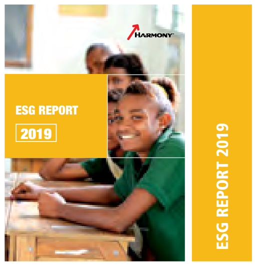
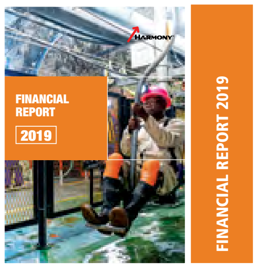
REPORT TO SHAREHOLDERS

2019

Papua New Guinea

Our 2019 set of reports includes:





These reports together with other supporting documents are available online at *www.har.co.za*. Other additional information can be found at *www.harmony.co.za*.

OTHER REPORTS

Form 20-F

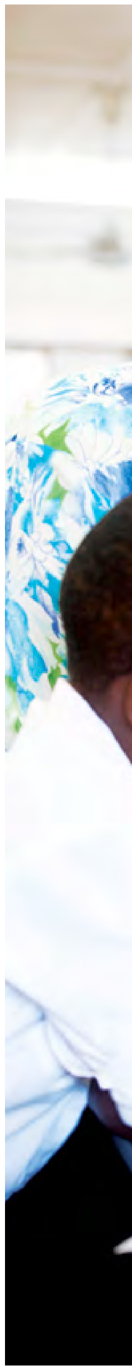
Annual report filed with the United States Securities and Exchange Commission, in compliance with the listing requirements of the New York Stock Exchange

Global Reporting Initiative Scorecard

An index of the indicators reported in terms of the Global Reporting Initiative

Operations 2019

Detailed information on each operation



HARMONY™

www.harmony.co.za

South Africa

CONTENTS

OUR REPORTS ONLINE

Harmony's full set of 2019 reports and supporting documents are available at *www.har.co.za*.

The electronic reports are interactive pdfs, with links to sections within the document and to external websites. The interactive links are indicated by text in red italics.

FTSE4Good

Harmony included in the FTSE4Good Index Series

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Harmony has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

CORPORATE PROFILE

WHO WE ARE

Harmony, a gold mining and exploration company, conducts its activities in South Africa and in Papua New Guinea, one of the world's premier new gold-copper regions. With 69 years of experience, Harmony is currently South Africa's largest gold producer.

Headquartered in Randfontein, South Africa, Harmony is listed on the Johannesburg Stock Exchange, our primary listing, and on the New York Stock Exchange, on which our shares are quoted as American Depositary Receipts. At 30 June 2019, our market capitalisation was R17.1 billion (US$1.2 billion) (30 June 2018): R10.6 billion; US$769 million).

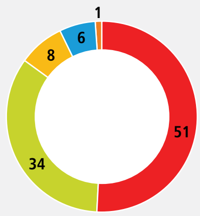
OUR IMPACT

At Harmony, we understand the impact that our company has on the lives of the people we employ, the communities that surround our mines and the environment, as well as the economic contribution that we make to the countries in which we operate.

SHAREHOLDERS

Our largest shareholder is African Rainbow Minerals Limited (ARM) which has a stake of 13.83% in the company. The remainder of our shareholders, which are geographically diverse, include some of the largest fund managers globally.

Geographic distribution of shareholders (%)
as at 30 June 2019



- United States of America
- South Africa
- United Kingdom
- Europe
- Rest of the world

WHAT WE DO

Exploration and acquisitions

Exploring for and evaluating economically viable gold-bearing orebodies and/or value-accretive acquisitions

Mining and processing

Establishing, developing and operating mines and related processing infrastructure. Ore mined is milled and processed by our gold plants to produce gold doré bars

Sales and financial management

Generating revenue through the sale of gold produced and optimising efficiencies to maximise financial returns

Stewardship and mine closure

Restoring mining impacted land for alternative economic use post-mining, having in place approved mine closure commitments and empowering communities and employees

WHAT WE ACHIEVED IN FY19

- **17% increase** in production to **1.44Moz** of gold, contributed to a **23% increase** in production profit
- **2% increase** in underground recovered grade to 5.59g/t at South African mines
- **Operating free cash flow boosted** by Moab Khotsong and Hidden Valley
- **Hedging** strategy contributed to improved cash flow margins
- **19% increase** in headline earnings per share to 204 SA cents – 8% increase to 14 US cents
- **Included in** Bloomberg Gender-Equality Index 2019, and FTSE4Good Index
- **CDP Climate Change and Water** reports scored A- and B respectively

WHERE WE OPERATE

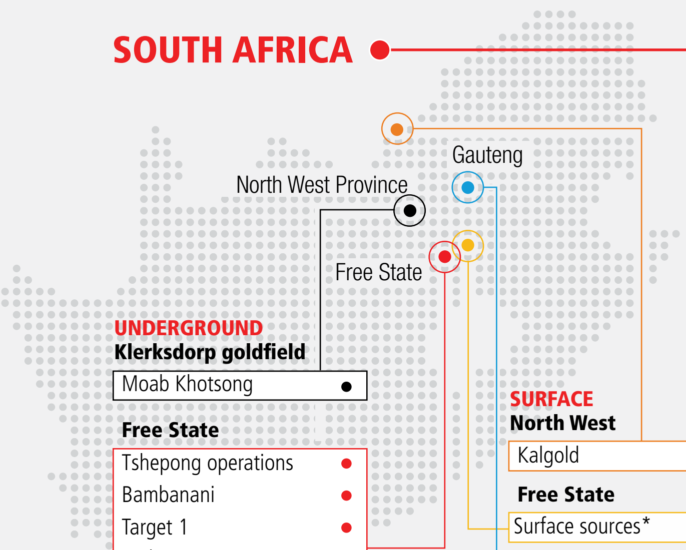
In South Africa, our nine underground operations are located within the world-renowned Witwatersrand Basin – one in the Klerksdorp goldfield, two in the West Rand and six in the Free State, in the southern portion of the Witwatersrand Basin.

In addition, we have an open-pit mine on the Kraaipan Greenstone Belt as well as several surface treatment operations.

In Papua New Guinea, Hidden Valley is an open-pit gold and silver mine.

Our significant gold-copper portfolio includes a 50% stake in the Wafi-Golpu project in the Morobe Province, through a 50:50 joint venture with Newcrest Mining Limited (Newcrest).

SOUTH AFRICA



UNDERGROUND

Klerksdorp goldfield

- Moab Khotsong

Free State

- Tshepong operations
- Bambanani
- Target 1
- Joel
- Masimong
- Unisel

West Rand

- Doornkop
- Kusasalethu

SURFACE

North West

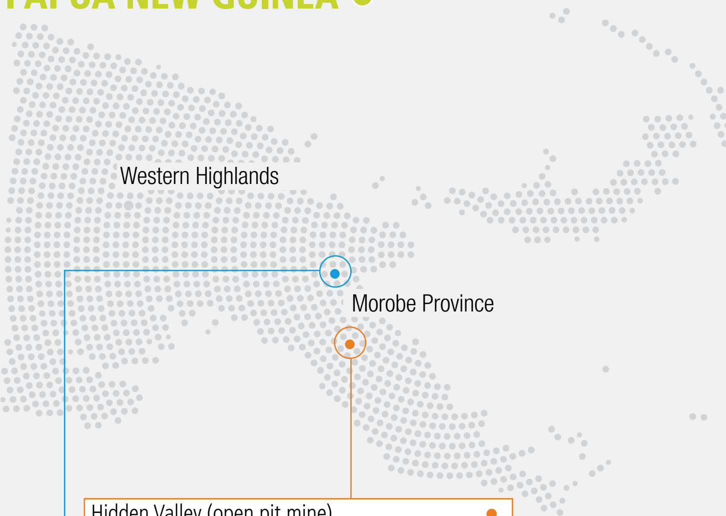
- Kalgold

Free State

- Surface sources*

** includes the Tswelopele Beneficiation Operation (Proprietary) Limited in which Harmony has a holding of 70%*

PAPUA NEW GUINEA



- Hidden Valley (open pit mine)
- Wafi-Golpu copper-gold project (50%)
- Multiple exploration areas

Harmony's equity interest 100% unless otherwise indicated

OUR VALUES

SAFETY
No matter the circumstances, safety is our main priority

ACCOUNTABLE
We are all accountable for delivering on our commitments

ACHIEVEMENT
Achievement is core to our success

CONNECTED
We are all connected as one team

HONESTY
We uphold honesty in all our business dealings and communicate openly with stakeholders

OUR BUSINESS MODEL

As a gold mining and exploration company, our activities in FY19 contributed to the production of 1.44Moz of gold. We are influenced by the external economic, political and social environment, both locally and globally. Our activities, in turn, have an impact on the economy, society and the environment in which we operate.

OUR VALUE PROPOSITION

Harmony aims to unlock, create and share value created by safely, cost effectively, profitably and sustainably extracting gold from our orebodies:

Investors

To deliver on our guidance and deliver consistently higher and sustained financial returns (share price appreciation) by ensuring responsible financial management and good governance

Employees

To provide employment and the opportunity to earn a living, develop skills and learn in a safe working environment

Communities

To share value created by investing in socio-economic projects and promoting preferential local procurement to stimulate growth and development in host communities, and by being environmentally responsible

Government

To contribute to the countries in which we operate by paying taxes and royalties

OUR STRATEGY

TO PRODUCE SAFE, PROFITABLE OUNCES AND INCREASE MARGINS

Our four strategic pillars are:

- Operational excellence
- Cash certainty
- Effective capital allocation
- Responsible stewardship

For further details see Delivering on our Strategy

OUR BUSINESS ACTIVITIES AND PROCESSES

Exploration and acquisitions

Exploration, both greenfields and brownfields, together with acquisitions, are aimed at establishing a resource pipeline and asset portfolio to ensure Harmony's long-term sustainability.

Mining and processing

Gold-bearing ore is mined at our underground and open pit mining operations in South Africa and Papua New Guinea. Gold plants process the ore mined to extract the gold and produce doré. In South Africa, certain plants also re-treat material from surface sources.

Sales and financial management

Revenue generated from the sale of the end products produced is efficiently managed and used to sustain operations, to fund organic growth, and is invested in long-term value creation.

Stewardship and mine closure

Our socio-economic and environmental stewardship responsibilities entail limiting, mitigating and managing the impacts of our activities, ensuring employee safety and responsible consumption, and having in place closure planning and rehabilitation that will enable sustained economic activity once mining has ceased.

OUR OPERATING ENVIRONMENT

FACTORS INFLUENCING DELIVERY ON OUR STRATEGY AND VALUE CREATION

What we can manage:

- Safety
- Grade and volumes mined
- Costs, efficiencies and productivity
- Stakeholder relations

What is beyond our control:

- Gold price
- Exchange rate volatility
- Regulatory, policy and political uncertainty
- Mounting community expectations and socio-economic challenges

SIGNIFICANT RESOURCES REQUIRED

Natural capital

- Essential inputs such as gold-bearing orebodies, land and water

Financial capital

- Provided by shareholders, investors and financiers

Human and intellectual capital

- Skilled, experienced and motivated employees, management and leadership
- Constructive employee relations
- Mining and processing technology employed
- Significant service providers and suppliers

Manufactured capital

- Exploration, mining and processing equipment and infrastructure
- Infrastructure and services, particularly power
- Mining rights, regulatory permits and licences – granted by national, provincial and local authorities

Social and relationship capital

- Social licence to operate – enabled by communities and non-governmental organisations
- Our reputation and relationships – particularly with key stakeholders (employees, communities, governments, and investors)

RISK MANAGEMENT

Identifying, understanding and managing our risks and opportunities are essential to delivery on our strategy and value creation.

Top 5 risks

- Safety
- Resource base depletion
- Gold price and foreign exchange fluctuations
- Rising costs and their impact on margins
- Maintaining licences to operate and cost of compliance

Top 5 opportunities

- Wafi-Golpu project permitting – moving up the value curve
- Gold price and foreign exchange fluctuations
- Productivity improvements
- New technology
- Mergers and acquisitions

Top 5 material ESG issues*

- Ensuring safety and health of employees and communities
- Maintaining compliance despite political and regulatory uncertainty, as well as ensuring ethical conduct
- Uplifting and enabling self-sustaining communities
- Maintaining our reputation and social licence to operate
- Managing our environmental exposures

* *ESG issues = Environmental, social and governance issues*

OUR COMPETITIVE ADVANTAGE

- Positively geared to increases in gold price
- Uniquely skilled and experienced leadership teams, especially in sustaining and prolonging the operating lives of deep-level gold mines
- Extensive institutional knowledge of gold mining and related technology
- Partnerships with stakeholders

DELIVERING ON OUR STRATEGY

OUR STRATEGY

To produce safe, profitable ounces and increase our margins

DELIVERING ON OUR STRATEGIC PILLARS

PILLAR

1 **Operational excellence**

2 **Cash certainty**

3 **Effective capital allocation**

4 **Responsible stewardship**

AIM	FY19 – WHAT WE DID	FY20 – WHAT WE PLAN
To prioritise safety, strict cost control and management of grades mined, together with disciplined mining, to improve productivity and efficiencies	• Our emphasis on safety performance contributed to an improved lost-time injury frequency rate. Despite this improvement, there were tragically 11 fatalities • Increased production and underground grade mined • Firm cost management contains increase in rand terms and improves costs in US dollars	• To embed a proactive safety culture • To maintain our focus on safety performance and strive to eliminate workplace fatalities • To maintain our focus on operational excellence and drive productivity and efficiency improvements • To produce 1.46Moz at an all-in sustaining cost of R579 000/kg
To achieve operational plans, supported by current hedging strategy, contributes to cash flow certainty	• Moab Khotsong and Hidden Valley's increased contribution to operating cash flow (R1 375 million), together with the successful hedging strategy (R477 million), strengthened our cash flow • Loan facility increased to US$400 million to fund future growth prospects (post year-end)	• To achieve operational guidance • To focus on further improving margins • To prioritise debt repayments • To continue hedging programme so as to manage short-term cash flow volatility
To evaluate and prioritise organic growth opportunities and safe, value-accretive acquisitions to ensure positive stakeholder returns and increase margins	• Performance by Moab Khotsong and Hidden Valley justifies their acquisition and re-investment respectively • Studies of several organic growth projects underway (from concept stage to development) • The new business team continued to assess acquisition opportunities	• To continue to progress and secure the permitting, funding and development of Wafi-Golpu • To invest R4.7 billion (US$334 million) in sustaining and growing our business – 66% of this at our South African operations and 34% on our activities in Papua New Guinea (excluding Wafi-Golpu)
To be mindful of and to manage and limit the impacts of our activities on our employees, host communities and the environment **This encompasses our environmental, social and governance (ESG) performance**	• Included in the FTSE4Good Index in their June 2019 review, in acknowledgment of our strong ESG practices and performance • Included in the Bloomberg Gender-Equality Index for 2019 • Scores for our CDP Climate Change and Water submissions of A- and B respectively • A constituent of the FTSE/JSE Responsible Investment Index	• To maintain our focus on our ESG performance • To continue to engage and collaborate with stakeholders in support of strong, constructive relationships • To demonstrate responsible corporate citizenship, good governance and environmental management • To make progress in meeting our targets for energy and water consumption, waste management, land rehabilitation and the implementation of biodiversity action plans

HOW WE PERFORMED – FIVE-YEAR REVIEW

		FY19	FY18	FY17	FY16	FY15
Operating performance						
Ore milled	000t	**25 976**	22 441	19 401	18 373	18 063
Gold produced [1]	kg	**44 734**	38 193	33 836	33 655	33 513
	000oz	**1 438**	1 228	1 088	1 082	1 077
Operating costs	R/kg	**439 722**	421 260	436 917	392 026	369 203
	US$/oz	**965**	1 018	1 000	841	1 003
All-in sustaining costs	R/kg	**550 005**	508 970	516 687	467 611	453 244
	US$/oz	**1 207**	1 231	1 182	1 003	1 232
Underground grade	g/t	**5.59**	5.48	5.07	5.02	4.75
Financial performance						
Revenue [2]	R million	**26 912**	20 452	19 494	18 667	15 643
Production costs [2]	R million	**20 324**	15 084	15 042	13 583	12 840
Production profit	R million	**6 588**	5 368	4 452	5 084	2 803
Operating margin	%	**24**	26	23	27	18
Net profit/(loss) for the year	R million	**(2 607)**	(4 473)	362	949	(4 536)
Total headline earnings/(loss) per share	SA cents	**204**	171	298	221	(189)
Capital expenditure	R million	**5 036**	4 687	4 280	2 439	2 836
Exploration spend [3, 4]	R million	**148**	135	241	191	263
Dividend paid	R million	**–**	154	439	–	–
Net debt	R million	**(4 922)**	(4 908)	(887)	(1 083)	(2 332)
Market performance						
Average gold price received	R/kg	**586 653**	570 709	570 164	544 984	449 570
	US$/oz	**1 287**	1 380	1 304	1 169	1 222
Total market capitalisation	R billion	**17.1**	10.6	9.5	22.9	6.8
	US$ billion	**1.2**	0.8	0.7	1.6	0.56
Average exchange rate	R/US$	**14.18**	12.85	13.60	14.50	11.45
Reserves						
Gold and gold equivalents	Moz	**36.5**	36.9	36.7	36.9	42.6
Geographical distribution of gold reserves						
– South Africa	%	**47**	46	44	45	52
– Papua New Guinea	%	**53**	54	56	55	48
Safety						
Number of fatalities		**11**	13	5	10	9
Group FIFR – fatal injury frequency rate	per million hours worked	**0.13**	0.16	0.07	0.13	0.11
Group LTIFR – lost-time injuries frequency rate	per million hours worked	**[6] 6.16**	[5] 6.26	[5] 7.21	[5] 6.23	[5] 9.24
Health (South Africa)						
– Shifts lost due to injury		**25 388**	23 769	24 026	22 416	24 514
– Silicosis cases certified [7]		**[6] 58**	[5] 179	[5] 108	[5] 64	[5] 197

