

# BRIEFING BOOK

FEBRUARY 2020

Harmony Gold Mining Company Limited  
NYSE Ticker code: HMY  
JSE Ticker code: HAR

# INVESTMENT CASE



**~1.8Moz producer  
in FY21**

Responsible gold mining  
company with experienced,  
credible management team



**Quality growth  
prospects**

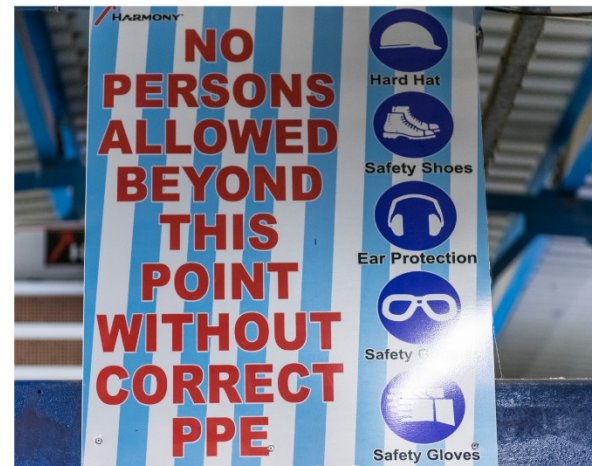
at attractive returns



**Leveraged to the  
gold price**

and Rand hedge stock

# WHO WE ARE



# HARMONY TODAY

JSE, NYSE listed (HAR; HMY)

Experienced operator

- 69+ years

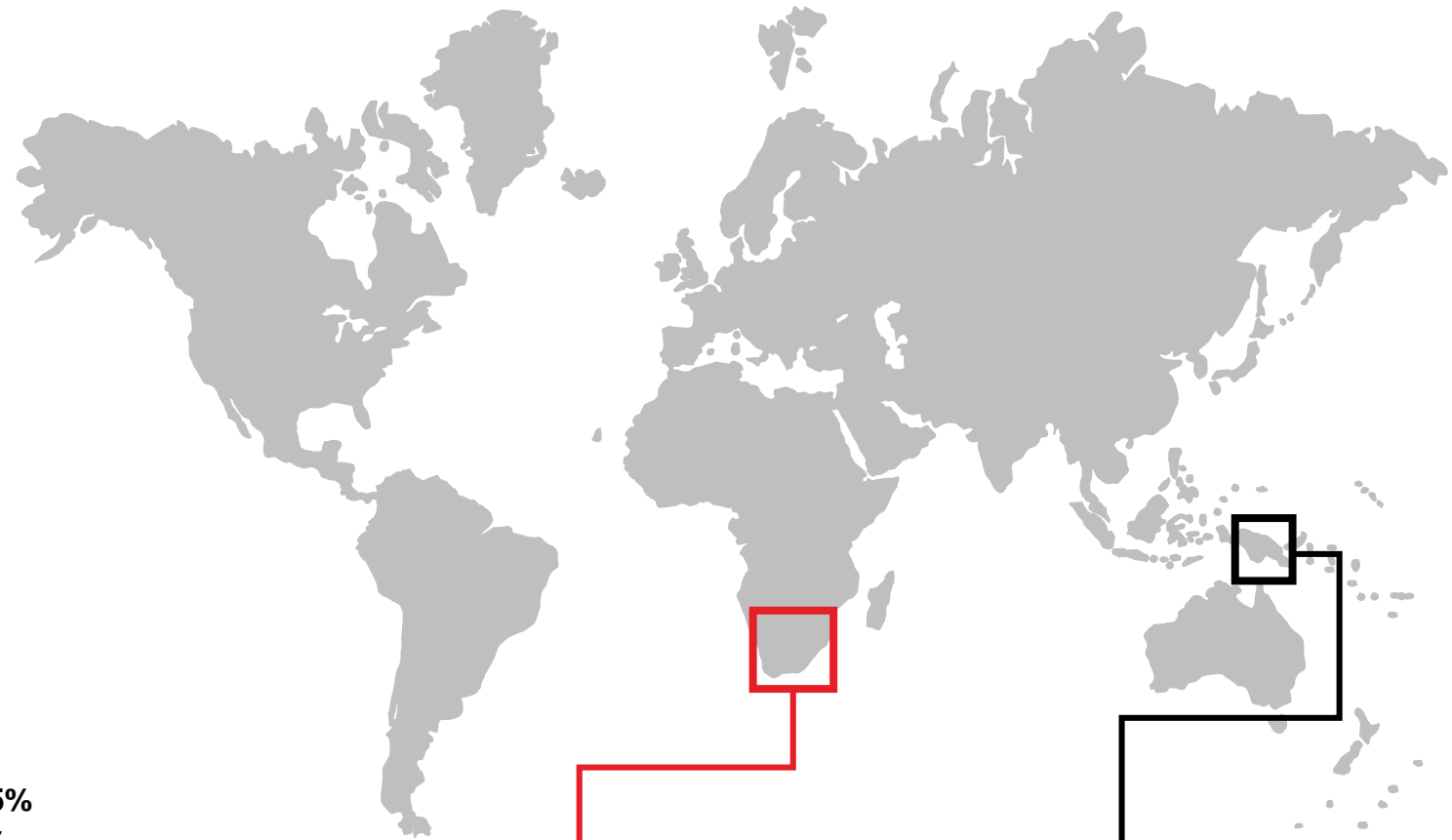
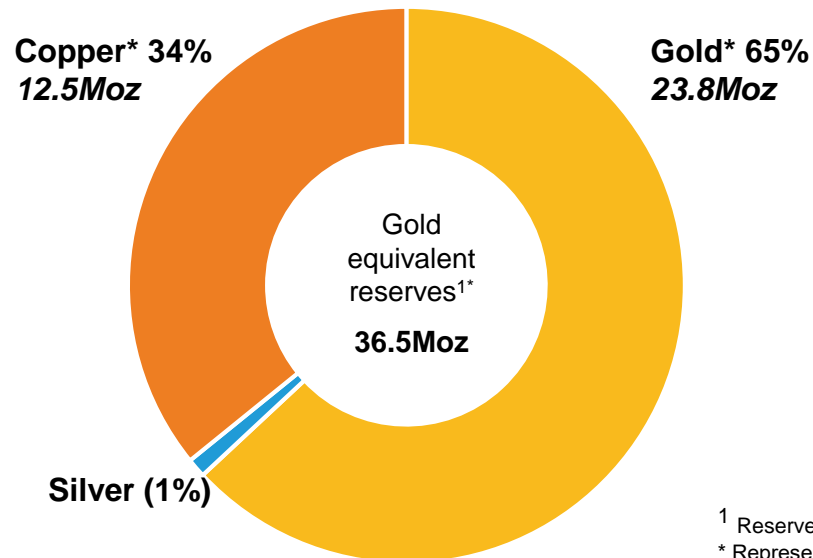
Market cap: US\$1.8bn

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)

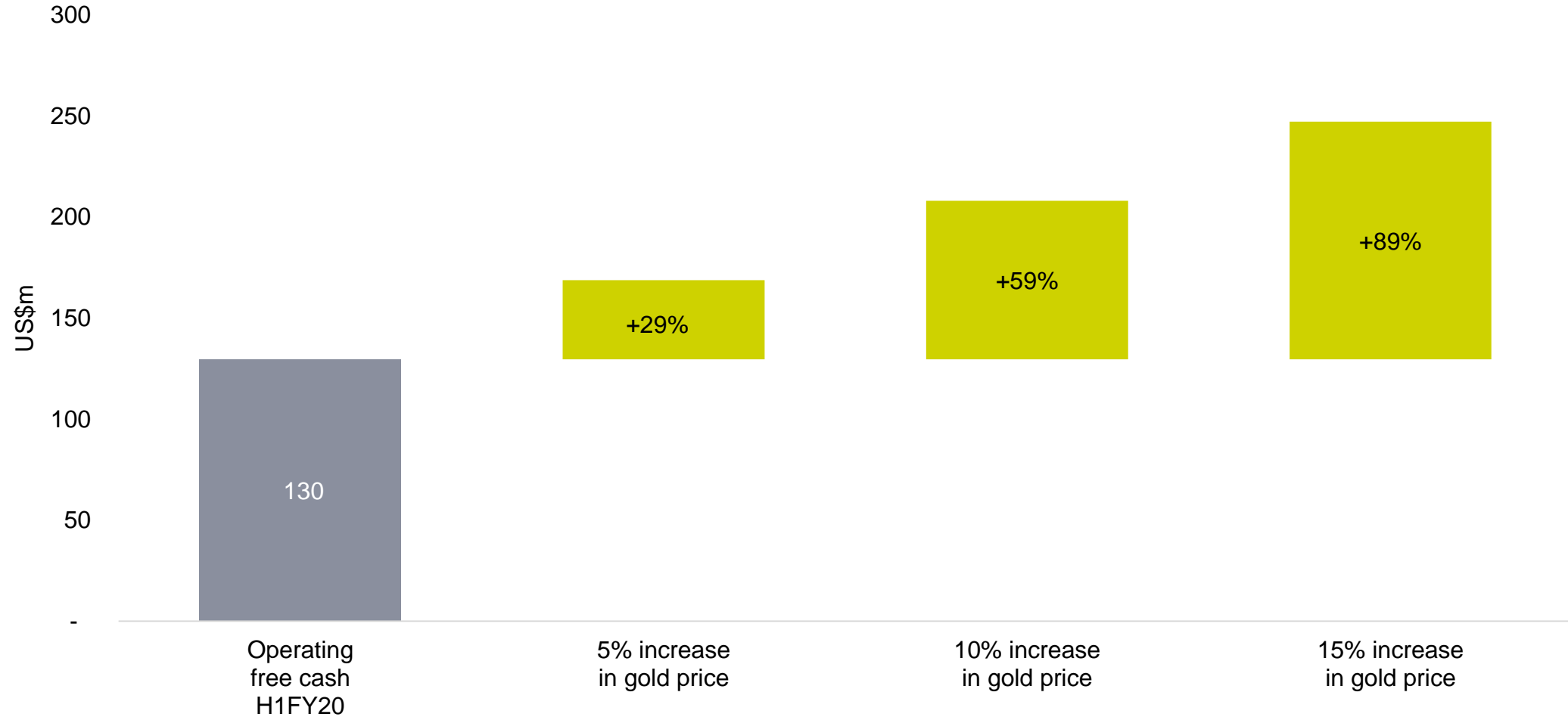
Wafi-Golpu project (50:50 JV)

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.

# OPERATING FREE CASH\* SENSITIVITY TO GOLD PRICE



- In calculating operating free cash, the following were assumed: an exchange rate of R14.70/US\$, a base gold price of US\$1 480/oz, based on H1FY20 gold sales of 706 300oz and actual operating free cash of R1 905m; taxes, royalties and hedging were assumed at 25%

Note: Received gold price for the reporting period is US\$1 447/oz

# H1FY20 VS H1FY19

## OUR STRATEGY

Produce safe, profitable ounces, increasing margins

# 46%

## improvement

in FIFR\*

**LOWEST EVER  
RECORDED**

- Safety supports production
- Risk management a strategic priority area

# 8% ↓

in gold production

Mainly due to a 32% decrease in gold production at Kusasalethu

# 4% ↑

in underground

SA gold production 6 months to December 2019 vs 6 months to June 2019

# 63% ↑

rise in operating free cash flow margin to 13%

19% increase in Rand gold price received to R683 158/kg

\* Compared to FY19

# H2FY20 FOCUS AREAS

## OUR STRATEGY

Safe, profitable ounces  
Increasing margins

### STRATEGIC PILLARS

**01** 

#### OPERATIONAL EXCELLENCE

- key focus to improve safety and increase productivity

**02** 

#### CASH CERTAINTY

- repay debt
- hedge to manage short-term volatility

**03** 

#### EFFECTIVE CAPITAL ALLOCATION

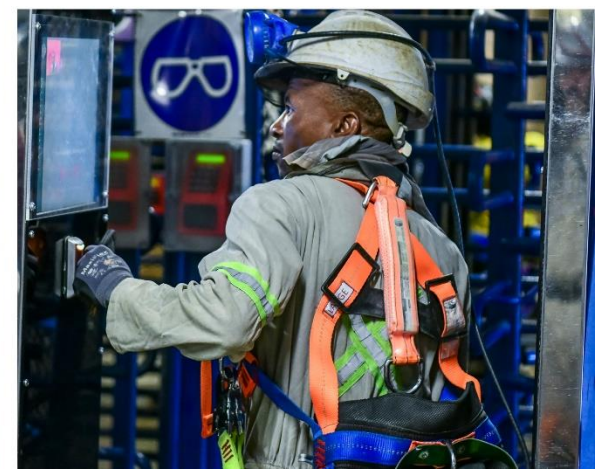
- secure Wafi-Golpu permitting
- pursue organic growth, safe value-accretive M&A opportunities
  - Complete Mponeng and MWS transaction
  - Complete Hidden Valley's access to Stage 6

**04** 

#### RESPONSIBLE STEWARDSHIP

- maintain strong stakeholder relationships
- continue responsible corporate citizenship, good governance, environmental management

# INCREASING OUR MARGINS





# ACQUISITION OF MPONENG AND MWS\* – A NATURAL FIT



## Strategic

Meets our strategic investment criteria



## Operational

70 years' experience in operating SA gold mines

Extends life of mine

Improved portfolio mix of surface and underground ounces



## Financial

Quality ounces increase margin

All-in sustaining costs improved through efficiencies and cost reduction measures



## Geographical

Synergies and economies of scale with existing operations

Regional consolidation opportunities

\* Mine Waste Solutions

# TRANSACTION DETAILS

- **Assets acquired:**

**Mponeng\***

Above infrastructure reserves: 3.1Moz @ 10.76g/t

Total resource: 46.18Moz

**Mine Waste Solutions\* (MWS)**

Tailings retreatment reserves: 4.8Moz @ 0.25g/t

**Adding quality ounces:**

- 250 000 oz (Mponeng)
- 100 000 oz (MWS)

**PURCHASE PRICE**

**CASH: \$200M**

**PLUS: Deferred compensation**

- \$260/oz: If more than 250 000 oz produced at Mponeng (above infrastructure) = **\$100M**
- plus: \$20 per produced ounce below infrastructure (Mponeng resource) **ONLY** if we develop below infrastructure

