Report of the Independent Accountants

To the Board of Directors and Shareholders of Harmony Gold Mining Company Limited

We have audited the accompanying consolidated balance sheets of Harmony Gold Mining Company Limited and its subsidiaries as of June 30, 2001 and 2000, and the related consolidated statements of operations, comprehensive income, cash flows and of changes in shareholder's equity for each of the three years in the period ended June 30, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Harmony Gold Mining Company Limited and its subsidiaries at June 30, 2001 and 2000 and the results of their operations, their cash flows and changes in shareholders' equity for each of the three years in the period ended June 30, 2001, in conformity with generally accepted accounting principles in the United States.

PRICEWATERHOUSECOOPERS INC.
Registered Accountants and Auditors
Chartered Accountants (SA)
Johannesburg, Republic of South Africa

August 23, 2001

Harmony Gold Mining Company Limited

Consolidated Statements of Operations
For the years ended June 30

	2001 $'000	2000 $'000	1999 $'000
REVENUES			
Product sales	590,634	472,118	372,707
Interest and dividends	5,890	9,993	8,047
Other income - net	10,696	8,540	658
	607,220	490,651	381,412
COSTS AND EXPENSES			
Production costs	502,210	399,147	307,829
Depreciation and amortization	31,417	21,797	16,589
Employment termination costs	4,729	222	5,430
Reversal of provision for rehabilitation costs	(6,817)	-	-
Corporate expenditure	2,616	1,952	1,542
Exploration expenditure	3,505	2,502	26
Marketing and new business expenditure	4,971	1,886	567
Gain on financial instruments	(7,640)	(8,565)	-
Loss on disposal of subsidiaries	-	-	1,124
Loss/(profit) on sale of other assets and listed investments	1,393	(2,482)	(2,704)
Impairment of assets	28,266	-	18,503
Interest paid	15,007	3,202	2,307
Equity losses	-	1,401	-
Reversal of provision for former employee post retirement benefits	(2,241)	(3,900)	-
	577,416	417,162	351,213
INCOME BEFORE TAX	29,804	73,489	30,199
INCOME AND MINING TAX EXPENSE	(14,625)	(13,549)	(2,291)
INCOME BEFORE MINORITY INTERESTS	15,179	59,940	27,908
MINORITY INTERESTS	(349)	(2,910)	-
INCOME BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	14,830	57,030	27,908
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE FOR DERIVATIVES AND HEDGING ACTIVITIES, NET OF TAX	(5,822)	-	-
NET INCOME	9,008	57,030	27,908
BASIC EARNINGS PER SHARE (CENTS) BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	14.5	68.2	41.8
DILUTED EARNINGS PER SHARE (CENTS) BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	14.1	66.6	41.0
BASIC EARNINGS PER SHARE (CENTS) AFTER CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	8.8	68.2	41.8
DILUTED EARNINGS PER SHARE (CENTS) AFTER CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	8.5	66.6	41.0
WEIGHTED AVERAGE NUMBER OF SHARES USED IN THE COMPUTATION OF BASIC EARNINGS PER SHARE	102,156,205	83,593,424	66,843,932
WEIGHTED AVERAGE NUMBER OF SHARES USED IN THE COMPUTATION OF DILUTED EARNINGS PER SHARE	105,504,328	85,590,876	68,070,172
DIVIDEND PER SHARE (CENTS)	15.8	18.9	18.2

See notes to the consolidated financial statements

Harmony Gold Mining Company Limited

Consolidated Balance Sheet
At June 30

	2001 $'000	2000 $'000
ASSETS		
CURRENT ASSETS		
Cash and equivalents	144,096	77,942
Receivables	99,316	31,721
Inventories	37,478	27,861
Total current assets	280,890	137,524
PROPERTY, PLANT AND EQUIPMENT		
Cost	1,113,498	1,001,952
Accumulated depreciation and amortization	(440,514)	(444,227)
Net property, plant and equipment	672,984	557,725
OTHER ASSETS	7,740	6,971
RESTRICTED CASH	-	7,310
INVESTMENTS	68,211	62,658
TOTAL ASSETS	1,029,825	772,188
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	133,380	136,765
Income and mining taxes payable	6,247	2,543
Shareholders for dividends	13,259	10,840
Total current liabilities	152,886	150,148
LONG-TERM LOANS	151,466	46,635
PREFERENCE SHARES	681	-
DEFERRED INCOME AND MINING TAXES	47,050	48,686
DEFERRED FINANCIAL LIABILITY	49,374	40,174
PROVISION FOR ENVIRONMENTAL REHABILITATION	53,136	52,525
PROVISION FOR POST RETIREMENT BENEFITS	1,002	3,709
MINORITY INTEREST	331	-
SHAREHOLDERS' EQUITY		
Share capital – 250,000,000 (2000: 180,000,000) authorized ordinary shares of 50 South African cents each. Shares issued – 143,235,791 (2000: 97,310,435)	13,751	10,901
Additional paid-in capital	624,857	415,501
Warrants issued	15,094	15,094
Retained earnings	129,251	139,227
Accumulated other comprehensive income	(209,054)	(150,412)
Total shareholders' equity	573,899	430,311
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,029,825	772,188