1 *Gold production of 2 068kg (66 499oz) capitalised in FY18 (FY17: 364kg, 11 713oz). Zero gold production capitalised in FY19, FY16 and FY15*

2 *FY15 to FY18 restated due to a change in accounting policy*

3 *As per income statement*

4 *Total exploration spend including capitalised amounts are R498 million (US$35 million) (FY19), R423 million (US$33 million) (FY18), R438 million (US$32 million) (FY17), R433 million (US$30 million) ((FY16) and R385 million US$34 million) (FY15)*

		FY19	FY18	FY17	FY16	FY15
People						
Total number of employees and contractors [8]		**39 773**	40 686	33 201	30 547	31 114
South Africa: Employees		**31 201**	32 520	26 478	25 861	26 000
Contractors		**6 159**	5 951	4 512	4 580	5 012
Papua New Guinea: Employees [8]		**1 675**	1 397	1 300	76	75
Contractors [8]		**738**	818	911	30	27
Employment equity (historically disadvantaged South Africans in management) [9]	%	[6] **62**	[5] 60	[5] 61	[5] 60	[5] 58
Number of people in single rooms [10]		**8 019**	[5] 6 739	[5] 7 266	[5] 7 252	[5] 7 436
Number of people sharing accommodation		**0**	[5] 0	[5] 0	[5] 0	[5] 0
Number of people in critical-skill positions trained		[6] **109**	[5] 106	[5] 75	[5] 68	[5] 69
Community						
Group local economic development [11]	R million	**56**	[5] 20	[5] 27	[5] 18	[5] 64
Preferential procurement (BEE-compliant spend)	R million	[6] **6 340**	[5] 5 120	[5] 4 461	[5] 3 794	[5] 3 849
Total discretionary spend	R million	**8 470**	6 436	5 685	4 978	5 565
Preferential procurement spend	%	**75**	80	78	76	69
Environment						
Mineral waste (volume disposed) [13]	000t	[6, 12] **52 691**	[5] 50 798	[5, 12] 38 392	[5] 26 170	[5] 24 659
Total electricity use (purchased)	000MWh	[6, 12] **3 326**	[5] 2 518	[5, 12] 2 629	[5] 2 597	[5] 2 657
CO_2 emissions						
– Scope 1	000t CO_2e	[6] **133**	[5] 131	[5] 111	[5] 56	[5] 67
– Scope 2	000t CO_2e	[6, 12] **3 193**	[5] 2 442	[5] 2 513	[5] 2 581	[5] 2 686
– Scope 3	000t CO_2e	[6, 12] **533**	[5] 440	[5] 445	[5] 615	[5] 686
Water used for primary activities	000m^3	[6, 12] **23 158**	[5] 15 473	18 125	15 083	15 752
Funding/guarantees for rehabilitation and closure	R million	**3 752**	3 717	3 072	2 933	2 796

[5] *Assured by independent auditors in prior years – refer to https://www.harmony.co.za/invest/annual-reports. All assured indicators exclude the results of Moab Khotsong from 1 March 2018 to 30 June 2018, except for the LTIFR safety indicator*

[6] *Assured by independent auditors in the current year. Please refer to the GRI Assurance Report in the Integrated Annual Report 2019 and to the Glossary of Terms on the website, www.har.co.za*

[7] *Since FY18, Harmony reports on the number of cases of pure silicosis confirmed by the South Africa's Medical Bureau of Occupational Diseases. Previously we assured silicosis cases submitted to the Medical Bureau of Occupational Diseases*

[8] *FY18 includes employees from the Moab Khotsong operations. Excludes employees from the Wafi-Golpu Joint Venture. FY16 and FY15 exclude employees from the Morobe Mining Joint Venture, which are included from FY17, following Harmony acquiring full ownership of Hidden Valley*

[9] *The increase in compliance indicators is due to alignment of Harmony's reporting with the Department of Labour's classification guidelines – (EEA9). For previous years, indicators were based on Patterson grade D-F only, whereas C band employees are now classified as Junior Management and have been included in the FY15 employment equity percentage*

[10] *The number of single rooms only represent hostels which are 100% converted. At the end of FY15, all employees living in hostels were living in single rooms.*

[11] *In addition, capital of R1 million (US$0.1 million) was spent in FY16 on the upgrading of hostel accommodation at various operations, (FY15: R89 million (US$8 million)*

[12] *Increases recorded in FY17, a result of the acquisition in full of Hidden Valley following which it was included at 100% versus 50% in preceding years. FY19 increases are attributed to the inclusion of Moab Khotsong*

[13] *The year-on-year increase in mineral waste in FY18 was due to waste stripping of the cutbacks at Hidden Valley*

DIRECTORS' STATEMENT OF RESPONSIBILITY

FINANCIAL STATEMENTS

The directors have the pleasure in presenting the complete consolidated and company annual financial statements (collectively the annual financial statements) for the year ended 30 June 2019 and the summarised consolidated financial statements (included in the Report to Shareholders) for the same period. The annual financial statements were audited by PricewaterhouseCoopers Inc. who expressed an unmodified opinion thereon. The audited annual financial statements and the auditor's report thereon are available for inspection at the company's registered office. The summarised consolidated financial statements are extracted from the audited financial statements but are not themselves audited.

The annual financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and IFRIC Interpretations Committee (IFRIC) Interpretations (collectively IFRS), the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act of South Africa.

The directors are responsible for the preparation, integrity and fair presentation of the annual financial statements of the company and its subsidiaries. The annual financial statements have been prepared by Harmony Gold Mining Company Limited's corporate reporting team, headed by Boipelo Lekubo CA(SA). This process was supervised by the financial director, Frank Abbott CA(SA). The directors take full responsibility for the preparation of the summarised report and the financial information has been correctly extracted from the underlying consolidated annual financial statements.

The directors are also responsible for the maintenance of effective systems of internal control which are based on established organisational structure and procedures. These systems are designed to provide reasonable assurance as to the reliability of the annual financial statements, and to prevent and detect material misstatement and loss.

Nothing has come to the attention of the board that caused it to believe that the systems of internal controls and risk management are not effective for the period under review and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements. The board's opinion is underpinned by the audit and risk committee's statement.

The annual financial statements have been prepared on a going concern basis and the directors believe that the company and group will continue to be in operation in the foreseeable future.

APPROVAL

The annual financial statements and summarised consolidated financial statements were approved by the board of directors and signed on its behalf by:

PW Steenkamp

Chief executive officer
Randfontein
South Africa

F Abbott

Financial director
Randfontein
South Africa

24 October 2019

SUMMARISED CONSOLIDATED INCOME STATEMENTS

for the years ended 30 June 2019

		SA rand		
Figures in million	Notes	2019	2018 Restated	2017 Restated
Revenue	3	**26 912**	20 452	19 494
Cost of sales	4	**(28 869)**	(23 596)	(19 869)
Production costs		**(20 324)**	(15 084)	(15 042)
Amortisation and depreciation		**(4 054)**	(2 570)	(2 519)
Impairment of assets		**(3 898)**	(5 336)	(1 718)
Other items		**(593)**	(606)	(590)
Gross profit/(loss)		**(1 957)**	(3 144)	(375)
Corporate, administration and other expenditure		**(731)**	(813)	(517)
Exploration expenditure		**(148)**	(135)	(241)
Gains on derivatives	9	**484**	99	1 025
Other operating expenses	5	**(186)**	(667)	(886)
Operating profit/(loss)		**(2 538)**	(4 660)	(994)
Gain on bargain purchase		**—**	—	848
Loss on liquidation of subsidiaries		**—**	—	(14)
Share of profit/(loss) from associate		**59**	38	(22)
Acquisition related costs		**—**	(98)	—
Investment income		**308**	343	268
Finance costs		**(575)**	(330)	(234)
Profit/(loss) before taxation		**(2 746)**	(4 707)	(148)
Taxation	6	**139**	234	510
Net profit/(loss) for the year		**(2 607)**	(4 473)	362
Attributable to:				
Owners of the parent		**(2 607)**	(4 473)	362
Earnings/(loss) per ordinary share (cents)				
Total earnings/(loss)	7	**(498)**	(1 003)	82
Diluted earnings/(loss) per ordinary share (cents)				
Total diluted earnings/(loss)	7	**(500)**	(1 004)	79

The accompanying notes are an integral part of these summarised consolidated financial statements.

SUMMARISED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

for the years ended 30 June 2019

	SA rand		
Figures in million	**2019**	**2018**	**2017**
Net profit/(loss) for the year	**(2 607)**	(4 473)	362
Other comprehensive income for the year, net of income tax	**(684)**	(660)	818
Items that may be reclassified subsequently to profit or loss	**(677)**	(647)	821
Foreign exchange translation gain/(loss)	**(50)**	83	(322)
Remeasurement of gold hedging contracts			
Unrealised gain/(loss) on gold contracts	**(351)**	273	2 172
Released to revenue	**(453)**	(1 197)	(728)
Released to gains on derivatives	**—**	—	(16)
Deferred taxation thereon	**177**	194	(285)
Items that will not be reclassified to profit or loss:	**(7)**	(13)	(3)
Remeasurement of retirement benefit obligation	**(7)**	(13)	(3)
Total comprehensive income for the year	**(3 291)**	(5 133)	1 180
Attributable to:			
Owners of the parent	**(3 291)**	(5 133)	1 180

The accompanying notes are an integral part of these summarised consolidated financial statements.

SUMMARISED CONSOLIDATED BALANCE SHEETS

as at 30 June 2019

Figures in million	Notes	SA rand At 30 June 2019	SA rand At 30 June 2018 Restated
ASSETS			
Non-current assets			
Property, plant and equipment		**27 749**	30 969
Intangible assets		**533**	545
Restricted cash		**92**	77
Restricted investments		**3 301**	3 271
Investments in associates		**110**	84
Inventories		**43**	46
Other non-current assets		**334**	264
Derivative financial assets	9	**197**	84
Total non-current assets		**32 359**	35 340
Current assets			
Inventories	10	**1 967**	1 759
Restricted cash		**44**	38
Trade and other receivables		**1 064**	1 139
Derivative financial assets	9	**309**	539
Cash and cash equivalents		**993**	706
Total current assets		**4 377**	4 181
Total assets		**36 736**	39 521
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital and premium	11	**29 551**	29 340
Other reserves		**4 773**	5 145
Accumulated loss		**(11 710)**	(9 103)
Total equity		**22 614**	25 382
Non-current liabilities			
Deferred tax liabilities		**688**	1 145
Provision for environmental rehabilitation	12	**3 054**	3 309
Provision for silicosis settlement	13	**942**	925
Retirement benefit obligation		**201**	186
Borrowings	14	**5 826**	4 924
Other non-current liabilities		**5**	41
Derivative financial liabilities	9	**172**	10
Total non-current liabilities		**10 888**	10 540
Current liabilities			
Borrowings	14	**89**	690
Trade and other payables		**2 875**	2 704
Derivative financial liabilities	9	**270**	205
Total current liabilities		**3 234**	3 599
Total equity and liabilities		**36 736**	39 521

The accompanying notes are an integral part of these summarised consolidated financial statements.

SUMMARISED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

for the years ended 30 June 2019

	Number of ordinary shares issued	Share capital and premium	Accumulated loss	Other reserves	Total
Notes	11	11			
Figures in million (SA rand)					
Balance – 30 June 2016	437 299 479	28 336	(4 409)	4 252	28 179
Issue of shares					
– Exercise of employee share options	2 657 720	—	—	—	—
Share-based payments	—	—	—	371	371
Net profit for the year	—	—	362	—	362
Other comprehensive income for the year	—	—	—	818	818
Dividends paid	—	—	(439)	—	(439)
Balance – 30 June 2017	439 957 199	28 336	(4 486)	5 441	29 291
Issue of shares					
– Shares issued and fully paid	55 055 050	1 004	—	—	1 004
– Exercise of employee share options	5 239 502	—	—	—	—
Share-based payments	—	—	—	374	374
Net loss for the year	—	—	(4 473)	—	(4 473)
Other comprehensive income for the year	—	—	—	(660)	(660)
Reclassification from other reserves	—	—	10	(10)	—
Dividends paid	—	—	(154)	—	(154)
Balance – 30 June 2018	500 251 751	29 340	(9 103)	5 145	25 382
Impact of adopting IFRS 9 (refer to note 2)	**—**	**—**	**—**	**82**	**82**
Restated opening balance – 1 July 2018	**500 251 751**	**29 340**	**(9 103)**	**5 227**	**25 464**
Issue of shares					
– Shares issued and fully paid	**11 032 623**	**211**	**—**	**—**	**211**
– Exercise of employee share options	**21 856 821**	**—**	**—**	**—**	**—**
– Harmony ESOP Trust	**6 700 000**	**—**	**—**	**—**	**—**
Share-based payments	**—**	**—**	**—**	**230**	**230**
Net loss for the year	**—**	**—**	**(2 607)**	**—**	**(2 607)**
Other comprehensive income for the year	**—**	**—**	**—**	**(684)**	**(684)**
Balance – 30 June 2019	**539 841 195**	**29 551**	**(11 710)**	**4 773**	**22 614**

The accompanying notes are an integral part of these summarised consolidated financial statements.

SUMMARISED CONSOLIDATED CASH FLOW STATEMENTS

for the years ended 30 June 2019

	SA rand		
Figures in million	**2019**	**2018**	**2017**
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated by operations	**5 052**	4 289	4 346
Interest received	**69**	82	75
Interest paid	**(387)**	(180)	(79)
Income and mining taxes paid	**(55)**	(307)	(538)
Cash generated by operating activities	**4 679**	3 884	3 804
CASH FLOW FROM INVESTING ACTIVITIES			
Increase in restricted cash	**(15)**	(32)	(1)
Decrease in amounts invested in restricted investments [1]	**187**	—	7
Cash on acquisition of Hidden Valley	**—**	—	459
Acquisition of Moab Khotsong	**—**	(3 474)	—
Additions to intangible assets	**(1)**	(9)	—
Redemption of preference shares from associates	**32**	—	—
Capital distributions from investments	**30**	—	—
Proceeds from disposal of property, plant and equipment	**5**	2	42
Additions to property, plant and equipment	**(5 035)**	(4 562)	(3 890)
Cash utilised by investing activities	**(4 797)**	(8 075)	(3 383)
CASH FLOW FROM FINANCING ACTIVITIES			
Borrowings raised	**1 522**	6 937	699
Borrowings repaid	**(1 353)**	(4 063)	(710)
Proceeds from the issue of shares	**211**	1 003	—
Dividends paid	**—**	(154)	(439)
Cash generated from/(utilised by) financing activities	**380**	3 723	(450)
Foreign currency translation adjustments	**25**	(72)	19
Net increase/(decrease) in cash and cash equivalents	**287**	(540)	(10)
Cash and cash equivalents – beginning of year	**706**	1 246	1 256
Cash and cash equivalents – end of year	**993**	706	1 246

[1] *During March 2019, the Group withdrew R183 million from its rehabilitation trusts for the reimbursement of rehabilitation work that was completed in prior years.*

The accompanying notes are an integral part of these summarised consolidated financial statements.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

for the years ended 30 June 2019

1 GENERAL INFORMATION

Harmony Gold Mining Company Limited (the company) and its subsidiaries (collectively Harmony or the group) are engaged in gold mining and related activities, including exploration, extraction and processing. Gold bullion, the group's principal product, is currently produced at its operations in South Africa and Papua New Guinea (PNG). Uranium and silver are produced as by-products.

The company is a public company, incorporated and domiciled in South Africa. The address of its registered office is Randfontein Office Park, Corner Main Reef Road and Ward Avenue, Randfontein, 1759.

The consolidated financial statements were authorised for issue by the board of directors on 24 October 2019.

