



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

OPERATIONAL UPDATE

Q1FY18

HARMONY – HIGHER PRODUCTION, INCREASED MARGINS

Johannesburg, Tuesday, 7 November 2017. Harmony Gold Mining Company Limited ("Harmony" or "the company") is pleased to announce its operating results for the first quarter ended 30 September 2017.

"Operational excellence has strengthened our margins at our South African operations significantly. The recently announced Moab Khotsong acquisition will further enhance free cash flows and enforces Harmony's belief that it offers an attractive investment case" said chief executive officer, Peter Steenkamp.

Quarter on quarter, gold production from the South African underground operations increased by 14% due to a 10% increase in ore milled and a 4% increase in recovered grade to 5.35g/t. Increased production resulted in an 8% decrease in all-in sustaining unit costs to R487 581/kg (US\$1 151/oz) for the South African underground operations.

At Hidden Valley, the investment plan continued in line with budget and schedule, with waste stripping progressing in line with plan and processing of ore will re-commence by the end of November 2017 following the expected completion of the processing infrastructure upgrade and maintenance activities. Commercial levels of production at Hidden Valley is expected to be achieved during the June 2018 quarter.

All-in sustaining cost for the group decreased by 6% to R488 176/kg (5% to US\$1 152/oz) due to increased production. Increased cash flow generated from the South African operations supported the funding of the investment capital at Hidden Valley. Net debt for the company remained low at R906 million (US\$67 million) compared to R887 million (US\$68 million) at 30 June 2017. Harmony's undrawn existing debt facilities include US\$175 million on the US\$ dollar facility and a R1 billion revolving credit facility.

Acquisition of Moab Khotsong operations

Harmony announced the acquisition of the Moab Khotsong operations for US\$300 million on 19 October 2017. As an experienced pillar mining specialist with the proven ability to mine high grade pillars Harmony sees the potential to optimise Moab Khotsong and Great Nologwa mines. The circular to shareholders regarding the transaction will be posted at the beginning of December 2017.

Wafi-Golpu, Papua New Guinea

The Wafi-Golpu Joint Venture parties continued to progress activity in line with the forward work plan previously communicated, including engagement with the PNG Government on the application for a Special Mining Lease (SML) for the Wafi-Golpu project. The current study work is focused on assessing internally-generated power options, developing deep-sea tailings placement options to compare with terrestrial tailings storage options, and reassessing block cave levels and increased mining rates due to increased knowledge obtained from further drilling undertaken during the year.

The Joint Venture parties are targeting a complete update of the Feasibility Study by the end of the March 2018 quarter. The focus of this work is to further optimise the business case and confirm any amendments necessary to the supporting documents for the SML application. Timing of first production is dependent on the updated study outcomes and the granting of the SML.

Below is a table setting out Harmony's total operating results quarter on quarter:

		Quarter September 2017	Quarter June 2017	Q-on-Q Variance %	Quarter September 2016	Comparative Q-on-Q* Variance %
Gold produced	kg	9 040	8 574	5	8 630	5
	oz	290 644	275 660	5	277 461	5
Underground grade	g/t	5.35	5.16	4	5.01	7
Gold price received	R/kg	571 664	561 558	2	605 224	(6)
	US\$/oz	1 350	1 324	2	1 339	1
Cash operating costs	R/kg	413 082	428 779	4	448 117	8
	US\$/oz	975	1 011	4	991	2
All-in sustaining costs	R/kg	488 176	516 845	6	516 116	5
	US\$/oz	1 152	1 219	5	1 142	(1)
Production profit	R million	1 397	1 176	19	1 369	2
	US\$ million	106	89	19	97	9
Exchange rate	R/US\$	13.18	13.19	–	14.06	(6)

* September 2017 quarter and September 2016 quarter comparison.

Quarter-on-quarter operating results tables have been included on pages 2 to 3 (R/metric) and 4 to 5 (US\$/imperial).