**Funded from:**

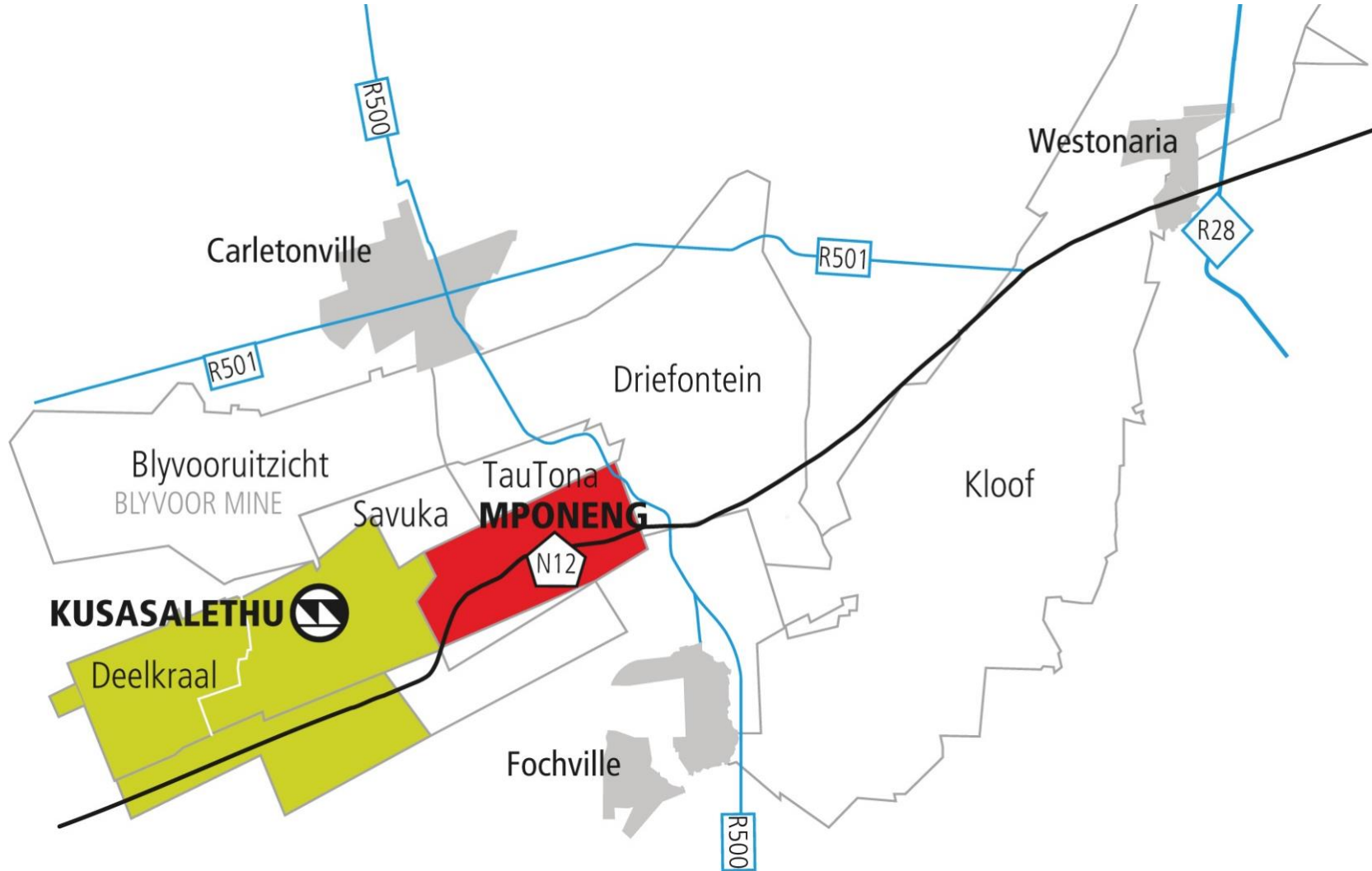
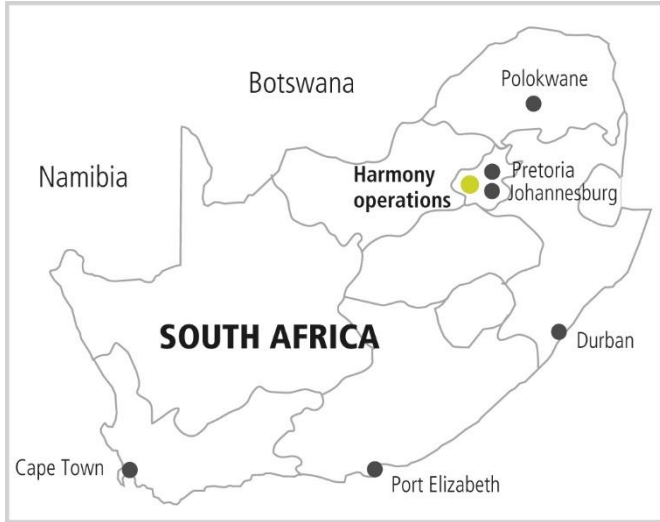
cash and available facilities

**Next steps:**

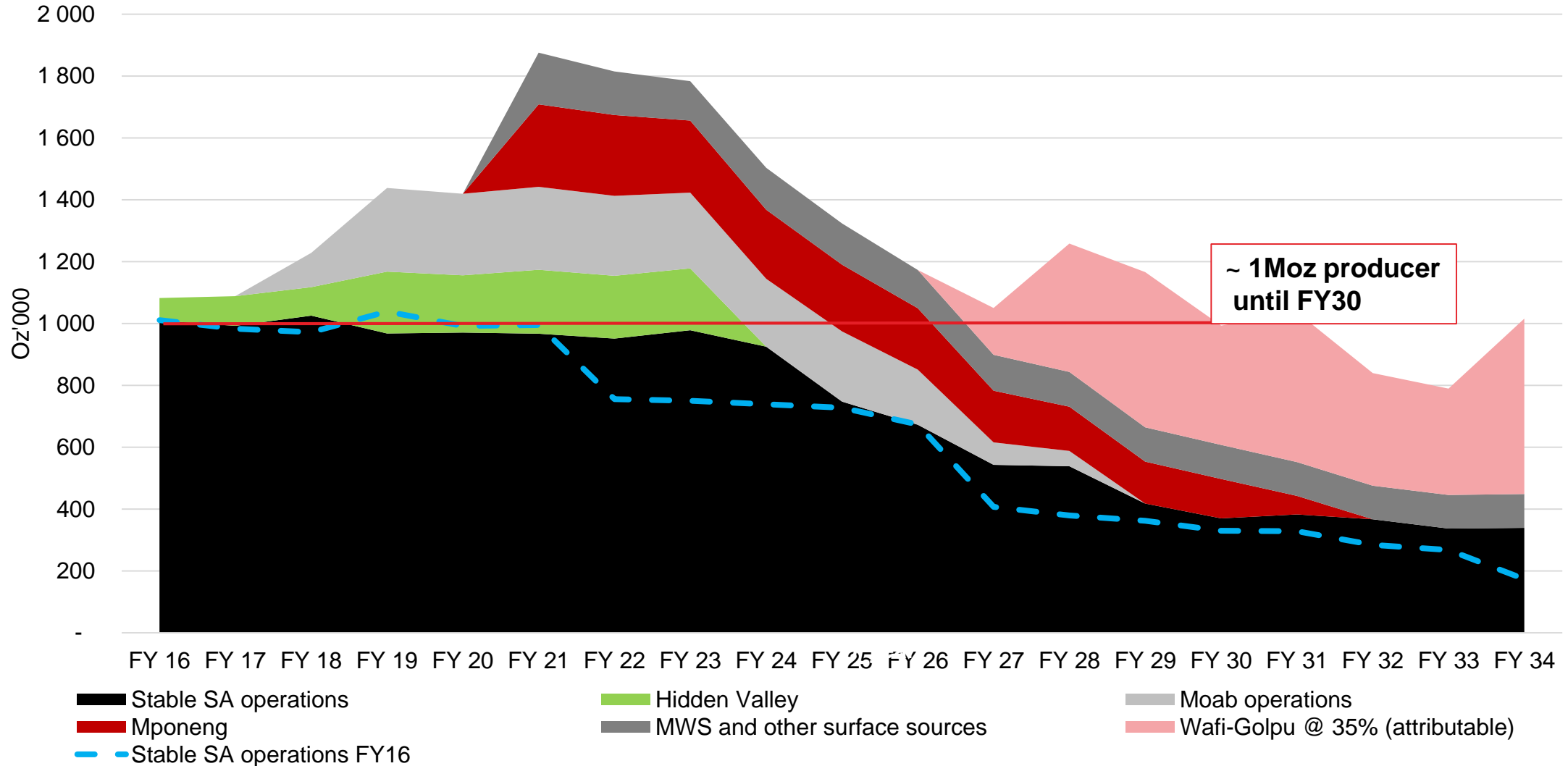
- Competition Commission Approval
- S11 transfer of mining rights
- Transaction anticipated to close end of June 2020

\*Important to note is that these figures correspond with AngloGold Ashanti Limited's 2018 Reserve and Resource statement.

