

PERFORMANCE BY OPERATION continued

South Africa – underground operation Bambanani

| | | FY21 | FY20 | FY19 |
|--|--------------------------|--------------|---------|---------|
| Number of employees | | | | |
| – Permanent | | 1 508 | 1 561 | 1 513 |
| – Contractors | | 131 | 129 | 157 |
| Total | | 1 639 | 1 690 | 1 661 |
| Operational | | | | |
| Volumes milled | (000t) (metric) | 227 | 200 | 230 |
| | (000t) (imperial) | 250 | 221 | 254 |
| Gold produced | (kg) | 1 992 | 2 132 | 2 515 |
| | (oz) | 64 044 | 68 545 | 80 860 |
| Gold sold | (kg) | 1 975 | 2 162 | 2 495 |
| | (oz) | 63 498 | 69 510 | 80 216 |
| Grade | (g/t) | 8.78 | 10.66 | 10.93 |
| | (oz/t) | 0.256 | 0.310 | 0.318 |
| Productivity | (g/TEC) | 107.37 | 112.43 | 135.22 |
| Development results | | | | |
| – Total metres | | 1 414 | 1 184 | 1 173 |
| – Reef metres | | – | – | – |
| – Capital metres | | – | – | – |
| Financial | | | | |
| Revenue | (Rm) | 1 687 | 1 591 | 1 477 |
| | (US\$m) | 110 | 102 | 104 |
| Average gold price received | (R/kg) | 854 392 | 735 972 | 591 962 |
| | (US\$/oz) | 1 726 | 1 461 | 1 299 |
| Cash operating cost | (Rm) | 1 168 | 1 025 | 985 |
| | (US\$m) | 76 | 65 | 69 |
| Production profit | (Rm) | 531 | 551 | 483 |
| | (US\$m) | 35 | 36 | 34 |
| Capital expenditure | (Rm) | 71 | 50 | 61 |
| | (US\$m) | 5 | 3 | 4 |
| Operating free cash flow ¹ | (Rm) | 448 | 517 | 431 |
| | (US\$m) | 29 | 33 | 30 |
| Cash operating cost | (R/kg) | 586 588 | 480 620 | 391 550 |
| | (US\$/oz) | 1 185 | 954 | 859 |
| All-in sustaining cost | (R/kg) | 641 426 | 522 990 | 441 226 |
| | (US\$/oz) | 1 295 | 1 039 | 968 |
| Average exchange rate | (R/US\$) | 15.40 | 15.66 | 14.18 |
| Safety | | | | |
| Number of fatalities | | 2 | – | 1 |
| Lost-time injury frequency rate | per million hours worked | 2.7 | 2.71 | 2.65 |
| Environment | | | | |
| Electricity consumption | (GWh) | 133 | 132 | 146 |
| Water consumption – primary activities | (MI) | 1 024 | 1 120 | 1 470 |
| Greenhouse gas emissions | (000tCO ₂ e) | 138 | 140 | 133 |
| Intensity data per tonne treated | | | | |
| – Energy | | 0.58 | 0.66 | 0.63 |
| – Water | | 4.51 | 5.6 | 6.39 |
| – Greenhouse gas emissions | | 0.61 | 0.7 | 0.57 |
| Number of reportable environmental incidents | | – | 1 | – |
| Community | | | | |
| Local economic development | (Rm) | 4 | 8 | 4 |
| Training and development | (Rm) | 22 | 23 | 26 |

¹ Operating free cash flow = revenue – cash operating cost – capital expenditure as per operating results.

Bambanani continued

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

Mineral Reserve estimates at 30 June 2021

| 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 | 8.48 | 5 | – | – | – | 0.6 | 8.48 | 5 |
| 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 | 0.247 | 152 | – | – | – | 0.6 | 0.247 | 152 |

Overview of operations

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

Bambanani is in the final stages of its life-of-mine (three years remaining) and mining is limited to extraction of the high-grade shaft pillar. Mining is conducted to a depth of 2 219m, exploiting predominantly the Basal Reef. 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 rehabilitating areas with challenging ground conditions.

Operating performance FY21

Regrettably there were two fatalities in FY21, one in the first quarter and one in the third quarter. The management team remains committed to improving safety performance as a priority. Refer to **Safety and health** in the **ESG report** for more on the causes of injury and management's safety approach.

Gold production decreased 7% to 1 992kg (64 044oz) (FY20: 2 132kg, 68 545oz), mainly due to an 18% decrease in the underground recovered grade to 8.78g/t (FY20: 10.66g/t) affected by challenging mining conditions in higher grade areas. An extensive drilling programme has been scheduled to investigate the extent of these conditions. Ore milled increased by 14% to 227 000 tonnes (FY20: 200 000 tonnes). The lower gold production was offset by an increase in the average gold price received to R854 392/kg (FY20 R735 972/kg), resulting in a 6% increase in revenue to R1 687 million (FY20: R1 591 million).

Cash operating costs increased 14% to R1 168 million (FY20: R1 025 million), mainly due to annual wage increases and electricity tariff increases. Capital expenditure rose 42% to R71 million (FY20: R50 million), mainly due to ongoing development and deferred capital expenditure from the national lockdown in FY20 which interrupted operations. Operating free cash flows of R448 million in FY21, compared to R517 million in FY20, reflect the high increase in capital expenditure as well as cash operating costs.

Outlook for FY22

Given that the operation is nearing the end of its life-of-mine, the key focus in FY22 will be to continue mining the remaining shaft pillar in a safe and productive manner.