

HARMONY GOLD MINING CO LTD

Form 6-K

August 17, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**Form 6-K**

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO

RULE 13a-16 OR 15d-16 UNDER THE SECURITIES

EXCHANGE ACT OF 1934

For 17 August 2016

**Harmony Gold Mining Company**

**Limited**

Randfontein Office Park

Corner Main Reef Road and Ward Avenue

Randfontein, 1759

South Africa

(Address of principal executive offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F ☒ X

Form 40-F ☐

(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes ☐

No ☒ X

**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

**6 months**

**ended**

6 months

ended

**June**

**2016**

**(H2FY16)**

December

2015

**(H1FY16)**

**%**

**Variance**

**Year**

**ended**

**June 2016**

Year

ended

June 2015

**%**

**Variance**

Gold produced

– kg

**15 974**

17 681

(10)

**33 655**

33 513

–

– oz

**513 576**

568 459

(10)

**1 082 035**

1 077 466

–

Cash operating costs

– R/kg

**413 796**

372 358

(11)

**392 026**

369 203

(6)

– US\$/oz

**836**  
 851  
 2  
**841**  
 1 003  
 16  
 Gold sold  
 – kg  
**15 900**  
 17 742  
 (10)  
**33 642**  
 34 332  
 (2)  
 – oz  
**511 198**  
 570 417  
 (10)  
**1 081 615**  
 1 103 793  
 (2)  
 Underground grade  
 – g/t  
**4.88**  
 5.16  
 (5)  
**5.02**  
 4.75  
 6  
 Total costs and capital  
 – R/kg  
**484 167**  
 430 417  
 (12)  
**455 929**  
 442 895  
 (3)  
 – US\$/oz  
**978**  
 983  
 1  
**978**  
 1 203  
 19  
 All-in sustaining costs\*  
 – R/kg  
**492 792**  
 444 884  
 (11)  
**467 526**  
 453 044

(3)  
 – US\$/oz  
**996**  
 1 016  
 2  
**1 003**  
 1 231  
 19  
 Gold price received  
 – R/kg  
**605 476**  
 490 773  
 23  
**544 984**  
 449 570  
 21  
 – US\$/oz  
**1 223**  
 1 121  
 9  
**1 169**  
 1 222  
 (4)  
 Production profit  
 – R million  
**3 092**  
 1 992  
 55  
**5 084**  
 2 802  
 81  
 – US\$ million  
**201**  
 146  
 38  
**350**  
 245  
 43  
 Basic earnings/(loss) per share  
 – SAc/s  
**320**  
 (102)  
 >100  
**218**  
 (1 044)  
 >100  
 – USc/s  
**21**  
 (7)  
 >100  
**15**

(86)  
 >100  
 Headline earnings/(loss)  
 – Rm  
**1 412**  
 (449)  
 >100  
**964**  
 (821)  
 >100  
 – US\$m  
**92**  
 (33)  
 >100  
**66**  
 (68)  
 >100  
 Headline earnings/(loss) per share  
 – SAc/s  
**324**  
 (103)  
 >100  
**221**  
 (189)  
 >100  
 – USc/s  
**21**  
 (8)  
 >100  
**15**  
 (16)  
 >100

Exchange rate

\* Excludes share-based payment charge.

## **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 2016 will be available on our website ([www.harmony.co.za/investors](http://www.harmony.co.za/investors)) on 26 October 2016. Mineral resource and reserve information as at 30 June 2016 is included in this report.

– R/US\$

**15.39**

13.62

13

**14.50**

11.45

27

## **KEY FEATURES**

**Year on year**

- 6% increase in underground recovered grade
- 54% reduction in net debt to R1.08 billion  
(61% to US\$74 million)
- Net profit of R949 million (US\$64 million)
- Dividend of 50 SA cents (4 US cents)
- Headline earnings per share (HEPS)  
of 221 SA cents (15 US cents)
- Enhancing our portfolio of copper-gold  
assets

1

Harmony Gold Mining Company Limited Results for the six months and year ended 30 June 2016

**SHAREHOLDER INFORMATION**

Issued ordinary share capital at 30 June 2016

437 299 479

Issued ordinary share capital at 31 December 2015

436 789 929

Issued ordinary share capital at 30 June 2015

436 187 133

**MARKET CAPITALISATION**

At 30 June 2016 (ZARm)

22 945

At 30 June 2016 (US\$m)

1 567

At 31 December 2015 (ZARm)

6 813

At 31 December 2015 (US\$m)

440

At 30 June 2015 (ZARm)

6 800

At 30 June 2015 (US\$m)

560

**HARMONY ORDINARY SHARES AND ADR PRICES**

12-month high (1 July 2015– 30 June 2016) for ordinary shares

62.89

12-month low (1 July 2015– 30 June 2016) for ordinary shares

7.92

12-month high (1 July 2015– 30 June 2016) for ADRs

4.17

12-month low (1 July 2015 – 30 June 2016) for ADRs

0.53

**FREE FLOAT**

100%

**ADR RATIO**

1:1

**JSE LIMITED**

HAR

Range for six months (1 January – 30 June 2016 closing prices)

R15.60 – R62.89

Average daily volume for the six months (1 January – 30 June 2016)

2 934 226 shares

Range for previous six months (1 July – 31 December 2015 closing prices)

R7.92 – R19.89

Average daily volume for the previous six months

(1 July – 31 December 2015)

1 968 724 shares

Range for year (1 July 2015 – 30 June 2016 closing prices)

R7.92 – R62.89

Average daily volume for the year (1 July 2015 – 30 June 2016)

2 441 859 shares

Range for the previous year  
(1 July 2014 – 30 June 2015 closing prices)  
R15.32 – R38.50

Average daily volume for the previous year  
(1 July 2014 – 30 June 2015)  
1 700 854 shares

**NEW YORK STOCK EXCHANGE**

including other US trading platforms

HMY

Range for six months (1 January – 30 June 2016 closing prices)  
US\$1.06 – US\$4.17

Average daily volume for the six months (1 January – 30 June 2016)  
5 306 179

Range for previous six months  
(1 July – 31 December 2015 closing prices)  
US\$0.53 – US\$1.34

Average daily volume for the previous six months  
(1 July – 31 December 2015)  
2 778 343

Range for year (1 July 2015 – 30 June 2016 closing prices)  
US\$0.53 – US\$4.17

Average daily volume for the year (1 July 2015 – 30 June 2016)  
4 027 274

Range for the previous year (1 July 2014 – 30 June 2015 closing prices)  
US\$1.31 – US\$3.29

Average daily volume for the previous year (1 July 2014 – 30 June 2015)  
2 989 247

**INVESTORS' CALENDAR**

Release of Harmony's Integrated Annual Report of FY16  
26 October 2016

Annual General Meeting  
25 November 2016

**CONTACT DETAILS**

**CORPORATE OFFICE**

Randfontein Office Park  
PO Box 2, Randfontein, 1760, South Africa  
Corner Main Reef Road/Ward Avenue  
Randfontein, 1759, South Africa  
Tel: +27 11 411 2000  
Website: [www.harmony.co.za](http://www.harmony.co.za)

**DIRECTORS**

P T Motsepe\* Chairman

M Motloba\*^

Deputy chairman

P W Steenkamp

Chief executive officer

F Abbott

Financial director

H E Mashego Executive director

F F T De Buck\*^

Lead independent director



J A Chissano\*1^, K V Dicks\*^, Dr D S S Lushaba\*^,  
C Markus\*^, M Msimang\*^, K T Nondumo\*^,  
V P Pillay \*^, J L Wetton\*^, A J Wilkens\*

\* Non-executive

^ Independent

1 Mozambican

## **INVESTOR RELATIONS**

Email: HarmonyIR@harmony.co.za

Marian van der Walt

Executive: Corporate and Investor Relations

Tel: +27 (0)11 411 2037

Mobile: +27 (0)82 888 1242

Email: marian@harmony.co.za

## **COMPANY SECRETARY**

Riana Bisschoff

Tel: +27 (0)11 411 6020

Mobile: +27 (0)83 629 4706

Email: riana.bisschoff@harmony.co.za

## **SOUTH AFRICAN SHARE TRANSFER SECRETARIES**

Link Market Services South Africa (Proprietary) Limited

(Registration number 2000/007239/07)

13th Floor, Rennie House

19 Ameshoff Street

Braamfontein, 2001

PO Box 4844, Johannesburg, 2000, South Africa

Tel: +27 86 154 6572

Fax: +27 86 674 2450

Email: meetfax@linkmarketservices.co.za

## **ADR**

2

## **DEPOSITARY**

Deutsche Bank Trust Company Americas

c/o American Stock Transfer and Trust Company

Peck Slip Station

PO Box 2050, New York, NY 10272-2050

Email queries: db@amstock.com

Toll Free: +1-800-937-5449

Intl: +1-718-921-8137

Fax: +1-718-921-8334

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ADR: American Depositary Receipts

## **SPONSOR**

J.P. Morgan Equities South Africa (Pty) Ltd

1 Fricker Road, corner Hurlingham Road

Illovo

Johannesburg, 2196

Private Bag X9936, Sandton, 2146, South Africa

Tel: +27 11 507 0300

Fax: +27 11 507 0503

## **TRADING SYMBOLS**

JSE Limited: HAR

New York Stock Exchange, Inc: HMY

Berlin Stock Exchange: HAM1

**REGISTRATION NUMBER**

1950/038232/06

Incorporated in the Republic of South Africa

**ISIN**

ZAE000015228

Harmony Gold Mining Company Limited Results for the six months and year ended 30 June 2016  
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## FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the safe harbor 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 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, 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.

## COMPETENT PERSON’S DECLARATION

In South Africa, Harmony employs an ore reserve manager at each of its operations who takes responsibility for the compilation and reporting of mineral resources and mineral reserves at their operations. In Papua New Guinea, competent persons are appointed for the mineral resources and mineral reserves for specific projects and operations.

The mineral resources and mineral reserves in this report are based on information compiled by the following competent persons:

Resources and reserves of South Africa:

Jaco Boshoff, BSc (Hons), MSc, MBA, Pr. Sci. Nat, MSAIMM, MGSSA, who has 21 years' relevant experience and is registered with the South African Council for Natural Scientific Professions (SACNASP) and a member of the South African Institute of Mining and Metallurgy (SAIMM).

Mr Boshoff is Harmony's Lead Competent Person.

Jaco Boshoff

**Physical address:**

**Postal address:**

Randfontein Office park

P.O. Box 2

Randfontein

Corner of Main Reef Road and Ward Avenue

Randfontein

1760

South Africa

South Africa

Resources and reserves of Papua New Guinea:

Gregory Job, BSc, MSc, who has 28 years' relevant experience and is a member of the Australian Institute of Mining and Metallurgy (AusIMM).

Greg Job

**Physical address:**

**Postal address:**

Level 2

PO Box 1562

189 Coronation Drive

Milton, Queensland

Milton, Queensland 4064

4064

Australia

Australia

Both these competent persons, who are full-time employees of Harmony Gold Mining Company Limited, consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.

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Harmony Gold Mining Company Limited Results for the six months and year ended 30 June 2016

# MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Harmony is driven by excellence. We have a proactive approach to safety and health, with excellent operational and management teams, a world-class exploration team, we lead environmental rehabilitation in South Africa and we continued to differentiate ourselves through quality grade management, increasing underground grade for the fourth consecutive year – this year by 6% to 5.02g/t.

Our revenue increased by 19% on the back of a 21% increase in the R/kg gold price, combined with achieving our production guidance of approximately 1.1 million ounces. Net debt was reduced by 54% to R1.08 billion (61% to US\$74 million). Having turned around the previous year's headline loss to headline earnings of 221 SA cents (15 US\$ cents), we felt it prudent to declare a dividend of 50 SA cents (refer to dividend notice on page 8). Harmony remains well positioned to benefit from a strong R/kg gold price.

We continue to have a positive view on the strength of the gold price, with cash certainty being key in times of extreme market volatility. The gold hedge was a necessary short-term step to secure margins at some of our higher-cost operations and creates certainty for a portion of our future cash flows. It enables us to further reduce our debt and strengthen our balance sheet.

## SAFETY

Sadly, in spite of recording an overall improvement in our safety performance for the year, we had ten fatalities – nine in South Africa (SA) and one in Papua New Guinea (PNG), compared with nine fatalities in the previous year (eight in SA and one in PNG).

Year on year, our lost time and reportable injury frequency rates improved and are in line with the industry's milestone requirements. During the year – to further assist management in ensuring that safety standards are followed and regulations are adhered to, and to increase awareness regarding safe behaviour – we established a second-level safety assurance team, reporting to our central safety structure. Training and safety awareness campaigns continue at all of our operations.

## YEAR-ON-YEAR OPERATIONAL RESULTS

Our total gold production for FY16 increased by 142kg (0.4%) to 33 655kg, compared to 33 513kg in FY15. Gold production in South Africa increased by 4% year on year, if the Target 3 operation (placed on care and maintenance) in FY15 is excluded.

The following operations increased their gold production year on year:

- *Phakisa*, by 870kg (28%), as a result of milling 75 000t (12%) more and increasing recovered grade by 14% to 5.81g/t (FY15: 5.10g/t);
- *Tshepong*, by 753kg (18%), as a result of a 10% (96 000t) rise in milled tonnes and a 7% improvement in recovered grade to 4.62g/t (FY15: 4.31g/t);
- *Bambanani*, by 105kg (4%), as a result of a 2% increase in

recovered grade to 12.99g/t (FY15: 12.70g/t);

- *Doornkop*, by 67kg (3%), due to a 4% (27 000t) increase in tonnes milled and in spite of a 2% decrease in recovered grade to 4.33g/t;
- *Joel*, by 20kg, through an increase in recovered grade of 2% to 4.20g/t, while volume remained stable year on year;
- *Unisel*, by 9kg, a consequence of a 2% (7 000t) increase in tonnes milled, with volume and grade remaining stable;
- *the dumps*, by 203kg (24%), through improved tonnes milled (13%) and recovered grade (9%).

The following operations reported lower gold production for the year:

- *Hidden Valley* was down 686kg (23%), due to a 19% decrease in recovered grade to 1.31g/t (FY15: 1.61g/t) and a 5% decrease in tonnes. Some 33 production days were lost during the September 2015 quarter when operations were suspended due to a fatality in July 2015. The December 2015 quarter was affected by poor grade and road closures, which restricted mining activity.
- *Target 1* was 437kg (11%) lower due to a 10% decrease in recovered grade to 4.58g/t (FY15: 5.11g/t). The operation was adversely affected by safety stoppages during the March 2016 quarter.
- *Kalgold* was down 95kg (8%), a result of recovered grade decreasing by 7% to 0.75g/t (FY15: 0.81g/t) and in spite of tonnes milled increasing by 1% (7 000t).
- *Kusasaletu*, 90kg (2%) lower, was negatively affected by a planned stoppage to upgrade its infrastructure. A 26% (240 000t) decrease in tonnes milled however was partially offset by a 33% increase in the recovered grade to 5.78g/t (FY15: 4.35g/t).
- *Phoenix* was down 63kg (7%) due to a 14% decrease in recovered grade to 0.12g/t (FY15: 0.14g/t), which was partially offset by a 4% (220 000t) increase in tonnes milled.
- *Masimong* was 31kg down due to having milled 20 000t (3%) less than in FY15.

