



OPERATIONAL UPDATE FOR THE NINE MONTHS ENDED 31 MARCH 2017

HARMONY'S ANNUAL PRODUCTION GUIDANCE WELL IN REACH

Johannesburg. Tuesday, 9 May 2017. Harmony Gold Mining Company Limited ("Harmony" or "the company") advises that the annual gold production guidance of 1.05 million ounces is well in reach, with year to date production at 812 000 ounces at a cash operating cost of R439 669/kg (US\$996/oz).

Harmony recorded an 8% operating free cash flow margin year to date, strengthened by the gold hedging agreements that are in place. The company's underground average recovered grade remains above 5g/t. The all-in sustaining costs (AISC) for the nine months ended 31 March 2017 is US\$1170/oz or R516 630/kg.

Quarter on quarter gold production was 7% lower mainly due to the customary slow start up after the December holidays. AISC increased by 5% to R529 409/kg (or 10% to US\$1 246/oz) quarter on quarter.

Chief Executive Officer, Peter Steenkamp, commented that: "The fundamentals underpinning our mine plans enable us to achieve our annual production guidance. Safety, costs and grade continue to be a focus and higher production in the fourth quarter will drive down unit costs".

Below is a table setting out Harmony's operational results for the nine months ended 31 March 2017:

		Nine months ended March 2017
Gold produced	– kg	25 262
	– oz	812 192
Underground grade	– g/t	5.03
Gold price received	– R/kg	573 229
	– US\$/oz	1 299
Cash operating costs	– R/kg	439 669
	– US\$/oz	996
All-in sustaining costs	– R/kg	516 630
	– US\$/oz	1 170
Production profit	– R million	3 276
	– US\$ million	239
Operating free cash flow margin	– %	8
Exchange rate	– R/US\$	13.73

Quarter on quarter operating results tables have been included on pages 2 to 3 (R/metric) and 4 to 5 (US\$/imperial).

The operational update report has not been reviewed or audited by the company's external auditors. Detailed financial and operational results are provided on a six-monthly basis at the end of December and June.

OPERATING RESULTS – QUARTER ON QUARTER (RAND/METRIC)

