



HARMONY™

**REPORT TO
SHAREHOLDERS**
NOTICE OF MEETING
AND SUMMARISED
FINANCIAL STATEMENTS
2016

Harmony Gold Mining Company Limited (Harmony), a gold mining and exploration company, conducts its activities in South Africa, one of the world's best-known gold mining regions, and in Papua New Guinea, one of the world's premier new gold-copper regions. Harmony, which has more than six decades of experience, was South Africa's third largest gold producer and the twelfth largest in the world in FY16. We are currently growing a significant gold-copper portfolio in Papua New Guinea.

At Harmony, we understand the significant impact our company has on the lives of people, on the communities that surround our mines, on the environment, and on the economic well-being of the countries in which we operate.

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KEY FEATURES YEAR-ON-YEAR

**6% INCREASE IN
RECOVERED UNDERGROUND GRADE**

**54% REDUCTION IN NET DEBT TO
R1.08 billion** (61% to US\$74 million)

**NET LOSS TURNED INTO NET PROFIT OF
R949 million** (US\$66 million)

**DIVIDEND DECLARED OF
50 SA cents** (4 US cents)

**HEADLINE LOSS PER SHARE TURNED INTO
HEADLINE EARNINGS PER SHARE OF
221 SA cents** (15 US cents)

**OUR SHARE PRICE
OUTPERFORMED INDICES,
GOLD PRICE AND OUR PEERS**

**ENHANCING OUR PORTFOLIO OF
GOLD-COPPER ASSETS**

OUR 2016 REPORTS

Our suite of reports for the financial year 2016 (FY16) records our activities and the progress we have made for the year running from 1 July 2015 to 30 June 2016. This suite of reports includes:

- Integrated Annual Report 2016, our primary report
- Financial Report 2016
- Mineral Resources and Mineral Reserves 2016
- Report to Shareholders 2016

These reports are available as pdfs at www.har.co.za, our reporting website and may also be accessed via our corporate website, www.harmony.co.za, where you will also be able to access more detailed information on the environmental, socio-economic and governance aspects of our business.



This QR code link will take you to information suitable to view on your mobile device. Download an application for your phone, take a picture of the code and the relevant page will open in your browser window.

This is an interactive pdf. The interactive links are indicated by text in *red italics*.



WHO WE ARE

OUR OPERATIONS AND PROJECTS

In South Africa, our operations are focused on the world-renowned Witwatersrand Basin. In addition, we have an open pit mine on the Kraaipan Greenstone Belt. We operate nine underground mines, one open-pit mine and several surface operations.

Our operation in Papua New Guinea is part of a 50:50 joint venture with Newcrest Mining Limited (Newcrest). This joint venture includes the Hidden Valley* open-pit gold and silver mine, the Golpu project in Morobe Province and significant exploration tenements. In addition to its joint ventures, Harmony also has a wholly-owned exploration portfolio that focuses on highly prospective areas in Papua New Guinea, including the Kili Teke gold-copper prospect.

In FY16, our South African operations accounted for 93% of total production of 1.08Moz, with the remaining 7% coming from Papua New Guinea. At the same time, our South African holdings represented 55% of our mineral resource base, while those in Papua New Guinea represented 45%. In terms of gold equivalent ounces, 62% of total mineral reserves are gold and 38% copper.

Harmony has been a very successful explorer in Papua New Guinea, by investing in and growing the Golpu project and by discovering the Kili Teke prospect. In developing a portfolio of world-class gold-copper assets in Papua New Guinea – replacing ounces at a discovery cost of less than US\$10 per gold equivalent ounce – we are creating excellent long-term value for Harmony's shareholders.

OUR PEOPLE

Our company delivers long-term benefits to a broad range of stakeholders. We rely on experienced, skilled teams who live our values and play their role in maintaining stakeholder relationships, growing profits and maintaining a sustainable company.

At the end of FY16, Harmony employed 30 547 people in total – 25 861 employees and 4 580 contractors in South Africa and 76 employees and 30 contractors in Papua New Guinea (excluding employees of the Morobe Mining Joint Ventures). Our employees are drawn from communities around our operations, from other provinces in South Africa and Papua New Guinea and from other countries (Lesotho, Mozambique, Zimbabwe and Australia). Our corporate offices are located in Randfontein, South Africa, close to some of our South African operations, while our south-east Asia office is in Brisbane, Queensland, Australia.

The company is governed by a board of directors which brings together a range of skills and experience and whose members are committed to maintaining the highest levels of corporate governance. In turn, the directors entrust the management of Harmony to skilled management teams which work towards ensuring that the company remains sustainable, towards improving margins and towards increasing the value of our assets.

OUR VALUES AND THEIR ROLE IN CREATING VALUE

As a company, Harmony understands that long-term value is about more than the commodities we produce and the profits we make. Our worth is also reflected in the impact we have on the lives of people, now and in the future.

Harmony lives its values – safety, being accountable, achievement and being connected and honest. These are the compass points for our actions, ensuring that, in addition to achieving our strategic goals, we seek to make the right decisions and support the members of our teams in doing so. They are ingrained in our training initiatives and decision-making processes, ensuring that they are at the front of employees' minds and actions, extending beyond our operations' gates. They guide our interactions with external stakeholders, from shareholders and the media to local communities, including those from which our employees are drawn. Our hope is that through our commitment, we can build a company with which people want to be associated and which will generate shared value into the future.

OUR SHAREHOLDERS

Harmony is listed on the Johannesburg Stock Exchange and on the New York Stock Exchange. The company's shares are quoted in the form of American Depositary Receipts on the New York Stock Exchange and as International Depositary Receipts on the Berlin Stock Exchange.

** Post year-end, on 19 September 2016, we acquired full ownership of Hidden Valley, subject to the conditions precedent being met.*

HOW WE PERFORMED

Relevant Global Reporting Initiative indicators: G4-EC1

		FY16	FY15	FY14	FY13	FY12
Operating performance						
Ore milled	000t	18 373	18 063	18 784	18 373	18 154
Gold produced ¹	kg	33 655	33 513	36 453	35 374	36 273
	000oz	1 082	1 077	1 172	1 137	1 166
Operating costs	R/kg	392 026	369 203	328 931	324 979	275 058
	US\$/oz	841	1 003	988	1 146	1 101
All-in sustaining costs ¹	R/kg	467 526	453 044	406 572	424 515	355 279
	US\$/oz	1 003	1 231	1 222	1 497	1 423
Underground grade	g/t	5.02	4.75	4.77	4.54	4.26
Financial performance						
Revenue	R million	18 334	15 435	15 682	15 902	15 169
Production costs	R million	13 250	12 632	11 888	11 321	9 873
Production profit	R million	5 084	2 803	3 794	4 581	5 296
Operating margin	%	28	18	24	29	35
Net profit/(loss) for the year	R million	949	(4 536)	(1 270)	(2 349)	2 599
Total headline earnings/(loss) per share	SA cents	221	(189)	26	52	603
Capital expenditure	R million	2 393	2 593	2 528	3 649	3 049
Exploration spend ^{2,3}	R million	191	263	458	673	500
Dividend spend ¹⁵	R million	–	–	–	435	431
Net debt	R million	(1 083)	(2 332)	(1 031)	(449)	(43)
Market performance						
Average gold price received ⁴	R/kg	544 984	449 570	432 165	454 725	419 668
	US\$/oz	1 169	1 222	1 299	1 603	1 681
Total market capitalisation	R billion	22.9	6.8	13.6	15.6	33.0
	US\$ billion	1.6	0.56	1.3	1.6	4.0
Exchange rate	R/US\$	14.50	11.45	10.35	8.82	7.77
Reserves						
Gold and gold equivalents	Moz	36.9	42.6	49.5	51.5	52.9
Geographical distribution of gold reserves						
– South Africa	%	45	52	57	58	58
– Papua New Guinea	%	55	48	43	42	42
Safety						
FIFR – fatal injury frequency rate	per million hours worked	0.13	0.11	0.26	0.10	0.11
LTIFR – lost-time injury frequency rate	per million hours worked	6.23	9.24	7.54	5.46	6.86
TIA – total injury and accidents	number of incidents	679	1 210	953	912	1 167
Health (South Africa)						
– Shifts lost due to occupational illness and injury		22 416	24 514	25 338	20 236	23 497
– Silicosis cases certified ⁷		64	197	175	185	872

		FY16	FY15	FY14	FY13	FY12
People						
Total number of employees and contractors ⁸		30 547	31 114	34 746	36 579	36 915
South Africa: Employees		25 861	26 000	28 991	30 867	31 566
Contractors		4 580	5 012	5 695	5 557	5 349
Papua New Guinea: Employees ⁸		76	75	59	101	102
Contractors ⁸		30	27	1	54	106
Employment equity (historically disadvantaged South Africans in management) ⁹	%	60	58	⁵ 46	⁵ 46	⁵ 44
Number of people in single rooms ¹⁰		7 252	7 436	⁵ 1 678	⁵ 1 102	⁵ 555
Number of people sharing accommodation		60	0	⁵ 6 841	⁵ 8 629	⁵ 10 237
Number of people in critical-skill positions trained ¹¹		68	69	⁵ 56	⁵ 124	⁵ 74
Community						
Group local economic development ¹²	R million	18	64	⁵ 77	88	62
Preferential procurement (BEE) spend	R million	3 794	3 849	⁵ 3 442	⁵ 2 459	⁵ 2 138
Total discretionary spend	R million	4 978	5 565	5 595	5 956	5 329
Preferential procurement spend %	%	76	69	62	41	40
Environment						
Mineral waste (volume disposed)	000t	26 170	24 659	⁵ 33 498	⁵ 32 807	⁵ 20 252
Total electricity use	000MWh	2 597	2 657	⁵ 2 798	⁵ 2 704	⁵ 3 058
CO ₂ emissions						
– Scope 1	000t CO ₂ e	56	67	⁵ 75	94	¹⁴
– Scope 2	000t CO ₂ e	2 581	2 686	⁵ 2 745	2 648	3 047
– Scope 3	000t CO ₂ e	615	686	⁵ 661	617	¹⁴
Water used for primary activities ¹³	000m ³	13 689	14 614	⁵ 16 495	⁵ 18 556	⁵ 32 979
Funding/guarantees for rehabilitation and closure	R million	2 933	2 796	2 708	2 354	2 190

¹ Restated to exclude share-based payment charge

² As per income statement

³ Total exploration spend including capitalised amounts are R433 million (US\$30 million) (FY16), R385 million (US\$34 million) (FY15), R470 million (US\$45 million) (FY14), R1.2 billion (US\$136 million) (FY13) and R811 million (US\$104 million) (FY12)

⁴ Zero gold production capitalised in FY16, FY15, FY14 and FY13 (FY12: 36kg/1 157oz)

⁵ Assured by independent auditors in prior years – refer to www.harmony.co.za/investors/reporting/annual-reports

⁶ Assured by independent auditors in the current year. Please refer to the Assurance Report and to the Glossary of Terms on the website, www.har.co.za

⁷ The number of cases of pure silicosis confirmed by the South Africa's Medical Bureau of Occupational Diseases in FY13, FY14 and FY15. Previously we assured silicosis cases submitted to the Medical Bureau of Occupational Diseases

⁸ Excluding employees from the Morobe Mining Joint Ventures

⁹ The increase in compliance indicators is due to alignment of Harmony's reporting with the Department of Labour's classification guidelines – (EEA9). For previous years, indicators were based on Patterson grade D-F only whereas C band employees are now classified as Junior Management and have been included in the 2015 employment equity percentage

¹⁰ The number of single rooms only represent hostels which are 100% converted. At the end of FY15, all employees living in hostels were living in single rooms. In FY14, the total number of single rooms (including single rooms in incomplete hostels) was 5 027 (FY13: 3 214) (FY12: 1 757)

¹¹ We invested R1 million (US\$0.1 million) in FY15 (FY14: R1.2million) (US\$0.1 million) to train people in critical-skill positions

¹² In addition, capital of R1 million (US\$0.1 million) was spent in FY16 on the upgrading of hostel accommodation at various operations, (FY15: R89 million (US\$8 million), FY14: R106 million (US\$10 million))

¹³ Definition changed for FY13 to exclude fissure water from the reported figure

¹⁴ Not previously reported

¹⁵ Declared a dividend of 50 SA cents (4 US cents) post year end

DIRECTORS' STATEMENT OF RESPONSIBILITY

FINANCIAL STATEMENTS

The directors have the pleasure in presenting the summarised consolidated financial statements (included in the Report to Shareholders) for the year ended 30 June 2016 and the complete consolidated and company annual financial statements (collectively the annual financial statements) for the same period. The annual financial statements (available at www.harmony.co.za) were audited by PricewaterhouseCoopers Inc. who expressed an unmodified opinion thereon. The audited annual financial statements and the auditor's report thereon are available for inspection at the company's registered office. The summarised consolidated financial statements are extracted from audited financial statements, but are not themselves audited.