2 ACCOUNTING POLICIES

Basis of preparation

The summarised consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, and the requirements of the Companies Act applicable to summarised financial statements. The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurements and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*. The summarised consolidated financial statements should be read in conjunction with the consolidated annual financial statements for the year ended 30 June 2019 (included in the Financial Report 2019 available at *www.har.co.za/19/download/HAR-FR19.pdf*), which have been prepared in accordance with IFRS. The accounting policies are consistent with those described in the consolidated annual financial statements. The principal accounting policies applied in the preparation of the consolidated financial statements have been consistently applied in all years presented except for the changes as described under "Recent accounting developments" below.

The comparative amounts in the balance sheet were restated due to the finalisation of the purchase price allocation which was done on a provisional basis in 2018. Refer to note 8 for more information.

Non-current trade and other receivables and other non-current assets, which were presented as separate line items in the balance sheet in 2018, have been combined into a single line item called other non-current assets in 2019.

Recent accounting developments

New standards, amendments to standards and interpretations to existing standards adopted by the group

During the financial year, the following new standards, amendments to standards and interpretations to existing standards were adopted by the group. No other standards and amendments to standards that became effective during the 2019 year had a material impact on the consolidated financial statements.

IFRS 15 – *Revenue from Contracts with Customers*

IFRS 15 establishes a single comprehensive five-step model to account for revenue arising from contracts with customers and is based on the core principle that revenue is recognised when control of a good or service transfers to a customer. It is effective for annual periods beginning on or after 1 January 2018. Harmony adopted the standard on 1 July 2018 under the full retrospective approach. The adoption of the new standard did not have an impact on the group's accounting for revenue as discussed below.

Scope of IFRS 15

The group's contracts that are in scope of the new revenue standard include gold, silver and uranium contracts. Income derived from all of these products are presented in revenue.

Revenue measurement

Under the previous standard, IAS 18, *Revenue*, revenue was measured at the fair value of the consideration received and discounted to the present value of consideration due if payment extended beyond normal credit terms. Historically payments have not extended beyond normal credit terms and the amount of revenue recognised equated to the transaction price.

Under IFRS 15, revenue is measured at the amount of consideration to which an entity expects to be entitled in exchange for transferring goods to a customer. The group's contracts do not contain elements of variable consideration, non-cash consideration or significant financing components and therefore the amount of revenue recognised equates to the transaction price. The group has not applied the practical expedient for significant financing components as there are none present in the group's contracts with customers.

Revenue recognition

Under IAS 18, revenue was recognised for the South African operations when the goods were delivered and a certificate of sale for gold and confirmation of transfer for uranium was issued. At Hidden Valley, the point of recognition was when the metal account was credited. This was taken to be the point in time at which the customer accepted the goods and the related risks and rewards of ownership transferred.

IFRS 15 requires revenue to be recognised when a customer obtains control of the goods. The group has assessed that the drivers for revenue recognition are unchanged as this is the point when control of the goods effectively transfers to the customer.

Hedge accounting

The effective portion of gains or losses on the derivatives designated as cash flow hedging items (forecast sales transactions) are recognised in revenue when the forecast sales transactions occur. The adoption of IFRS 15 and IFRS 9, *Financial Instruments* did not have an impact on the amount or timing of the hedging gains or losses recognised in revenue.

Subsequent changes

Subsequent to the adoption of IFRS 15, the customer who bought gold and silver from Hidden Valley was changed and a new contract was entered into. The point at which control of the product transfers to this customer is when the metal is collected from Hidden Valley and a confirmation of collection is sent to and accepted by the customer.

IFRS 9 – *Financial Instruments*

IFRS 9 replaces IAS 39, *Financial Instruments: Recognition and Measurement* and is effective for annual periods beginning on or after 1 January 2018. Harmony adopted the new standard on 1 July 2018. In line with the transitional provisions of IFRS 9, the group has applied the standard retrospectively without restating any comparative figures. The impact of adoption of the new standard is discussed below.

Classification and measurement

In terms of IFRS 9, financial instruments are measured either at amortised cost or at fair value. Movements in fair value are presented in either profit or loss (FVTPL) or other comprehensive income (FVOCI), subject to certain criteria being met. On 1 July 2018 management classified the group's financial instruments into the appropriate IFRS 9 categories. The new standard did not have a significant impact on the classification and measurement of the group's financial assets as illustrated below:

Figures in million (SA rand)	Measurement category IAS 39	 IFRS 9	Carrying amount 30 June 2018 IAS 39	 1 July 2018 IFRS 9
Restricted cash	Loans and receivables (amortised cost)	Debt instruments at amortised cost (a)	115	115
Cash and cash equivalents			706	706
Trade and other receivables			626	626
Restricted investments (cash and cash equivalents)			23	23
Restricted investments (fixed deposits)	Held-to-maturity investments (amortised cost)		2 335	2 335
Restricted investments (equity-linked deposits)	Fair value through profit or loss	Debt instruments at fair value through profit or loss (b)	913	913
Other non-current assets (equity instruments)	Available-for-sale financial assets (cost)	Equity instruments designated at fair value through OCI (c)	8	90
Other non-current assets (debt instruments)	Loans and receivables (amortised cost)	Debt instruments at fair value through profit or loss (d)	253	253
Derivative financial instruments (hedging instruments)	Hedging instruments (fair value through profit or loss)	Cash flow hedging at fair value through profit or loss (e)	482	482
Derivative financial instruments (fair value through profit or loss)	Fair value through profit or loss	Derivatives at fair value through profit or loss (e)	(74)	(74)

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the years ended 30 June 2019

2 ACCOUNTING POLICIES *continued*

Recent accounting developments *continued*

New standards, amendments to standards and interpretations to existing standards adopted by the group *continued*

IFRS 9 – *Financial Instruments* *continued*

Classification and measurement *continued*

(a) The majority of loans and receivables, including debt instruments previously classified as held-to-maturity, are classified and measured at amortised cost under IFRS 9 as the group's business model is to hold these instruments in order to collect contractual cash flows, which is solely payments of principal and interest.

(b) Debt investments previously measured at FVTPL are classified and measured on the same basis under IFRS 9.

(c) An irrevocable election was made to classify the equity instruments previously classified as available-for-sale as at FVOCI. The new standard impacted the measurement of the group's unquoted equity investments. IFRS 9 eliminates the exemption provided under IAS 39 where unquoted equity investments were measured at cost when fair value could not be reliably measured. This change resulted in revaluing unlisted investments with a cost of R0 million to fair value of R82 million. The difference between the carrying amounts of financial instruments before the adoption of IFRS 9 and the new carrying amount calculated in accordance with the standard at 1 July 2018 was recognised directly in the opening balance of equity. Refer to the statements of changes in equity.

(d) The loan to the ARM BBEE Trust, previously carried at amortised cost, is classified at FVTPL under IFRS 9 as the contractual cash flows fail the solely payments of principal and interest (SPPI) characteristics. The group determined that the contractual terms include exposure to risk and volatility that is inconsistent with a basic lending arrangement. In making this assessment the group considered contingent events that would change the amount and timing of cash flows and potential limits on the group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements). The change in classification did not have an impact on the carrying amount of the loan on initial adoption as the carrying amount was equal to the fair value. The loan is included in other non-current assets in the balance sheet. Previously, the ARM BBEE Trust loan was included in non-current trade and other receivables in the balance sheet.

(e) Derivative financial instruments continue to be classified and measured at FVTPL.

There was no impact on the group's accounting for financial liabilities as the new requirements only affected the accounting for financial liabilities that are designated at FVTPL and currently the group does not have any such liabilities.

Impairment

The change from the "incurred loss" model to the "expected credit loss" model did not have a material impact on the measurement of the group's financial assets.

Hedge accounting

Except for assessing hedge effectiveness, accounting for the group's defined hedge relationships remained unchanged under IFRS 9. The new requirements and disclosures have been applied for 2019 only.

Change in accounting policy – classification of by-products

Previously, income from silver and uranium sales were classified as a credit to cost of sales. The increasing significance of by-product income following the acquisition of the additional Hidden Valley interest warrants the by-products to be considered an output of the group's ordinary activities and therefore income from these products are presented as part of the group's revenue.

The change in accounting policy results in an increase in revenue and a consequential increase in costs of sales and therefore does not have an impact on previously reported gross profit or loss. The group has applied the change retrospectively to each prior reporting period presented in accordance with IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*. The impact on revenue and cost of sales is as follows:

	SA rand	
Figures in million	**2018**	**2017**
Revenue as previously reported	20 359	19 264
By-product revenue	93	230
Revenue (restated)	**20 452**	**19 494**
Cost of sales as previously reported	23 503	19 639
By-product revenue	93	230
Cost of sales (restated)	**23 596**	**19 869**

New standards, amendments to standards and interpretations to existing standards that are not yet effective and have not been early adopted

At the date of authorisation of these financial statements, the standards, amendments to standards and interpretations listed below were in issue but not yet effective. These new standards and interpretations have not been early adopted by the group and the group plans on adopting these standards, amendments to standards and interpretations on the dates when they become effective.

IFRS 16 – *Leases*

IFRS 16 replaces the previous accounting standard on leases, IAS 17 *Leases*, and related Interpretations. The new standard introduces a single lease accounting model and requires a lessee to capitalise most leases with certain exemptions. A lessee is required to recognise a right of use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

The group will apply IFRS 16 initially on 1 July 2019 using the modified retrospective approach. Under this approach, the cumulative effect of adopting the new standard will be recognised as an adjustment to the opening balance of retained earnings at 1 July 2019 with no restatement of comparative information. The group has elected to recognise the right-of-use assets at an amount equal to the lease liability at 1 July 2019 together with the following practical expedients:

- Exemption not to capitalise leases for which the underlying asset is of low value;
- Exemption not to capitalise short-term leases;
- Recognition exemption for leases for which the lease term ends within 12 months of the date of initial application; and
- Exclude initial direct costs from the measurement of the right-of-use asset on initial adoption.

Based on the contracts in existence on 30 June 2019, the group expects to recognise additional right-of-use assets and related lease liabilities of between R80 million to R120 million on 1 July 2019 relating to leases previously classified as operating leases. Currently the minimum future lease payments under non-cancellable operating leases amount to R33 million. An increase in the group's depreciation charge and finance cost is also expected while production cost is expected to decrease. Operating cash flows are expected to increase and financing cash flows to decrease as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities, while previously the operating lease payments were classified as cash flows from operating activities.

The adoption of IFRS 16 will not impact the group's current debt covenant arrangements with financial institutions.

3 REVENUE

	SA rand		
Figures in million	**2019**	**2018 Restated***	**2017 Restated***
Revenue from contracts with customers	**26 459**	19 255	18 766
Gold	**25 693**	19 162	18 536
Silver [1]	**589**	74	230
Uranium [2]	**177**	19	—
Hedging gain [3]	**453**	1 197	728
Total revenue [4]	**26 912**	20 452	19 494

* *Relates to a change in accounting policy – refer to note 2 for detail.*

[1] *Derived from the Hidden Valley operation in Papua New Guinea.*

[2] *Derived from the Moab Khotsong operation.*

[3] *Relates to the realised effective portion of the hedge-accounted gold derivatives. Refer to note 9 for further information.*

[4] *A geographical analysis of revenue is provided in the segment report in note 19.*

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the years ended 30 June 2019

4 COST OF SALES

	SA rand		
Figures in million	**2019**	**2018 Restated***	**2017 Restated***
Production costs (a)	**20 324**	15 084	15 042
Amortisation and depreciation of mining assets (b)	**3 961**	2 468	2 441
Amortisation and depreciation of assets other than mining assets	**93**	102	78
Rehabilitation expenditure	**33**	67	23
Care and maintenance costs of restructured shafts	**134**	128	109
Employment termination and restructuring costs	**242**	208	74
Share-based payments	**155**	244	391
Impairment of assets (c)	**3 898**	5 336	1 718
Other	**29**	(41)	(7)
Total cost of sales	**28 869**	23 596	19 869

* *Relates to a change in accounting policy – refer to note 2 for detail.*

(a) Production costs include mine production and transport and refinery costs, applicable general administrative costs, movement in inventories and ore stockpiles, ongoing environmental rehabilitation costs and transfers for stripping activities. Employee termination costs are included, except for employee termination costs associated with major restructuring and shaft closures, which are separately disclosed.

Production costs increased during the 2019 year mainly due to the inclusion of Moab Khotsong (R2.4 billion increase) for the full year as well as continuing production at Hidden Valley (R1.6 billion) for the full year following the operation reaching commercial levels of production at the end of the 2018 financial year. Production costs for 2018 include R1.0 billion related to the Moab Khotsong operations and production costs related to Hidden Valley were R1.2 billion lower than 2017 due to the capitalisation of costs during the plant upgrade and the development of the stage 5 and 6 cut back.

(b) Depreciation is higher for the 2019 year owing mainly to full year production at Hidden Valley (R1.6 billion increase) as well as Moab Khotsong (R178 million increase) included for the full year. Offsetting this are decreases year on year at Target (R199 million) as well as Unisel and Masimong (R184 million) owing to the impact of the impairment that was recognised at the end of the 2018 year.

(c) An increase in the planned gold price was offset by an increase in costs (both working costs and capital expenditure), which was further compounded by the inclusion of carbon tax (effective 1 June 2019), in both the life-of-mine and resource base models. Although there was an increase in the overall group's net present value of the life-of-mine models, the revision of the areas included in certain of the resource base models resulted in lower grades which negatively impacted on the cash flows and ultimately the recoverable amounts. The impairment of assets consists of the following:

	SA rand		
Figures in million	**2019**	**2018**	**2017**
Tshepong Operations	**2 254**	988	255
Kusasalethu	**690**	579	678
Target 1	**312**	699	785
Target 3	**318**	—	—
Joel	**198**	160	—
Other mining assets	**120**	319	—
Bambanani	**6**	—	—
Doornkop	**—**	317	—
Unisel	**—**	487	—
Masimong	**—**	329	—
Target North	**—**	1 458	—
Total impairment of assets	**3 898**	5 336	1 718

There was no reversal of impairment for the 2019, 2018 or 2017 financial years.

The recoverable amounts for these assets have been determined on a fair value less costs to sell basis using the discounted cash flow models and attributable resource values assumptions. These are fair value measurements classified as level 3.

The recoverable amounts of the CGUs where impairments were recognised as at 30 June 2019 are as follows:

	SA rand		
	Recoverable amount		
Figures in million	**Life-of-mine plan**	**Resource base**	**Total**
Tshepong Operations			
The impairment is due to the increased costs to exploit the resource base as well as a lower expected recovered grade. The decrease in the recovery grade is as a result of the change in the dilution factors applied to the resource base.	**3 811**	**2 055**	**5 866**
Kusasalethu			
A decrease in grade and increased estimated costs in the resource base resulted in a lower recoverable amount. The decrease in the recovery grade is as a result of the change in the dilution factors applied to the resource base.	**1 297**	**—**	**1 297**
Target 1			
The recoverable amount decreased as a result of increased costs and decrease in grade in the resource base together with the estimated impact of carbon tax. The increase in discount rate due to increased risk factors also negatively impacted on the recoverable amount.	**467**	**609**	**1 076**
Target 3			
The operation remains under care and maintenance. A change in valuation method from discounted cash flow model to resource multiple approach reduced the recoverable amount.	**None**	**182**	**182**
Joel			
The increased capital costs in the resource base together with carbon tax negatively impacted the net present value of expected cash flows.	**765**	**87**	**852**
Other mining assets			
The updated life-of-mine plans for the CGUs in Freegold and Avgold resulted in the impairment of other mining assets.	**335**	**None**	**335**
Bambanani			
The impairment of goodwill reduced the carrying amount of intangible assets. As goodwill is not depreciated, it results in an impairment as the life of the operation shortens.	**763**	**None**	**763**

Critical accounting estimates and judgements – impairment of assets

The recoverable amount of mining assets is generally determined utilising real discounted future cash flows. Management also considers such factors as the quality of the individual orebody, market risk, asset specific risks and country risk in determining the fair value.

Key assumptions for the calculations of the mining assets' recoverable amounts are the commodity prices, resource values, marketable discount rates, costs to sell, exchange rates and the annual life-of-mine plans. In determining the commodity prices and resource values to be used, management assesses the long-term views of several reputable institutions on commodity prices and based on this, derives the commodity prices and resource values.

