

PERFORMANCE BY OPERATION continued

South Africa – surface operation

Mine Waste Solutions (tailings retreatment)

		FY21	FY20	FY19
Number of employees				
– Permanent		479		
– Contractors		797		
Total		1 276		
Operational				
Volumes milled	(000t) (metric)	17 665		
	(000t) (imperial)	19 479		
Gold produced	(kg)	2 057		
	(oz)	66 133		
Gold sold	(kg)	2 043		
	(oz)	65 684		
Grade	(g/t)	0.116		
	(oz/t)	0.003		
Productivity	(g/TEC)	302.38		
Financial				
Revenue	(Rm)	1 889		
	(US\$m)	123		
Average gold price received	(R/kg)	729 882		
	(US\$/oz)	1 474		
Cash operating cost	(Rm)	1 036		
	(US\$m)	67		
Production profit	(Rm)	751		
	(US\$m)	49		
Capital expenditure	(Rm)	70		
	(US\$m)	5		
Operating free cash flow ¹	(Rm)	385		
	(US\$m)	25		
Cash operating cost	(R/kg)	503 635		
	(US\$/oz)	1 017		
All-in sustaining cost	(R/kg)	601 978		
	(US\$/oz)	1 216		
Average exchange rate	(R/US\$)	15.40		
Safety				
Number of fatalities		–		
Lost-time injury frequency rate	per million hours worked	4.04		
Environment				
Electricity consumption	(GWh)	142		
Water consumption – primary activities	(Ml)	6 222		
Greenhouse gas emissions	(000tCO ₂ e)	154		
Intensity data per tonne treated				
– Energy		0.01		
– Water		0.35		
– Greenhouse gas emissions		0.01		
Number of reportable environmental incidents		1		
Community				
Local economic development	(Rm)	–		
Training and development	(Rm)	1		

¹ Operating free cash flow = revenue – Franco-Nevada non-cash consideration – cash operating cost – capital expenditure as per operating results.

The results and figures in the table above are for the nine months from 1 October 2020 to 30 June 2021.

Mine Waste Solutions (tailings retreatment) continued

Other salient features	
Status of operation	Tailings retreatment
Life-of-mine	17 years

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)
	50.0	0.24	12	164.9	0.26	42	214.9	0.25	54
Reserves (imperial)	Tons (Mt)	Grade (oz/t)	Gold (000oz)	Tons (Mt)	Grade (oz/t)	Gold (000oz)	Tons (Mt)	Grade (oz/t)	Gold (000oz)
	55.1	0.007	390	181.8	0.007	1 358	236.9	0.007	1 749

Overview of operations

Mine Waste Solutions is a tailings retreatment operation near Klerksdorp in North West province. It reprocesses low-grade material from tailing storage facilities scattered across the Vaal River and Stilfontein area to reduce the tailings footprint.

The operation was acquired from AngloGold Ashanti Limited in October 2020.

Harmony's subsidiary, Chemwes, the owner of Mine Waste Solutions has a contract with Franco-Nevada Barbados (Franco-Nevada) where Franco-Nevada is entitled to receive 25% of all the gold produced through Mine Waste Solutions.

As at 1 October 2020, the balance of gold ounces to be delivered to Franco-Nevada amounted to 100 686oz. Subsequent to 1 October 2020, 16 257oz had been delivered to Franco-Nevada bringing the balance of gold ounces to be delivered as at 30 June 2021 to 84 429oz.

Operating performance FY21

The acquisition of Mine Waste Solutions in FY21 met Harmony's strategic objective of improving the quality of its asset portfolio and increasing margins. Its integration boosted group production and operating free cash flow in FY21.

Mine Waste Solutions processed 17.7 million tonnes at an underground grade of 0.116g/t, producing 2 057kg (66 133oz) of gold in the nine months to June 2021.

Revenue of R1 889 million reflects high productivity and a healthy average gold price received of R729 882/kg. The operation incurred all-in sustaining costs of R601 978/kg and capital expenditure of R70 million, mainly due to emergency generators, Kareerand East stormwater drain and the Kareerand expansion project.

The integration of Mine Waste Solutions included the transfer of Harmony's existing accounting and payroll systems, successfully completed by year end.

Outlook for FY22

Management is focused on optimising costs and efficiencies to further enhance performance.