Target 3 was placed on care and maintenance during FY15 and produced no gold in FY16.

#### YEAR-ON-YEAR FINANCIAL RESULTS

Higher gold production, together with a higher average Rand gold price received, delivered a 19% increase in revenue of R18.3 billion (decrease by 6% to US\$1.27 billion). The average Rand gold price increased by 21% to R544 984/kg (R449 570/kg in FY15), due to a 27% weakening of the Rand against the US dollar to US\$/R14.50 (offsetting the 4% decrease in the average gold price received to US\$1 169/oz).

Production profit increased to R5.084 billion, up 81% from R2.802 billion in FY15 (increased by 43% to US\$350 million), after accounting for a 7% increase in cash operating costs (R821 million) (decrease of US\$171 million or 16%). Operating costs were higher due to increases in labour costs, electricity and contractor costs at our South African operations.

Overall, cost increases were lower than inflation, with all-in sustaining cost (AISC) for all operations increasing by only 3% to R467 526/kg, compared to R453 044/kg in FY15 (decreased by 19%

to US\$1 003/oz compared to US\$1 231/oz in FY15).

Annual adjustments recorded include the net reversal of an impairment of R43 million (US\$3 million) (which consists of a reversal of impairment of R738 million (US\$50 million) on Doornkop, offset by an impairment of R466 million (US\$32 million) on Hidden Valley and R229 million (US\$16 million) on Masimong) and a rehabilitation provision change in estimate credit of R110 million (US\$7 million).

In FY16 a net profit of R949 million (US\$64 million) was recorded compared to a net loss of R4.5 billion (US\$374 million) in FY15 and consequently, headline earnings amounted to 221 SA cents per share (15 US cents per share) compared to a headline loss of 189 SA cents per share (16 US cents per share) for FY15.



Harmony Gold Mining Company Limited Results for the six months and year ended 30 June 2016

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## HEDGING ACTIVITY

### Currency hedging

Since February 2016, Harmony initiated and maintained a foreign exchange hedging programme. Hedging is in the form of zero cost collars, which establish a minimum (floor) and maximum (cap) Rand/US dollar exchange rate at which to convert US dollars to Rands. The nominal value of the hedging contracts as at 30 June 2016 was US\$500 million. The hedging contracts are spread over a 12 month period, and are summarised as follows:

#### **H1 FY17**

#### **H2 FY17**

#### **Sold call options**

Nominal

US\$250 million

US\$250 million

Average strike price

R18.57

R17.97

Lowest strike price

R17.93

R16.92

Highest strike price

R19.08

R19.08

#### **Purchased put option**

Nominal

US\$250 million

US\$250 million

Average strike price

R15.56

R15.53

Lowest strike price

R15.40

R15.10

Highest strike price

R15.80

R16.10

### Gold hedging

To create cash certainty, we entered into short-term gold forward sale contracts during July 2016 for 432 000oz over a period of 24 months, representing approximately 20% of our total production. The sharp increase in the R/kg gold price provided us with an opportunity to lock in 20% of our gold sales at a very attractive average rate of approximately R682 000/kg. The breakdown of gold forward sale contracts entered into post year end are as follows:

#### **H1**

#### **H2**

#### **FY17**

Kgs

3 049

3 360

Average R/kg

R645 121

R666 888

**FY18**

Kgs

3 360

3 360

Average R/kg

R692 836

R720 374

**FY19**

Kgs

311

Average R/kg

R725 499

The limited size and duration of the hedge means shareholders retain full upside exposure on 80% of Harmony's gold production for the next

two years, after which they will have 100% exposure to the gold price.

#### MINERAL RESOURCES AND RESERVES

Harmony owns significant gold ore deposits. Attributable gold equivalent mineral resources as declared at 30 June 2016, were 105.2Moz, a 4.6% decrease year on year. The total gold contained in the mineral resources at the South African operations represents 55.2% of the company's total, with the Papua New Guinea (PNG) operations representing 44.8% of Harmony's total gold and gold equivalent mineral resources.

Our attributable gold and gold equivalent mineral reserves amounted to 36.9Moz of gold, a 13.3% decrease year on year.

The gold reserve ounces in South Africa represent 45.4% while the PNG gold and gold equivalent ounces represent 54.6% of our total mineral reserves. See pages 6 to 8 for our resources and reserves statement.

#### GOLPU

The joint venture is pursuing a conventional process of applying for a special mining lease under the PNG Mining Act, targeted to be lodged in the first quarter of FY17.

#### EXPLORATION

##### Kili Teke

Worldwide, new greenfield copper-gold discoveries are scarce. Our exploration strategy in PNG remains to create long term value for shareholders by enhancing and developing our world-class portfolio of copper-gold assets, at industry leading discovery costs – less than \$US10 per equivalent gold ounce.

Kili Teke is a prolific complex with multiple mineralised intrusive events. The revised mineral resource estimate for Kili Teke comprises 222Mt at 0.35% copper, 0.25 g/t gold and 170 ppm molybdenum containing 782 000t copper, 1.75Moz of gold and 38 000t molybdenum. The updated resource has grown 50% to 6Moz on a gold equivalent basis<sup>1</sup> compared to the November 2015 model.

Refer to the website ([www.harmony.co.za](http://www.harmony.co.za)) for a detailed annexure related to the Kili Teke resource update.

*1 Gold equivalent based on US\$1 150 per ounce gold, and US\$3 per pound of copper and assumes 100% recovery of all metals.*

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Harmony Gold Mining Company Limited Results for the six months and year ended 30 June 2016  
MESSAGE FROM THE CHIEF EXECUTIVE OFFICER (CONTINUED)

South Africa

Exploration drilling is planned at Tshepong, Phakisa, Doornkop, Target 1 and Kalgold.

NEW DRAFT MINING CHARTER

A new draft of the broad-based socio-economic empowerment charter for the South African mining industry (Mining Charter) was published by the Minister of Mineral Resources on 15 April 2016. We are actively participating in the discussions on the provisions of the new charter to ensure that the interests of all our stakeholders are protected.

STAKEHOLDER RELATIONS

Stronger margins helped us to continue to meet our social and environmental commitments, substantiating our holistic approach to mining in the interests of all of our stakeholders and our status as a responsible miner. Harmony has – and continues to – make a difference:

- to shareholders – creating value by operating profitably and growing our margins
- to our employees – ensuring that they are safe and healthy
- to communities – participating in local economic development, limiting and mitigating our impact on the environment
- to government – contributing to the national fiscus

By conducting our business efficiently, profitably and sustainably, Harmony creates shared value for all stakeholders, enabling it to contribute to improved education, build infrastructure, provide healthcare, stimulate local economies and rehabilitate the environment.

OBJECTIVE FOR THE NEXT THREE YEARS

Maintaining and growing our margins efficiently are essential to sustaining our business and meeting our strategic objectives.

Harmony has shown that it can successfully operate as a gold miner and explorer in both South Africa and PNG. The board has supported a three-year strategy in which we plan to grow Harmony's production to approximately 1.5Moz, producing gold at an all-in sustaining cost of \$950/oz, through:

- growing, nurturing and developing our core assets
- harvesting operations that are high cost and have a short life
- developing Golpu Stage 1
- expanding in South Africa, into Africa and PNG
- assessing organic growth opportunities

In the next year, we plan to produce approximately 1 050 000 ounces at about \$1 100/oz (~R495 000/kg at an exchange rate of R14.00). Through operational excellence, adhering to our company values, applying mining discipline, further increasing our productivity, creating an enabling environment and grade cut-off, we believe that the guidance is realistic and achievable. We will not mine areas that are unsafe or at grades lower than planned.

Our management teams are geared to deliver. On executive level, I am well supported by an experienced, competent team and on operational level, my two chief operating officers will ensure safe,

profitable production. I have no doubt that Harmony's current momentum will be upheld.

Harmony has a strong investment case, being one of the few gold mining companies increasing its underground grade, with one of the lowest debt:EBITDA ratios in the gold mining industry making a real and lasting difference in the communities adjacent to our mines and growing our gold-copper ounces at industry leading discovery costs.

**Peter Steenkamp**  
**Chief Executive Officer**

Harmony Gold Mining Company Limited Results for the six months and year ended 30 June 2016  
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## SUMMARY UPDATE OF HARMONY'S MINERAL RESOURCES AND MINERAL RESERVES AS AT 30 JUNE 2016

Harmony's statement of mineral resources and mineral reserves as at 30 June 2016 is produced in accordance with the South African Code for the Reporting of Mineral Resources and Mineral Reserves (SAMREC) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC). It should be noted that the mineral resources are reported inclusive of the mineral reserves.

This report provides a summary of the update, while the detailed statement of the mineral resources and mineral reserves will be published in the Integrated Report on 26 October 2016, which will be available at [www.harmony.co.za/investors](http://www.harmony.co.za/investors). Refer to the website ([www.harmony.co.za](http://www.harmony.co.za)) for the updated reserves and resources tables as at 30 June 2016.

Harmony uses certain terms in the summary such as 'measured', 'indicated' and 'inferred' resources, which the United States' Securities and Exchange Commission guidelines strictly prohibit companies registered in the United States from including in their filings with the commission. United States investors are urged to consider the disclosure in this regard in our Form 20-F which will be available on our website at [www.harmony.co.za/investors/reporting/20f](http://www.harmony.co.za/investors/reporting/20f) on 26 October 2016.

## INTRODUCTION

Gold mining and gold production are central to Harmony's existence. Maintaining and growing our margins efficiently are essential to sustaining our business and meeting our strategic objectives. This includes delivering safely on our operational plans, reducing costs, improving productivity and maximising revenue.

We are devoted to improving the company's operational performance. Our values are entrenched in everything we do – safety, accountability, achievement, being connected and honest – and they inform our decisions and our actions. Realistic planning supports our strategy to optimise assets – our ore bodies, our infrastructure and our people. This will ensure safer, more profitable production. Our life of mine plans for financial year 2017 were done in line with this approach.

## Harmony – Total

The company's attributable gold and gold equivalent mineral resources are declared as 105.2Moz as at 30 June 2016, a 4.6% decrease year on year from the 110.3Moz declared as at 30 June 2015. The total gold contained in the mineral resources at the South African operations represents 55.2% of the company total, with the Papua New Guinea (PNG) operations representing 44.8% of Harmony's total gold and gold equivalent mineral resources as at 30 June 2016.

Harmony's attributable gold and gold equivalent mineral reserves amounts to 36.9Moz, a 13.3% decrease from the 42.6Moz declared at 30 June 2015. The gold reserve ounces in South Africa represent

45.4% while the PNG gold and gold equivalent ounces represent 54.6% of Harmony's total mineral reserves as at 30 June 2016.

#### **SOUTH AFRICA**

##### **South African underground operations**

The company's mineral resources at the South African underground operations as at 30 June 2016 are 48.6Moz (162.1Mt at 9.32g/t), a decrease of 19.9% year on year from the 60.6Moz (217.2Mt at 8.68g/t) declared as at 30 June 2015. This decrease is mainly due to depletion and reduced resources at Unisel and Masimong. There was also a reduction at Doornkop due to the low grade South Reef to the east of the mine that has been removed from the declaration.

The company's mineral reserves at the South African underground operations as at 30 June 2016 are 9.7Moz (54.1Mt at 5.55g/t), a decrease of 35.7% year on year from the 15.0Moz (80.3Mt at 5.82g/t) declared as at 30 June 2015. The decrease is due to normal depletion and the revised Kusasaletu life of mine plan. The shorter life of mine plan at Kusasaletu optimises the mine's cash flow at a higher grade and creates a much stronger margin, providing us with the option to consider the feasibility to access the high grade VCR payshoot below infrastructure in the future.

##### **South African surface operations, including Kalgold**

The company's mineral resources at the South African surface operations as at 30 June 2016 are 9.5Moz (1 085.2Mt at 0.27g/t) which is materially the same as at the 30 June 2015 (1 082.3Mt at 0.27g/t).

The company's mineral reserves at the South African surface operations as at 30 June 2016 are 7.1Moz (840.3Mt at 0.26g/t), in line with the 7.1Moz (835.9Mt at 0.26g/t) declared at 30 June 2015.

#### **PAPUA NEW GUINEA (PNG)**

##### **Papua New Guinea operations**

The company's attributable gold and gold equivalent mineral resources at the PNG operations as at 30 June 2016 are 47.1Moz, an increase of 17.1% year on year from the 40.2Moz declared as at 30 June 2015. This increase is due to resources declared at Kili Teke and increases due to gold equivalent ratios that changed due to new long term commodity prices used.

The company's gold and gold equivalent mineral reserves at the PNG operations as at 30 June 2016 are 20.2Moz, a decrease of 1.8% year on year from the 20.5Moz declared as at 30 June 2015.

#### **ASSUMPTIONS**

In converting the mineral resources to mineral reserves, the following commodity prices and exchange rates were applied:

- A gold price of US\$1 150/oz
- An exchange rate of R/US\$12.85
- The above parameters resulted in a rand gold price of R475 000/kg for the South African assets.
- The Hidden Valley mine and Golpu project in the Morobe Mining Joint Venture used commodity prices of US\$ 1 150/oz Au, US\$15.00/oz Ag, US\$5.00/lb Mo and US\$3.00/lb Cu at an exchange rate of US\$0.80 per A\$.
- Gold equivalent ounces are calculated assuming US\$1 150/oz Au, US\$3.00/lb Cu and US\$15.00/oz Ag, and assuming a 100%

recovery for all metals.

Harmony's South African mineral resources and reserves at Tshepong, Phakisa, Kalgold and the group statement were independently reviewed by The Mineral Corporation for compliance to SAMREC. The mineral resources of the Hidden Valley operation were independently reviewed by SRK Consulting Engineers and Scientists and Golpu was independently reviewed by AMC Consultants Pty Ltd for compliance with the standards set out in JORC.

