



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 Noligwa 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																		
			Underground production									Surface production					Total South Africa			Hidden Valley¹	Total Harmony
			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 Jun-17	485 426	62 56	135 122	182 168	196 188	156 139	169 162	104 94	1 489 1 355	1 534 1 675	939 –	458 735	386 379	3 317 2 789	4 806 4 144	268 788	5 074 4 932		
Yield	– g/tonne	Sep-17 Jun-17	5.80 5.23	10.45 12.04	3.61 3.58	4.82 4.05	4.46 4.32	6.77 8.37	5.01 4.12	3.41 3.56	5.35 5.16	0.133 0.134	0.121 –	0.365 0.418	0.80 0.82	0.24 0.30	1.82 1.89	1.12 0.97	1.79 1.77		
Gold produced	– kg	Sep-17 Jun-17	2 815 2 228	648 674	488 437	877 680	874 812	1 056 1 163	847 668	355 335	7 960 6 997	204 225	114 –	167 307	310 311	795 843	8 755 7 840	285 734	9 040 8 574		
Gold sold	– kg	Sep-17 Jun-17	2 769 2 225	637 673	502 474	851 697	852 797	1 026 1 248	833 668	349 335	7 819 7 117	207 253	123 –	168 312	297 352	795 917	8 614 8 034	323 954	8 937 8 988		
Gold price received	– R/kg	Sep-17 Jun-17	573 748 566 638	574 392 567 551	573 002 563 814	574 951 563 537	571 019 567 316	572 912 562 838	572 887 566 157	573 037 566 301	573 353 565 581	544 522 533 676	571 057 –	571 292 566 109	575 003 562 105	565 672 555 624	572 644 564 445	543 805 533 915	571 664 561 558		
Revenue	(R'000)	Sep-17 Jun-17	1 588 708 1 260 770	365 888 381 962	287 647 267 248	489 283 392 785	486 508 452 151	587 808 702 422	477 215 378 193	199 990 189 711	4 483 047 4 025 242	112 716 135 020	70 240 –	95 977 176 626	170 776 197 861	449 709 509 507	4 932 756 4 534 749	164 773 447 955	5 097 529 4 982 704		
Cash operating cost	(R'000)	Sep-17 Jun-17	1 030 658 920 811	233 559 213 821	240 524 224 390	346 929 311 758	349 458 353 342	544 800 498 741	303 694 280 482	217 233 207 869	3 266 855 3 011 214	82 179 88 057	49 793 –	79 277 128 491	143 715 114 772	354 964 331 320	3 621 819 3 342 534	104 184 284 507	3 726 003 3 627 041		
Inventory movement	(R'000)	Sep-17 Jun-17	(19 312) 233	(2 347) 24	6 240 14 819	(6 547) 9 879	(13 390) (7 099)	(17 619) 45 946	(5 827) 720	(1 734) 248	(60 536) 64 770	1 328 11 662	4 889 –	122 2 900	(8 192) 19 296	(1 853) 33 858	(62 389) 98 628	37 694 80 931	(24 695) 179 559		
Operating costs	(R'000)	Sep-17 Jun-17	1 011 346 921 044	231 212 213 845	246 764 239 209	340 382 321 637	336 068 346 243	527 181 544 687	297 867 281 202	215 499 208 117	3 206 319 3 075 984	83 507 99 719	54 682 –	79 399 131 391	135 523 134 068	353 111 365 178	3 559 430 3 441 162	141 878 365 438	3 701 308 3 806 600		
Production profit	(R'000)	Sep-17 Jun-17	577 362 339 726	134 676 168 117	40 883 28 039	148 901 71 148	150 440 105 908	60 627 157 735	179 348 96 991	(15 509) (18 406)	1 276 728 949 258	29 209 35 301	15 558 –	16 578 45 235	35 253 63 793	96 598 144 329	1 373 326 1 093 587	22 895 82 517	1 396 221 1 176 104		
Capital expenditure	(R'000)	Sep-17 Jun-17	203 717 200 217	15 054 16 176	64 751 62 586	64 395 66 914	79 024 112 656	66 939 87 221	29 191 38 255	29 873 23 452	552 944 607 477	– 440	3 814 41 879	– 1 642	26 014 52 043	29 828 96 004	582 772 703 481	713 397 677 825	1 296 169 1 381 306		
Cash operating costs	– R/kg	Sep-17 Jun-17	366 131 413 290	360 431 317 242	492 877 513 478	395 586 458 468	399 838 435 150	515 909 428 840	358 553 419 883	611 924 620 504	410 409 430 358	402 838 391 364	436 781 –	474 713 418 537	463 597 369 042	446 496 393 025	413 686 426 344	393 147 459 624	413 082 428 779		
Cash operating costs	– R/tonne	Sep-17 Jun-17	2 125 2 162	3 767 3 818	1 782 1 839	1 906 1 856	1 783 1 879	3 492 3 588	1 797 1 731	2 089 2 211	2 194 2 222	54 53	53 –	173 175	372 303	107 119	754 807	440 446	739 758		
Cash operating cost and Capital²	– R/kg	Sep-17 Jun-17	438 499 503 154	383 662 341 242	625 564 656 696	469 013 556 871	490 254 573 889	579 298 503 837	393 017 477 151	696 073 690 510	479 874 517 178	402 838 393 320	470 237 –	474 713 423 886	547 513 536 383	484 015 506 909	480 250 516 073	423 804 521 433	478 592 516 466		
All-in sustaining cost	– R/kg	Sep-17 Jun-17	446 114 514 118	404 284 360 645	564 967 590 511	489 464 575 032	491 432 594 376	597 932 520 408	408 147 495 438	708 500 709 593	487 581 528 197	403 415 395 885	444 569 –	472 613 357 016	559 206 543 032	482 606 439 144	487 077 517 414	519 338 511 392	488 176 516 845		
