

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

### **Harmony secures cash flow; continues to repay debt**

Harmony Gold Mining Company Limited (Harmony and/or the Company) advises that it has entered into foreign exchange hedging contracts in respect of the Rand/US dollar ("R/\$" or "US\$/R") exchange rate for a nominal US dollar value of approximately US\$400 million.

"The weakness in and volatility of the rand presented an opportunity to Harmony to establish a very attractive minimum exchange rate on the US dollars we receive when we sell our gold, while leaving our shareholders fully exposed to the upside in the US\$ gold price. At the same time this provides more certainty on our margins and cash flows, enabling us to reduce our debt, strengthen our balance sheet and provide us with further confidence that we can fund the Golpu project", said Frank Abbott, financial director of Harmony.

These hedging contracts have been done in the form of zero cost collars\* ("collars"). The collars establish a floor or minimum exchange rate for Harmony's future US\$ gold sale proceeds, while also establishing a cap or maximum exchange rate at which its future US\$ gold sale proceeds could be exchanged into rands.

The hedging contracts are spread over a 12 month period with an average floor price of R15.59/\$ and an average cap price of R18.60/\$. To date, US\$400 million (approximately R6.2 billion) has been hedged. This amounts to approximately one third of Harmony's expected US\$ gold sale proceeds over a 12 month period.

Since 31 December 2015, Harmony has repaid a further \$20 million on the \$250 million revolving credit facility leaving the utilised balance at \$180 million.

*\* A zero cost collar comprises a purchased put option and a sold call option, where the premium paid and premium received offset each other.*

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