

## PERFORMANCE BY OPERATION continued

### South Africa – surface operation Kalgold

		FY21	FY20	FY19
<b>Number of employees</b>				
– Permanent		270	253	238
– Contractors		430	361	346
<b>Total</b>		<b>700</b>	614	584
<b>Operational</b>				
Volumes milled	(000t) (metric)	1 507	1 541	1 619
	(000t) (imperial)	1 662	1 700	1 785
Gold produced	(kg)	1 109	1 153	1 249
	(oz)	35 655	37 070	40 156
Gold sold	(kg)	1 112	1 151	1 263
	(oz)	35 752	37 006	40 605
Grade	(g/t)	0.74	0.75	0.77
	(oz/t)	0.021	0.022	0.022
Productivity	(g/TEC)	121.92	128.80	150.85
<b>Financial</b>				
Revenue	(Rm)	955	855	750
	(US\$m)	62	55	53
Average gold price received	(R/kg)	859 070	742 533	593 482
	(US\$/oz)	1 735	1 474	1 302
Cash operating cost	(Rm)	776	674	695
	(US\$m)	50	43	49
Production profit	(Rm)	179	183	50
	(US\$m)	12	12	3
Capital expenditure	(Rm)	208	99	61
	(US\$m)	14	6	4
Operating free cash flow <sup>1</sup>	(Rm)	(36)	84	(4)
	(US\$m)	(2)	6	–
Cash operating cost	(R/kg)	699 546	584 218	556 283
	(US\$/oz)	1 413	1 160	1 220
All-in sustaining cost	(R/kg)	905 253	690 239	624 147
	(US\$/oz)	1 828	1 371	1 369
Average exchange rate	(R/US\$)	15.40	15.66	14.18
<b>Safety</b>				
Number of fatalities		–	–	–
Lost-time injury frequency rate	per million hours worked	3.21	1.65	0.88
<b>Environment</b>				
Electricity consumption	(GWh)	53	54	54
Water consumption – primary activities	(Ml)	267	307	583
Greenhouse gas emissions	(000tCO <sub>2</sub> e)	75	72	66
Intensity data per tonne treated				
– Energy		0.03	0.04	0.03
– Water		0.18	0.2	0.36
– Greenhouse gas emissions		0.05	0.05	0.04
Number of reportable environmental incidents		–	–	1
<b>Community</b>				
Local economic development	(Rm)	1	8	9
Training and development	(Rm)	6	9	5

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

## Kalgold continued

Other salient features	
Status of operation	Open-pit mining operation
Life-of-mine	12 years
Nameplate hoisting capacity (per month)	112 000 tonnes (124 000 tons)
Compliance and certification	<ul style="list-style-type: none"> <li>• New order mining right – August 2008</li> <li>• ISO 14001</li> <li>• ISO 9001.</li> </ul>

## 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)
	6.1	0.93	6	12.5	1.12	14	18.5	1.06	20
Reserves (imperial)	Tons (Mt)	Grade (oz/t)	Gold (000oz)	Tons (Mt)	Grade (oz/t)	Gold (000oz)	Tons (Mt)	Grade (oz/t)	Gold (000oz)
	6.7	0.027	182	13.7	0.033	449	20.4	0.031	631

## Overview of operations

Kalgold is a long-life, open-pit gold mine on the Kraaipan Greenstone Belt, 55km south-west of Mahikeng in North West province.

Mining takes place from the A-zone pit, where activities are ramping up at the pillar between the A-zone and Watertank pit. Mined ore is processed at the carbon-in-leach Kalgold plant.

## Operating performance FY21

Kalgold maintained its fatality-free record in FY21.

Gold production decreased 4% to 1 109kg (35 655oz) (FY20: 1 153kg, 37 070oz), due to a 2% drop in ore milled to 1 507 000 tonnes (FY20: 1 541 000 tonnes) and a 1% decrease in recovered grade to 0.74g/t (FY20: 0.75g/t).

Despite lower production, the 16% higher average gold price received in FY21 boosted revenue 12% to R955 million (FY20: R855 million). Cash operating costs increased 15% to R776 million (FY20: R674 million) due to increased annual wages and electricity tariffs.

Capital expenditure rose over 100% to R208 million (FY20: R99 million), mainly for capitalised stripping costs in FY21.

## Outlook for FY22

With a 12-year life-of-mine, the key focus areas in FY22 will be to optimise the pit design to produce safe, profitable ounces by mining the A-zone and Watertank pits. Feasibility studies are underway to potentially expand milling capacity – two options are being considered, one to expand milling capacity by 300 000t a month, the other by 450 000t a month. The results from exploration drilling at Kalgold outline an expanded, robust mineralised system that extends beyond current resource limits. Resource development drilling underway has outlined a mineralised zone that now comprises over 2.1km of strike and extends to more than 300m below surface. The intersections show good continuity of geology and mineralisation, making this an exciting organic growth opportunity for Harmony.