

# Harmony Gold CEO says gold sector consolidation 'inevitable'

By [Nelson Banya](#)

2 Mar 2023

Gold mining sector mergers and acquisitions are inevitable due to the need to replace depleting mineral reserves, Harmony Gold chief executive Peter Steenkamp said on Wednesday, 1 March.



Source: Reuters/Dado Ruvic

US-based Newmont Corp, the world's top gold producer, last month tabled a \$16.9bn-bid for Australia's Newcrest Mining, igniting speculation of a new wave of M&A activity in the gold industry.

Although other gold majors Barrick, Gold Fields and Sibanye Stillwater have sought to cool down talk of imminent big M&A activity, Harmony's Steenkamp said there was more to come.

"I think it's going to be inevitable that there will be some sort of consolidation because exploration has been lacking for such a long time, and for people to replace assets, they will have to look at what their neighbours have and what the opportunities will be," Steenkamp told Reuters in an interview.



Harmony Gold looks to green hydrogen, LNG for power

Promit Mukherjee 7 Feb 2023



## Harmony transforms by adding gold-copper production

Harmony is transforming into a gold-copper producer, having acquired Australia's Eva copper project for \$170m in December 2022 to add to its Wafi-Golpu gold-copper project in Papua New Guinea, a joint venture with Newcrest.

The company is also exploring opportunities to acquire more assets in Africa, Australia and Papua New Guinea, Steenkamp added.

Harmony's shares slid 2% on Wednesday after it posted an 18% increase in half-year profit but refrained from declaring an interim dividend, citing the need to allocate capital to growth projects.

Its headline earnings per share (HEPS) - the most common profit measure in South Africa - were R2.93 (\$0.1603) in the six-month period that ended on 31 December, compared with R2.48 a year ago.

### **5% decline in gold production after the closure of Bambanani Mine**

The miner reported a 5% decline in gold production to 740,655 ounces from 778,879 ounces in the previous year, following the closure of its Bambanani Mine at the end of June 2022.

The lower output was offset by a 12% increase in the average rand gold price Harmony received during the six months - attributable to a stronger dollar - as well as a 5% improvement in average grades in the South African underground mines.

Harmony expects to produce between 1.4 and 1.5 million ounces in the year to June 2023.

For more, visit: <https://www.bizcommunity.com>