REPORT TO SHAREHOLDERS NOTICE OF MEETING AND SUMMARISED FINANCIAL STATEMENTS 2017

Harmony Gold Mining Company Limited (Harmony), a gold mining and exploration company with 67 years of experience, has operations 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 regions. At Harmony, we understand the impact that our company has on the lives of the people we employ, the communities that surround our mines and the environment, as well as the economic contribution that we make to the countries in which we operate.

KEY FEATURES

YEAR-ON-YEAR

FIFTH CONSECUTIVE ANNUAL INCREASE IN UNDERGROUND GRADE RECOVERED
(FY17: 5.07g/t) (FY16: 5.02g/t)

PRODUCTION GUIDANCE MET FOR SECOND CONSECUTIVE YEAR
(FY17: 1.088Moz) (FY16: 1.082Moz)

NET DEBT REDUCED TO R887 million (US$68 million) (FY16: R1.08 billion, US$74 million)

HEDGING STRATEGY SECURES CASH MARGINS (FY17: R1.7 billion (US$126 million) realised)

HEADLINE EARNINGS PER SHARE UP 35%
298 SA CENTS (21 US cents)
(FY16: 221 SA cents (15 US cents))

TOTAL DIVIDEND DECLARED FOR THE YEAR OF
85 SA CENTS (7 US cents)

HARMONY™

OUR REPORTS ONLINE

Harmony's full set of 2017 reports and supporting documents are available at *www.har.co.za*.

The electronic reports are interactive pdfs, with links to sections within the document and to external websites. The interactive links are indicated by text in red italics.

THE CARBON PROTOCOL • CARBON NEUTRAL APPROVED •

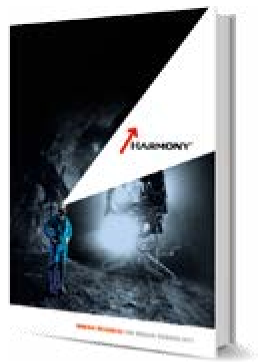
OUR 2017 REPORTS

Our suite of reports for the financial year 2017 (FY17) records our activities and the progress we have made for the year running from 1 July 2016 to 30 June 2017. This full suite of reports includes:

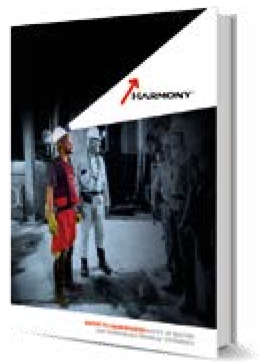
Integrated Annual Report 2017

Financial Report 2017

Mineral Resources and Mineral Reserves 2017



Report to Shareholders 2017



These reports are available as pdfs at *www.har.co.za*, our reporting website. More detailed information on Harmony's environmental, socio-economic and governance performance is available at *www.harmony.co.za*.

Harmony included in the FTSE4Good Index Series

FTSE4Good

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Harmony has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

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CORPORATE PROFILE

WHO WE ARE

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. With 67 years of experience, Harmony is South Africa's third largest gold producer.

Headquartered in Randfontein, South Africa, Harmony is listed on the Johannesburg Stock Exchange and on the New York Stock Exchange, on which its shares are quoted as American Depositary Receipts.

WHERE WE OPERATE

In **South Africa**, our nine underground operations are on the world-renowned Witwatersrand Basin – two on the West Rand and seven in the Free State, in the southern portion of the Basin. In addition, we have an open-pit mine on the Kraaipan Greenstone Belt as well as several surface operations.

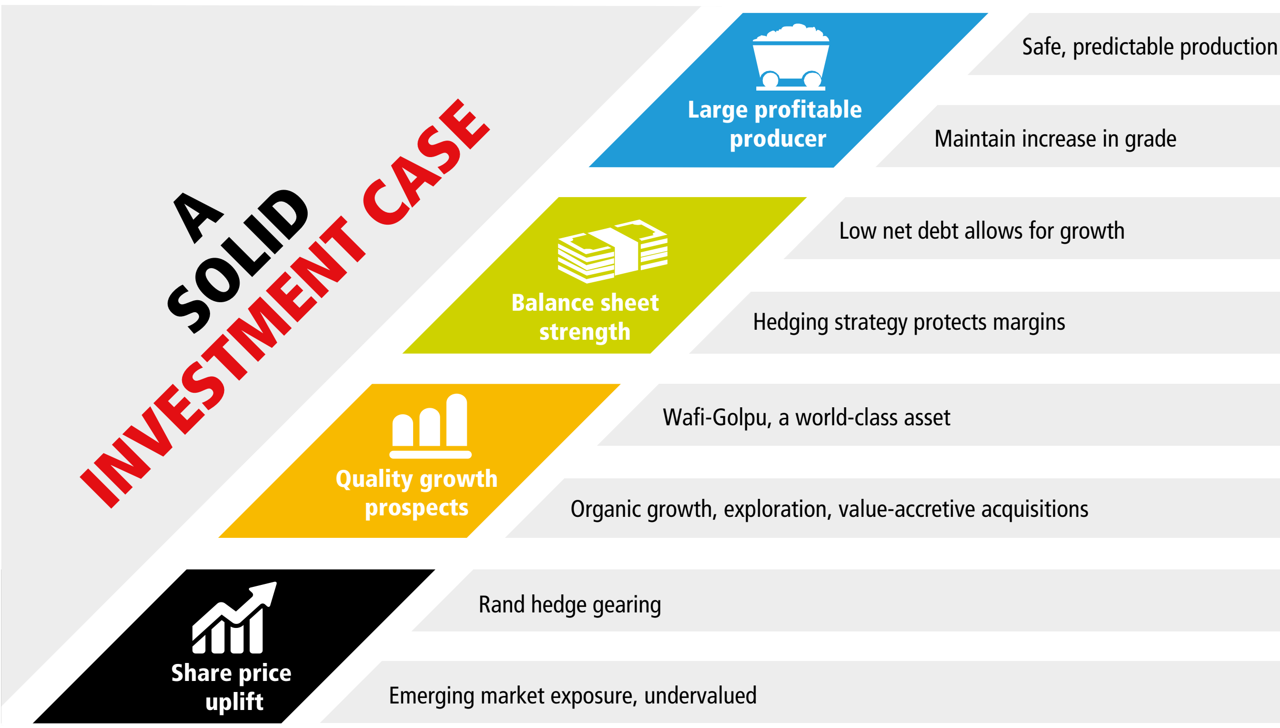
In **Papua New Guinea,** Hidden Valley is a wholly-owned open-pit gold and silver mine. Our significant gold-copper portfolio includes the wholly-owned Kili Teke prospect in the Western Highlands and a 50% stake in the Wafi-Golpu project in Morobe Province, through a 50:50 joint venture with Newcrest Mining Limited (Newcrest).

HOW WE CREATE VALUE

Our business is to unlock and create value from the ore bodies that we own by safely, profitably and cost effectively extracting gold.

Our strategy is to mine profitable ounces, safely, and to increase our margins

Harmony's investment case



HOW WE PERFORMED

		FY17	FY16	FY15	FY14	FY13
Operating performance						
Ore milled	000t	**19 401**	18 373	18 063	18 784	18 373
Gold produced[1]	kg	**33 836**	33 655	33 513	36 453	35 374
	000oz	**1 088**	1 082	1 077	1 172	1 137
Operating costs	R/kg	**436 917**	392 026	369 203	328 931	324 979
	US$/oz	**1 000**	841	1 003	988	1 146
All-in sustaining costs[2]	R/kg	**516 687**	467 611	453 244	406 934	424 083
	US$/oz	**1 182**	1 003	1 232	1 223	1 495
Underground grade	g/t	**5.07**	5.02	4.75	4.77	4.54
Financial performance						
Revenue	R million	**19 264**	18 334	15 435	15 682	15 902
Production costs	R million	**14 812**	13 250	12 632	11 888	11 321
Production profit	R million	**4 452**	5 084	2 803	3 794	4 581
Operating margin	%	**23**	28	18	24	29
Net profit/(loss) for the year	R million	**362**	949	(4 536)	(1 270)	(2 349)
Total headline earnings/(loss) per share	SA cents	**298**	221	(189)	26	52
Capital expenditure[3]	R million	**3 890**	2 439	2 836	2 661	3 912
Exploration spend[4,5]	R million	**241**	191	263	458	673
Dividend paid[6]	R million	**439**	–	–	–	435
Net debt	R million	**(887)**	(1 083)	(2 332)	(1 031)	(449)
Market performance						
Average gold price received	R/kg	**570 164**	544 984	449 570	432 165	454 725
	US$/oz	**1 304**	1 169	1 222	1 299	1 603
Total market capitalisation	R billion	**9.5**	22.9	6.8	13.6	15.6
	US$ billion	**0.7**	1.6	0.56	1.3	1.6
Average exchange rate	R/US$	**13.60**	14.50	11.45	10.35	8.82
Reserves						
Gold and gold equivalents	Moz	**36.7**	36.9	42.6	49.5	51.5
Geographical distribution of gold reserves						
– South Africa	%	**44**	45	52	57	58
– Papua New Guinea	%	**56**	55	48	43	42
Safety						
Number of fatalities		**5**	10	9	22	10
FIFR – fatal injury frequency rate	per million hours worked	**0.07**	0.13	0.11	0.26	0.10
LTIFR – lost-time injury frequency rate	per million hours worked	**[17]7.21**	[7]6.23	[7]9.24	[7]7.54	[7]5.46
TIA – total injury and accidents	number of incidents	**[8]768**	[7]679	1 210	953	912
Health (South Africa)						
– Shifts lost due to occupational illness and injury		**24 026**	22 416	24 514	25 338	20 236
– Silicosis cases certified[9]		**[8]108**	[7]64	[7]197	[7]175	[7]185

[1] *Gold production of 364kg (11 713oz) capitalised in FY17. Zero gold production capitalised in FY16, FY15, FY14 and FY13*

[2] *Restated to include capitalised stripping for Kalgold*

[3] *Restated to include capitalised stripping for Kalgold and Hidden Valley*

[4] *As per income statement*

[5] *Total exploration spend including capitalised amounts are R438 million (US$32 million) (FY17), R433 million (US$30 million) (FY16), R385 million (US$34 million) ((FY15), R470 million US$45 million) (FY14) and R1.2 billion (US$136 million) (FY13)*

		FY17	FY16	FY15	FY14	FY13
People						
Total number of employees and contractors[10]		**33 201**	30 547	31 114	34 746	36 579
South Africa: Employees		**26 478**	25 861	26 000	28 991	30 867
Contractors		**4 512**	4 580	5 012	5 695	5 557
Papua New Guinea: Employees[10]		**1 300**	76	75	59	101
Contractors[10]		**911**	30	27	1	54
Employment equity (historically disadvantaged South Africans in management)[11]	%	[8] **61**	[7]60	[7]58	[7]46	[7]46
Number of people in single rooms[12]		[8] **7 266**	[7]7 252	[7]7 436	[7]1 678	[7]1 102
Number of people sharing accommodation		[8] **0**	[7]0	[7]0	[7]6 841	[7]8 629
Number of people in critical-skill positions trained[13]		[8] **75**	[7]68	[7]69	[7]56	[7]124
Community						
Group local economic development[14]	R million	[8] **27**	[7]18	[7]64	[7]77	88
Preferential procurement (BEE-compliant spend)	R million	[8] **4 461**	[7]3 794	[7]3 849	[7]3 442	[7]2 459
Total discretionary spend	R million	**5 685**	4 978	5 565	5 595	5 956
Preferential procurement spend	%	**78**	76	69	62	41
Environment						
Mineral waste (volume disposed)	000t	[8,16] **38 392**	[7]26 170	[7]24 659	[7]33 498	[7]32 807
Total electricity use	000MWh	[8,16] **2 629**	[7]2 597	[7]2 657	[7]2 798	[7]2 704
CO_2 emissions						
– Scope 1	000t CO_2e	[8] **111**	[7]56	[7]67	[7]75	94
– Scope 2	000t CO_2e	[8,16] **2 513**	[7]2 581	[7]2 686	[7]2 745	2 648
– Scope 3	000t CO_2e	[8,16] **445**	[7]615	[7]686	[7]661	617
Water used for primary activities[15]	000m^3	[8] **13 124**	[7]13 689	[7]14 614	[7]16 495	[7]18 556
Land rehabilitated	ha	[8] **100**	*	*	*	*
Funding/guarantees for rehabilitation and closure	R million	**3 072**	2 933	2 796	2 708	2 354

[6] Declared a dividend of 35 SA cents (3 US cents) post year end

[7] Assured by independent auditors in prior years – refer to https://www.harmony.co.za/investors/reporting/annual-reports

[8] 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

[9] 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

[10] Excluding employees from the Morobe Mining Joint Ventures. FY17 includes Hidden Valley employees and contractors

[11] 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

[12] 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)

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

[14] 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))

[15] Definition changed for FY13 to exclude fissure water from the reported figure

[16] Increases recorded in FY17, a result of acquisition in full of Hidden Valley which is now included at 100% versus 50% in preceding years

[17] We refer you to the Assurance report issued by SizweNtsalubaGobodo Inc. and their qualification on the limited assurance on the lost time injury frequency rate.