The life-of-mine plans are based on the proved and probable reserves as included in the Resource and Reserve Declaration, which are determined in terms of SAMREC, as well as resources where management has high confidence in the orebody and economical recovery of gold, based on historic and similar geological experience.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the years ended 30 June 2019

4 COST OF SALES *continued*

Critical accounting estimates and judgements – impairment of assets *continued*

During the year under review, the group calculated the recoverable amounts (generally fair value less costs to sell) based on updated life-of-mine plans and the following gold price, silver price and exchange rates assumptions:

	2019	2018	2017
US$ gold price per ounce			
– Year 1	**1 325**	1 250	1 200
– Year 2	**1 310**	1 250	1 200
– Long term (year 3 onwards)	**1 290**	1 250	1 200
US$ silver price per ounce			
– Year 1 and year 2	**15.75**	17.00	17.00
– Long term (year 3 onwards)	**17.00**	17.00	17.00
Exchange rate (R/US$)			
– Year 1	**14.43**	13.30	13.61
– Year 2	**14.25**	13.30	13.61
– Long term (year 3 onwards)	**14.11**	13.30	13.61
Exchange rate (PGK/US$)	**3.34**	3.17	3.16
Rand gold price (R/kg)			
– Year 1	**615 000**	535 000	525 000
– Year 2	**600 000**	535 000	525 000
– Long term (year 3 onwards)	**585 000**	535 000	525 000

The following is the attributable gold resource value assumption:

	South Africa			Hidden Valley		
US dollar per ounce	2019	2018	2017	2019	2018	2017
Measured	**25.00**	25.00	32.69	**n/a**	n/a	n/a
Indicated	**8.00**	8.00	18.68	**8.00**	5.84	5.84
Inferred	**2.80**	2.80	4.67	**n/a**	5.84	5.84

The recoverable amount of mining assets is determined utilising real discounted future cash flows or resource multiples in the case of undeveloped properties and certain resource bases.

One of the most significant assumptions that influence the group's operations' life-of-mine plans, and therefore impairment, is the expected gold price. During this year's planning and testing, commodity price and exchange rate assumptions as per the table above were used. Due to the increase in the US$ commodity price and weakening of the rand against the US$ dollar at the end of the financial year, management decided it would be appropriate to differentiate between short, medium and long term assumptions used in the models.

The post-tax real discount rate for Hidden Valley was 10.13% (2018: 9.91%) (2017:11.92%) and the post-tax real discount rates for the South African operations ranged between 8.90% and 11.10% (2018: 8.35% and 10.25%) (2017: 8.98% and 11.81%), depending on the asset, were used to determine the recoverable amounts. Cash flows used in the impairment calculations are based on life-of-mine plans which exceed five years for the majority of the mines. Cash flows from potential projects, life-of-mine extensions and residual ounces can also be included in the impairment assessment where deemed appropriate. An additional risk premium is added to the post-tax real discount rates in these instances.

Should management's estimate of the future not reflect actual events, further impairments may be identified. Factors affecting the estimates include:

- Changes to proved and probable ore reserves
- Economical recovery of resources
- The grade of the ore reserves may vary significantly from time to time
- Review of strategy
- Unforeseen operational issues at the mines
- Differences between actual commodity prices and commodity price assumptions
- Changes in the discount rate and foreign exchange rates
- Changes in capital, operating mining, processing and reclamation costs
- Mines' ability to convert resources into reserves
- Potential production stoppages for indefinite periods
- Carbon tax

Sensitivity analysis – impairment of assets

One of the most significant assumptions that influence the life-of-mine plans and therefore impairments is the expected commodity prices. The sensitivity scenario of a 10% decrease or increase in the commodity price used in the discounted cash flow models and the resource values used (with all other variables held constant) would have resulted in the following impairment being recorded as at 30 June 2019 and 2018:

	SA rand	
Figures in million	**2019**	**2018**
– 10% decrease		
Tshepong Operations	**7 155**	5 174
Moab Khotsong [1]	**2 758**	1 636
Kusasalethu	**1 962**	2 716
Doornkop	**1 350**	2 052
Target 1	**1 278**	1 684
Joel	**984**	882
Hidden Valley	**749**	752
Target 3	**337**	141
Bambanani [1]	**331**	222
Target North	**291**	1 826
Other surface operations	**178**	540
Masimong	**105**	386
Unisel	**45**	525
Kalgold	**39**	—
+ 10% increase		
Target 3	**300**	—
Masimong	**—**	59
Target North	**—**	1 090
Unisel	**—**	433

[1] *The carrying amounts of these CGUs include goodwill and any impairment losses are allocated first to goodwill and then to the identifiable assets.*

At all other operations, a 10% increase in the gold price would have resulted in no impairments being recorded.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the years ended 30 June 2019

5 OTHER OPERATING EXPENSES

	SA rand		
Figures in million	**2019**	**2018**	**2017**
Profit on sale of property, plant and equipment	**(5)**	(2)	(42)
Social investment expenditure	**155**	73	74
Loss on scrapping of property, plant and equipment	**21**	1	140
Foreign exchange translation (gain)/loss (a)	**86**	682	(194)
Silicosis settlement provision/(reversal of provision) (b)	**(62)**	(68)	917
Provision/(reversal of provision) for ARM BBEE Trust loan (c)	**—**	(43)	13
Other (income)/expenses – net	**(9)**	24	(22)
Total other operating expenses	**186**	667	886

(a) The majority of the foreign exchange gains and losses relates to the US$ borrowings. Refer to note 14 for more details.

(b) Refer to note 13 for details on the movement in the silicosis settlement provision.

(c) Pursuant to the adoption of IFRS 9 on 1 July 2018 (refer to note 2), the ARM BBEE Trust loan is carried at fair value through profit or loss with movement in fair value recognised in net gains on financial instruments. In 2018, the provision was reversed following an increase in African Rainbow Minerals Limited's share price and dividends paid in the period between July 2017 and June 2018, which form part of the recoverability test at 30 June 2018.

6 TAXATION

	SA rand		
Figures in million	**2019**	**2018**	**2017**
SA taxation			
Mining tax	**(19)**	(42)	(230)
Non-mining tax (a)	**(124)**	(163)	(258)
Deferred tax (b)	**282**	439	998
Total taxation (expense)/credit	**139**	234	510

(a) Non-mining taxable income of mining companies and the taxable income for non-mining companies are taxed at the statutory corporate rate of 28%. The expense relates to non-mining tax arising from derivative gains (realised and unrealised) recognised on the foreign currency derivatives as well as the realised gains on the commodity forward sale contracts. Refer to note 9 for details on the group's derivative gains recorded.

(b) The deferred tax credit in the 2019, 2018 and 2017 years is mainly a result of the impairment of assets, a decrease in the weighted average deferred tax rate due to reduced estimated profitability at South African operations, as well as the provision for silicosis settlement raised in 2017.

Income and mining tax rates

Major items causing the group's income tax provision to differ from the South African mining statutory tax rate of 34% were:

	SA rand		
Figures in million	**2019**	**2018**	**2017**
Tax on net loss at the mining statutory tax rate	**934**	1 600	50
Non-allowable deductions	**(241)**	(513)	(77)
Gain on bargain purchase	**—**	—	288
Share-based payments	**(70)**	(104)	(104)
Impairment of assets	**(2)**	(219)	(87)
Exploration expenditure	**(36)**	(74)	(50)
Finance costs	**(68)**	(54)	(37)
Other	**(65)**	(62)	(87)
Movement in temporary differences related to property, plant and equipment	**(1 388)**	(1 248)	(1 080)
Movements in temporary differences related to other assets and liabilities	**98**	55	52
Difference between effective mining tax rate and statutory mining rate on mining income	**(175)**	(550)	129
Difference between non-mining tax rate and statutory mining rate on non-mining income	**19**	35	55
Effect on temporary differences due to changes in effective tax rates [1]	**83**	675	968
Prior year adjustment	**(8)**	–	7
Capital allowances [2]	**684**	604	536
Deferred tax asset not recognised [3]	**133**	(424)	(130)
Income and mining taxation	**139**	234	510
Effective income and mining tax rate (%)	**5**	5	347

1 *This mainly relates to movements in the deferred tax rate related to Harmony (10.5% to 25.7%) (2018: 19.4% to 10.5%) (2017: 21.1% to 19.4%), Freegold (8.7% to 8.1%) (2018: 12.5% to 8.7%) (2017: 20.0% to 12.5%) and Randfontein Estates Limited (Randfontein) (1.8% to 4.5%) (2018: 3.8% to 1.8%) (2017: 10.1% to 3.8%).*

2 *This relates to the additional capital allowance that may be deducted from taxable income from mining operations in South Africa. A significant portion relates to Avgold Limited (Avgold) which has a 0% effective tax rate.*

3 *This relates to tax losses and deductible temporary differences for which future taxable profits are uncertain and are not considered probable*

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the years ended 30 June 2019

7 EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the net income attributable to shareholders by the weighted number of ordinary shares in issue during the year.

	2019	2018	2017
Basic weighted average number of ordinary shares in issue ('000)	**523 809**	445 896	438 443
Total net earnings/(loss) attributable to shareholders (R'millions)	**(2 607)**	(4 473)	362
Total basic earnings/(loss) per share (SA cents)	**(498)**	(1 003)	82

Diluted earnings/(loss) per share

	2019	2018	2017
Weighted average number of ordinary shares for diluted earnings per share [1] ('000)	**533 346**	465 319	459 220
Total diluted earnings/(loss) per share (SA cents) [2]	**(500)**	(1 004)	79

[1] *Due to the net loss attributable to shareholders in 2019, the inclusion of the share options as potential ordinary shares had an anti-dilutive (2018: anti-dilutive and 2017: dilutive) effect on the loss (2018: loss and 2017: earnings) per share and were therefore not taken into account in the current year calculation. The issue price and the exercise price of share options issued to employees include the fair value of any service to be supplied to the entity in the future under the share option or other share-based payment arrangement.*

[2] *The dilution is as a result of the potential reduction in earnings attributable to equity holders of the parent company as a result of the exercise of the Tswelopele Beneficiation Operation (Proprietary) Limited (TBO) option.TBO contributed a profit and therefore the reduction in earnings attributable to Harmony would increase the loss and loss per share.*

Headline earnings per share

The calculation of headline earnings, net of tax, per share is based on the basic earnings per share calculation adjusted for the following items:

	SA rand		
Figures in million	2019	2018	2017
Net profit/(loss)	**(2 607)**	(4 473)	362
Adjusted for:			
Gain on bargain purchase [1]	**—**	—	(848)
Loss on liquidation of subsidiary [1]	**—**	—	14
Impairment of assets	**3 898**	5 336	1 718
Taxation effect on impairment of assets	**(239)**	(99)	(26)
Profit on sale of property, plant and equipment	**(5)**	(2)	(42)
Taxation effect on profit on sale of property, plant and equipment	**—**	—	7
Loss on scrapping of property, plant and equipment	**21**	1	140
Taxation effect on loss on scrapping of property, plant and equipment	**(1)**	—	(19)
Headline earnings	**1 067**	763	1 306
Basic headline earnings per share (cents)	**204**	171	298
Diluted headline earnings per share (cents) [2]	**197**	163	284

[1] *There is no taxation effect on these items.*

[2] *The inclusion of the share options as potential ordinary shares had a dilutive effect on the headline earnings per share. The diluted headline earnings per share also include the potential impact of exercising the Tswelopele Beneficiation Operation option as explained above.*

8 ACQUISITIONS AND BUSINESS COMBINATIONS

Acquisition of the Moab Khotsong operations

Effective 1 March 2018, the group acquired the Moab Khotsong and Great Noligwa mines and related infrastructure as well as gold-bearing tailings and the Nufcor uranium plant (collectively the Moab Khotsong operations) from AngloGold Ashanti Limited on a going concern basis. The combined assets acquired and liabilities assumed constitute a business as defined by IFRS 3, *Business Combination*s. The purchase price allocation (PPA) was initially prepared on a provisional basis in accordance with IFRS 3. A decrease of R32 million was made to the mineral right value capitalised following the finalisation of the effective date tax values and deferred tax calculation. This increased the amount of goodwill recognised as part of the acquisition. The comparative figures as at 30 June 2018 have been restated for this change.The measurement period has now closed and the accounting for the acquisition has been concluded.

The cash consideration paid to acquire the Moab Khotsong operations amounted to R3 474 million ($300 million).

9 DERIVATIVE FINANCIAL INSTRUMENTS

The group has the following derivative financial instruments:

	SA rand			
Figures in million	Rand gold hedging contracts	US$ commodity contracts (a)	Foreign exchange hedging contracts (b)	Total
30 June 2019				
Derivative financial assets	**45**	**5**	**456**	**506**
Non-current	**23**	**1**	**173**	**197**
Current	**22**	**4**	**283**	**309**
Derivative financial liabilities	**(383)**	**(57)**	**(2)**	**(442)**
Non-current	**(158)**	**(14)**	**—**	**(172)**
Current	**(225)**	**(43)**	**(2)**	**(270)**
Net derivative financial instruments	**(338)**	**(52)**	**454**	**64**
Unamortised portion of the day one gain/loss included above	**36**	**5**	**—**	**41**
Realised gains included in revenue	**453**	**—**	**—**	**453**
Unrealised losses included in other reserves	**165**	**49**	**—**	**214**
Gains/(losses) included in gains on derivatives	**(51)**	**13**	**554**	**516**
Day one loss amortisation	**(31)**	**(1)**	**—**	**(32)**
Total gains on derivatives	**(82)**	**12**	**554**	**484**

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the years ended 30 June 2019

9 DERIVATIVE FINANCIAL INSTRUMENTS *continued*

	SA rand			
Figures in million	Rand gold hedging contracts	US$ commodity contracts (a)	Foreign exchange hedging contracts (b)	Total
30 June 2018				
Derivative financial assets	482	74	67	623
Non-current	70	11	3	84
Current	412	63	64	539
Derivative financial liabilities	(12)	—	(203)	(215)
Non-current	(10)	—	—	(10)
Current	(2)	—	(203)	(205)
Net derivative financial instruments	470	74	(136)	408
Unamortised portion of the day one gain/loss included above	11	—	—	11
Realised gains included in revenue	1 197	—	—	1 197
Unrealised gains included in other reserves	413	—	—	413
Gains/(losses) included in gains on derivatives	(12)	35	113	136
Day one loss amortisation	(37)	—	—	(37)
Total gains on derivatives	(49)	35	113	99

	SA rand			
Figures in million	Rand gold hedging contracts	US$ commodity contracts (a)	Foreign exchange hedging contracts (b)	Total
30 June 2017				
Realised gains included in revenue	728	—	—	728
Gains/(losses) included in gains on derivatives	—	20	1 083	1 103
Hedge ineffectiveness	16	—	—	16
Day one loss amortisation	(94)	—	—	(94)
Total gains on derivatives	(78)	20	1 083	1 025

Hedge accounting

Harmony has entered into gold forward sale derivative contracts to hedge the risk of lower gold prices. Cash flow hedge accounting is applied to the majority of these contracts, resulting in the effective portion of the unrealised gains and losses being recorded in other comprehensive income. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments. The group enters into gold forward contracts that have similar terms as the hedged item, such as notional amount, maturity date and reference gold spot rate. As all critical terms are matched, this results in a hedge ratio of 1:1. Potential sources of hedge ineffectiveness include counterparty credit risk, day one gains and losses, a mismatch in the timing of the derivative and underlying gold maturities, location differential and the refining margin, which resulted in a negligible amount of hedge ineffectiveness that has not been recognised for 2019 and 2018.

The loss from derivative contracts to which hedge accounting is not applied is included in gains on derivatives.

(a) Harmony maintains a hedging programme for Hidden Valley by entering into commodity hedging contracts. The contracts comprise US$ gold forward sale derivative contracts as well as silver zero cost collars which establish a minimum (floor) and maximum (cap) silver sales price. Hedge accounting is applied to all US$ gold forward sale derivative contracts entered into from 1 January 2019. None of these contracts matured during the current financial period. Hedge accounting is not applied to gold contracts entered into before this date as well as the silver collars.

(b) Harmony maintains a foreign exchange hedging programme in the form of zero cost collars, which sets a floor and cap rand/US$ exchange rate at which to convert US dollars to rands, and foreign exchange forward contracts. Hedge accounting is not applied to these contracts.

Refer to note 15 for the details on the fair value measurements.

10 INVENTORIES

Gold in process increased R137 million year on year due to the timing of the plant clean-up at year-end, where the first possible dispatch day fell in the new financial period. Also contributing to the higher balance is the additional spares purchased in PNG when certain maintenance services were in-sourced.

11 SHARE CAPITAL

Authorised

1 200 000 000 (2018: 1 200 000 000) ordinary shares with no par value.
4 400 000 (2018: 4 400 000) convertible preference shares with no par value.

Issued

539 841 195 (2018: 500 251 751) ordinary shares with no par value. All issued shares are fully paid.
4 400 000 (2018: 0) convertible preference shares with no par value.

Share issues

Accelerated bookbuild

During June 2018, Harmony conducted a placement of new ordinary shares to qualifying investors to raise up to R1.26 billion, which represented approximately 15 per cent of the group's existing issued ordinary share capital prior to the placement. The placement was conducted through an accelerated bookbuild. The net proceeds of the placement were used to pay down part of the outstanding bridge loan raised for the acquisition of the Moab Khotsong operations. A total of 55 055 050 new ordinary shares were placed with existing and new institutional investors at a price of R19.12 per share, raising gross proceeds of R1.05 billion. Costs directly attributable to the issue of the shares amounted to R49 million.