**Note:** *Au= gold; Cu = copper; Ag = Silver, Mo = Molybdenum, Moz= million ounces*



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Harmony Gold Mining Company Limited Results for the six months and year ended 30 June 2016  
SUMMARY UPDATE OF HARMONY'S MINERAL RESOURCES AND MINERAL RESERVES  
(CONTINUED) AS AT 30 JUNE 2016

**Mineral Resources:**

**gold and gold equivalents**

**Measured**

**Indicated**

**Inferred**

**Total**

Tonnes

Gold

Tonnes

Gold

Tonnes

Gold

Tonnes

Gold

(Mt)

g/t

'000oz

(Mt)

g/t

'000oz

(Mt)

g/t

'000oz

(Mt)

g/t

'000oz

SA underground

55.3

9.83

17 475

61.1

9.08

17 846

45.7

9.03

13 248

162.1

9.32

48 569

SA surface incl Kalgold

346.2

0.28

3 146

664.0

0.25

5 266

75.0

0.44  
 1 051  
 1 085.2  
 0.27  
 9 463  
**Total South Africa**  
**401.5**  
**20 621**  
**725.2**  
**23 111**  
**120.6**  
**14 299**  
**1 247.3**  
**58 031**  
 Hidden Valley\*  
 1.3  
 1.09  
 47  
 36.4  
 1.62  
 1 898  
 1.1  
 1.28  
 47  
 38.9  
 1.59  
 1 991  
 Wafi-Golpu system\*  
 —  
 —  
 —  
 400.7  
 0.86  
 11 051  
 99.1  
 0.74  
 2 358  
 499.9  
 0.83  
 13 409  
 Kili Teke  
 —  
 —  
 —  
 —  
 —  
 221.5  
 0.25  
 1 751  
 221.5

0.25  
 1 751  
**Total Papua New Guinea**  
 1.3  
 47  
 437.2  
 12 949  
 321.8  
 4 155  
 760.3  
 17 151  
**Total gold Resources**  
 402.8  
 20 668  
 1 162.4  
 36 060  
 442.4  
 18 454  
 2 007.6  
 75 182  
 Hidden Valley – gold equivalent ounces\*  
 1.3  
 11  
 35.0  
 450  
 1.0  
 14  
 37.3  
 475  
 Wafi-Golpu – gold equivalent ounces\*  
 –  
 –  
 344.0  
 21 469  
 87.8  
 3 559  
 431.8  
 25 028  
 Kili Teke  
 –  
 –  
 –  
 –  
 221.5  
 4 494  
 221.5  
 4 494  
**Total gold equivalent Resources\***  
 1.3  
 11  
 379.0

21 919

310.3

8 067

690.6

29 997

**Total Harmony gold and gold**

**equivalent Resource\*\***

402.8

20 679

1162.4

57 979

442.4

26 521

2 007.6

105 179

**Mineral Resources:**

**silver and copper**

**(used in equivalent calculations)**

**Measured**

**Indicated**

**Inferred**

**Total**

Tonnes

Silver

Tonnes

Silver

Tonnes

Silver

Tonnes

Silver

(Mt)

g/t

'000oz

(Mt)

g/t

'000oz

(Mt)

g/t

'000oz

(Mt)

g/t

'000oz

Hidden Valley

1.3

21.52

882

35.0

30.72

34 526

1.0

31.69

1 057  
 37.3  
 30.43  
 36 466  
**Measured**  
**Indicated**  
**Inferred**  
**Total**  
 Tonnes  
 Copper  
 Tonnes  
 Copper  
 Tonnes  
 Copper  
 Tonnes  
 Copper  
 Tonnes  
 Copper  
 (Mt)  
 %  
 'Mlb  
 (Mt)  
 %  
 'Mlb  
 (Mt)  
 %  
 'Mlb  
 (Mt)  
 %  
 'Mlb  
 (Mt)  
 %  
 'Mlb  
 Golpu  
 —  
 —  
 —  
 344.0  
 1.09  
 8 232  
 67.9  
 0.85  
 1 273  
 411.9  
 1.05  
 9 505  
 Nambonga  
 —  
 —  
 —  
 —  
 —  
 —  
 19.9  
 0.21  
 92

19.9  
0.21  
92  
Kili Teke

—  
—  
—  
—  
—  
—

221.5  
0.35  
1 723  
221.5  
0.35  
1 723

**Total**

—  
—  
—

**344.0**

**1.09**

**8 232**

**309.3**

**0.45**

**3 088**

**653.3**

**0.79**

**11 320**

**Mineral Reserves: gold and gold equivalents**

**Proved**

**Probable**

**Total**

Tonnes

Gold

Tonnes

Gold

Tonnes

Gold

(Mt)

g/t

‘000oz

(Mt)

g/t

‘000oz

(Mt)

g/t

‘000oz

SA Underground

37.6

5.81

7 008  
 16.6  
 4.96  
 2 645  
 54.1  
 5.55  
 9 654  
 SA Surface including Kalgold  
 261.0  
 0.28  
 2 384  
 579.4  
 0.25  
 4 720  
 840.4  
 0.26  
 7 104  
**Total South Africa**  
**298.5**  
**9 393**  
**596.0**  
**7 365**  
**894.5**  
**16 758**  
 Hidden Valley\*  
 1.3  
 1.09  
 47  
 12.5  
 1.67  
 671  
 13.8  
 1.62  
 718  
 Golpu system\*  
 —  
 —  
 —  
 189.6  
 0.91  
 5 522  
 189.6  
 0.91  
 5 522  
**Total Papua New Guinea**  
**1.3**  
**47**  
**202.0**  
**6 193**  
**203.4**  
**6 239**

**Total gold Reserves**

**299.9**

**9 440**

**798.0**

**13 558**

**1 097.9**

**22 997**

Hidden Valley – gold equivalent ounces\*

1.3

12

11.5

167

12.7

178

Golpu – gold equivalent ounces\*

—

—

189.6

13 741

189.6

13 741

**Total gold equivalent Reserves\***

**1.3**

**12**

**201.0**

**13 908**

**202.3**

**13 919**

**Total Harmony gold and gold equivalent Reserves\*\***

**299.9**

**9 451**

**798.0**

**27 465**

**1 097.9**

**36 916**

**Mineral Reserves: silver and copper**

**(used in equivalent calculations)**

**Proved**

**Probable**

**Total**

Tonnes

Silver

Tonnes

Silver

Tonnes

Silver

(Mt)

g/t

\*000oz

(Mt)

g/t



'000oz

(Mt)

g/t

'000oz

Hidden Valley

1.3

21.52

882

11.5

34.69

12 789

12.7

33.37

13 671

**Proved**

**Probable**

**Total**

Tonnes

Copper

Tonnes

Copper

Tonnes

Copper

(Mt)

%

'Mlb

(Mt)

%

'Mlb

(Mt)

%

'Mlb

Golpu

—

—

—

189.6

1.26

5 269

189.6

1.26

5 269

\* Represents Harmony's equity portion of 50%.

\*\* In instances where individual deposits may contain multiple valuable commodities with a reasonable expectation of being recovered (for example gold and copper in a single deposit) Harmony computes a gold equivalent to more easily assess the value of the deposit against gold-only mines. Harmony does this by calculating the value of each of the deposits commodities, then dividing the product by the price of gold. For example, the gold equivalent ounces for the copper portion of a deposit would be calculated as follows: (copper pounds x copper price per pound)/gold price per ounce. All gold equivalent calculations

*are done using metal prices and parameters as stipulated above.*

Harmony Gold Mining Company Limited Results for the six months and year ended 30 June 2016  
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ADMINISTRATIVE INFORMATION FOR PROFESSIONAL ORGANISATIONS

SACNASP – THE LEGISLATED REGULATORY BODY FOR NATURAL SCIENCE PRACTITIONERS IN SOUTH AFRICA  
Private Bag X540, Silverton, 0127, Gauteng Province, South Africa  
Telephone: +27 (12) 841-1075; Facsimile: +27 (86) 206 0427  
<http://www.sacnasp.org.za/>

SAIMM – THE SOUTHERN AFRICAN INSTITUTE OF MINING AND METALLURGY  
P.O. Box 61127, Marshalltown, 2107  
Gauteng Province, South Africa  
Telephone: +27 (011) 834-1273/7;  
Facsimile: +27 (011) 838-5923/8156  
<http://www.saimm.co.za/>

AUSIMM – THE AUSTRALASIAN INSTITUTE OF MINING AND METALLURGY  
PO Box 660, Carlton South, Vic 3053, Australia  
Telephone: +61 3 9658 6100; Facsimile: +61 3 9662 3662  
<http://www.ausimm.com.au/>

LEGAL ENTITLEMENT TO THE MINERALS BEING REPORTED UPON

Harmony's South African operations operate under new order mining rights in terms of the Minerals and Petroleum Resources Development of Act of 2002 (Act No. 28, of 2002) (MPRDA). In PNG Harmony operates under the Independent State of Papua New Guinea Mining Act 1992. All required operating permits have been obtained, and are in good standing. The legal tenure of each operation and project has been verified to the satisfaction of the accountable Competent Person.

DECLARATION OF ORDINARY DIVIDEND NO. 86

The board has approved and declared a final dividend of 50 SA cents per ordinary share in respect of the year ended 30 June 2016.

In accordance with paragraphs 11.17(a)(i) to (x) and 11.17(c) of the JSE Listings Requirements the following additional information is disclosed:

- The dividend has been declared out of income reserves;
- The local Dividends Tax rate is 15% (fifteen per centum);
- The gross local dividend amount is 50 SA cents per ordinary share for shareholders exempt from the Dividends Tax;
- The net local dividend amount is 42.5 SA cents per ordinary share for shareholders liable to pay the Dividends Tax;
- Harmony currently has 437 299 479 ordinary shares in issue (which includes 572 296 treasury shares); and
- Harmony Gold Mining Company Limited's income tax reference number is 9240/012/60/0.

A dividend No. 86 of 50 SA cents per ordinary share, being the dividend for the year ended 30 June 2016, has been declared

payable on Monday, 19 September 2016 to those shareholders recorded in the books of the company at the close of business on Friday, 16 September 2016. The dividend is declared in the currency of the Republic of South Africa. Any change in address or dividend instruction to apply to this dividend must be received by the company's transfer secretaries or registrar not later than Friday, 16 September 2016.

Last date to trade ordinary shares *cum* dividend is Tuesday, 13 September 2016

Ordinary shares trade ex-dividend Wednesday, 14 September 2016

Record date Friday, 16 September 2016

Payment date Monday, 19 September 2016

No dematerialisation or rematerialisation of share certificates may occur between Wednesday, 14 September 2016 and Friday, 16 September 2016, both dates inclusive, nor may any transfers between registers take place during this period.

NOTICE OF CASH DIVIDEND

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Harmony Gold Mining Company Limited Results for the six months and year ended 30 June 2016

OPERATING RESULTS – SIX MONTHLY (RAND/METRIC) (US\$/IMPERIAL)

Underground production

Six  
months  
ending  
Kusasaletu  
Doornkop  
Phakisa  
Tshepong  
Masimong  
Target 1  
Bambanani

**Ore  
milled  
– t'000**

**Jun-16**

**286**

**316**

**330**

**535**

**301**

**359**

**106**

Dec-15

382

314

356

553

349

380

126

**Gold produced**

**– kg**

**Jun-16**

**1 874**

**1 356**

**1 962**

**2 506**

**1 098**

**1 299**

**1 217**

Dec-15

1 989

1 374

2 026

2 525

1 334

2 088

1 796

– oz

**Jun-16**

**60 250**

**43 597**

**63 080**

**80 570**

**35 301**

**41 764**

**39 127**

Dec-15

63 948

44 175

65 137

81 181

42 889

67 131

57 743

**Yield**

– g/tonne

**Jun-16**

**6.55**

**4.29**

**5.95**

**4.68**

**3.65**

**3.62**

**11.48**

Dec-15

5.21

4.38

5.69

4.57

3.82

5.49

14.25

**Cash**

**operating**

**costs**

– R/kg

**Jun-16**

**493 474**

**393 324**

**359 707**

**378 718**

**472 507**

**474 139**

**330 966**

Dec-15

463 958

381 921

331 657

354 907  
 389 369  
 300 044  
 225 845  
 – \$/oz

**Jun-16**

**997**

**795**

**727**

**765**

**955**

**958**

**669**

Dec-15

1 060

872

758

811

889

685

516

**Cash operating  
 costs**

**– R/tonne**

**Jun-16**

**3 233**

**1 688**

**2 139**

**1 774**

**1 724**

**1 716**

**3 800**

Dec-15

2 416

1 671

1 887

1 621

1 488

1 649

3 219

**Gold sold**

**– Kg**

**Jun-16**

**1 806**

**1 314**

**1 955**

**2 496**

**1 095**

**1 323**

**1 212**

Dec-15

2 016

1 398

2 036

2 533

1 337

2 096

1 803

– oz

**Jun-16**

**58 064**

**42 247**

**62 855**

**80 248**

**35 205**

**42 535**

**38 967**

Dec-15

64 816

44 946

65 459

81 437

42 986

67 388

57 967

**Revenue**

**(R'000)**

**Jun-16**

**1 094 106**

**793 872**

**1 184 626**

**1 513 124**

**662 784**

**800 723**

**733 943**

Dec-15

983 659

686 256

1 001 761

1 242 604

654 888

1 032 532

883 332

**Cash operating costs**

**(R'000)**

**Jun-16**

**924 771**

**533 348**

**705 746**

**949 067**

**518 813**

**615 907**



**402 786**

Dec-15

922 812

524 760

671 938

896 140

519 418

626 491

405 617

**Inventory  
movement**

**(R'000)**

**Jun-16**

**(43 481)**

**(25 720)**

**(4 988)**

**(7 011)**

**(2 906)**

**632**

**(977)**

Dec-15

12 174

14 318

2 469

5 886

2 614

6 938

3 877

**Operating  
costs**

**(R'000)**

**Jun-16**

**881 290**

**507 628**

**700 758**

**942 056**

**515 907**

**616 539**

**401 809**

Dec-15

934 986

539 078

674 407

902 026

522 032

633 429

409 494

**Production  
profit**

**(R'000)**

**Jun-16**

212 816  
 286 244  
 483 868  
 571 068  
 146 877  
 184 184  
 332 134

Dec-15  
 48 673  
 147 178  
 327 354  
 340 578  
 132 856  
 399 103  
 473 838

**Production  
 profit  
 (\$'000)**

**Jun-16**  
 13 824  
 18 594  
 31 432  
 37 095  
 9 541

**11 964  
 21 574**

Dec-15  
 3 575  
 10 808  
 24 040  
 25 011  
 9 756  
 29 309  
 34 796

**Capital  
 expenditure  
 (R'000)**

**Jun-16**  
 196 209  
 115 874  
 162 445  
 167 480  
 57 328  
 160 994  
 52 850

Dec-15  
 163 303  
 91 753  
 160 618  
 139 378  
 52 961

161 344  
53 306  
(\$'000)

