

# OPERATIONAL PERFORMANCE CONTINUED

## SOUTH AFRICA – UNDERGROUND OPERATIONS

### Bambanani

		FY20	FY19	FY18
<b>Number of employees</b>				
– Permanent		1 561	1 513	1 568
– Contractors		129	157	163
<b>Total</b>		<b>1 690</b>	1 661	1 731
<b>Operational</b>				
Volumes milled	(000t) (metric)	200	230	233
	(000t) (imperial)	221	254	257
Gold produced	(kg)	2 132	2 515	2 821
	(oz)	68 545	80 860	90 698
Gold sold	(kg)	2 162	2 495	2 804
	(oz)	69 510	80 216	90 151
Grade	(g/t)	10.66	10.93	12.11
	(oz/t)	0.310	0.318	0.353
Productivity	(g/TEC)	112.43	135.22	150.60
<b>Development results</b>				
– Total metres		1 184	1 173	1 495
– Reef metres		0	0	0
– Capital metres		0	0	0
<b>Financial</b>				
Revenue	(Rm)	1 591	1 477	1 616
	(US\$m)	102	104	126
Average gold price received	(R/kg)	735 972	591 962	576 398
	(US\$/oz)	1 461	1 299	1 395
Cash operating cost	(Rm)	1 025	985	905
	(US\$m)	65	69	70
Production profit	(Rm)	551	483	720
	(US\$m)	36	34	56
Capital expenditure	(Rm)	50	61	64
	(US\$m)	3	4	5
Operating free cash flow <sup>1</sup>	(Rm)	517	431	647
	(US\$m)	33	30	51
Cash operating cost	(R/kg)	480 620	391 550	320 724
	(US\$/oz)	954	859	776
All-in sustaining cost	(R/kg)	522 990	441 226	360 462
	(US\$/oz)	1 039	968	873
Average exchange rate	(R/US\$)	15.66	14.18	12.85
<b>Safety</b>				
Number of fatalities		0	1	1
Lost-time injury frequency rate	per million hours worked	2.71	2.65	2.43
<b>Environment</b>				
Electricity consumption	(GWh)	132	146	145
Water consumption – primary activities	(ML)	1 120	1 470	1 527
Greenhouse gas emissions	(000t CO <sub>2</sub> e)	140	133	141
Intensity data per tonne treated				
– energy		0.66	0.63	0.62
– water		5.6	6.39	6.60
– greenhouse gas emissions		0.70	0.57	0.62
Number of reportable environmental incidents		1	0	0
<b>Community</b>				
Local economic development <sup>2</sup>	(Rm)	8	4	11
Training and development	(Rm)	23	26	25

<sup>1</sup> Operating free cash flow = revenue – cash operating cost – capital expenditure ± impact of run of mine (ROM) costs as per operating results

<sup>2</sup> Figures include R5 million spent on the local economic development projects

## Bambanani CONTINUED

### Other salient features

Status of operation	Mature operation with focus on mining of the shaft pillar for the next few
Life of mine	3 years
Nameplate hoisting capacity (per month)	32 000 tonnes (35 000 tons)
Compliance and certification	<ul style="list-style-type: none"><li>• New order mining right – December 2007</li><li>• ISO 14001 – not certified but operates according to standards requirements</li><li>• ISO 9001</li></ul>

### Mineral Reserve estimates at 30 June 2020

Reserves (metric)	Proved			Probable			Total		
	Tonnes (Mt)	Grade (g/t)	Gold (000kg)	Tonnes (Mt)	Grade (g/t)	Gold (000kg)	Tonnes (Mt)	Grade (g/t)	Gold (000kg)
	0.6	10.99	6	–	–	–	0.6	10.99	6
Reserves (imperial)	Tons (Mt)	Grade (oz/t)	Gold (000oz)	Tons (Mt)	Grade (oz/t)	Gold (000oz)	Tons (Mt)	Grade (oz/t)	Gold (000oz)
	0.6	0.320	207	–	–	–	0.6	0.320	207

### Overview of operations

Bambanani is a mature, deep-level mine located in the Free State, near Welkom and about 260km south of Johannesburg. The mine consists of two surface shafts with the East shaft being used to convey our employees and the West shaft used to hoist ore to the surface.

Bambanani is in the final stages of its life of mine with only three more years to mine and mining is limited to the extraction of the high-grade shaft pillar. Mining is conducted to a depth of 2 219m. The Basal Reef is the predominant gold-bearing reef exploited at Bambanani. The ore mined is sent to the Harmony One plant for processing. Given the high risk of seismicity at Bambanani, efforts are focused on managing support systems and the rehabilitation of areas with challenging ground conditions.

### Operating performance FY20

The operation, which is Harmony's third most profitable mine contributing 6% to overall group production, is performing well, with safety and disciplined mining being key to its success. Having said that, Bambanani was similarly impacted by disruptions caused by the Covid-19 pandemic and associated restrictions.

Gold produced was 15% lower at 2 132kg (68 545oz), owing to the 13% decrease in ore milled to 200 000t and a 2% decline in recovered grade to 10.66g/t. However, the financial performance was aided by the significant increase in the gold price received, which averaged at R735 972kg in FY20. This resulted in an 8% rise in revenue to R1.59 million.

Cash operating costs increased by 4% to R1 025 million, mainly due to annual wage increases. Capital expenditure decreased by 18% to R50 million on account of the national lockdown in April 2020 and subsequent phased start-up of operations.

### Outlook for FY21

Given that the operation is nearing the end of its life of mine, the key focus in FY21 will be to continue mining the remainder of the shaft pillar in a safe and productive manner.