# CLOSE PROXIMITY TO EXISTING MINING AREAS

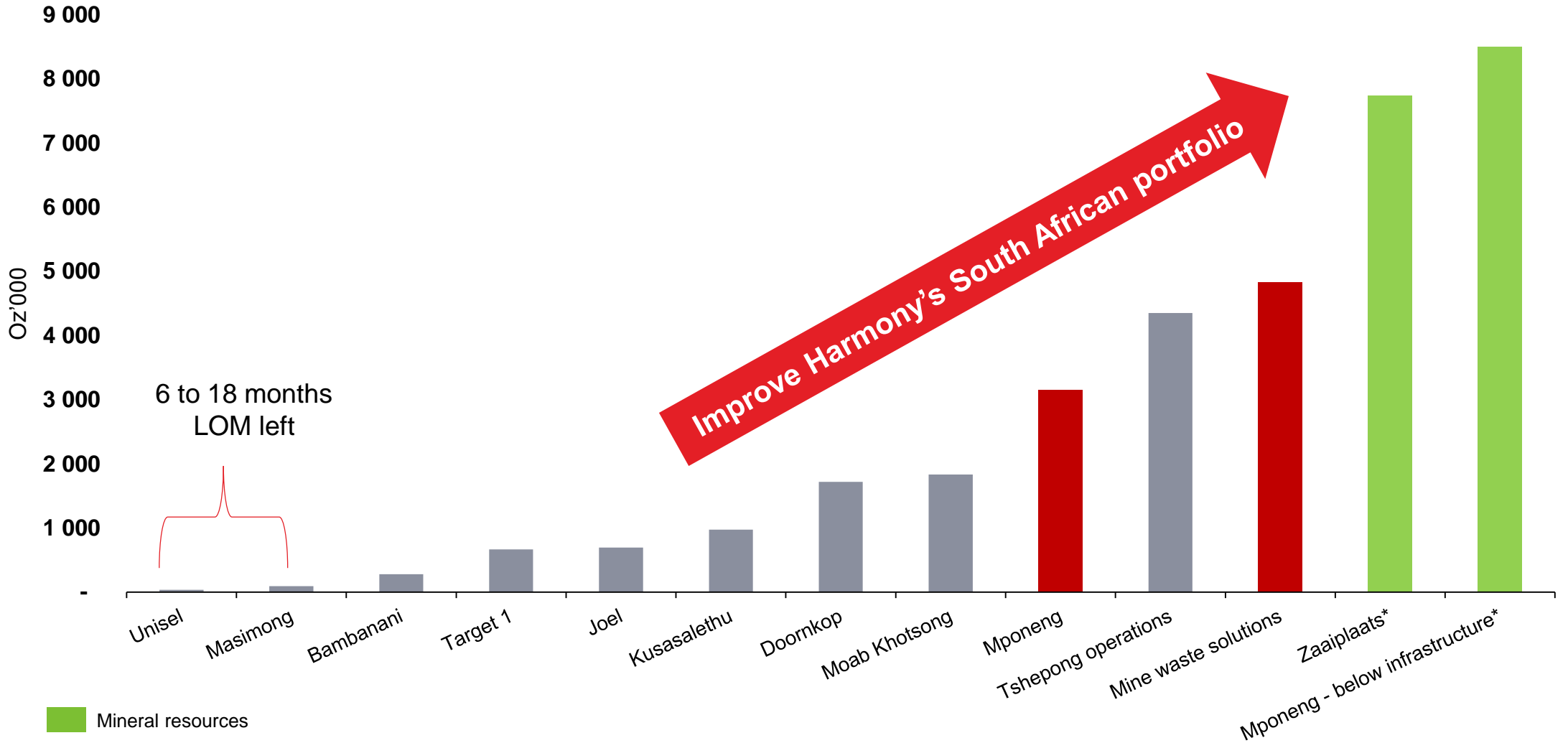


# CREATING A SUSTAINABLE PRODUCTION\* PROFILE



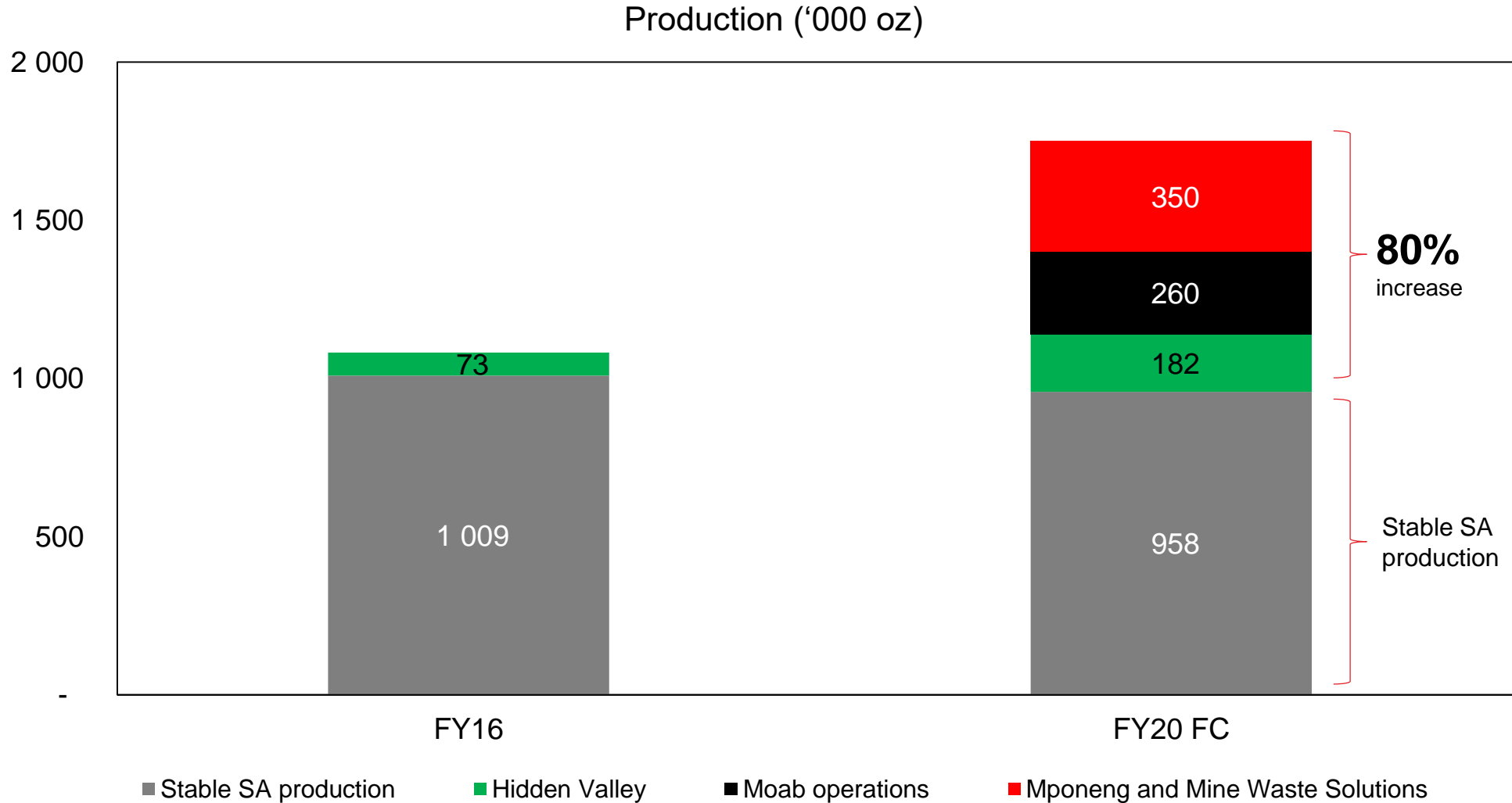
\* Based on Harmony's FY20 life of mine plans and AngloGold Ashanti Limited's 2018 Reserves and Resources statement  
 Note: MWS = Mine Waste Solutions

# INCREASING THE LIFE OF MINE OF OUR SA PORTFOLIO

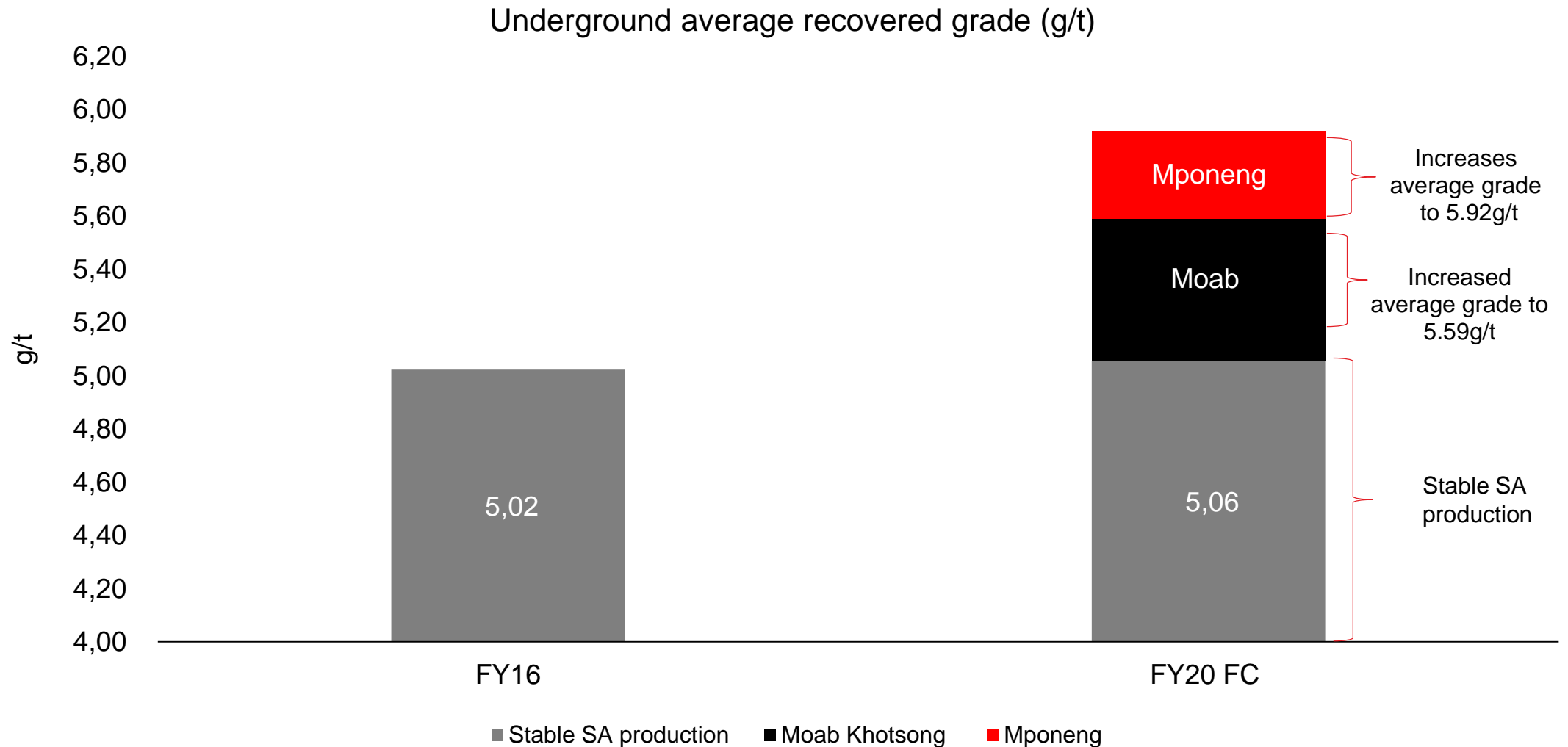


\*Important to note that Mponeng's reserves and resources are based on AngloGold Ashanti Limited's 2018 Reserve and Resource statement. Zaaiplaats subject to completion of a feasibility study.  
LOM = Life of mine

# INCREASE IN QUALITY OUNCES PRODUCED

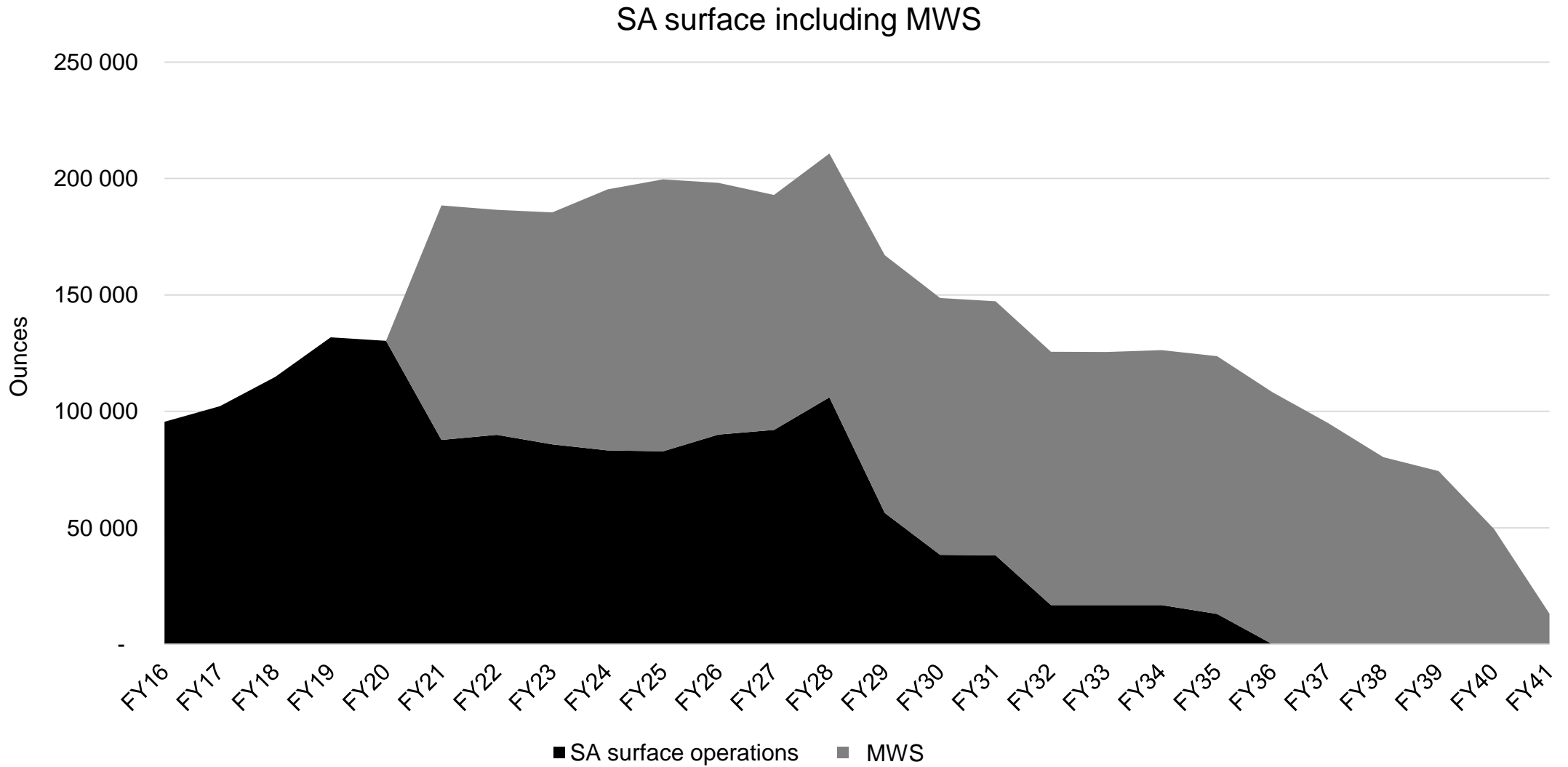


# QUALITY OF OUR ASSET BASE IMPROVED



Note: Based on FY20 life of mine plans and AngloGold Ashanti Limited's 2018 Reserves and Resources statement.

# INCREASING OUR SA SURFACE GOLD PRODUCTION

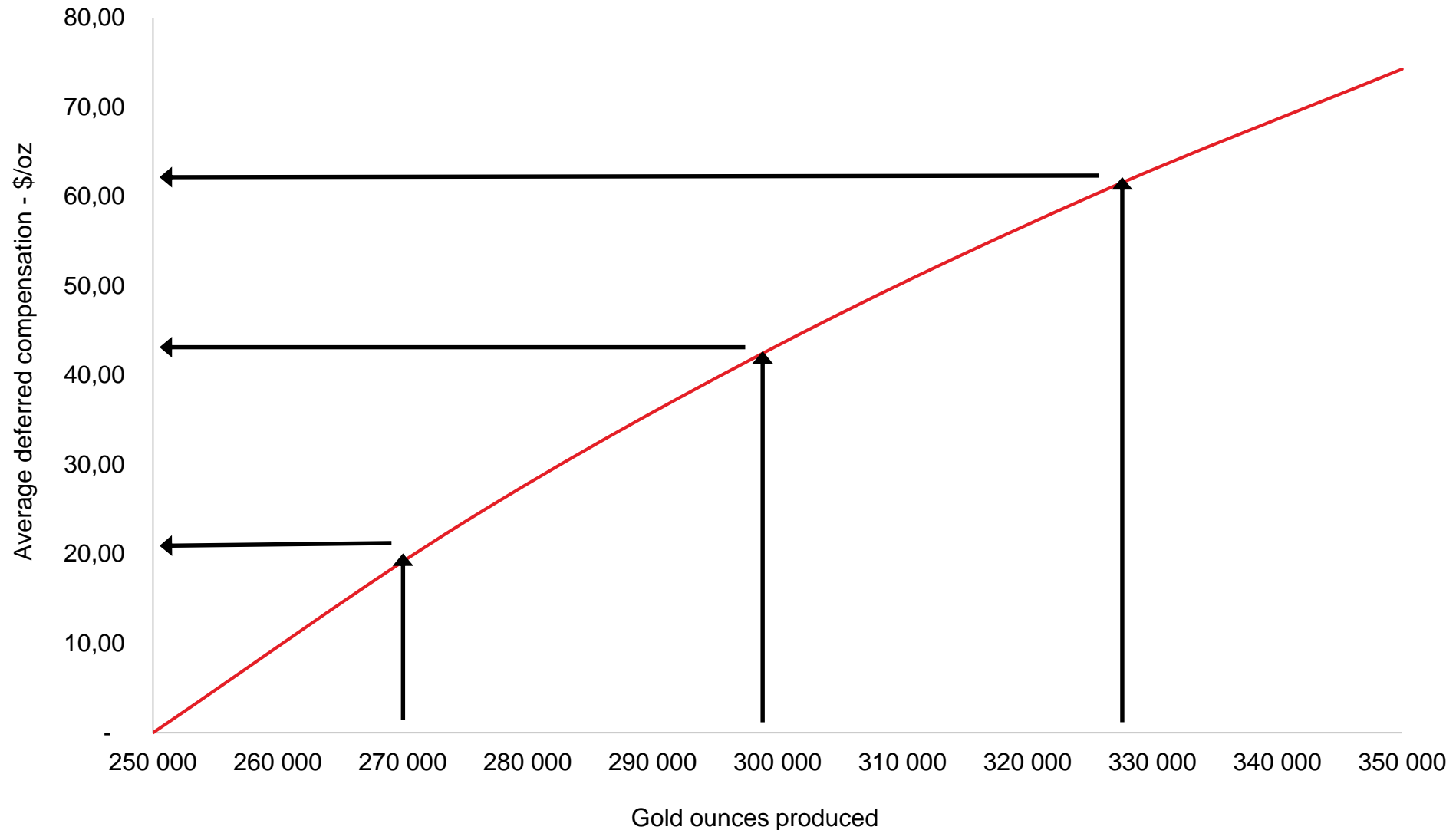


Note: Based on FY20 life of mine plans

- MWS: Mine Waste Solutions



# CALCULATION OF AVERAGE DEFERRED COMPENSATION PER OUNCE



Note: US\$260/ounce to be paid on underground gold production that exceeds 250 000 ounces per annum up to 2026 (US\$100 million as per Anglogold Ashanti Limited's 2019 production forecast)