The annual financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and IFRIC Interpretations (collectively IFRS), the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the Companies Act of South Africa.

The directors are responsible for the preparation, integrity and fair presentation of the annual financial statements. The annual financial statements 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. The directors take full responsibility for the preparation of the summarised report and the financial information has been correctly extracted from the underlying consolidated annual financial statements.

The directors are also responsible for the maintenance of effective systems of internal control which are based on established organisational structure and procedures. These systems are designed to provide reasonable assurance as to the reliability of the annual financial statements, and to prevent and detect material misstatement and loss.

Nothing has come to the attention of the board that caused it to believe that the systems of internal controls and risk management are not effective for the period under review and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements. The board's opinion is underpinned by the audit and risk committee's statement.

The annual financial statements have been prepared on a going concern basis and the directors believe that the company and group will continue to be in operation in the foreseeable future.

APPROVAL

The annual financial statements and summarised consolidated financial statements were approved by the board of directors and signed on its behalf by:

PW Steenkamp
Chief executive officer
Randfontein
South Africa

F Abbott
Financial director
Randfontein
South Africa

26 October 2016

SUMMARISED CONSOLIDATED INCOME STATEMENTS

FOR THE YEARS ENDED 30 JUNE

SA rand		Figures in million	Notes	US dollar	
2015	2016			2016	2015
15 435	18 334	Revenue		1 264	1 348
(19 053)	(15 786)	Cost of sales	3	(1 088)	(1 645)
(12 632)	(13 250)	Production costs		(914)	(1 103)
(2 472)	(2 170)	Amortisation and depreciation		(149)	(216)
(3 471)	43	Reversal of impairment/(impairment) of assets		3	(285)
(251)	(16)	Employment termination and restructuring costs		(1)	(22)
(227)	(393)	Other items		(27)	(19)
(3 618)	2 548	Gross profit/(loss)		176	(297)
(378)	(409)	Corporate, administration and other expenditure		(28)	(33)
(71)	(58)	Social investment expenditure		(4)	(6)
(263)	(191)	Exploration expenditure		(13)	(23)
(491)	(64)	Loss on scrapping of property, plant and equipment	4	(4)	(42)
(367)	(192)	Foreign exchange translation loss (net)	5	(13)	(32)
(5)	(42)	Other expenses (net)		(3)	–
(5 193)	1 592	Operating profit/(loss)		111	(433)
(25)	7	Profit/(loss) from associates		–	(2)
4	–	Profit on disposal of investments		–	–
9	15	Net gain on financial instruments		1	1
229	241	Investment income		16	20
(264)	(274)	Finance cost		(19)	(22)
(5 240)	1 581	Profit/(loss) before taxation		109	(436)
704	(632)	Taxation	6	(43)	62
(4 536)	949	Net profit/(loss) for the year		66	(374)
		Attributable to:			
(4 536)	949	Owners of the parent		66	(374)
–	–	Non-controlling interest		–	–
		Earnings/(loss) per ordinary share (cents)	7		
(1 044)	218	Total earnings/(loss)		15	(86)
		Diluted earnings/(loss) per ordinary share (cents)	7		
(1 044)	213	Total diluted earnings/(loss)		15	(86)

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

SUMMARISED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED 30 JUNE

SA rand		Figures in million	US dollar	
2015	2016		2016	2015
(4 536)	949	Net profit/(loss) for the year	66	(374)
59	143	Other comprehensive income/(loss) for the year, net of income tax	(375)	(367)
54	139	Items that may be reclassified subsequently to profit or loss	(375)	(368)
54	139	Foreign exchange translation gain/(loss)	(375)	(368)
5	4	Items that will not be reclassified to profit or loss	–	1
8	3	Remeasurement of retirement benefit obligation	–	1
(3)	1	Actuarial gain recognised during the year	–	–
		Deferred taxation thereon	–	–
(4 477)	1 092	Total comprehensive income/(loss) for the year	(309)	(741)
		Attributable to:		
(4 477)	1 092	Owners of the parent	(309)	(741)
–	–	Non-controlling interest	–	–

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

SUMMARISED CONSOLIDATED BALANCE SHEETS

AT 30 JUNE

SA rand		US dollar			
2015	2016	Figures in million	Notes	2016	2015
		ASSETS			
		Non-current assets			
29 548	29 919	Property, plant and equipment		2 033	2 430
885	870	Intangible assets		59	73
48	62	Restricted cash		4	4
2 384	2 496	Restricted investments		170	196
5	5	Investments in financial assets		–	–
36	37	Inventories		3	3
80	172	Trade and other receivables	8	12	7
32 986	33 561	Total non-current assets		2 281	2 713
		Current assets			
1 292	1 167	Inventories		79	106
16	17	Restricted cash		1	1
746	654	Trade and other receivables		44	62
30	6	Income and mining taxes		–	2
–	369	Derivative financial assets	5	25	–
1 067	1 256	Cash and cash equivalents		85	88
3 151	3 469	Total current assets		234	259
36 137	37 030	Total assets		2 515	2 972
		EQUITY AND LIABILITIES			
		Share capital and reserves			
28 324	28 336	Share capital		4 036	4 035
3 787	4 252	Other reserves		(1 591)	(1 238)
(5 358)	(4 409)	Accumulated loss		(531)	(597)
26 753	28 179	Total equity		1 914	2 200
		Non-current liabilities			
1 906	2 413	Deferred tax liabilities		164	157
2 218	2 183	Provision for environmental rehabilitation		148	182
163	169	Retirement benefit obligation		11	13
37	16	Other non-current liabilities		1	3
3 399	2 039	Borrowings	9	139	280
7 723	6 820	Total non-current liabilities		463	635
		Current liabilities			
–	300	Borrowings	9	20	–
1	40	Income and mining taxes		3	–
1 660	1 691	Trade and other payables		115	137
1 661	2 031	Total current liabilities		138	137
36 137	37 030	Total equity and liabilities		2 515	2 972

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

SUMMARISED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 30 JUNE

Figures in million (SA rand)	Number of ordinary shares issued ¹	Share capital	Share premium	Accumulated loss	Other reserves	Total
Balance – 30 June 2014	435 825 447	216	28 109	(822)	3 539	31 042
Issue of shares						–
– Exercise of employee share options	361 686	–	–	–	–	–
Share-based payments	–	–	(1)	–	189	188
Net loss for the year	–	–	–	(4 536)	–	(4 536)
Other comprehensive income for the year	–	–	–	–	59	59
Balance – 30 June 2015	436 187 133	216	28 108	(5 358)	3 787	26 753
Issue of shares						
– Exercise of employee share options	1 077 346	1	–	–	–	1
– Share issued to the Tlhakanelo Employee Share Trust	35 000	–	–	–	–	–
Share-based payments	–	–	–	–	322	322
Reversal of provision for odd lot repurchases	–	–	11	–	–	11
Net profit for the year	–	–	–	949	–	949
Other comprehensive income for the year	–	–	–	–	143	143
Balance – 30 June 2016	437 299 479	217	28 119	(4 409)	4 252	28 179

Figures in million (US dollar)						
Balance – 30 June 2014	435 825 447	33	4 002	(223)	(887)	2 925
Issue of shares						
– Exercise of employee share options	361 686	–	–	–	–	–
Share-based payments	–	–	–	–	16	16
Net loss for the year	–	–	–	(374)	–	(374)
Other comprehensive loss for the year	–	–	–	–	(367)	(367)
Balance – 30 June 2015	436 187 133	33	4 002	(597)	(1 238)	2 200
Issue of shares						
– Exercise of employee share options	1 077 346	–	–	–	–	–
– Shares issued to the Tlhakanelo Employee Share Trust	35 000	–	–	–	–	–
Share-based payments	–	–	–	–	22	22
Reversal of provision for odd lot repurchases	–	–	1	–	–	1
Net profit for the year	–	–	–	66	–	66
Other comprehensive loss for the year	–	–	–	–	(375)	(375)
Balance – 30 June 2016	437 299 479	33	4 003	(531)	(1 591)	1 914

¹ Authorised: 1 200 000 000 (2015: 1 200 000 000) ordinary shares of 50 SA cents each.

Included in the total of issued shares is an amount of 355 treasury shares held by Lydenburg Exploration Limited, a wholly owned subsidiary of the company. The Tlhakanelo Employee Share Trust holds 524 915 treasury shares.

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

SUMMARISED CONSOLIDATED CASH FLOW STATEMENTS

FOR THE YEARS ENDED 30 JUNE

SA rand		Figures in million	Notes	US dollar	
2015	2016			2016	2015
		CASH FLOW FROM OPERATING ACTIVITIES			
1 928	4 659	Cash generated by operations		322	168
101	74	Interest received		5	9
(108)	(155)	Interest paid		(11)	(9)
85	(65)	Income and mining taxes refunded/(paid)		(4)	8
2 006	4 513	Cash generated by operating activities		312	176
		CASH FLOW FROM INVESTING ACTIVITIES			
8	(12)	(Increase)/decrease in restricted cash		(1)	1
31	39	(Increase)/decrease in amounts invested in restricted investments		3	2
(120)	7	Loan to associate (advanced)/repaid	8	–	(10)
–	(200)	Loan to ARM BBEE Trust	8	(14)	–
9	5	Proceeds on disposal of property, plant and equipment		–	1
(14)	(1)	Additions to intangible assets		–	(1)
(2 822)	(2 437)	Additions to property, plant and equipment		(168)	(246)
(2 908)	(2 599)	Cash utilised by investing activities		(180)	(253)
		CASH FLOW FROM FINANCING ACTIVITIES			
941	300	Borrowings raised	9	24	80
(793)	(2 045)	Borrowings paid	9	(138)	(65)
148	(1 745)	Cash generated/(utilised) by financing activities		(114)	15
(8)	20	Foreign currency translation adjustments		(21)	(22)
(762)	189	Net increase/(decrease) in cash and cash equivalents		(3)	(84)
1 829	1 067	Cash and cash equivalents – beginning of year		88	172
1 067	1 256	Cash and cash equivalents – end of year		85	88

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

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED 30 JUNE

1 GENERAL INFORMATION

Harmony Gold Mining Company Limited (the company) and its subsidiaries (collectively Harmony or the group) are engaged in gold mining and related activities, including exploration, extraction and processing. Gold bullion, the group's principal product, is currently produced at its operations in South Africa and Papua New Guinea (PNG).

The company is a public company, incorporated and domiciled in South Africa. The address of its registered office is Randfontein Office Park, Corner Main Reef Road and Ward Avenue, Randfontein, 1759.

The summarised consolidated financial statements were authorised for issue by the board of directors on 26 October 2016.

2 ACCOUNTING POLICIES

Basis of preparation

The summarised consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, and the requirements of the Companies Act applicable to summarised financial statements. The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurements and recognition requirements of International Financial Reporting Standards (IFRS) 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 summarised consolidated financial statements should be read in conjunction with the consolidated annual financial statements for the year ended 30 June 2016 (included in the Financial Report 2016 available at www.har.co.za/16/download/HAR-FR16.pdf, which have been prepared in accordance with IFRS. The accounting policies are consistent with those described in the consolidated annual financial statements.

Foreign currency translation

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The summarised consolidated financial statements are presented in South African rand and US dollar for the benefit of local and international users.

For translation of the rand financial statement items to US dollar, the average of R14.50 (2015: R11.45) per US\$1 was used for income statement items (unless this average was not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case these items were translated at the rate on the date of the transactions) and the closing rate of R14.72 (2015: R12.16) per US\$1 for asset and liability items. Equity items were translated at historic rates.

The translation effect from rand to US dollar is included in other comprehensive income in the US\$ financial statements.

References to "A\$" refers to Australian currency, "R" to South African currency, "\$" or "US\$" to United States currency and "K" or "kina" to Papua New Guinean currency.

