

Harmony Gold Mining Company Limited
("Harmony" or "Company")
Incorporated in the Republic of South Africa
Registration number 1950/038232/06
JSE share code: HAR NYSE share code: HMY
ISIN: ZAE000015228

OPERATIONAL UPDATE
Q1FY18

HARMONY - HIGHER PRODUCTION, INCREASED MARGINS

Johannesburg, Tuesday, 7 November 2017. Harmony Gold Mining Company Limited ("Harmony" or "the company") is pleased to announce its operating results for the first quarter ended 30 September 2017.

"Operational excellence has strengthened our margins at our South African operations significantly. The recently announced Moab Khotsong acquisition will further enhance free cash flows and enforces Harmony's belief that it offers an attractive investment case" said chief executive officer, Peter Steenkamp.

Quarter on quarter, gold production from the South African underground operations increased by 14% due to a 10% increase in ore milled and a 4% increase in recovered grade to 5.35g/t. Increased production resulted in an 8% decrease in all-in sustaining unit costs to R487 581/kg (US\$1 151/oz) for the South African underground operations.

At Hidden Valley, the investment plan continued in line with budget and schedule, with waste stripping progressing in line with plan and processing of ore will re-commence by the end of November 2017 following the expected completion of the processing infrastructure upgrade and maintenance activities. Commercial levels of production at Hidden Valley is expected to be achieved during the June 2018 quarter.

All-in sustaining cost for the group decreased by 6% to R488 176/kg (5% to US\$1 152/oz) due to increased production. Increased cash flow generated from the South African operations supported the funding of the investment capital at Hidden Valley. Net debt for the company remained low at R906 million (US\$67 million) compared to R887 million (US\$68 million) at 30 June 2017. Harmony's undrawn existing debt facilities include US\$175 million on the US dollar facility and a R1 billion revolving credit facility.

Acquisition of Moab Khotsong operations

Harmony announced the acquisition of the Moab Khotsong operations for US\$300 million on 19 October 2017. As an experienced pillar mining specialist with the proven ability to mine high grade pillars Harmony sees the potential to optimise Moab Khotsong and Great Noliwa mines. The circular to shareholders regarding the transaction will be posted at the beginning of December 2017.

Wafi-Golpu, Papua New Guinea

The Wafi-Golpu Joint Venture parties continued to progress activity in line with the forward work plan previously communicated, including engagement with the PNG Government on the application for a Special Mining Lease (SML) for the Wafi-Golpu project. The current study work is focused on assessing internally-generated power options, developing deep-sea tailings placement options to compare with terrestrial tailings storage options, and reassessing block cave levels and increased mining rates due to increased knowledge obtained from further drilling undertaken during the year.

The Joint Venture parties are targeting a complete update of the Feasibility Study by the end of the March 2018 quarter. The focus of this work is to further optimise the business case and confirm any amendments necessary to the supporting documents for the SML application. Timing of first production is dependent on the updated study outcomes and the granting of the SML.

Below is a table setting out Harmony's total operating results quarter on quarter:

		Quarter September 2017	Quarter June 2017	Q-on-Q Variance %	Quarter September 2016	Comparative Q-on-Q* Variance %
Gold produced	kg	9 040	8 574	5	8 630	5
	oz	290 644	275 660	5	277 461	5
Underground grade	g/t	5.35	5.16	4	5.01	7
Gold price received	R/kg	571 664	561 558	2	605 224	(6)
	US\$/oz	1 350	1 324	2	1 339	1
Cash operating costs	R/kg	413 082	428 779	4	448 117	8
	US\$/oz	975	1 011	4	991	2
All-in sustaining costs	R/kg	488 176	516 845	6	516 116	5
	US\$/oz	1 152	1 219	5	1 142	(1)
Production profit	R million	1 397	1 176	19	1 369	2
	US\$ million	106	89	19	97	9
Exchange rate	R/US\$	13.18	13.19	-	14.06	(6)

*September 2017 quarter and September 2016 quarter comparison.