		Three months ended	South Africa															Hidden Valley ¹	Total Harmony		
			Underground production									Surface production									
			Tshepong	Phakisa	Bambanani	Joel	Doornkop	Target 1	Kusasaletu		Masimong	Unisel	Total Underground	Phoenix	Dumps	Kalgold	Total Surface			Total South Africa	
Ore milled	- t'000	Mar-17	256	151	52	124	156	173	145			147	83	1 287	1 662	602	374	2 638	3 925	868	4 793
		Dec-16	243	158	60	127	160	191	161			155	104	1 359	1 697	712	364	2 773	4 132	760	4 892
Yield ²	- g/tonne	Mar-17	4.63	5.28	11.46	4.12	4.33	4.08	7.24			4.35	3.76	5.03	0.14	0.40	0.76	0.28	1.84	1.00	1.72
		Dec-16	4.78	6.33	11.78	4.70	4.21	3.34	6.58			3.88	4.21	5.06	0.13	0.38	0.77	0.28	1.85	1.29	1.77
Gold produced	- kg	Mar-17	1 184	798	596	511	675	706	1 050			639	312	6 471	226	238	284	748	7 219	816	8 035
		Dec-16	1 161	1 000	707	597	674	637	1 060			601	438	6 875	229	268	281	778	7 653	944	8 597
Gold sold	- kg	Mar-17	1 230	829	620	493	691	721	1 119			664	325	6 692	218	261	280	759	7 451	788	8 239
		Dec-16	1 118	963	681	583	661	643	985			579	422	6 635	215	250	243	708	7 343	899	8 242
Gold price received	- R/kg	Mar-17	551 618	556 441	551 421	545 609	551 077	550 739	543 977			551 000	550 702	550 220	514 358	547 663	550 379	539 099	549 088	518 942	546 772
		Dec-16	566 847	567 361	566 667	568 142	568 569	567 240	575 593			567 066	566 986	568 553	545 833	570 464	569 848	562 773	567 996	541 700	565 360
Revenue	(R'000)	Mar-17	678 490	461 290	341 881	268 985	380 794	397 083	608 710			365 864	178 978	3 682 075	112 130	142 940	154 106	409 176	4 091 251	321 744	4 412 995
		Dec-16	633 735	546 369	385 900	331 227	375 824	364 735	566 959			328 331	239 268	3 772 348	117 354	142 616	138 473	398 443	4 170 791	443 111	4 613 902
Cash operating cost	(R'000)	Mar-17	485 673	390 383	210 635	219 382	314 042	333 619	482 900			270 541	205 379	2 912 554	88 931	101 138	118 268	308 337	3 220 891	266 683	3 487 574
		Dec-16	481 289	388 878	214 723	229 898	292 150	321 011	493 622			267 759	205 304	2 894 634	91 750	110 707	173 375	375 832	3 270 466	372 161	3 642 627
Inventory movement	(R'000)	Mar-17	15 217	16 356	11 094	(12 807)	5 721	6 399	31 814			7 719	7 503	89 016	(2 850)	10 818	2 911	10 879	99 895	23 405	123 300
		Dec-16	(19 978)	(16 417)	(12 212)	(8 524)	(2 863)	7 764	(29 597)			(10 663)	(7 270)	(99 760)	(5 499)	(6 520)	(19 577)	(31 596)	(131 356)	(2 175)	(133 531)
Operating costs	(R'000)	Mar-17	500 890	406 739	221 729	206 575	319 763	340 018	514 714			278 260	212 882	3 001 570	86 081	111 956	121 179	319 216	3 320 786	290 088	3 610 874
		Dec-16	461 311	372 461	202 511	221 374	289 287	328 775	464 025			257 096	198 034	2 794 874	86 251	104 187	153 798	344 236	3 139 110	369 986	3 509 096
Production profit	(R'000)	Mar-17	177 600	54 551	120 152	62 410	61 031	57 065	93 996			87 604	(33 904)	680 505	26 049	30 984	32 927	89 960	770 465	31 656	802 121
		Dec-16	172 424	173 908	183 389	109 853	86 537	35 960	102 934			71 235	41 234	977 474	31 103	38 429	(15 325)	54 207	1 031 681	73 125	1 104 806
Capital expenditure	(R'000)	Mar-17	91 606	72 689	18 633	59 876	64 477	71 056	62 729			25 986	19 004	486 056	841	25 143	35 250	61 234	547 290	312 239	859 529
		Dec-16	96 306	79 352	21 298	62 501	64 330	67 162	67 948			28 645	18 443	505 985	1 369	41 350	(8 736)	33 983	539 968	321 002	860 970
Cash operating costs	- R/kg	Mar-17	410 197	489 202	353 414	429 319	465 247	472 548	459 905			423 382	658 266	450 093	393 500	424 950	416 437	412 215	446 169	411 548	443 317
		Dec-16	414 547	388 878	303 710	385 089	433 457	503 942	465 681			445 522	468 731	421 038	400 655	413 086	616 993	483 075	427 344	431 241	427 739
Cash operating costs	- R/tonne	Mar-17	1 897	2 585	4 051	1 769	2 013	1 928	3 330			1 840	2 474	2 263	54	168	316	117	821	412	763
		Dec-16	1 981	2 461	3 579	1 810	1 826	1 681	3 066			1 727	1 974	2 130	54	155	476	136	791	555	759
Cash operating cost and Capital	- R/kg	Mar-17	487 567	580 291	384 678	546 493	560 769	573 194	519 647			464 049	719 176	525 206	397 221	530 592	540 556	494 079	521 981	893 398	552 574
		Dec-16	497 498	468 230	333 835	489 781	528 902	609 377	529 783			493 185	510 838	494 635	406 633	567 377	585 904	526 754	497 901	803 202	528 839
Operating free cash flow margin ³	%	Mar-17	15	-	33	(4)	1	(2)	10			19	(25)	8	20	12	2	10	8	(71)	2
		Dec-16	9	14	39	12	5	(6)	1			10	6	10	21	(7)	(20)	(3)	9	(36)	4
All-in sustaining cost	- R/kg	Mar-17	492 028	597 433	409 880	502 942	544 986	590 821	533 646			476 839	733 935	531 591	398 725	525 284	572 605	506 391	528 826	536 411	529 409
		Dec-16	502 124	481 170	333 689	447 311	572 873	632 656	552 632			506 539	526 748	506 127	406 498	420 512	616 891	483 657	503 941	510 204	504 538