Inconsistencies were found in the hours worked used as input for the calculation of the lost-time injury frequency rate. Hours worked were manually obtained from our time and attendance systems on the reporting date. Thereafter, shift adjustments are made to these hours based on actual time worked, resulting in an inconsistency between the hours previously recorded and the updated hours. Harmony has developed and is in the process of implementing a computer-based system to improve the reporting of hours worked.

** Not previously assured*

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 2017 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 and the Companies Act of South Africa.

The directors are responsible for the preparation, integrity and fair presentation of the annual financial statements of the company and its subsidiaries. The annual financial statements have been prepared by Harmony Gold Mining Company Limited's corporate reporting team, headed by Herman Perry CA(SA). This process was supervised by the financial director, Frank Abbott CA(SA). 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 2017

REFERENCE

A full glossary of terms is available on the website, *www.har.co.za*

Throughout this report, "$" or "dollar" refers to US dollar, unless otherwise stated.

"K" refers to kina, the currency of Papua New Guinea.

"Moz" refers to million ounces and "Mt"refers to million tonnes.

All production volumes are in metric tonnes (t), unless specifically stated as imperial tons.

SUMMARISED CONSOLIDATED INCOME STATEMENTS

FOR THE YEARS ENDED 30 JUNE 2017

SA rand				US dollar	
2016	**2017**	***Figures in million***	**Notes**	**2017**	**2016**
18 334	**19 264**	Revenue	3	**1 416**	1 264
(15 786)	**(19 639)**	Cost of sales	4	**(1 448)**	(1 088)
(13 250)	**(14 812)**	Production costs		**(1 089)**	(914)
(2 170)	**(2 519)**	Amortisation and depreciation		**(185)**	(149)
43	**(1 718)**	(Impairment)/reversal of impairment of assets		**(131)**	3
(409)	**(590)**	Other items		**(43)**	(28)
2 548	**(375)**	**Gross profit/(loss)**		**(32)**	176
(409)	**(517)**	Corporate, administration and other expenditure		**(38)**	(28)
(191)	**(241)**	Exploration expenditure		**(18)**	(13)
446	**1 025**	Gains on derivatives	5	**75**	30
(802)	**(886)**	Other operating expenses	6	**(68)**	(54)
1 592	**(994)**	**Operating profit/(loss)**		**(81)**	111
–	**848**	Gain on bargain purchase	7	**60**	–
–	**(14)**	Loss on liquidation of subsidiaries		**(1)**	–
7	**(22)**	Profit/(loss) from associate		**(1)**	–
256	**268**	Investment income		**20**	17
(274)	**(234)**	Finance costs		**(17)**	(19)
1 581	**(148)**	**Profit/(loss) before taxation**		**(20)**	109
(632)	**510**	Taxation	8	**37**	(43)
949	**362**	**Net profit for the year**		**17**	66
		Attributable to:			
949	**362**	Owners of the parent		**17**	66
		Earnings per ordinary share (cents)			
218	**82**	**Total earnings**	9	**4**	15
		Diluted earnings per ordinary share (cents)			
213	**79**	**Total diluted earnings**	9	**4**	15

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 2017

SA rand			US dollar	
2016	**2017**	***Figures in million***	**2017**	**2016**
949	**362**	Net profit for the year	**17**	66
143	**818**	Other comprehensive income/(loss) for the year, net of income tax	**309**	(375)
139	**821**	Items that may be reclassified subsequently to profit or loss	**309**	(375)
139	**(322)**	Foreign exchange translation gain/(loss)	**225**	(375)
		Remeasurement of rand gold hedging contracts		
–	**2 172**	Unrealised gain on rand gold contracts	**160**	–
–	**(433)**	Deferred tax thereon	**(32)**	–
–	**(728)**	Released to revenue	**(54)**	–
–	**145**	Deferred tax thereon	**11**	–
–	**(16)**	Released to gains on derivatives (hedge ineffectiveness)	**(1)**	–
–	**3**	Deferred tax thereon	**–**	–
4	**(3)**	Items that will not be reclassified to profit or loss:	**–**	–
4	**(3)**	Remeasurement of retirement benefit obligation	**–**	–
1 092	**1 180**	**Total comprehensive income/(loss) for the year**	**326**	(309)
		Attributable to:		
1 092	**1 180**	Owners of the parent	**326**	(309)

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

SUMMARISED CONSOLIDATED BALANCE SHEETS

FOR THE YEARS ENDED 30 JUNE 2017

SA rand				US dollar	
At 30 June 2016	At 30 June 2017	*Figures in million*	Notes	At 30 June 2017	At 30 June 2016
		ASSETS			
		Non-current assets			
29 919	**30 044**	Property, plant and equipment		**2 292**	2 033
870	**603**	Intangible assets		**46**	59
62	**64**	Restricted cash		**5**	4
2 496	**2 658**	Restricted investments		**203**	170
–	**46**	Investments in associates	10	**4**	–
5	**4**	Investments in financial assets		**–**	–
37	**38**	Inventories		**3**	3
172	**185**	Trade and other receivables		**14**	12
–	**306**	Derivative financial assets	11	**24**	–
33 561	**33 948**	**Total non-current assets**		**2 591**	2 281
		Current assets			
1 167	**1 127**	Inventories		**86**	79
17	**18**	Restricted cash		**1**	1
660	**1 003**	Trade and other receivables		**76**	44
369	**1 541**	Derivative financial assets	11	**117**	25
1 256	**1 246**	Cash and cash equivalents		**95**	85
3 469	**4 935**	**Total current assets**		**375**	234
37 030	**38 883**	**Total assets**		**2 966**	2 515
		EQUITY AND LIABILITIES			
		Share capital and reserves			
28 336	**28 336**	Share capital		**4 036**	4 036
4 252	**5 441**	Other reserves		**(1 255)**	(1 591)
(4 409)	**(4 486)**	Accumulated loss		**(547)**	(531)
28 179	**29 291**	**Total equity**		**2 234**	1 914
		Non-current liabilities			
2 413	**1 702**	Deferred tax liabilities		**130**	164
2 183	**2 638**	Provision for environmental rehabilitation		**201**	148
–	**917**	Provision for silicosis settlement	12	**70**	–
169	**179**	Retirement benefit obligation		**14**	11
2 039	**299**	Borrowings	13	**23**	139
16	**13**	Trade and other payables		**1**	1
6 820	**5 748**	**Total non-current liabilities**		**439**	463
		Current liabilities			
300	**1 834**	Borrowings	13	**140**	20
1 731	**2 010**	Trade and other payables		**153**	118
2 031	**3 844**	**Total current liabilities**		**293**	138
37 030	**38 883**	**Total equity and liabilities**		**2 966**	2 515

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 2017

	Number of ordinary shares issued[1]	Share capital	Share premium	Accumulated loss	Other reserves	Total
Figures in million (SA rand)						
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
– Shares 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**
Issue of shares						
– Exercise of employee share options	**2 657 720**					
Share-based payments	**–**	**–**	**–**	**–**	**371**	**371**
Net profit for the year	**–**	**–**	**–**	**362**	**–**	**362**
Other comprehensive income for the year	**–**	**–**	**–**	**–**	**818**	**818**
Dividends paid	**–**	**–**	**–**	**(439)**	**–**	**(439)**
Balance – 30 June 2017	**439 957 199**	**217**	**28 119**	**(4 486)**	**5 441**	**29 291**

	Number of ordinary shares issued[1]	Share capital	Share premium	Accumulated loss	Other reserves	Total
Figures in million (US dollar)						
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**
Issue of shares						
– Exercise of employee share options	**2 657 720**	**–**	**–**	**–**	**–**	**–**
Share-based payments	**–**	**–**	**–**	**–**	**27**	**27**
Net profit for the year	**–**	**–**	**–**	**17**	**–**	**17**
Other comprehensive income for the year	**–**	**–**	**–**	**–**	**309**	**309**
Dividends paid	**–**	**–**	**–**	**(33)**	**–**	**(33)**
Balance – 30 June 2017	**439 957 199**	**33**	**4 003**	**(547)**	**(1 255)**	**2 234**

[1] *Authorised: 1 200 000 000 (2016: 1 200 000 000) ordinary shares of 50 SA cents each.*

Included in the total of issued shares is an amount of 335 shares held by Lydenburg Exploration Limited, a wholly owned subsidiary of the company. The Tlhakanelo Employee Share Trust holds 28 507 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 2017

SA rand				US dollar	
2016	**2017**	***Figures in million***	**Notes**	**2017**	**2016**
		CASH FLOW FROM OPERATING ACTIVITIES			
4 659	**4 346**	Cash generated by operations		**320**	322
74	**75**	Interest received		**6**	5
(155)	**(79)**	Interest paid		**(6)**	(11)
(65)	**(538)**	Income and mining taxes paid		**(40)**	(4)
4 513	**3 804**	**Cash generated by operating activities**		**280**	312
		CASH FLOW FROM INVESTING ACTIVITIES			
(12)	**(1)**	Increase in restricted cash		**–**	(1)
39	**7**	Decrease in amounts invested in restricted investments		**1**	3
7	**–**	Loan to associate repaid		**–**	–
–	**459**	Cash on acquisition of Hidden Valley	7	**33**	–
(200)	**–**	Loan to ARM BBEE Trust		**–**	(14)
(1)	**–**	Additions to intangible assets		**–**	–
5	**42**	Proceeds from disposal of property, plant and equipment		**3**	–
(2 437)	**(3 890)**	Additions to property, plant and equipment		**(286)**	(168)
(2 599)	**(3 383)**	**Cash utilised by investing activities**		**(249)**	(180)
		CASH FLOW FROM FINANCING ACTIVITIES			
300	**699**	Borrowings raised	13	**54**	24
(2 045)	**(710)**	Borrowings paid	13	**(50)**	(138)
–	**(439)**	Dividends paid		**(33)**	–
(1 745)	**(450)**	**Cash utilised by financing activities**		**(29)**	(114)
20	**19**	**Foreign currency translation adjustments**		**8**	(21)
189	**(10)**	Net increase/(decrease) in cash and cash equivalents		**10**	(3)
1 067	**1 256**	Cash and cash equivalents – beginning of year		**85**	88
1 256	**1 246**	**Cash and cash equivalents – end of year**		**95**	85

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 2017

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 2017.