# CREATING LONG TERM VALUE FOR INVESTORS

- Scaling up our ounces
- Strengthening our cash flow
- Increase the quality of our asset portfolio
- Sustaining a profitable production profile
- Increasing cash flows to build Golpu
- Stronger cash flows should result in stronger scrip



# WAFI-GOLPU IS A TIER ONE ASSET

## Large production profile

- Steady state production: in excess of 1.4 million gold equivalents ounces per annum

## High grade = low unit cost production

- High average grades: Au = 0.90g/t, Cu = 1.27%
- Lowest decile cost quartile copper production, Negative AISC of US\$2 128/oz in gold production terms

## Significant free cash flow potential

- US\$9 billion free cash flow generated in first 10 years (post achieving commercial levels of production)

## Large resource and long life

- Mine life of over 28 years

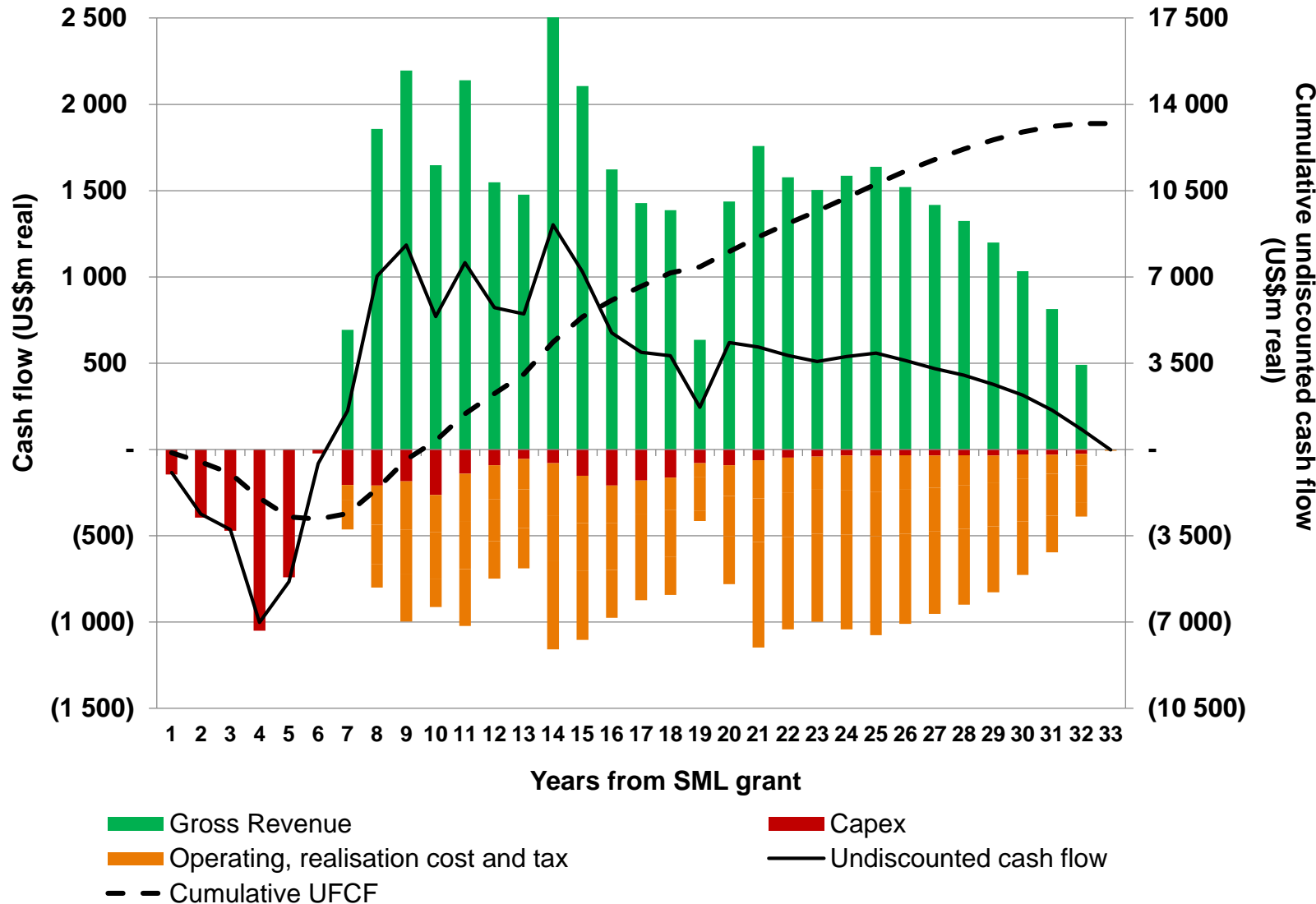
## Permitting update

- Targeted permitting timelines have not been achieved
- Committed to re-commencing constructive negotiations with the newly appointed PNG government and stakeholders
- Updated timelines will be shared once available

\* All figures are quoted on a 100% basis. The Wafi-Golpu project is held in a 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 as at [www.newcrest.com.au](http://www.newcrest.com.au).

Note: These numbers are based on the feasibility study results announced in March 2018

# WAFI-GOLPU – SIGNIFICANT CASH FLOW GENERATION POTENTIAL\*



- 5.5 years to early stage cash flow
- Initial capital expenditure approx. US\$2.8bn<sup>1</sup>
- Steady state production: in excess of 1.2 million gold equivalent ounces per annum
- High average grades:
- Au = 0.90g/t, Cu = 1.27%

\* All figures are quoted on a 100% basis. The Wafi-Golpu project is held in a 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).

<sup>1</sup>US\$2.8bn is based on real costs as at December Quarter 2017

Note: These numbers are based on the feasibility study results announced in March 2018

# FINANCIAL RESULTS



# EXTRACT FROM INCOME STATEMENT – US\$

Extracts from income statement and operating results	H1FY20 (US\$m)	H1FY19 (US\$m)	% change
Revenue	1 022	951	7
Production costs	(742)	(712)	(4)
Cash operating costs	(728)	(709)	(3)
Inventory movements	(14)	(3)	(>100)
Production profit as per operating results	280	239	17
Amortisation and depreciation	(131)	(151)	13
Exploration expenditure	(9)	(5)	(80)
Foreign exchange gain/(loss)	2	(12)	>100
Taxation	(11)	(3)	(>100)
<b>Net profit/(loss)</b>	<b>91</b>	<b>(2)</b>	<b>&gt;100</b>
<b>Headline earnings per share</b>	<b>17</b>	<b>-</b>	<b>&gt;100</b>