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

OPERATING RESULTS – QUARTER ON QUARTER (RAND/METRIC)

			South Africa														Total South Africa	Hidden Valley¹	Total Harmony
			Underground production									Surface production							
			Tshepong operations	Bambanani	Joel	Doornkop	Target 1	Kusasaletlu	Masimong	Unisel	Total Underground	Phoenix	Central plant reclamation	Dumps	Kalgold	Total Surface			
Ore milled	– t'000	Sep-17	485	62	135	182	196	156	169	104	1 489	1 534	939	458	386	3 317	4 806	268	5 074
		Jun-17	426	56	122	168	188	139	162	94	1 355	1 675	–	735	379	2 789	4 144	788	4 932
Yield	– g/tonne	Sep-17	5.80	10.45	3.61	4.82	4.46	6.77	5.01	3.41	5.35	0.133	0.121	0.365	0.80	0.24	1.82	1.12	1.79
		Jun-17	5.23	12.04	3.58	4.05	4.32	8.37	4.12	3.56	5.16	0.134	–	0.418	0.82	0.30	1.89	0.97	1.77
Gold produced	– kg	Sep-17	2 815	648	488	877	874	1 056	847	355	7 960	204	114	167	310	795	8 755	285	9 040
		Jun-17	2 228	674	437	680	812	1 163	668	335	6 997	225	–	307	311	843	7 840	734	8 574
Gold sold	– kg	Sep-17	2 769	637	502	851	852	1 026	833	349	7 819	207	123	168	297	795	8 614	323	8 937
		Jun-17	2 225	673	474	697	797	1 248	668	335	7 117	253	–	312	352	917	8 034	954	8 988
Gold price received	– R/kg	Sep-17	573 748	574 392	573 002	574 951	571 019	572 912	572 887	573 037	573 353	544 522	571 057	571 292	575 003	565 672	572 644	543 805	571 664
		Jun-17	566 638	567 551	563 814	563 537	567 316	562 838	566 157	566 301	565 581	533 676	–	566 109	562 105	555 624	564 445	533 915	561 558
Revenue	(R'000)	Sep-17	1 588 708	365 888	287 647	489 283	486 508	587 808	477 215	199 990	4 483 047	112 716	70 240	95 977	170 776	449 709	4 932 756	164 773	5 097 529
		Jun-17	1 260 770	381 962	267 248	392 785	452 151	702 422	378 193	189 711	4 025 242	135 020	–	176 626	197 861	509 507	4 534 749	447 955	4 982 704
Cash operating cost	(R'000)	Sep-17	1 030 658	233 559	240 524	346 929	349 458	544 800	303 694	217 233	3 266 855	82 179	49 793	79 277	143 715	354 964	3 621 819	104 184	3 726 003
		Jun-17	920 811	213 821	224 390	311 758	353 342	498 741	280 482	207 869	3 011 214	88 057	–	128 491	114 772	331 320	3 342 534	284 507	3 627 041
Inventory movement	(R'000)	Sep-17	(19 312)	(2 347)	6 240	(6 547)	(13 390)	(17 619)	(5 827)	(1 734)	(60 536)	1 328	4 889	122	(8 192)	(1 853)	(62 389)	37 694	(24 695)
		Jun-17	233	24	14 819	9 879	(7 099)	45 946	720	248	64 770	11 662	–	2 900	19 296	33 858	98 628	80 931	179 559
Operating costs	(R'000)	Sep-17	1 011 346	231 212	246 764	340 382	336 068	527 181	297 867	215 499	3 206 319	83 507	54 682	79 399	135 523	353 111	3 559 430	141 878	3 701 308
		Jun-17	921 044	213 845	239 209	321 637	346 243	544 687	281 202	208 117	3 075 984	99 719	–	131 391	134 068	365 178	3 441 162	365 438	3 806 600
Production profit	(R'000)	Sep-17	577 362	134 676	40 883	148 901	150 440	60 627	179 348	(15 509)	1 276 728	29 209	15 558	16 578	35 253	96 598	1 373 326	22 895	1 396 221
		Jun-17	339 726	168 117	28 039	71 148	105 908	157 735	96 991	(18 406)	949 258	35 301	–	45 235	63 793	144 329	1 093 587	82 517	1 176 104
Capital expenditure	(R'000)	Sep-17	203 717	15 054	64 751	64 395	79 024	66 939	29 191	29 873	552 944	–	3 814	–	26 014	29 828	582 772	713 397	1 296 169
		Jun-17	200 217	16 176	62 586	66 914	112 656	87 221	38 255	23 452	607 477	440	41 879	1 642	52 043	96 004	703 481	677 825	1 381 306
Cash operating costs	– R/kg	Sep-17	366 131	360 431	492 877	395 586	399 838	515 909	358 553	611 924	410 409	402 838	436 781	474 713	463 597	446 496	413 686	393 147	413 082
		Jun-17	413 290	317 242	513 478	458 468	435 150	428 840	419 883	620 504	430 358	391 364	–	418 537	369 042	393 025	426 344	459 624	428 779
Cash operating costs	– R/tonne	Sep-17	2 125	3 767	1 782	1 906	1 783	3 492	1 797	2 089	2 194	54	53	173	372	107	754	440	739
		Jun-17	2 162	3 818	1 839	1 856	1 879	3 588	1 731	2 211	2 222	53	–	175	303	119	807	446	758
Cash operating cost and Capital²	– R/kg	Sep-17	438 499	383 662	625 564	469 013	490 254	579 298	393 017	696 073	479 874	402 838	470 237	474 713	547 513	484 015	480 250	423 804	478 592
		Jun-17	503 154	341 242	656 696	556 871	573 889	503 837	477 151	690 510	517 178	393 320	–	423 886	536 383	506 909	516 073	521 433	516 466
All-in sustaining cost	– R/kg	Sep-17	446 114	404 284	564 967	489 464	491 432	597 932	408 147	708 500	487 581	403 415	444 569	472 613	559 206	482 606	487 077	519 338	488 176
		Jun-17	514 118	360 645	590 511	575 032	594 376	520 408	495 438	709 593	528 197	395 885	–	357 016	543 032	439 144	517 414	511 392	516 845
Operating free cash flow margin³	%	Sep-17	22	32	(6)	16	12	(4)	30	(24)	15	27	24	17	–	14	15	(390)	2
		Jun-17	11	40	(7)	4	(3)	17	16	(22)	10	34	–	26	16	16	11	(105)	–