Quarter-on-quarter operating results table is included below.

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)

		South Africa										Surface production								Total Hidden Valley(1)	Total Harmony	
		Underground production					Total					Central plant reclamation			Dumps		Kal gold		Total Surface	Total South Africa		
		Three months ended	Tshepong operations	Bambanani	Joel	Doornkop	Target 1	Kusasalathu	Masi mong	Unisel	Underground	Phoenix	reclamation	Dumps	Kal gold	Total Surface	Total South Africa	Hidden Valley(1)	Total Harmony			
Ore milled	- t'000	Sep-17	485	62	135	182	196	156	169	104	1 534	939	458	386	3 317	4 806	268	5 074				
		Jun-17	426	56	122	168	188	139	162	94	1 355	1 675	735	379	2 789	4 144	788	4 932				
Yield	- g/tonne	Sep-17	5.80	10.45	3.61	4.82	4.46	6.77	5.01	3.41	5.35	0.133	0.121	0.365	0.80	0.24	1.82	1.79				
		Jun-17	5.23	12.04	3.58	4.05	4.32	8.37	4.12	3.56	5.16	0.134	-	0.418	0.82	0.30	1.89	1.77				
Gold produced	- kg	Sep-17	2 815	648	488	877	874	1 056	847	355	7 960	204	114	167	795	8 755	285	9 040				
		Jun-17	2 228	674	437	680	812	1 163	668	335	6 997	225	-	307	843	7 840	734	8 574				
Gold sold	- kg	Sep-17	2 769	637	502	851	852	1 026	833	349	7 819	207	123	168	795	8 614	323	8 937				
		Jun-17	2 225	673	474	697	797	1 248	668	335	7 117	253	-	312	917	8 034	954	8 988				
Gold price received	- R/kg	Sep-17	573 748	574 392	573 002	574 951	571 019	572 912	572 887	573 037	573 353	544 522	571 057	571 292	575 003	565 672	572 644	543 805	571 664			
		Jun-17	566 638	567 551	563 814	563 537	567 316	562 838	566 157	566 301	565 581	533 676	-	566 109	562 105	555 624	564 445	533 915	561 558			
Revenue	(R' 000)	Sep-17	1 588 708	365 888	287 647	489 283	486 508	587 808	477 215	199 990	4 483 047	112 716	70 240	95 977	170 776	449 709	4 932 756	164 773	5 097 529			
		Jun-17	1 260 770	381 962	267 248	392 785	452 151	702 422	378 193	189 711	4 025 242	135 020	-	176 626	197 861	509 507	4 534 749	447 955	4 982 704			
Cash operating cost	(R' 000)	Sep-17	1 030 658	233 559	240 524	346 929	349 458	544 800	303 694	217 233	3 266 855	82 179	49 793	79 277	143 715	354 964	3 621 819	104 184	3 726 003			
		Jun-17	920 811	213 821	224 390	311 758	353 342	498 741	280 482	207 869	3 011 214	88 057	-	128 491	114 772	331 320	3 342 534	284 507	3 627 041			
Inventory movement	(R' 000)	Sep-17	(19 312)	(2 347)	6 240	(6 547)	(13 390)	(17 619)	(5 827)	(1 734)	(60 536)	1 328	4 889	122	(8 192)	(1 853)	(62 389)	37 694	(24 695)			
		Jun-17	233	24	14 819	9 879	(7 099)	45 946	720	248	64 770	11 662	-	2 900	19 296	33 858	98 628	80 931	179 559			
Operating costs	(R' 000)	Sep-17	1 011 346	231 212	246 764	340 382	336 068	527 181	297 867	215 499	3 206 319	83 507	54 682	79 399	135 523	353 111	3 559 430	141 878	3 701 308			
		Jun-17	921 044	213 845	239 209	321 637	346 243	544 687	281 202	208 117	3 075 984	99 719	-	131 391	134 068	365 178	3 441 162	365 438	3 806 600			
Production profit	(R' 000)	Sep-17	577 362	134 676	40 883	148 901	150 440	60 627	179 348	(15 509)	1 276 728	29 209	15 558	16 578	35 253	96 598	1 373 326	22 895	1 396 221			