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 2017 (included in the Financial Report 2017 available at *www.har.co.za/17/download/HAR-FR17.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 R13.60 (2016: R14.50) 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 R13.11 (2016: R14.72) 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 REVENUE

SA rand			US dollar	
2016	**2017**	***Figures in million***	**2017**	**2016**
18 334	**18 536**	Gold sales	**1 363**	1 264
–	**728**	Hedging gain[1]	**53**	–
18 334	**19 264**	**Total revenue**	**1 416**	1 264

[1] *Relates to the realised effective portion of the Rand gold hedge. Refer to note 11 for further information.*

4 COST OF SALES

SA rand			US dollar	
2016	**2017**	***Figures in million***	**2017**	**2016**
13 250	**14 812**	Production costs (a)	**1 089**	914
2 092	**2 441**	Amortisation and depreciation of mining assets	**179**	144
78	**78**	Amortisation and depreciation of assets other than mining assets	**6**	5
(41)	**23**	Rehabilitation expenditure/(credit)	**2**	(3)
114	**109**	Care and maintenance costs of restructured shafts	**8**	8
16	**74**	Employment termination and restructuring costs	**5**	1
329	**391**	Share-based payments	**29**	23
(43)	**1 718**	Impairment/(reversal of impairment) of assets (b)	**131**	(3)
(9)	**(7)**	Other	**(1)**	(1)
15 786	**19 639**	**Total cost of sales**	**1 448**	1 088

(a) Production costs increased for 2017 as a result of increases in labour costs (annual increases and bonuses) and consumables together with the inclusion of 100% of Hidden Valley from November 2016.

(b) Impairment/(reversal of impairment) of assets:

SA rand			US dollar	
2016	**2017**	***Figures in million***	**2017**	**2016**
–	**785**	Target 1 (i)	**60**	–
–	**678**	Kusasalethu (ii)	**52**	–
–	**255**	Tshepong (iii)	**19**	–
466	**–**	Hidden Valley	**–**	32
(738)	**–**	Doornkop	**–**	(50)
229	**–**	Masimong	**–**	15
(43)	**1 718**	**Total impairment/(reversal on impairment) of assets**	**131**	(3)

The impairment assessment performed on all cash generating units resulted in an impairment loss of R1.7 billion for the 2017 financial year. The slight decrease in the gold price used in the life-of-mine plans, together with cost inflation, impacted negatively on margins. This, as well as increases in the discount rates used, contributed to the lower recoverable amounts. There were no reversals recorded in the 2017 financial year.

(i) In the 2017 financial year, an impairment of R785 million (US$59.9 million) was recorded for Target 1, resulting in a recoverable amount of R2.0 billion (US$152.5 million) using a discount rate of 10.8%. Information gained from the underground drilling during the year indicated that some areas of the bottom reef of the Dreyerskuil are highly channelised, which negatively impacted on the overall grade for the operation. These areas were subsequently excluded from the life-of-mine plan. This, together with the general pressure on margins, reduced the profitability of the operation over its life and contributed to the decrease in the recoverable amount.

(ii) In the 2017 financial year, an impairment of R678 million (US$51.7 million) was recorded for Kusasalethu mainly following a reduction in the additional attributable resource value as a result of a decrease in the ounces. The company investigated the viability of a decline to extend the life. The business case showed that the option was not feasible and therefore the resource ounces were reduced. The recoverable amount of the operation is R 2.8 billion (US$213.5 million) using a discount rate of 10.8%.

(iii) In the 2017 financial year, an impairment of R255 million (US$19.4 million) was recorded for Tshepong operations resulting in a recoverable amount of R7.8 billion (US$594.9 million) using a discount rate of 9.2%. Had the discount rate increased by 1%, an additional impairment of R284 million (US$21.7 million) would have been recognised. Due to the integration of Tshepong and Phakisa as of 1 July 2017, the two cash generating units (CGUs) were combined for impairment testing for the first time. The shafts have been integrated to take advantage of their close proximity, which allows for existing infrastructure to be optimised. The restriction on hoisting capacity at Phakisa will be addressed by hoisting through Tshepong. The integration proof-of-concept was completed during 2017 and the integrated life-of-mine plan approved during June 2017. The carrying amount of the combined CGU included goodwill of R581 million (US$44.3 million). The planned improvement to the environmental conditions at the operation resulted in additional capital expenditure, which impacted on the recoverable amount. The impairment has been allocated to the CGU's goodwill, which is included in intangible assets.

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.

4 COST OF SALES continued

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 the South African Code of Reporting Exploration Results, Mineral Resources and Mineral Reserves (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.

During the year under review, 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:

	2017	2016
US$ gold price per ounce	**1 200**	1 189
US$ silver price per ounce	**17.00**	17.80
Exchange rate (R/US$)	**13.61**	13.86
Exchange rate (PGK/US$)	**3.16**	3.10
Rand gold price (R/kg)	**525 000**	530 000

The post-tax real discount rate for Hidden Valley was 11.92% (2016: 11.77%) and the post-tax real discount rates for the South African operations ranged between 8.98% and 11.81% (2016: 8.43% and 11.48%), 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 assumption:

	South Africa		Hidden Valley	
US dollar per ounce	**2017**	**2016**	**2017**	**2016**
Measured	**32.69**	40.86	**n/a**	n/a
Indicated	**18.68**	23.35	**5.84**	5.84
Inferred	**4.67**	5.84	**5.84**	5.84

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 or increase in the commodity price used in the discounted cash flow models and the resource values used (with all other variables held constant) would have resulted in additional impairments and reversal of impairment as follows:

	- 10% decrease Additional impairment		+ 10% increase Reversal of impairment*	
Figures in million	**SA rand**	**US dollar**	**SA rand**	**US dollar**
Tshepong operations	3 439	262	n/a	n/a
Kusasalethu	1 374	105	n/a	n/a
Hidden Valley	1 041	79	1 694	129
Target 1	1 006	77	n/a	n/a
Doornkop	934	71	194	15
Masimong	395	30	92	7
Other surface operations	257	20	n/a	n/a
Unisel	221	17	n/a	n/a
Bambanani	128	10	n/a	n/a

** The increase would have resulted in Rnil impairment being recognised for the 2017 financial year.*

5 GAINS ON DERIVATIVES

Gains on derivatives include the fair value movements of derivatives which have not been designated as hedging instruments for hedge accounting purposes, the amortisation of day one gains and losses for derivatives and the hedging ineffectiveness. The day one adjustment arises from the difference between the contract price and market price on the day of the transaction.

SA rand			US dollar	
2016	**2017**	***Figures in million***	**2017**	**2016**
446	**1 103**	Derivative gain[1]	**81**	30
–	**16**	Hedge ineffectiveness[2]	**1**	–
–	**(94)**	Day one loss amortisation	**(7)**	–
446	**1 025**	**Total gains on derivatives**	**75**	30

[1] Relates primarily to foreign exchange collars (refer to note 11).
[2] Refer to note 11 for further information.

6 OTHER OPERATING EXPENSES

SA rand			US dollar	
2016	**2017**	***Figures in million***	**2017**	**2016**
(7)	**(42)**	Profit on sale of property, plant and equipment (a)	**(3)**	–
58	**74**	Social investment expenditure	**6**	4
64	**140**	Loss on scrapping of property, plant and equipment (b)	**10**	4
638	**(194)**	Foreign exchange translation (c)	**(14)**	43
–	**917**	Silicosis settlement provision (refer to note 12)	**70**	–
49	**(9)**	Other (income)/expenses – net (d)	**(1)**	3
802	**886**	**Total other operating expenses**	**68**	54

6 OTHER OPERATING EXPENSES continued

(a) The total for 2017 includes the sale of the Ernest Oppenheimer Hospital for R37 million (US$2.7 million).

(b) During the 2017 financial year, an amount of R140 million (US$10.3 million) resulted in derecognition of property, plant and equipment due to the abandonment of individual surface assets that are no longer core to the business or in use as no future economic benefits are expected from their use or disposal. The amount in 2016 of R64 million (US$4.4 million) relates to the abandonment of unprofitable areas in certain of the South African operations' life-of-mine plans.

(c) Refer to note 13 for details on the total for US$ revolving credit facility.

(d) The total for 2017 includes the provision for the loan to the ARM Broad Based Economic Empowerment Trust (ARM BBEE Trust) of R13 million (US$1.0 million)(2016: R33 million (US$2.2 million)). The total for 2016 includes the provision for the loans to ARM BBEE Trust and Rand Refinery (Pty) Ltd (Rand Refinery) of R25 million (US$1.6 million).

7 GAIN ON BARGAIN PURCHASE

ACQUISITION OF FULL OWNERSHIP OF HIDDEN VALLEY

Background prior to the transaction

The group had a 50% interest in the mining and exploration assets located in the Morobe province, PNG. Newcrest Mining Limited (Newcrest) owned the remaining 50% interest in these assets. The assets include the Hidden Valley mine and the Wafi-Golpu project. This partnership was formed during the 2009 financial year through a range of transactions and was completed by 30 June 2009. This partnership was considered a joint arrangement and accounted for as a joint operation.

Hidden Valley transaction

On 19 September 2016 Harmony announced the agreement to purchase Newcrest PNG 1 Ltd, the wholly owned subsidiary of Newcrest which holds Newcrest's 50% interest in the Hidden Valley joint venture, for a cash consideration of US$1. As part of the transaction, Newcrest made a once-off contribution of US$22.5 million (R309 million) towards Hidden Valley's future estimated environmental liability. The transaction was conditional upon certain regulatory approvals which were obtained on 25 October 2016 and Harmony gained control over Hidden Valley from this date.

The completion of the transaction gives Harmony 100% ownership of the Hidden Valley mine and surrounding exploration tenements. The acquisition of the additional 50% interest in the Hidden Valley mine is aligned with the group's growth aspirations. The Hidden Valley operation is an open-pit gold and silver mining operation which includes the processing plant. The mine reached commercial levels of production in the 2009 financial year. There is an established quality management team that has good relationships with key stakeholders including the community and a stable workforce. Full ownership of the mine has enabled management to commit to the re-investment of capital at the operation (previously delayed by the joint venture partners) and commence the stripping of stages 5 and 6 which will extend the life of mine of the operation.

Since the close of the transaction, the additional 50% interest in Hidden Valley contributed revenue of R583 million (US$43.6 million) and R52 million (US$3.9 million) profit to the group. If the acquisition had occurred on 1 July 2016, the group's unaudited consolidated revenue would have increased by R533 million (US$ 38.0 million) and profit would have decreased by R34 million (US$2.4 million).

IFRS does not currently provide guidance how to account for step-up transactions from joint operations to control and the group has elected to apply the principles and disclosure requirements of IFRS 3 Business Combinations to such transactions. The purchase price allocation was initially prepared on a provisional basis in accordance with IFRS 3.

No new information has been obtained since the acquisition date about facts and circumstances that existed at the acquisition date requiring adjustments to the below amounts, or any additional provisions that existed at the date of acquisition, and therefore accounting for the acquisition has been concluded.