3 COST OF SALES

SA rand		Figures in million	US dollar	
2015	2016		2016	2015
12 632	13 250	Production costs	914	1 103
2 419	2 092	Amortisation and depreciation of mining assets	144	211
53	78	Amortisation and depreciation of assets other than mining assets	5	5
(6)	(41)	Rehabilitation credit (net)	(3)	(1)
106	114	Care and maintenance cost of restructured shafts	8	9
251	16	Employment termination and restructuring costs	1	22
208	329	Share-based payments	23	18
3 471	(43)	(Reversal of impairment)/impairment of assets (a)	(3)	285
(81)	(9)	Other	(1)	(7)
19 053	15 786	Total cost of sales	1 088	1 645

3 COST OF SALES CONTINUED

(a) The (reversal of impairment)/impairment of assets consists of the following:

SA rand		Figures in million	US dollar	
2015	2016		2016	2015
2 114	466	Hidden Valley (i)	32	174
1 036	(738)	Doornkop (ii)	(50)	85
–	229	Masimong (iii)	15	–
278	–	Phakisa	–	23
43	–	Freddies 9 (Other – underground)	–	3
3 471	(43)	Total (reversal of impairment)/impairment of assets	(3)	285

(i) For the 2016 financial year, an impairment of R466 million (US\$31.7 million) was recognised on Hidden Valley following a change in the life-of-mine plan during the annual planning process. The updated life-of-mine plan for Hidden Valley results in lower production for the 2017 financial year, as the mine will only process ore stockpiles followed by an extended period of care and maintenance, compared to the previous plan. Stripping activities for stage 5 are planned to recommence in the 2018 financial year, according to the year-end life-of-mine plan. The recoverable amount of Hidden Valley is R319 million (US\$21.7 million). Refer to note 13 (d) for transactions after the reporting date.

For the 2015 financial year, an impairment of R2.11 billion (US\$173.8 million) was recognised on Hidden Valley following a change in the life-of-mine plan during the annual planning process. Low commodity prices and high operating costs resulted in the shortening of the life-of-mine of the operation. In 2015, the recoverable amount of Hidden Valley was R653 million (US\$53.7 million).

(ii) For the 2016 financial year, a reversal of R738 million (US\$50.1 million) was recognised for Doornkop. The higher recoverable amount for Doornkop, which resulted in the reversal, was mainly due to the increased rand gold price assumption, improvements in operational efficiencies during the 2016 financial year that resulted in increased production levels in the updated life-of-mine plan and new mining areas included in the life-of-mine plan based on additional exploration performed during the year. The recoverable amount of Doornkop is R2.80 billion (US\$190.2 million).

For the 2015 financial year, an impairment of R1.04 billion (US\$85.2 million) was recognised. Following the decision to restructure Doornkop in May 2015, a revised life-of-mine plan was completed. This plan included lower production levels and focused on the higher grade areas. In addition, the resource value reduced as resources below the existing shaft infrastructure which were previously included in the additional resource value were removed. The updated plan and lower resource value for 2015 resulted in a lower recoverable amount. In 2015, the recoverable amount of Doornkop was R1.85 billion (US\$151.8 million).

(iii) For the 2016 financial year, an impairment of R229 million (US\$15.6 million) was recorded for Masimong, which is a low margin operation and has a remaining life of three years. The exploration programme to locate additional areas of the higher grade B Reef proved unsuccessful and was stopped during the 2016 financial year. 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 lower resource value resulted in a lower recoverable amount and the recognition of an impairment. The recoverable amount of Masimong is R472 million (US\$32.1 million).

The recoverable amounts for these assets have been determined on a fair value less costs to sell basis using the assumptions below in discounted cash flow models and attributable resource values. These are fair value measurements classified as level 3.

Critical accounting estimates and judgements – impairment of assets

The recoverable amount of mining assets is generally determined utilising real discounted future cash flows.

Management also considers such factors as the quality of the individual orebody, market risk, asset specific risks and country risk in determining the fair value.

Key assumptions for the calculations of the mining assets' recoverable amounts are the commodity prices, resource values, marketable discount rates, costs to sell, exchange rates and the annual life-of-mine plans. In determining the commodity prices and resource values to be used, management assesses the long-term views of several reputable institutions on commodity prices and based on this, derives the commodity prices and resource values. The life-of-mine plans are based on the proved and probable reserves as included in the Reserve Declaration, which are determined in terms of SAMREC and The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC), as well as resources where management has high confidence in the orebody and economical recovery of gold, based on historic and similar geological experience.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

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3 COST OF SALES CONTINUED

(a) (Reversal of impairment)/impairment of assets continued:

Critical accounting estimates and judgements – impairment of assets continued

The group calculated the recoverable amounts (generally fair value less costs to sell) based on updated life-of-mine plans and the following gold price, silver price and exchange rates assumptions:

	2016	2015		
		Short-term Year 1	Medium-term Year 2	Long-term Year 3+
US\$ gold price per ounce	1 189	1 150	1 180	1 200
US\$ silver price per ounce	17.80	14.00	14.50	17.00
Exchange rate (R/US\$)	13.86	12.17	11.86	11.66
Exchange rate (PGK/US\$)	3.10	2.75	2.75	2.75
Rand gold price (R/kg)	530 000	450 000	450 000	450 000

For 2015, the short-, medium- and long-term assumptions were in response to the sharp decline in the gold and silver prices after the financial year end. The post-tax real discount rate for Hidden Valley was 11.77% (2015: 12.03%) and the post-tax real discount rates for the South African operations ranged between 8.43% and 11.48% (2015: 7.99% and 11.38%), depending on the asset, were used to determine the recoverable amounts (generally fair value less costs to sell). Cash flows used in the impairment calculations are based on life-of-mine plans which exceed five years for the majority of the mines. The following is the attributable gold resource value assumptions:

	South Africa		Hidden Valley	
	2016	2015	2016	2015
US dollar per ounce				
Measured	40.86	40.86	n/a	n/a
Indicated	23.35	23.35	5.84	15.00
Inferred	5.84	5.84	5.84	6.00

Should management's estimate of the future not reflect actual events, further impairments may be identified.

Factors affecting the estimates include:

- Changes to proved and probable ore reserves;
- Economical recovery of resources;
- The grade of the ore reserves may vary significantly from time to time;
- Review of strategy;
- Unforeseen operational issues at the mines;
- Differences between actual commodity prices and commodity price assumptions;
- Changes in the discount rate and foreign exchange rates; and
- Changes in capital, operating mining, processing and reclamation costs.

Sensitivity analysis – impairment of assets

One of the most significant assumptions that influence the life-of-mine plans and therefore impairments is the expected commodity prices. The sensitivity scenario of a 10% decrease in the commodity prices used in the discounted cash flow models and the resource values would have resulted in an additional impairment at Masimong of R281 million (US\$19.0 million) and Hidden Valley of R319 million (US\$21.6 million). The decreases noted would have resulted in impairments at Unisel of R162 million (US\$10.9 million), Free State Surface of R141 million (US\$9.5 million), other Harmony assets of R46 million (US\$3.1 million) and Doornkop of R15 million (US\$1.0 million) (as opposed to the reversal of R738 million (US\$50.1 million)). This analysis assumes that all other variables remain constant.

If the commodity prices used in the discounted cash flow models increased by 10%, impairments previously recorded at the following operations would reverse: Doornkop R200 million (US\$13.6 million), Phakisa R320 million (US\$21.8 million) and Hidden Valley R167 million (US\$11.4 million). The increase would also have resulted in no impairment being recorded on Masimong.

4 SCRAPPING OF ASSETS

During the 2016 financial year, the abandonment of unprofitable areas in the life-of-mine plans resulted in the derecognition of property, plant and equipment as no future economic benefits are expected from their use or disposal. Included in the total for 2016 are losses for Unisel amounting to R17 million (US\$1.1 million), Joel of R27 million (US\$1.8 million) and R10 million (US\$ 0.7 million) for Free State Surface.

In 2015, the Harmony management embarked on a life-of-mine optimisation process for the South African operations which was finalised in December 2014. The optimisation led to the abandonment of levels and areas with a carrying value at Masimong and Kusasalethu. Losses of R214 million (US\$18.5 million) on Kusasalethu and R216 million (US\$18.7 million) on Masimong were recorded. At 30 June 2015, following the annual life-of-mine planning, additional amounts of R21 million (US\$1.7 million) and R13 million (US\$1.1 million) were recorded for Kusasalethu and Masimong respectively. A loss of R23 million (US\$1.9 million) was also recorded for Tshepong. All of the losses were as a result of the abandonment of uneconomical areas in the plans.

5 FOREIGN EXCHANGE TRANSLATION LOSS (NET)

SA rand		Figures in million	US dollar	
2015	2016		2016	2015
382	665	Translation loss on US\$ revolving credit facility (a)	46	33
–	(369)	Unrealised derivative gain (b)	(25)	–
–	(77)	Realised derivative gain (b)	(5)	–
(15)	(27)	Other	(3)	(1)
367	192	Total foreign exchange translation loss (net)	13	32

(a) Refer to note 9 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 was 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 was R369 million (US\$25.1 million) positive as at 30 June 2016. This was due to the strengthening of the rand exchange rate against the US dollar since entering into the forex hedging contracts. The gains have been recorded in the income statement as hedge accounting was not applied.

The forex hedging contracts are classified as held-for-trading and the fair value is based upon market valuations.

6 TAXATION

The taxation credit/(expense) for the year is as follows:

SA rand		Figures in million	US dollar	
2015	2016		2016	2015
		SA taxation		
9	(48)	Mining tax	(3)	1
(4)	(75)	Non-mining tax (a)	(5)	–
776	(508)	Deferred tax (b)	(35)	67
781	(631)		(43)	68
		Foreign taxation		
(77)	(1)	Deferred tax	–	(6)
(13)	(1)	– current year	–	(1)
(64)	–	– derecognition of deferred tax asset	–	(5)
704	(632)	Total taxation credit/(expense)	(43)	62

(a) The expense in 2016 relates to the non-mining tax arising from the derivative gains (realised and unrealised) recognised on the forex hedging contracts, mainly for Freegold (Harmony) Pty Ltd (Freegold) and Avgold Limited (Avgold). Refer to note 5 for details on the derivative gains recorded.

(b) The deferred tax expense in 2016 is mainly a result of the increase in the average deferred tax rate due to increased estimated profitability at most South African operations, as well as the unwinding of the deferred tax asset related to the utilisation of unredeemed capital expenditure for Freegold against mining taxable income due to increased profitability for Freegold during 2016. Refer below for further details.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

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FOR THE YEARS ENDED 30 JUNE

6 TAXATION CONTINUED

Income and mining tax rates

Major items causing the group's income tax provision to differ from the South African mining statutory tax rate of 34% (2015: 34%) were:

SA rand			US dollar	
2015	2016	Figures in million	2016	2015
1 782	(538)	Tax on net (profit)/loss at the mining statutory tax rate	(37)	148
		Non-allowable deductions		
(793)	(111)	Impairment of assets	(8)	(63)
(35)	(42)	Finance costs	(3)	(3)
(64)	(88)	Share-based payments	(6)	(6)
(183)	(61)	Other	(3)	(15)
30	117	Difference between effective mining tax rate and statutory mining rate on mining income	8	3
1	16	Difference between non-mining tax rate and statutory mining rate on non-mining income	1	—
(243)	(219)	Effect on temporary differences due to changes in effective tax rates ¹	(15)	(21)
24	11	Prior year adjustment	1	2
516	485	Capital allowance and other rate differences ²	33	45
(64)	—	Derecognition of deferred tax asset ³	—	(5)
(267)	(202)	Deferred tax asset not recognised ⁴	(14)	(23)
704	(632)	Income and mining taxation	(43)	62
(13)	40	Effective income and mining tax rate (%)	40	(14)

¹ This relates to the increase in the deferred tax rates related to Harmony Gold Mining Company Limited (Harmony) (12.5% to 21.1%) and Freegold (16.7% to 20.0%) mainly due to higher estimated profitability. This was partially offset by a decrease in the deferred tax rate for Randfontein Estates Limited (Randfontein) (14.3% to 10.1%) mainly due to lower estimated profitability. In 2015, the decrease in the deferred tax rates related to Freegold (20.3% to 16.7%) and Randfontein (18.9% to 14.3%) mainly due to the lower estimated profitability.

² This relates to the additional capital allowance that may be deducted from taxable income from mining operations in South Africa. A significant portion relates to Avgold which has a 0% effective tax rate.

³ In 2015, the Australian deferred tax asset was derecognised as the recoverability was deemed unlikely following the revised life-of-mine for Hidden Valley.

⁴ This relates primarily to Hidden Valley and the PNG exploration operations and represents tax losses and deductible temporary difference arising in the year for which future taxable profits are not considered probable.

7 EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the net income attributable to shareholders by the weighted number of ordinary shares in issue during the year.

