

OPERATIONAL UPDATE
FOR THE NINE MONTHS ENDED 31 MARCH 2017

HARMONY'S ANNUAL PRODUCTION GUIDANCE WELL IN REACH

Johannesburg, Tuesday, 9 May 2017. Harmony Gold Mining Company Limited ("Harmony" or "the company") advises that the annual gold production guidance of 1.05 million ounces is well in reach, with year to date production at 812 000 ounces at a cash operating cost of R439 669/kg (US\$996/oz).

Harmony recorded an 8% operating free cash flow margin year to date, strengthened by the gold hedging agreements that are in place. The company's underground average recovered grade remains above 5g/t. The all-in sustaining costs (AISC) for the nine months ended 31 March 2017 is US\$1170/oz or R516 630/kg.

Quarter on quarter gold production was 7% lower mainly due to the customary slow start up after the December holidays. AISC increased by 5% to R529 409/kg (or 10% to US\$1 246/oz) quarter on quarter.

Chief Executive Officer, Peter Steenkamp, commented that: "The fundamentals underpinning our mine plans enable us to achieve our annual production guidance. Safety, costs and grade continue to be a focus and higher production in the fourth quarter will drive down unit costs".

Below is a table setting out Harmony's operational results for the nine months ended 31 March 2017:

		Nine months ended March 2017
Gold produced	- kg	25 262
	- oz	812 192
Underground grade	- g/t	5.03
Gold price received	- R/kg	573 229
	- US\$/oz	1 299
Cash operating costs	- R/kg	439 669
	- US\$/oz	996
All-in sustaining costs	- R/kg	516 630
	- US\$/oz	1 170
Production profit	- R million	3 276
	- US\$ million	239
Operating free cash flow margin	- %	8
Exchange rate	- R/US\$	13.73

Quarter on quarter operating results tables is included below.

The operational update report has not been reviewed or audited by the company's external auditors. Detailed financial and operational results are provided on a six-monthly basis at the end of December and June.

OPERATING RESULTS - QUARTER ON QUARTER (RAND/METRIC)

		Three months ended	Underground production										Surface production					Total Hidden Valley(1)	Total Harmony
			Tshepong	Phakisa	Bambanani	Joel	Doornkop	Target 1	Kusasal ethu	Masi mong	Unisel	Underground	Total Phoenix	Dumps	Kal gold	Total Surface	South Africa		
Ore milled	- t'000	Mar-17	151	124	156	173	145	147	83	1 287	1 662	602	374	2 638	3 925	868	4 793		
		Dec-16	243	158	60	127	160	191	161	1 359	1 697	712	364	2 773	4 132	760	4 892		
Yield(2)	- g/tonne	Mar-17	4.63	5.28	11.46	4.12	4.33	4.08	7.24	4.35	0.14	0.40	0.76	0.28	1.84	1.00	1.72		
		Dec-16	4.78	6.33	11.78	4.21	4.21	3.34	6.58	3.88	0.13	0.38	0.77	0.28	1.85	1.29	1.77		
Gold produced	- kg	Mar-17	1 184	798	596	511	675	706	1 050	639	312	6 471	226	238	284	7 219	8 035		
		Dec-16	1 161	1 000	707	597	674	637	1 060	601	438	6 875	229	268	281	7 778	8 597		
Gold sold	- kg	Mar-17	1 230	829	620	493	691	721	1 119	664	325	6 692	218	261	280	7 451	8 239		
		Dec-16	1 118	963	681	583	661	643	985	579	422	6 635	215	250	243	7 343	8 242		
Gold price received	- R/kg	Mar-17	551 618	556 441	551 421	545 609	551 077	550 739	543 977	551 000	550 702	550 220	514 358	547 663	550 379	539 099	549 088		
		Dec-16	566 847	567 361	566 667	568 142	568 569	567 240	575 593	567 066	566 986	568 553	545 833	570 464	569 848	562 773	567 996		
Revenue	(R' 000)	Mar-17	678 490	461 290	341 881	268 985	380 794	397 083	608 710	365 864	178 978	3 682 075	112 130	142 940	154 106	409 176	4 091 251		
		Dec-16	633 735	546 369	385 900	331 227	375 824	364 735	566 959	328 331	239 268	3 772 348	117 354	142 616	138 473	398 443	4 170 791		
Cash operating cost	(R' 000)	Mar-17	485 673	390 383	210 635	219 382	314 042	333 619	482 900	270 541	205 379	2 912 554	88 931	101 138	118 268	308 337	3 220 891		
		Dec-16	481 289	388 878	214 723	229 898	292 150	321 011	493 622	267 759	205 304	2 894 634	91 750	110 707	173 375	375 832	3 270 466		
Inventory movement	(R' 000)	Mar-17	15 217	16 356	11 094	(12 807)	5 721	6 399	31 814	7 719	7 503	89 016	(2 850)	10 818	2 911	10 879	99 895		
		Dec-16	(19 978)	(16 417)	(12 212)	(8 524)	(2 863)	7 764	(29 597)	(10 663)	(7 270)	(99 760)	(5 499)	(6 520)	(19 577)	(31 596)	(131 356)		
Operating costs	(R' 000)	Mar-17	500 890	406 739	221 729	206 575	319 763	340 018	514 714	278 260	212 882	3 001 570	86 081	111 956	121 179	319 216	3 320 786		
		Dec-16	461 311	372 461	202 511	221 374	289 287	328 775	464 025	257 096	198 034	2 794 874	86 251	104 187	153 798	344 236	3 139 110		
Production profit	(R' 000)	Mar-17	177 600	54 551	120 152	62 410	61 031	57 065	93 996	87 604	(33 904)	680 505	26 049	30 984	32 927	770 465	31 656		
		Dec-16	172 424	173 908	183 389	109 853	86 537	35 960	102 934	71 235	41 234	977 474	31 103	38 429	(15 325)	54 207	1 031 681		
Capital expenditure	(R' 000)	Mar-17	91 606	72 689	18 633	59 876	64 477	71 056	62 729	25 986	19 004	486 056	841	25 143	35 250	61 234	547 290		
		Dec-16	96 306	79 352	21 298	62 501	64 330	67 162	67 948	28 645	18 443	505 985	1 369	41 350	(8 736)	33 983	539 968		
Cash operating costs	- R/kg	Mar-17	410 197	489 202	353 414	429 319	465 247	472 548	459 905	423 382	658 266	450 993	393 500	424 950	416 437	412 215	446 169		
		Dec-16	414 547	388 878	303 710	385 089	433 457	503 942	465 681	445 522	468 731	421 038	400 655	413 086	616 993	483 075	427 344		
Cash operating costs	- R/tonne	Mar-17	1 897	2 585	4 051	2 013	2 013	1 928	3 330	1 840	2 474	2 263	54	168	316	117	821		
		Dec-16	1 981	2 461	3 579	1 810	1 826	1 681	3 066	1 727	1 974	2 130	54	155	476	136	791		
Cash operating cost and Capital	- R/kg	Mar-17	487 567	580 291	384 678	546 493	560 769	573 194	519 647	464 049	719 176	525 206	397 221	530 592	540 556	494 079	521 981		
		Dec-16	497 498	468 230	333 835	489 781	528 902	609 377	529 783	493 185	510 838	494 635	406 633	567 377	585 904	526 754	497 901		
Operating free cash flow margin(3)	%	Mar-17	15	(4)	1	(2)	1	(2)	10	19	(25)	8	2	12	2	10	8		
		Dec-16	9	14	39	12	5	(6)	1	10	6	10	21	(7)	(20)	(3)	9		
All-in sustaining cost	- R/kg	Mar-17	492 028	597 433	409 880	502 942	544 986	590 821	533 646	476 839	733 935	531 591	398 725	525 284	572 605	506 391	528 826		
		Dec-16	502 124	481 170	333 689	447 311	572 873	632 656	552 632	506 539	526 748	506 127	406 498	420 512	616 891	483 657	503 941		

