

HARMONY GOLD MINING CO LTD

Form 6-K

August 19, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**Form 6-K**

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO

RULE 13a-16 OR 15d-16 UNDER THE SECURITIES

EXCHANGE ACT OF 1934

For 19 August 2014

**Harmony Gold Mining Company**

**Limited**

Randfontein Office Park

Corner Main Reef Road and Ward Avenue

Randfontein, 1759

South Africa

(Address of principal executive offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F ☒ X

Form 40-F ☐

(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes ☐

No ☒ X

**Issued by Harmony Gold  
Mining Company Limited**

**19 August 2014**

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**JSE: HAR**  
**NYSE: HMY**  
**ISIN No.: ZAE000015228**

**Registration number:**  
**1950/038232/06**

**Harmony refocuses assets for long term sustainability**

- *Target 3 to be placed on care and maintenance*
- *Consultation with labour has begun - job loss avoidance measures a priority*
- *Engagement with relevant stakeholders at all levels*
- *Production guidance provided for FY2015*

**Johannesburg. Tuesday, 19 August 2014:** Further to the announcements made during the reporting of Harmony Gold Mining Company Limited's ("Harmony" and/or "the Company") results for the quarter and year ended 30 June 2014 on Thursday, 14 August 2014, the Company advises of the following:

**Target 3 to be placed on care and maintenance**

Despite numerous initiatives by both management and organised labour to return Target 3 to profitability, this operation has continued to record cash flow losses. Given the current gold price environment, and the significant capital investment required to sustain operations at this shaft, Target 3 is predicted to continue to make a loss in the foreseeable future. Target 3 made a cumulative loss of approximately R260 million in the past 4,5 years. Additional development and equipping is required to access the targeted South Block to sustain operations at

Target 3 and, in particular the build-up in Basal reef stoping. While the targeted South Block remains a valuable resource, the shaft will be placed on care and maintenance once the requirements of a section 189 process have been fulfilled. Target 3 currently employs approximately 1 500 people.

**Consultation and engagement**

The cessation of operations at Target 3 will have an impact on employees and contractors. As far as it is possible to do so, measures will be taken to minimise and/or avoid job losses. Such measures include offering voluntary separation packages to eligible employees, early retirements, transferring employees where skills match current vacancies at other Harmony operations and re-skilling employees for redeployment into alternative jobs where possible within the company.

Engagement with the Department of Mineral Resources, the Matjhabeng Local Municipality and the Free State Provincial government has begun.

Harmony CEO Graham Briggs, said: “In developing our safe and realistic operational plans for FY15, we were informed by the need to improve our margins, carefully assessing the ability of each of our assets to be profitable at current gold prices.”

#### **Production guidance**

Harmony’s guidance of approximately 1.2 million ounces at an all-in sustaining cost of R410 000- R430 000/kg (~US\$1 150 - 1 300oz<sup>1</sup>) for FY15 supports the Company’s medium and long-term objective of positioning it as a competitive, value-focused gold mining company. Below is the production guidance for each of Harmony’s operations for FY15:

<sup>1</sup> An exchange rate of R10.50/US\$ was used

#### **Operation**

##### **FY14 - gold**

##### **production**

##### **results (oz)**

##### **Range for FY15**

##### **production (oz)**

Kusasaletu

150 916

190 000 - 200 000

Doornkop

83 687

95 000 - 105 000

Phakisa

95 680

95 000 - 105 000

Tshepong

135 772

135 000 - 145 000

Masimong

87 385

85 000 - 90 000

Hidden Valley

105 840

100 000 - 110 000

Target 1

144 453

120 000 - 130 000

Bambanani

82 821

80 000 - 90 000

Joel

75 072

70 000 - 80 000

Unisel

59 093

55 000 - 60 000

Target 3

45 429

11 000 - 14 500

Various surface

55 878

60 000 - 70 000

Kalgold

37 358

40 000 - 45 000

**Total**

**1.17moz**

**~ 1.2moz**

Ends.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: August 19, 2014

Harmony Gold Mining Company Limited

By: /s/ Frank Abbott

Name: Frank Abbott

Title: Financial Director