

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

**Harmony acquires full ownership of the Hidden Valley mine
in Papua New Guinea**

Johannesburg, Monday, 19 September 2016: Harmony Gold Mining Company Limited (Harmony) today announced that it has signed an agreement to purchase Newcrest PNG 1 Ltd, the wholly-owned subsidiary of Newcrest Mining Limited (Newcrest) which holds Newcrest's 50% interest in the Hidden Valley joint venture, for a cash consideration of US\$1. Finalisation of this transaction, which will give Harmony 100% ownership of the Hidden Valley mine, is conditional upon regulatory approval in South Africa.

"Our acquisition of the Hidden Valley mine is aligned with our overall aspiration to increase our annual production profile to 1.5Moz within three years. We believe that Hidden Valley has the potential to contribute approximately 180 000oz gold per annum to Harmony's production profile at an all-in sustaining cost of less than US\$ 950/oz within the next three years," Peter Steenkamp, chief executive officer of Harmony said.

As at 30 June 2016, the Hidden Valley mine had an estimated mineral reserve of 1.4Moz of gold at 1.6g/t and 27Moz of silver at 31g/t, resulting in total gold equivalent ounces of 1.8Moz at 2 g/t. The estimated mineral resource includes 4Moz of gold at 1.6g/t and 73Moz of silver at 29g/t. Mining the stage 5 and 6 cutback will extend the current mine life by 7 years and require an initial capital investment of approximately US\$180 million.

Harmony will also acquire Newcrest's 50% interest in the exploration tenements adjacent to the Hidden Valley mine.

On completion of the transaction, Harmony will assume all liabilities and expenses related to the Hidden Valley joint venture and mine, including all closure, rehabilitation and remediation obligations, with effect from 31 August 2016. Newcrest has funded Newcrest PNG 1 Ltd to an amount of US\$22.5m, as its once-off contribution towards Hidden Valley's future closure liability.

Harmony and Newcrest will remain joint venture partners in the Wafi-Golpu project.

"Acquiring 100% of the Hidden Valley mine and its surrounding exploration tenements meet our acquisition criteria. After the initial investment phase Hidden Valley will generate strong free cash flows, which could be applied to the development of the Wafi-Golpu project and our exciting exploration portfolio in Papua New Guinea," Peter Steenkamp added.

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Sponsor:

J.P. Morgan Equities South Africa Proprietary Limited