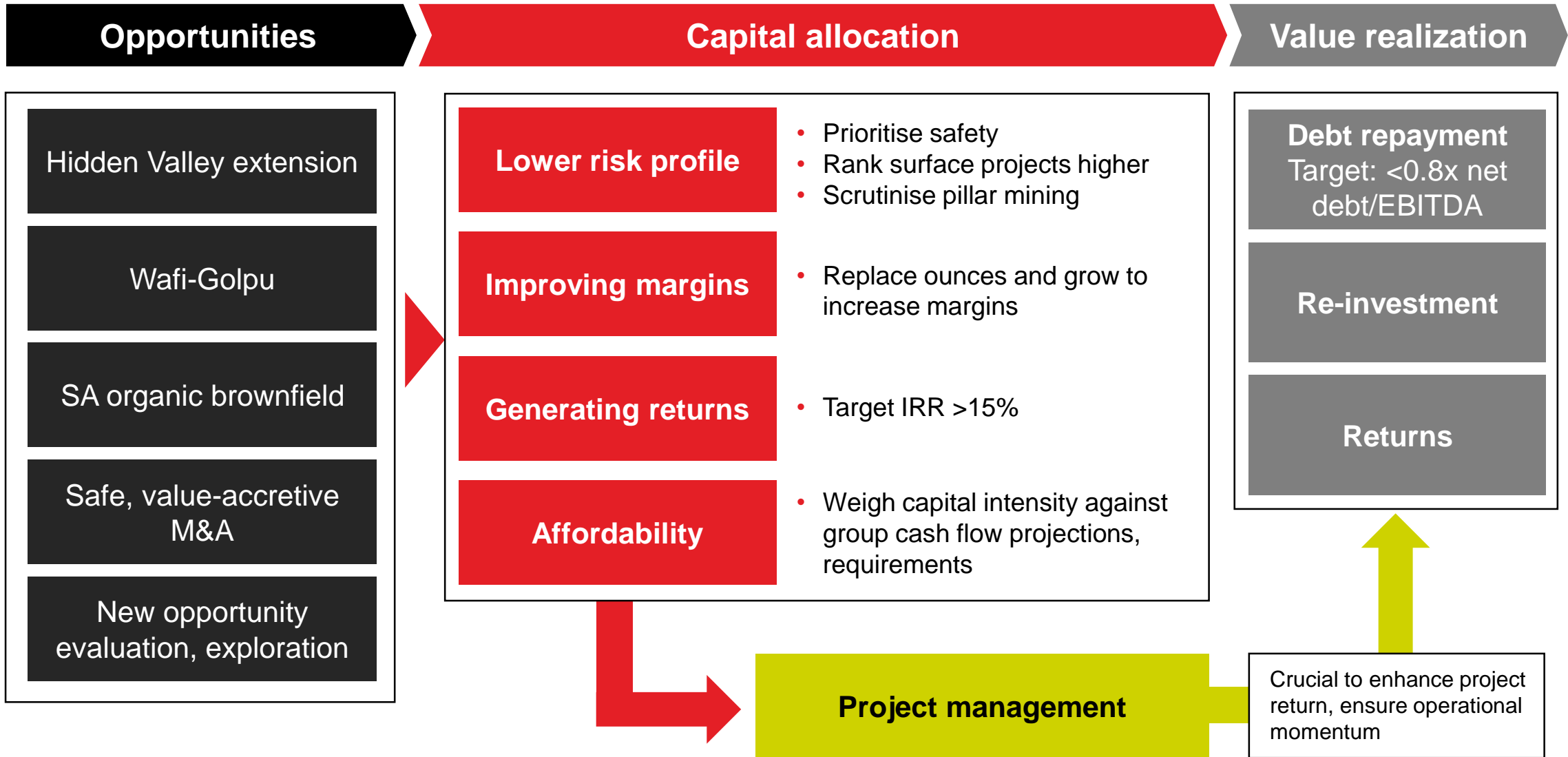
# REDUCTION IN NET DEBT – US\$

## 30 JUNE 2019 TO 31 DECEMBER 2019



Note: An exchange rate of R13.99/US\$ was applied

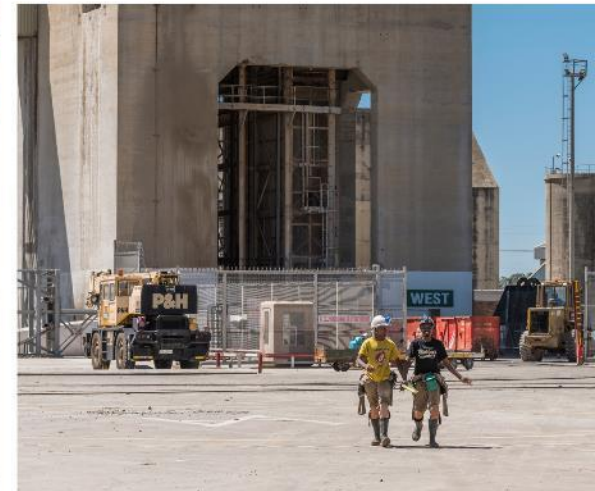
# CAPITAL ALLOCATION AIMED AT INCREASING RETURNS












# SUMMARY OPERATIONS

INCLUDING ESG INFORMATION

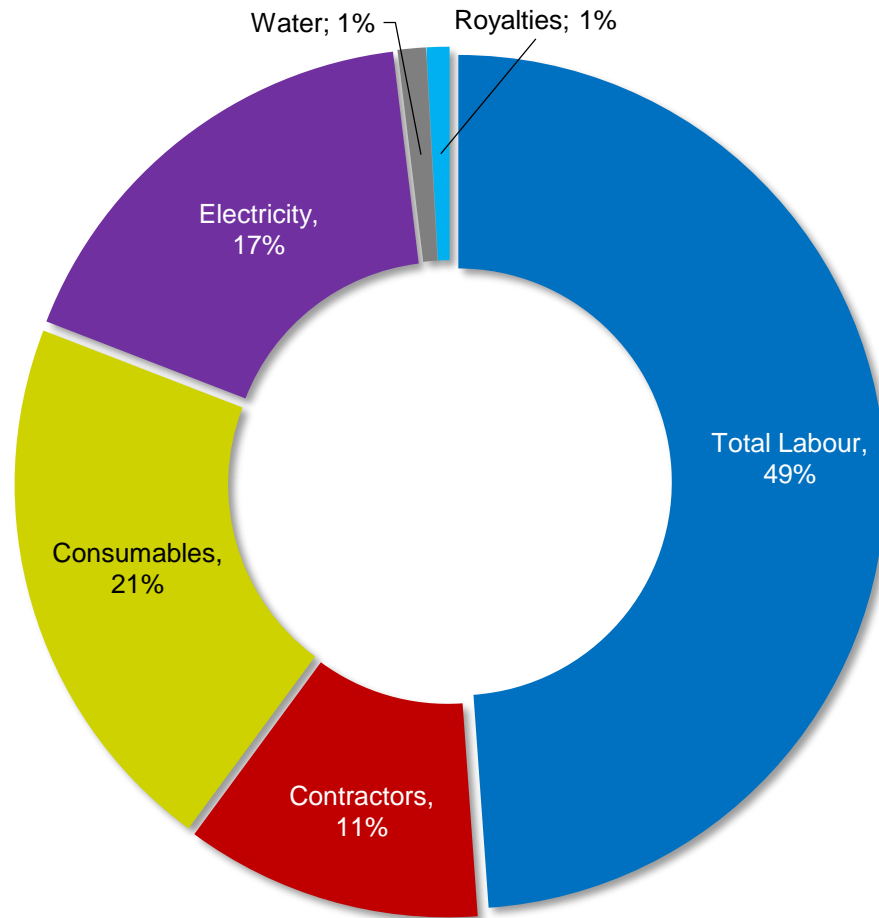


# OPERATIONAL RESULTS SUMMARY (H1FY20 VS H1FY19)

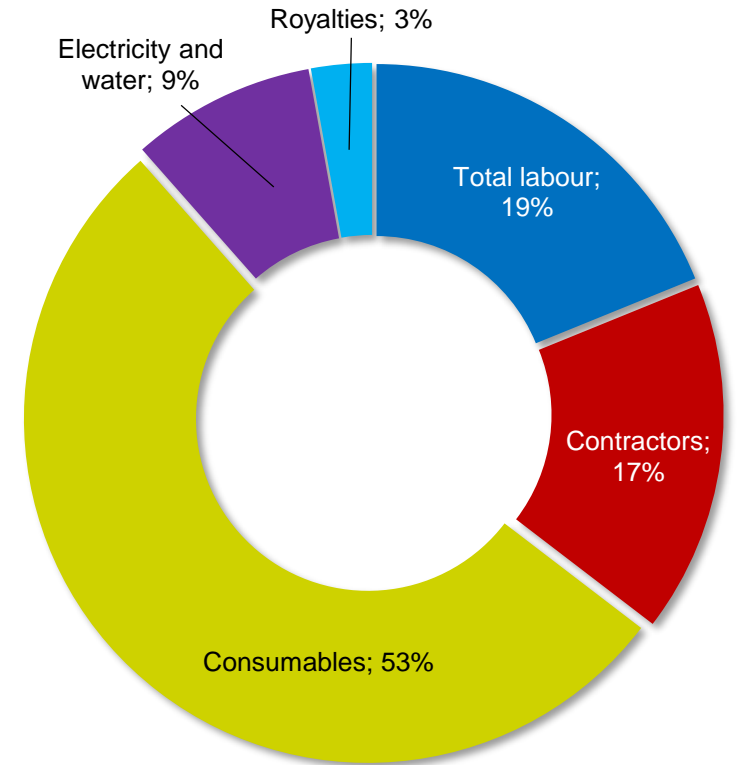
Measure	Unit	Move	%	H1FY20	H1FY19	Comments
Production	kg		(8)	21 411	23 359	Kusasaletu produced lower grade; development at Target continuing in line with reinvestment plan. Production for H1FY20 compared to production for H2FY19 was steady.
	oz		(8)	688 379	751 008	
Underground grade	g/t		(6)	5.29	5.65	Lower grades mined at Kusasaletu
Gold price received	R/kg		19	683 158	572 898	Gold prices in US\$ and Rand terms remain strong
Production profit	Rm		21	4 110	3 385	Impact of higher gold price
Cash operating cost	R/kg		(16)	499 139	429 860	Impact of a 32% decrease in production at Kusasaletu, as well as higher labour and electricity costs
All-in sustaining costs	R/kg		(15)	605 911	528 265	Impact of lower production
Operating free cash flow margin	%		63	13	8	Impact of higher gold price

# H1FY20 COST SPLIT

## SA H1FY20



## Hidden Valley H1FY20



# SOUTH AFRICA

## BAMBANANI

<b>LOCATION</b>	Free State goldfield about 260km from Johannesburg
<b>METHOD</b>	Underground, limited to the extraction of the high-grade shaft pillar
<b>DEPTH</b>	2 219m
<b>STATUS</b>	Mature operation with focus on mining of the shaft pillar for the next few years
<b>PROCESSING</b>	Harmony One Plant
<b>LIFE OF MINE</b>	4 years
<b>NAMEPLATE HOISTING CAPACITY (PER MONTH)</b>	32 000 tonnes (35 000 tons)
<b>GRADE (FY20 GUIDANCE)</b>	10.76g/t
<b>PRODUCTION (FY20 GUIDANCE)</b>	81 000oz



### FY2019 IN REVIEW

#### WORKFORCE



**1 661**

1 504 permanent employees and  
157 contractors

#### WATER INTENSITY (/TONNE TREATED)



**6.39** <sup>MI</sup>

(FY18: 6.60MI)

#### LOST TIME INJURY FREQUENCY RATE



**2.65**

per million hours worked  
(FY18: 2.43)

#### GOLD PRODUCED



**2 515** <sup>kg</sup>

(FY18: 2 821kg)

#### ENERGY INTENSITY (/TONNE TREATED)



**0.63** <sup>GWh</sup>

(FY18: 0.62GWh)

#### RESOURCES

**0.32** <sup>Moz</sup> (FY18: 0.46Moz)

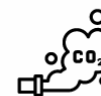


#### ALL-IN SUSTAINING COST



**968** <sup>US\$/oz</sup> (FY18:  
US\$873/oz)

#### GHG INTENSITY (/TONNE TREATED)



**0.57** <sup>tCO<sub>2</sub>e</sup>  
(FY18: 0.62tCO<sub>2</sub>e)

#### RESERVES

**0.28** <sup>Moz</sup> (FY18: 0.39Moz)









# SOUTH AFRICA

## DOORKOP

<b>LOCATION</b>	West Rand goldfield, about 30km west of Johannesburg
<b>METHOD</b>	Underground, narrow reef conventional mining
<b>DEPTH</b>	2 219m
<b>STATUS</b>	Mining takes place on the South Reef at this single-shaft operation
<b>PROCESSING</b>	Doornkop plant
<b>LIFE OF MINE</b>	17 years
<b>NAMEPLATE HOISTING CAPACITY (PER MONTH)</b>	103 000 tonnes (113 000 tons)
<b>GRADE (FY20 GUIDANCE)</b>	4.49g/t
<b>PRODUCTION (FY20 GUIDANCE)</b>	110 000oz



### FY2019 IN REVIEW

<b>WORKFORCE</b>  <b>3 884</b> <small>3 133 permanent employees and 751 contractors</small>	<b>WATER INTENSITY (/TONNE TREATED)</b>  <b>0.36<sub>Ml</sub></b> <small>(FY18: 0.49Ml)</small>	<b>LOST TIME INJURY FREQUENCY RATE</b>  <b>5.22</b> <small>per million hours worked (FY18: 6.78)</small>
<b>GOLD PRODUCED</b>  <b>3 273<sub>kg</sub></b> <small>(FY18: 3 429kg)</small>	<b>ENERGY INTENSITY (/TONNE TREATED)</b>  <b>0.29<sub>GWh</sub></b> <small>(FY18: 0.28GWh)</small>	<b>RESOURCES</b> <b>7.65<sub>Moz</sub></b> (FY18: 7.52Moz)
<b>ALL-IN SUSTAINING COST</b>  <b>1 255<sub>US\$/oz</sub></b> <small>(FY18: US\$1 230/oz)</small>	<b>GHG INTENSITY (/TONNE TREATED)</b>  <b>0.26<sub>tCO<sub>2</sub>e</sub></b> <small>(FY18: 0.27tCO<sub>2</sub>e)</small>	 <b>RESERVES</b> <b>1.72<sub>Moz</sub></b> (FY18: 1.13Moz)

# SOUTH AFRICA

## JOEL

<b>LOCATION</b>	Free State, about 290km from Johannesburg
<b>METHOD</b>	Underground, conventional grid development
<b>DEPTH</b>	1 379m
<b>STATUS</b>	Twin-shaft operation – technically challenging, decline project nearing completion
<b>PROCESSING</b>	Harmony One Plant
<b>LIFE OF MINE</b>	10 years
<b>NAMEPLATE HOISTING CAPACITY (PER MONTH)</b>	75 000 tonnes (83 000 tons)
<b>GRADE (FY20 GUIDANCE)</b>	4.20g/t
<b>PRODUCTION (FY20 GUIDANCE)</b>	57 000oz



### FY2019 IN REVIEW

#### WORKFORCE



**1 982**

1 867 permanent employees and 115 contractors

#### WATER INTENSITY (/TONNE TREATED)



**1.95<sub>Ml</sub>**

(FY18: 1.74Ml)

#### LOST TIME INJURY FREQUENCY RATE



**3.16**

per million hours worked (FY18: 2.87)

#### GOLD PRODUCED



**1 567<sub>kg</sub>**

(FY18: 1 635kg)

#### ENERGY INTENSITY (/TONNE TREATED)



**0.20<sub>GWh</sub>**

(FY18: 0.18GWh)

#### RESOURCES

**3.25<sub>Moz</sub>** (FY18: 2.06Moz)



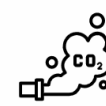
#### ALL-IN SUSTAINING COST



**1 539<sub>US\$/oz</sub>**

(FY18: US\$1 602/oz)

#### GHG INTENSITY (/TONNE TREATED)



**0.19<sub>tCO<sub>2</sub>e</sub>**

(FY18: 0.18tCO<sub>2</sub>e)

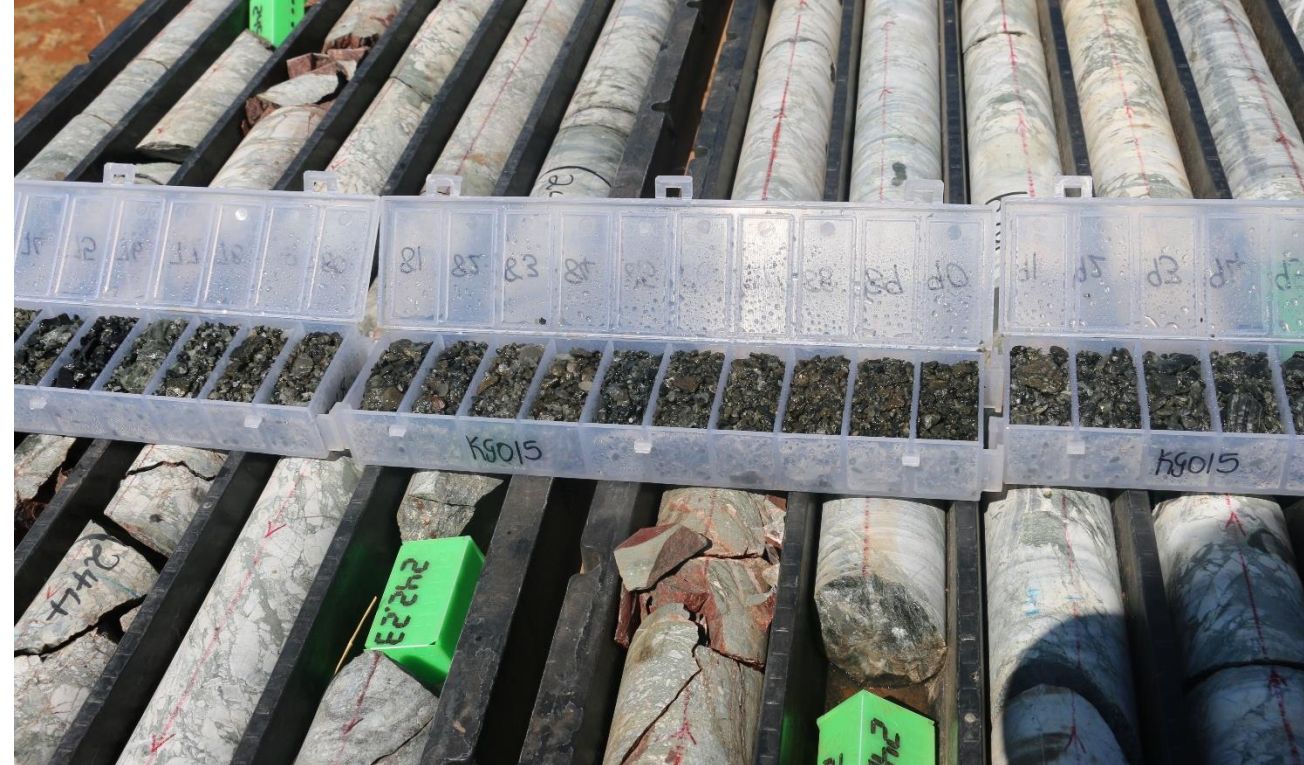
#### RESERVES

**0.69<sub>Moz</sub>** (FY18: 0.69Moz)

# SOUTH AFRICA

## KALGOLD

<b>LOCATION</b>	North West province, 55km southwest of Mahikeng
<b>METHOD</b>	Open pit
<b>STATUS</b>	Steady- state production from the A-zone pit; ramp-up of mining at pillar between A-Zone and Watertank pits; expansion project under consideration
<b>PROCESSING</b>	Dedicated carbon-in-leach plant
<b>LIFE OF MINE</b>	12 years
<b>NAMEPLATE HOISTING CAPACITY (PER MONTH)</b>	112 000tpm
<b>PRODUCTION (FY20 GUIDANCE)</b>	41 000oz



### FY2019 IN REVIEW

#### WORKFORCE



**584**

238 permanent employees and  
346 contractors

#### WATER INTENSITY (/TONNE TREATED)



**0.36<sub>Ml</sub>**

(FY18: 0.21Ml)

#### LOST TIME INJURY FREQUENCY RATE



**0.88**

per million hours worked  
(FY18: 0.00)

#### GOLD PRODUCED



**1 249<sub>kg</sub>**

(FY18: 1 250kg)

#### ENERGY INTENSITY (/TONNE TREATED)



**0.03<sub>GWh</sub>**

(FY18: 0.03GWh)

#### RESOURCES

**2.84<sub>Moz</sub>** (FY18: 1.37Moz)

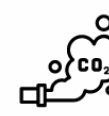
#### ALL-IN SUSTAINING COST



**1 369<sub>US\$/oz</sub>**

(FY18: US\$1 336/oz)

#### GHG INTENSITY (/TONNE TREATED)



**0.04<sub>tCO<sub>2</sub>e</sub>**

(FY18: 0.03tCO<sub>2</sub>e)