**Jun-16**

**12 745**

**7 527**

**10 552**

**10 879**

**3 724**

**10 458**

**3 433**

Dec-15

11 992

6 738

11 795

10 235

3 889

11 848

3 915

**Cash Operating  
Cost and Capital**

**– R/kg**

**Jun-16**

**598 175**

**478 777**

**442 503**

**445 549**

**524 719**

**598 076**

**374 393**

Dec-15

546 061

448 699

410 936

410 106

429 070

377 316

255 525

**– \$/oz**

**Jun-16**

**1 209**

**967**

**894**

**900**

**1 060**

**1 208**

**756**

Dec-15

1 247

1 025

939

937

980

862

584

**All-in sustaining\***

**costs**

**– R/kg\***

**Jun-16**

**614 069**

**486 741**

**453 534**

**456 159**

**546 615**

**604 176**

**375 987**

Dec-15

558 006

461 175

420 099

420 902

450 047

388 367

256 670

**– \$/oz\***

**Jun-16**

**1 241**

**983**

**916**

**922**

**1 104**

**1 221**

**760**

Dec-15

1 275

1 053

960

961

1 028

887

586

*\* Excludes share-based payment charge.*

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Harmony Gold Mining Company Limited Results for the six months and year ended 30 June 2016

10

South Africa

Surface production

Joel

Unisel

Total

Underground

Phoenix

Dumps

Kalgold

Total

Surface

Total

South

Africa

Hidden

Valley

Total

Harmony

**264**

**202**

**2 699**

**3 161**

**1 612**

**745**

**5 518**

**8 217**

**994**

**9 211**

278

222

2 960

3 304

1 429

734

5 467

8 427

735

9 162

**1 086**

**765**

**13 163**

**385**

**518**

**532**

**1 435**

**14 598**

**1 376**

**15 974**

1 192

939  
15 263  
419  
547  
571  
1 537  
16 800  
881  
17 681  
**34 916**  
**24 595**  
**423 200**  
**12 378**  
**16 654**  
**17 104**  
**46 136**  
**469 336**  
**44 240**  
**513 576**  
38 323  
30 190  
490 717  
13 471  
17 587  
18 359  
49 417  
540 134  
28 325  
568 459  
**4.11**  
**3.79**  
**4.88**  
**0.12**  
**0.32**  
**0.71**  
**0.26**  
**1.78**  
**1.38**  
**1.73**  
4.29  
4.23  
5.16  
0.13  
0.38  
0.78  
0.28  
1.99  
1.20  
1.93  
**391 795**  
**499 125**

**414 629**  
**414 577**  
**434 317**  
**518 949**  
**460 397**  
**419 128**  
**357 227**  
**413 796**  
352 208  
396 112  
351 108  
383 002  
369 514  
476 532  
412 949  
356 765  
669 695  
372 358  
**792**  
**1 008**  
**838**  
**838**  
**878**  
**1 048**  
**930**  
**847**  
**722**  
**836**  
804  
905  
802  
875  
844  
1 088  
943  
815  
1 530  
851  
**1 612**  
**1 890**  
**2 022**  
**50**  
**140**  
**371**  
**120**  
**745**  
**495**  
**718**  
1 510  
1 675  
1 810

49  
141  
371  
116  
711  
803  
719  
**1 008**  
**761**  
**12 970**  
**379**  
**507**  
**550**  
**1 436**  
**14 406**  
**1 494**  
**15 900**  
1 237  
944  
15 400  
409  
551  
536  
1 496  
16 896  
846  
17 742  
**32 408**  
**24 467**  
**416 996**  
**12 185**  
**16 300**  
**17 683**  
**46 168**  
**463 164**  
**48 034**  
**511 198**  
39 771  
30 350  
495 120  
13 150  
17 715  
17 233  
48 098  
543 218  
27 199  
570 417  
**610 307**  
**461 552**  
**7 855 037**  
**228 671**



**305 487**  
**331 996**  
**866 154**  
**8 721 191**  
**905 875**  
**9 627 066**  
609 720  
463 388  
7 558 140  
200 308  
271 119  
263 210  
734 637  
8 292 777  
414 521  
8 707 298  
**425 489**  
**381 831**  
**5 457 758**  
**159 612**  
**224 976**  
**276 081**  
**660 669**  
**6 118 427**  
**491 544**  
**6 609 971**  
419 832  
371 949  
5 358 957  
160 478  
202 124  
272 100  
634 702  
5 993 659  
590 001  
6 583 660  
**(33 734)**  
**(1 383)**  
**(119 568)**  
**(4 371)**  
**(10 171)**  
**7 888**  
**(6 654)**  
**(126 222)**  
**51 051**  
**(75 171)**  
19 605  
1 493  
69 374  
(3 466)  
1 575

(16 025)  
(17 916)  
51 458  
79 522  
130 980  
**391 755**  
**380 448**  
**5 338 190**  
**155 241**  
**214 805**  
**283 969**  
**654 015**  
**5 992 205**  
**542 595**  
**6 534 800**  
439 437  
373 442  
5 428 331  
157 012  
203 699  
256 075  
616 786  
6 045 117  
669 523  
6 714 640  
**218 552**  
**81 104**  
**2 516 847**  
**73 430**  
**90 682**  
**48 027**  
**212 139**  
**2 728 986**  
**363 280**  
**3 092 266**  
170 283  
89 946  
2 129 809  
43 296  
67 420  
7 135  
117 851  
2 247 660  
(255 002)  
1 992 658  
**14 197**  
**5 268**  
**163 489**  
**4 770**  
**5 891**  
**3 121**

**13 782**  
**177 271**  
**23 598**  
**200 869**  
12 505  
6 604  
156 404  
3 180  
4 951  
524  
8 655  
165 059  
(18 726)  
146 333  
**103 098**  
**32 263**  
**1 048 541**  
**4 736**  
**14 402**  
**17 966**  
**37 104**  
**1 085 645**  
**38 465**  
**1 124 110**  
111 909  
29 802  
964 374  
576  
3 197  
18 028  
21 801  
986 175  
40 369  
1 026 544  
**6 697**  
**2 096**  
**68 111**  
**308**  
**936**  
**1 167**  
**2 411**  
**70 522**  
**2 499**  
**73 021**  
8 218  
2 189  
70 819  
42  
235  
1 324  
1 601

72 420  
2 965  
75 385  
**486 728**  
**541 299**  
**494 287**  
**426 878**  
**462 120**  
**552 720**  
**486 253**  
**493 497**  
**385 181**  
**484 167**  
446 091  
427 850  
414 291  
384 377  
375 358  
508 105  
427 133  
415 466  
715 516  
430 417  
**983**  
**1 094**  
**999**  
**862**  
**934**  
**1 117**  
**982**  
**997**  
**778**  
**978**  
1 019  
977  
946  
878  
857  
1 161  
976  
949  
1 634  
983  
**445 332**  
**561 454**  
**501 430**  
**422 997**  
**461 111**  
**565 351**  
**490 977**  
**499 393**

**429 121**  
**492 792**  
407 736  
443 413  
421 597  
386 218  
386 406  
528 067  
437 110  
422 371  
894 524  
444 884  
**900**  
**1 134**  
**1 013**  
**855**  
**932**  
**1 142**  
**992**  
**1 009**  
**867**  
**996**  
931  
1 013  
963  
882  
883  
1 206  
998  
965  
2 043  
1 016

11

Harmony Gold Mining Company Limited Results for the six months and year ended 30 June 2016

OPERATING RESULTS – YEAR ON YEAR (RAND/METRIC) (US\$/IMPERIAL)

Year

ended

Underground production

Kusasaletu

Doornkop

Phakisa

Tshepong

Masimong

Target 1

Bambanani

**Ore milled**

**– t'000**

**Jun-16**

**668**

**630**

**686**

**1 088**

**650**

**739**

**232**

Jun-15

908

603

611

992

670

749

229

**Gold**

**produced**

**– kg**

**Jun-16**

**3 863**

**2 730**

**3 988**

**5 031**

**2 432**

**3 387**

**3 013**

Jun-15

3 953

2 663

3 118

4 278

2 463

3 824

2 908

**– oz**

**Jun-16**

**124 198**

**87 772**

**128 217**

**161 751**

**78 190**

**108 895**

**96 870**

Jun-15

127 092

85 618

100 246

137 540

79 187

122 944

93 495

**Yield**

**– g/tonne**

**Jun-16**

**5.78**

**4.33**

**5.81**

**4.62**

**3.74**

**4.58**

**12.99**

Jun-15

4.35

4.42

5.10

4.31

3.68

5.11

12.70

**Cash**

**operating**

**costs**

**– R/kg**

**Jun-16**

**478 277**

**387 585**

**345 457**

**366 767**

**426 904**

**366 814**

**268 305**

Jun-15

472 112

402 065

373 876

371 149

397 380  
308 156  
239 552

– \$/oz

**Jun-16**

**1 026**

**831**

**741**

**787**

**916**

**787**

**576**

Jun-15

1 283

1 092

1 016

1 008

1 080

837

651

**Cash operating costs – R/tonne**

**Jun-16**

**2 766**

**1 680**

**2 008**

**1 696**

**1 597**

**1 681**

**3 484**

Jun-15

2 055

1 776

1 908

1 601

1 461

1 573

3 042

**Gold sold**

**– Kg**

**Jun-16**

**3 822**

**2 712**

**3 991**

**5 029**

**2 432**

**3 419**

**3 015**

Jun-15

4 297

2 711

3 156



4 337

2 491

3 868

2 947

– oz

**Jun-16**

**122 880**

**87 193**

**128 314**

**161 685**

**78 191**

**109 923**

**96 934**

Jun-15

138 151

87 160

101 468

139 437

80 087

124 358

94 748

**Revenue**

**(R'000)**

**Jun-16**

**2 077 765**

**1 480 128**

**2 186 387**

**2 755 728**

**1 317 672**

**1 833 255**

**1 617 275**

Jun-15

1 938 854

1 219 563

1 420 103

1 948 230

1 118 128

1 737 965

1 329 685

**Cash operating costs**

**(R'000)**

**Jun-16**

**1 847 583**

**1 058 108**

**1 377 684**

**1 845 207**

**1 038 231**

**1 242 398**

**808 403**

Jun-15

1 866 258

1 070 700

1 165 744

1 587 777

978 747

1 178 389

696 616

**Inventory  
movement**

**(R'000)**

**Jun-16**

**(31 307)**

**(11 402)**

**(2 519)**

**(1 125)**

**(292)**

**7 570**

**2 900**

Jun-15

129 449

21 487

15 055

23 589

12 776

12 463

8 156

**Operating costs**

**(R'000)**

**Jun-16**

**1 816 276**

**1 046 706**

**1 375 165**

**1 844 082**

**1 037 939**

**1 249 968**

**811 303**

Jun-15

1 995 707

1 092 187

1 180 799

1 611 366

991 523

1 190 852

704 772

**Production**

**profit**

**(R'000)**

**Jun-16**

**261 489**

**433 422**

**811 222**

**911 646**

**279 733**

**583 287**

**805 972**

Jun-15

(56 853)

127 376

239 304

336 864

126 605

547 113

624 913

**(\$'000)**

**Jun-16**

**18 035**

**29 893**

**55 950**

**62 876**

**19 293**

**40 229**

**55 588**

Jun-15

(4 966)

11 127

20 905

29 427

11 060

47 794

54 591

**Capital**

**expenditure**

**(R'000)**

**Jun-16**

**359 512**

**207 627**

**323 063**

**306 858**

**110 289**

**322 338**

**106 156**

Jun-15

462 863

245 144

403 495

313 317

165 670

295 504

109 910

**(\$'000)**

**Jun-16**

**24 795**

**14 320**

**22 282**

**21 164**

**7 607**

**22 232**

**7 322**

Jun-15

40 434

21 415

35 248

27 370

14 472

25 814

9 601

**Cash Operating  
Cost and Capital**

**– R/kg**

**Jun-16**

**571 342**

**463 639**

**426 466**

**427 761**

**472 253**

**461 983**

**303 538**

Jun-15

589 203

494 121

503 284

444 388

464 644

385 432

277 347

**– \$/oz**

**Jun-16**

**1 226**

**995**

**915**

**918**

**1 013**

**991**

**651**

Jun-15

1 601

1 343

1 367

1 207

1 262

1 047

754

**All-in sustaining\*  
costs**

– R/kg  
**Jun-16**  
**584 498**  
**473 562**  
**436 477**  
**438 401**  
**493 527**  
**471 876**  
**304 634**

Jun-15  
 587 406  
 501 151  
 495 644  
 454 512  
 479 096  
 395 669  
 270 623

– \$/oz  
**Jun-16**  
**1 254**  
**1 016**  
**936**  
**940**  
**1 059**  
**1 012**  
**654**

Jun-15  
 1 596  
 1 362  
 1 347  
 1 235  
 1 302  
 1 075  
 735

*\* Excludes share-based payment charge.*

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Harmony Gold Mining Company Limited Results for the six months and year ended 30 June 2016

12

South Africa

Hidden

Valley

Total

Harmony

Surface production

Joel

Unisel

Target 3

Total

Underground

Phoenix

Dumps

Kalgold

Total

Surface

Total

South

Africa

**542**

**424**

—

**5 659**

**6 465**

**3 041**

**1 479**

**10 985**

**16 644**

**1 729**

**18 373**

551

417

90

5 820

6 245

2 701

1 472

10 418

16 238

1 825

18 063

**2 278**

**1 704**

—

**28 426**

**804**

**1 065**

**1 103**

**2 972**

**31 398**

**2 257**

**33 655**

2 258

1 695

483

27 643

867

862

1 198

2 927

30 570

2 943

33 513

**73 239**

**54 785**

—

**913 917**

**25 849**

**34 241**

**35 463**

**95 553**

**1 009 470**

**72 565**

**1 082 035**

72 596

54 495

15 529

888 742

27 875

27 713

38 517

94 105

982 847

94 619

1 077 466

**4.20**

**4.02**

—

**5.02**

**0.12**

**0.35**

**0.75**

**0.27**

**1.89**

**1.31**

**1.83**

4.10

4.06

5.37

4.75

0.14  
0.32  
0.81  
0.28  
1.88  
1.61  
1.86  
**371 080**  
**442 359**  
—  
**380 522**  
**398 122**  
**401 033**  
**496 991**  
**435 858**  
**385 760**  
**479 196**  
**392 026**  
334 168  
397 615  
352 497  
366 928  
339 896  
382 959  
377 547  
367 988  
367 030  
391 774  
369 203  
**796**  
**949**  
—  
**816**  
**854**  
**860**  
**1 066**  
**935**  
**828**  
**1 028**  
**841**  
908  
1 080  
958  
997  
924  
1 041  
1 026  
1 000  
997  
1 065  
1 003