As part of the accelerated bookbuild, African Rainbow Minerals Limited (ARM) subscribed for an additional 11 032 623 shares at R19.12 a share in July 2018. The issue raised a further R211 million and resulted in ARM maintaining its shareholding of 14.29% post the placement of shares.

Share issues relating to employee share options

An additional 21 856 821 (2018: 5 239 502) shares were issued to settle the exercise of share options by employees relating to Harmony's management share option schemes. In the current financial year, Harmony implemented a new employee share option scheme referred to as the Sisonke Employee Share Ownership Plan. An amount of 6 700 000 shares were issued to the Harmony ESOP Trust as part of the new scheme.

Convertible preference shares

On 20 February 2019, Harmony issued 4 400 000 convertible preference shares to the Harmony Gold Community Trust. The convertible preference shares carry a minimum annual preference dividend of R2 per share and are convertible into ordinary shares on a 1:1 basis after the tenth anniversary of the date on which the shares were issued. The conversion is at the election of Harmony.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the years ended 30 June 2019

11 SHARE CAPITAL *continued*

Treasury shares

Included in the total of issued shares are the following treasury shares:

	Number of shares	
	2019	**2018**
Ordinary shares		
Lydenburg Exploration Limited [1]	**335**	335
Kalgold Share Trust [2]	**47 046**	47 046
Harmony ESOP Trust [2]	**6 592 900**	—
Convertible preference shares		
Harmony Gold Community Trust [3]	**4 400 000**	—

1 *A wholly-owned subsidiary*

2 *Trust controlled by the group*

3 *The issue of the convertible preference shares did not impact the group's consolidated financial statements as the Harmony Gold Community Trust is controlled by the group.*

12 PROVISION FOR ENVIRONMENTAL REHABILITATION

The balance at 30 June 2019 decreased following the annual reassessment of the environmental provision. The biggest contributor was Moab Khotsong, where a decrease of R240 million was recognised following on alignment of the methodology and other assumptions including rates.

13 PROVISION FOR SILICOSIS SETTLEMENT

Consolidated class action

Harmony and certain of its subsidiaries (Harmony group), together with other mining companies, are named in a class action for silicosis and tuberculosis which was certified by the Johannesburg High Court in May 2016.

A gold mining industry working group which includes Harmony (the working group) was formed in November 2014 to address issues relating to the compensation and medical care for occupational lung diseases in the gold mining industry in South Africa. The working group engaged all stakeholders on these matters and on 3 May 2018, announced that they have reached an agreement with the lawyers representing the claimants in the silicosis class action litigation. The settlement is subject to certain suspensive conditions, including the agreement being approved by the South Gauteng High Court. Refer to note 18 for events after the reporting date.

Annual changes in the provision consist of time value of money (recognised as finance costs) and changes in estimates (other operating expenses). The change in estimate for 2019 is a gain of R62 million due to a change in the timing of expected cash flows.

The contributions are expected to be settled by cash flows from the group's South African operations and will occur over a number of years. The nominal amount for Harmony group is R1.3 billion.

The ultimate outcome of this matter remains uncertain, with a possible failure to fulfill all the suspensive conditions. The provision recorded in the financial statements is consequently subject to adjustment or reversal in the future.

14 BORROWINGS

Summary of facilities' terms

	Commenced	Tenor (Years)	Matures	Secured	Security	Interest payment basis	Interest charge	Repayment term	Repaid
R1 billion revolving credit facility	February 2017	Three	February 2020	Yes	Cession and pledge of operating subsidiaries' shares and claims	Variable	JIBAR + 3.15%	On maturity	November 2018
R2 billion facility	November 2018	Four	November 2022	Yes	Cession and pledge of operating subsidiaries' shares and claims	Variable			
– R600 million term loan							JIBAR + 2.9%	Eight equal quarterly instalments with the final instalment on maturity	
– R1.4 billion revolving credit facility							JIBAR + 2.8%	On maturity	
US$350 million facility	July 2017	Three	July 2020	Yes	Cession and pledge of operating subsidiaries' shares and claims	Variable		On maturity	
– US$175 million revolving credit facility							LIBOR + 3.0%		
– US$175 million term loan							LIBOR + 3.15%		
US$200 million bridge loan	October 2017	One	October 2018	Yes	Cession and pledge of operating subsidiaries' shares and claims	Variable		On maturity	July 2018
						First 6 months	LIBOR + 2.5%		
						Next 3 months	LIBOR + 3.0%		
						Last 3 months	LIBOR + 3.5%		
US$24 million Westpac loan	July 2018	Four	July 2022	Yes	Cession and pledge of vehicles and machinery	Variable	LIBOR + 3.2%	Quarterly instalments	

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the years ended 30 June 2019

14 BORROWINGS *continued*

Debt covenants

The debt covenant tests for both the rand and US dollar facilities are as follows:

- The group's interest cover ratio shall be more than five (EBITDA [1]/ Total interest paid);
- Tangible Net Worth [2] to total net debt ratio shall not be less than four times or six times when dividends are paid;
- Leverage [3] shall not be more than 2.5 times.

[1] *Earnings before interest, taxes, depreciation and amortisation (EBITDA) as defined in the agreement excludes unusual items such as impairment and restructuring cost.*
[2] *Tangible Net Worth is defined as total equity less intangible assets.*
[3] *Leverage is defined as total net debt to EBITDA.*

At the time of entering into the bridge loan the Tangible Net Worth to total net debt ratio covenant was renegotiated and relaxed from six times to four times for the full term of the bridge loan. With the refinancing of the rand facility in November 2018, the ratio was set at 4.5 times and subsequently set at four times or from eight to six times if dividends are paid at the start of the US$ facility refinancing process in May 2019 (refer to note 18). No breaches of the covenants were identified during the tests in the 2018 and 2019 financial years.

Interest bearing borrowings

	SA rand	
Figures in million	**2019**	**2018**
Non-current borrowings		
R1 billion revolving credit facility	**—**	497
R2 billion facility	**1 489**	—
Westpac fleet loan	**194**	—
US$350 million facility	**4 143**	4 427
Total non-current borrowings	**5 826**	4 924
Current borrowings		
R1 billion revolving credit facility	**—**	3
Westpac fleet loan	**89**	—
US$200 million bridge loan	**—**	687
Total current borrowings	**89**	690
Total interest-bearing borrowings	**5 915**	5 614

	SA rand	
Figures in million	**2019**	**2018**
The maturity of borrowings is as follows:		
Current	**89**	702
Between one to two years	**4 232**	497
Between two to four years	**1 594**	4 415
	5 915	5 614

Figures in million	SA rand 2019	SA rand 2018
Undrawn committed borrowing facilities:		
Expiring within one year	**—**	—
Expiring after one year	**1 277**	845
	1 277	845

15 FINANCIAL RISK MANAGEMENT

Foreign exchange risk

Harmony's revenues are sensitive to the R/US$ exchange rate as all revenues are generated by gold sales denominated in US$. Harmony maintains a foreign currency hedging programme to manage foreign exchange risk. The limit currently set by the Board is 25% of the group's foreign exchange risk exposure for a period of 24 months. The audit and risk committee reviews the details of the programme quarterly.

Commodity price sensitivity

The profitability of the group's operations, and the cash flows generated by those operations, are affected by changes in the market price of gold, and in the case of Hidden Valley, silver as well. Harmony entered into derivative contracts to manage the variability in cash flows from the group's production, in order to create cash certainty and protect the group against lower commodity prices. The general limit for gold hedging currently set by the Board is 20% for a 24-month period. In response to the increase in the rand gold price, this limit was temporarily increased to 24% just before year-end to accommodate additional hedging for certain more marginal operations. This increased limit normalises back to 20% by the end of the 2020 financial year. The limit set by the Board is 50% of silver exposure over a 24-month period.

Management continues to top-up these programmes as and when opportunities arise to lock in attractive margins for the business, but are not required to maintain hedging at these levels. The audit and risk committee reviews the details of the programme quarterly.

Fair value determination

The fair value levels of hierarchy are as follows:

Level 1: Quoted prices (unadjusted) in active markets;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from other prices);

Level 3: Inputs for the asset that are not based on observable market data (that is, unobservable inputs).

The following table sets out the group's assets and liabilities measured at fair value by level within the fair value hierarchy:

Figures in million	SA rand At 30 June 2019		SA rand At 30 June 2018	
	Level 2	**Level 3**	**Level 2**	**Level 3**
Fair value through other comprehensive income				
Other non-current assets (a)	**—**	**59**	—	8
Fair value through profit or loss				
Restricted investments (b)	**1 256**	**—**	913	—
Derivative financial assets (c)	**507**	**—**	623	—
Derivative financial liabilities (c)	**(422)**	**—**	(215)	—
Other non-current assets (d)	**—**	**271**	—	—

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the years ended 30 June 2019

15 FINANCIAL RISK MANAGEMENT *continued*

Fair value determination *continued*

(a) The increase in level 3 fair value measurement relates to the equity investment in Rand Mutual Assurance previously carried at cost. The fair value of the investment was estimated with reference to an independent valuation. The valuation was performed using a discounted cash flow model. In valuating the group's share of the business, common practice marketability and minority discounts as well as additional specific risk discounts were applied.

(b) The majority of the balance is directly derived from the Top 40 index on the JSE, and is discounted at market interest rate. This relates to equity-linked deposits in the group's environmental rehabilitation trust funds. The balance of the environmental trust funds are carried at amortised cost and therefore not disclosed here.

(c) The mark-to market remeasurement of the derivative contracts was determined as follows:

- Forex hedging contracts comprise of zero cost collars and FECs:

  The zero cost collars were valued using a Black-Scholes valuation technique derived from spot rand/US$ exchange rate inputs, implied volatilities on the rand/US$ exchange rate, rand/US$ inter-bank interest rates and discounted at market interest rate (zero-coupon interest rate curve). The value of the FECs is derived from the forward rand/US$ exchange rate and discounted at market interest rate (zero-coupon interest rate curve).

- Rand gold hedging contracts (forward sale contracts): spot Rand/US$ exchange rate, Rand and dollar interest rates (forward points), spot US$ gold price, differential between the US interest rate and gold lease interest rate which is discounted at market interest rate.
- US$ gold hedging contracts (forward sale contracts): spot US$ gold price, differential between the US interest rate and gold lease interest rate and discounted at market interest rate.
- Silver hedging contracts (zero cost collars): a Black-Scholes valuation technique, derived from spot US$ silver price, strike price, implied volatilities, time to maturity and interest rates and discounted at market interest rate.

(d) The increase in level 3 fair value measurement relates to the ARM BBEE loan that was previously carried at amortised cost. The fair value was calculated using a discounted cash flow model taking into account projected interest payments and the projected share price for ARM on the expected repayment date.

The carrying values (less any impairment allowance) of short-term financial instruments are assumed to approximate their fair values.

The fair values of borrowings are not materially different to their carrying amounts since the interest payable on those borrowings is at floating interest rates. The fair value of borrowings are based on discounted cash flows using a current borrowing rate. The determination of the fair values are level 3 in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

16 RELATED PARTIES

None of the directors or major shareholders of Harmony or, to the knowledge of Harmony, their families, had an interest, directly or indirectly, in any transaction from 1 July 2016 or in any proposed transaction that has affected or will materially affect Harmony or its subsidiaries, other than as stated below.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly, including any director (whether executive or otherwise) of the group. The remuneration of directors, prescribed officers and executive management is fully disclosed in Annexure B of the Financial Report 2019.

Modise Motloba, Harmony's deputy chairman, is a director of Tysys Proprietary Limited (Tysys). Tysys entered into a contract with the group during the 2017 financial year to provide services relating to the group's small and medium enterprise development projects. The contract has a value of up to R5 million per annum. Approximately R4 million (2018: R6 million) was paid during FY19 relating to services rendered in the current and prior financial years. The contract has a 30-day notice period.

All the production of the group's South African operations is sent to Rand Refinery in which Harmony holds a 10.38% interest.

A list of the group's subsidiaries, associates and joint operations has been included in Annexure A of the Financial Report 2019.

The following directors and prescribed officers owned shares in Harmony at year-end:

	Number of shares	
Name of director/prescribed officer	**2019**	**2018**
Directors		
Peter Steenkamp [1]	**512 000**	—
André Wilkens	**101 301**	101 301
Frank Abbott [1]	**1 142 010**	747 817
Harry 'Mashego' Mashego	**593**	593
Ken Dicks	**35 000**	35 000
Prescribed officers		
Beyers Nel	**42 486**	42 486
Johannes van Heerden [1]	**160 000**	75 000
Phillip Tobias [1]	**169 294**	42 916

[1] *The movement in shares for the 2019 financial year includes the vesting of performance shares that were voluntarily locked up in terms of the minimum shareholding requirement of the 2006 Share Plan but remain beneficially owned.*

17 COMMITMENTS AND CONTINGENCIES

Commitments and guarantees

	SA rand	
Figures in million	**2019**	**2018**
Capital expenditure commitments		
Contracts for capital expenditure	**313**	215
Share of joint venture's contracts for capital expenditure	**105**	58
Authorised by the directors but not contracted for	**1 499**	1 719
Total capital commitments	**1 917**	1 992

Contractual obligations in respect of mineral tenement leases amount to R83 million (2018: R59 million). This includes R81 million (2018: R58 million) for the Wafi-Golpu joint operation.

	SA rand	
Figures in million	**2019**	**2018**
Guarantees		
Guarantees and suretyships	**143**	143
Environmental guarantees [1]	**479**	479
Total guarantees	**622**	622

[1] *At 30 June 2019, R89 million (2018: R75 million) has been pledged as collateral for environmental guarantees in favour of certain financial institutions.*

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the years ended 30 June 2019

17 COMMITMENTS AND CONTINGENCIES *continued*

Contingent liabilities

Legal proceedings commenced in December 2010 against the Hidden Valley mine in PNG over alleged damage to the Watut River (which runs adjacent to the Hidden Valley mine), alleged to have been caused by waste rock and overburden run-off from the mine. The damages sought by the plaintiffs were not specified. No active steps have been taken by the plaintiffs in this proceeding for more than five years. During the 2019 financial year the court dismissed the case from the roll for lack of prosecution.

For detailed disclosure on contingent liabilities, refer to the Financial Report 2019 (available at *www.har.co.za/19/download/JAR-FR19.pdf*). There have been no significant changes in contingencies since 30 June 2018

18 SUBSEQUENT EVENTS

(a) On 26 July 2019, the Johannesburg High Court approved the R5.2 billion settlement of the silicosis and tuberculosis class action suit between the Occupational Lung Disease Working Group – representing Gold Fields, African Rainbow Minerals, Anglo American SA, AngloGold Ashanti, Harmony and Sibanye Stillwater – and lawyers representing affected mineworkers. After a mandatory three-month period, during which potential beneficiaries can opt out of the settlement agreement, the settlement funds will be used to establish the Tshiamiso Trust. The trust will track and trace class members, process all submitted claims, including the undertaking of benefit medical examinations, and pay benefits to eligible claimants. The approval does not impact on the amount of the provision recognised. Refer to note 13.

(b) On 19 August 2019, Harmony and a syndicate of local and international lenders entered into a loan facility agreement which was jointly arranged by Nedbank Limited and ABSA Bank Limited, comprising a revolving credit facility (RCF) of up to US$200 million and a term portion of up to US$200 million. The tenor of the facility is three years with an option to extend by another one year. The interest rate for the term loan is LIBOR plus 3.05% and LIBOR plus 2.90% for the RCF. Conditions precedent were fulfilled on 26 September 2019 and financial close was on 2 October 2019, with US$5 million (R76 million) being drawn on, resulting in an outstanding balance of US$300 million (R4.6 billion) and an undrawn balance of US$100 million (R1.4 billion).

19 SEGMENT REPORT

The group has one main economic product, being gold. In order to determine operating and reportable segments, management reviewed various factors, including geographical location as well as managerial structure. It was determined that an operating segment consists of a shaft or a group of shafts or open pit mine managed by a single general manager and management team.

After applying the qualitative and quantitative thresholds from IFRS 8, Operating Segments, the reportable segments were determined as: Tshepong Operations, Bambanani, Joel, Doornkop, Moab Khotsong, Hidden Valley, Target 1, Kusasalethu, Masimong and Unisel. All other operating segments have been grouped together under all other surface operations.

The CODM has been identified as the CEO's office consisting of the chief executive officer, financial director, director corporate affairs, chief operating officer: new business, chief executive officer: South-east Asia and chief operating officer: South Africa. When assessing profitability, the CODM considers the revenue and production costs of each segment. The net of these amounts is the production profit or loss. Therefore, production profit has been disclosed in the segment report as the measure of profit or loss. The CODM also considers capital expenditure, gold production and tonnes milled when assessing the overall economic sustainability of each segment. The CODM, however, does not consider depreciation or impairment and therefore these amounts have not been disclosed in the segment report.

Segment assets consist of mining assets and mining assets under construction included under property, plant and equipment which can be attributed to the segment. Current and non-current group assets that are not allocated at a segment level form part of the reconciliation to total assets.