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 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	535	68	149	201	216	172	186	115	1 642	1 692	1 035	505	426	3 658	5 300	296	5 596
		Jun-17	470	62	135	185	207	153	179	104	1 495	1 847	–	811	418	3 076	4 571	869	5 440
Yield	– oz/ton	Sep-17	0.169	0.306	0.105	0.140	0.130	0.197	0.146	0.099	0.156	0.004	0.004	0.011	0.023	0.007	0.053	0.033	0.052
		Jun-17	0.152	0.350	0.104	0.118	0.126	0.244	0.120	0.104	0.150	0.004	–	0.012	0.024	0.009	0.055	0.028	0.052
Gold produced	– oz	Sep-17	90 505	20 834	15 690	28 196	28 100	33 951	27 232	11 413	255 921	6 559	3 665	5 369	9 967	25 560	281 481	9 163	290 644
		Jun-17	71 632	21 670	14 050	21 862	26 106	37 391	21 477	10 770	224 958	7 234	–	9 870	9 999	27 103	252 061	23 599	275 660
Gold sold	– oz	Sep-17	89 025	20 480	16 140	27 360	27 392	32 987	26 782	11 221	251 387	6 655	3 955	5 401	9 549	25 560	276 947	10 385	287 332
		Jun-17	71 535	21 637	15 239	22 409	25 624	40 124	21 477	10 770	228 815	8 134	–	10 031	11 317	29 482	258 297	30 672	288 969
Gold price received	– \$/oz	Sep-17	1 354	1 356	1 353	1 357	1 348	1 352	1 352	1 353	1 354	1 285	1 348	1 349	1 357	1 335	1 352	1 284	1 350
		Jun-17	1 336	1 339	1 330	1 329	1 338	1 327	1 335	1 336	1 334	1 259	–	1 335	1 326	1 310	1 331	1 259	1 324
Revenue	(\$'000)	Sep-17	120 581	27 771	21 832	37 136	36 925	44 614	36 220	15 179	340 258	8 555	5 331	7 285	12 962	34 133	374 391	12 506	386 897
		Jun-17	95 604	28 964	20 265	29 785	34 286	53 264	28 678	14 386	305 232	10 238	–	13 393	15 004	38 635	343 867	33 968	377 835
Cash operating cost	(\$'000)	Sep-17	78 226	17 727	18 256	26 332	26 524	41 350	23 050	16 488	247 953	6 237	3 779	6 017	10 908	26 941	274 894	7 907	282 801
		Jun-17	69 825	16 213	17 015	23 641	26 793	37 819	21 269	15 762	228 337	6 677	–	9 744	8 702	25 123	253 460	21 573	275 033
Inventory movement	(\$'000)	Sep-17	(1 466)	(178)	474	(497)	(1 016)	(1 337)	(442)	(132)	(4 594)	101	371	9	(622)	(141)	(4 735)	2 861	(1 874)
		Jun-17	17	2	1 124	749	(538)	3 484	55	19	4 912	884	–	220	1 463	2 567	7 479	6 137	13 616
Operating costs	(\$'000)	Sep-17	76 760	17 549	18 730	25 835	25 508	40 013	22 608	16 356	243 359	6 338	4 150	6 026	10 286	26 800	270 159	10 768	280 927
		Jun-17	69 842	16 215	18 139	24 390	26 255	41 303	21 324	15 781	233 249	7 561	–	9 964	10 165	27 690	260 939	27 710	288 649
Production profit	(\$'000)	Sep-17	43 821	10 222	3 102	11 301	11 417	4 601	13 612	(1 177)	96 899	2 217	1 181	1 259	2 676	7 333	104 232	1 738	105 970
		Jun-17	25 762	12 749	2 126	5 395	8 031	11 961	7 354	(1 395)	71 983	2 677	–	3 429	4 839	10 945	82 928	6 258	89 186
Capital expenditure	(\$'000)	Sep-17	15 462	1 143	4 915	4 888	5 999	5 081	2 216	2 266	41 970	–	289	–	1 975	2 264	44 234	54 147	98 381
		Jun-17	15 182	1 226	4 747	5 074	8 543	6 614	2 901	1 779	46 066	33	3 175	125	3 946	7 279	53 345	51 399	104 744
Cash operating costs	– \$/oz	Sep-17	864	851	1 164	934	944	1 218	846	1 445	969	951	1 031	1 121	1 094	1 054	977	928	975
		Jun-17	975	748	1 211	1 081	1 026	1 011	990	1 464	1 015	923	–	987	870	927	1 006	1 084	1 011
Cash operating costs	– \$/t	Sep-17	146	261	123	131	123	240	124	143	151	4	4	12	26	7	52	30	51
		Jun-17	149	262	126	128	129	247	119	152	153	4	–	12	21	8	55	31	52
Cash operating cost and Capital²	– \$/oz	Sep-17	1 035	906	1 477	1 107	1 157	1 368	928	1 643	1 133	951	1 110	1 121	1 293	1 143	1 134	1 000	1 130
		Jun-17	1 187	805	1 549	1 313	1 354	1 188	1 125	1 629	1 220	928	–	1 007	1 265	1 196	1 217	1 230	1 218
All-in sustaining cost	– \$/oz	Sep-17	1 053	954	1 334	1 156	1 160	1 412	964	1 672	1 151	952	1 049	1 116	1 320	1 139	1 150	1 224	1 152
		Jun-17	1 213	851	1 393	1 356	1 402	1 227	1 169	1 674	1 246	934	–	842	1 281	1 036	1 220	1 201	1 219
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 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

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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*^
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1 Mozambican

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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.