**1 560**

**1 778**

—

**1 911**

**50**

**140**

**371**

**118**

**728**

**626**

**718**

1 369

1 616

1 892

1 743

47

122

307

103

691

632

685

**2 245**

**1 705**

—

**28 370**

**788**

**1 058**

**1 086**

**2 932**

**31 302**

**2 340**

**33 642**

2 330

1 715

502

28 354

881

864

1 230

2 975

31 329

3 003

34 332

**72 179**

**54 817**

—

**912 116**

**25 335**

**34 015**

**34 916**

94 266  
1 006 382  
75 233  
1 081 615  
74 911  
55 138  
16 140  
911 598  
28 324  
27 778  
39 545  
95 647  
1 007 245  
96 548  
1 103 793  
1 220 027  
924 940  
—  
15 413 177  
428 979  
576 606  
595 206  
1 600 791  
17 013 968  
1 320 396  
18 334 364  
1 046 231  
770 175  
222 494  
12 751 428  
396 398  
389 163  
551 323  
1 336 884  
14 088 312  
1 346 310  
15 434 622  
845 321  
753 780  
—  
10 816 715  
320 090  
427 100  
548 181  
1 295 371  
12 112 086  
1 081 545  
13 193 631  
754 551  
673 957  
170 256

10 142 995  
294 690  
330 111  
452 301  
1 077 102  
11 220 097  
1 152 992  
12 373 089  
**(14 129)**  
**110**  
—  
**(50 194)**  
**(7 837)**  
**(8 596)**  
**(8 137)**  
**(24 570)**  
**(74 764)**  
**130 573**  
**55 809**  
14 955  
7 904  
6 917  
252 751  
4 947  
871  
10 839  
16 657  
269 408  
(9 898)  
259 510  
**831 192**  
**753 890**  
—  
**10 766 521**  
**312 253**  
**418 504**  
**540 044**  
**1 270 801**  
**12 037 322**  
**1 212 118**  
**13 249 440**  
769 506  
681 861  
177 173  
10 395 746  
299 637  
330 982  
463 140  
1 093 759  
11 489 505  
1 143 094

12 632 599

**388 835**

**171 050**

—

**4 646 656**

**116 726**

**158 102**

**55 162**

**329 990**

**4 976 646**

**108 278**

**5 084 924**

276 725

88 314

45 321

2 355 682

96 761

58 181

88 183

243 125

2 598 807

203 216

2 802 023

**26 817**

**11 797**

—

**320 478**

**8 051**

**10 904**

**3 804**

**22 759**

**343 237**

**7 467**

**350 704**

24 174

7 715

3 959

205 786

8 453

5 083

7 703

21 239

227 025

17 752

244 777

**215 007**

**62 065**

—

**2 012 915**

**5 312**

**17 599**

35 994  
58 905  
2 071 820  
78 834  
2 150 654  
182 239  
99 428  
20 437  
2 298 007  
3 641  
5 979  
40 898  
50 518  
2 348 525  
121 121  
2 469 646  
14 829  
4 281  
—  
138 832  
366  
1 214  
2 482  
4 062  
142 894  
5 437  
148 331  
15 920  
8 686  
1 785  
200 745  
318  
522  
3 573  
4 413  
205 158  
10 581  
215 739  
465 464  
478 782  
—  
451 334  
404 729  
417 558  
529 624  
455 678  
451 746  
514 125  
455 929  
414 876  
456 274

394 810  
450 060  
344 096  
389 896  
411 685  
385 248  
443 854  
432 930  
442 895  
**999**  
**1 027**  
—  
**968**  
**868**  
**896**  
**1 136**  
**978**  
**969**  
**1 103**  
**978**  
1 127  
1 240  
1 073  
1 223  
935  
1 059  
1 119  
1 047  
1 206  
1 176  
1 203  
**424 617**  
**496 099**  
—  
**458 094**  
**403 907**  
**422 205**  
**546 949**  
**463 492**  
**457 819**  
**597 398**  
**467 526**  
384 022  
469 246  
403 249  
452 900  
344 319  
403 906  
422 323  
393 875  
447 135

514 690

453 044

**911**

**1 064**

-

**983**

**866**

**906**

**1 173**

**994**

**982**

**1 282**

**1 003**

1 043

1 275

1 096

1 231

936

1 097

1 148

1 070

1 215

1 395

1 231

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Harmony Gold Mining Company Limited Results for the six months and year ended 30 June 2016

**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

H2 FY16 RESULTS

RAND AND US\$ RESULTS

FOR THE SIX MONTHS AND YEAR ENDED

30 JUNE 2016



Harmony Gold Mining Company Limited Results for the six months and year ended 30 June 2016  
14

**CONDENSED CONSOLIDATED INCOME STATEMENTS (RAND)**

**30 June**

31 December

30 June

**30 June**

30 June

**2016**

2015

2015

**2016**

2015

**Figures in million**

Note

**(Unaudited)**

(Unaudited)

(Unaudited)

**(Reviewed)**

(Audited)

Revenue

**9 627**

8 707

7 288

**18 334**

15 435

Cost of sales

2

**(7 780)**

(8 006)

(10 760)

**(15 786)**

(19 053)

Production costs

**(6 535)**

(6 715)

(6 018)

**(13 250)**

(12 632)

Amortisation and depreciation

**(1 084)**

(1 086)

(1 220)

**(2 170)**

(2 472)

Reversal of impairment/(impairment) of assets

**43**

-

(3 471)

**43**

(3 471)

Other items

**(204)**

(205)

(51)

**(409)**

(478)

**Gross profit/(loss)**

**1 847**

701

(3 472)

**2 548**

(3 618)

Corporate, administration and other expenditure

**(227)**

(182)

(185)

**(409)**

(378)

Social investment expenditure

**(33)**

(25)

(32)

**(58)**

(71)

Exploration expenditure

**(88)**

(103)

(83)

**(191)**

(263)

6

Foreign exchange translation gain/(loss)

3

**606**

(798)

(125)

**(192)**

(367)

Other expenses (net)

**(31)**

(11)

(9)

**(42)**

(5)

**Operating profit/(loss)**

**2 010**

(418)

(3 967)

**1 592**

(5 193)

Profit/(loss) from associates

7  
**(28)**  
 35  
 (25)  
 7  
 (25)  
 Profit on disposal of investments  
 -  
 -  
 4  
 -  
 4  
 Net gain/(loss) on financial instruments  
**28**  
 (13)  
 (8)  
**15**  
 9  
 Investment income  
**127**  
 114  
 118  
**241**  
 229  
 Finance cost  
**(133)**  
 (141)  
 (132)  
**(274)**  
 (264)  
**Profit/(loss) before taxation**  
**2 004**  
 (423)  
 (4 010)  
**1 581**  
 (5 240)  
 Taxation  
 4  
**(610)**  
 (22)  
 595  
**(632)**  
 704  
 Normal taxation  
**(122)**  
 (1)  
 7  
**(123)**  
 5  
 Deferred taxation  
**(488)**

(21)	
588	
<b>(509)</b>	
699	
<b>Net profit/(loss) for the period</b>	
<b>1 394</b>	
(445)	
(3 415)	
<b>949</b>	
(4 536)	
<i>Attributable to:</i>	
Owners of the parent	
<b>1 394</b>	
(445)	
(3 415)	
<b>949</b>	
(4 536)	
<b>Earnings/(loss) per ordinary share (cents)</b>	
5	
Basic earnings/(loss)	
<b>320</b>	
(102)	
(786)	
<b>218</b>	
(1 044)	
Diluted earnings/(loss)	
<b>306</b>	
(102)	
(786)	
<b>213</b>	
(1 044)	
The accompanying notes are an integral part of these condensed consolidated financial statements.	
<b>Six months ended</b>	
<b>Year ended</b>	
The condensed consolidated provisional financial statements (condensed consolidated financial statements) for the year ended 30 June 2016 have been prepared by Harmony Gold Mining Company Limited's corporate reporting team headed by Herman Perry. This process was supervised by the financial director, Frank Abbott and approved by the board of Harmony Gold Mining Company Limited on 15 August 2016. These condensed consolidated financials have been reviewed by the group's external auditors, PricewaterhouseCoopers Incorporated (see note 16).	
(491)	
Loss on scrapping of property, plant and equipment	
<b>(64)</b>	
-	
(61)	
<b>(64)</b>	

15

Harmony Gold Mining Company Limited Results for the six months and year ended 30 June 2016

**30 June**

31 December

30 June

**30 June**

30 June

**2016**

2015

2015

**2016**

2015

**Figures in million**

**(Unaudited)**

(Unaudited)

(Unaudited)

**(Reviewed)**

(Audited)

Net profit/(loss) for the period

**1 394**

(445)

(3 415)

**949**

(4 536)

Foreign exchange translation gain/(loss)

**(333)**

472

(11)

**139**

54

Items that will not be reclassified to profit or loss:

**4**

-

5

**4**

5

Remeasurement of retirement benefit obligation

Actuarial gain recognised during the year

**3**

-

8

**3**

8

Deferred taxation thereon

**1**

-

(3)

**1**

(3)

**Total comprehensive income/(loss) for the period**

**1 065**

27	
(3 421)	
<b>1 092</b>	
(4 477)	
<i>Attributable to:</i>	
Owners of the parent	
<b>1 065</b>	
27	
(3 421)	
<b>1 092</b>	
(4 477)	
The accompanying notes are an integral part of these condensed consolidated financial statements.	
for the year ended 30 June 2016	
Balance - 30 June 2015	
<b>28 324</b>	
<b>3 787</b>	
<b>(5 358)</b>	
<b>26 753</b>	
Share-based payments	
-	
<b>322</b>	
-	
<b>322</b>	
Reversal of provision for odd lot repurchases	
<b>12</b>	
-	
-	
<b>12</b>	
Net profit for the period	
-	
-	
<b>949</b>	
<b>949</b>	
Other comprehensive income for the period	
-	
<b>143</b>	
-	
<b>143</b>	
<b>Balance - 30 June 2016 (Reviewed)</b>	
<b>28 336</b>	
<b>4 252</b>	
<b>(4 409)</b>	
<b>28 179</b>	
Balance - 30 June 2014	
28 325	
3 539	
(822)	
31 042	
Share-based payments	
(1)	
189	

-  
188  
Net loss for the period  
-  
-  
(4 536)  
(4 536)  
Other comprehensive income for the period  
-  
59  
-  
59

**Balance - 30 June 2015 (Audited)**

28 324  
3 787  
(5 358)  
26 753

The accompanying notes are an integral part of these condensed consolidated financial statements.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (RAND)**

**Accumulated  
loss**

**Share capital**

**Other  
reserves**

**Total**

**Figures in million**

Other comprehensive income/(loss) for the period, net  
of income tax

**(329)**

472

(6)

**143**

59

**(333)**

472

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (RAND)**

(11)

**139**

54

Items that may be reclassified subsequently to profit  
or loss:

**Six months ended**

**Year ended**

Harmony Gold Mining Company Limited Results for the six months and year ended 30 June 2016

16

**CONDENSED CONSOLIDATED BALANCE SHEETS (RAND)**

**At**

At

At

**30 June**

31 December

30 June

**2016**

2015

2015

**Figures in million**

Note

**(Reviewed)**

(Unaudited)

(Audited)

**ASSETS**

**Non-current assets**

Property, plant and equipment

6

**29 919**

30 101

29 548

Intangible assets

**870**

878

885

Restricted cash

**62**

55

48

Restricted investments

**2 496**

2 434

2 384

Investments in associates

7

-

10

-

Investments in financial assets

**5**

5

5

Inventories

**37**

36

36

Other non-current receivables

12



<b>172</b>	
74	
80	
<b>Total non-current assets</b>	
<b>33 561</b>	
33 593	
32 986	
<b>Current assets</b>	
Inventories	
<b>1 167</b>	
1 260	
1 292	
Trade and other receivables	
7	
<b>654</b>	
658	
746	
Income and mining taxes	
4	
<b>6</b>	
11	
30	
Derivative financial assets	
3	
<b>369</b>	
-	
-	
Restricted cash	
<b>17</b>	
16	
16	
Cash and cash equivalents	
<b>1 256</b>	
876	
1 067	
<b>Total current assets</b>	
<b>3 469</b>	
2 821	
3 151	
<b>Total assets</b>	
<b>37 030</b>	
36 414	
36 137	
<b>EQUITY AND LIABILITIES</b>	
<b>Share capital and reserves</b>	
Share capital	
<b>28 336</b>	
28 324	
28 324	
Other reserves	
<b>4 252</b>	

4 358	
3 787	
Accumulated loss	
<b>(4 409)</b>	
(5 803)	
(5 358)	
<b>Total equity</b>	
<b>28 179</b>	
26 879	
26 753	
<b>Non-current liabilities</b>	
Deferred tax liabilities	
<b>2 413</b>	
1 926	
1 906	
Provision for environmental rehabilitation	
<b>2 183</b>	
2 364	
2 218	
Retirement benefit obligation	
<b>169</b>	
170	
163	
Other non-current liabilities	
<b>16</b>	
41	
37	
Borrowings	
8	
<b>2 039</b>	
3 092	
3 399	
<b>Total non-current liabilities</b>	
<b>6 820</b>	
7 593	
7 723	
<b>Current liabilities</b>	
Borrowings	
8	
<b>300</b>	
299	
-	
Income and mining taxes	
4	
<b>40</b>	
1	
1	
Trade and other payables	
<b>1 691</b>	
1 642	
1 660	

**2 031**

1 942

1 661

**Total current liabilities**

**2 031**

1 942

1 661

**Total equity and liabilities**

**37 030**

36 414

36 137

The accompanying notes are an integral part of these condensed consolidated financial statements.

17

Harmony Gold Mining Company Limited Results for the six months and year ended 30 June 2016

**30 June**

31 December

30 June

**30 June**

30 June

**2016**

2015

2015

**2016**

2015

**Figures in million**

Note

**(Unaudited)**

(Unaudited)

(Unaudited)

**(Reviewed)**

(Audited)

**2 923**

1 736

921

**4 659**

1 928

**27**

47

46

**74**

101

Interest paid

**(116)**

(39)

(62)

**(155)**

(108)

**(83)**

18

21

**(65)**

85

**Cash generated by operating activities**

**2 751**

1 762

926

**4 513**

2 006

(Increase)/decrease in restricted cash

**(5)**

(7)

8

**(12)**

8	
Decrease in restricted investments	
<b>36</b>	
3	
30	
<b>39</b>	
31	
(Increase)/decrease in loan to associate	
-	
7	
-	
<b>7</b>	
(120)	
Loan to ARM BBEE Trust	
12	
<b>(200)</b>	
-	
-	
<b>(200)</b>	
-	
Net additions to property, plant and equipment	
10	
<b>(1 265)</b>	
(1 168)	
(1 428)	
<b>(2 433)</b>	
(2 827)	
<b>(1 434)</b>	
(1 165)	
(1 390)	
<b>(2 599)</b>	
(2 908)	
Borrowings raised	
8	
-	
300	
941	
<b>300</b>	
941	
Borrowings repaid	
8	
<b>(928)</b>	
(1 117)	
(793)	
<b>(2 045)</b>	
(793)	
<b>Cash generated/(utilised) by financing activities</b>	
<b>(928)</b>	
(817)	
148	
<b>(1 745)</b>	

148

**Foreign currency translation adjustments**

**(9)**

29

9

**20**

(8)

Net increase/(decrease) in cash and cash equivalents

**380**

(191)

(307)

**189**

(762)

Cash and cash equivalents - beginning of period

**876**

1 067

1 374

**1 067**

1 829

**Cash and cash equivalents - end of period**

**1 256**

876

1 067

**1 256**

1 067

The accompanying notes are an integral part of these condensed consolidated financial statements.