SA rand			US dollar	
2015	2016		2016	2015
434 424	435 739	Basic weighted average number of ordinary shares in issue ('000)	435 739	434 424
(4 536)	949	Total net earnings/(loss) attributable to shareholders (millions)	66	(374)
(1 044)	218	Total basic earnings/(loss) per share (cents)	15	(86)

7 EARNINGS/(LOSS) PER SHARE CONTINUED

Diluted earnings/(loss) per share

SA rand			US dollar	
2015	2016		2016	2015
438 091	446 398	Weighted average number of ordinary shares for diluted earnings per share ('000)	446 398	438 091
(1 044)	213	Total diluted earnings/(loss) per share (cents)	15	(86)

The inclusion of share options issued to employees, as potential ordinary shares, has a dilutive effect on the earnings/(loss) per share. The issue price and the exercise price include the fair value of any service to be supplied to the entity in the future under the share option or other share-based payment arrangement.

Headline earnings/(loss) per share

The calculation of headline earnings/(loss), net of tax, per share is based on the basic earnings/(loss) per share calculation adjusted for the following items:

SA rand			US dollar	
2015	2016	Figures in million	2016	2015
(4 536)	949	Net profit/(loss)	66	(374)
		Adjusted for:		
(6)	(7)	Profit on sale of property, plant and equipment	–	(1)
(1)	1	Taxation effect of profit on sale of property, plant and equipment	–	–
(4)	–	Profit on disposal of investments ¹	–	–
3 471	(43)	(Reversal of impairment)/impairment of assets	(3)	285
(169)	12	Taxation effect on (reversal of impairment)/impairment of assets	1	(14)
491	64	Loss on scrapping of property, plant and equipment	4	42
(67)	(12)	Taxation effect on loss of scrapping of property, plant and equipment	(1)	(6)
(821)	964	Headline earnings/(loss)	67	(68)

¹ There is no taxation effect on these items.

SA rand			US dollar	
2015	2016		2016	2015
(189)	221	Basic headline earnings/(loss) per share (cents)	15	(16)
(189)	216	Diluted headline earnings/(loss) per share (cents)	15	(16)

8 TRADE AND OTHER RECEIVABLES

- (a) During 2015, Rand Refinery drew down on the facility provided by its shareholders. Harmony's portion of the shareholder's loan was R120 million (US\$10 million). As the loan is considered to be part of the net investment in associate, Harmony's share of Rand Refinery's losses of R18 million (US\$1.2 million) was recorded against the loan. An additional provision of R25 million (US\$1.6 million) (2015: R15 million (US\$1.2 million)) was recorded in other expenses (net). The loan is due during December 2016.
- (b) During 2016, Harmony advanced R200 million (US\$13.5 million) to the ARM BBEE Trust, a shareholder of African Rainbow Minerals Limited (ARM). Harmony is a trustee of the ARM BBEE Trust. The loan is subordinated and unsecured. The interest is market related (3 month JIBAR plus 4.25%) and is receivable on the maturity of the loan on 31 December 2022. At year end, the loan was tested for impairment following the decrease in the ARM share price since advancing the loan to the ARM BBEE Trust and an amount of R33 million (US\$2.2 million) was recorded in other expenses (net). The recoverable amount was calculated using a discounted cash flow model. The cash flows in the model includes projected interest payments and projected ARM share price on the expected repayment date.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

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FOR THE YEARS ENDED 30 JUNE 2016

9 BORROWINGS

Nedbank Limited

On 20 December 2013, the company entered into a loan facility with Nedbank Limited, comprising a revolving credit facility of R1 300 million. In January 2015, R400 million was drawn down. On 7 July 2015, an additional R300 million was drawn down while, on 26 November 2015, R400 million was repaid. Refer to note 13 (a) for transactions after the reporting date.

US dollar revolving credit facilities

On 22 December 2014, the company entered into a loan facility agreement which was jointly arranged by Nedbank Limited and Barclays Bank Plc, comprising a revolving credit facility of up to US\$250 million (R2 892 million). All conditions precedent were met during February 2015 and US\$205 million (R2 351 million) was drawn down to repay the syndicated revolving credit facility of US\$270 million, resulting in a net cash outflow of US\$65 million (R746 million). The remaining US\$45 million (R541 million) was drawn down during May 2015.

During the 2016 financial year, the following repayments were made: 4 December 2015 – US\$50 million (R717 million); 8 February 2016 – US\$20 million (R321 million); 9 May 2016 – US\$40 million (R607 million).

Terms and debt repayment schedule at 30 June 2016

	Interest charge	Repayment terms	Repayment date	Security
Nedbank Limited (secured loan – rand revolving credit facility)	1, 3 or 6 month JIBAR plus 3.5%, payable at the elected interest interval	Repayable on maturity	23 December 2016	Cession and pledge of operating subsidiaries' shares
US dollar revolving credit facility (secured loan)	3 or 6 month LIBOR plus 3%, payable at the elected interest interval	Repayable on maturity	6 February 2018	Cession and pledge of operating subsidiaries' shares

Debt covenants

The debt covenant tests are performed on a quarterly basis. No breaches of the covenants were identified during the tests in the 2015 and 2016 financial years.

Interest-bearing borrowings

SA rand			US dollar	
2015	2016	Figures in million	2016	2015
		Non-current borrowings		
398	–	Nedbank Limited (secured loan – rand revolving credit facilities)	–	33
3 001	2 039	US dollar revolving credit facility (secured loan)	139	247
3 399	2 039	Total non-current borrowings	139	280
		Current borrowings		
–	300	Nedbank Limited (secured loan – rand revolving credit facilities)	20	–
–	300	Total current borrowings	20	–
3 399	2 339	Total interest-bearing borrowings	159	280
		Undrawn committed borrowing facilities:		
–	1 000	Expiring within one year	68	–
900	1 619	Expiring after one year	110	74
900	2 619		178	74

10 FAIR VALUE DETERMINATION OF FINANCIAL ASSETS AND LIABILITIES

The carrying values (less any impairment allowance) of short-term financial instruments are assumed to approximate their fair values.

The fair value levels of hierarchy are as follows:

- (1) Quoted prices (unadjusted) in active markets for identical assets (level 1);
- (2) Inputs other than quoted prices included within level 1 that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from other prices) (level 2);
- (3) Inputs for the asset that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the group's financial assets and liabilities that are measured at fair value by level at the reporting date.

Figures in million (SA rand)	Fair value hierarchy level	At 30 June 2016	At 30 June 2015
Available-for-sale financial assets			
Investment in financial assets ¹	Level 3	5	5
Fair value through profit and loss financial assets			
Restricted investments ²	Level 2	639	538
Derivative financial assets ³	Level 2	369	–

Figures in million (US dollar)			
Fair value through profit and loss financial assets			
Restricted investments ²	Level 2	44	44
Derivative financial assets ³	Level 2	25	–

¹ Level 3 fair values have been valued by the directors by performing independent valuations on an annual basis.

² Level 2 fair values are directly derived from the Shareholders Weighted Top 40 (SWIX 40) or the Top 40 index on the JSE, and are discounted at market interest rate. The fair value of R42 million (US\$2.8 million) (2015: R46 million (US\$3.8 million)) of the balance in 2016, attributable to the Social Plan Trust, is derived by reference to quoted prices of the shares held within the unit trust portfolio.

³ 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.

The fair values of borrowings are not materially different to their carrying amounts since the interest payable on those borrowings is at current market rates. The fair value of borrowings is based on discounted cash flows using a current borrowing rate. The determination of the fair values is level 3 in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

11 RELATED PARTIES

None of the directors or major shareholders of Harmony or, to the knowledge of Harmony, their families, had an interest, directly or indirectly, in any transaction from 1 July 2014 or in any proposed transaction that has affected or will materially affect Harmony or its subsidiaries, other than as stated below.

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. The remuneration of directors, prescribed officers and executive management is fully disclosed in Annexure B of the Financial Report 2016 (available at www.har.co.za/16/download/HAR-FR16.pdf).

All the production of the group's South African operations is sent to Rand Refinery in which Harmony holds a 10.38% interest.

A list of the group's significant subsidiaries, associates and joint operations has been included in Annexure A of this report.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEARS ENDED 30 JUNE

11 RELATED PARTIES CONTINUED

The following directors and prescribed officers owned shares in Harmony at year-end:

Name of director/prescribed officer	Number of shares	
	2016	2015
Directors		
Andre Wilkens	101 303	101 303
Frank Abbott	521 790	203 243
Graham Briggs ¹	n/a	24 718
Harry 'Mashego' Mashego	593	3 096
Ken Dicks	35 000	20 000
Prescribed officers		
Alwyn Pretorius ²	n/a	7 987
Beyers Nel ³	2 907	n/a
Johannes van Heerden	–	28 184
Phillip Tobias ⁴	11 750	n/a

¹ Graham Briggs resigned as a director with effect from 31 December 2015.

² Alwyn Pretorius resigned from the group with effect from 30 November 2015.

³ Beyers Nel appointed as chief operating officer of the South African operations with effect from 1 March 2016.

⁴ Phillip Tobias appointed as chief operating officer: safety, mining projects, new development and corporate strategy.

12 COMMITMENTS AND CONTINGENCIES

Contingent liabilities

For detailed disclosure on contingent liabilities, refer to the Financial Report 2016 (available at www.har.co.za/16/download/HAR-FR16.pdf). There have been no significant changes in contingencies since 30 June 2015, except as discussed below:

(a) Silicosis consolidated class action:

On 17 October 2013, the five certification applications were consolidated by order of court.

The consolidated certification applications were heard in October 2015. On 13 May 2016, the Johannesburg High Court ordered the certification of a silicosis class and a tuberculosis 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, which was granted by the Supreme Court of Appeal on 13 September 2016.

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.

Commitments and guarantees

SA rand		Figures in million	US dollar	
2015	2016		2016	2015
		Capital expenditure commitments		
135	204	Contracts for capital expenditure	14	11
23	60	Share of joint venture's contract for capital expenditure	4	2
257	516	Authorised by the directors but not contracted for	35	21
415	780	Total capital commitments	53	34

There are no significant commitments for operating leases. Contractual obligations in respect of mineral tenement leases amount to R253 million (US\$17.2 million) (2015: R695 million (US\$57.2 million)). This includes R247 million (US\$16.8 million) (2015: R694 million (US\$57.1 million)) for the Morobe Mining Joint Ventures.

12 COMMITMENTS AND CONTINGENCIES CONTINUED

SA rand		Figures in million	US dollar	
2015	2016		2016	2015
		Guarantees¹		
11	14	Guarantees and suretyships	1	1
458	479	Environmental guarantees ²	33	38
469	493	Total guarantees	34	39

¹ Guarantees and suretyships of R2 million (US\$0.1 million) (2015: R13 million (US\$1.0 million)) and environmental guarantees of R37 million (US\$2.5 million) (2015: R41 million) (US\$3.3 million)) relating to the Evander group, have been excluded. These guarantees were cancelled shortly after year end.

² These guarantees relate to our environmental and rehabilitation obligation. At 30 June 2016, R59 million (US\$4.0 million) (2015: R46 million (US\$3.8 million)) has been pledged as collateral for environmental guarantees in favour of certain financial institutions.

13 SUBSEQUENT EVENTS

- (a) On 7 July 2016, Harmony repaid the remaining R300 million (US\$20.0 million) outstanding on the R1.3 billion Nedbank ZAR facility.
- (b) During July 2016, Harmony entered into short-term gold forward sale contracts for a total of 13 400kg/432 000 ounces over a period of 24 months. These contracts manage variability of cash flows for approximately 20% of the group's total production and were concluded at an average gold price of R682 000/kg. We plan to apply cash flow hedge accounting to these contracts. The financial effect will be determined as the contracts mature as the realised gain or loss is dependant on the R/kg gold price on the date of maturity.
- (c) On 15 August 2016, the board declared a dividend of 50 SA cents (4 US cents) for the year ended 30 June 2016. R218 million (US\$14.9 million) was paid on 19 September 2016.
- (d) On 19 September 2016, Harmony announced that it would acquire Newcrest's 50% of Hidden Valley for a cash consideration of US\$1, subject to certain regulatory approvals. Harmony will assume all liabilities and expenses related to the Hidden Valley joint venture and mine, including all closure, rehabilitation and remediation obligations, with effect from 31 August 2016. Newcrest will pay an amount of US\$22.5 million as its once-off contribution towards Hidden Valley's future closure liability. Harmony and Newcrest will remain joint venture partners in the Wafi-Golpu project.

Following the approval, management will begin the process for the purchase price allocation in accordance with IFRS 3, *Business Combinations*. An updated impairment assessment will be performed once the revised life-of-mine plan has been finalised and approved. On completion of the transaction, 100% of the operation's assets, liabilities, income and expenses will be recognised in the financial statements.