¹Ore milled for Hidden Valley includes 31 000 tonnes (Jun-17: 150 000t) that has been capitalised as part of pre-stripping of stages 5 & 6. Gold produced and sold for Hidden Valley includes 20 kilograms (Jun-17: 115kg) that has been capitalised.

²Excludes investment capital for Hidden Valley.

³Excludes run of mine costs for Kalgold (Sep-17:R-1.114m, Jun-17:R0.249m) and Hidden Valley (Sep-17:R10.016m, Jun-17:R42.311m).

OPERATING RESULTS – QUARTER ON QUARTER (US\$/IMPERIAL)

			South Africa														Hidden Valley¹	Total Harmony	
			Underground production								Surface production								Total South Africa
			Tshepong operations	Bambanani	Joel	Doornkop	Target 1	Kusasaletu	Masimong	Unisel	Total Underground	Phoenix	Central plant reclamation	Dumps	Kalgold	Total Surface			
Ore milled	– t'000	Sep-17 Jun-17	535 470	68 62	149 135	201 185	216 207	172 153	186 179	115 104	1 642 1 495	1 692 1 847	1 035 –	505 811	426 418	3 658 3 076	5 300 4 571	296 869	5 596 5 440
Yield	– oz/ton	Sep-17 Jun-17	0.169 0.152	0.306 0.350	0.105 0.104	0.140 0.118	0.130 0.126	0.197 0.244	0.146 0.120	0.099 0.104	0.156 0.150	0.004 0.004	0.004 –	0.011 0.012	0.023 0.024	0.007 0.009	0.053 0.055	0.033 0.028	0.052 0.052
Gold produced	– oz	Sep-17 Jun-17	90 505 71 632	20 834 21 670	15 690 14 050	28 196 21 862	28 100 26 106	33 951 37 391	27 232 21 477	11 413 10 770	255 921 224 958	6 559 7 234	3 665 –	5 369 9 870	9 967 9 999	25 560 27 103	281 481 252 061	9 163 23 599	290 644 275 660
Gold sold	– oz	Sep-17 Jun-17	89 025 71 535	20 480 21 637	16 140 15 239	27 360 22 409	27 392 25 624	32 987 40 124	26 782 21 477	11 221 10 770	251 387 228 815	6 655 8 134	3 955 –	5 401 10 031	9 549 11 317	25 560 29 482	276 947 258 297	10 385 30 672	287 332 288 969
Gold price received	– \$/oz	Sep-17 Jun-17	1 354 1 336	1 356 1 339	1 353 1 330	1 357 1 329	1 348 1 338	1 352 1 327	1 352 1 335	1 353 1 336	1 354 1 334	1 285 1 259	1 348 –	1 349 1 335	1 357 1 326	1 335 1 310	1 352 1 331	1 284 1 259	1 350 1 324
Revenue	(\$'000)	Sep-17 Jun-17	120 581 95 604	27 771 28 964	21 832 20 265	37 136 29 785	36 925 34 286	44 614 53 264	36 220 28 678	15 179 14 386	340 258 305 232	8 555 10 238	5 331 –	7 285 13 393	12 962 15 004	34 133 38 635	374 391 343 867	12 506 33 968	386 897 377 835