Income and mining taxes (paid)/refunded

**Cash utilised by investing activities**

**Cash flow from financing activities**

**Cash flow from investing activities**

Interest and dividends received

**Six months ended**

**Cash flow from operating activities**

Cash generated by operations

**Year ended**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

**(RAND)**

Harmony Gold Mining Company Limited Results for the six months and year ended 30 June 2016  
18  
for the year ended 30 June 2016 (Rand)

**1 Accounting policies**

*Basis of accounting*

**2 Cost of sales**

**30 June**

31 December

30 June

**30 June**

30 June

**2016**

2015

2015

**2016**

2015

**Figures in million**

**(Unaudited)**

(Unaudited)

(Unaudited)

**(Reviewed)**

(Audited)

Production costs - excluding royalty

**6 427**

6 652

5 976

**13 079**

12 537

Royalty expense

**108**

63

42

**171**

95

Amortisation and depreciation

**1 084**

1 086

1 220

**2 170**

2 472

(Reversal of impairment)/impairment of assets<sup>1</sup>

**(43)**

-

3 471

**(43)**

3 471

Rehabilitation expenditure/(credit)<sup>2</sup>

**(69)**

28

(26)

**(41)**

(6)  
Care and maintenance cost of restructured shafts

**56**

58

69

**114**

106

Employment termination and restructuring costs

**1**

15

21

**16**

251

Share-based payments<sup>3</sup>

**224**

105

68

**329**

208

Other

**(8)**

(1)

(81)

**(9)**

(81)

**Total cost of sales**

**7 780**

8 006

10 760

**15 786**

19 053

*1*

*2*

*Included in the total for the June 2016 period is a credit of R110 million relating to the change in estimate following the annual reassessment.*

*3*

**3 Foreign exchange translation gain/(loss)**

**30 June**

31 December

30 June

**30 June**

30 June

**2016**

2015

2015

**2016**

2015

**Figures in million**

**(Unaudited)**

(Unaudited)

(Unaudited)



**(Reviewed)**

(Audited)

Unrealised derivative gain (b)

**369**

-

-

**369**

-

Realised derivative gain (b)

**77**

-

-

**77**

-

Other

**25**

2

(3)

**27**

15

Total foreign exchange translation gain/(loss)

**606**

(798)

(125)

**(192)**

(367)

Rand/US\$ exchange rate:

Closing/spot at

**14.72**

15.62

12.16

**14.72**

12.16

Average

**15.39**

13.62

11.91

**14.50**

11.45

a) Refer to note 8 for details on the US\$ revolving credit facility.

b) During February 2016, Harmony entered into foreign exchange hedging contracts (forex hedging contracts) in the form of zero cost

collars, which establish a minimum (floor) and maximum (cap) Rand/US Dollar exchange rate at which to convert US dollars to

Rands. The nominal value of open forex hedging contracts at 30 June 2016 is US\$500 million. The hedging contracts are spread

over a 12 month period with a weighted average cap price of US\$1=R18.27 and weighted average floor price of US\$1=R15.55. The

mark-to-market of the derivative asset is R369 million as at 30 June 2016 due to the strengthening of the Rand exchange rate

against the US dollar since the conclusion of the forex hedging contracts. As we do not apply hedge accounting, the gains have been recorded in the income statement.

*Due to the low share price at the time of the awarding of performance shares (PS) for 2015, a large number of PS were allocated to employees. The increase in the share price between the award date and the approval date resulted in an increase in the IFRS 2 Share-based payment fair value per award measurement.*

**135**

(382)

**(665)**

(122)

(800)

## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The condensed consolidated financial statements for the year ended 30 June 2016 are prepared in accordance with the requirements of

the JSE Limited Listings Requirements for provisional reports and the requirements of the Companies Act of South Africa. The Listings

Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and

recognition requirements of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards

Board (IASB) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial

Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by

IAS 34 *Interim Financial Reporting*. The accounting policies applied in the preparation of the condensed consolidated financial

statements are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements.

**Six months ended**

**Six months ended**

**Year ended**

**Year ended**

*The net reversal of impairment of long-lived assets in the June 2016 period consists of a reversal of impairment of R738 million on Doornkop, offset*

*by an impairment of R466 million on Hidden Valley and R229 million on Masimong. The June 2015 impairment consists of an impairment of R2.11*

*billion on Hidden Valley, R1.04 billion on Doornkop, R278 million on Phakisa and R43 million on Freddie's 9. Refer to note 6 for further details.*

Translation gain/(loss) on US\$ revolving credit facility (a)

19

Harmony Gold Mining Company Limited Results for the six months and year ended 30 June 2016  
for the year ended 30 June 2016 (Rand)

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS**

**4 Taxation**

**5 Earnings/(loss) per share**

**30 June**

31 December

30 June

**30 June**

30 June

**2016**

2015

2015

**2016**

2015

**(Unaudited)**

(Unaudited)

(Unaudited)

**(Reviewed)**

(Audited)

Weighted average number of shares (million)

**436.3**

435.2

434.7

**435.7**

434.4

Weighted average number of diluted shares (million)

**455.9**

436.9

438.6

**446.4**

438.1

**Total earnings/(loss) per share (cents):**

Basic earnings/(loss)

**320**

(102)

(786)

**218**

(1 044)

Diluted earnings/(loss)

**306**

(102)

(786)

**213**

(1 044)

Headline earnings/(loss)

**324**

(103)

(16)

**221**

(189)

Diluted headline earnings/(loss)

**310**

(103)

(16)

**216**

(189)

**Figures in million**

**Reconciliation of headline earnings/(loss):**

Net profit/(loss)

**1 394**

(445)

(3 415)

**949**

(4 536)

*Adjusted for:*

Profit on disposal of investments<sup>1</sup>

-

-

(4)

-

(4)

Reversal of impairment/(impairment) of assets

**(43)**

-

3 471

**(43)**

3 471

Profit on sale of property, plant and equipment

**(3)**

(4)

(5)

**(7)**

(6)

Loss on scrapping of property, plant and equipment

**64**

-

61

**64**

491

**Headline earnings/(loss)**

**1 412**

(449)

(71)

**964**

(821)

1

*There is no taxation effect on this item.*

**6 Property, plant and equipment**

(a) Impairment/reversal of impairment

**2017 onwards**

US\$ gold price (\$/ounce)

1 189

US\$ silver price (\$/ounce)

17.80

Exchange rate (R/US\$)

13.86

Exchange rate (PGK/US\$)

3.10

Rand gold price (R/Kg)

530 000

(67)

Taxation effect on profit on sale of property, plant and equipment

-

-

(1)

**1**

Taxation effect on reversal of impairment/(impairment) of assets

**12 -**

(169)

**12**

(169)

Normal taxation expense increased during the year ended 30 June 2016 due to the increased profitability at most of the South African

operations and the inclusion of the unrealised derivative gain of R369 million in determining taxable income.

The deferred tax expense increased during 2016 due to the net increase in the deferred tax rates year on year and utilisation of

assessed losses and unredeemed capital by the South African companies. The weighted average deferred tax rates for most South

African companies increased as a result of increased forecast profitability of these operations.

**Six months ended**

(1)

Taxation effect on loss on scrapping of property, plant and equipment

**(12)**

-

(9)

**(12)**

**Year ended**

One of the most significant assumptions that influence the Group's operations' life-of-mine plans and therefore impairment is the

expected gold price. During this year's planning and testing, commodity price and exchange rate assumptions as per the table below

were used. Post-tax real discount rates ranging between 8.43% and 11.77% (2015: 7.99% and 12.03%), depending on the asset,

were used to determine the recoverable amounts (generally fair value less costs to sell).

For South African operations, values of US\$40.86, US\$23.35 and US\$5.84 per ounce were used for measured, indicated and

inferred resources, respectively. For Hidden Valley, US\$5.84 per ounce was used for indicated and inferred resources.

Harmony Gold Mining Company Limited Results for the six months and year ended 30 June 2016  
20

for the year ended 30 June 2016 (Rand)

The annual impairment assessment performed resulted in a net reversal of impairment of R43 million for the 2016 financial year.

(b) Loss on scrapping of property, plant and equipment

## **7 Investment in associate**

## **8 Borrowings**

**US\$ facility**

**Rand facility**

**Figures in million**

**US dollar**

**SA rand**

## **Borrowings summary at 30 June 2016**

Facility

250

1 300

Drawn down

140

300

Undrawn committed borrowing facilities

110

1 000

February

2018

Interest rate

LIBOR + 3%

JIBAR + 3.5%

At 30 June 2016, the drawn amount of R300 million on the Nedbank facility is repayable within 12 months and has been reclassified as

current. Refer to note 13 for events after reporting date.

The recoverable amounts for these assets were determined on a fair value less costs to sell basis using the assumptions above in

discounted cash flow models and attributable resource values. These are fair value measurements classified as level 3.

The sensitivity scenario of a 10% decrease in the commodity price used in the discounted cash flow models and the resource values

used (with all other variables held constant) would have resulted in an additional impairment at Hidden Valley of R319 million and

Masimong of R281 million. The decreases noted would have resulted in impairments at Unisel of R162 million, Free State surface

assets of R141 million, Other Harmony assets of R46 million and Doornkop of R15 million (as opposed to the reversal recorded of

R738 million).

At 30 June 2016, following the annual life-of-mine planning, an amount of R64 million (2015: R491 million) was recorded for various

operations as a result of the abandonment of uneconomical areas in the life-of-mine plans of those operations. The abandonment of

unprofitable areas in the plans resulted in the derecognition of property, plant and equipment as no future economic benefits are

expected from their use or disposal. For June 2015, the scrapping loss recorded mainly related to the life-of-mine optimisation

process finalised in December 2014 which resulted in the abandoning of shaft levels and raise lines at Kusasalethu and Masimong.

Harmony's gross portion of the subordinated shareholders' loan extended to Rand Refinery Proprietary Limited (Rand Refinery) in

December 2014 amounts to R120 million. This loan forms part of the net investment in associate. At 30 June 2016, Harmony set off its

share of profits from associate of R7 million against its share of losses of R25 million recorded against the loan in 2015, as well as an

additional provision for impairment of R25 million (2015: R15 million). The recoverable amount of the loan at 30 June 2016 is R62 million

(2015: R80 million). The fair value measurement of the net investment is classified as level 3 and is non-recurring.

The loan is due in

December 2016 and has been included in Other receivables - current.

During the 2016 financial year R300 million and R400 million was raised and repaid respectively on the R1.3 billion Nedbank revolving

credit facility. US\$110 million (R1 645 million) was repaid on the US\$ revolving credit facility. Refer to note 3 for details on the foreign

exchange translation movement.

Maturity

December

2016

- A reversal of R738 million was recorded for Doornkop mainly due to the increased Rand gold price assumption, improvements in

operational efficiencies following the restructuring in 2015 and new areas included in the life-of-mine plan based on additional

exploration performed during 2016. The recoverable amount is R2.8 billion.

- An impairment of R466 million was recorded for Hidden Valley. The updated life-of-mine plan for Hidden Valley results in lower

production in 2017 as the mine undergoes processing of ore stockpiles and a period of care and maintenance, with stripping

activities for stage 5 planned to recommence in the 2018 financial year. The recoverable amount is R319 million (US\$21.7 million).

- An impairment of R229 million was recorded for Masimong which has a remaining life of mine of three years. The exploration

programme to find additional areas of the higher grade B Reef proved unsuccessful and was stopped during 2016. In addition, the

grade estimation of the Basal Reef decreased and as a result a portion of the resource was abandoned at 30 June 2016. The

recoverable amount is R472 million.

## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

21

Harmony Gold Mining Company Limited Results for the six months and year ended 30 June 2016  
for the year ended 30 June 2016 (Rand)

**9 Financial risk management activities**

*Fair value determination*

The fair value levels of hierarchy are as follows:

Level 1:

Quoted prices (unadjusted) in active markets for identical assets;

Level 2:

Level 3:

Inputs for the asset that are not based on observable market data (that is unobservable inputs).

The following table presents the group's assets and liabilities that are measured at fair value at reporting date:

**Available-for-sale financial assets**

Investment in financial assets<sup>1</sup>

Level 3

**5**

5

5

**Fair value through profit or loss**

Restricted investments<sup>2</sup>

Level 2

**640**

614

538

Derivative assets<sup>3</sup>

Level 2

**369**

-

-

1

2

3

For all other financial instruments, fair value approximates carrying value.

**10 Net additions to property, plant and equipment**

**30 June**

31 December

30 June

**30 June**

30 June

**2016**

2015

2015

**2016**

2015

**Figures in million**

**(Unaudited)**

(Unaudited)

(Unaudited)

**(Reviewed)**

(Audited)

Capital expenditure - operations



**1 125**

1 027

1 191

**2 152**

2 470

Other

-

(1)

(6)

**(1)**

2

**Net additions**

**1 265**

1 168

1 428

**2 433**

2 827

**11 Commitments and contingencies**

**At**

At

At

**30 June**

31 December

30 June

**2016**

2015

2015

**Figures in million**

**(Reviewed)**

(Unaudited)

(Audited)

**Capital expenditure commitments:**

Contracts for capital expenditure

**264**

166

158

Authorised by the directors but not contracted for

**516**

1 607

257

**780**

1 773

415

This expenditure will be financed from existing resources and, where appropriate, borrowings.