CONSIDERATION TRANSFERRED

The cash consideration paid to acquire Newcrest's 50% interest in Hidden Valley amounted to US$1. The group acquired a cash balance of R459 million (US$33.1 million) which is presented within the cash flow statement as a net inflow of cash from investing activities. The cash paid by Newcrest as a once-off contribution to the rehabilitation liability is included in the cash balance presented as part of the net assets acquired in the transaction.

ACQUISITION RELATED COSTS

The group incurred acquisition related costs of R4 million (US$0.3 million) on advisory and legal fees. These costs are recognised as transaction costs as part of corporate and administrative expenses.

IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED

The fair value of the identifiable net assets acquired was determined on the expected discounted cash flows based on the life-of-mine plan of Hidden Valley at a post-tax real discount rate of 12.53%, exchange rate of PGK/US$3.17, gold price of US$1 189/oz and silver price of US$17.80/oz. The valuation was performed at 26 October 2016. The fair values are as follows:

	Previously held interest	Acquired interest[1]	Total (100%)
Figures in million		**SA rand**	
Fair value of identifiable net assets acquired			
Property, plant and equipment	636	636	1 272
Inventories (current)	491	491	982
Trade and other receivables (current)	22	19	41
Cash and cash equivalents	54	459	513
Provision for environmental rehabilitation	(483)	(483)	(966)
Trade and other payables (current)	(114)	(274)	(388)
	606	848	1 454
Less fair value of previously held interest[2]			(606)
Net fair value of identifiable net assets acquired			**848**

Figures in million		**US dollar**	
Fair value of identifiable net assets acquired			
Property, plant and equipment	46	46	92
Inventories (current)	35	35	70
Trade and other receivables (current)	2	1	3
Cash and cash equivalents	4	33	37
Provision for environmental rehabilitation	(35)	(35)	(70)
Trade and other payables (current)	(8)	(20)	(28)
	44	60	104
Less fair value of previously held interest[2]			(44)
Net fair value of identifiable net assets acquired			**60**

[1] *Harmony acquired the legal entity which held Newcrest's interest in Hidden Valley. This subsidiary contained certain assets and liabilities which were different to those held by Harmony with respect to its interest in Hidden Valley.*

[2] *The fair value of the previously held interest equalled the carrying amount of the assets and liabilities recognised by Harmony relating to the previously held interest at the date of acquisition and no gain or loss was recognised with respect to the deemed disposal of the previously held interest.*

The fair value of the previously held interest at 30 June 2016 was R615 million (US$41.8 million) which consisted of Harmony's long-term assets and related rehabilitation provision for its interest in Hidden Valley totalling R319 million (US$21.7 million) and the working capital relating to Harmony's interest in Hidden Valley totalling R296 million (US$20.1 million).

On the date of acquisition, the fair value of the previously held interest does not equal 50% of the fair value of the total identifiable assets and liabilities assumed primarily because the acquired legal entity which held Newcrest's interest in Hidden Valley included the cash paid by Newcrest (R309 million or US$22.5 million) and other assets and liabilities which differed from the assets and liabilities held in Harmony's previously held interest.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEARS ENDED 30 JUNE 2017

7 GAIN ON BARGAIN PURCHASE continued

GAIN ON BARGAIN PURCHASE

SA rand			US dollar	
2016	**2017**	***Figures in million***	**2017**	**2016**
–	–	Consideration paid	–	–
–	848	Fair value of identifiable net assets acquired	60	–
–	848	**Gain on bargain purchase**	60	–

Since Harmony only paid US$1 for the 50% share, a gain on bargain purchase results. A strategic review of the Hidden Valley operation conducted by Newcrest resulted in their decision to exit the operation as it represented a non-core asset.

8 TAXATION

SA rand			US dollar	
2016	**2017**	***Figures in million***	**2017**	**2016**
		SA taxation		
(48)	(230)	Mining tax	(17)	(3)
(75)	(258)	Non-mining tax (a)	(19)	(5)
(508)	998	Deferred tax (b)	73	(35)
(631)	510		37	(43)
		Foreign taxation		
(1)	–	Deferred tax	–	–
(632)	510	**Total taxation credit/(expense)**	37	(43)

(a) The expense relates to non-mining tax arising from derivative gains (realised and unrealised) recognised on the foreign currency derivatives as well as the realised gains on the gold forward sale contracts. Refer to note 3 and 5 for details on the group's derivative gains recorded.

(b) The deferred tax credit in the year 2017 is mainly a result of a decrease in the weighted average deferred tax rate due to reduced estimated profitability at most South African operations, as well as the provision for silicosis settlement raised in the current year. The expense in 2016 includes the unwinding of the deferred tax asset related to the utilisation of unredeemed capital expenditure for Freegold (Harmony) Pty Limited (Freegold) against mining taxable income due to increased profitability for Freegold during 2016.

INCOME AND MINING TAX RATE

Major items causing the group's income tax provision to differ from the South African mining statutory tax rate of 34% (2016: 34%) were:

SA rand			US dollar	
2016	**2017**	***Figures in million***	**2017**	**2016**
(538)	50	Tax on net (profit)/loss at the mining statutory tax rate	6	(37)
(302)	(77)	Non-allowable deductions	(6)	(20)
–	288	Gain on bargain purchase	21	–
(88)	(104)	Share-based payments	(8)	(6)
(111)	(87)	Impairment of assets	(6)	(8)
(56)	(50)	Exploration expenditure	(4)	(4)
(42)	(37)	Finance costs	(3)	(3)
(5)	(87)	Other	(6)	1
117	143	Difference between effective mining tax rate and statutory mining rate on mining income	10	8
16	55	Difference between non-mining tax rate and statutory mining rate on non-mining income	4	1
(219)	(126)	Effect on temporary differences due to changes in effective tax rates[1]	(10)	(15)
11	7	Prior year adjustment	–	1
485	588	Capital allowances, sale of business and other rate differences[2]	43	33
(202)	(130)	Deferred tax asset not recognised[3]	(10)	(14)
(632)	510	Income and mining taxation	37	(43)
40	347	Effective income and mining tax rate (%)	185	40

[1] *This mainly relates to the decrease in the deferred tax rate related to Freegold (20.0% to 12.5%), Randfontein Estates Limited (Randfontein) (10.1% to 3.8%) and Harmony Gold Mining Company Limited (Harmony) (21.1% to 19.4%) mainly due to a lower estimated profitability. In 2016, the increase in the deferred tax rates related to Harmony (12.5% to 21.1%) and Freegold (16.7% to 20.0%) mainly due to higher estimated profitability, partially offset by a decrease in the deferred tax rates for Randfontein (14.3% to 10.1%) mainly due to 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 Limited (Avgold) which has a 0% effective tax rate.*

[3] *This relates primarily to the Hidden Valley operation 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.*

9 EARNINGS PER SHARE

BASIC EARNINGS PER SHARE

Basic earnings 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	
2016	**2017**		**2017**	**2016**
435 739	**438 443**	**Basic weighted average number of ordinary shares in issue ('000)**	**438 443**	435 739
949	**362**	**Total net earnings attributable to shareholders (millions)**	**17**	66
218	**82**	**Total basic earnings per share (cents)**	**4**	15

DILUTED EARNINGS PER SHARE

SA rand			US dollar	
2016	**2017**		**2017**	**2016**
446 398	**459 220**	**Weighted average number of ordinary shares for diluted earnings per share ('000)**	**459 220**	446 398
213	**79**	**Total diluted earnings per share (cents)**	**4**	15

The inclusion of share options issued to employees, as potential ordinary shares, has a dilutive effect on the earnings 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 PER SHARE

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

SA rand			US dollar	
2016	**2017**	***Figures in million***	**2017**	**2016**
949	**362**	Net profit for the year	**17**	66
		Adjusted for:		
–	**(848)**	Gain on bargain purchase[1]	**(60)**	–
–	**14**	Loss on liquidation of subsidiary[1]	**1**	–
(43)	**1 718**	Impairment/(Reversal of impairment) of assets	**131**	(3)
12	**(26)**	Taxation effect on impairment/(reversal of impairment) of assets	**(2)**	1
(7)	**(42)**	Profit on sale of property, plant and equipment	**(3)**	–
1	**7**	Taxation effect on profit of sale of property, plant and equipment	**–**	–
64	**140**	Loss on scrapping of property, plant and equipment	**10**	4
(12)	**(19)**	Taxation effect on loss on scrapping of property, plant and equipment	**(1)**	(1)
964	**1 306**	**Headline earnings**	**93**	67

[1] *There is no taxation effect on these items.*

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEARS ENDED 30 JUNE 2017

9 EARNINGS PER SHARE continued

HEADLINE EARNINGS PER SHARE continued

SA rand			US dollar	
2016	2017		2017	2016
221	298	Basic headline earnings per share (cents)	21	15
216	284	Diluted headline earnings per share (cents)	20	15

DIVIDENDS

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. On 31 January 2017, the board declared an interim dividend of 50 SA cents (4 US cents). R221 million (US$17.5 million) was paid on 20 March 2017. Refer to note 17 for events after the reporting date.

SA rand			US dollar	
2016	2017		2017	2016
–	439	Dividend declared (millions)	33	–
–	100	Dividend per share (cents)	8	–

10 INVESTMENTS IN ASSOCIATES

Rand Refinery's shareholders extended Rand Refinery an irrevocable, subordinated loan facility of up to R1.2 billion (US$114.2 million) on 23 July 2014. In December 2014, Rand Refinery drew down R1.02 billion (US$88.1 million) on the shareholders' loan. Harmony's portion of the shareholders' loan was R120 million (US$10.4 million). Interest on the facility is JIBAR plus a margin of 3.5%. During the 2017 financial year, interest received on the loan amounted to R6 million (US$0.4 million) (2016: R12 million (US$0.8 million)). The loan formed part of the net investment in associate and was included in Trade and other receivables.

The original loan facility agreement allowed for any unpaid balance to be converted to equity after two years. An amended agreement was concluded on 5 June 2017, converting the loan to cumulative, redeemable preference shares of no par value. The fair value of the loan on the date of conversion was R71 million (US$5.6 million), resulting in a loss of R15 million (US$1.2 million). The fair value was determined using a discounted cash flow model which included expected dividends and redemption amounts at a discount rate of 17.6%. The fair value measurement is classified as a level 3 model and is non-recurring.

11 DERIVATIVE FINANCIAL ASSETS

SA rand			US dollar	
2016	2017	*Figures in million*	2017	2016
–	306	**Non-current**	24	–
–	298	Rand gold hedging contracts (a)	23	–
–	8	US$ commodity contracts (b)	1	–
369	1 541	**Current**	117	25
–	1 080	Rand gold hedging contracts (a)	82	–
–	12	US$ commodity contracts (b)	1	–
369	449	Foreign exchange hedging contracts (c)	34	25
369	1 847	**Total derivative financial assets**	141	25

(a) During the year Harmony started a hedging programme and entered into Rand gold forward sale derivative contracts (Rand gold hedging contracts) to hedge the risk of lower Rand gold prices. Cash flow hedge accounting is applied to these contracts, resulting in the effective portion of the unrealised gains and losses being recorded in other comprehensive income (other reserves). Hedge ineffectiveness is measured by comparing the change in the expected cash flows from a forward sale contract versus the sale of an equivalent quantity of gold in the open market. Ineffectiveness results when the changes in the fair values in the hedging instruments exceed the fair value changes in the hedged item. During the year ended 30 June 2017, the contracts that matured realised a gain of R744 million (US$54.7 million), of which R728 million (US$53.5 million) has been included in revenue and the ineffective portion of R16 million (US$1.2 million) in gains on derivatives. The unamortised portion of the day one gain or loss amounted to R34 million (US$2.6 million) on 30 June 2017.