A reconciliation of the segment totals to the group financial statements has been included in note 20.

	Revenue			Production cost			Production profit/(loss)			Mining assets			Capital expenditure#			Kilograms produced*			Tonnes milled*		
	30 June			30 June			30 June			30 June			30 June			30 June			30 June		
	2019	2018	2017	2019	2018	2017	2019	2018	2017	2019	2018	2017	2019	2018	2017	2019	2018	2017	2019	2018	2017
	Rand million			Rand million			Rand million			Rand million			Rand million			Kg			t'000		
South Africa																					
Underground																					
Tshepong Operations	**4 685**	5 389	5 062	**3 973**	3 799	3 671	**712**	1 590	1 391	**6 297**	8 078	8 466	**1 130**	1 008	717	**7 967**	9 394	8 828	**1 612**	1 716	1 695
Moab Khotsong	**4 470**	1 672	—	**3 101**	952	—	**1 369**	720	—	**3 634**	3 670	—	**559**	173	—	**7 928**	3 296	—	**970**	327	—
Bambanani	**1 477**	1 616	1 576	**994**	896	871	**483**	720	705	**562**	659	745	**61**	64	77	**2 515**	2 821	2 750	**230**	233	231
Joel	**957**	954	1 309	**971**	920	936	**(14)**	34	373	**947**	995	909	**187**	250	243	**1 567**	1 635	2 246	**429**	454	514
Doornkop	**1 931**	1 958	1 553	**1 564**	1 411	1 241	**367**	547	312	**2 759**	2 721	2 979	**308**	274	243	**3 273**	3 429	2 673	**730**	696	641
Target 1	**1 585**	1 630	1 506	**1 491**	1 318	1 345	**94**	312	161	**1 076**	1 260	2 021	**297**	309	324	**2 653**	2 854	2 669	**588**	680	745
Kusasalethu	**2 975**	2 483	2 575	**2 395**	2 026	2 080	**580**	457	495	**1 300**	2 151	2 846	**316**	289	289	**4 989**	4 429	4 394	**742**	670	607
Masimong	**1 359**	1 505	1 452	**1 205**	1 154	1 113	**154**	351	339	**106**	57	433	**109**	129	119	**2 309**	2 623	2 538	**602**	647	640
Unisel	**713**	733	915	**564**	771	838	**149**	(38)	77	**46**	38	529	**45**	85	78	**1 212**	1 280	1 595	**256**	376	394
Surface																					
All other surface operations	**2 403**	2 009	1 816	**1 938**	1 521	1 404	**465**	488	412	**724**	553	486	**84**	136	261	**4 099**	3 570	3 178	**15 931**	14 143	11 045
Total South Africa	**22 555**	19 949	17 764	**18 196**	14 768	13 499	**4 359**	5 181	4 265	**17 451**	20 182	19 414	**3 096**	2 717	2 351	**38 512**	35 331	30 871	**22 090**	19 942	16 512
International																					
Hidden Valley (a)	**3 591**	409	1 500	**1 362**	234	1 313	**2 229**	175	187	**3 694**	3 884	2 290	**1 591**	1 563	1 335	**6 222**	2 862	2 965	**3 886**	2 499	2 889
Total international	**3 591**	409	1 500	**1 362**	234	1 313	**2 229**	175	187	**3 694**	3 884	2 290	**1 591**	1 563	1 335	**6 222**	2 862	2 965	**3 886**	2 499	2 889
Total operations	**26 146**	20 358	19 264	**19 558**	15 002	14 812	**6 588**	5 356	4 452	**21 145**	24 066	21 704	**4 687**	4 280	3 686	**44 734**	38 193	33 836	**25 976**	22 441	19 401
Reconciliation of segment information to the consolidated income statement and balance sheet	**766**	94	230	**766**	82	230	**—**	12	—	**15 591**	15 455	17 179									
	26 912	20 452	19 494	**20 324**	15 084	15 042	**6 588**	5 368	4 452	**36 736**	39 521	38 883	**4 687**	4 280	3 686	**44 734**	38 193	33 836	**25 976**	22 441	19 401

\# *Capital expenditure for international operations excludes expenditure spent on Wafi-Golpu of R350 million (2018: R288 million) (2017: R197 million).*

(a) *Capital expenditure for 2018 comprises of expenditure of R2 609 million net of capitalised revenue of R1 046 million. No revenue was capitalised in 2017 or 2019.*

* *Production statistics are unaudited.*

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the years ended 30 June 2019

	SA rand		
Figures in million	**2019**	**2018**	**2017**
Reconciliation of total segment assets to consolidated assets includes the following:			
Non-current assets			
Property, plant and equipment	**6 604**	6 903	8 340
Intangible assets	**533**	545	603
Restricted cash	**92**	77	64
Restricted investments	**3 301**	3 271	2 658
Investments in associates	**110**	84	46
Inventories	**43**	46	38
Other non-current assets	**334**	264	189
Derivative financial asset	**197**	84	306
Current assets			
Inventories	**1 967**	1 759	1 127
Restricted cash	**44**	38	18
Trade and other receivables	**1 064**	1 139	1 003
Derivative financial assets	**309**	539	1 541
Cash and cash equivalents	**993**	706	1 246
	15 591	15 455	17 179

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Harmony Gold Mining Company Limited ("Company") will be held on Friday, 22 November 2019 at 11:00 (SA time) at the Hilton Hotel (see *Directions to annual general meeting* on page 50), to conduct the business set out below and to consider, and adopt, if deemed fit, with or without modification, the ordinary and special resolutions set out in this notice.

In terms of section 59(1)(a) and (b) of the Companies Act 71 of 2008, as amended ("Act"), the board of directors of the Company ("Board") has set the record date for the purpose of determining which shareholders of the Company are entitled to:

- receive the notice of the annual general meeting (being the date on which a shareholder must be registered in the Company's securities register to receive the notice of the annual general meeting) as 18 October 2019; and
- participate in and vote at the annual general meeting (being the date on which a shareholder must be registered in the Company's securities register to participate in and vote at the annual general meeting) as 15 November 2019.

PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The audited consolidated and Company annual financial statements, incorporating the reports of the auditors, the audit and risk committee, and the directors for the year ended 30 June 2019 will be presented to the shareholders of the Company as required in terms of section 30(3)(d) of the Act, read with section 61(8)(a) of the Act.

Summarised consolidated financial statements are included in this document on pages 11 to 39.

The complete audited consolidated and Company annual financial statements are available on Harmony's website at *www.har.co.za*.

PRESENTATION OF GROUP SOCIAL AND ETHICS COMMITTEE REPORT

In accordance with regulation 43(5)(c) of the Act, the social and ethics committee's report in the Integrated Annual Report 2019 (available at *www.har.co.za*) will be presented to shareholders at the annual general meeting.

RESOLUTIONS FOR CONSIDERATION AND ADOPTION

1. Ordinary Resolution Number 1:

Election of director

"RESOLVED THAT Given Sibiya be and is hereby elected as a director of the Company with immediate effect." (See Given Sibiya's resumé below).

Given was appointed to the board on 13 May 2019. She is a Chartered Accountant and until 31 August 2014 was Head: Internal Audit at SekelaXabiso (Pty) Ltd. She has over 23 years' experience in internal and external auditing, risk management, management consulting, corporate governance and forensic auditing. Prior to joining SekelaXabiso, she spent nine years at SizweNtsaluba VSP where she was Director: Forensics and where in 2005 she was transferred to the firm's Corporate Governance Services Division. She also worked for Anglo American Corporation as an internal auditor in the Group Audit Services Department from April 1994 to May 1996. Prior to that, she served articles at KPMG Aiken & Peat from 1991 to early 1994. She has served as a member of the Audit & Risk Committee for the Media Development and Diversity Agency (MDDA), and as a non-executive director of Basil Read Holdings Ltd, South African Express Airways SOC Ltd and as a trustee of Brand South Africa. She currently serves as a non-executive board member of Ithala SOC Ltd, and is an audit committee member of The Presidency and of the Department of Home Affairs, among others.

The percentage of voting rights required for ordinary resolution number 1 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the annual general meeting or represented by proxy and entitled to exercise voting rights on ordinary resolution number 1.

2. Ordinary Resolution Number 2:

Election of director

"RESOLVED THAT Grathel Motau be and is hereby elected as a director of the Company with immediate effect." (See Grathel Motau's resumé below).

Grathel has extensive experience acquired over more than 21 years in both the public and private sectors, that includes financial management, financial reporting, auditing, credit risk and analysis, financial analysis, due diligence, corporate governance, deal structuring, supply chain management and public speaking.

She was an audit partner at KPMG where she led audits of Eskom Group and Merafe Resources, among others. At the National Treasury, she advised on the management of the State-Owned Companies including Telkom, Eskom and PetroSA. At the Industrial Development Corporation, she was instrumental in funding small medium enterprises. She also led the Amabubesi Investment Fund, which invested in companies that yielded above average returns. As Chief Financial Officer of Blue IQ, she led the team that developed and implemented operating and financial policies as well as addressing significant audit findings. In 2018, Grathel was asked to become Interim Chief Financial Officer of PetroSA in order to assist in the stabilisation of the financial environment and delivery of improved audit outcomes.

Since 2005, Grathel has served on various boards and committees including the Independent Regulatory Board of Auditors, Pinnacle Technologies Limited, The Road Accident Fund, York Timbers Limited and the Audit Committee of Limpopo Provincial Government. She currently serves on the following boards and committees as a non-executive:

- Metair Investments Limited
- Afrocentric Investment Corporation Limited
- Merafe Resources Limited
- FirstRand Bank Limited's Domestic Credit Committee
- The Auditor-General of South Africa's Audit and Risk Committee

Grathel is a fellow of the Africa Leadership Initiative (ALI), Aspen Global Leadership Network, a member of both the African Women Chartered Accountants and the International Women's Forum. She serves as a mentor to the youth, is a co-founder of the Mentorship Circle and serves on the board of the ALI.

The percentage of voting rights required for ordinary resolution number 2 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the annual general meeting or represented by proxy and entitled to exercise voting rights on ordinary resolution number 2.

3. Ordinary Resolution Number 3:

Re-election of director

"RESOLVED THAT André Wilkens, who retires by rotation at this annual general meeting in accordance with the Company's memorandum of incorporation, and who is eligible and available for re-election, be and is hereby re-elected as a director of the Company with immediate effect." (See André Wilkens' resumé below).

André Wilkens was appointed to the board on 7 August 2007. He became chief executive officer of ARMgold in 1998. He was then appointed chief operating officer of Harmony, following the merger of ARMgold with Harmony in 2003. André subsequently served as chief executive of ARM Platinum, a division of ARM. André was appointed chief executive officer of ARM in 2004 and appointed to its board that same year. In 2012, he became the executive director: growth and strategic development based in the office of the executive chairman. The balance of André's 48 years mining experience was gained with Anglo American Corporation of South Africa, where he had begun his career in 1969, culminating in his appointment as mine manager at Vaal Reefs in 1991. André is also a director of African Rainbow Energy and Power. He has been a non-executive director of Harmony since 2007.

The percentage of voting rights required for ordinary resolution number 3 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the annual general meeting or represented by proxy and entitled to exercise voting rights on ordinary resolution number 3.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

4. Ordinary Resolution Number 4:

Re-election of director

"RESOLVED THAT Vishnu Pillay, who retires by rotation at this annual general meeting in accordance with the Company's memorandum of incorporation, and who is eligible and available for re-election, be and is hereby re-elected as a director of the Company with immediate effect." (See Vishnu Pillay's resumé below).

Vishnu was appointed to the board on 8 May 2013. He was previously executive head: joint ventures and exit operations of Anglo American Platinum Limited, a position he retired from on 31 December 2018. Before joining Anglo American Platinum in 2011, he was executive vice-president and head of South African operations for Gold Fields Limited and, prior to that, vice-president and head of operations at Driefontein Gold Mine. His 35-year mining career was shared between Gold Fields Limited and Anglo American Platinum. It was briefly interspersed with a two-year period in 2004 with the Council for Scientific and Industrial Research in South Africa, where he was director of mining technology and group executive for institutional planning and operations.

Vishnu Pillay joined the Board of Foskor (Pty) Ltd in March 2019 as an independent non-executive director where he chairs the safety, health, environment and sustainability sub-committee and is a member of the audit and risk sub-committee and the social and ethics sub-committee.

The percentage of voting rights required for ordinary resolution number 4 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the annual general meeting or represented by proxy and entitled to exercise voting rights on ordinary resolution number 4.

5. Ordinary Resolution Number 5:

Re-election of director

"RESOLVED THAT Karabo Nondumo, who retires by rotation at this annual general meeting in accordance with the Company's memorandum of incorporation, and who is eligible and available for re-election, be and is hereby re-elected as a director of the Company with immediate effect." (See Karabo Nondumo,'s resumé below).

Karabo was appointed to the board on 3 May 2013. She is an executive director of the KM Group of companies, providers of integrated information and communications technology solutions to enterprises, as well as of products and services to the mining, engineering and manufacturing industries. She has held various roles at Vodacom Group Limited including that of executive head of Vodacom Business as well as of Vodacom's mergers and acquisitions. She was inaugural chief executive officer of AWCA Investment Holdings Limited and former head of global market operations at Rand Refinery Proprietary Limited. She was an associate and executive assistant to the former executive chairman at Shanduka Group. She was seconded to Shanduka Coal, where she was a shareholder representative, and also served on various boards representing Shanduka's interests. She is a qualified chartered accountant, a member of the South African Institute of Chartered Accountants and of African Women Chartered Accountants. She is an independent non-executive director of Sanlam Limited, Richards Bay Coal Terminal and MTN South Sudan. She is on the advisory board of Senatla Capital.

The percentage of voting rights required for ordinary resolution number 5 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the annual general meeting or represented by proxy and entitled to exercise voting rights on ordinary resolution number 5.

6. Ordinary Resolution Number 6:

Re-election of director

"RESOLVED THAT Dr Simo Lushaba, who retires by rotation at this annual general meeting in accordance with the Company's memorandum of incorporation, and who is eligible and available for re-election, be and is hereby re-elected as a director of the Company with immediate effect." (See Dr Simo Lushaba's resumé below).

Simo joined the board on 18 October 2002. He was previously a general manager at Spoornet (Rail and Terminal Services division), was vice president of Lonmin Plc and chief executive of Rand Water. He is the chairman of South Africa Day NPC and a non-executive director on the board of Cashbuild Limited. He facilitates programmes on corporate governance for the Institute of Directors (South Africa), of which he is a member. He was also appointed as an administrator of the South African Post Office to stabilise that organisation and develop a strategic turnaround plan following the resignation of its board. He later became chairman of the board of directors of the South African Post Office, a position he held until December 2016. Previously, he was chairman of the boards of Spescom Limited and Pikitup (Johannesburg), and a director of the Trans-Caledon Tunnel Authority, the Water Research Commission and Rand Water.

The percentage of voting rights required for ordinary resolution number 6 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the annual general meeting or represented by proxy and entitled to exercise voting rights on ordinary resolution number 6.

7. Ordinary Resolution Number 7:

Re-election of director

"RESOLVED THAT Ken Dicks, who retires by rotation at this annual general meeting in accordance with the Company's memorandum of incorporation, and who is eligible and available for re-election, be and is hereby re-elected as a director of the Company with immediate effect." (See Ken Dicks' resumé below).

Ken was appointed to the board on 13 February 2008. He has a mining engineering background with 39 years' experience in the formal mining industry. He worked for the gold and uranium division of Anglo American plc and its precursor for 37 years in various senior positions.

The percentage of voting rights required for ordinary resolution number 7 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the annual general meeting or represented by proxy and entitled to exercise voting rights on ordinary resolution number 7.

8. Ordinary Resolution Number 8:

Re-election of audit and risk committee member

"RESOLVED THAT Fikile De Buck, who is a non-executive director of the company, be and is hereby re-elected as a member of the Company's audit and risk committee, with immediate effect, to hold office until the next annual general meeting." (See Fikile De Buck's resumé below).

Fikile was appointed to the board on 30 March 2006. A chartered certified accountant, she was the second person to obtain this qualification in Botswana. She was awarded the Stuart Crystal Prize for Best Accounting Student at Birmingham Polytechnic (UK), now Birmingham University, the first black overseas student to be awarded this prize.

Fikile is a fellow of the Association of Chartered Certified Accountants United Kingdom. From 2000 to 2008, she worked in various capacities, including as chief financial officer and chief operations officer, at the Council for Medical Schemes in South Africa. Prior to that, she worked in various capacities at the Botswana Development Corporation and was its first treasurer. She also served on various boards representing the corporation's interests, and was the founding chairman of the Credit Guarantee Insurance Corporation of Africa Limited.