119

Additions resulting from stripping activities at

Hidden Valley

**14**

28

138

**42**

236

*Level 3 fair values have been valued by the directors by performing independent valuations on an annual basis. The majority of the level 2 fair values are directly derived from the Top 40 index on the JSE, and are discounted at market interest rate. This relates to equity-linked deposits in the group's environmental rehabilitation trust funds. The mark-to-market remeasurement of the forex hedging contracts (zero cost collars) is derived from a Black-Scholes valuation technique, derived from spot Rand/US\$ exchange rate inputs and discounted at market interest rate.*

**Six months ended**

**Year ended**

Capital and capitalised exploration and evaluation  
expenditure for Golpu

**126**

114

105

**240**

Inputs other than quoted prices included within level 1 that are observable for the asset, either directly or indirectly (that is, as prices) or indirectly (that is derived from prices);

**Fair value**

**hierarchy**

**level**

**At 30 June**

**2016**

At 31

December

2015

At 30 June

2015

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS**

Harmony Gold Mining Company Limited Results for the six months and year ended 30 June 2016  
22

for the year ended 30 June 2016 (Rand)

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS**

**Contingent liabilities**

(a) Silicosis

**12 Related parties**

(a) Movement in shares owned by directors/prescribed officers for the year ended 30 June 2016:

**Name of director/prescribed officer**

**Shares**

**purchased in**

**open market**

**Shares sold**

**in open**

**market**

**Performance**

**shares vested**

**and retained**

Frank Abbott (Financial director)<sup>1</sup>

300 000

-

18 547

Graham Briggs (Chief executive officer)<sup>2</sup>

-

-

46 874

Harry "Mashego" Mashego (Executive director)<sup>3</sup>

-

10 000

7 760

Ken Dicks (Independent non-executive director)<sup>4</sup>

15 000

-

n/a

Johannes van Heerden<sup>5</sup>

-

41 337

13 153

1

*Purchased on 15 December 2015.*

2

*Graham Briggs retired on 31 December 2015.*

3

*Sold on 23 March 2016.*

4

*Purchased on 8 December 2015.*

5

*Sold in several tranches during 2016.*

(b)

**13 Subsequent events**

a) On 7 July 2016, Harmony repaid the remaining R300 million outstanding on the R1.3 billion Nedbank ZAR facility.

b)

c) On 15 August 2016, the board declared a dividend of 50 SA cents for the year ended 30 June 2016, payable on 19 September 2016.

#### **14 Segment report**

The segment report follows on page 24.

On 13 May 2016, the Johannesburg High Court ordered the certification of a silicosis class and a tuberculosis (TB) class, which are

to proceed as a single class against the mining companies acted in the application. The companies requested leave to appeal to the

Supreme Court of Appeal (SCA), which was granted on 24 June 2016. Harmony submitted its notice of appeal in respect of the

transmissibility of the general damages order on 22 July 2016.

During July 2016, Harmony entered into short term gold forward sale contracts for a total of 432 000 ounces over a period of 24

R682 000/kg. We will be applying cash flow hedge accounting to these contracts.

Due to the limited information available on the above claim and potential other claims, and the uncertainty of the outcome of the

matter, no costs estimation can as yet be made for the possible obligation.

For a detailed disclosure on contingent liabilities refer to Harmony's annual financial statements for the financial year ended 30 June

2015. Other than discussed below, there were no significant changes in contingencies since 30 June 2015.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of

the group, directly or indirectly, including any director (whether executive or otherwise) of the group.

During July 2015, Harmony signed a R150 million guarantee for the ARM Broad Based Economic Empowerment (BBEE) Trust (the

Trust), shareholder of the African Rainbow Minerals Limited. The guarantee was for additional security for the Trust's loan due to

Nedbank Limited. The guarantee was subsequently cancelled in April 2016 after Harmony advanced R200 million to the Trust as part

related (3 month JIBAR plus 4.25%) and is receivable on the maturity of the loan on 31 December 2022. At 30 June 2016, the loan to

in Other non-current receivable in the balance sheet. The fair value measurement is classified as level 3 and is non-recurring.

23

Harmony Gold Mining Company Limited Results for the six months and year ended 30 June 2016  
for the year ended 30 June 2016 (Rand)

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS**

**15 Reconciliation of segment information to condensed consolidated income statements and balance sheets**

**30 June**

30 June

**2016**

2015

**Figures in million**

**(Reviewed)**

(Audited)

**Reconciliation of production profit to gross profit**

Total segment revenue

**18 334**

15 435

Total segment production costs

**(13 250)**

(12 632)

Production profit per segment report

**5 084**

2 803

Depreciation

**(2 170)**

(2 472)

Reversal of impairment/(impairment) of assets

**43**

(3 471)

Other cost of sales items

**(409)**

(478)

**Gross profit/(loss) as per income statements<sup>1</sup>**

**2 548**

(3 618)

**At**

At

**30 June**

30 June

**2016**

2015

**Figures in million**

**(Reviewed)**

(Audited)

**Reconciliation of total segment mining assets to consolidated property, plant and equipment**

Property, plant and equipment not allocated to a segment

Mining assets

**657**

762

Undeveloped property

**5 139**

5 139

Other non-mining assets

**168**

199

Wafi-Golpu assets

**1 785**

1 188

**7 749**

7 288

**16 Review report**

These condensed consolidated financial statements for the year ended 30 June 2016 have been reviewed by PricewaterhouseCoopers

Inc., who expressed an unmodified review conclusion thereon. A copy of the auditor's review report is available for inspection at the company's registered office, together with the financial statements identified in the auditor's report.

*1*

*The reconciliation was done up to the first recognisable line item on the income statement. The reconciliation will follow the income statement after that.*

**Year ended**

The "Reconciliation of segment information to condensed consolidated financial statements" line item in the segment report is broken down in the following elements, to give a better understanding of the differences between the financial statements and segment report:

24

SEGMENT REPORT (RAND/METRIC)

for the year ended 30 June 2016

2016

2015

2016

2015

2016

2015

2016

2015

2016

2015

2016

2015

2016

2015

**South Africa**

**Underground**

Kusasaletu

**2 078**

1 939

**1 816**

1 996

**262**

(57)

**3 766**

3 619

**360**

463

**3 863**

3 953

**668**

908

Doornkop

**1 480**

1 220

**1 047**

1 092

**433**

128

**2 984**

2 239

**208**

245

**2 730**

2 663

**630**

603

Phakisa

**2 186**

1 420

**1 375**

1 181

**811**

239

**4 246**

4 307

**323**

403

**3 988**

3 118

**686**

611

Tshepong

**2 756**

1 948

**1 844**

1 611

**912**

337

**4 161**

4 025

**307**

313

**5 031**

4 278

**1 088**

992

Masimong

**1 318**

1 118

**1 038**

992

**280**

126

**485**

893

**110**

166

**2 432**

2 463

**650**

670

Target 1

**1 833**

1 738

**1 250**

1 191

**583**

547

**2 826**



2 782

**322**

296

**3 387**

3 824

**739**

749

Bambanani

**1 617**

1 330

**811**

705

**806**

625

**807**

821

**106**

110

**3 013**

2 908

**232**

229

Joel

**1 220**

1 046

**831**

770

**389**

276

**728**

578

**215**

182

**2 278**

2 258

**542**

551

Unisel

**925**

770

**754**

682

**171**

88

**543**

594

**62**

99

**1 704**

1 695

**424**

417  
 Target 3  
 (a)  
 -  
 222  
 -  
 177  
 -  
 45  
**526**  
 535  
 -  
 20  
 -  
 483  
 -  
 90  
**Surface**  
 All other surface operations  
**1 601**  
 1 338  
**1 272**  
 1 092  
**329**  
 246  
**448**  
 483  
**59**  
 51  
**2 972**  
 2 927  
**10 985**  
 10 418  
**Total South Africa**  
**17 014**  
 14 089  
**12 038**  
 11 489  
**4 976**  
 2 600  
**21 520**  
 20 876  
**2 072**  
 2 348  
**31 398**  
 30 570  
**16 644**  
 16 238  
**International**  
 Hidden Valley  
**1 320**

1 346  
**1 212**  
 1 143  
**108**  
 203  
**650**  
 1 384  
**79**  
 121  
**2 257**  
 2 943  
**1 729**  
 1 825  
**Total international**  
**1 320**  
 1 346  
**1 212**  
 1 143  
**108**  
 203  
**650**  
 1 384  
**79**  
 121  
**2 257**  
 2 943  
**1 729**  
 1 825  
**Total operations**  
**18 334**  
 15 435  
**13 250**  
 12 632  
**5 084**  
 2 803  
**22 170**  
 22 260  
**2 151**  
 2 469  
**33 655**  
 33 513  
**18 373**  
 18 063  
 -  
 -  
 -  
 -  
**7 749**  
 7 288  
**18 334**  
 15 435

**13 250**

12 632

**29 919**

29 548

#

Capital expenditure for international operations excludes expenditure spend on Wafi-Golpu of R240 million (2015: R119 million).

<sup>(a)</sup> Target 3 was placed on care and maintenance in October 2014.

@

Production statistics are unaudited and not reviewed.

The segment report for the year ended 30 June 2015 has been audited. The segment report for the year ended 30 June 2016 has been reviewed.

Reconciliation of the segment  
information to the condensed  
consolidated financial statements

(refer to note 15)

**Tonnes milled@**

**30 June**

R million

R million

R million

R million

R million

kg

t'000

**Revenue**

**30 June**

**Production cost**

**30 June**

**Production profit/(loss)**

**30 June**

**Mining assets**

**30 June**

**Capital expenditure#**

**30 June**

**Kilograms produced@**

**30 June**

25

Harmony Gold Mining Company Limited Results for the six months and year ended 30 June 2016

**CONDENSED CONSOLIDATED INCOME STATEMENTS (US\$)**

(Convenience translation)

**30 June**

31 December

30 June

**30 June**

30 June

**2016**

2015

2015

**2016**

2015

**Figures in million**

**(Unaudited)**

(Unaudited)

(Unaudited)

**(Unaudited)**

(Audited)

Revenue

**625**

639

612

**1 264**

1 348

Cost of sales

**(505)**

(588)

(903)

**(1 090)**

(1 645)

Production costs

**(424)**

(493)

(505)

**(914)**

(1 103)

Amortisation and depreciation

**(70)**

(80)

(102)

**(150)**

(216)

Reversal of impairment/(impairment) of assets

**3**

-

(291)

**3**

(285)

Other items

(14)	
(15)	
(5)	
(29)	
(41)	
<b>Gross profit/(loss)</b>	
<b>120</b>	
51	
(291)	
<b>174</b>	
(297)	
Corporate, administration and other expenditure	
<b>(15)</b>	
(13)	
(16)	
<b>(28)</b>	
(33)	
Social investment expenditure	
<b>(2)</b>	
(2)	
(3)	
<b>(4)</b>	
(6)	
Exploration expenditure	
<b>(6)</b>	
(7)	
(7)	
<b>(13)</b>	
(23)	
Loss on scrapping of property, plant and equipment	
<b>(4)</b>	
-	
(5)	
<b>(4)</b>	
(42)	
Foreign exchange translation gain/(loss)	
<b>39</b>	
(59)	
(10)	
<b>(13)</b>	
(32)	
Other expenses (net)	
<b>(2)</b>	
(1)	
(1)	
<b>(3)</b>	
-	
<b>Operating profit/(loss)</b>	
<b>130</b>	
(31)	
(333)	

**109**  
 (433)  
 Profit/(loss) from associates  
**(2)**  
 3  
 (2)  
 -  
 (2)  
 Net gain/(loss) on financial instruments  
**2**  
 (1)  
 -  
**1**  
 1  
 Investment income  
**8**  
 8  
 10  
**17**  
 20  
 Finance cost  
**(9)**  
 (10)  
 (11)  
**(19)**  
 (22)  
**Profit/(loss) before taxation**  
**129**  
 (31)  
 (336)  
**108**  
 (436)  
 Taxation  
**(40)**  
 (2)  
 50  
**(44)**  
 62  
 Normal taxation  
**(8)**  
 -  
 1  
**(8)**  
 -  
 Deferred taxation  
**(32)**  
 (2)  
 49  
**(36)**  
 62  
**Net profit/(loss) for the period**

**89**

(33)

(286)

**64**

(374)

*Attributable to:*

Owners of the parent

**89**

(33)

(286)

**64**

(374)

**Earnings/(loss) per ordinary share (cents)**

;

Basic earnings/(loss)

**21**

(7)

(65)

**15**

(86)

Diluted earnings/(loss)

**20**

(7)

(65)

**15**

(86)

**Note on convenience translations**

Except where specific statements have been extracted from the 2015 annual financial statements, the requirements of IAS 21, *The Effects*

*of the Changes in Foreign Exchange Rates*, have not necessarily been applied in the translation of the US Dollar financial statements

presented on page 25 to 29.

The currency conversion average rates for the six months ended June 2016: US\$1 = R15.39 (December 2015: US\$1 = R13.62, June 2015:

US\$1 = R11.91). For year ended: June 2016: US\$1 = R14.50 (June 2015: US\$1 = R11.45).

The income statement for the year ended 30 June 2015 has been extracted from the 2015 annual financial statements.

**Six months ended**

**Year ended**



Harmony Gold Mining Company Limited Results for the six months and year ended 30 June 2016

26

(Convenience translation)

**30 June**

31 December

30 June

**30 June**

30 June

**2016**

2015

2015

**2016**

2015

**Figures in million**

**(Unaudited)**

(Unaudited)

(Unaudited)

**(Unaudited)**

(Audited)

Net profit/(loss) for the period

**89**

(33)

(286)

**64**

(374)

Foreign exchange translation

**(22)**

35

(1)

**10**

(368)

Items that will not be reclassified to profit or loss:

-

-

1

-

1

Remeasurement of retirement benefit obligation

Acturial gain recognised during the year

-

-

1

-

1

Deferred taxation thereon

-

-

-

-

-

**Total comprehensive income/(loss) for the period**

**67**

2

(286)

**74**

(741)

*Attributable to:*

Owners of the parent

**67**

2

(286)

**74**

(741)

The statement of comprehensive income for the year ended 30 June 2015 has been extracted from the 2015 annual financial statements.

for the year ended 30 June 2016 (Convenience translation)

Balance - 30 June 2015

**1 924**

**257**

**(364)**

**1 817**

Share-based payments

-

**22**

-

**22**

Reversal of provision for odd lot repurchases

**1**

-

-

**1**

Net profit for the period

-

-

**64**

**64**

Other comprehensive income for the period

-

**10**

-

**10**

**Balance - 30 June 2016 (Unaudited)**

**1 925**

**289**

**(300)**

**1 914**

Balance - 30 June 2014

4 035

(887)

(223)

2 925

Share-based payments

-  
16  
-  
16  
Net loss for the period  
-  
-  
(374)  
(374)  
Other comprehensive income for the period  
-  
(367)  
-  
(367)

**Balance - 30 June 2015 (Audited)**

4 035  
(1 238)  
(597)  
2 200

The currency conversion closing rates for the period ended 30 June 2016: US\$1 = R14.72 (June 2015: US\$1 = R12.16).