14 SEGMENT REPORT

The group has one main economic product, being gold. In order to determine operating and reportable segments, management reviewed various factors, including geographical location as well as managerial structure. It was determined that an operating segment consists of a shaft or a group of shafts or open pit mine managed by a single general manager and management team.

After applying the quantitative thresholds from IFRS 8, the reportable segments were determined as: Kusasalethu, Doornkop, Phakisa, Tshepong, Masimong, Target 1, Bambanani, Joel, Unisel, Target 3 and Hidden Valley. All other operating segments have been grouped together under all other surface operations.

When assessing profitability, the CODM considers the revenue and production costs of each segment. The net of these amounts is the production profit or loss. Therefore, production profit has been disclosed in the segment report as the measure of profit or loss. The CODM also considers capital expenditure when assessing the overall economic sustainability of each segment. The CODM, however, does not consider depreciation or impairment and therefore these amounts have not been disclosed in the segment report.

Segment assets consist of mining assets and mining assets under construction included under property, plant and equipment which can be attributed to the segment. Current and non-current group assets that are not allocated at a segment level form part of the reconciliation to total assets.

A reconciliation of the segment totals to the group financial statements has been included in note 15.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEARS ENDED 30 JUNE

14 SEGMENT REPORT CONTINUED

	Revenue 30 June		Production cost 30 June		Production profit/(loss) 30 June		Mining assets 30 June		Capital expenditure 30 June		Kilograms produced ¹ 30 June		Tonnes milled ¹ 30 June	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	R million		R million		R million		R million		R million		kg		t ¹⁰⁰⁰	
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 ²	–	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
Reconciliation of the segment information to the consolidated income statements and balance sheets (refer to note 15).	–	–	–	–	–	–	14 860	13 877	–	–	–	–	–	–
	18 334	15 435	13 250	12 632			37 030	36 137						

¹ Production statistics are unaudited.

² Target 3 was placed on care and maintenance in October 2014.

14 SEGMENT REPORT CONTINUED

	Revenue 30 June		Production cost 30 June		Production profit/(loss) 30 June		Mining assets 30 June		Capital expenditure 30 June		Ounces produced ¹ 30 June		Tons milled ¹ 30 June	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	US\$ million		US\$ million		US\$ million		US\$ million		US\$ million		oz		t'000	
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	288	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 ²	-	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
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
Reconciliation of the segment information to the consolidated income statements and balance sheets (refer to note 15).	-	-	-	-	-	-	1 009	1 140	-	-	-	-	-	-
	1 264	1 348	914	1 103			2 515	2 972						

¹ Production statistics are unaudited.

² Target 3 was placed on care and maintenance in October 2014.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEARS ENDED 30 JUNE

15 RECONCILIATION OF SEGMENT INFORMATION TO SUMMARISED CONSOLIDATED INCOME STATEMENTS AND BALANCE SHEET

SA rand		Figures in million	US dollar	
2015	2016		2016	2015
		Reconciliation of production profit to gross profit/(loss)		
18 334	15 435	Total segment revenue	1 264	1 348
(13 250)	(12 632)	Total segment production costs	(914)	(1 103)
5 084	2 803	Production profit	350	245
(2 536)	(6 421)	Cost of sales items other than production costs	(174)	(542)
(2 092)	(2 419)	Amortisation and depreciation of mining assets	(144)	(211)
(78)	(53)	Amortisation and depreciation of assets other than mining assets	(5)	(5)
41	6	Rehabilitation credit (net)	3	1
(114)	(106)	Care and maintenance cost of restructured shafts	(8)	(9)
(16)	(251)	Employment termination and restructuring costs	(1)	(22)
(329)	(208)	Share-based payments	(23)	(18)
43	(3 471)	Reversal of impairment/(impairment) of assets	3	(285)
9	81	Other	1	7
2 548	(3 618)	Gross profit/(loss)*	176	(297)

* The reconciliation has been done up to the first recognisable line item in the summarised consolidated income statement. The reconciliation will follow the summarised consolidated income statement after that.

Reconciliation of total segment assets to summarised consolidated assets includes the following:

SA rand		Figures in million	US dollar	
2015	2016		2016	2015
		Non-current assets		
7 288	7 749	Property, plant and equipment	527	598
885	870	Intangible assets	59	73
48	62	Restricted cash	4	4
2 384	2 496	Restricted investments	170	196
5	5	Investments in financial assets	–	–
36	37	Inventories	3	3
80	172	Other non-current receivables	12	7
		Current assets		
1 292	1 167	Inventories	79	106
16	17	Restricted cash	1	1
746	654	Trade and other receivables	44	62
30	6	Income and mining taxes	–	2
–	369	Derivative financial assets	25	–
1 067	1 256	Cash and cash equivalents	85	88
13 877	14 860		1 009	1 140

ANNEXURE A

The schedule has been extracted from the complete list of subsidiaries, associates and joint arrangements which can be found in the Financial Report 2016 (available at www.harmony.co.za).

Company	Country incorporated in	Issued share capital R'000	Effective group interest		Cost of investment by holding company		Loans from/(to) holding company	
			2016 %	2015 %	2016 Rm	2015 Rm	2016 Rm	2015 Rm
Direct subsidiaries:								
Gold mining								
African Rainbow Minerals Gold Limited	(a)	96	100	100	6 019	5 143	–	–
Avgold Limited	(a)	6 827	100	100	7 025	6 993	(127)	(283)
Freegold (Harmony) (Proprietary) Limited	(a)	20	100	100	333	216	(2 410)	(699)
Randfontein Estates Limited	(a)	19 882	100	100	1 505	1 447	2 692	2 705
Tswelopele Beneficiation Operation (Proprietary) Limited	(a)	5 996	100	100	110	30	248	279
Investment holding								
Harmony Gold Australia (Proprietary) Limited	(c)	11 360 754	100	100	10 213	10 831	–	–
Indirect subsidiaries:								
Exploration								
Harmony Gold (PNG) Exploration Limited	(b)	#	100	100	–	–	–	–
Morobe Exploration Limited	(b)	1 104	100	100	–	–	–	–
Gold mining								
Kalahari Goldridge Mining Company Limited	(a)	1 275	100	100	23	11	(622)	(612)
Investment								
Abelle Limited	(c)	488 062	100	100	–	–	–	–
Aurora Gold (Wafi) (Proprietary) Limited	(c)	#	100	100	–	–	–	–
Harmony Gold Operations Limited	(c)	405 054	100	100	–	–	–	–
Mineral right investment								
Morobe Consolidated Goldfields Limited	(b)	#	100	100	–	–	–	–
Wafi Mining Limited	(b)	#	100	100	–	–	–	–
Mining related services								
Harmony Gold (PNG Services) (Proprietary) Limited	(c)	#	100	100	–	–	–	–
Joint operations – indirect:								
Morobe Exploration Services Limited	(b)	\$	50	50	–	–	–	–
Hidden Valley Services Limited	(b)	\$	50	50	–	–	–	–
Wafi Golpu Services Limited	(b)	\$	50	50	–	–	–	–
Morobe Mining JV Services (Australia) (Proprietary) Limited	(c)	\$	50	50	–	–	–	–
Associate company – indirect:								
Gold refining								
Rand Refinery (Proprietary) Limited	(a)	786	10	10	–	–	80	80

Indicates issued share capital of R1 000 or less

\$ Indicates a share in the joint operation's capital assets

(a) Incorporated in the Republic of South Africa (b) Incorporated in Papua New Guinea (c) Incorporated in Australia

For its interest in joint operations, the group includes its share of the joint operations' individual income and expenses, assets and liabilities in the relevant components of the financial statements on a line-by-line basis.

Investments in associates are accounted for by using the equity method of accounting. Equity accounting involves recognising in the income statement the group's share of associates' profit or loss for the period. The group's interest in the associate is carried on the balance sheet at an amount that reflects the cost of the investment, the share of post-acquisition earnings and other movement in the reserves.

The above investments have been valued by the directors by performing independent valuations on an annual basis.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Harmony Gold Mining Company Limited (the "Company") will be held on Friday, 25 November 2016 at 11:00 (SA time) at the Hilton Hotel, 138 Rivonia Road, Sandton, Johannesburg, South Africa (see map on page 33), to conduct the business set out below and to consider and, if deemed fit, adopt, with or without modification, the ordinary and special resolutions set out in this notice.

In terms of section 59(1)(a) and (b) of the Companies Act 71 of 2008, as amended ("Act"), the board of directors of the Company ("Board") has set the record date for the purpose of determining which shareholders of the Company are entitled to:

- i) receive the notice of the annual general meeting (being the date on which a shareholder must be registered in the Company's securities register to receive the notice of the annual general meeting) as Friday, 21 October 2016; and
- ii) participate in and vote at the annual general meeting (being the date on which a shareholder must be registered in the Company's securities register to participate in and vote at the annual general meeting) as Friday, 18 November 2016.

PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The audited consolidated and Company annual financial statements, incorporating the reports of the auditors, the audit and risk committee and the directors for the year ended 30 June 2016 will be presented to the shareholders of the Company as required in terms of section 30(3)(d) of the Act read with section 61(8)(a) of the Act.

Summarised consolidated financial statements are included in this document on pages 4 to 23.

The complete audited consolidated and Company annual financial statements are available on Harmony's website at www.har.co.za/15/download/HAR-FR15.pdf.

PRESENTATION OF GROUP SOCIAL AND ETHICS COMMITTEE REPORT

In accordance with regulation 43(5)(c) of the Act, the social and ethics committee's report in the FY16 integrated annual report (www.har.co.za/14/about/sustainability-approach) will be presented to shareholders at the annual general meeting.

RESOLUTIONS FOR CONSIDERATION AND ADOPTION

1. Ordinary Resolution Number 1:

Re-election of director

"RESOLVED THAT Cathie Markus, who retires by rotation at this annual general meeting in accordance with the Company's memorandum of incorporation and who is eligible and available for re-election, be and is hereby re-elected as a director of the Company with immediate effect." (See Cathie Markus' resumé below).

Cathie Markus (59)

BA, LLB

Independent non-executive director

Chairman of the remuneration committee and member of the investment committee and the social and ethics committee

Cathie was appointed to the board on 31 May 2007. After graduating from the University of the Witwatersrand, Cathie served articles, qualifying as an attorney, notary and conveyancer. She then joined the legal department of Dorbyl Limited before spending 16 years at Impala Platinum Holdings Limited, initially as legal advisor and, from 1998 to 2007, as executive director responsible for legal, investor and community affairs. She is currently a trustee of the Impala Bafokeng Trust and chairs the St Mary's School Waverley Foundation.

The percentage of voting rights required for ordinary resolution number 1 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the annual general meeting or represented by proxy and entitled to exercise voting rights on ordinary resolution number 1.

2. Ordinary Resolution Number 2:

Re-election of director

"RESOLVED THAT Karabo Nondumo, who retires by rotation at this annual general meeting in accordance with the Company's memorandum of incorporation and who is eligible and available for re-election, be and is hereby re-elected as a director of the Company with immediate effect." (See Karabo Nondumo's resumé overleaf).

Karabo Nondumo (38)

BAcc, HDip (Acc), CA (SA)

Independent non-executive director

Member of the audit and risk committee, the technical committee and the investment committee

Karabo was appointed to the board on 3 May 2013. She is an executive director of the KM Group of companies, providers of integrated information and communications technology solutions to enterprises, as well as of products and services to the mining, engineering and manufacturing industries. She has held various roles at Vodacom Group Limited including that of executive head of Vodacom business as well as of Vodacom's mergers and acquisitions. She was inaugural chief executive officer of AWCA Investment Holdings Limited and former head of global markets operations at Rand Refinery Proprietary Limited. She was an associate and executive assistant to the former executive chairman at Shanduka Group. She was seconded to Shanduka Coal, where she was a shareholder representative, and also served on various boards representing Shanduka's interests. She is a qualified chartered accountant, a member of the South African Institute of Chartered Accountants and of African Women Chartered Accountants. She is an independent non-executive director of Sanlam Limited, Merafe Resources Limited, Richards Bay Coal Terminal Proprietary Limited and MTN Group Limited's operating companies in South Sudan. She is on the advisory board of Senatla Capital.

The percentage of voting rights required for ordinary resolution number 2 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the annual general meeting or represented by proxy and entitled to exercise voting rights on ordinary resolution number 2.

3. Ordinary Resolution Number 3:

Re-election of director

"RESOLVED THAT Vishnu Pillay, who retires by rotation at this annual general meeting in accordance with the Company's memorandum of incorporation and who is eligible and available for re-election, be and is hereby re-elected as a director of the Company with immediate effect." (See Vishnu Pillay's resumé below).