She has 24 years' experience in financial reporting at executive level. Fikile is a director of D&D Company Proprietary Limited, and a non-executive director of Atlatsa Resources Corporation where she is also chairman of the audit committee and a member of various other committees. She is a non-executive director and chairman of the audit committee and a member of the social and ethics committee of Mercedes Benz South Africa Ltd. She was also appointed a non-executive director of AECI Limited on 1 June 2019. Fikile is the South Africa Chapter President of the Global Forum of Women Entrepreneurs. She was included in the coffee table book, "South Africa's Most Inspirational Women" (2011). Fikile mentors a number of young people, mostly women. She is also a member of Women in Mining South Africa.

The percentage of voting rights required for ordinary resolution number 8 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the annual general meeting or represented by proxy and entitled to exercise voting rights on ordinary resolution number 8.

9. Ordinary Resolution Number 9:

Re-election of audit and risk committee member

"RESOLVED THAT, subject to ordinary resolution number 5 being passed, Karabo Nondumo, who is a non-executive director of the Company, be and is hereby re-elected as a member of the Company's audit and risk committee with immediate effect to hold office until the next annual general meeting." (See Karabo Nondumo's resumé under ordinary resolution number 5).

The percentage of voting rights required for ordinary resolution number 9 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the annual general meeting or represented by proxy and entitled to exercise voting rights on ordinary resolution number 9.

10. Ordinary Resolution Number 10:

Re-election of audit and risk committee member

"RESOLVED THAT, subject to ordinary resolution number 6 being passed, Dr Simo Lushaba, who is a non-executive director of the Company, be and is hereby re-elected as a member of the Company's audit and risk committee with immediate effect to hold office until the next annual general meeting." (See Dr Simo Lushaba's resumé under ordinary resolution number 6).

The percentage of voting rights required for ordinary resolution number 10 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the annual general meeting or represented by proxy and entitled to exercise voting rights on ordinary resolution number 10.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

11. Ordinary Resolution Number 11:

Re-election of audit and risk committee member

"RESOLVED THAT John Wetton, who is a non-executive director of the Company, be and is hereby re-elected as a member of the Company's audit and risk committee with immediate effect to hold office until the next annual general meeting." (See John Wetton's resumé below).

John was appointed to the board on 1 July 2011. He spent his professional career with Ernst & Young mainly in corporate audit. John also had a business development role across Africa and was part of the team that led the strategic integration of Ernst & Young's practices throughout sub-Saharan Africa. For a number of years, he led Ernst & Young's mining group and acted as senior partner for many of the firm's major mining and construction clients. He was a member of Ernst & Young's executive management committee and was, until retirement, a member of the Ernst & Young Africa governance board.

The percentage of voting rights required for ordinary resolution number 11 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the annual general meeting or represented by proxy and entitled to exercise voting rights on ordinary resolution number 11.

12. Ordinary Resolution Number 12:

Election of audit and risk committee member

"RESOLVED THAT, subject to ordinary resolution number 1 being passed, Given Sibiya, who is a non-executive director of the Company, be and is hereby elected as a member of the Company's audit and risk committee with immediate effect to hold office until the next annual general meeting." (See Given Sibiya's resumé under ordinary resolution number 1).

The percentage of voting rights required for ordinary resolution number 12 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the annual general meeting or represented by proxy and entitled to exercise voting rights on ordinary resolution number 12.

13. Ordinary Resolution Number 13:

Re-appointment of external auditors

"RESOLVED THAT PricewaterhouseCoopers Incorporated be and is hereby reappointed as the external auditor of the Company to hold office from this annual general meeting until conclusion of the next annual general meeting."

The percentage of voting rights required for ordinary resolution number 13 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the annual general meeting or represented by proxy and entitled to exercise voting rights on ordinary resolution number 13.

14. Ordinary Resolution Number 14:

Approval of remuneration policy

"RESOLVED, as a non-binding advisory vote in accordance with the recommendations of King IV, that the remuneration policy of the Company, as set out in the integrated annual report (available at *www.har.co.za*), be and is hereby approved."

As this matter is non-binding, no minimum voting threshold is needed. However, if 25% (twenty five percent) or more of the voting rights exercised on ordinary resolution number 14 are against such resolution, the Board will commit to implementing the measures set out in the remuneration policy read with King IV.

15. Ordinary Resolution Number 15:

Approval of the implementation report

"RESOLVED, as a non-binding advisory vote in accordance with the recommendations of King IV, that the implementation report of the Company, as set out in the integrated annual report (available at *www.har.co.za*) be and is hereby approved."

As this matter is non-binding, no minimum voting threshold is needed. However, if 25% (twenty five percent) or more of the voting rights exercised on ordinary resolution number 15 are against such resolution, the Board will commit to implementing the measures set out in the implementation report read with King IV.

16. Ordinary Resolution Number 16:

General authority to issue shares for cash

"RESOLVED THAT the Board be and is hereby authorised as a general authority to issue the authorised but unissued shares in the capital of the Company (including the grant or issue of options or convertible securities that are convertible into an existing class of equity securities) for cash on such terms and conditions as the Board may, from time to time, in its sole discretion deem fit, subject to the Act and the JSE Listings Requirements, provided that:

(a) the equity securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;

(b) the equity securities must be issued to public shareholders, as defined in the JSE Listings Requirements, and not to related parties;

(c) securities which are the subject of general issues for cash in the aggregate may not exceed 5% (five percent) of the Company's shares in issue as at the date of this notice of the annual general meeting, excluding treasury shares – the number of shares available for the issue of shares for cash will therefore be limited to 27 070 257 shares;

(d) this authority shall be valid until the Company's next annual general meeting or for 15 (fifteen) months from the date on which this resolution is passed, whichever period is shorter, subject to the requirements of the JSE and any other restrictions set out in this authority;

(e) the calculation of the Company's listed equity securities must be a factual assessment of the Company's listed equity securities as at the date of this notice of annual general meeting, excluding treasury shares;

(f) any equity securities issued for cash during the period contemplated in (d) shall be deducted from the number set out in (c);

(g) in the event of sub-division or consolidation of issued equity securities during the period contemplated in (d), the existing authority will be adjusted accordingly to represent the same allocation ratio;

(h) the maximum discount at which equity securities may be issued is 10% (ten percent) of the weighted average traded price of such equity securities measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the securities – the JSE will be consulted for a ruling if the Company's securities have not traded in such 30 (thirty) business day period; and

(i) equity securities (of any class) which are the subject of the issue for cash in terms of this general authority, will be aggregated with any securities that are compulsorily convertible into securities of that class and, in the case of the issue of compulsory convertible securities, aggregated with the securities of that class into which they are convertible."

In terms of the JSE Listings Requirements, the passing of ordinary resolution number 16 requires the approval of at least a 75% (seventy five percent) majority of the votes cast by shareholders of the Company present at the annual general meeting or represented by proxy at this annual general meeting, and entitled to exercise voting rights on ordinary resolution number 16.

17. Special Resolution Number 1:

Approval of Financial Assistance in terms of section 45 of the Act

"RESOLVED THAT in terms of section 45(3)(a)(ii) of the Act, the provision by the Company, at any time during the period of 2 (two) years from the date of passing this special resolution, of any direct or indirect financial assistance, as contemplated in section 45 of the Act, to any one or more related or inter-related company or corporation of the Company and/or to any one or more juristic persons who are members of any such related or inter-related company or corporation and/or to any one or more juristic persons related to any such company, corporation or member be and is hereby approved, provided that:

(a) the identity of the recipient of such financial assistance, the form, nature and extent of such financial assistance and the terms and conditions under which such financial assistance is to be provided, are determined by the Board from time to time;

(b) the Board may not authorise the Company to provide any financial assistance pursuant to this special resolution unless the Board fulfils all the requirements of section 45 of the Act, which it is required to fulfil in order to authorise the Company to provide such financial assistance; and

(c) such financial assistance to a recipient is, in the opinion of the Board, required for the purpose of (i) meeting all or any of such recipient's operating expenses (including capital expenditure), and/or (ii) funding the growth, expansion, reorganisation or restructuring of the businesses or operations of such recipient, and/or (iii) funding such recipient for any other purpose which, in the opinion of the Board, is directly or indirectly in the interests of the Company."

The percentage of voting rights required for special resolution number 1 to be adopted: at least 75% (seventy five percent) of the voting rights exercised in favour of the resolution by shareholders present at the annual general meeting or represented by proxy and entitled to exercise voting rights on special resolution number 1.

Notice is hereby given to shareholders of the Company in terms of section 45(5) of the Act of a resolution adopted by the Board, authorising the Company to provide such direct or indirect financial assistance as specified in special resolution number 1 on the basis that:

(a) by the time that the notice of the annual general meeting is delivered to shareholders of the Company, the Board will have adopted a resolution ("Section 45 Board Resolution") authorising the Company to provide, subject to the shareholders approving special resolution 1, at any time and from time to time during the period of 2 (two) years commencing on the date on which special resolution number 1 is adopted, any direct or indirect financial assistance as contemplated in section 45 of the Companies Act to any one or more related or inter-related companies or corporations of the Company and/or to any one or more juristic persons who are members of, or are related to, any such related or inter-related company or corporation and/or to any one or more juristic persons related or inter-related to any such company, corporation or member;

(b) the Section 45 Board Resolution will be effective only if and to the extent that special resolution number 1 is adopted by the shareholders of the Company, and the provision of any such direct or indirect financial assistance by the Company, pursuant to such resolution, will always

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

be subject to the Board being satisfied that (i) immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Act, and that (ii) the terms under which such financial assistance is to be given are fair and reasonable to the Company as referred to in section 45(3)(b)(ii); and

(c) in as much as the Section 45 Board Resolution contemplates that such financial assistance will in the aggregate exceed 1/10 (one tenth) of 1% (one percent) of the Company's net worth at the date of adoption of such resolution, the Company hereby provides notice of the Section 45 Board Resolution to shareholders of the Company. Such notice will also be provided to any trade union representing any employees of the Company.

18. Special Resolution Number 2:

Pre-approval of non-executive directors' remuneration

"RESOLVED, as a special resolution in terms of section 66(8), read with section 66(9) of the Act, that the Company be and is hereby authorised to pay the following annual remuneration to its non-executive directors for their services as non-executive directors for a period of 2 (two) years from the date of this annual general meeting or until the non-executive directors' remuneration is amended by way of special resolution of the shareholders of the Company, whichever comes first:

Directors' remuneration (R'000)

	Board					Committee									
	Annual retainer				Attendance fee*	Audit and risk		Social and ethics		Remuneration		Nomination/ Investment		Technical	
	Chairman	Deputy chair	LID**	Member	Member	Chairman	Member	Chairman	Member	Chairman	Member	Chairman	Member	Chairman	Member
Current	1 107.2	493.5	374.2	251.8	19.8	276.7	139.4	220.5	112.4	220.5	112.4	220.5	112.4	220.5	112.4
Proposed	1 195.8	518.2	392.9	274.5	21.6	301.6	151.9	231.5	120.3	231.5	120.3	231.5	120.3	231.5	120.3

* *Only payable per board meeting attended*

***Lead independent director*

Ad hoc fees: R18 300 ad hoc meeting/attendance to company business per day.

The directors' remuneration set out above excludes value added tax which the Company is authorised to pay, in addition to the above directors' remuneration, to those non-executive directors who are obliged to charge value added tax on their directors' remuneration.

The percentage of voting rights required for special resolution number 2 to be adopted: at least 75% (seventy five percent) of the voting rights exercised on the resolution by shareholders of the Company present at the annual general meeting or represented by proxy and entitled to exercise voting rights on special resolution number 2.

ELECTRONIC PARTICIPATION

Should any shareholder of the Company wish to participate in the annual general meeting by way of electronic participation (which includes a teleconference call), that shareholder is obliged to apply in writing (including details on how the shareholder or its representative can be contacted) to the transfer secretaries at the address set out below at least 5 (five) business days prior to the annual general meeting. Shareholders who wish to participate in the annual general meeting by dialing in must note that they will not be able to vote electronically. Should such shareholders of the Company wish to have their votes counted at the annual general meeting, they are welcome to cast their votes via representation at the annual general meeting either by proxy or by letter of representation, as provided for in this notice of the annual general meeting. The costs of accessing any means of electronic participation provided by the Company will be borne by the shareholder of the Company. The Company cannot be held liable for any loss, damage, penalty or claim arising in any way from using the telecommunication facility whether or not as a result of any act or omission on the part of the Company or anyone else.

IDENTIFICATION, PROXIES AND VOTING

Shareholders are reminded that:

- a shareholder eligible to attend and vote at the annual general meeting is entitled to appoint a proxy (or proxies) to attend, participate in and vote at the annual general meeting in place of the shareholder – shareholders are referred to the proxy form attached to this notice in this regard;
- a proxy need not also be a shareholder of the Company;
- in terms of section 63(1) of the Act, any person attending or participating in a meeting of shareholders must present reasonably satisfactory identification and the person presiding at the general meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as shareholder or as proxy for a shareholder) has been reasonably verified – acceptable forms of verification include a green bar-coded or smart card identification document issued by the South African Department of Home Affairs, a South African driver's licence or a valid passport; and
- this notice of meeting includes the attached form of proxy.

All beneficial owners whose shares have been dematerialised through a central securities depository participant or broker, other than with "own name" registration, must provide the central securities depository participant or broker with their voting instructions in terms of their custody agreement should they wish to vote at the annual general meeting. Alternatively, they may request the central securities depository participant or broker to provide them with a letter of representation, in terms of their custody agreements, should they wish to attend the annual general meeting.

Unless you advise your central securities depository participant or broker, in terms of your agreement, by the cut-off time stipulated therein, that you wish to attend the annual general meeting or send a proxy to represent you, your central securities depository participant or broker may assume that you do not wish to attend the annual general meeting or send a proxy.

Forms of proxy attached hereto must be dated and signed by the shareholder of the Company appointing a proxy and, for the sake of good order, are urged (but not required) to be submitted to the offices of the transfer secretaries, Link Market Services South Africa Proprietary Limited by no later than 12:30 (SA time) on Wednesday, 20 November 2019.

In compliance with section 58(8)(b)(i) of the Act, a summary of the rights of a shareholder to be represented by proxy is set out immediately below:

- **An ordinary shareholder entitled to attend and vote at the annual general meeting may appoint any individual (or individuals) as a proxy or proxies to attend, participate in and vote at the annual general meeting in the place of such shareholder. A proxy need not be a shareholder of the Company.**
- **A proxy appointment must be in writing, dated and signed by the shareholder of the Company appointing a proxy and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the annual general meeting.**
- **A proxy may delegate its authority to act on behalf of a shareholder of the Company to another person, subject to any restrictions set out in the instrument appointing the proxy.**
- **Irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the shareholder of the Company who appointed such proxy chooses to act directly and in person in exercising any rights as a shareholder of the Company.**
- **Unless the proxy appointment expressly provides otherwise, the appointment of a proxy is revocable by the shareholder of the Company in question cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder of the Company as of the later of (a) the date stated in the revocation instrument, if any; and (b) the date on which the revocation instrument is delivered to the Company as required in the first sentence of this paragraph.**
- **If the instrument appointing the proxy or proxies has been delivered to the Company, as long as that appointment remains in effect, any notice required by the Act or the Company's memorandum of incorporation to be delivered by the Company to the shareholder of the Company, must be delivered by the Company to (a) the shareholder of the Company, or (b) the proxy or proxies, if the shareholder of the Company has (i) directed the Company to do so in writing; and (ii) paid any reasonable fee charged by the Company for doing so.**

Attention is also drawn to the notes to the form of proxy.

Completing a form of proxy does not preclude any shareholder of the Company from attending the annual general meeting.

By order of the Board

Harmony Gold Mining Company Limited
R Bisschoff
Executive: Company secretary and legal
Randfontein

24 October 2019

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

ANNUAL GENERAL MEETING EXPLANATORY NOTES

Presentation of annual financial statements

At the annual general meeting, the directors must present the annual financial statements for the year ended 30 June 2019 to shareholders as required in terms of section 30(3)(d) of the Act, together with the reports of the directors, audit and risk committee and the auditors. These are included in the Integrated Annual Report 2019.

Presentation of group social and ethics committee report

At the annual general meeting, the social and ethics committee must report, through one of its members, on matters within its mandate as required in terms of Regulation 43(5)(c) of the Act.

Ordinary Resolution Number 1:

Election of a director

In accordance with the JSE Listings Requirements, the Company's memorandum of incorporation, section 68(1) read with section 70(3)(b)(i) of the Act, Given Sibiya's appointment by the Board as a director of the Company must be confirmed at this annual general meeting of the Company by a new election. (See Given Sibiya's resumé under ordinary resolution number 1).

Ordinary Resolution Number 2:

Election of a director

In accordance with the JSE Listings Requirements, the Company's memorandum of incorporation, section 68(1) read with section 70(3)(b)(i) of the Act, Grathel Motau's appointment by the Board as a director of the Company must be confirmed at this annual general meeting of the Company by a new election. (See Grathel Motau's resumé under ordinary resolution number 1).