¹Ore milled for Hidden Valley includes 221 000 tonnes (Dec-16: 90 000t) that has been capitalised as part of pre-stripping of stages 5 and 6. Gold produced and sold for Hidden Valley includes 168 kilograms (Dec-16: 81kg) that has been capitalised.

²Yield for December 2016 quarter restated to exclude Hidden Valley's capitalised production.

³Excludes run of mine costs for Kalgold (Mar-17: R1.785m, Dec-16: -R0.904m) and Hidden Valley (Mar-17: R29.314m, Dec-16: R92.080m).

OPERATING RESULTS – QUARTER ON QUARTER (US\$/IMPERIAL)

		South Africa																		
		Underground production											Surface production							
		Tshepong	Phakisa	Bambanani	Joel	Doornkop	Target 1	Kusasaletu		Masimong	Unisel	Total Underground	Phoenix	Dumps	Kalgold	Total Surface	Total South Africa	Hidden Valley ¹	Total Harmony	
Three months ended																				
Ore milled	– t'000	Mar-17	282	167	57	137	172	191	160		162	92	1 420	1 833	664	412	2 909	4 329	957	5 286
		Dec-16	268	174	66	140	176	211	178		171	115	1 499	1 871	785	401	3 057	4 556	838	5 394
Yield ²	– oz/tonne	Mar-17	0.135	0.154	0.336	0.120	0.126	0.119	0.211		0.127	0.109	0.147	0.004	0.012	0.022	0.008	0.054	0.029	0.050
		Dec-16	0.139	0.185	0.344	0.137	0.123	0.097	0.191		0.113	0.122	0.147	0.004	0.011	0.023	0.008	0.054	0.038	0.052
Gold produced	– oz	Mar-17	38 066	25 656	19 162	16 429	21 702	22 698	33 758		20 544	10 031	208 046	7 266	7 652	9 131	24 049	232 095	26 235	258 330
		Dec-16	37 327	32 151	22 731	19 194	21 670	20 480	34 080		19 323	14 082	221 038	7 363	8 616	9 034	25 013	246 051	30 350	276 401
Gold sold	– oz	Mar-17	39 545	26 653	19 933	15 850	22 216	23 181	35 977		21 348	10 449	215 152	7 009	8 391	9 002	24 402	239 554	25 335	264 889
		Dec-16	35 944	30 961	21 895	18 744	21 252	20 673	31 668		18 615	13 568	213 320	6 912	8 038	7 813	22 763	236 083	28 903	264 986
Gold price received	– \$/oz	Mar-17	1 298	1 310	1 298	1 284	1 297	1 296	1 280		1 297	1 296	1 295	1 211	1 289	1 295	1 269	1 292	1 221	1 287
		Dec-16	1 268	1 270	1 268	1 271	1 272	1 269	1 288		1 269	1 269	1 272	1 221	1 276	1 275	1 259	1 271	1 213	1 265
Revenue	(\$'000)	Mar-17	51 340	34 905	25 870	20 354	28 814	30 047	46 060		27 684	13 543	278 617	8 485	10 816	11 661	30 962	309 579	24 346	333 925
		Dec-16	45 590	39 305	27 761	23 828	27 036	26 238	40 786		23 620	17 213	271 377	8 442	10 260	9 962	28 664	300 041	31 877	331 918
Cash operating cost	(\$'000)	Mar-17	36 750	29 540	15 938	16 600	23 763	25 245	36 541		20 472	15 541	220 390	6 729	7 653	8 949	23 331	243 721	20 180	263 901
		Dec-16	34 624	27 976	15 447	16 539	21 017	23 093	35 511		19 262	14 770	208 239	6 600	7 964	12 472	27 036	235 275	26 772	262 047
Inventory movement	(\$'000)	Mar-17	1 151	1 238	839	(969)	433	484	2 407		584	568	6 735	(216)	819	220	823	7 558	1 771	9 329
		Dec-16	(1 437)	(1 181)	(879)	(613)	(206)	559	(2 129)		(767)	(523)	(7 176)	(396)	(469)	(1 408)	(2 273)	(9 449)	(156)	(9 605)