The statement of changes in equity for the year ended 30 June 2015 has been extracted from the 2015 annual financial statements.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (US\$)**

**Figures in million**

**Share capital**

**Other**

**reserves**

**Accumulated**

**loss**

**Total**

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (US\$)**

(368)

**Six months ended**

**Year ended**

The currency conversion average rates for the six months ended June 2016: US\$1 = R15.39 (December 2015: US\$1 = R13.62, June 2015:

US\$1 = R11.91). For year ended: June 2016: US\$1 = R14.50 (June 2015: US\$1 = R11.45).

Other comprehensive income/(loss) for the period, net of income tax

(22)

35

-

**10**

(367)

Items that may be reclassified subsequently to profit or loss:

(22)

35

(1)  
**10**

27

Harmony Gold Mining Company Limited Results for the six months and year ended 30 June 2016

**CONDENSED CONSOLIDATED BALANCE SHEETS (US\$)**

(Convenience translation)

**At**

At

At

**30 June**

31 December

30 June

**2016**

2015

2015

**Figures in million**

**(Unaudited)**

(Unaudited)

(Audited)

**ASSETS**

**Non-current assets**

Property, plant and equipment

**2 033**

1 927

2 430

Intangible assets

**59**

56

73

Restricted cash

**4**

4

4

Restricted investments

**170**

156

196

Inventories

**3**

2

3

Other non-current receivables

**12**

5

7

**Total non-current assets**

**2 281**

2 150

2 713

**Current assets**

Inventories

**79**

81

106	
Trade and other receivables	
<b>44</b>	
42	
62	
Income and mining taxes	
-	
1	
2	
Derivative financial assets	
<b>25</b>	
-	
-	
Restricted cash	
<b>1</b>	
1	
1	
Cash and cash equivalents	
<b>85</b>	
56	
88	
<b>Total current assets</b>	
<b>234</b>	
181	
259	
<b>Total assets</b>	
<b>2 515</b>	
2 331	
2 972	
EQUITY AND LIABILITIES	
<b>Share capital and reserves</b>	
Share capital	
<b>1 925</b>	
1 813	
4 035	
Other reserves	
<b>289</b>	
278	
(1 238)	
Accumulated loss	
<b>(300)</b>	
(371)	
(597)	
<b>Total equity</b>	
<b>1 914</b>	
1 720	
2 200	
<b>Non-current liabilities</b>	
Deferred tax liabilities	
<b>164</b>	
123	

157  
Provision for environmental rehabilitation

**148**

151

182

Retirement benefit obligation

**11**

11

13

Other non-current liabilities

**1**

3

3

Borrowings

**139**

198

280

**Total non-current liabilities**

**463**

486

635

**Current liabilities**

Borrowings

**20**

20

-

Income and mining taxes

**3**

-

-

Trade and other payables

**115**

105

137

**Total current liabilities**

**138**

125

137

**Total equity and liabilities**

**2 515**

2 331

2 972

The balance sheet at 30 June 2015 has been extracted from the 2015 annual financial statements.

The balance sheet for June 2016 converted at a conversion rate of US\$1 = R14.72 (December 2015 : US\$1 = R15.62,

June 2015 : US\$1

= R12.16).

Harmony Gold Mining Company Limited Results for the six months and year ended 30 June 2016  
28

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (US\$)**

(Convenience translation)

**30 June**

31 December

30 June

**30 June**

30 June

**2016**

2015

2015

**2016**

2015

**Figures in million**

**(Unaudited)**

(Unaudited)

(Unaudited)

**(Unaudited)**

(Audited)

Cash generated by operations

**190**

127

77

**321**

168

Interest and dividends received

**2**

3

4

**5**

9

Interest paid

**(8)**

(3)

(5)

**(11)**

(9)

Income and mining taxes refunded

**(5)**

1

2

**(4)**

8

**Cash generated by operating activities**

**179**

128

78

**311**

176

**Cash flow from investing activities**



(Increase)/decrease in restricted cash

-

-

1

**(1)**

1

Decrease in restricted investments

**2**

-

3

**3**

2

(Increase)/decrease in loan to associate

-

1

-

-

(10)

Loan to ARM BBEE Trust

**(13)**

-

-

**(14)**

-

Net additions to property, plant and equipment

**(82)**

(86)

(120)

**(168)**

(246)

**(93)**

(85)

(116)

**(180)**

(253)

Borrowings raised

-

22

79

**21**

80

Borrowings repaid

**(60)**

(82)

(67)

**(141)**

(65)

**Cash generated/(utilised) by financing activities**

**(60)**

(60)

12

(120)

15

**Foreign currency translation adjustments**

**3**

(15)

(5)

**(14)**

(22)

Net increase/(decrease) in cash and cash equivalents

**29**

(32)

(31)

**(3)**

(84)

Cash and cash equivalents - beginning of period

**56**

88

119

**88**

172

**Cash and cash equivalents - end of period**

**85**

56

88

**85**

88

The cash flow statement for the year ended 30 June 2015 has been extracted from the 2015 annual financial statements.

The currency conversion average rates for the six months ended: June 2016: US\$1 = R15.39 (December 2015: US\$1 = R14.24, June 2015:

US\$1 = R11.91). For year ended: June 2016: US\$1 = R14.50 (June 2015: US\$1 = R11.45).

Closing balance translated at closing rates of: June 2016 : US\$1 = R14.72 (December 2015 : US\$1 = R15.62, June 2015 : US\$1 = R12.16).

**Six months ended**

**Cash flow from financing activities**

**Cash utilised by investing activities**

**Cash flow from operating activities**

**Year ended**

29

SEGMENT REPORT (US\$/IMPERIAL)

for the year ended 30 June 2016 (Convenience translation)

2016

2015

2016

2015

2016

2015

2016

2015

2016

2015

2016

2015

2016

2015

**South Africa**

**Underground**

Kusasaletu

**143**

169

**125**

174

**18**

(5)

**256**

298

**25**

40

**124 198**

127 092

**736**

1 001

Doornkop

**102**

107

**72**

95

**30**

12

**203**

184

**14**

21

**87 772**

85 618

**695**

665

Phakisa

**151**

124  
**95**  
103  
**56**  
21  
**289**  
354  
**22**  
35  
**128 217**  
100 246  
**756**  
674  
Tshepong  
**190**  
170  
**127**  
141  
**63**  
29  
**283**  
331  
**21**  
27  
**161 751**  
137 540  
**1 200**  
1 095  
Masimong  
**91**  
98  
**72**  
87  
**19**  
11  
**33**  
73  
**8**  
15  
**78 190**  
79 187  
**716**  
739  
Target 1  
**126**  
152  
**86**  
104  
**40**  
48  
**192**

229  
**22**  
26  
**108 895**  
122 944  
**814**  
826  
Bambanani  
**112**  
116  
**56**  
62  
**56**  
54  
**55**  
68  
**7**  
10  
**96 870**  
93 495  
**256**  
253  
Joel  
**84**  
91  
**57**  
67  
**27**  
24  
**49**  
48  
**15**  
16  
**73 239**  
72 596  
**597**  
607  
Unisel  
**64**  
67  
**52**  
60  
**12**  
7  
**37**  
49  
**4**  
9  
**54 785**  
54 495  
**467**

460

Target 3<sup>(a)</sup>

-

19

-

15

-

4

**36**

44

-

2

-

15 529

-

99

**Surface**

All other surface operations

**110**

117

**88**

95

**22**

22

**30**

40

**4**

4

**95 553**

94 105

**12 112**

11 488

**Total South Africa**

**1 173**

1 230

**830**

1 003

**343**

227

**1 462**

1 718

**142**

**205**

**1 009 470**

982 847

**18 349**

17 907

**International**

Hidden Valley

**91**

118

**84**  
 100  
**7**  
 18  
**44**  
 114  
**5**  
 11  
**72 565**  
 94 619  
**1 906**  
 2 012  
 Other  
 -  
 -  
 -  
 -  
 -  
 -  
 -  
**Total international**  
**91**  
 118  
**84**  
 100  
**7**  
 18  
**44**  
 114  
**5**  
**11**  
**72 565**  
 94 619  
**1 906**  
 2 012  
**Total operations**  
**1 264**  
 1 348  
**914**  
 1 103  
**350**  
 245  
**1 506**  
 1 832  
**147**  
**216**  
**1 082 035**  
 1 077 466  
**20 255**  
 19 919

# Capital expenditure for international operations excludes expenditure spend on Wafi-Golpu of US\$16 million (2015: US\$10 million).

(a)

Target 3 was placed on care and maintenance in October 2014.

@

Production statistics are unaudited and unreviewed.

The segment report for the year ended 30 June 2015 has been audited. The segment report for the year ended 30 June 2016 has not been reviewed or audited.

oz

t'000

**Revenue**

**30 June**

**Production cost**

**30 June**

US\$ million

US\$ million

US\$ million

US\$ million

US\$ million

**Production profit/(loss)**

**30 June**

**Mining assets**

**30 June**

**Capital expenditure#**

**30 June**

**Ounces produced@**

**30 June**

**Tons milled@**

**30 June**



Harmony Gold Mining Company Limited Results for the six months and year ended 30 June 2016  
30

DEVELOPMENT RESULTS

6 month average

January 2016 – June 2016

**METRIC**

**Channel**

**Reef Sampled**

**Width**

**Value**

**Gold**

**Meters**

**Meters**

**(Cm's)**

**(g/t)**

**(Cmg/t)**

Tshepong

Basal

472

344

9.41

149.00

1 402

B Reef

529

544

155.12

13.21

2049

**All Reefs**

1 001

888

98.67

18.23

1 799

Phakisa

Basal

822

844

58.92

21.30

1 255

**All Reefs**

822

844

58.92

21.30

1 255

Bambabani

Basal

62

56  
 197.50  
 10.09  
 1 993  
**All Reefs**  
 62  
 56  
 197.50  
 10.09  
 1 993  
 Doornkop  
 Main Reef  
 39  
 46.00  
 4.93  
 227  
 South Reef  
 625  
 585  
 62.98  
 15.32  
 965  
**All Reefs**  
 625  
 624  
 61.92  
 14.83  
 918  
 Kusasalethu  
 VCR Reef  
 575  
 448  
 109.13  
 9.30  
 1 015  
**All Reefs**  
 575  
 448  
 109.13  
 9.30  
 1 015  
 Target 1  
 Elsburg  
 83  
 90  
 260.90  
 1.73  
 451  
**All Reefs**  
 83  
 90

260.90  
 1.73  
 451  
 Masimong 5  
 Basal  
 447  
 317  
 75.97  
 16.37  
 1 243  
 B Reef  
 320  
 374  
 74.62  
 22.68  
 1 692  
**All Reefs**  
 766  
 691  
 75.24  
 19.76  
 1 486  
 Unisel  
 Basal  
 251  
 190  
 136.35  
 13.95  
 1 903  
 Leader  
 709  
 588  
 217.64  
 4.82  
 1 050  
**All Reefs**  
 960  
 778  
 197.79  
 6.36  
 1 258  
 Joel  
 Beatrix  
 1 194  
 1 107  
 122.16  
 7.69  
 940  
**All Reefs**  
 1 194  
 1 107

122.16

7.69

940

Total Harmony

Basal

2 053

1 751

65.12

21.13

1 376

Beatrix

1 194

1 107

122.16

7.69

940

Leader

709

588

217.64

4.82

1 050

B Reef

849

918

122.32

15.56

1 904

Elsburg

83

90

260.90

1.73

451

South Reef

625

585

62.98

15.32

965

VCR

575

448

109.13

9.30

1 015

Main Reef

39

46.00

4.93

227

**All Reefs**

6 087

5 526

108.67

11.46

1 246

**IMPERIAL**

**Channel**

**Reef Sampled**

**Width**

**Value**

**Gold**

**Feet**

**Feet**

**(Inch)**

**(oz/t)**

**(In.oz/t)**

Tshepong

Basal

1 548

1 129

4.00

4.03

16

B Reef

1 736

1 785

61.00

0.39

24

**All Reefs**

3 284

2 913

39.00

0.53

21

Phakisa

Basal

2 696

2 769

23.00

0.63

14

**All Reefs**

2 696

2 769

23.00

0.63

14

Bambabani

Basal

203  
 184  
 78.00  
 0.29  
 23  
**All Reefs**  
 203  
 184  
 78.00  
 0.29  
 23  
 Doornkop  
 Main Reef  
 128  
 18.00  
 0.15  
 3  
 South Reef  
 2 049  
 1 919  
 25.00  
 0.44  
 11  
**All Reefs**  
 2 049  
 2 047  
 24.00  
 0.44  
 11  
 Kusasalethu  
 VCR Reef  
 1 887  
 1 470  
 43.00  
 0.27  
 12  
**All Reefs**  
 1 887  
 1 470  
 43.00  
 0.27  
 12  
 Target 1  
 Elsburg  
 271  
 295  
 103.00  
 0.05  
 5  
**All Reefs**  
 271

295  
 103.00  
 0.05  
 5  
 Masimong 5  
 Basal  
 1 465  
 1 040  
 30.00  
 0.48  
 14  
 B Reef  
 1 049  
 1 227  
 29.00  
 0.67  
 19  
**All Reefs**  
 2 514  
 2 267  
 30.00  
 0.57  
 17  
 Unisel  
 Basal  
 823  
 623  
 54.00  
 0.40  
 22  
 Leader  
 2 325  
 1 929  
 86.00  
 0.14  
 12  
**All Reefs**  
 3 149  
 2 552  
 78.00  
 0.19  
 14  
 Joel  
 Beatrix  
 3 918  
 3 632  
 48.00  
 0.22  
 11  
**All Reefs**  
 3 918

3 632  
 48.00  
 0.22  
 11  
 Total Harmony  
 Basal  
 6 736  
 5 745  
 26.00  
 0.61  
 16  
 Beatrix  
 3 918  
 3 632  
 48.00  
 0.22  
 11  
 Leader  
 2 325  
 1 929  
 86.00  
 0.14  
 12  
 B Reef  
 2 785  
 3 012  
 48.00  
 0.46  
 22  
 Elsburg  
 271  
 295  
 103.00  
 0.05  
 5  
 South Reef  
 2 049  
 1 919  
 25.00  
 0.44  
 11  
 VCR  
 1887  
 1 470  
 43.00  
 0.27  
 12  
 Main Reef  
 128  
 18.00  
 0.15



3

**All Reefs**

19 970

18 130

43.00

0.33

14

31

Harmony Gold Mining Company Limited Results for the six months and year ended 30 June 2016

**[www.harmony.co.za](http://www.harmony.co.za)**

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: August 17, 2016

Harmony Gold Mining Company Limited

By:

/s/ Frank Abbott

Name: Frank Abbott

Title: Financial Director