

OPERATIONAL PERFORMANCE CONTINUED

SOUTH AFRICA – SURFACE OPERATIONS

Central Plant Reclamation (tailings retreatment)

		FY20	FY19	FY18
Number of employees				
– Permanent		97	99	100
– Contractors		151	136	182
Total		248	235	282
Operational				
Volumes milled	(000t) (metric)	4 020	3 872	3 810
	(000t) (imperial)	4 433	4 269	4 201
Gold produced	(kg)	625	579	502
	(oz)	20 094	18 615	16 139
Gold sold	(kg)	625	577	508
	(oz)	20 093	18 551	16 333
Grade	(g/t)	0.155	0.150	0.132
	(oz/t)	0.005	0.004	0.004
Productivity	(g/TEC)	325.83	307.23	261.72
Financial				
Revenue	(Rm)	468	342	293
	(US\$m)	30	24	23
Average gold price received	(R/kg)	749 216	592 359	576 829
	(US\$/oz)	1 488	1 299	1 396
Cash operating cost	(Rm)	234	212	191
	(US\$m)	15	15	15
Production profit	(Rm)	234	130	98
	(US\$m)	15	9	8
Capital expenditure	(Rm)	12	7	22
	(US\$m)	1	1	2
Operating free cash flow ¹	(Rm)	222	123	80
	(US\$m)	14	8	6
Cash operating cost	(R/kg)	373 798	366 364	381 131
	(US\$/oz)	742	804	923
All-in sustaining cost	(R/kg)	389 611	378 038	420 016
	(US\$/oz)	774	829	1 017
Average exchange rate	(R/US\$)	15.66	14.18	12.85
Safety				
Number of fatalities		0	0	0
Lost-time injury frequency rate	per million hours worked	0	2.09	0
Environment				
Electricity consumption	(GWh)	24	23	24
Water consumption – primary activities	(ML)	171	191	180
Greenhouse gas emissions	(000t CO ₂ e)	25	21	23
Intensity data per tonne treated				
– energy		0.01	0.01	0.01
– water		0.04	0.05	0.05
– greenhouse gas emissions		0.01	0.005	0.006
Number of reportable environmental incidents		0	0	1

Note: Reported as part of waste rock dumps prior to the conversion of Central Plant to a tailings retreatment facility, which began operating in FY18

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

Central Plant Reclamation (tailings retreatment) CONTINUED

Other salient features

Status of operation	Retreatment of tailings
Life of mine	15 years

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)
	–	–	–	55.4	0.27	15	55.4	0.27	15
Reserves (imperial)	Tons (Mt)	Grade (oz/t)	Gold (000oz)	Tons (Mt)	Grade (oz/t)	Gold (000oz)	Tons (Mt)	Grade (oz/t)	Gold (000oz)
	–	–	–	61.0	0.008	476	61.0	0.008	476

Overview of operations

The Central Plant Reclamation, is a tailings retreatment operation situated near Welkom in the Free State. Originally built to process waste rock dumps, the Central Plant was converted into a tailings retreatment facility in FY17.

Operating performance FY20

Central Plant performed well in FY20 despite the disruptions caused by the Covid-19 pandemic and associated national lockdown. The operation recorded a 4% increase in volumes processed to 4 million tonnes and a 3% increase in recovered grade to 0.155g/t resulting in an 8% increase in gold production to 625kg (20 094oz). This performance was reflected in the substantial rise in revenue to R468 million.

All-in sustaining unit cost increased by 3% to R389 611/kg (in US\$ terms decreased by 7% to US\$774/oz).

The capital expenditure for FY20 increased by 68% to R12 million on account of an increase in plant maintenance.

Outlook for FY21

Key focus areas in FY21 will be to continue safe operations and deliver operational excellence.

OPERATIONAL PERFORMANCE CONTINUED

SOUTH AFRICA – SURFACE OPERATIONS

Waste rock dumps

		FY20	FY19	FY18
Operational				
Volumes milled	(000t) (metric)	4 476	4 307	2 821
	(000t) (imperial)	4 936	4 749	3 110
Gold produced	(kg)	1 753	1 515	1 081
	(oz)	56 630	48 708	34 755
Gold sold	(kg)	1 780	1 497	1 074
	(oz)	57 229	48 129	34 530
Grade	(g/t)	0.392	0.352	0.383
	(oz/t)	0.011	0.010	0.011
Financial				
Revenue	(Rm)	1 388	879	610
	(US\$m)	89	62	47
Average gold price received	(R/kg)	779 835	587 483	567 737
	(US\$/oz)	1 549	1 289	1 374
Cash operating cost	(Rm)	853	692	450
	(US\$m)	54	49	35
Production profit	(Rm)	527	195	164
	(US\$m)	34	14	13
Capital expenditure	(Rm)	2	8	3
	(US\$m)	–	1	–
Operating free cash flow ¹	(Rm)	533	179	157
	(US\$m)	34	12	12
Cash operating cost	(R/kg)	486 792	456 473	415 993
	(US\$/oz)	967	1 001	1 007
All-in sustaining cost	(R/kg)	484 507	462 178	417 462
	(US\$/oz)	962	1 014	1 010
Average exchange rate	(R/US\$)	15.66	14.18	12.85
Safety				
Number of fatalities		0	0	0
Lost-time injury frequency rate	per million hours worked	0	0	0
Environment				
Electricity consumption	(GWh)	*	*	*
Water consumption – primary activities	(ML)	*	*	*
Greenhouse gas emissions	(000t CO ₂ e)	*	*	*
Intensity data per tonne treated				
– energy		*	*	*
– water		*	*	*
– greenhouse gas emissions		*	*	*
Number of reportable environmental incidents		0	0	0

* Electricity and water consumption and related emission and intensity data for the respective plants at which the waste rock dumps are processed are accounted for as part of the primary operation's environmental results

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

Waste rock dumps CONTINUED

Other salient features

Status of operation	Processing of waste rock dumps is dependent on the availability of spare plant capacity and plant requirements for grinding material
Life of mine	± 1 year

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)
	–	–	–	3.5	0.50	2	3.5	0.50	2
Reserves (imperial)	Tons (Mt)	Grade (oz/t)	Gold (000oz)	Tons (Mt)	Grade (oz/t)	Gold (000oz)	Tons (Mt)	Grade (oz/t)	Gold (000oz)
	–	–	–	3.8	0.015	56	3.8	0.015	56

Overview of operations

Production from the processing of surface rock dumps, which are situated across Harmony's operations, depends entirely on the availability of spare mill capacity at the Harmony One and Target plants. Waste and waste rock dump deliveries to Kusasalethu plant (situated near the border of Gauteng and North West provinces) supplement mining volumes in order to secure sufficient backfill to use as support in stoping areas. Waste rock dumps situated near Orkney (acquired as part of the Moab Khotso operations) are treated at the Great Nologwa and Mispah plants. Milling of waste rock dumps at the Doornkop plant, situated in Gauteng, began in FY18.

Operating performance FY20

An increase of 4% in ore milled to 4Mt, coupled with an 11% rise in recovered grade to 0.392g/t, delivered a 16% rise in gold produced to 1 753kg (56 360oz). The performance of the waste rock dumps year on year benefitted from the reduction in underground production during the duration of the national lockdown in South Africa. The operation recorded an excellent financial performance with revenue increasing to R1.4 billion in FY20.

Outlook for FY21

The priority for FY21 will be to maintain safe, profitable production.