Cash operating cost	(\$'000)	Sep-17 Jun-17	78 226 69 825	17 727 16 213	18 256 17 015	26 332 23 641	26 524 26 793	41 350 37 819	23 050 21 269	16 488 15 762	247 953 228 337	6 237 6 677	3 779 –	6 017 9 744	10 908 8 702	26 941 25 123	274 894 253 460	7 907 21 573	282 801 275 033
Inventory movement	(\$'000)	Sep-17 Jun-17	(1 466) 17	(178) 2	474 1 124	(497) 749	(1 016) (538)	(1 337) 3 484	(442) 55	(132) 19	(4 594) 4 912	101 884	371 –	9 220	(622) 1 463	(141) 2 567	(4 735) 7 479	2 861 6 137	(1 874) 13 616
Operating costs	(\$'000)	Sep-17 Jun-17	76 760 69 842	17 549 16 215	18 730 18 139	25 835 24 390	25 508 26 255	40 013 41 303	22 608 21 324	16 356 15 781	243 359 233 249	6 338 7 561	4 150 –	6 026 9 964	10 286 10 165	26 800 27 690	270 159 260 939	10 768 27 710	280 927 288 649
Production profit	(\$'000)	Sep-17 Jun-17	43 821 25 762	10 222 12 749	3 102 2 126	11 301 5 395	11 417 8 031	4 601 11 961	13 612 7 354	(1 177) (1 395)	96 899 71 983	2 217 2 677	1 181 –	1 259 3 429	2 676 4 839	7 333 10 945	104 232 82 928	1 738 6 258	105 970 89 186
Capital expenditure	(\$'000)	Sep-17 Jun-17	15 462 15 182	1 143 1 226	4 915 4 747	4 888 5 074	5 999 8 543	5 081 6 614	2 216 2 901	2 266 1 779	41 970 46 066	– 33	289 3 175	– 125	1 975 3 946	2 264 7 279	44 234 53 345	54 147 51 399	98 381 104 744
Cash operating costs	– \$/oz	Sep-17 Jun-17	864 975	851 748	1 164 1 211	934 1 081	944 1 026	1 218 1 011	846 990	1 445 1 464	969 1 015	951 923	1 031 –	1 121 987	1 094 870	1 054 927	977 1 006	928 1 084	975 1 011
Cash operating costs	– \$/t	Sep-17 Jun-17	146 149	261 262	123 126	131 128	123 129	240 247	124 119	143 152	151 153	4 4	4 –	12 12	26 21	7 8	52 55	30 31	51 52
Cash operating cost and Capital²	– \$/oz	Sep-17 Jun-17	1 035 1 187	906 805	1 477 1 549	1 107 1 313	1 157 1 354	1 368 1 188	928 1 125	1 643 1 629	1 133 1 220	951 928	1 110 –	1 121 1 007	1 293 1 265	1 143 1 196	1 134 1 217	1 000 1 230	1 130 1 218
All-in sustaining cost	– \$/oz	Sep-17 Jun-17	1 053 1 213	954 851	1 334 1 393	1 156 1 356	1 160 1 402	1 412 1 227	964 1 169	1 672 1 674	1 151 1 246	952 934	1 049 –	1 116 842	1 320 1 281	1 139 1 036	1 150 1 220	1 224 1 201	1 152 1 219
Operating free cash flow margin³	%	Sep-17 Jun-17	22 11	32 40	(6) (7)	16 4	12 (3)	(4) 17	30 16	(24) (22)	15 10	27 34	24 –	17 26	– 16	14 16	15 11	(390) (105)	2 –

