

PERFORMANCE BY OPERATION continued

South Africa – underground operation Masimong

		FY21	FY20	FY19
Number of employees				
– Permanent		1 943	2 083	2 247
– Contractors		121	135	120
Total		2 064	2 218	2 367
Operational				
Volumes milled	(000t) (metric)	510	489	602
	(000t) (imperial)	563	539	664
Gold produced	(kg)	2 012	1 999	2 309
	(oz)	64 687	64 269	74 237
Gold sold	(kg)	1 993	2 027	2 291
	(oz)	64 076	65 169	73 657
Grade	(g/t)	3.95	4.09	3.84
	(oz/t)	0.115	0.119	0.112
Productivity	(g/TEC)	81.23	79.22	82.48
Development results				
– Total metres		2 833	2 246	3 167
– Reef metres		1 044	759	765
Financial				
Revenue	(Rm)	1 636	1 401	1 359
	(US\$m)	106	89	96
Average gold price received	(R/kg)	820 780	691 282	593 003
	(US\$/oz)	1 658	1 373	1 301
Cash operating cost	(Rm)	1 440	1 241	1 214
	(US\$m)	94	79	86
Production profit	(Rm)	209	143	154
	(US\$m)	13	9	11
Capital expenditure	(Rm)	29	24	109
	(US\$m)	2	2	8
Operating free cash flow ¹	(Rm)	166	136	36
	(US\$m)	11	8	2
Cash operating cost	(R/kg)	715 835	620 804	525 703
	(US\$/oz)	1 446	1 233	1 153
All-in sustaining cost	(R/kg)	764 577	655 888	593 408
	(US\$/oz)	1 544	1 302	1 302
Average exchange rate	(R/US\$)	15.40	15.66	14.18
Safety				
Number of fatalities		–	–	–
Lost-time injury frequency rate	per million hours worked	2.86	7.51	5.88
Environment				
Electricity consumption	(GWh)	133	138	161
Water consumption – primary activities	(Ml)	383	510	721
Greenhouse gas emissions	(000tCO ₂ e)	139	146	147
Intensity data per tonne treated				
– Energy		0.26	0.28	0.27
– Water		0.75	1.04	1.2
– Greenhouse gas emissions		0.27	0.3	0.24
Number of reportable environmental incidents		1	–	–
Community				
Local economic development	(Rm)	5	11	6
Training and development	(Rm)	23	23	26

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

Masimong continued

Other salient features	
Status of operation	Mature, single-shaft operation nearing the end of its life
Life-of-mine	18 months
Nameplate hoisting capacity (per month)	112 000 tonnes (124 000 tons)
Compliance and certification	<ul style="list-style-type: none"> • New order mining right – December 2007 • ISO 14001 • ISO 9001 • OHSAS 18001.

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)
	0.7	4.37	3	0.03	3.08	0.1	0.8	4.32	3
Reserves (imperial)	Tons (Mt)	Grade (oz/t)	Gold (000oz)	Tons (Mt)	Grade (oz/t)	Gold (000oz)	Tons (Mt)	Grade (oz/t)	Gold (000oz)
	0.8	0.127	105	0.03	0.090	3	0.9	0.126	108

Overview of operations

Masimong is a deep-level mine in the Free State, near Welkom, some 260km from Johannesburg. The operation is close to the end of its mine life, with some 18 months of mining left. Masimong is a mine that reflects the effectiveness of Harmony's business model.

The Masimong complex comprises two shafts with 5 Shaft used as the operating shaft and 4 Shaft for ventilation, pumping and a second escape outlet. Masimong exploits the Basal Reef and B Reef, using a conventional tabular narrow-reef stoping method. Mining is conducted at a depth of 1 650m to 2 010m below collar. Ore mined is processed at the nearby Harmony One plant.

Operating performance FY21

Gold production increased 1% to 2 012kg (64 687oz) (FY20: 1 999kg, 64 269oz), due to a 4% increase in tonnes milled to 510 000 tonnes (FY20: 489 000 tonnes), countered by a deteriorating underground grade recovered of 3% to 3.95g/t (FY20: 4.09g/t).

The 19% increase in gold price received to R820 780/kg (FY20: R691 282/kg) and slight increase in production contributed to the 17% increase in revenue to R1 636 million (FY20: R1 401 million), despite a marginal decrease in gold sold. This performance was underpinned by a good safety record with no loss-of-life incidents recorded in FY21 as the operations achieved 2 million fatality-free shifts.

Cash operating costs rose 16% to R1 440 million (FY20: R1 241 million) mainly due to annual wage increases and electricity tariff increases. Capital expenditure increased 21% to R29 million (FY20: 24 million), mainly for ongoing development.

Outlook for FY22

The Masimong management team will focus on maintaining the safety and production performance as life-of-mine was extended by another year.