Ordinary Resolutions Number 3 to 7:

Re-election of directors

In accordance with the Company's memorandum of incorporation, one third of directors are required to retire at each annual general meeting and may offer themselves for re-election.

The following directors are eligible and available for re-election:

- André Wilkens
- Vishnu Pillay
- Karabo Nondumo
- Simo Lushaba
- Ken Dicks

See their resumés on pages 41 to 43 of this notice.

Ordinary Resolutions Number 8 to 12:

Re-election and election of audit and risk committee

In terms of section 94(2) of the Act, a public company must, at each annual general meeting, elect an audit committee comprising at least 3 (three) members who are directors and who meet the criteria of section 94(4) of the Act. Regulation 42 to the Act specifies that one third of the members of the audit committee must have appropriate academic qualifications or experience in the areas as listed in the regulation.

The Board is satisfied that the proposed members of the audit and risk committee meet all relevant requirements.

Ordinary Resolution Number 13:

Re-appointment of external auditors

PricewaterhouseCoopers Incorporated has indicated its willingness to continue in office and ordinary resolution 13 proposes the reappointment of that firm as the Company's auditors. Section 90(3) of the Act requires the designated audit partner to meet the criteria as set out in section 90(2) of the Act.

The Board is satisfied that both PricewaterhouseCoopers Incorporated and the designated audit partner meet all relevant requirements.

Ordinary Resolution Number 14:
Remuneration policy

King IV recommends that the remuneration policy of the Company be submitted to shareholders for consideration and for an advisory, non-binding vote to give shareholders an opportunity to indicate their support for or opposition to the material provisions of the remuneration policy.

Ordinary Resolution Number 15:
Approval of Implementation report

King IV recommends that the implementation report of the Company be submitted to shareholders for consideration and for an advisory, non-binding vote to give shareholders an opportunity to indicate their support for or opposition to the material provisions of the implementation of the remuneration policy.

Ordinary Resolution Number 16:
General authority to issue shares for cash

Ordinary resolution number 16 seeks to give the directors authority to issue the Company's listed securities for cash as permitted by the Act, the Company's memorandum of incorporation and the JSE Listings Requirements.

The Board confirms that there is no specific intention to use this authority as at the date of this notice of annual general meeting, but considers it advantageous to have the flexibility to take advantage of any business opportunity that may arise in future.

Special resolution 1:
Approval of financial assistance

In terms of section 45 of the Act, the Company may provide loans and other financial assistance to subsidiaries and other related companies, corporations and/or juristic persons in its group. Shareholders are required to pass special resolution number 1 in order to approve the Company's provision of such financial assistance to them, subject to the board meeting the solvency and liquidity test and subject further to the financial assistance falling within the category of assistance mentioned in sub-paragraph (c) of special resolution number 1 above.

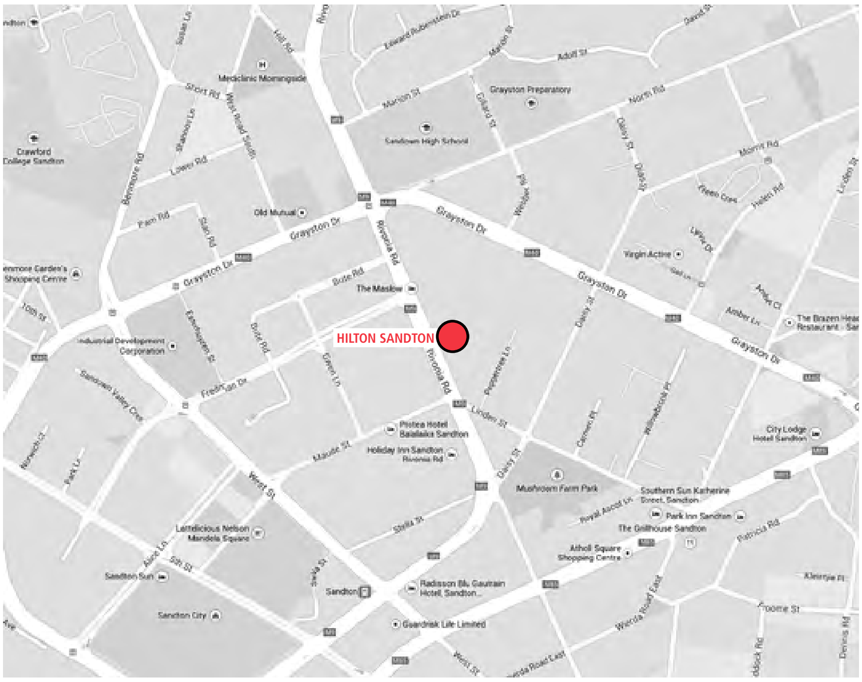
Special Resolution Number 2:
Pre-approval of non-executive directors' remuneration

In terms of section 66(8) read with section 66(9) of the Act, companies may pay remuneration to directors for their services as directors unless otherwise provided by the memorandum of incorporation and on approval of shareholders by way of a special resolution. Executive directors are not specifically remunerated for their services as directors but as employees of the Company and, as such, the resolution, as included in this notice, requests approval only for the remuneration paid to non-executive directors for their service as directors of the Company. The proposed fees are recommended for approval for a period of 2 (two) years from the date of this annual general meeting or until such time as the non-executive directors' remuneration is amended by way of special resolution of shareholders, whichever comes first.

GENERAL

Shareholders and proxies attending the annual general meeting are reminded that section 63(1) of the Act requires that reasonably satisfactory identification be presented for such shareholder or proxy to be allowed to attend or participate in the meeting.

DIRECTIONS TO ANNUAL GENERAL MEETING



ANNUAL GENERAL MEETING VENUE:
Hilton Sandton

GPS Coordinates
-26.101516
28.059487

138 Rivonia Road • Sandton • 2146
Tel: +27 (0) 11 322 1888

DIRECTIONS

From OR Tambo International

- Take the R24 JOHANNESBURG highway
- Take the NI2/N3 NORTH highway
- Take the MARLBORO ROAD turn off
- At the traffic light, turn left and carry on until you see a "Shell" petrol/gas station on your left
- Turn right into SOUTH ROAD and carry on this road until you reach a T-junction (which will bring you to RIVONIA ROAD)
- Turn left into RIVONIA ROAD
- You will pass the Southern Sun Grayston Hotel on your left, followed by an apartment block
- HILTON SANDTON is directly after these two buildings, also on your left

From Pretoria

- Take the N1 to Johannesburg, then the M1
- Take the GRAYSTON offramp, turn right into GRAYSTON DRIVE
- Turn left into RIVONIA ROAD (McDonald's on your right)
- You will pass the Southern Sun Grayston Hotel on your left, followed by an apartment block
- HILTON SANDTON is directly after these two buildings, also on your left

FORM OF PROXY

HARMONY

To be completed by certificated shareholders and dematerialised shareholders with 'own name' registration only

HARMONY GOLD MINING COMPANY LIMITED
Incorporated in the Republic of South Africa
Registration number: 1950/038232/06 (Harmony or Company)
JSE share code: HAR
NYSE share code: HMY
ISIN code: ZAE 000015228

For completion by registered members of Harmony who are unable to attend the annual general meeting of the Company to be held at the Hilton Hotel (see map on page 50) on Friday, 22 November 2019 at 11:00pm (SA time) or at any adjournment thereof.

I/We (please print names in full)	
of (address)	
being the holder/s of	shares in the Company, do hereby appoint:
1	or, failing him/her
2	or, failing him/her

The chairman of the annual general meeting, as my/our proxy to attend, speak and, on a poll or ballot, vote on my/our behalf at this annual general meeting of members or at any adjournment, and to vote or abstain from voting as follows on the ordinary and special resolutions to be proposed at such meeting:

ORDINARY RESOLUTIONS	FOR	AGAINST	ABSTAIN
Ordinary Resolution Number 1: To appoint Given Sibiya as a director			
Ordinary Resolution Number 2: To appoint Grathel Motau as a director			
Ordinary Resolution Number 3: To re-elect André Wilkens as a director			
Ordinary Resolution Number 4: To re-elect Vishnu Pillay as a director			
Ordinary Resolution Number 5: To re-elect Karabo Nondumo as a director			
Ordinary Resolution Number 6: To re-elect Dr Simo Lushaba as a director			
Ordinary Resolution Number 7: To re-elect Ken Dicks as a director			
Ordinary Resolution Number 8: To re-elect Fikile De Buck as a member of the audit and risk committee			
Ordinary Resolution Number 9: To re-elect Karabo Nondumo as a member of the audit and risk committee			
Ordinary Resolution Number 10: To re-elect Dr Simo Lushaba as a member of the audit and risk committee			
Ordinary Resolution Number 11: To re-elect John Wetton as a member of the audit and risk committee			
Ordinary Resolution Number 12: To elect Given Sibiya as a member of the audit and risk committee			
Ordinary Resolution Number 13: To reappoint the external auditors			
Ordinary Resolution Number 14: To approve the remuneration policy			
Ordinary Resolution Number 15: To approve the implementation report			
Ordinary Resolution Number 16: To give authority to issue shares for cash			
SPECIAL RESOLUTIONS			
Special Resolution Number 1: To approve financial assistance			
Special Resolution Number 2: To pre-approve non-executive directors' remuneration			

Please indicate with an 'X' in the appropriate spaces above how you wish your vote to be cast. If no indication is given, the proxy may vote or abstain as he/she sees fit.

Signed at	this	day of	2019
Signature			
Assisted by me, where applicable (name and signature)			

Completed forms of proxy must be dated and signed by the shareholder appointing a proxy and, for the sake of good order, are urged (but not required) to be submitted to the offices of the transfer secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000, fax number: +27 86 674 2450, email: meetfax@linkmarketservices.co.za) by no later than **12:30** (SA time) on **Wednesday, 20 November 2019**.

Please read the notes and instructions on the reverse side.

NOTES TO FORM OF PROXY

1. A form of proxy is only to be completed by those ordinary shareholders who are:
   - registered holders of ordinary shares in certificated form; or
   - holders of dematerialised shares of the Company in their own name.
2. If you have already dematerialised your ordinary shares through a central securities depository participant (CSDP) or broker and wish to attend the annual general meeting, you must request your CSDP or broker to provide you with a letter of representation or instruct your CSDP or broker to vote by proxy on your behalf in terms of the agreement entered into between yourself and your CSDP or broker.
3. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space provided. The person whose name stands first on the form of proxy and who is present at the annual general meeting of shareholders will be entitled to act to the exclusion of those whose names follow.
4. On a show of hands, a member of the Company present in person or by proxy will have one (1) vote irrespective of the number of shares he/she holds or represents, provided that a proxy will, irrespective of the number of members he/she represents, have only one (1) vote. On a poll, a member who is present or represented by proxy will be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by him/her bears to the aggregate amount of the nominal value of all the shares issued by the Company.
5. A member's instructions to the proxy must be indicated by inserting the relevant numbers of votes exercisable by the member in the appropriate box. Failure to comply will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the member's votes exercisable. A member or the proxy is not obliged to use all the votes exercisable by the member or by the proxy, but the total of votes cast and in respect of which abstention is recorded may not exceed the total of votes exercisable by the member or by the proxy.
6. Forms of proxy (enclosed) must be dated and signed by the shareholder appointing a proxy and, for the sake of good order, are urged (but not required) to be submitted to the offices of the transfer secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000, fax number: +27 86 674 2450, email: meetfax@linkmarketservices.co.za) by no later than **12:30** (SA time) on **Wednesday, 20 November 2019**.
7. Completing and lodging this form of proxy will not preclude the relevant member from attending the annual general meeting and speaking and voting in person to the exclusion of any proxy appointed in terms hereof.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity or other legal capacity must be attached to this form of proxy, unless previously recorded by the transfer secretaries or waived by the chairman of the annual general meeting.
9. The completion of blank spaces overleaf need not be initialled. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
10. Despite the aforegoing, the chairman of the annual general meeting may waive any formalities that would otherwise be a prerequisite for a valid proxy.
11. If any shares are jointly held, all joint members must sign this form of proxy. If more than one of those members is present at the annual general meeting either in person or by proxy, the person whose name appears first in the register will be entitled to vote.

CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements within the meaning of the safe harbour provided by Section 21E of the Exchange Act and Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), with respect to our financial condition, results of operations, business strategies, operating efficiencies, competitive positions, growth opportunities for existing services, plans and objectives of management, markets for stock and other matters.

These forward-looking statements, including, among others, those relating to our future business prospects, revenues, and the potential benefit of acquisitions (including statements regarding growth and cost savings) wherever they may occur in this annual report and the exhibits to this annual report, are necessarily estimates reflecting the best judgment of our senior management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this annual report. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation:

- overall economic and business conditions in South Africa, Papua New Guinea, Australia and elsewhere
- estimates of future earnings, and the sensitivity of earnings to the prices of gold and other metals
- estimates of future production and sales for gold and other metals
- estimates of future cash costs
- estimates of future cash flows, and the sensitivity of cash flows to the prices of gold and other metals
- estimates of provision for silicosis settlement
- estimates of future tax liabilities under the Carbon Tax Act
- statements regarding future debt repayments
- estimates of future capital expenditures
- the success of our business strategy, exploration and development activities and other initiatives
- future financial position, plans, strategies, objectives, capital expenditures, projected costs and anticipated cost savings and financing plans
- estimates of reserves statements regarding future exploration results and the replacement of reserves
- the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions, as well as at existing operations
- fluctuations in the market price of gold
- the occurrence of hazards associated with underground and surface gold mining
- the occurrence of labour disruptions related to industrial action or health and safety incidents
- power cost increases as well as power stoppages, fluctuations and usage constraints
- supply chain shortages and increases in the prices of production imports and the availability, terms and deployment of capital
- our ability to hire and retain senior management, sufficiently technically-skilled employees, as well as our ability to achieve sufficient representation of historically disadvantaged persons in management positions
- our ability to comply with requirements that we operate in a sustainable manner and provide benefits to affected communities
- potential liabilities related to occupational health diseases
- changes in government regulation and the political environment, particularly tax and royalties, mining rights, health, safety, environmental regulation and business ownership including any interpretation thereof; court decisions affecting the mining industry, including, without limitation, regarding the interpretation of mining rights
- our ability to protect our information technology and communication systems and the personal data we retain
- risks related to the failure of internal controls
- the outcome of pending or future litigation or regulatory proceedings
- fluctuations in exchange rates and currency devaluations and other macroeconomic monetary policies
- the adequacy of the Group's insurance coverage
- any further downgrade of South Africa's credit rating
- socio-economic or political instability in South Africa, Papua New Guinea and other countries in which we operate

The foregoing factors and others described under "Risk Factors" should not be construed as exhaustive.

We undertake no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this annual report or to reflect the occurrence of unanticipated events, except as required by law. All subsequent written or oral forward-looking statements attributable to Harmony or any person acting on its behalf are qualified by the cautionary statements herein.

NOTES

NOTES

DIRECTORATE AND ADMINISTRATION

HARMONY GOLD MINING COMPANY LIMITED

Harmony Gold Mining Company Limited was incorporated and registered as a public company in South Africa on 25 August 1950

Registration number: 1950/038232/06

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*

DIRECTORS

Dr PT Motsepe* (chairman)

JM Motloba* (deputy chairman)

M Msimang*^ (lead independent director)

PW Steenkamp** (chief executive officer)

F Abbott** (financial director)

HE Mashego** (executive director)

JA Chissano*[1]^

FFT De Buck*^

KV Dicks*^

Dr DSS Lushaba*^

HG Motau*^

KT Nondumo*^

VP Pillay*^

GR Sibiya*^

MV Sisulu*^

JL Wetton*^

AJ Wilkens*

** Non-executive*
*** Executive*
^ Independent
[1] Mozambican

INVESTOR RELATIONS

E-mail: HarmonyIR@harmony.co.za
Telephone: +27 11 411 2314
Website: *www.harmony.co.za*

COMPANY SECRETARY

Telephone: +27 11 411 2094
E-mail: companysecretariat@harmony.co.za

TRANSFER SECRETARIES

Link Market Services South Africa (Proprietary) Limited

(Registration number 2000/007239/07)

13th Floor, Rennie House,
19 Ameshoff Street, Braamfontein
PO Box 4844
Johannesburg, 2000
South Africa

Telephone: 0861 546 572
E-mail: info@linkmarketservices.co.za
Fax: +27 86 674 2450

ADR* DEPOSITARY

Deutsche Bank Trust Company Americas c/o American Stock Transfer and Trust Company

Deutsche Bank Trust Company Americas
c/o AST
Operations Centre
6201 15th Avenue
Brooklyn
NY11219

E-mail queries: db@astfinancial.com
Website: *www.astfinancial.com*

Toll free (within US): +1-886-249-2593
Int: +1-718-921-8124
Fax: +1-718-921-8334

**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: HAR
New York Stock Exchange: HMY
ISIN: ZAE 000015228

www.harmony.co.za