

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 takes tier 1 Wafi-Golpu gold-copper asset up the value curve**

**Johannesburg, Monday, 19 March 2018.** Harmony Gold Mining Company Limited ("Harmony" and/or "the Company") is pleased to announce an updated Wafi-Golpu Feasibility Study ("the Updated Study") prepared by the Wafi-Golpu Joint Venture (WGJV) project team.

The Updated Study incorporates the findings from the earlier Pre-Feasibility and Feasibility Studies announced in February 2016, interpretation of the additional orebody data derived from further drilling and geotechnical studies, together with further work undertaken on mine design, hydrology, tailings and port and power options.

The Updated Study highlights include<sup>1</sup>:

- 33% increase in net present value (NPV) to US\$2.60 billion (applying a discount rate of 8.5%)
- Attractive internal rate of return (IRR) of 18.2%
- Proposed larger mine with increased mining rates - average annual steady state production of 161 000 tonnes of copper and 266 000 ounces of gold
- Forecast to generate significant free cashflows, averaging around USD900 million per annum in the first ten years of steady state production
  - 5.5 years to early stage cash flow
  - lowest decile cost copper production of US\$0.26/lb
- Life of mine capital expenditure US\$1 billion lower

<sup>1</sup> All figures represented on a 100% basis. Harmony and Newcrest Mining Limited each currently own 50% of Wafi-Golpu through the Wafi-Golpu Joint Venture.

Peter Steenkamp, chief executive officer said "Harmony owns 50% of this tier 1 copper-gold asset. Project economics set out in the Updated Study demonstrates significant free cash flow generation. Once in production, the asset has the potential of being one of the lowest decile cost copper-gold producers. Current copper market trends highlight the potential for increased copper prices, further enhancing the economic fundamentals of the project."

Peter added: "We look forward to working with the government of Papua New Guinea during the permitting process, which is a critical step in advancing this important project in the best interests of our shareholders and the people of Papua New Guinea".

The updated and optimised feasibility study incorporates self-generation power supply options and supports the suitability of deep sea tailings placement as the preferred tailings deposit solution. Progression through stages of the project - and the timing of those stages - is subject to market and operating conditions and receipt of all necessary approvals, including the respective board approvals.

Please refer to our website at <https://www.harmony.co.za/invest> for additional documents in support of this release including the forward looking statements relating to this release.

#### **March 2018 quarter production update**

Production at Harmony's South African operations (excluding the Moab Khotsong operations) for the quarter ended 31 March 2018 is expected to be in line with the production of the comparative quarter last year. Production at Hidden Valley continues to ramp up as planned and is expected to be over 25% higher than the comparative quarter last year.

As announced on 20 February 2018, Harmony acquired the Moab Khotsong operations with effect from 1 March 2018. The integration of the Moab Khotsong operations is progressing well. June 2018 guidance for Moab Khotsong will be provided in the published quarterly operational update.

Harmony remains on track to achieve its FY18 group production guidance of 1.1Moz (in addition to the production from Moab Khotsong).

Ends.

Harmony will host an analyst call at 10:00 SA time, a media call at 11:00 SA time and an international call at 15:00 SA time on Monday 19 March 2018.

**Conference calls dial-in numbers**

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