Vishnu Pillay (59)

BSc (Hon), MSc

Independent non-executive director

Member of the technical committee, the investment committee and the remuneration committee

Vishnu was appointed to the board on 8 May 2013 and is currently executive head of Anglo American Platinum Limited's joint venture operations, the Rustenburg and Union mines. Before joining Anglo American Platinum in 2011, he was executive vice-president and head of South African operations for Gold Fields Limited and, prior to that, vice-president and head of operations at Driefontein Gold Mine. His 25 years at Gold Fields Limited were interrupted by a two-year period with the Council for Scientific and Industrial Research, where he was director of mining technology and group executive for institutional planning and operations.

The percentage of voting rights required for ordinary resolution number 3 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the annual general meeting or represented by proxy and entitled to exercise voting rights on ordinary resolution number 3.

4. Ordinary Resolution Number 4:

Re-election of director

"RESOLVED THAT Andre Wilkens, who retires by rotation at this annual general meeting in accordance with the Company's memorandum of incorporation and who is eligible and available for re-election, be and is hereby re-elected as a director of the Company with immediate effect." (See Andre Wilkens' resumé below).

André Wilkens (67)

Mine Manager's Certificate of Competency, MDPA (UNISA), RMIIA, Mini MBA Oil and Gas

Non-executive director

Chairman of the technical committee and member of the investment committee and the remuneration committee

André was appointed to the board on 7 August 2007. He was appointed to the board of African Rainbow Minerals Limited in 2004 and was its chief executive officer until March 2012. He is currently executive director growth and strategic development (based in the office of African Rainbow Minerals' executive chairman). He headed ARMgold Limited for five years and ARM Platinum for a year before being appointed chief operating officer of Harmony after its merger with ARMgold in 2003. André has more than 46 years' experience in the mining industry, particularly in gold, platinum group metals, iron ore, manganese, coal, chrome, nickel and copper.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

The percentage of voting rights required for ordinary resolution number 4 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the annual general meeting or represented by proxy and entitled to exercise voting rights on ordinary resolution number 4.

5. Ordinary Resolution Number 5:

Re-election of audit and risk committee member

"RESOLVED THAT John Wetton, who is a non-executive director of the Company, be and is hereby re-elected as a member of the Company's audit and risk committee with immediate effect to hold office until the next annual general meeting." (See John Wetton's resumé below).

John Wetton (67)

CA (SA), FCA

Independent non-executive director

Chairman of the audit and risk committee and member of the social and ethics committee, remuneration committee and investment committee

John was appointed to the board on 1 July 2011. He was with Ernst & Young from 1967 to 2010, mainly in corporate audit, but for his final 10 years he played a business development role across Africa. He led Ernst & Young's mining group for a number of years and acted as senior partner for some of the firm's major mining and construction clients. He was a member of Ernst & Young's executive management committee and was, until retirement, a member of the Ernst & Young Africa governance board.

The percentage of voting rights required for ordinary resolution number 5 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the annual general meeting or represented by proxy and entitled to exercise voting rights on ordinary resolution number 5.

6. Ordinary Resolution Number 6:

Re-election of audit and risk committee member

"RESOLVED THAT Fikile De Buck, who is a non-executive director of the Company, be and is hereby re-elected as a member of the Company's audit and risk committee with immediate effect to hold office until the next annual general meeting." (See Fikile De Buck's resumé below).

Fikile De Buck (56)

BA (Economics), FCCA

Lead independent non-executive director

Chairman of the nomination committee and a member of the social and ethics committee, the remuneration committee and the audit and risk committee.

Fikile was appointed to the board on 30 March 2006. A chartered certified accountant, she was only the second person to obtain this qualification in Botswana. She was awarded the Stuart Crystal Prize for Best Accounting Student at Birmingham Polytechnic (UK), now Birmingham University, being the first black overseas student to be awarded this prize.

Fikile is a fellow of the Association of Chartered Certified Accountants United Kingdom. From 2000 to 2008, she worked in various capacities at the Council for Medical Schemes in South Africa, including as chief financial officer and chief operations officer. Prior to that she worked in various capacities at the Botswana Development Corporation and was its first treasurer. She also served on various boards representing the corporation's interests, and was the founding chairman of the Credit Guarantee Insurance Corporation of Africa Limited.

She has 23 years' experience in financial reporting at executive level. Fikile is a director of D&D Company Proprietary Limited, a non-executive director and chairman of the audit committee and a member of various other committees of Atlatsa Resources Corporation. She was included in the coffee table book, "South Africa's Most Inspirational Women" (2011). Fikile mentors a number of young people, mostly women. She is also a member of Women In Mining South Africa.

The percentage of voting rights required for ordinary resolution number 6 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the annual general meeting or represented by proxy and entitled to exercise voting rights on ordinary resolution number 6.

7. Ordinary Resolution Number 7:

Re-election of audit and risk committee member

"RESOLVED THAT Simo Lushaba, who is a non-executive director of the Company, be and is hereby re-elected as a member of the Company's audit and risk committee with immediate effect to hold office until the next annual general meeting." (See Simo Lushaba's resumé overleaf).

Dr Simo Lushaba (50)

BSc (Hons), MBA, DBA , CD (SA)

Independent non-executive director

Chairman of the investment committee and member of the audit and risk committee and the remuneration committee

Simo joined the board on 18 October 2002. He previously held senior management positions at Spoornet (Rail and Terminal Services division), was vice president of Lonmin Plc and chief executive of Rand Water. He is a non-executive director on the board of Cashbuild Limited and facilitates programmes on corporate governance for the Institute of Directors (South Africa), of which he is a member. He was also appointed as an administrator of the South African Post Office to develop the strategic turnaround plan following the resignation of its board. He is currently chairman of the board for the South African Post Office and chairman of GVSC Communications South Africa Proprietary Ltd. He was also chairman of Spescom Ltd.

The percentage of voting rights required for ordinary resolution number 7 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the annual general meeting or represented by proxy and entitled to exercise voting rights on ordinary resolution number 7.

8. Ordinary Resolution Number 8:

Re-election of audit and risk committee member

"RESOLVED THAT Modise Motloba, who is a non-executive director of the Company, be and is hereby re-elected as a member of the Company's audit and risk committee with immediate effect to hold office until the next annual general meeting." (See Modise Motloba's resumé below).

Modise Motloba (50)

BSc, Diploma in Strategic Management

Independent non-executive deputy chairman

Chairman of the social and ethics committee and a member of the nomination committee and the audit and risk committee.

Modise was appointed to the board on 30 July 2004. He is the founder and chief executive officer of Quartile Capital Proprietary Limited, a black-owned, managed and controlled niche financial services and investment group with expertise in corporate finance, consulting, treasury services, investments and wealth.

Modise has more than 22 years' working experience in the financial sector both in South Africa and the United States and has operational expertise in treasury services, corporate finance, fund management and wealth management.

He has worked for local and global firms such as Rand Merchant Bank, Goldman Sachs, African Merchant Bank, African Harvest Fund Managers and PwC. In addition to Harmony, he has served on the boards of Deutsche Bank Securities, Landbank, Landbank Insurance and Rand Merchant Bank Structured Insurance. Modise has played organisational leadership roles for the South African Reserve Bank, the Financial Services Board, the Association of Black Securities and Investment Professionals, Nafcoc, the Johannesburg Chamber of Commerce and Industries and the Black Business Council.

The percentage of voting rights required for ordinary resolution number 8 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the annual general meeting or represented by proxy and entitled to exercise voting rights on ordinary resolution number 8.

9. Ordinary Resolution Number 9:

Re-election of audit and risk committee member

"RESOLVED THAT, subject to the passing of ordinary resolution number 2 being approved by the Shareholders of the Company, Karabo Nondumo, who is a non-executive director of the Company, be and is hereby re-elected as a member of the Company's audit and risk committee with immediate effect to hold office until the next annual general meeting." (See Karabo Nondumo's resumé under ordinary resolution number 2).

The percentage of voting rights required for ordinary resolution number 9 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the annual general meeting or represented by proxy and entitled to exercise voting rights on ordinary resolution number 9.

10. Ordinary Resolution Number 10:

Re-appointment of external auditors

"RESOLVED THAT PricewaterhouseCoopers Incorporated be and is hereby re-appointed as the external auditor of the Company to hold office from this annual general meeting until conclusion of the next annual general meeting."

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

The percentage of voting rights required for ordinary resolution number 10 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the annual general meeting or represented by proxy and entitled to exercise voting rights on ordinary resolution number 10.

11. Ordinary Resolution Number 11:

Approval of remuneration policy

"RESOLVED, as a non-binding advisory vote in accordance with the recommendations of King III, that the remuneration policy of the Company, as set out in the integrated annual report (<https://www.harmony.co.za/investors/reporting/annual-reports>), be and is hereby approved."

As this matter is non-binding, no minimum voting threshold is needed.

12. Ordinary Resolution Number 12:

General authority to issue shares for cash

"RESOLVED THAT the directors of the Company be and are hereby authorised as a general authority to issue the authorised but unissued shares in the capital of the Company (including the grant or issue of options or convertible securities that are convertible into an existing class of equity securities) for cash (or the extinction of a liability, obligation or commitment, restraint or settlement of expenses) on such terms and conditions as the directors of the Company may from time to time in their sole discretion deem fit subject to the Act, the JSE Listings Requirements of the securities exchange licensed to and operated by the JSE Limited, provided that:

- a) the equity securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- b) the equity securities must be issued to public shareholders, as defined in the JSE Listings Requirements, and not to related parties;
- c) securities which are the subject of general issues for cash in the aggregate may not exceed 5% (five percent) of the Company's shares in issue as at the date of this notice of the annual general meeting, excluding treasury shares. Therefore, the number of shares available for the issue of shares for cash will be limited to 21 873 951 (twenty one million eight hundred and seventy three thousand nine hundred and fifty one) shares;
- d) this authority shall be valid until the Company's next annual general meeting or for 15 (fifteen) months from the date on which this resolution is passed, whichever period is shorter, subject to the requirements of the JSE Limited and any other restrictions set out in this authority;
- e) the calculation of the Company's listed equity securities must be a factual assessment of the Company's listed equity securities as at the date of this notice of annual general meeting, excluding treasury shares;
- f) any equity securities issued during the period contemplated in (d) shall be deducted from the number set out in (c);
- g) in the event of sub-division or consolidation of issued equity securities during the period contemplated in (d), the existing authority will be adjusted accordingly to represent the same allocation ratio; and
- h) the maximum discount at which equity securities may be issued is 10% (ten percent) of the weighted average traded price of such equity securities measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the securities. The JSE Limited will be consulted for a ruling if the Company's securities have not traded in such 30 (thirty) business day period."

In terms of the JSE Listings Requirements, the passing of ordinary resolution number 12 requires the approval of at least 75% (seventy five percent) majority of the votes cast by shareholders of the Company or present at the annual general meeting or represented by proxy at this annual general meeting and entitled to exercise voting rights on ordinary resolution number 12.

13. Ordinary Resolution Number 13:

Amendments to the Share Plan

"RESOLVED THAT the Harmony Gold Mining Company Limited 2006 Share Plan (2016 Amended Version) ("Share Plan"), a copy of which has been labelled for identification purposes and tabled at the annual general meeting, be and is hereby approved."

Copies of the Share Plan and full details of the proposed amendments to the Share Plan will be available for inspection during normal business hours at (i) the registered office of the Company from the date of issue of the FY16 integrated annual report of which this notice of annual general meeting forms part and (ii) on Harmony's report website at www.har.co.za/16/.

The percentage of voting rights required for ordinary resolution number 13 to be adopted: at least 75% (seventy five percent) of the voting rights exercised on this resolution, excluding voting rights attaching to securities owned or controlled by persons who are existing participants in the Share Plan which have been acquired in terms of the Share Plan as well as the securities held for purposes of the Share Plan."