1 Ore milled for Hidden Valley includes 221 000 tonnes (Dec-16: 90 000t) that has been capitalised as part of pre-stripping of stages 5 and 6. Gold produced and sold for Hidden Valley includes 168 kilograms (Dec-16: 81kg) that has been capitalised.
2 Yield for December 2016 quarter restated to exclude Hidden Valley's capitalised production.
3 Excludes run of mine costs for Kal gold (Mar-17: R1.785m, Dec-16: -R0.904m) and Hidden Valley (Mar-17: R29.314m, Dec-16: R92.080m).

CONTACT DETAILS

CORPORATE OFFICE
Randfontein Office Park
PO Box 2, Randfontein, 1760, South Africa
Corner Main Reef Road and Ward Avenue
Randfontein, 1759, South Africa
Telephone: +27 11 411 2000
Website: www.harmony.co.za

TRANSFER SECRETARIES
Link Market Services South Africa (Proprietary) Limited
(Registration number 2000/007239/07)
13th Floor, Rennie House, Ameshoff Street, Braamfontein
PO Box 4844, Johannesburg, 2000, South Africa
Telephone: +27 86 154 6572
E-mail: info@linkmarketservices.co.za
Fax: +27 86 674 2450

DIRECTORS
PT Motsepe* (chairman)
FFT De Buck** (lead independent director)
JM Motlaba** (deputy chairman)
PW Steenkamp (chief executive officer)
F Abbott (financial director)
JA Chiassano***, KV Dicks**, Dr DSS Lushaba**
HE Mashego**, M Msimang**, KT Nondumo**
VP Pillay**, JL Wetton**, AJ Wilkens*
* Non-executive

ADR* DEPOSITARY
Deutsche Bank Trust Company Americas
c/o American Stock Transfer and Trust Company
Peck Slip Station
PO Box 2050, New York, NY 10272-2050
E-mail queries: db@amstock.com
Toll free: +1-800-937-5449
Int: +1-718-921-8137
Fax: +1-718-765-8782

** Executive
^ Independent
1 Mozambican

INVESTOR RELATIONS
E-mail: harmonyIR@harmony.co.za
Marian van der Walt
Executive: Corporate and Investor Relations
Telephone: +27 11 411 2037
Fax: +27 86 614 0999
Mobile: +27 82 888 1242
E-mail: marian@harmony.co.za

Lauren Fourie
Investor Relations Manager
Telephone: +27 11 411 2025
Mobile: +27 72 436 3512
E-mail: lauren.fourie@harmony.co.za

COMPANY SECRETARY
Riana Bisschoff
Telephone: +27 11 411 6020
Fax: +27 11 696 9734
Mobile: +27 83 629 4706
E-mail: riana.bisschoff@harmony.co.za

*ADR: American Depositary Receipts

SPONSOR
JP Morgan Equities South Africa (Pty) Ltd
1 Fricker Road, corner Hurlingham Road
Illovo, Johannesburg, 2196
Private Bag X9936, Sandton, 2146
Telephone: +27 11 507 0300
Fax: +27 11 507 0503

TRADING SYMBOLS
JSE Limited: HAR
New York Stock Exchange, Inc.: HMY

REGISTRATION NUMBER:
1950/038232/06
Incorporated in the Republic of South Africa

ISIN:
ZAE 000015228

Harmony

www.harmony.co.za