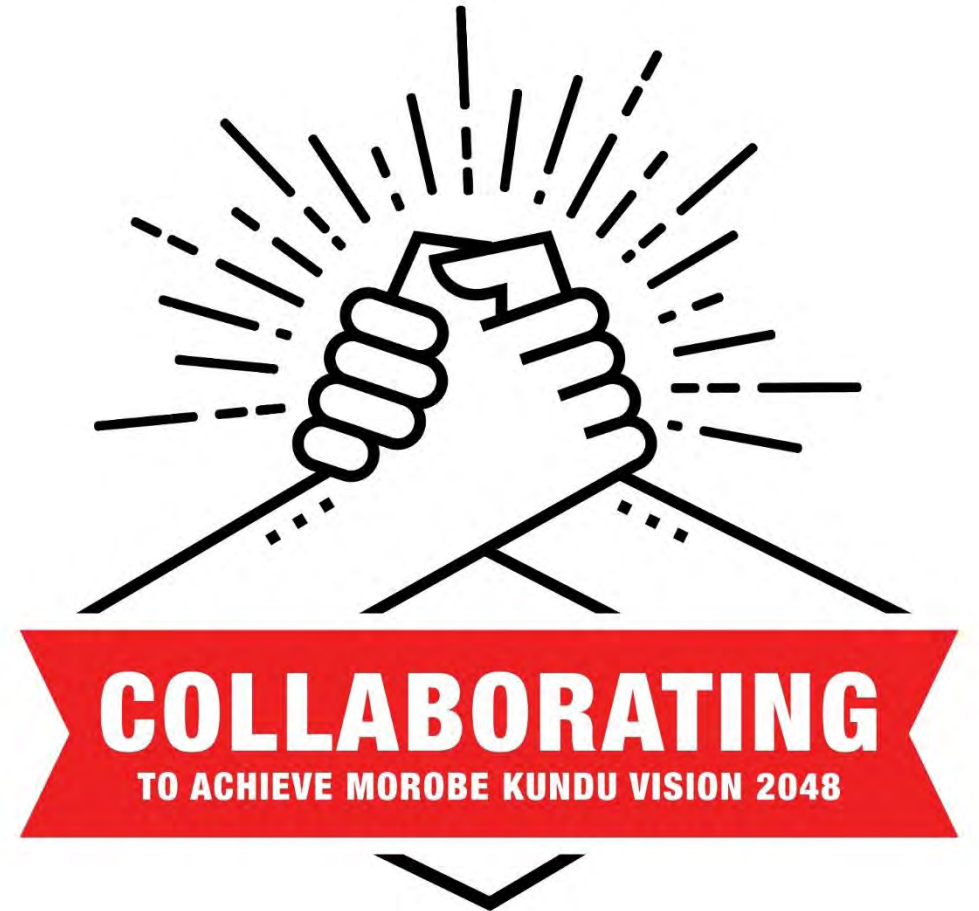


**Education**



**Agriculture**

DIRECT  
CONTRIBUTIONS  
TO PROVINCIAL ECONOMY





# CONTRIBUTIONS TO LOCAL COMMUNITIES



**2 000**  
jobs created

**14%**  
women

**PGK1.1bn**  
paid in  
salaries, wages

**>96%**

Papua New Guinea  
citizens

**72%**

Morobe Province

**44%**

immediate locality  
of mine



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# LOCAL BUSINESS DEVELOPMENT A SUCCESS STORY

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## NKW Holdings Limited

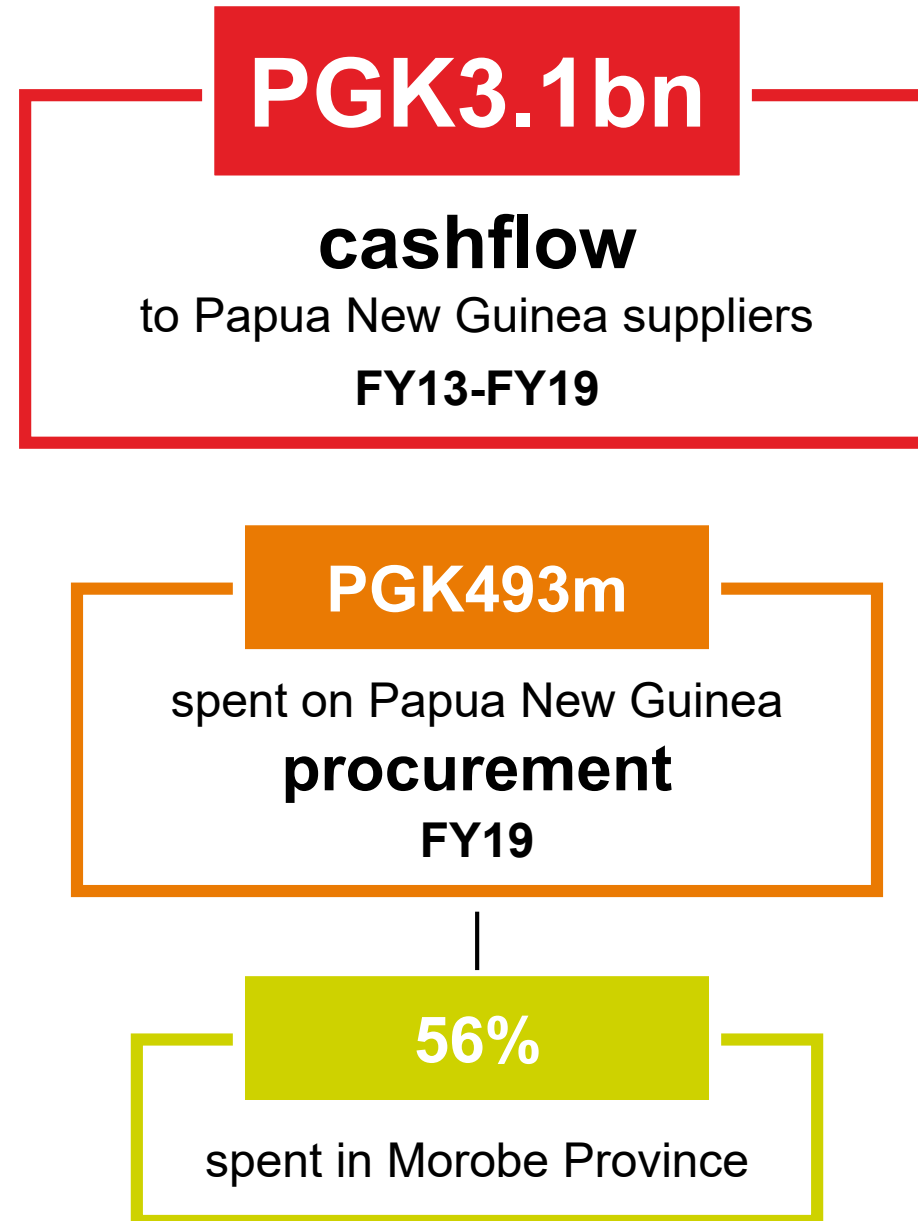
- landowner company
- owned by Nauti, Winima, Kwembu investment companies
- established in collaboration with Nakuwi Landowner Association
- ±450 contract employees
- benefits paid through dividends, social contribution contract
- involved in key contracts



**PGK121 million**

spent with landowner companies in FY19, including:

- HVC JV (mining construction)
- QPS JV (drilling)





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# HIDDEN VALLEY TRUST

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- Landowners' 5% project equity converted to royalty in 2009
- PGK12.2 million royalty contributions to date
- Trust established, focused on:
  - health
  - education
  - community infrastructure
  - landowner support activities

**PGK682 000**

spent on six water supply  
projects

**1 521 people**

positively impacted





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# AGRICULTURE PROJECTS

## WAU BULOLO

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- Community livelihoods improved through sustainable agricultural businesses
- >100 farmers engaged, trained
- Training:
  - coffee husbandry
  - farm management
  - nursery development
  - post-harvest handling
- Three coffee nurseries constructed
- >6 000 Typica (Blue Mountain) variety seedlings
- 82 farmers received basic farming tools
- PGK60 000 revenue generated from first harvest