#### RESERVES

**0.61<sub>Moz</sub>** (FY18: 0.68Moz)

# SOUTH AFRICA

## KUSASALETHU

<b>LOCATION</b>	West Rand goldfields, about 90km from Johannesburg
<b>METHOD</b>	Underground, conventional mining methods in a sequential grid layout
<b>DEPTH</b>	3 388m
<b>STATUS</b>	Mature, steady state operation positioned for profitability
<b>PROCESSING</b>	Kusasaletu plant
<b>LIFE OF MINE</b>	5 years
<b>NAMEPLATE HOISTING CAPACITY (PER MONTH)</b>	172 000 tonnes (190 000 tons)
<b>GRADE (FY20 GUIDANCE)</b>	5,50g/t
<b>PRODUCTION (FY20 GUIDANCE)</b>	124 000oz



### WE MEASURE











### WE MEASURE UP



### WE DELIVER



### FY2019 IN REVIEW

<b>WORKFORCE</b>  <b>4 941</b> <small>4 011 permanent employees and 930 contractors</small>	<b>WATER INTENSITY (/TONNE TREATED)</b>  <b>4.32<sup>MI</sup></b> <small>(FY18: 3.89MI)</small>	<b>LOST TIME INJURY FREQUENCY RATE</b>  <b>9.05</b> <small>per million hours worked (FY18: 6.25)</small>
<b>GOLD PRODUCED</b>  <b>4 989<sup>kg</sup></b> <small>(FY18: 4 429kg)</small>	<b>ENERGY INTENSITY (/TONNE TREATED)</b>  <b>0.84<sup>GWh</sup></b> <small>(FY18: 0.90GWh)</small>	<b>RESOURCES</b> <b>6.47<sup>Moz</sup></b> (FY18: 7.86Moz)
<b>ALL-IN SUSTAINING COST</b>  <b>1 221<sup>US\$/oz</sup></b> <small>(FY18: US\$1 342/oz)</small>	<b>GHG INTENSITY (/TONNE TREATED)</b>  <b>0.77<sup>tCO<sub>2</sub>e</sup></b> <small>(FY18: 0.30tCO<sub>2</sub>e)</small>	 <b>RESERVES</b> <b>0.97<sup>Moz</sup></b> (FY18: 0.96Moz)











# SOUTH AFRICA

## MASIMONG

<b>LOCATION</b>	Free State goldfield, about 260km from Johannesburg
<b>METHOD</b>	Underground, conventional tabular narrow reef stoping
<b>DEPTH</b>	Between 1 650m and 2 010m
<b>STATUS</b>	Mature, single shaft operation nearing the end of its life of mine
<b>PROCESSING</b>	Harmony One Plant
<b>LIFE OF MINE</b>	1 year
<b>NAMEPLATE HOISTING CAPACITY (PER MONTH)</b>	112 000 tonnes (124 000 tons)
<b>GRADE (FY20 GUIDANCE)</b>	3,98g/t
<b>PRODUCTION (FY20 GUIDANCE)</b>	72 000oz



### FY2019 IN REVIEW

<b>WORKFORCE</b>  <b>2 367</b> 2 247 permanent employees and 120 contractors	<b>WATER INTENSITY (/TONNE TREATED)</b>  <b>1.20<sub>Ml</sub></b> (FY18: 1.27Ml)	<b>LOST TIME INJURY FREQUENCY RATE</b>  <b>5.88</b> per million hours worked (FY18: 8.61)
<b>GOLD PRODUCED</b>  <b>2 309<sub>kg</sub></b> (FY18: 2 623kg)	<b>ENERGY INTENSITY (/TONNE TREATED)</b>  <b>0.27<sub>GWh</sub></b> (FY18: 0.27GWh)	<b>RESOURCES</b> <b>0.74<sub>Moz</sub></b> (FY18: 0.76Moz)
<b>ALL-IN SUSTAINING COST</b>  <b>1 302<sub>US\$/oz</sub></b> (FY18: US\$1 242/oz)	<b>GHG INTENSITY (/TONNE TREATED)</b>  <b>0.24<sub>tCO<sub>2</sub>e</sub></b> (FY18: 0.27tCO <sub>2</sub> e)	 <b>RESERVES</b> <b>0.09<sub>Moz</sub></b> (FY18: 0.25Moz)










# SOUTH AFRICA

## MOAB KHOTSONG

<b>LOCATION</b>	Klerksdorp goldfield, about 180km south-west of Johannesburg
<b>METHOD</b>	Underground, scattered mining method with integrated backfill support system incorporating bracket pillars
<b>DEPTH</b>	Between 1 791m and 3 052m below surface
<b>STATUS</b>	Steady state operation: development continues
<b>PROCESSING</b>	Great Noligwa gold plant, using reverse gold leach, gold and uranium recovered through gold cyanide and acid uranium leaching
<b>LIFE OF MINE</b>	9 years
<b>NAMEPLATE HOISTING CAPACITY (PER MONTH)</b>	160 000 tonnes (176 000 tons)
<b>GRADE (FY20 GUIDANCE)</b>	8.78g/t
<b>PRODUCTION (FY20 GUIDANCE)</b>	248 000oz



### FY2019 IN REVIEW

<b>WORKFORCE</b>  <b>6 457</b> <small>5 421 permanent employees and 1 036 contractors</small>	<b>WATER INTENSITY (/TONNE TREATED)</b>  <b>7.11</b> <small>MI</small> <small>(FY18: 5.20MI)</small>	<b>LOST TIME INJURY FREQUENCY RATE</b>  <b>9.75</b> <small>per million hours worked (FY18: 11.18)</small>
<b>GOLD PRODUCED</b>  <b>7 928</b> <small>kg</small> <small>(FY18: 3 296kg)</small>	<b>ENERGY INTENSITY (/TONNE TREATED)</b>  <b>0.79</b> <small>GWh</small> <small>(FY18: 0.35GWh)</small>	<b>RESOURCES</b> <b>12.13</b> <small>Moz</small> <small>(FY18: 14.33Moz)</small> 
<b>ALL-IN SUSTAINING COST</b>  <b>1 048</b> <small>US\$/oz</small> <small>(FY18: US\$1 017/oz)</small>	<b>GHG INTENSITY (/TONNE TREATED)</b>  <b>0.72</b> <small>tCO<sub>2</sub>e</small> <small>(FY18: 0.35tCO<sub>2</sub>e)</small>	<b>RESERVES</b> <b>1.83</b> <small>Moz</small> <small>(FY18: 1.62Moz)</small> 







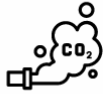

# SOUTH AFRICA

## TARGET 1

<b>LOCATION</b>	Free State goldfield, about 270km south-west of Johannesburg
<b>METHOD</b>	Underground, mechanised mining (massive mining techniques), conventional stoping
<b>DEPTH</b>	2 300m below surface
<b>STATUS</b>	Crusher and related infrastructure project well underway
<b>PROCESSING</b>	Target plant
<b>LIFE OF MINE</b>	7 years
<b>NAMEPLATE HOISTING CAPACITY (PER MONTH)</b>	97 000 tonnes (107 000 tons)
<b>GRADE (FY20 GUIDANCE)</b>	4.18g/t
<b>PRODUCTION (FY20 GUIDANCE)</b>	81 000oz



### FY2019 IN REVIEW

<b>WORKFORCE</b>  <b>1 939</b> 1 604 permanent employees and 335 contractors	<b>WATER INTENSITY (/TONNE TREATED)</b>  <b>0.81<sub>MI</sub></b> (FY18: 0.81MI)	<b>LOST TIME INJURY FREQUENCY RATE</b>  <b>6.35</b> per million hours worked (FY18: 10.18)
<b>GOLD PRODUCED</b>  <b>2 653<sub>kg</sub></b> (FY18: 2 854kg)	<b>ENERGY INTENSITY (/TONNE TREATED)</b>  <b>0.29<sub>GWh</sub></b> (FY18: 0.23GWh)	<b>RESOURCES</b> <b>3.59<sub>Moz</sub></b> (FY18: 3.00Moz)
<b>ALL-IN SUSTAINING COST</b>  <b>1 454<sub>US\$/oz</sub></b> (FY18: US\$1 409/oz)	<b>GHG INTENSITY (/TONNE TREATED)</b>  <b>0.28<sub>tCO2e</sub></b> (FY18: 0.27tCO2e)	 <b>RESERVES</b> <b>0.67<sub>Moz</sub></b> (FY18: 0.72Moz)







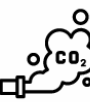

# SOUTH AFRICA

# TSHEPONG

<b>LOCATION</b>	Free State, about 250km from Johannesburg
<b>METHOD</b>	Underground, conventional undercut mining
<b>DEPTH</b>	Between 1 500m and 2 300m below surface
<b>STATUS</b>	Steady state operation: development continues
<b>PROCESSING</b>	Harmony One plant. Gold recovered by gold cyanide leaching
<b>LIFE OF MINE</b>	19 years
<b>NAMEPLATE HOISTING CAPACITY (PER MONTH)</b>	283 000 tonnes (312 000 tons)
<b>GRADE (FY20 GUIDANCE)</b>	5.27g/t
<b>PRODUCTION (FY20 GUIDANCE)</b>	280 000oz



## FY2019 IN REVIEW

<b>WORKFORCE</b>  <b>8 815</b> 8 091 permanent employees and 724 contractors	<b>WATER INTENSITY (/TONNE TREATED)</b>  <b>1.72MI</b> (FY18: 1.57MI)	<b>LOST TIME INJURY FREQUENCY RATE</b>  <b>7.75</b> per million hours worked (FY18: 7.80)
<b>GOLD PRODUCED</b>  <b>7 967 kg</b> (FY18: 9 394kg)	<b>ENERGY INTENSITY (/TONNE TREATED)</b>  <b>0.29 GWh</b> (FY18: 0.26GWh)	<b>RESOURCES</b> <b>24.75 Moz</b> (FY18: 23.67Moz)
<b>ALL-IN SUSTAINING COST</b>  <b>1 396 US\$/oz</b> (FY18: US\$1 245/oz)	<b>GHG INTENSITY (/TONNE TREATED)</b>  <b>0.33 tCO<sub>2</sub>e</b> (FY18: 0.26 tCO <sub>2</sub> e)	 <b>RESERVES</b> <b>4.35 Moz</b> (FY18: 4.34Moz)







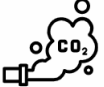

# SOUTH AFRICA

## UNISEL

<b>LOCATION</b>	Free State goldfields, about 270km from Johannesburg
<b>METHOD</b>	Underground, conventional scattered mining and pillar reclamation
<b>DEPTH</b>	Between 1 100m and 2 200m
<b>STATUS</b>	Mature operation reaching the end of its life of mine. Mining focused on higher grade areas of shaft pillar
<b>PROCESSING</b>	Harmony 1
<b>LIFE OF MINE</b>	1 year
<b>NAMEPLATE HOISTING CAPACITY (PER MONTH)</b>	63 000 tonnes (69 000 tons)
<b>GRADE (FY20 GUIDANCE)</b>	4.29g/t
<b>PRODUCTION (FY20 GUIDANCE)</b>	35 000oz



### FY2019 IN REVIEW

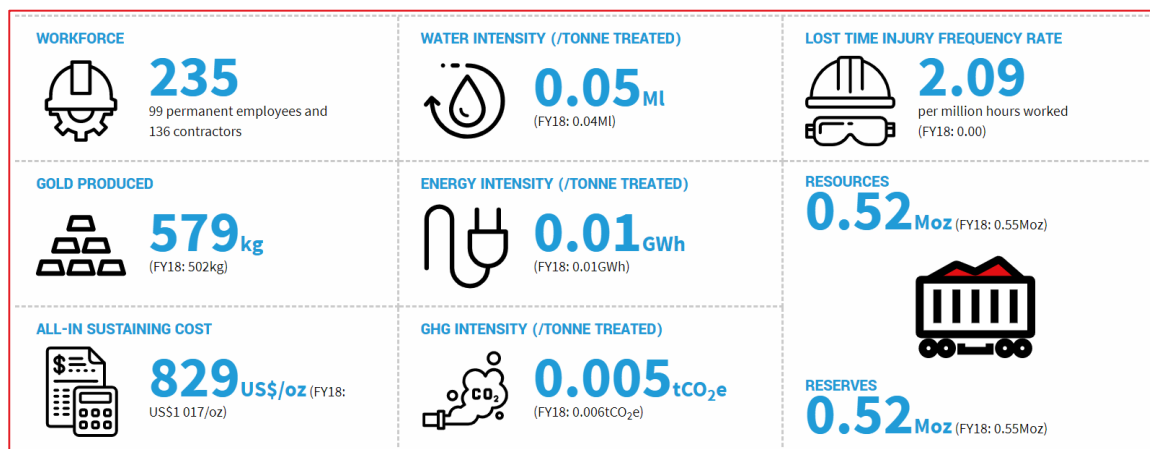
<b>WORKFORCE</b>  <b>932</b> 880 permanent employees and 52 contractors	<b>WATER INTENSITY (/TONNE TREATED)</b>  <b>0.36<sub>MI</sub></b> (FY18: 1.30MI)	<b>LOST TIME INJURY FREQUENCY RATE</b>  <b>4.02</b> per million hours worked (FY18: 10.86)
<b>GOLD PRODUCED</b>  <b>1 212<sub>kg</sub></b> (FY18: 1 280kg)	<b>ENERGY INTENSITY (/TONNE TREATED)</b>  <b>0.03<sub>GWh</sub></b> (FY18: 0.26GWh)	<b>RESOURCES</b> <b>0.21<sub>Moz</sub></b> (FY18: 0.19Moz)
<b>ALL-IN SUSTAINING COST</b>  <b>1 149<sub>US\$/oz</sub></b> (FY18: US\$1 642/oz)	<b>GHG INTENSITY (/TONNE TREATED)</b>  <b>0.04<sub>tCO<sub>2</sub>e</sub></b> (FY18: 0.26tCO <sub>2</sub> e)	 <b>RESERVES</b> <b>0.04<sub>Moz</sub></b> (FY18: 0.05Moz)

