

OPERATIONS 2018 CONTINUED

Masimong

		FY18	FY17	FY16
Number of employees				
– Permanent		2 432	2 437	2 478
– Contractors		108	107	112
Total		2 540	2 544	2 590
Operational				
Volumes milled	(000t) (metric)	647	640	650
	(000t) (imperial)	714	706	716
Gold produced	(kg)	2 623	2 538	2 432
	(oz)	84 332	81 599	78 190
Gold sold	(kg)	2 609	2 539	2 432
	(oz)	83 882	81 631	78 191
Grade	(g/t)	4.05	3.97	3.74
	(oz/t)	0.118	0.116	0.109
Productivity	(g/TEC)	92.82	89.73	83.85
Development results				
Total metres		5 287	4 754	4 755
Reef metres		2 067	1 054	1 549
Financial				
Revenue	(Rm)	1 505	1 452	1 318
	(US\$m)	117	107	91
Average gold price received	(R/kg)	576 729	571 870	541 806
	(US\$/oz)	1 396	1 308	1 162
Cash operating cost	(Rm)	1 161	1 115	1 038
	(US\$m)	90	82	72
Production profit	(Rm)	351	339	280
	(US\$m)	27	25	19
Capital expenditure	(Rm)	129	119	110
	(US\$m)	10	9	8
Cash operating cost	(R/kg)	442 586	439 457	426 904
	(US\$/oz)	1 071	1 005	916
All-in sustaining cost	(R/kg)	513 197	500 938	493 527
	(US\$/oz)	1 242	1 146	1 059
Safety				
Number of fatalities		1	1	2
Lost-time injury frequency rate per million hours worked		8.61	10.54	10.05
Environment				
Electricity consumption	(GWh)	173	170	172
Water consumption – primary activities	(ML)	824	825	715
Greenhouse gas emissions	(000t CO ₂ e)	167	169	175
Intensity data per tonne treated				
– energy		0.27	0.27	0.26
– water		1.27	1.29	1.10
– greenhouse gas emissions		0.27	0.27	0.26
Number of reportable environmental incidents		0	0	0
Community				
Local economic development	(Rm)	6	7	6
Training and development	(Rm)	27	23	22

Masimong *continued*

Other salient features

Status of operation	Mature, single shaft operation nearing the end of its life of mine
Life of mine	3 years
Nameplate hoisting capacity (per month)	112 000 tonnes (124 000 tons)
Compliance and certification	New order mining right – December 2007 ISO 14001 ISO 9001 OHSAS 18001

Mineral reserves as at 30 June 2018

Reserves (metric)	Proved reserves			Probable reserves			Total mineral reserves		
	Tonnes (Mt)	Grade (g/t)	Gold (000kg)	Tonnes (Mt)	Grade (g/t)	Gold (000kg)	Tonnes (Mt)	Grade (g/t)	Gold (000kg)
	1.7	4.28	7	0.1	3.42	0	1.8	4.23	8
Reserves (imperial)	Tons (Mt)	Grade (oz/t)	Gold (000oz)	Tons (Mt)	Grade (oz/t)	Gold (000oz)	Tons (Mt)	Grade (oz/t)	Gold (000oz)
	1.9	0.125	234	0.1	0.100	13	2.0	0.123	246

Masimong is located in the Free State Province, near Welkom, about 260km from Johannesburg. The Masimong complex comprises an operating shaft (5 shaft) and 4 shaft, which, although closed for mining, is used for ventilation, pumping and as a second escape outlet. Masimong exploits the Basal Reef and the secondary B Reef. Mining is conducted to a depth of 2 050m. Ore mined is processed at the Harmony One plant.

Sadly, there was one fatality at Masimong in FY18.

Masimong once again delivered a good performance in FY18. The operation continues to focus on accessing higher grade B Reef areas. The recovered grade increased by 2% to 4.05g/t (0.118oz/t). Ore milled increased by 1% to 647 000 tonnes (714 000 tons). Gold produced increased by 3% to 2 623kg (84 332oz).

The increase in gold production contributed to a 4% increase in revenue to R1 505 million (9% increase to US\$117 million, due to increased production and the strengthening of the average rand/US dollar exchange rate by 6% from R13.60 in FY17 to R12.85 in FY18).

Cash operating costs increased by 4% to R1 161 million (10% increase to US\$90 million) mainly due to higher volumes produced and wage increases. Capital expenditure increased by 8% to R129 million (increased by 14% to US\$10 million). Capital was spent mainly on ongoing development.

Exploration for higher grade B Reef areas will continue in FY19.