¹Ore milled for Hidden Valley includes 34 000 tons (Jun-17: 165 000t) that has been capitalised as part of pre-stripping of stages 5 & 6. Gold produced and sold for Hidden Valley includes 643 ounces (Jun-17: 3697oz) that has been capitalised.

²Excludes investment capital for Hidden Valley.

³Excludes run of mine costs for Kalgold (Sep-17:US\$-0.084m, Jun-17:US\$0.018m) and Hidden Valley (Sep-17:US\$0.76m, Jun-17:US\$3.208m).

CONTACT DETAILS

CORPORATE OFFICE

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

DIRECTORS

PT Motsepe* (*chairman*)
FFT De Buck*^ (*lead independent director*)
JM Motloba*^ (*deputy chairman*)
PW Steenkamp (*chief executive officer*)
F Abbott (*financial director*)
JA Chissano*1^, KV Dicks*^, Dr DSS Lushaba*^
HE Mashego**, M Msimang*^, KT Nondumo*^
VP Pillay*^, 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, Ameshoff Street, Braamfontein
PO Box 4844, Johannesburg, 2000, South Africa
Telephone: +27 11 713 0800
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
Peck Slip Station
PO Box 2050, New York, NY 10272-2050
E-mail queries: db@amstock.com
Toll free: +1-800-937-5449
Int: +1-718-921-8137
Fax: +1-718-765-8782
*ADR: American Depositary Receipts

SPONSOR

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

TRADING SYMBOLS

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

REGISTRATION NUMBER:

1950/038232/06
Incorporated in the Republic of South Africa

ISIN:

ZAE 000015228

HARMONY'S ANNUAL REPORTS

Harmony's Integrated Annual Report, the Sustainable Development Information which serves as supplemental information to the Integrated Annual Report and its annual report filed on a Form 20F with the United States' Securities and Exchange Commission for the financial year ended 30 June 2017 is available on our website (www.harmony.co.za/investors)

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the safe harbour provided by Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended, 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 include all statements other than statements of historical fact, including, without limitation, any statements preceded by, followed by, or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "should", "could", "estimates", "forecast", "predict", "continue" or similar expressions or the negative thereof.

These forward-looking statements, including, among others, those relating to our future business prospects, revenues and income, wherever they may occur in this report and the exhibits to this report, are essentially 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 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 gold and other metals prices, estimates of future gold and other metals production

and sales, estimates of future cash costs, estimates of future cash flows, and the sensitivity of cash flows to the gold and other metals prices, statements regarding future debt repayments, estimates of future capital expenditures, the success of our business strategy, development activities and other initiatives, 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, fluctuations in the market price of gold, the occurrence of hazards associated with underground and surface gold mining, the occurrence of labour disruptions, power cost increases as well as power stoppages, fluctuations and usage constraints, supply chain shortages and increases in the prices of production imports, availability, terms and deployment of capital, changes in government regulation, particularly mining rights and environmental regulation, fluctuations in exchange rates, the adequacy of the group's insurance coverage and socio-economic or political instability in South Africa and Papua New Guinea and other countries in which we operate.

For a more detailed discussion of such risks and other factors (such as availability of credit or other sources of financing), see the company's latest Integrated Annual Report on Form 20-F which is on file with the Securities and Exchange Commission, as well as the Company's other Securities and Exchange Commission filings. The company undertakes 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.