(b) During May 2017, Harmony began a hedging programme for Hidden Valley by entering into commodity hedging contracts. The contracts comprise of US$ gold forward sale derivative contracts as well as silver zero cost collars which establish a minimum (floor) and maximum (cap) silver sales price. Hedge accounting is not applied and the resulting gains and losses are recorded in gains on derivatives in the income statement.

(c) Harmony maintains a foreign exchange hedging programme in the form of zero cost collars, which establish a floor and cap US$/rand exchange rate at which to convert US dollars to rands. As hedge accounting is not applied, the resulting gains and losses have been recorded in gains on derivatives in the income statement (refer to note 5).

12 PROVISION FOR SILICOSIS SETTLEMENT

Harmony and certain of its subsidiaries (Harmony group), together with other mining companies, are named in a class action for silicosis and tuberculosis which was certified by the Johannesburg High Court in May 2016. The companies requested leave to appeal to the Supreme Court of Appeal, which was granted on 13 September 2016 and is scheduled to be heard from 19 – 23 March 2018.

A gold mining industry working group consisting of African Rainbow Minerals Limited, Anglo American South Africa Limited, AngloGold Ashanti Limited, Gold Fields Limited, Sibanye-Stillwater and Harmony (collectively the working group) was formed in November 2014 to address issues relating to the compensation and medical care for occupational lung diseases in the gold mining industry in South Africa. Essentially, the companies are seeking a comprehensive and sustainable solution which deals with both the legacy compensation issues and future legal frameworks which, while being fair to employees, also ensures the future sustainability of companies in the industry. The working group has engaged all stakeholders on these matters, including government, organised labour, other mining companies and legal representatives of claimants who have filed legal suits against the companies. The working group believes that achieving a comprehensive settlement which is fair to past, present and future employees and sustainable for the sector is preferable to protracted litigation.

The facts of the matter have previously been disclosed as a contingent liability as an amount could not be reliably determined. As a result of the progress made by the working group and the status of negotiations with affected stakeholders, management is now in a position to reasonably estimate Harmony's share of a possible settlement of the class action claims and related costs within an acceptable range. The nominal amount for Harmony group is R1.3 billion (US$98.6 million).

A pre-tax charge of R917 million (US$69.9 million) has been recognised in other operating expenses for the year ending 30 June 2017. Going forward, annual changes in the provision are expected to consist of time value of money (recognised as finance costs) and changes in estimates (other operating expenses). The expected contributions (cash flows) to the vehicle that will manage the settlement process have been discounted over the expected period of contributions. The contributions are expected to be settled by cash flows from the group's South African operations and will occur over a number of years.

The assumptions that were made in the determination of the provision amount include:

- Silicosis prevalence rates;
- Estimated settlement per claimant;
- Benefit take-up rates; and
- Disease progression rates.

A discount rate of 8% was used, based on government bond with similar terms to the obligation.

There is uncertainty with regard to the rate at which potential claims would be reported as well as the benefit take-up rates. Refer to the sensitivity analysis below.

The ultimate outcome of these matters remains uncertain, with a possible failure to reach a settlement or to obtain the requisite court approval of the settlement. The provision recorded in the financial statements is consequently subject to adjustment or reversal in the future, depending on the progress of the working group discussions and stakeholder consultations, and the ongoing legal proceedings.

12 PROVISION FOR SILICOSIS SETTLEMENT continued

SENSITIVITY ANALYSIS

The impact of a reasonable change in certain key assumptions would increase or decrease the provision amount by the following amounts:

SA rand			US dollar	
2016	**2017**	***Figures in million***	**2017**	**2016**
		Effect of an increase in the assumption:		
–	**83**	Change in benefit take-up rate[1]	**6**	–
–	**83**	Change in silicosis prevalence[2]	**6**	–
–	**37**	Change in disease progression rates[3]	**3**	–
		Effect of a decrease in the assumption:		
–	**(83)**	Change in benefit take-up rate[1]	**(6)**	–
–	**(83)**	Change in silicosis prevalence[2]	**(6)**	–
–	**(37)**	Change in disease progression rates[3]	**(3)**	–

[1] *Change in benefit take-up rate: the take-up rate does not affect the legal cost allocation, but a 10% change results in a proportionate change in the other values.*

[2] *Change in the silicosis prevalence: the assumptions that will result in a change in the estimated number of cases are either a 10% change in the assumed labour number or a 10% change in the disease risk.*

[3] *Change in disease progression rates: a one year shorter/longer disease progression period was used. This assumption is not applicable to the dependant or TB classes.*

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

A change in the settlement claim amount would result in a change in the provision amount on a rand for rand basis.

13 BORROWINGS

FACILITIES

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 (US$125.6 million). The facility matured during February 2017 and was replaced with a new R1 billion (US$76.7 million) three-year revolving credit facility with similar terms to the previous facility on 20 February 2017.

Interest accrues on a day-to-day basis over the term of the loan at a variable interest rate.

US dollar revolving credit facilities

In February 2015 the company concluded 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).

Interest accrues on a day-to-day basis over the term of the loan at a variable interest rate.

Refer to note 17 for details of events after the reporting date.

TERMS AND DEBT REPAYMENT SCHEDULE AT 30 JUNE 2017

	Interest charge	Repayment terms	Repayment date	Security
Nedbank Limited (Secured loan – rand revolving credit facility)	1, 3 or 6 month JIBAR plus 3.15%, payable at the elected interest interval	Repayable on maturity	20 February 2020	Cession and pledge of operating subsidiaries' shares and claims
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 and claims

DEBT COVENANTS

The debt covenant tests for both the rand and US dollar revolving credit facilities are as follows:

- The group's interest cover ratio shall not be less than five (EBITDA[1]/Total interest paid);
- Tangible Net Worth[2] to total net debt ratio shall not be less than six times or eight times when dividends are paid;
- Leverage[3] shall not be more than 2.5 times.

[1] *Earnings before interest, taxes, depreciation and amortisation (EBITDA) as defined in the agreement excludes unusual items such as impairment and restructuring cost.*

[2] *Tangible Net Worth is defined as total equity less intangible assets.*

[3] *Leverage is defined as total net debt to EBITDA.*

The debt covenant tests are performed on a quarterly basis. No breaches of the covenants were identified during the tests in the 2016 and 2017 financial years.

INTEREST-BEARING BORROWINGS

SA rand			US dollar	
2016	**2017**	***Figures in million***	**2017**	**2016**
		Non-current borrowings		
–	**–**	Nedbank Limited (secured loan – R1.3 billion revolving credit facilities)	**–**	–
398	**–**	Balance at beginning of year	**–**	33
300	**–**	Draw down	**–**	24
(400)	**–**	Repayments	**–**	(28)
2	**–**	Amortisation of issue costs	**–**	–
(300)	**–**	Transferred to current liabilities	**–**	(20)
–	**–**	Translation	**–**	(9)
–	**299**	Nedbank Limited (secured loan – R1.0 billion revolving credit facility)	**23**	–
–	**–**	Balance at beginning of year	**–**	–
–	**300**	Draw down	**24**	–
–	**2**	Issue cost	**–**	–
–	**(3)**	Transferred to current liabilities	**–**	–
–	**–**	Translation	**(1)**	–
2 039	**–**	US dollar revolving credit facility (secured loan)	**–**	139
3 001	**2 039**	Balance at beginning of year	**139**	247
–	**399**	Draw down	**30**	–
(1 645)	**(410)**	Repayments	**(30)**	(110)
18	**18**	Amortisation of issue costs	**1**	2
–	**(1 831)**	Transferred to current liabilities	**(140)**	–
665	**(215)**	Translation	**–**	–
2 039	**299**	**Total non-current borrowings**	**23**	139
		Current borrowings		
300	**3**	Nedbank Limited (secured loan)	**–**	20
–	**300**	Balance at beginning of year	**20**	–
–	**(300)**	Repayments	**(20)**	
300	**3**	Transferred from non-current liabilities	**–**	20
–	**1 831**	US dollar revolving credit facility (secured loan)	**140**	–
–	**–**	Balance at beginning of year	**–**	–
–	**1 831**	Transferred from non-current liabilities	**140**	–
300	**1 834**	**Total current borrowings**	**140**	20
2 339	**2 133**	**Total interest-bearing borrowings**	**163**	159

13 BORROWINGS continued

INTEREST-BEARING BORROWINGS continued

SA rand			US dollar	
2016	**2017**	***Figures in million***	**2017**	**2016**
		The maturity of borrowings is as follows:		
300	**1 834**	Current	**140**	20
2 039	**–**	Between one to two years	**–**	139
–	**299**	Between two to five years	**23**	–
2 339	**2 133**		**163**	159
		Undrawn committed borrowing facilities:		
1 000	**1 442**	Expiring within one year	**110**	68
1 619	**700**	Expiring after one year	**53**	110
2 619	**2 142**		**163**	178

14 FAIR VALUE DETERMINATION FOR FINANCIAL ASSETS AND LIABILITIES

The fair value levels of hierarchy are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets;

Level 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 3: Inputs for the asset that are not based on observable market data (that is, unobservable inputs).

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

	Fair value hierarchy level	At 30 June 2017	At 30 June 2016
Figures in million (SA rand)			
Available-for-sale financial assets			
Investment in financial assets[1]	Level 3	**4**	5
Fair value through profit or loss financial assets			
Restricted investments[2]	Level 2	**839**	639
Derivative financial assets[3]		**1 847**	369
Forex hedging contracts	Level 2	**449**	369
Rand gold hedging contracts	Level 2	**1 378**	–
US$ gold hedging contracts	Level 2	**20**	–
Silver hedging contracts	Level 2	**–**	–

	Fair value hierarchy level	At 30 June 2017	At 30 June 2016
Figures in million (US dollar)			
Fair value through profit and loss financial assets			
Restricted investments[2]	Level 2	**64**	44
Derivative financial assets[3]		**141**	25
Forex hedging contracts	Level 2	**34**	25
Rand gold hedging contracts	Level 2	**105**	–
US$ gold hedging contracts	Level 2	**2**	–
Silver hedging contracts	Level 2	**–**	–

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

[2] *The majority of the level 2 fair values are directly derived from the Top 40 index on the JSE, and are discounted at market interest rate. This relates to equity-linked deposits in the group's environmental rehabilitation trust funds. The balance of the environmental trust funds are held to maturity and therefore not disclosed here.*

[3] *The fair value measurements are derived as follows:*

Forex hedging contracts (zero cost collars): *a Black-Scholes valuation technique, derived from spot rand/US$ exchange rate inputs, implied volatilities on the rand/US$ exchange rate, rand/US$ inter-bank interest rates and discounted at market interest rate (zero-coupon interest rate curve).*

Rand gold hedging contracts (forward sale contracts): *spot rand/US$ exchange rate, rand and dollar interest rates (forward points), spot US$ gold price, differential between the US interest rate and gold lease interest rate which is discounted at market interest rate.*

US$ gold hedging contracts (forward sale contracts): *spot US$ gold price, differential between the US interest rate and gold lease interest rate and discounted at market interest rate.*

Silver hedging contracts (zero cost collars): *a Black-Scholes valuation technique, derived from spot US$ silver price, strike price, implied volatilities, time to maturity and interest rates and discounted at market interest rate.*

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

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

15 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 2015 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 2017.

Modise Motloba, Harmony's deputy chairman, is a director of Tysys Limited. Tysys Limited entered into a contract with the group in February 2017 to provide services relating to the group's small and medium enterprise development projects. The contract has a value of up to R4.8 million (US$0.4 million) per annum, with approximately R1 million having been paid during FY17. The contract has a 30-day notice period.