# SOUTH AFRICA

## SA SURFACE

	Central Plant Reclamation	Waste Rock Dumps	Phoenix
<b>LOCATION</b>	Welkom, Free State	Free State and Gauteng	Virginia, Free State
<b>METHOD</b>	Tailings retreatment	Processing of surface rock dumps	Tailings retreatment
<b>STATUS</b>	Focus on improving plant efficiencies	Conversion of Central Plant to treat tailings complete	Improved operating performance
<b>LIFE OF MINE (years)</b>	16	±1	10
<b>NAMEPLATE PROCESSING CAPACITY (PER MONTH)</b>	500 000 tonnes	-	-
<b>PRODUCTION (FY20 GUIDANCE)</b>	25 000 oz	19 000 oz	45 000 oz

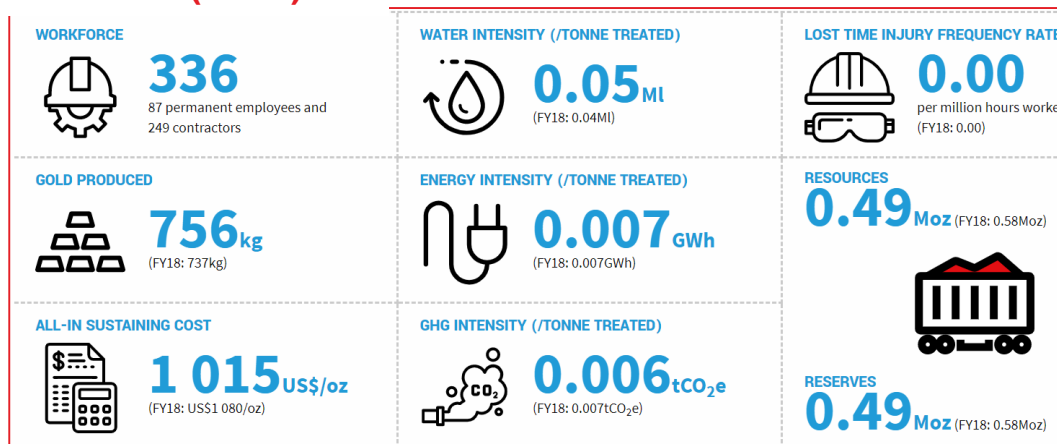
## CENTRAL PLANT RECLAMATION (FY19)



## WASTE ROCK DUMPS (FY19)



## PHOENIX (FY19)











# PAPUA NEW GUINEA

## HIDDEN VALLEY

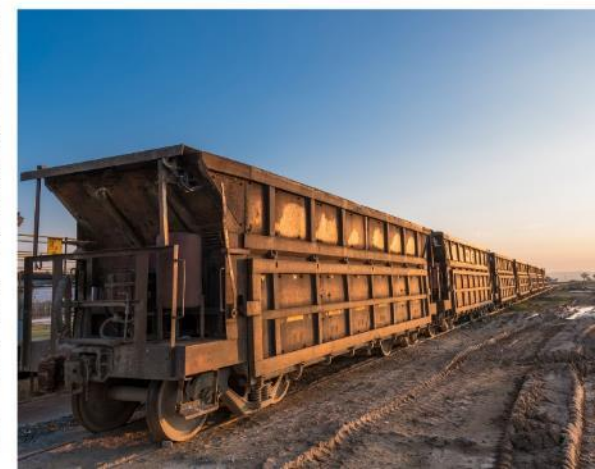
<b>LOCATION</b>	Papua New Guinea, approximately 90km from Lae in Morobe Province
<b>METHOD</b>	Open-pit
<b>DEPTH</b>	Steady state operation; development continues to move from Stage 5 to Stage 6
<b>PROCESSING</b>	Hidden Valley plant
<b>LIFE OF MINE</b>	4 years
<b>PRODUCTION (FY20 GUIDANCE)</b>	182 000oz



### FY2019 IN REVIEW

<b>WORKFORCE</b>  <b>2 100</b> 1 391 permanent employees and 709 contractors	<b>WATER INTENSITY (/TONNE TREATED)</b>  <b>0.47 MI</b> (FY18: 0.54MI)	<b>LOST TIME INJURY FREQUENCY RATE</b>  <b>0.35</b> per million hours worked (FY18: 0.00)
<b>GOLD PRODUCED</b>  <b>6 222 kg</b> (FY18: 2 862kg)	<b>ENERGY INTENSITY (/TONNE TREATED)</b>  <b>0.03 GWh</b> (FY18: 0.02GWh)	<b>RESOURCES</b> <b>3.31 Moz</b> (FY18: 3.95Moz)
<b>ALL-IN SUSTAINING COST</b>  <b>1 090 US\$/oz</b> (FY18: US\$1 094/oz)	<b>GHG INTENSITY (/TONNE TREATED)</b>  <b>0.05 tCO<sub>2</sub>e</b> (FY18: 0.02tCO <sub>2</sub> e)	<b>RESERVES</b>  <b>0.918 Moz</b> (FY18: 1.27Moz)

# FY2020 GUIDANCE





# FY20 COST AND GRADE GUIDANCE (REVISED)

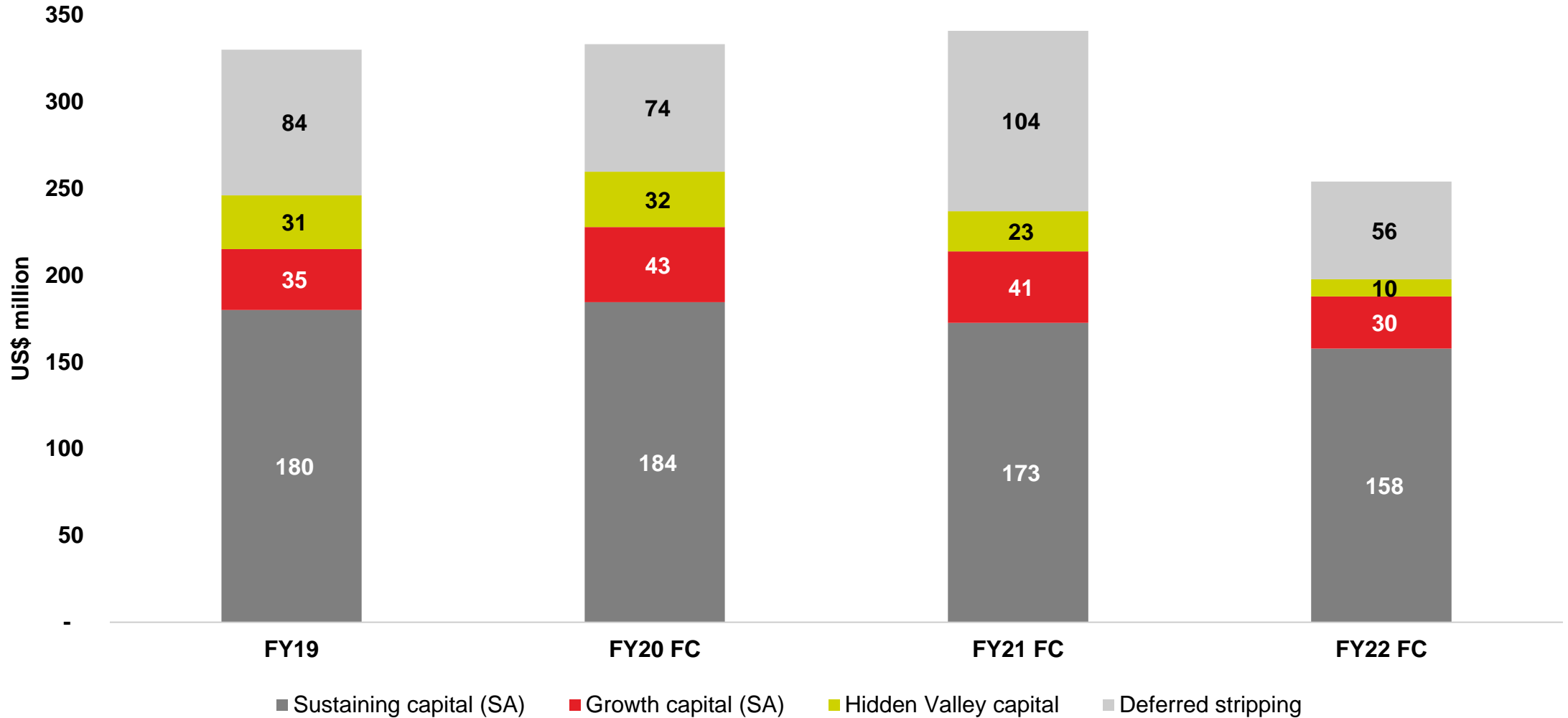
- Plan to produce ~1.4 Moz in FY20, at
  - an average underground recovered grade of ~5.50g/t to 5.57g/t; and
  - an all-in sustaining cost of R600 000/kg to R610 000/kg

Operation	Reserve grade June 2019 (g/t)	Reserve grade adjusted for recovery June 2019 (-5%)	FY19 grade (g/t)	FY20 grade guidance (g/t)	Revised FY20 grade guidance (g/t)
Tshepong operations	5.68	5.40	4.94	5.61	5.27
Moab Khotsong	8.28	7.87	8.17	9.30	8.78
Bambanani	11.69	11.11	10.93	10.84	10.76
Target 1	4.47	4.25	4.51	4.32	4.18
Doornkop	4.89	4.65	4.48	4.67	4.49
Joel	4.93	4.68	3.65	4.67	4.20
Kusasaletu	6.76	6.42	6.72	6.62	5.50
Masimong	4.33	4.11	3.84	4.13	3.98
Unisel	4.65	4.42	4.73	4.46	4.29
<b>Underground operations</b>	<b>5.83</b>	<b>5.54</b>	<b>5.59</b>	<b>~5.96</b>	<b>~5.50–5.57</b>

# FY20 PRODUCTION GUIDANCE (PER OPERATION) (REVISED)

Operation	FY19 production (oz)	FY20 guidance (oz)	Revised FY20 guidance (oz)	Life of mine (years)
Tshepong operations	256 146	290 000	280 000	19
Moab Khotsong	254 891	246 000	248 000	9
Bambanani	80 860	77 000	81 000	4
Target 1	85 296	84 000	81 000	7
Doornkop	105 229	113 000	110 000	17
Joel	50 379	61 000	57 000	10
Kusasaletu	160 400	169 000	124 000	5
Masimong	74 237	69 000	72 000	1
Unisel	38 966	32 000	35 000	1
<b>Underground operations</b>	<b>1 106 404</b>	<b>1 141 000</b>	<b>1 088 000</b>	
SA surface (tailings and waste rock dumps)	91 629	87 000	89 000	14+
Kalgold	40 156	42 000	41 000	12
Hidden Valley	200 042	190 000	182 000	4
<b>Total</b>	<b>1 438 231</b>	<b>~1.460 Moz</b>	<b>~1.400 Moz</b>	

# CAPITAL GUIDANCE\* (US\$)

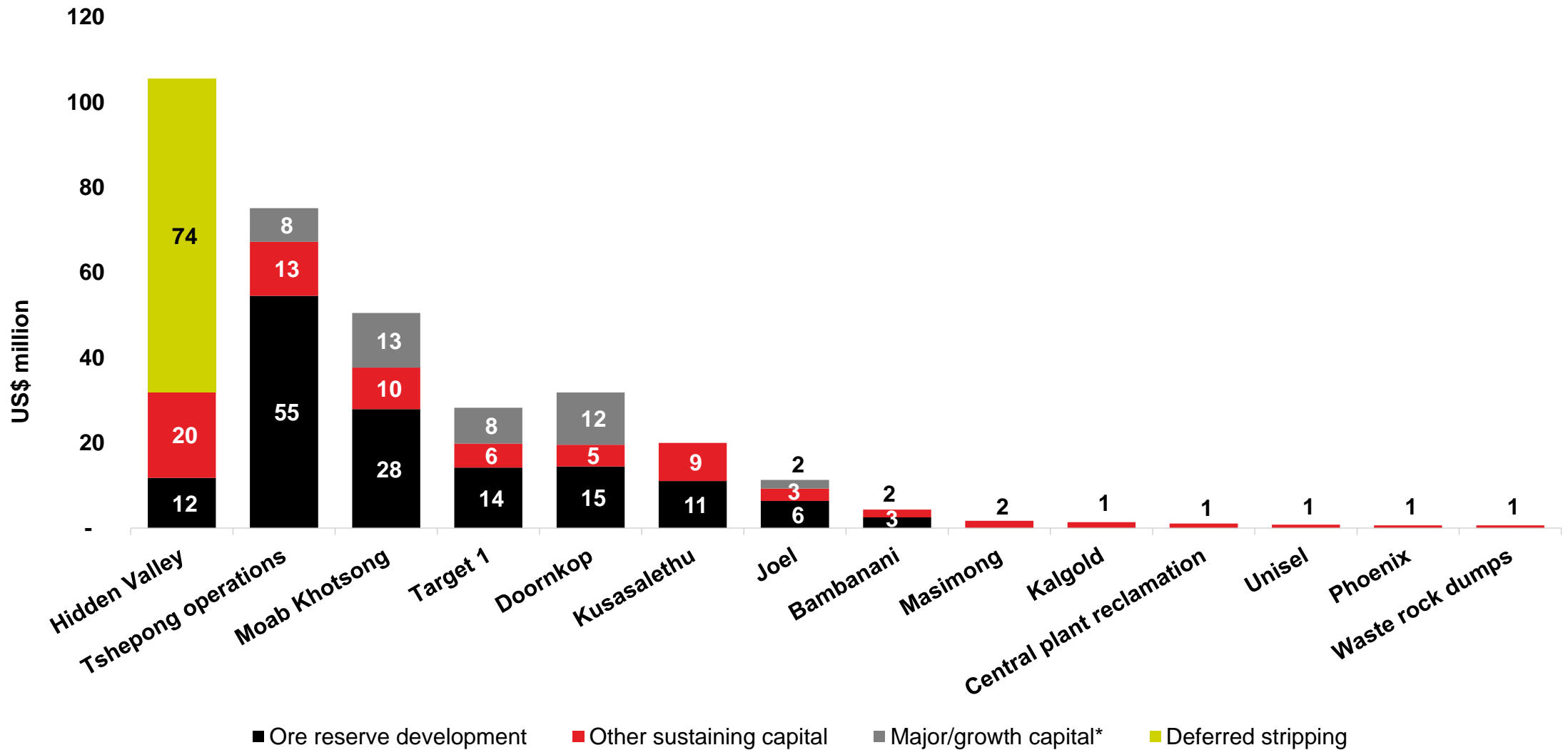


\* Excluding Golpu (subject to granting of SML and board approval) and capital relating to any acquisitions