Operating costs	(\$'000)	Mar-17	37 901	30 778	16 777	15 631	24 196	25 729	38 948		21 056	16 109	227 125	6 513	8 472	9 169	24 154	251 279	21 951	273 230
		Dec-16	33 187	26 795	14 568	15 926	20 811	23 652	33 382		18 495	14 247	201 063	6 204	7 495	11 064	24 763	225 826	26 616	252 442
Production profit	(\$'000)	Mar-17	13 439	4 127	9 093	4 723	4 618	4 318	7 112		6 628	(2 566)	51 492	1 972	2 344	2 492	6 808	58 300	2 395	60 695
		Dec-16	12 403	12 510	13 193	7 902	6 225	2 586	7 404		5 125	2 966	70 314	2 238	2 765	(1 102)	3 901	74 215	5 261	79 476
Capital expenditure	(\$'000)	Mar-17	6 931	5 500	1 410	4 532	4 879	5 377	4 746		1 967	1 438	36 780	64	1 903	2 668	4 635	41 415	23 627	65 042
		Dec-16	6 928	5 709	1 531	4 496	4 629	4 832	4 887		2 061	1 327	36 400	98	2 975	(629)	2 444	38 844	23 093	61 937
Cash operating costs	– \$/oz	Mar-17	965	1 151	832	1 010	1 095	1 112	1 082		996	1 549	1 059	926	1 000	980	970	1 050	968	1 043
		Dec-16	928	870	680	862	970	1 128	1 042		997	1 049	942	896	924	1 381	1 081	956	965	957
Cash operating costs	– \$/t	Mar-17	130	177	280	121	138	132	228		126	169	155	4	12	22	8	56	28	52
		Dec-16	129	161	234	118	119	109	200		113	128	139	4	10	31	9	52	36	49
Cash operating cost and Capital	– \$/oz	Mar-17	1 148	1 366	905	1 286	1 320	1 349	1 223		1 092	1 693	1 236	935	1 249	1 272	1 163	1 229	2 102	1 301
		Dec-16	1 113	1 048	747	1 096	1 183	1 364	1 185		1 104	1 143	1 107	910	1 270	1 311	1 179	1 114	1 798	1 183
Operating free cash flow margin ³	%	Mar-17	15	–	33	(4)	1	(2)	10		19	(25)	8	20	12	2	10	8	(71)	2
		Dec-16	9	14	39	12	5	(6)	1		10	6	10	21	(7)	(20)	(3)	9	(36)	4
All-in sustaining cost	– \$/oz	Mar-17	1 158	1 406	965	1 184	1 283	1 390	1 256		1 122	1 727	1 251	938	1 236	1 348	1 192	1 245	1 254	1 246
		Dec-16	1 124	1 077	747	1 001	1 282	1 416	1 237		1 133	1 179	1 132	910	941	1 380	1 082	1 128	1 139	1 129

¹Ore milled for Hidden Valley includes 243 000 tonnes (Dec-16: 99 000t) that has been capitalised as part of pre-stripping of stages 5 and 6. Gold produced and sold for Hidden Valley includes 5 398 ounces (Dec-16: 2 618oz) that has been capitalised.

²Yield for December 2016 quarter restated to exclude Hidden Valley's capitalised production.

³Excludes run of mine costs for Kalgold (Mar-17: -US\$0.135m, Dec-16: -US\$0.065m) and Hidden Valley (Mar-17: US\$2.218m, Dec-16: US\$6.624m).

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REGISTRATION NUMBER:

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ZAE 000015228

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the safe harbour 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 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 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 labour 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 on 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 annual report or to reflect the occurrence of unanticipated events, except as required by law.