

OPERATIONAL PERFORMANCE

Unisel

		FY17	FY16	FY15
Number of employees				
– Permanent		1 839	1 817	1 809
– Contractors		152	128	114
Total		1 991	1 945	1 923
Operational				
Volumes milled	(000t) (metric)	394	424	417
	(000t) (imperial)	436	467	460
Gold produced	(kg)	1 595	1 704	1 695
	(oz)	51 280	54 785	54 495
Gold sold	(kg)	1 590	1 705	1 715
	(oz)	51 120	54 817	55 138
Grade	(g/t)	4.05	4.02	4.06
	(oz/t)	0.118	0.117	0.118
Productivity	(g/TEC)	73.56	77.43	77.82
Development results				
Total metres		3 647	3 145	5 177
Reef metres		1 575	1 917	2 816
Financial				
Revenue	(Rm)	915	925	770
	(US\$m)	67	64	67
Average gold price received	(R/kg)	575 650	542 487	449 082
	(US\$/oz)	1 317	1 164	1 220
Cash operating cost	(Rm)	839	754	674
	(US\$m)	62	52	59
Production profit/(loss)	(Rm)	77	171	88
	(US\$m)	6	12	7
Capital expenditure	(Rm)	78	62	99
	(US\$m)	6	4	9
Cash operating cost	(R/kg)	525 732	442 359	397 615
	(US\$/oz)	1 203	949	1 080
All-in sustaining cost	(R/kg)	591 913	496 099	469 246
	(US\$/oz)	1 354	1 064	1 275
Safety				
Number of fatalities		0	0	1
Lost-time injury frequency rate per million hours worked		13.57	9.61	8.74
Environment				
Electricity consumption	(GWh)	112	112	109
Water consumption – primary activities	(ML)	441	563	519
Greenhouse gas emissions	(000t CO ₂ e)	112	113	112
Intensity data per tonne treated				
– energy		0.28	0.26	0.26
– water		1.12	1.33	1.25
– greenhouse gas emissions		0.28	0.26	0.27
Number of reportable environmental incidents		0	0	0
Community				
Local economic development*	(Rm)	5	4	19
Training and development	(Rm)	24	23	21

* Included in the total for FY15 is an amount of R15 million that was capitalised as part of the hostel upgrades (FY16: R0 million, FY17: R0 million)

Unisel *continued*

Other salient features

Status of operation	Mature operation reaching the end of its life of mine. Mining of safety pillars to begin in FY18
Life of mine	5 years
Nameplate hoisting capacity (per month)	63 000 tonnes (69 000 tons)
Compliance and certification	New order mining right – December 2007 ISO 9001

Mineral reserves as at 30 June 2017

Reserves (metric)	Proved reserves			Probable reserves			Total mineral reserves		
	Tonnes (Mt)	Grade (g/t)	Gold (000kg)	Tonnes (Mt)	Grade (g/t)	Gold (000kg)	Tonnes (Mt)	Grade (g/t)	Gold (000kg)
	1.2	4.56	5	0.9	4.60	4	2.0	4.58	9
Reserves (imperial)	Tons (Mt)	Grade (oz/t)	Gold (000oz)	Tons (Mt)	Grade (oz/t)	Gold (000oz)	Tons (Mt)	Grade (oz/t)	Gold (000oz)
	1.3	0.133	170	1.0	0.134	131	2.3	0.134	302

Unisel is located in the Free State Province, near Virginia, about 270km from Johannesburg. Mining is conducted to a depth of 2 153m below surface. Conventional scattered mining and pillar reclamation take place to access the Basal, Leader and, to a lesser extent, the Middle reefs. Ore mined is processed at Harmony One plant.

Unisel is nearing the end of its operating life and is Harmony's oldest operating mine. Unisel's ageing infrastructure presents significant challenges to the mine's operational flexibility and to the maintenance of production. From FY18 mining will focus on targeted areas of the shaft pillar and continue for an estimated three years.

In May 2017, Unisel achieved one million fatality-free shifts, with FY17 being the second consecutive year without a fatality.

Gold production declined by 6% to 1 595kg (51 280oz) in FY17 mainly as ore milled decreased by 7% to 394 000 tonnes (436 000 tons). While the recovered gold grade increased by 1% to 4.05g/t (0.118oz/t). The decrease in gold production offset the 6% increase in the average rand gold price received (to R575 650/kg), which resulted in a 1% decrease in revenue to R915 million (5% increase to US\$67 million). Unplanned infrastructure disruptions in the main shaft and decline sections affected production.

Cash operating costs increased by 11% to R839 million (increased by 19% to US\$62 million), mainly due to increased labour costs related to wage increases and once-off special bonuses, increased repair and maintenance expenditure and associated overtime.

Capital expenditure increased by 26% to R78 million (increased by 50% to US\$6 million) mainly due to the purchase and installation of a replacement of the man winder motor and capital repairs to the replaced unit which is available as a spare unit.