14. Special Resolution Number 1:

Non-executive directors' remuneration

"RESOLVED, as a special resolution in terms of section 66(8) read with section 66(9) of the Act, that the Company be and is hereby authorised to pay the following annual remuneration to its non-executive directors for their services as non-executive directors for a period of 2 (two) years from the date of this annual general meeting or until the non-executive directors' remuneration is amended by way of special resolution of the shareholders of the Company, whichever comes first:

Directors' remuneration

Board						Committee									
Annual retainer				Member	Attendance fee per board meeting*	Audit and risk		Social and ethics		Remuneration		Nomination/ Investment		Technical	
R'000	Chairman	Deputy chair	LID**			Chairman	Member	Chairman	Member	Chairman	Member	Chairman	Member	Chairman	Member
Current	933	416	315	212	11.0	233	117	185	93	185	93	185	93	185	93
Proposed	985	439	333	224	17.6	246	124	196	100	196	100	196	100	196	100

* Only payable for board meetings attended

** Lead independent director

Ad hoc fees: R15 000 per ad hoc meeting/attendance to company business per day

The percentage of voting rights required for special resolution number 1 to be adopted: at least 75% (seventy-five percent) of the voting rights exercised on the resolution by shareholders of the Company present at the annual general meeting or represented by proxy and entitled to exercise voting rights on special resolution number 1.

ELECTRONIC PARTICIPATION

Should any shareholder of the Company wish to participate in the annual general meeting by way of electronic participation (which includes a teleconference call), that shareholder is obliged to apply in writing (including details on how the shareholder or its representative can be contacted) to the transfer secretaries at the address set out below at least 5 (five) business days prior to the annual general meeting. Shareholders who wish to participate in the annual general meeting by dialing in must note that they will not be able to vote electronically. Should such shareholders of the Company wish to have their votes counted at the annual general meeting, they are welcome to cast their votes via representation at the annual general meeting either by proxy or by letter of representation, as provided for in this notice of the annual general meeting. The costs of accessing any means of electronic participation provided by the Company will be borne by the shareholder of the Company. The Company cannot be held liable for any loss, damage, penalty or claim arising in any way from using the telecommunication facility whether or not as a result of any act or omission on the part of the Company or anyone else.

IDENTIFICATION, PROXIES AND VOTING

Shareholders are reminded that -

- a shareholder eligible to attend and vote at the annual general meeting is entitled to appoint a proxy (or proxies) to attend, participate in and vote at the annual general meeting in place of the shareholder. Shareholders are referred to the proxy form attached to this notice in this regard;
- a proxy need not also be a shareholder of the Company;
- in terms of section 63(1) of the Act, any person attending or participating in a meeting of shareholders must present reasonably satisfactory identification and the person presiding at the general meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as shareholder or as proxy for a shareholder) has been reasonably verified. Acceptable forms of verification include a green bar-coded or smart card identification document issued by the South African Department of Home Affairs, a South African driver's licence or a valid passport; and
- this notice of meeting includes the attached form of proxy.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

All beneficial owners whose shares have been dematerialised through a central securities depository participant or broker other than with 'own name' registration, must provide the central securities depository participant or broker with their voting instructions in terms of their custody agreement should they wish to vote at the annual general meeting. Alternatively, they may request the central securities depository participant or broker to provide them with a letter of representation, in terms of their custody agreements, should they wish to attend the annual general meeting.

Unless you advise your central securities depository participant or broker, in terms of your agreement, by the cut-off time stipulated therein, that you wish to attend the annual general meeting or send a proxy to represent you, your central securities depository participant or broker may assume that you do not wish to attend the annual general meeting or send a proxy.

Forms of proxy (enclosed) must be dated and signed by the shareholder of the Company appointing a proxy and must be received at the offices of the transfer secretaries, Link Market Services South Africa Proprietary Limited, by no later than 11:00 (SA time) on Wednesday, 23 November 2016.

In compliance with section 58(8)(b)(i) of the Act, a summary of the rights of a shareholder to be represented by proxy is set out immediately below:

- An ordinary shareholder entitled to attend and vote at the annual general meeting may appoint any individual (or individuals) as a proxy/ies to attend, participate in and vote at the annual general meeting in the place of such shareholder. A proxy need not be a shareholder of the Company.
- A proxy appointment must be in writing, dated and signed by the shareholder of the Company appointing a proxy and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the annual general meeting.
- A proxy may delegate its authority to act on behalf of a shareholder of the Company to another person, subject to any restrictions set out in the instrument appointing the proxy.
- Irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the shareholder of the Company who appointed such proxy chooses to act directly and in person in exercising any rights as a shareholder of the Company.
- Unless the proxy appointment expressly provides otherwise, the appointment of a proxy is revocable by the shareholder of the Company in question cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder of the Company as of the later of (a) the date stated in the revocation instrument, if any; and (b) the date on which the revocation instrument is delivered to the Company as required in the first sentence of this paragraph.
- If the instrument appointing the proxy or proxies has been delivered to the Company, as long as that appointment remains in effect, any notice required by the Act or the Company's memorandum of incorporation to be delivered by the Company to the shareholder of the Company, must be delivered by the Company to (a) the shareholder of the Company, or (b) the proxy or proxies, if the shareholder of the Company has (i) directed the Company to do so in writing; and (ii) paid any reasonable fee charged by the Company for doing so.
- Attention is also drawn to the notes to the form of proxy.
- Completing a form of proxy does not preclude any shareholder of the Company from attending the annual general meeting.

By order of the Board

Harmony Gold Mining Company Limited

R Bisschoff
Company secretary
Randfontein

26 October 2016

ANNUAL GENERAL MEETING – EXPLANATORY NOTES

Presentation of annual financial statements

At the annual general meeting, the directors must present the annual financial statements for the year ended 30 June 2016 to shareholders as required in terms of section 30(3)(d) of the Act, together with the reports of the directors, audit and risk committee and the auditors. These are included in the integrated annual report and the financial report.

Presentation of group social and ethics committee report

At the annual general meeting, the social and ethics committee must report, through one of its members, on matters within its mandate as required in terms of Regulation 43(5)(c) of the Act.

Ordinary resolutions 1 to 4: Re-election of directors

In accordance with the Company's memorandum of incorporation, one-third of directors are required to retire at each annual general meeting and may offer themselves for re-election.

The following directors are eligible and available for re-election:

- Cathie Markus
- Karabo Nondumo
- Vishnu Pillay
- Andre Wilkens

See their resumés on pages 24 to 27 of this report.

Ordinary resolutions 5 to 9: Election of audit and risk committee

In terms of section 94(2) of the Act, a public company must at each annual general meeting elect an audit committee comprising of at least 3 (three) members who are directors and who meet the criteria of section 94(4) of the Act. Regulation 42 to the Act specifies that one third of the members of the audit committee must have appropriate academic qualifications or experience in the areas as listed in the regulation.

The Board is satisfied that the proposed members of the audit and risk committee meet all relevant requirements.

Ordinary resolution 10: Re-appointment of external auditors

PricewaterhouseCoopers Incorporated has indicated its willingness to continue in office and ordinary resolution 10 proposes the reappointment of that firm as the Company's auditors. Section 90(3) of the Act requires the designated auditor to meet the criteria as set out in section 90(2) of the Act.

The Board is satisfied that both PricewaterhouseCoopers Incorporated and the designated audit partner meet all relevant requirements.

Ordinary resolution 11: Remuneration policy

The King Report on Corporate Governance for South Africa, 2009 (King III) recommends that the remuneration policy of the Company be submitted to shareholders for consideration and for an advisory, non-binding vote to give shareholders an opportunity to indicate their support for or opposition to the material provisions of the remuneration strategy.

Ordinary resolution number 12: General authority to issue shares for cash

Ordinary resolution number 12 seeks to give the directors authority to issue the Company's listed securities for cash (or the extinction of a liability, obligation or commitment, restraint, or settlement of expenses) as permitted by the Act, the Company's memorandum of incorporation and the JSE Listings Requirements.

The Board confirms that there is no specific intention to use this authority as at the date of this notice of annual general meeting.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

Ordinary resolution number 13: Amendments to the share plan

The Board has approved the adoption and implementation, subject to shareholder approval, of a minimum shareholding requirement. The minimum shareholding requirement is intended to encourage eligible participants to hold vested shares after vesting. This is aimed at aligning executive behaviour with shareholder's interests.

In this regard, the following is a high level summary of the terms of the minimum shareholding requirement –

1. the minimum shareholding requirement will apply compulsorily to all awards of performance shares made on or after the adoption of the minimum shareholding requirement for as long the target minimum shareholding requirement has not been met;
2. the minimum shareholding requirement will apply to employees who are an executive director (being the chief executive officer, financial director and any other director who is an employee) or an executive manager;
3. executive directors will be required to hold from time to time, a target minimum shareholding value (expressed in rand) equal to a minimum of 200% (two hundred percent) of such executive director's cost to company. Executive managers will be required to hold from time to time, a target minimum shareholding value (expressed in rand) equal to a minimum of 100% (one hundred percent) of such executive manager's cost to company;
4. an executive director or executive manager will be required to build-up to his/her target minimum shareholding value ("target threshold"), as follows –
 - 4.1. for executive directors, 100% (one hundred percent) of all performance shares which vest shall be locked-up in terms of the minimum shareholding requirement until the target threshold is reached; and
 - 4.2. for executive managers, 50% (fifty percent) of all performance shares which vest shall be locked-up in terms of the minimum shareholding requirement until the target threshold is reached;
5. the value of the locked-up performance shares is determined as at the date of lock-up by reference to the applicable volume weighted average price of such shares. Such value is increased yearly by the consumer price index;
6. for every performance share that is locked-up, the Company will match the locked-up performance share with an additional performance share. A locked-up share may not be traded;
7. once the target threshold is reached, an executive director or executive manager can continue to voluntarily lock-up shares, subject to a maximum value of double the target threshold; and
8. the minimum shareholding requirement ceases to apply on a fault or no fault termination but on a fault termination, the matched shares fall away.

The Company also wishes to amend the formula applicable to determining the maximum number of performance shares to be awarded to participants on termination of employment under the Harmony share plan. For all awards prior to 25 November 2016, the shares are adjusted as if the group had met only the target performance criteria or adjusted based on the actual achievement against the applicable performance criteria as at the date of termination of employment, whichever is more favourable to the participant. For all awards after 25 November 2016, the shares are adjusted based on the actual achievement against the applicable performance criteria as at the date of termination of employment.

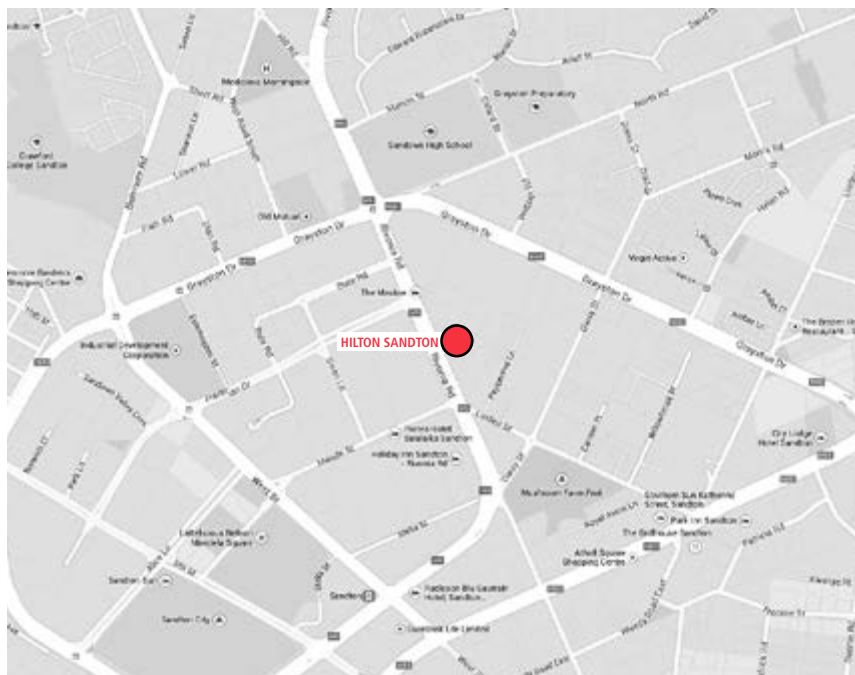
Special resolution 1: Non-executive directors' remuneration

In terms of section 66(8) read with section 66(9) of the Act, companies may pay remuneration to directors for their services as directors unless otherwise provided by the memorandum of incorporation and on approval of shareholders by way of a special resolution. Executive directors are not specifically remunerated for their services as directors but as employees of the Company and, as such, the resolution as included in this notice requests approval only for the remuneration paid to non-executive directors for their service as directors of the Company. The proposed fees are recommended for approval for a period of 2 (two) years from the date of this annual general meeting or until such time as the non-executive directors' remuneration is amended by way of special resolution of shareholders, whichever comes first.

General

Shareholders and proxies attending the annual general meeting are reminded that section 63(1) of the Act requires that reasonably satisfactory identification be presented for such shareholder or proxy to be allowed to attend or participate in the meeting.