The exchange rate used for the US\$ conversion for FY20 is US\$=R14.42 and FY21 onwards US\$=R14.11

Hidden Valley capital expenditure guidance based on: exchange rate for FY20FC is 1PGK=R4.269 or 1US\$=R14.42 and FY21 onwards 1PGK=R4.2263 or 1US\$=R14.11

# FY20 CAPITAL GUIDANCE PER OPERATION (US\$)



\* Excluded from all-in sustaining cost

# Excluding Golpu (subject to granting of special mining lease (SML) and board approval)

The exchange rate used for the US\$ conversion for FY20FC is R14.42/US\$

# RESPONSIBLE MINING ESG



# ALIGNMENT TO THE UN'S SUSTAINABLE DEVELOPMENT GOALS



## HARMONY'S ACTIVITIES IN RELATION TO EACH OF THE SUSTAINABLE DEVELOPMENT GOALS\*

<p><b>1 NO POVERTY</b></p> <ul style="list-style-type: none"> <li>Employing 40 686 people</li> <li>Socio-economic development initiatives</li> </ul>	<p><b>2 ZERO HUNGER</b></p> <ul style="list-style-type: none"> <li>Land rehabilitation and food security initiatives</li> </ul>	<p><b>3 GOOD HEALTH AND WELL-BEING</b></p> <ul style="list-style-type: none"> <li>Proactive employee healthcare strategy</li> <li>Community healthcare initiatives</li> </ul>
<p><b>4 QUALITY EDUCATION</b></p> <ul style="list-style-type: none"> <li>Bursary programme for employees and local communities</li> </ul>	<p><b>5 GENDER EQUALITY</b></p> <ul style="list-style-type: none"> <li>Employment equity strategy and targets</li> <li>Women in mining programme</li> <li>Focus on women in our procurement programmes</li> </ul>	<p><b>6 CLEAN WATER AND SANITATION</b></p> <ul style="list-style-type: none"> <li>Water conservation programme</li> </ul>
<p><b>7 AFFORDABLE AND CLEAN ENERGY</b></p> <ul style="list-style-type: none"> <li>Renewable energy procurement programme</li> <li>Bio-energy build programme</li> </ul>	<p><b>8 DECENT WORK AND ECONOMIC GROWTH</b></p> <ul style="list-style-type: none"> <li>Conditions of employment</li> <li>Financial literacy programme</li> </ul>	<p><b>9 INDUSTRY, INNOVATION, INFRASTRUCTURE</b></p> <ul style="list-style-type: none"> <li>Supporting the Minerals Council's research and development initiatives</li> <li>Sponsorship of chair in rock engineering at the University of Pretoria</li> </ul>
<p><b>10 REDUCE INEQUALITIES</b></p> <ul style="list-style-type: none"> <li>Gender diversity policy and employment equity policy and strategy</li> <li>Employment opportunities for local communities in South Africa and Papua New Guinea</li> </ul>	<p><b>11 SUSTAINABLE CITIES AND COMMUNITIES</b></p> <ul style="list-style-type: none"> <li>Socio-economic development plans</li> </ul>	<p><b>12 RESPONSIBLE CONSUMPTION, PRODUCTION</b></p> <ul style="list-style-type: none"> <li>Water and energy conservation programme</li> <li>Cyanide management</li> <li>Land rehabilitation</li> </ul>
<p><b>13 CLIMATE ACTION</b></p> <ul style="list-style-type: none"> <li>Energy conservation and renewable energy programme</li> </ul>	<p><b>14 LIFE BELOW WATER</b></p> <ul style="list-style-type: none"> <li>Zero discharge aspiration</li> <li>Careful risk management and in-depth scientific research in relation to the proposed deep sea tailings placement solution for the Wafi-Golpu project</li> </ul>	<p><b>15 LIFE ON LAND</b></p> <ul style="list-style-type: none"> <li>Environmental conservation</li> <li>Rehabilitation programme</li> </ul>
<p><b>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</b></p> <ul style="list-style-type: none"> <li>Partnerships with labour, regulators and host communities</li> </ul>	<p><b>17 PARTNERSHIPS FOR THE GOALS</b></p> <ul style="list-style-type: none"> <li>Partnerships with governmental institutions and communities in South Africa and Papua New Guinea that support our sustainable development imperatives</li> </ul>	

## OUR FIVE SUSTAINABILITY DRIVERS

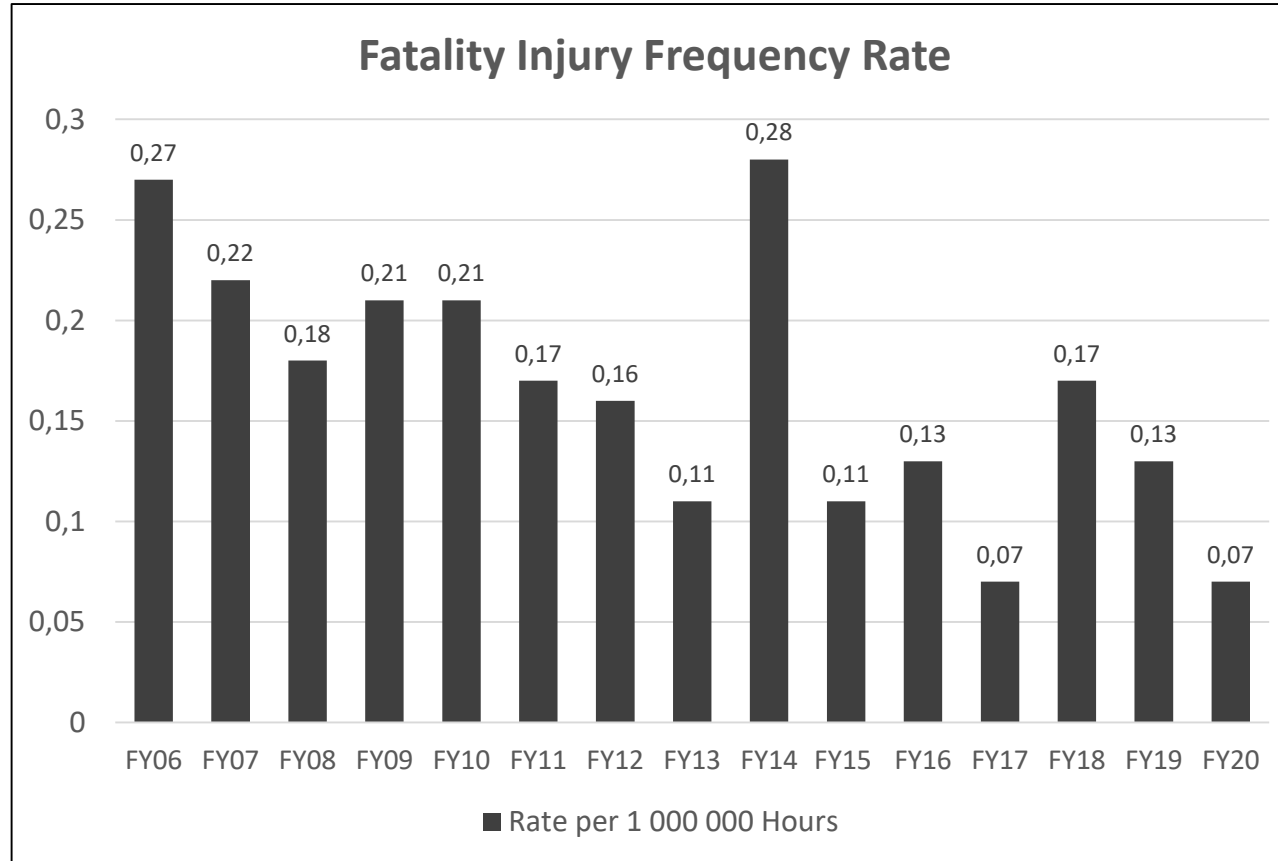
- 1 Stakeholder engagement
- 2 Environmental management and stewardship
- 3 Socio-economic development
- 4 Employee engagement
- 5 Safety and Health

## EXTERNAL RECOGNITION

 <p>FTSE4Good</p>	<b>CDP 2019</b>		
	<b>Climate Change</b>	<b>B</b>	
	<b>Water</b>	<b>A-</b>	



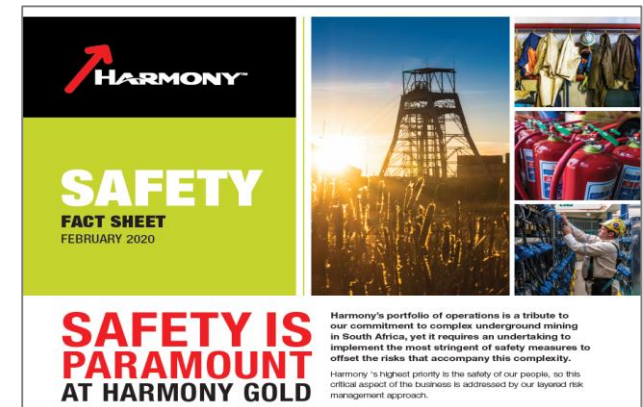
# MOVING TOWARDS A SAFER HARMONY



Note: The FIFR for FY20 represents H1FY20

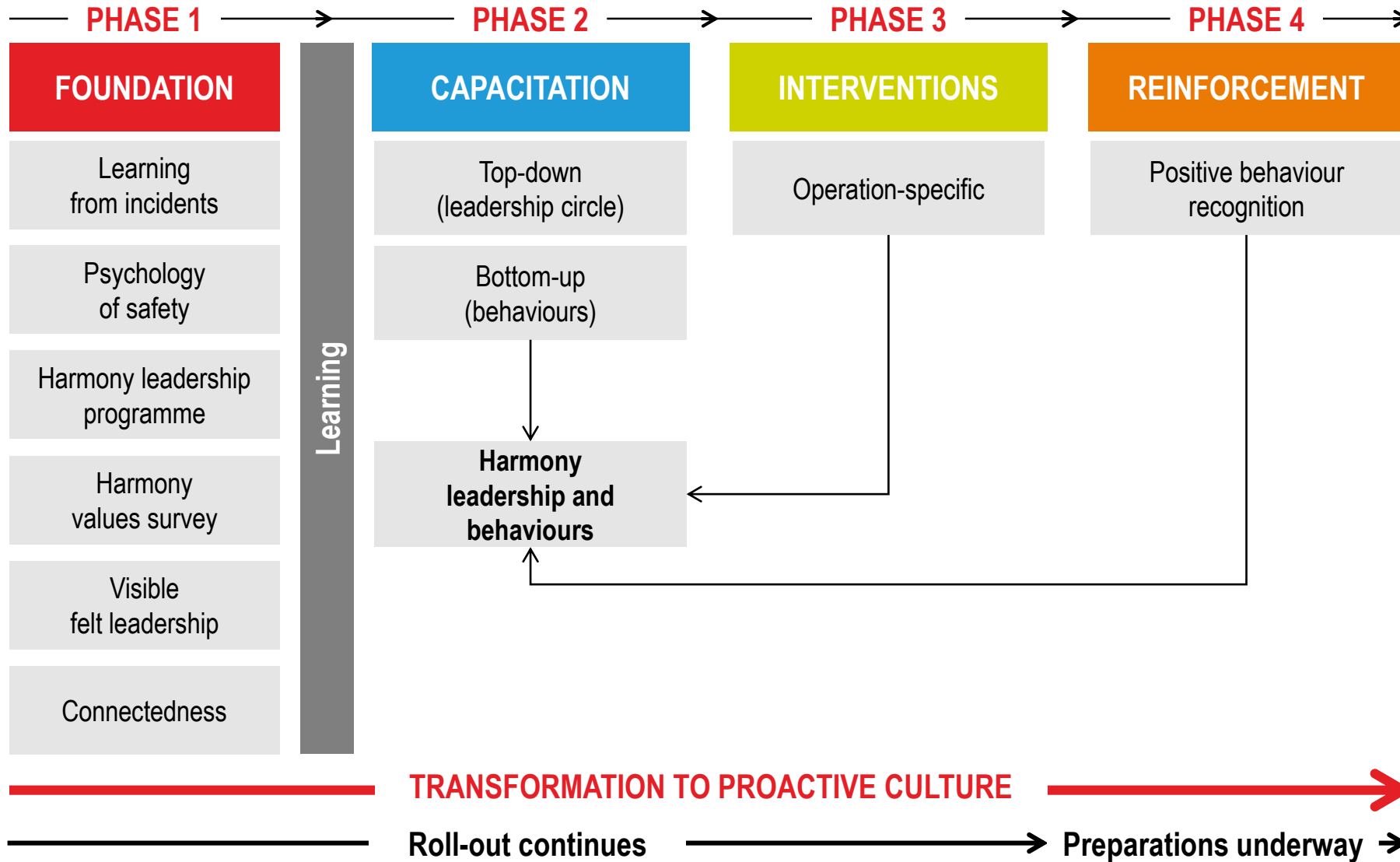
## Key contributors:

- Visible, felt safety leadership, behavioural interventions
- Critical control management
- Proactive risk assessment as a way of life
- Modernisation of safety systems



Please refer to Harmony's website for a comprehensive fact sheet on safety [www.harmony.co.za/invest/presentations/2020](http://www.harmony.co.za/invest/presentations/2020)

# MOVING TOWARDS A PROACTIVE SAFETY CULTURE





# 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 annual report and the exhibits to this annual report, 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 annual 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 the prices of gold and other metals prices; estimates of future production and sales for gold and other metals; estimates of future cash costs; estimates of future cash flows, and the sensitivity of cash flows to the prices of gold and other metals; estimates of provision for silicosis settlement; estimates of future tax liabilities under the Carbon Tax Act; 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 persons 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, safety, environmental regulation and business ownership including any interpretation thereof; court decisions affecting the 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 and currency devaluations and other macroeconomic monetary policies; the adequacy of the Group’s insurance coverage; any further downgrade of South Africa’s credit rating and socio-economic or political instability in South Africa, Papua New Guinea and other countries in which we operate

The foregoing factors and others described under “Risk Factors” in our Integrated Annual Report ([www.har.co.za](http://www.har.co.za)) should not be construed as exhaustive. We undertake no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this annual 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.

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