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

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

	Number of shares	
Name of director/prescribed officer	**2017**	**2016**
Directors		
Andre Wilkens	**101 301**	101 301
Frank Abbott[1]	**606 742**	521 790
Harry 'Mashego' Mashego	**593**	593
Ken Dicks	**35 000**	35 000
Prescribed officers		
Beyers Nel[2]	**17 553**	2 907
Johannes van Heerden[2]	**25 000**	–
Philip Tobias	**11 750**	11 750

[1] *During the 2017 financial year, 84 952 shares issued on the vesting of performance shares were voluntarily locked-up in terms of the minimum shareholding requirement of the 2006 Share Plan but remains beneficially owned.*

[2] *The shares for 2017 relate to performance shares that vested and the resulting shares retained.*

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEARS ENDED 30 JUNE 2017

16 COMMITMENTS AND CONTINGENCIES

CONTINGENT LIABILITIES

For detailed disclosure on contingent liabilities, refer to the Financial Report 2017 (available at *www.har.co.za/17/download/HAR-FR17.pdf*). There have been no significant changes in contingencies since 30 June 2016, except as discussed below:

(a) 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 several mining companies including the Harmony group. Developments in the negotiations and progress made by the industry working group have led to a provision being recognised as at 30 June 2017 in respect of the estimated settlement amount (refer to note 12).

COMMITMENTS AND GUARANTEES

SA rand			US dollar	
2016	**2017**	***Figures in million***	**2017**	**2016**
		Capital expenditure commitments		
204	**161**	Contracts for capital expenditure	**12**	11
60	**208**	Share of joint venture's contract for capital expenditure	**16**	2
516	**789**	Authorised by the directors but not contracted for	**60**	21
780	**1 158**	**Total capital commitments**	**88**	34

Contractual obligations in respect of mineral tenement leases amount to R170 million (US$13.0 million) (2016: R253 million (US$17.2 million)). This includes R166 million (US$12.7 million) (2016: R247 million (US$16.8 million)) for Morobe Mining Joint Venture.

SA rand			US dollar	
2016	**2017**	***Figures in million***	**2017**	**2016**
		Guarantees		
14	**14**	Guarantees and suretyships	**1**	1
479	**479**	Environmental guarantees[1]	**37**	33
493	**493**	**Total guarantees**	**38**	34

[1] *At 30 June 2017, R61 million (US$4.7 million) (2016: R59 million (US$4.0 million)) has been pledged as collateral for environmental guarantees in favour of certain financial institutions.*

17 SUBSEQUENT EVENTS

(a) Subsequent to 30 June 2017, a new increased US$350 million, three-year facility was negotiated on similar terms to the previous facility of US$250 million. The new facility matures on 15 August 2020. The syndicate consists of Nedbank Limited, ABSA Bank Limited, J.P. Morgan Chase Bank, Caterpillar Financial Services Corporation, HSBC Bank Plc, State Bank of India, Citibank as well as the Bank of China.

The key terms of the new facility are:

Term facility:	$175 million
Margin on term facility:	3.15% over 3 month LIBOR
Revolving facility:	$175 million
Margin on revolving facility:	3.00% over 3 month LIBOR
Maturity	Three years from close
Security	Same as existing facility

(b) On 15 August 2017, the board declared a final dividend for the 2017 year of 35 SA cents per share, payable on 16 October 2017.

(c) On 19 October 2017, Harmony announced that it would acquire AngloGold Ashanti Limited's Moab Khotsong and Great Noligwa mines together with other assets and related infrastructure for a cash consideration of the Rand equivalent of US$300 million. The transaction is subject to approval from Harmony's shareholders and other conditions precedent, including regulatory approvals. The Board of Harmony has unanimously approved the transaction and has resolved to recommend the transaction to its shareholders.

US$100 million of the consideration will be settled from Harmony's existing US$350 million syndicated loan facility. The remaining US$200 million will be funded through a fully underwritten US$200 million bridge facility, which has a 12-month term with similar terms and covenants as the existing loan facilities. Harmony is assessing various alternatives to optimally repay the bridge, including a potential rights issue. The mandated bridge providers are UBS Limited, Nedbank Limited, Absa Bank Limited and JP Morgan Securities plc.

The assets and liabilities will be acquired by a wholly-owned subsidiary of Harmony. When all conditions precedent have been met, Harmony will apply the principles of IFRS 3, Business Combinations and the process of a purchase price allocation of the assets acquired and liabilities assumed will begin.

18 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 qualitative and quantitative thresholds from IFRS 8, the reportable segments were determined as: Tshepong, Phakisa, Bambanani, Joel, Doornkop, Target 1, Kusasalethu, Masimong and Unisel. Target 3 was placed on care and maintenance in October 2014 and its mining assets have been included in the reconciling items for 2016 and 2017. All other operating segments have been grouped together under all other surface operations.

When assessing profitability, the chief operating decision-maker (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 19.

The CODM has previously been identified as the executive committee. During April 2017, the top management structure was changed, creating a group chief executive officer's office consisting of the chief executive officer, financial director, director corporate affairs, chief operating officer: new business, the chief executive officer: South-east Asia and the chief operating officer: South Africa. The group CEO's office has replaced Exco as the CODM. There has been no change to the information reported to the CODM.

18 SEGMENT REPORT continued

	Revenue 30 June		Production cost 30 June		Production profit 30 June		Mining assets 30 June		Capital expenditure# 30 June		Kilograms produced* 30 June		Tonnes milled* 30 June	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	R million		R million		R million		R million		R million		kg		t'000	
South Africa														
Underground														
Tshepong [(a)]	**2 760**	2 756	**2 029**	1 844	**731**	912	**4 332**	4 161	**387**	307	**4 819**	5 031	**1 027**	1 088
Phakisa [(a)]	**2 302**	2 186	**1 642**	1 375	**660**	811	**4 134**	4 246	**330**	323	**4 009**	3 988	**668**	686
Bambanani	**1 576**	1 617	**871**	811	**705**	806	**745**	807	**77**	106	**2 750**	3 013	**231**	232
Joel	**1 309**	1 220	**936**	831	**373**	389	**909**	728	**243**	215	**2 246**	2 278	**514**	542
Doornkop	**1 553**	1 480	**1 241**	1 047	**312**	433	**2 979**	2 984	**243**	208	**2 673**	2 730	**641**	630
Target 1	**1 506**	1 833	**1 345**	1 250	**161**	583	**2 021**	2 826	**324**	322	**2 669**	3 387	**745**	739
Kusasalethu	**2 575**	2 078	**2 080**	1 816	**495**	262	**2 846**	3 766	**289**	360	**4 394**	3 863	**607**	668
Masimong	**1 452**	1 318	**1 113**	1 038	**339**	280	**433**	485	**119**	110	**2 538**	2 432	**640**	650
Unisel	**915**	925	**838**	754	**77**	171	**529**	543	**78**	62	**1 595**	1 704	**394**	424
Surface														
All other surface operations	**1 816**	1 601	**1 404**	1 272	**412**	329	**486**	448	**261**	62	**3 178**	2 972	**11 045**	10 985
Total South Africa	**17 764**	17 014	**13 499**	12 038	**4 265**	4 976	**19 414**	20 994	**2 351**	2 075	**30 871**	31 398	**16 512**	16 644
International														
Hidden Valley	**1 500**	1 320	**1 313**	1 212	**187**	108	**2 290**	650	**1 335**	121	**2 965**	2 257	**2 889**	1 729
Total international	**1 500**	1 320	**1 313**	1 212	**187**	108	**2 290**	650	**1 335**	121	**2 965**	2 257	**2 889**	1 729
Total operations	**19 264**	18 334	**14 812**	13 250	**4 452**	5 084	**21 704**	21 644	**3 686**	2 196	**33 836**	33 655	**19 401**	18 373
Reconciliation of the segment information to the consolidated income statements and balance sheets (refer to note 19)	**–**	–	**–**	–			**17 179**	15 386						
	19 264	18 334	**14 812**	13 250	**4 452**	5 084	**38 883**	37 030	**3 686**	2 196	**33 836**	33 655	**19 401**	18 373

 # The capital expenditure for 2017 includes the cost for stripping activities and therefore the figures for 2016 have been restated for Hidden Valley and All other surface assets, which includes Kalgold.

(a) Tshepong and Phakisa are two separate segments for the 2017 year. As of 1 July 2017, they have been integrated into Tshepong operations and will be treated as one segment for the 2018 year. Refer to note 4.

** Production statistics are not audited.*

	Revenue 30 June		Production cost 30 June		Production profit 30 June		Mining assets 30 June		Capital expenditure# 30 June		Ounces produced* 30 June		Tons milled* 30 June	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	US$ million		US$ million		US$ million		US$ million		US$ million		oz		t'000	
South Africa														
Underground														
Tshepong(a)	**203**	190	**149**	127	**54**	63	**330**	283	**28**	21	**154 934**	161 751	**1 132**	1 200
Phakisa(a)	**169**	151	**121**	95	**48**	56	**315**	288	**24**	22	**128 893**	128 217	**737**	756
Bambanani	**116**	112	**64**	56	**52**	56	**57**	55	**6**	7	**88 415**	96 870	**254**	256
Joel	**96**	84	**69**	57	**27**	27	**69**	49	**18**	15	**72 211**	73 239	**567**	597
Doornkop	**114**	102	**91**	72	**23**	30	**227**	203	**18**	14	**85 939**	87 772	**706**	695
Target 1	**111**	126	**99**	86	**12**	40	**154**	192	**24**	22	**85 809**	108 895	**822**	814
Kusasalethu	**189**	143	**153**	125	**36**	18	**217**	256	**21**	25	**141 270**	124 198	**670**	736
Masimong	**107**	91	**82**	72	**25**	19	**33**	33	**9**	8	**81 599**	78 190	**706**	716
Unisel	**67**	64	**62**	52	**5**	12	**40**	37	**6**	4	**51 280**	54 785	**436**	467
Surface														
All other surface operations	**134**	110	**102**	88	**32**	22	**37**	30	**19**	5	**102 175**	95 553	**12 179**	12 112
Total South Africa	**1 306**	1 173	**992**	830	**314**	343	**1 479**	1 426	**173**	143	**992 525**	1 009 470	**18 209**	18 349
International														
Hidden Valley	**110**	91	**97**	84	**13**	7	**175**	44	**98**	8	**95 327**	72 565	**3 186**	1 906
Total international	**110**	91	**97**	84	**13**	7	**175**	44	**98**	8	**95 327**	72 565	**3 186**	1 906
Total operations	**1 416**	1 264	**1 089**	914	**327**	350	**1 654**	1 470	**271**	151	**1 087 852**	1 082 035	**21 395**	20 255
Reconciliation of the segment information to the consolidated income statement and balance sheet (refer to note 19)	**–**	–	**–**	–			**1 312**	1 045						
	1 416	1 264	**1 089**	914	**327**	350	**2 966**	2 515	**271**	151	**1 087 852**	1 082 035	**21 395**	20 255

The capital expenditure for 2017 includes the cost for stripping activities and therefore the figures for 2016 have been restated for Hidden Valley and All other surface assets, which includes Kalgold.