# COMMUNITY DEVELOPMENT PROJECTS

- Wau Clinic upgrade – detailed plan
- Bulolo Police Station sanitation, fencing completed
- Mabung, Kwembu bridge rehabilitation project begun
- Landowner village access road rehabilitation
  - assessment, working with district, local level government
- Household solar lighting kits, biomass stoves, Wonder Bag cooking system
- Rural electrification
  - workshop planned with PNG Power and Bulolo district





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# COMMUNITY SUPPORT

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## Education

- 1 000 Tutudesks distributed to 28 elementary schools covering all Biangai, Watut villages
- School fee support for employees

## Health

- Continuing support for district health programmes, including TB awareness
- Local health centre engagement, audits
- Mattresses donated to health centres
- Typhoid education undertaken following recent outbreak
- 3 000 polio vaccinations over four phases
- Community medical assistance
- Three recent emergency medical assistance cases
- Haus Pikinini support for 26 orphans near Wau





# WHAT ABOUT THE INVESTORS?



# BALANCING STAKEHOLDER EXPECTATIONS

## Governments and communities

**PGK489m**

Taxes and royalties

**PGK1.1bn**

**Employment**  
salaries and wages

**PGK3.1bn**

Local procurement  
(FY13 to FY18)

Community support and  
infrastructure development



## Hidden Valley Investors

- Generating shareholder returns?
- high risk industry - volatility of commodity prices and long lead times
- capital intensive
- significant infrastructure costs



# IN CLOSING



# HARMONY:

recognises **good corporate citizen** responsibility

committed to **mutually sustainable socio-economic development**

understands **working with stakeholders** is fundamental to success

convinced community investment is central to preserving social license

**SHARED VALUE**  
achievable,  
working together

Respectful  
honesty





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