

Harmony Gold Mining Company Limited  
Registration number 1950/038232/06  
Incorporated in the Republic of South Africa  
ISIN: ZAE000015228  
JSE share code: HAR  
("Harmony" or "the Company")

### **Harmony positioned to deliver long term value**

- *South African operations records a fatal-free quarter*
- *Restructuring for safe, profitable ounces continues*
- *Gold production decreased by 10% quarter on quarter due to stoppages at Kusasalethu and Hidden Valley*
- *Majority of operations perform in line with plans, with grade remaining consistent*
- *Production profit of R618 million*
- *Headline loss of R496 million, due to lower production and restructuring*

Harmony Gold Mining Company Limited ('Harmony' and/or 'the Company') is pleased to advise that its South African operations reported a fatal-free quarter. The majority of its operations performed in line with their production plans and underground grade remained consistent quarter on quarter.

"In the current environment of volatile gold prices and possible deflationary trends, we are focused - more than ever - on cost control and cash generation at existing operations. In addition, shareholder value is created through investing in Golpu, securing a sustainable, profitable future for Harmony", said Graham Briggs, chief executive officer.

The results of the updated Golpu prefeasibility study (PFS) were announced on the 15th of December 2014. Please refer to Harmony's website for more details: [www.harmony.co.za](http://www.harmony.co.za). The updated PFS supports the Company's view that Golpu is a spectacular ore body with a large copper component, affordable and mineable. Harmony's emphasis in

preparing the PFS was to create flexibility to allow the size of the project to adapt to different levels of gold and copper prices, allowing Golpu to grow over time.

Mr Briggs added: "Key objectives of the study have been achieved by reducing the capital of the project, lowering operating costs and improving the rate of return. Harmony intends to fund the earlier stages of the project from internal cash flows, and reviewing other funding options for the latter stages. The Golpu project is a significant value accretive game-changer for Harmony."

Revenue decreased by R716 million (16%) to R3 715 million as a result of the 14% decrease in gold sold to 8 580kg and a 2% decrease in the Rand gold price received to R432 963/kg in the December 2014 quarter. Lower gold production quarter on quarter and a lower gold price resulted in a decrease in production profit to R618 million in the December 2014 quarter, compared to R913 million in the previous quarter.

Harmony embarked on a life-of-mine optimisation process which was completed during the December 2014 quarter. The optimisation resulted in a greater focus on mining profitable and higher grade areas at its South African operations. It also resulted in removing lower grade and unprofitable areas from the mine plan for most of the operations. The optimisation resulted in the abandonment of levels and areas with a carrying value at Kusasalethu (R214 million) and Masimong (R216 million) and such areas were accordingly identified for scrapping. The decision to restructure and optimise its operations, will contribute to a more profitable Harmony in the future.

Cash operating cost for the December 2014 quarter improved (decreased) by 10% when compared to the previous quarter. The decrease is due to lower electricity tariffs for the summer months, amounting to R200 million. Labour cost also decreased by R63 million in the December 2014 quarter. A headline loss of R496 million was recorded, due to lower production and restructuring costs.

Gold production during the March 2015 quarter is expected to be higher once Kusasaletu's restructuring is finalised and Hidden Valley returns to full production, positioning our operations to benefit from higher gold prices.

Please refer to <http://www.harmony.co.za/investors> for details of our live presentation, dial-in and webcast information for today's results' presentation and to download the quarterly booklet and presentation in support of our presentation, webcast and calls.

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