DIRECTIONS TO **ANNUAL GENERAL MEETING**



Annual General Meeting venue:
Hilton Sandton

GPS Coordinates

-26.101516
28.059487

138 Rivonia Road • Sandton • 2146
Tel: +27 (0) 11 322 1888

DIRECTIONS

From OR Tambo International

- Take the R24 JOHANNESBURG highway
- Take the N12/N3 NORTH highway
- Take the MARLBORO ROAD turn off
- At the traffic light, turn left and carry on until you see a “Shell” petrol/gas station on your left
- Turn right into SOUTH ROAD and carry on this road until you reach a T-junction (which will bring you to RIVONIA ROAD)
- Turn left into RIVONIA ROAD
- You will pass the Southern Sun Grayston Hotel on your left, followed by an apartment block
- HILTON SANDTON is directly after these two buildings, also on your left

From Pretoria

- Take the N1 to Johannesburg, then the M1
- Take the GRAYSTON offramp, turn right into GRAYSTON DRIVE
- Turn left into RIVONIA ROAD (McDonalds on your right)
- You will pass the Southern Sun Grayston Hotel on your left, followed by an apartment block
- HILTON SANDTON is directly after these two buildings, also on your left

This image shows a full page of blank white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page, providing a template for writing or drawing. There are no margins, text, or other markings present.

FORM OF PROXY

To be completed by certificated shareholders and dematerialised shareholders with 'own name' registration only



HARMONY GOLD MINING COMPANY LIMITED

Incorporated in the Republic of South Africa

Registration number: 1950/038232/06 (Harmony or Company)

JSE share code: HAR

NYSE share code: HMY

ISIN code: ZAE 000015228

For completion by registered holders of certificated shares in the Company and the holders of dematerialised shares in the Company in 'own-name' form who are unable to attend the annual general meeting of the Company to be held at the Hilton Hotel, 138 Rivonia Road, Sandton, Johannesburg, South Africa (see map on inside back cover), on Friday, 25 November 2016 at 11:00 (SA time) or at any adjournment thereof ("annual general meeting").

Holders of shares in the Company (whether certificated or dematerialised) through a nominee must not complete this form of proxy but should timeously inform that nominee, or, if applicable, their participant or stockbroker of their intention to attend the annual general meeting and request such nominee, participant or stockbroker to issue them with the necessary letter of representation to attend or provide such nominee, participant or stockbroker with their voting instructions should they not wish to attend the annual general meeting in person but wish to be represented by proxy at the meeting. Such ordinary shareholders must not return this form of proxy to the transfer secretaries.

Each shareholder is entitled to appoint a proxy (who need not be a member of the Company) to attend, speak and vote in place of that shareholder at the annual general meeting. Please read the notes to this form of proxy below.

I/We (please print names in full)	
of (address)	
Telephone/Cellphone number:	Email address:
being the holder/s of	shares in the Company, do hereby appoint:
1	or, failing him/her
2	or, failing him/her

the chairman of the annual general meeting, as my/our proxy to attend, speak and, on a poll or ballot, vote for me/us and on my/our behalf at this annual general meeting of members or at any postponement or adjournment thereof, and to vote or to abstain from voting at the annual general meeting as follows on the ordinary and special resolutions to be proposed at such meeting:

ORDINARY RESOLUTIONS	FOR	AGAINST	ABSTAIN
1. Ordinary resolution 1: To re-elect Cathie Markus as a director of the Company			
2. Ordinary resolution 2: To re-elect Karabo Nondumo as a director of the Company			
3. Ordinary resolution 3: To re-elect Vishnu Pillay as a director of the Company			
4. Ordinary resolution 4: To re-elect Andre Wilkens as a director of the Company			
5. Ordinary resolution 5: To re-elect John Wetton as a member of the audit and risk committee of the Company			
6. Ordinary resolution 6: To re-elect Fikile De Buck as a member of the audit and risk committee of the Company			
7. Ordinary resolution 7: To re-elect Simo Lushaba as a member of the audit and risk committee of the Company			
8. Ordinary resolution 8: To re-elect Modise Motloba as a member of the audit and risk committee of the Company			
9. Ordinary resolution 9: To re-elect Karabo Nondumo as a member of the audit and risk committee of the Company			
10. Ordinary resolution 10: To re-appoint the external auditors of the Company			
11. Ordinary resolution 11: To approve the Company's remuneration policy			
12. Ordinary resolution 12: General authority to issue shares for cash			
13. Ordinary resolution 13: Amendments to the share plan			
SPECIAL RESOLUTION			
14. Special resolution 1: To approve non-executive directors' remuneration			

Please indicate with an 'X' or a tick in the appropriate spaces above how you wish your votes to be cast. If no indication is given, the proxy may vote or abstain as he/she sees fit. However, if you wish to cast your votes in respect of a lesser number of shares than you own in the Company, insert the number of shares held in respect of which you desire to vote (see note 5 overleaf).

Signed at	this	day of	2016
Signature			
Assisted by me, where applicable (name and signature)			

Completed forms of proxy must be lodged with Link Market Services South Africa Proprietary Limited by no later than 11:00 on **Wednesday, 23 November 2016.**

Please read the notes and instructions on the reverse side.

NOTES

1. A form of proxy is only to be completed by those ordinary shareholders who are:
 - registered holders of ordinary shares in certificated form; or
 - holders of dematerialised shares of the Company in their own name.
2. If you have already dematerialised your ordinary shares through a central securities depository participant (CSDP) or broker and wish to attend the annual general meeting, you must request your CSDP or broker to provide you with a letter of representation or instruct your CSDP or broker to vote by proxy on your behalf in terms of the agreement entered into between yourself and your CSDP or broker.
3. A shareholder entitled to attend and vote at the annual general meeting may insert the name of a proxy or the names of two or more alternate proxies of the member's choice in the space provided, with or without deleting "the chairman of the annual general meeting". The person whose name stands first on the form of proxy and who is present at the annual general meeting of shareholders will be entitled to act as proxy to the exclusion of such proxy(ies) whose name/s follow.
4. On a show of hands, a member of the Company present in person or by proxy will have one (1) vote irrespective of the number of shares he/she holds or represents, provided that a proxy will, irrespective of the number of members he/she represents, have only one (1) vote. On a poll, a member who is present or represented by proxy will be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by him/her bears to the aggregate amount of the nominal value of all the shares issued by the Company.
5. A member's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the member in the appropriate box. If an "X" (cross) or a tick has been inserted in one of the blocks to a particular resolution, it will indicate the voting of all the shares held by the shareholder concerned. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the member's exercisable votes. A member or the proxy is not obliged to use all the votes exercisable by the member or by the proxy, but the total of votes cast and in respect of which abstention is recorded may not exceed the total of votes exercisable by the member or by the proxy.
6. Forms of proxy (enclosed) must be dated and signed by the shareholder appointing a proxy and must be received at the offices of the transfer secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000, fax number: +27 86 674 2450, email: meetfax@linkmarketservices.co.za) by no later than 11:00 (SA time) on Wednesday, 23 November 2016 (or 48 (forty-eight) hours before any adjournment of the annual general meeting).
7. Completing and lodging this form of proxy will not preclude the relevant member from attending the annual general meeting and speaking and voting in person to the exclusion of any proxy appointed in terms hereof.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity or other legal capacity must be attached to this form of proxy, unless previously recorded by the transfer secretaries or waived by the chairman of the annual general meeting.
9. The completion of blank spaces overleaf need not be initialled or signed. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
10. Despite the foregoing, the chairman of the annual general meeting may waive any formalities that would otherwise be a prerequisite for a valid proxy.
11. If any shares are jointly held, all joint members must sign this form of proxy. If more than one of those members is present at the annual general meeting either in person or by proxy, the person whose name appears first in the register will be entitled to vote.
12. A shareholder's authorisation to the proxy including the chairman of the annual general meeting, to vote on such shareholder's behalf, will be deemed to include the authority to vote on procedural matters at the annual general meeting.
13. The chairman of the annual general meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with the Companies Act 71 of 2008, the Company's memorandum of incorporation and these notes.
14. A vote given in terms of an instrument of proxy will be valid in relation to the annual general meeting despite the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the shares in respect of which the proxy is given, unless notice on any of the noted matters has been received by the transfer secretaries not less than 48 (forty eight) hours before the start of the annual general meeting.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the safe harbour provided by Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended, with respect to our financial condition, results of operations, business strategies, operating efficiencies, competitive positions, growth opportunities for existing services, plans and objectives of management, markets for stock and other matters. These include all statements other than statements of historical fact, including, without limitation, any statements preceded by, followed by, or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "should", "could", "estimates", "forecast", "predict", "continue" or similar expressions or the negative thereof.

These forward-looking statements, including, among others, those relating to our future business prospects, revenues and income, wherever they may occur in this report and the exhibits to this report, are essentially estimates reflecting the best judgment of our senior management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this report. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation: overall economic and business conditions in South Africa, Papua New Guinea, Australia and elsewhere, estimates of future earnings, and the sensitivity of earnings to the gold and other metals prices, estimates of future gold and other metals production and sales, estimates of future cash costs, estimates of future cash flows, and the sensitivity of cash flows to the gold and other metals prices, statements regarding future debt repayments, estimates of future capital expenditures, the success of our business strategy, development activities and other initiatives, estimates of reserves statements regarding future exploration results and the replacement of reserves, the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions, fluctuations in the market price of gold, the occurrence of hazards associated with underground and surface gold mining, the occurrence of labour disruptions, power cost increases as well as power stoppages, fluctuations and usage constraints, supply chain shortages and increases in the prices of production inputs, availability, terms and deployment of capital, changes in government regulation, particularly mining rights and environmental regulation, fluctuations in exchange rates, the adequacy of the group's insurance coverage and socio-economic or political instability in South Africa and Papua New Guinea and other countries in which we operate.

For a more detailed discussion of such risks and other factors (such as availability of credit or other sources of financing), see the company's latest Integrated Annual Report on Form 20-F which is on file with the Securities and Exchange Commission, as well as the Company's other Securities and Exchange Commission filings. The company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this annual report or to reflect the occurrence of unanticipated events, except as required by law.

DIRECTORATE AND ADMINISTRATION

HARMONY GOLD MINING COMPANY LIMITED

Harmony Gold Mining Company Limited was incorporated and registered as a public company in South Africa on 25 August 1950

Registration number: 1950/038232/06

Corporate office

Randfontein Office Park
PO Box 2, Randfontein, 1760
South Africa
Corner Main Reef Road and Ward Avenue
Randfontein, 1759
South Africa

Telephone: +27 11 411 2000
Website: www.harmony.co.za

DIRECTORS

PT Motsepe* (chairman)
FFT De Buck*^ (lead independent director)
JM Motloba*^ (deputy chairman)
PW Steenkamp (chief executive officer)
F Abbott (financial director)
JA Chissano*¹^
KV Dicks*^
Dr DSS Lushaba*^
CE Markus*^
HE Mashego**
M Msimang*^
KT Nondumo*^
VP Pillay*^
JL Wetton*^
AJ Wilkens*

* Non-executive

** Executive

^ Independent

¹ Mozambican

INVESTOR RELATIONS

E-mail: harmonyIR@harmony.co.za

Marian van der Walt

Executive: Corporate and Investor Relations
Telephone: +27 11 411 2037
Fax: +27 86 614 0999
Mobile: +27 82 888 1242
E-mail: marian@harmony.co.za

COMPANY SECRETARY

Riana Bisschoff

Telephone: +27 11 411 6020
Fax: +27 11 696 9734
Mobile: +27 83 629 4706
E-mail: riana.bisschoff@harmony.co.za

TRANSFER SECRETARIES

Link Market Services South Africa (Proprietary) Limited

(Registration number 2000/007239/07)
13th Floor, Rennie House,
Ameshoff Street, Braamfontein
PO Box 4844
Johannesburg, 2000
South Africa

Telephone: +27 86 154 6572
E-mail: info@linkmarketservices.co.za
Fax: +27 86 674 2450

ADR* 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
E-mail queries: db@amstock.com

Toll free: +1-800-937-5449
Int: +1-718-921-8137
Fax: +1-718-765-8782

*ADR: American Depositary Receipts

SPONSOR

JP Morgan Equities South Africa (Pty) Ltd
1 Fricker Road, corner Hurlingham Road
Illovo, Johannesburg, 2196
Private Bag X9936, Sandton, 2146

Telephone: +27 11 507 0300
Fax: +27 11 507 0503

TRADING SYMBOLS

JSE Limited: HAR
New York Stock Exchange, Inc.: HMY
Berlin Stock Exchange: HAM1
ISIN: ZAE 000015228