(a) *Tshepong and Phakisa are two separate segments for the 2017 year. As of 1 July 2017, they have been integrated into Tshepong operations and will be treated as one segment for the 2018 year. Refer to note 4.*

* *Production statistics are not audited.*

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEARS ENDED 30 JUNE 2017

19 RECONCILIATION OF SEGMENT INFORMATION TO CONSOLIDATED INCOME STATEMENTS AND BALANCE SHEETS

SA rand			US dollar	
2016	**2017**	***Figures in million***	**2017**	**2016**
		Reconciliation of production profit to consolidated profit/(loss) before taxation		
18 334	**19 264**	Total segment revenue	**1 416**	1 264
(13 250)	**(14 812)**	Total segment production costs	**(1 089)**	(914)
5 084	**4 452**	Production profit	**327**	350
(2 536)	**(4 827)**	Cost of sales items other than production costs	**(359)**	(174)
(2 092)	**(2 441)**	Amortisation and depreciation of mining assets	**(179)**	(144)
(78)	**(78)**	Amortisation and depreciation of assets other than mining assets	**(6)**	(5)
41	**(23)**	Rehabilitation credit (net)	**(2)**	3
(114)	**(109)**	Care and maintenance cost of restructured shafts	**(8)**	(8)
(16)	**(74)**	Employment termination and restructuring costs	**(5)**	(1)
(329)	**(391)**	Share-based payments	**(29)**	(23)
43	**(1 718)**	(Impairment) of assets/reversal of impairment	**(131)**	3
9	**7**	Other	**1**	1
2 548	**(375)**	Gross profit/(loss) *	**(32)**	176

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

SA rand			US dollar	
2016	**2017**	***Figures in million***	**2017**	**2016**
		Reconciliation of total segment assets to consolidated assets includes the following:		
		Non-current assets		
8 275	**8 340**	Property, plant and equipment	**638**	563
870	**603**	Intangible assets	**46**	59
62	**64**	Restricted cash	**5**	4
2 496	**2 658**	Restricted investments	**203**	170
5	**4**	Investments in financial assets	**–**	–
–	**46**	Investments in associates	**4**	–
37	**38**	Inventories	**3**	3
172	**185**	Other non-current receivables	**14**	12
–	**306**	Derivative financial asset	**24**	–
		Current assets		
1 167	**1 127**	Inventories	**86**	79
17	**18**	Restricted cash	**1**	1
660	**1 003**	Trade and other receivables	**76**	44
369	**1 541**	Derivative financial assets	**117**	25
1 256	**1 246**	Cash and cash equivalents	**95**	85
15 386	**17 179**		**1 312**	1 045

NOTES

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 Thursday, 23 November 2017 at 11:00 (SA time) at the Hilton Hotel, 138 Rivonia Road, Sandton, Johannesburg, South Africa (see map on page 38), to conduct the business set out below and to consider, and adopt, if deemed fit, 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 (the "Act"), the board of directors of the Company (the "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, 20 October 2017; 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, 17 November 2017.

PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The audited consolidated Company annual financial statements, incorporating the reports of the auditors, the audit and risk committee, and the directors for the year ended 30 June 2017 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 28.

The complete audited consolidated Company annual financial statements are available on Harmony's website at *www.har.co.za/17/download/HAR-FR17.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 FY17 integrated annual report (*www.har.co.za*) will be presented to shareholders at the annual general meeting.

RESOLUTIONS FOR CONSIDERATION AND ADOPTION

1. Ordinary Resolution Number 1:

Appointment of director

"RESOLVED THAT Peter Steenkamp be and is hereby elected as a director of the Company with immediate effect." (See Peter Steenkamp's resumé below).

Peter Steenkamp was appointed chief executive officer and executive director from 1 January 2016. He has some 38 years' experience in the mining industry, including his last position as Senior Vice President: Mining of Sasol Mining Proprietary Limited, and executive positions at Harmony (from 2003 to 2007), at African Rainbow Minerals (ARM) and Pamodzi Gold.

He is a member and past president of the Association of Mine Managers of South Africa, and a member of the Southern African Institute of Mining and Metallurgy and the South African Colliery Managers' Association.

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 Mavuso Msimang, 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 Mavuso Msimang's resumé below).

Mavuso was appointed to the board on 26 March 2011. He has 28 years' experience in management at executive level, and was involved in the successful transformation and restructuring of various state-owned entities over a period of 16 years until 2010. Mavuso held several senior positions in public sector organisations, including South African Tourism, South African National Parks and the State IT Agency (SITA), where he successively served as chief executive officer. He retired from the civil service in 2010 following a three-year stint as Director-General at the Department of Home Affairs. He has also worked for international development agencies such as the World University Service of Canada and CARE International in Ethiopia and Kenya. He also held senior management positions with the United Nations Children's Fund and the World Food Programme. Mavuso currently serves on various civic society, environmental management and private sector boards. He is also chairman of Corruption Watch and is an outspoken critic of public sector corruption and maladministration.

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 John Wetton, 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 John Wetton's resumé below).

John Wetton 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 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 Ken Dicks, 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 Ken Dicks's resumé below).

Ken was appointed to the board on 13 February 2008. He has a mining engineering background with 39 years' experience in the formal mining industry. He worked for the gold and uranium division of Anglo American plc and its precursor for 37 years in various senior positions.

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 director

"RESOLVED THAT Simo Lushaba, 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 Simo Lushaba's resumé below).

Simo Lushaba joined the board on 18 October 2002. He was previously a general manager 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 stabilise the organisation and develop a strategic turnaround plan following the resignation of its board. He later became chairman of the board of directors of the South African Post Office, a position he held until December 2016. Previously, he was also chairman of the boards of Spescom Limited, Pikitup (Johannesburg), and a director of the Trans-Caledon Tunnel Authority, the Water Research Commission and Rand Water.

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 John Wetton, subject to the passing of ordinary resolution number 3 being approved by the Shareholders 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 under ordinary resolution number 3).

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 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 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, including as chief financial officer and chief operations officer, at the Council for Medical Schemes in South Africa. 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 24 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 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 Simo Lushaba, subject to the passing of ordinary resolution number 5 being approved by shareholders 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 under ordinary resolution number 5).

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 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 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. He has more than 25 years' working experience in the financial sector both in South Africa and the United States and also has operational expertise in treasury services, corporate finance and fund and wealth management. Modise has been active in various broad-based black economic empowerment initiatives through financial literacy, wealth creation and social development programmes for key stakeholders. He has advised on several black economic empowerment transactions, most notably for MTN and Multichoice. In addition, he is an adviser to the National Empowerment Fund and the founder and chairman of Phuthanang Youth Trust. His extensive experience in board leadership spans more than 13 years, at both listed and non-listed companies in major sectors and areas such as banking (investment banking and development finance institutions), fund management, insurance, mining, business strategy, governance, transformation, banking regulation, non-banking regulation, business leadership and business organisations leadership.

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-election of audit and risk committee member

"RESOLVED THAT 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).

Karabo Nondumo 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 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:

Reappointment of external auditors

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

The percentage of voting rights required for ordinary resolution number 11 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 11.

12. Ordinary Resolution Number 12:

Approval of remuneration policy

"RESOLVED, as a non-binding advisory vote in accordance with the recommendations of King IV, that the remuneration policy of the Company, as set out in the integrated annual report (*www.har.co.za/17/download/HAR-IR17.pdf*), be and is hereby approved."

As this matter is non-binding, no minimum voting threshold is needed. However, if at least 25% (twenty five percent) of the voting rights exercised on ordinary resolution number 12 is against such resolution, the Board will commit to implementing the measures set out in the remuneration policy read with King IV.

13. Ordinary Resolution Number 13:

Approval of the implementation report

"RESOLVED, as a non-binding advisory vote in accordance with the recommendations of King IV, that the implementation report of the Company, as set out in the integrated annual report (available at *www.har.co.za/17/download/HAR-IR17.pdf*), be and is hereby approved."

As this matter is non-binding, no minimum voting threshold is needed. However, if at least 25% (twenty five percent) of the voting rights exercised on ordinary resolution number 13 is against such resolution, the Board will commit to implementing the measures set out in the implementation report read with King IV.

14. Ordinary Resolution Number 14:

Placing control of the authorised but unissued Company shares in the hands of the Board

"RESOLVED THAT, subject to compliance with the provisions of the Act and the JSE Listings Requirements and in terms of article 6.12 of the Company's memorandum of incorporation, the Board be and is hereby authorised, on such terms and conditions and for such purposes as the Board may in their sole discretion deem fit, to allot and issue, or grant options over, the authorised but unissued shares (or securities) in the share capital of the Company representing not more than 15% (fifteen percent) of the number of shares in the issued share capital of the Company as at the date of this notice of annual general meeting, such authority to remain in force until the next annual general meeting; provided that any issue of (or the granting of options over) authorised but unissued shares (or securities) in the share capital of the Company shall equivalently reduce the amount of authorised but unissued shares (securities) in the share capital of the Company which the Board may issue (or grant options over) under this authority."

The percentage of voting rights required for ordinary resolution number 14 to be adopted: more than 50% (fifty percent) of the voting rights exercised in favour of the resolution by shareholders present at the annual general meeting or represented by proxy and entitled to exercise voting rights on ordinary resolution number 14.

15. Ordinary Resolution Number 15:

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 on such terms and conditions as the directors of the Company may, from time to time at their sole discretion, deem fit subject to the Act and the JSE Listings Requirements, 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 – the number of shares available for the issue of shares for cash will therefore be limited to 22 029 224 (twenty two million twenty nine thousand two hundred and twenty four) 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 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 for cash 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;

(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 will be consulted for a ruling if the Company's securities have not traded in such 30 (thirty) business day period; and

(i) equity securities (of any class) which are the subject of the issue for cash in terms of this general authority, will be aggregated with any securities that are compulsorily convertible into securities of that class, and, in the case of the issue of compulsory convertible securities, aggregated with the securities of that class into which they are convertible."

In terms of the JSE Listings Requirements, the passing of ordinary resolution number 15 requires the approval of at least a 75% (seventy five percent) majority of the votes cast by shareholders of the Company 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 15.

16. Special Resolution Number 1:

Authorisation of Financial Assistance in terms of section 45 of the Act

"RESOLVED THAT in terms of section 45(3)(a)(ii) of the Act, the Company be and is hereby approved to provide, at any time during the period of 2 (two) years from the date of passing this special resolution, any direct or indirect financial assistance, as contemplated in section 45 of the Act, to any one or more related or inter-related company or corporation of the Company and/or to any one or more juristic persons who are members of any such related or inter-related company or corporation and/or to any one or more juristic persons related to any such company, corporation or member, provided that:

(a) the identity of the recipient of such financial assistance, the form, nature and extent of such financial assistance and the terms and conditions under which such financial assistance is to be provided, are determined by the Board from time to time;

(b) the Board may not authorise the Company to provide any financial assistance pursuant to this special resolution unless the Board fulfils all the requirements of section 45 of the Act, which it is required to fulfil in order to authorise the Company to provide such financial assistance; and

(c) such financial assistance to a recipient is, in the opinion of the Board, required for the purpose of (i) meeting all or any of such recipient's operating expenses (including capital expenditure), and/or (ii) funding the growth, expansion, reorganisation or restructuring of the businesses or operations of such recipient, and/or (iii) funding such recipient for any other purpose which, in the opinion of the Board, is directly or indirectly in the interests of the Company."

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 in favour of the resolution by shareholders present at the annual general meeting or represented by proxy and entitled to exercise voting rights on special resolution number 1.

