

PERFORMANCE BY OPERATION continued

South Africa – underground operation Mponeng

		FY21	FY20	FY19
Number of employees				
– Permanent		4 650		
– Contractors		658		
Total		5 308		
Operational				
Volumes milled	(000t) (metric)	683		
	(000t) (imperial)	753		
Gold produced	(kg)	5 446		
	(oz)	175 092		
Gold sold	(kg)	5 299		
	(oz)	170 367		
Grade	(g/t)	7.97		
	(oz/t)	0.233		
Productivity	(g/TEC)	124.95		
Development results				
– Total metres		6 299		
– Reef metres		815		
– Capital metres		–		
Financial				
Revenue	(Rm)	4 750		
	(US\$m)	308		
Average gold price received	(R/kg)	896 474		
	(US\$/oz)	1 811		
Cash operating cost	(Rm)	2 902		
	(US\$m)	188		
Production profit	(Rm)	1 812		
	(US\$m)	117		
Capital expenditure	(Rm)	493		
	(US\$m)	32		
Operating free cash flow ¹	(Rm)	1 356		
	(US\$m)	88		
Cash operating cost	(R/kg)	532 812		
	(US\$/oz)	1 076		
All-in sustaining cost	(R/kg)	659 760		
	(US\$/oz)	1 333		
Average exchange rate	(R/US\$)	15.40		
Safety				
Number of fatalities		–		
Lost-time injury frequency rate	per million hours worked	8.09		
Environment				
Electricity consumption	(GWh)	680		
Water consumption – primary activities	(Ml)	2 250		
Greenhouse gas emissions	(000tCO ₂ e)	708		
Intensity data per tonne treated				
– Energy		1		
– Water		3.29		
– Greenhouse gas emissions		1.04		
Number of reportable environmental incidents		–		
Community				
Local economic development	(Rm)	1		
Training and development	(Rm)	11		

¹ Operating free cash flow = revenue – 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.

Mponeng continued

Other salient features	
Status of operation	Steady-state operation: development continues
Life-of-mine	Eight years
Nameplate hoisting capacity (per month)	165 000 tonnes (182 000 tons)
Compliance and certification	<ul style="list-style-type: none"> • New order mining right • ISO 14001.

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)
	1.9	8.72	17	5.8	8.47	49	7.7	8.53	65
Reserves (imperial)	Tons (Mt)	Grade (oz/t)	Gold (000oz)	Tons (Mt)	Grade (oz/t)	Gold (000oz)	Tons (Mt)	Grade (oz/t)	Gold (000oz)
	2.1	0.254	535	6.3	0.247	1 569	8.5	0.249	2 104

Overview of operations

Mponeng is a deep-level mine near the town of Carletonville, some 90km south-west of Johannesburg. The mine, which began producing in 1986, was acquired from AngloGold Ashanti Limited in October 2020.

The orebody is extracted mostly by breast-mining methods with associated waste mining in addition to the reef being extracted. The dilution from these waste sources is captured and incorporated in the tonnage calculation, with historical performance being the benchmark. The mine exploits the Ventersdorp Contact Reef as its primary orebody. The economic reef horizons are mined between 3 160m and 3 740m below surface. Ore mined is processed at the Mponeng gold plant. The plant uses the conventional gold leach method, with gold recovered through carbon-in-pulp technology.

Operating performance FY21

The acquisition of Mponeng in October 2020 met Harmony's strategic objective of enhancing the quality of its asset portfolio and increasing margins. Its inclusion for nine months of the financial year boosted group production and free cash flow.

Mponeng is the group's second-largest contributor to operating free cash flows. In FY21, Mponeng processed 683 000 tonnes, producing 5 446kg (175 092oz) of gold at an underground recovered grade of 7.97g/t, making it the third-largest contributor to the group's gold production in the nine months from October 2020 to June 2021.

As a result of an exceptional average gold price received of R896 474/kg and high gold production, Mponeng recorded revenue of R4 750 million. It incurred cash operating costs of R2 902 million and capital expenditure of R493 million, mainly due to integration costs and ongoing development for plant optimisation.

The integration of Mponeng included the transfer of Harmony's existing accounting and payroll systems. This was successfully completed by year end.

Outlook for FY22

Management is focused on optimising costs and efficiencies to further enhance the performance of Mponeng, while safety remains a priority.