		Jun-17	339 726	168 117	28 039	105 908	157 735	96 991	949 258	(18 406)	949 258	35 301	-	45 235	63 793	144 329	1 093 587	82 517	1 176 104			
Capital expenditure	(R' 000)	Sep-17	203 717	15 054	64 751	64 395	79 024	66 939	29 191	29 873	552 944	-	3 814	-	26 014	29 828	582 772	713 397	1 296 169			
		Jun-17	200 217	16 176	62 586	66 914	112 656	87 221	38 255	23 452	607 477	440	41 879	1 642	52 043	96 004	703 481	677 825	1 381 306			
Cash operating costs	- R/kg	Sep-17	366 131	360 431	492 877	395 586	515 909	515 909	358 553	611 924	410 409	402 838	436 781	474 713	463 597	446 496	413 686	393 147	413 082			
		Jun-17	413 290	317 242	513 478	458 468	435 150	428 840	419 883	620 504	430 358	391 364	-	418 537	369 042	393 025	426 344	459 624	428 779			
Cash operating costs	- R/tonne	Sep-17	2 125	3 767	1 782	1 906	1 783	3 492	1 797	2 089	2 194	54	53	173	372	107	754	440	739			
		Jun-17	2 162	3 818	1 839	3 818	1 839	3 588	1 731	2 211	2 222	53	-	175	303	119	807	446	758			
Cash operating cost and Capital (2)	- R/kg	Sep-17	438 499	383 662	625 564	469 013	490 254	579 298	393 017	696 073	479 874	402 838	470 237	474 713	547 513	484 015	480 250	423 804	478 592			
		Jun-17	503 154	341 242	656 696	556 871	573 889	503 837	477 151	690 510	517 178	393 320	-	423 886	536 383	506 909	516 073	521 433	516 466			
All-in sustaining cost	- R/kg	Sep-17	446 114	404 284	564 967	489 464	491 432	597 932	488 147	708 500	487 581	403 415	444 569	472 613	559 206	482 606	487 077	519 338	488 176			
		Jun-17	514 118	360 645	590 511	575 032	594 376	520 408	495 438	709 593	528 197	395 885	-	357 016	543 032	439 144	517 414	511 392	516 845			
Operating free cash flow margin(3)	%	Sep-17	22	32	(6)	16	12	(4)	30	(24)	15	27	24	17	-	14	15	(390)	2			
		Jun-17	11	40	(7)	4	(3)	17	16	(22)	10	34	-	26	16	16	11	(105)	-			

(1) Ore milled for Hidden Valley includes 31 000 tonnes (Jun-17: 150 000t) that has been capitalised as part of pre-stripping of stages 5 & 6. Gold produced and sold for Hidden Valley includes 20 kilograms (Jun-17: 115kg) that has been capitalised.

(2) Excludes investment capital for Hidden Valley.

(3) Excludes run of mine costs for Kal gold (Sep-17: R-1.114m, Jun-17: R0.249m) and Hidden Valley (Sep-17: R10.016m, Jun-17: R42.311m).

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 New York Stock Exchange, Inc.: HMY

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ISIN:
 ZAE 000015228

HARMONY'S ANNUAL REPORTS
 Harmony's Integrated Annual Report, the Sustainable
 Development Information which serves as supplemental
 information to the Integrated Annual Report and its annual
 report filed on a Form 20F with the United States' Securities and
 Exchange Commission for the financial year ended 30 June 2017
 is available on our website (www.harmony.co.za/investors)

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 inputs, 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.

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