Notice is hereby given to shareholders of the Company in terms of section 45(5) of the Act of a resolution adopted by the Board, authorising the Company to provide such direct or indirect financial assistance as specified in special resolution number 1 on the basis that:

(a) by the time that the notice of the annual general meeting is delivered to shareholders of the Company, the Board will have adopted a resolution ("Section 45 Board Resolution") authorising the Company to provide, subject to the shareholders approving special resolution 1, at any time and from time to time during the period of 2 (two) years commencing on the date on which special resolution number 1 is adopted, any direct or indirect financial assistance as contemplated in section 45 of the Companies Act to any one or more related or inter-related companies or corporations of the Company and/or to any one or more juristic persons who are members of, or are related to, any such related or inter-related company or corporation and/or to any one or more juristic persons related or inter-related to any such company, corporation or member;

(b) the Section 45 Board Resolution will be effective only if and to the extent that special resolution number 1 is adopted by the shareholders of the Company, and the provision of any such direct or indirect financial assistance by the Company, pursuant to such resolution, will always be subject to the Board being satisfied that (i) immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Act, and that (ii) the terms under which such financial assistance is to be given are fair and reasonable to the Company as referred to in section 45(3)(b)(ii); and

(c) in as much as the Section 45 Board Resolution contemplates that such financial assistance will in the aggregate exceed 1/10 (one tenth) of 1% (one percent) of the Company's net worth at the date of adoption of such resolution, the Company hereby provides notice of the Section 45 Board Resolution to shareholders of the Company. Such notice will also be provided to any trade union representing any employees of the Company.

17. Special Resolution Number 2:

Pre-approval of 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				Attendance fee*	Audit and risk		Social and ethics		Remuneration		Nomination/ Investment		Technical	
R000	Chairman	Deputy chair	LID**	Member	Member	Chairman	Member	Chairman	Member	Chairman	Member	Chairman	Member	Chairman	Member
Current	985	439	333	224	17.6	246	124	196	100	196	100	196	100	196	100
Proposed	1 044.5	465.5	353	237.5	18.7	261	131.5	208	106	208	106	208	106	208	106

** Only payable per board meeting attended*

***Lead independent director*

Ad hoc fees: R15 900 per ad hoc meeting/attendance to company business per day.

The directors' remuneration set out above excludes value added tax which the Company is authorised to pay, in addition to the above directors' remuneration, to those non-executive directors who are obliged to charge value added tax on their directors' remuneration.

The percentage of voting rights required for special resolution number 2 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 2.

18. Special Resolution Number 3:

Approval of 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 once-off remuneration to its non-executive directors of an amount equal to any value added tax paid by any of its non-executive directors on his/her directors' remuneration paid by the Company since 1 June 2017 to date of the passing of this special resolution."

The percentage of voting rights required for special resolution number 3 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 3.

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 dialling 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.

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, for the sake of good order, are urged (but not required) to be submitted to the offices of the transfer secretaries, Link Market Services South Africa Proprietary Limited by no later than 11:00 (SA time) on 21 November 2017.

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 or proxies 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.**

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

- **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 2017

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 2017 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.

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 resolution 1: Appointment of a director

In accordance with the JSE listings requirements, the Company's memorandum of incorporation, section 68(1) read with section 70(3)(b)(i) of the Act, Peter Steenkamp's election as a director of the Company must be confirmed at this annual general meeting of the Company by a new election. See his resumé on pages 30 of this report.

Ordinary resolutions 2 to 5: 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:

- Mavuso Msimang
- John Wetton
- Ken Dicks
- Simo Lushaba

See their resumés on pages 30 to 31 of this report.

Ordinary resolutions 6 to 10: 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 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 11: Re-appointment of external auditors

PricewaterhouseCoopers Incorporated has indicated its willingness to continue in office and ordinary resolution 11 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 12: Remuneration policy

The King Report on Corporate Governance for South Africa 2016 (King IV) 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 policy.

Ordinary resolution 13: Implementation report

King IV recommends that the implementation report 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 implementation of the remuneration policy.

Ordinary resolution 14: Placing authorised but unissued Company shares under the control of the Board

In terms of article 6.12 of the Company's memorandum of incorporation, the shareholders of the Company may authorise the Board to issue shares (and/or grant options to subscribe for shares) in the share capital of the Company as the Board in their discretion think fit, subject to exercising their discretion in compliance with the JSE Listings Requirements.

The Board considers it advantageous to obtain this authority to provide the Company with flexibility to take advantage of any business opportunity that may arise in the future, at all times exercising their discretion in compliance with the JSE Listings Requirement and the Act.

Ordinary resolution number 15: General authority to issue shares for cash

Ordinary resolution number 15 seeks to give the directors authority to issue the Company's listed securities for cash as permitted by the Act, the Company's memorandum of incorporation and the JSE Listings Requirements.

If ordinary resolution number 14 is passed, then this ordinary resolution number 15 is not in addition to (but rather forms a subset of) ordinary resolution number 14, in that if the Board issues any authorised but unissued securities for cash under this ordinary resolution number 15, then such issuance shall equivalently reduce the amount of authorised but unissued shares (securities) which the Board may issue (or grant options over) in terms of ordinary resolution number 14.

The Board confirms that there is no specific intention to use this authority as at the date of this notice of annual general meeting, but considers it advantageous to have the flexibility to take advantage of any business opportunity that may arise in future.

Special resolution 1: Authorisation of financial assistance

In terms of section 45 of the Act, the Company may provide loans and other financial assistance to subsidiaries and other related companies or corporations in its group. Shareholders are required to pass special resolution number 1 in order to approve the Company's provision of such financial assistance to them, subject to the board meeting the solvency and liquidity test and subject further to the financial assistance falling within the category of assistance mentioned in sub-paragraph (c) of special resolution number 1 above.

Special resolution 2: Pre-approval of 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.

Special resolution 3: Approval of non-executive directors' remuneration

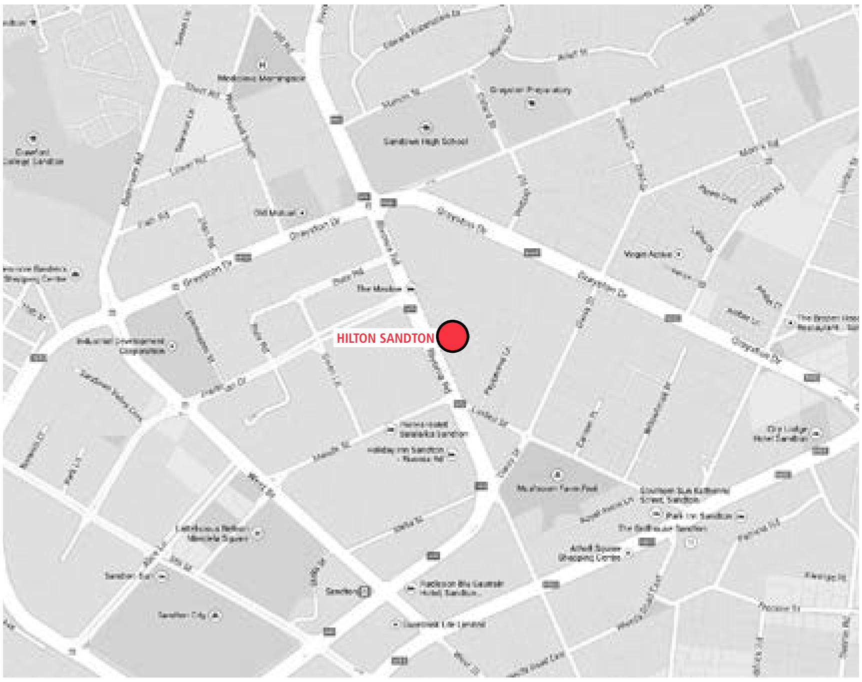
This special resolution is to clarify the retrospective position of qualifying non-executive directors in respect of their liability for value added tax on board fees paid. Pursuant to a binding ruling of the South African Revenue Service dated 10 February 2017, with effect from 1 June 2017, a non-executive director, who earns in excess of R1 000 000 (one million rand) in non-executive director's fees from all appointments in any 12 (twelve) month consecutive period, is required to register for and charge value added tax on such fees, subject to certain exceptions.

The board fees previously approved are deemed to be inclusive of value added tax and qualifying non-executive directors who became eligible for value added tax after the approval of the board fees were required to pay value added tax from the approved amounts. This has the effect of placing qualifying non-executive directors in a worse-off position than their non-qualifying peers. Accordingly, this special resolution seeks approval for the Company to pay once-off additional remuneration equivalent to any value added tax paid by qualifying non-executive directors since 1 June 2017 to the date of the passing of this special resolution.

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 NI2/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

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 members of Harmony 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 Thursday, 23 November 2017 at 11:00 (SA time) or at any adjournment thereof.

I/We (please print names in full)	
of (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 on my/our behalf at this annual general meeting of members or at any adjournment, and to vote or abstain from voting as follows on the ordinary and special resolutions to be proposed at such meeting:

	ORDINARY RESOLUTIONS	FOR	AGAINST	ABSTAIN
1.	**Ordinary Resolution 1:** To appoint Peter Steenkamp as a director			
2.	**Ordinary Resolution 2:** To re-elect Mavuso Msimang as a director			
3.	**Ordinary Resolution 3:** To re-elect John Wetton as a director			
4.	**Ordinary Resolution 4:** To re-elect Ken Dicks as a director			
5.	**Ordinary Resolution 5:** To re-elect Simo Lushaba as a director			
6.	**Ordinary Resolution 6:** To re-elect John Wetton as a member of the audit and risk committee			
7.	**Ordinary Resolution 7:** To re-elect Fikile De Buck as a member of the audit and risk committee			
8.	**Ordinary Resolution 8:** To re-elect Simo Lushaba as a member of the audit and risk committee			
9.	**Ordinary Resolution 9:** To re-elect Modise Motloba as a member of the audit and risk committee			
10.	**Ordinary Resolution 10:** To re-elect Karabo Nondumo as a member of the audit and risk committee			
11.	**Ordinary Resolution 11:** To reappoint the external auditors			
12.	**Ordinary Resolution 12:** To approve the remuneration policy			
13.	**Ordinary Resolution 13:** To approve the implementation report			
14.	**Ordinary Resolution 14:** Placing authorised but unissued Company shares under the control of the Board			
15.	**Ordinary Resolution 15:** General authority to issue shares for cash			
	SPECIAL RESOLUTIONS			
16.	**Special Resolution 1:** Authorisation of financial assistance			
17.	**Special Resolution 2:** To pre-approve non-executive directors' remuneration			
18.	**Special Resolution 3:** To approve once-off remuneration to non-executive directors			

Please indicate with an 'X' in the appropriate spaces above how you wish your vote to be cast. If no indication is given, the proxy may vote or abstain as he/she sees fit.

Signed at	this	day of	2017
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 **Tuesday, 21 November 2017**.

Please read the notes and instructions on the reverse side.

NOTES TO THE PROXY

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 member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space provided. 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 to the exclusion of those whose names 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 numbers of votes exercisable by the member in the appropriate box. Failure to comply 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 votes exercisable. 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, for the sake of good order, are urged (but not required) to be submitted to 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 **Tuesday, 21 November 2017**.
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. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
10. Despite the aforegoing, 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.

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*^
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
Telephone: +27 11 411 2314
Website: www.harmony.co.za

COMPANY SECRETARY

Telephone: +27 11 411 2094
E-mail: companysecretariat@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 11 713 0800
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: HAR
New York Stock Exchange: HMY
Berlin Stock Exchange: HAM1
ISIN: ZAE 000015228

FORWARD-LOOKING STATEMENTS

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

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

For a more detailed discussion of such risks and other factors (such as availability of credit or other sources of financing), see the company's latest Integrated Annual Report and 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 report or to reflect the occurrence of unanticipated events, except as required by law.

www.harmony.co.za