COMMITMENTS AND CONTINGENCIES - see notes 17 and 23

See notes to the consolidated financial statements

Harmony Gold Mining Company Limited

Consolidated Statements of Changes in Shareholders' Equity

For the years ended June 30

	Number of ordinary shares issued	Number of warrants issued	Share capital $'000	Additional paid-in capital $'000	Harmony options issued $'000	Retained earnings $'000	Accumulated other comprehensive income $'000	Total $'000
BALANCE - JUNE 30, 1998	49,043,800	7,579,900	7,147	206,128	15,094	83,419	(109,525)	202,263
Net income	-	-	-	-	-	27,908	-	27,908
Dividends declared....................	-	-	-	-	-	(12,612)	-	(12,612)
Purchase of Evander Gold Mines Limited shares.......	19,308,886	-	1,607	74,055	-	-	-	75,662
Exercise of employee share Options..................................	1,107,600	-	92	2,132	-	-	-	2,224
Translation adjustment..............	-	-	-	-	-	-	(3,685)	(3,685)
BALANCE - JUNE 30, 1999	69,460,286	7,579,900	8,846	282,315	15,094	98,715	(113,210)	291,760
Net income	-	-	-	-	-	57,030	-	57,030
Dividends declared....................	-	-	-	-	-	(16,518)	-	(16,518)
Purchase of West Rand Consolidated Mines Limited and Kalahari Goldridge Mining Company Limited shares..........	10,869,018	-	802	45,591	-	-	-	46,393
Purchase of Randfontein Estates Limited shares	14,909,631	-	1,100	81,742	-	-	-	82,842
Exercise of employee share options..................................	2,071,500	-	153	5,853	-	-	-	6,006
Mark-to-market of listed investments	-	-	-	-	-	-	(2,802)	(2,802)
Translation adjustment..............	-	-	-	-	-	-	(34,400)	(34,400)
BALANCE - JUNE 30, 2000	97,310,435	7,579,900	10,901	415,501	15,094	139,227	(150,412)	430,311
Net income	-	-	-	-	-	9,008	-	9,008
Dividends declared....................	-	-	-	-	-	(18,983)	-	(18,983)
Issue of shares								
- Public offerings..................	31,784,200	-	1,971	164,664	-	-	-	166,635
- IDC/Simane offering...........	10,736,682	-	668	47,407	-	-	-	48,075
- Private offering – Jipangu	568,774	-	35	2,794	-	-	-	2,829
- Employee share options.......	4,835,700	-	176	7,913	-	-	-	8,089
Share issue expenses.................	-	-	-	(13,423)	-	-	-	(13,423)
Issue of warrants......................	-	9,027,500	-	-	-	-	-	-
Reversal of mark-to-market due to sale of Western Areas Limited shares	-	-	-	-	-	-	3,756	3,756
Mark-to-market of listed and other investments	-	-	-	-	-	-	9,908	9,908
Mark-to-market of hedging instruments............................	-	-	-	-	-	-	(1,047)	(1,047)
Translation adjustment..............	-	-	-	-	-	-	(71,259)	(71,259)
BALANCE - JUNE 30, 2001	145,235,791	16,607,400	13,751	624,856	15,094	129,252	(209,054)	573,899

See notes to the consolidated financial statements

Harmony Gold Mining Company Limited

Consolidated Statements of Cash Flows
For the years ended June 30

	2001 $'000	2000 $'000	1999 $'000
CASH FLOWS FROM OPERATIONS			
Income from operations before taxation and interest paid	45,076	76,691	32,506
Reconciled to net cash provided by operations:			
Minority interests	-	(2,910)	-
Interest paid	(15,007)	(3,202)	(2,307)
Loss/(profit) on sale of other assets and listed investments	907	(2,482)	(2,704)
Profit on sale of mining assets	(10,568)	(6,308)	(3,361)
Depreciation and amortization	31,418	21,797	16,589
Impairment of assets	28,266	-	18,503
Gain on financial instruments	(18,433)	(7,078)	-
Net (decrease)/increase in provision for environmental rehabilitation	(6,817)	802	992
Net decrease in provision for former employees post retirement benefits	(2,240)	(4,048)	(460)
Loss on disposal of subsidiaries	-	-	1,124
Other	(280)	(125)	682
Income and mining taxes paid	(3,998)	(1,214)	(2,809)
Effect of changes in operating working capital items:			
Receivables	(35,963)	(7,079)	(362)
Inventories	(10,744)	(3,000)	1,580
Accounts payable and accrued liabilities	47,687	(23,356)	3,087
NET CASH PROVIDED BY OPERATIONS	49,034	38,488	63,060
CASH FLOWS FROM INVESTING ACTIVITIES			
Net increase in amounts invested in environmental trusts	(781)	(775)	(1,434)
Decrease in short term investments	-	9,574	1,807
Restricted cash	6,505	(7,310)	-
Cash held by subsidiaries on acquisition	-	9,479	15,435
Cash paid for Evander Mine	-	-	(21,243)
Cash paid for Masimong shafts	-	-	(7,453)
Cash paid for Randfontein Mine	-	(51,892)	-
Cash paid for West Rand Cons and Kalgold Mine	-	(949)	-
Cash paid for New Hampton	(28,532)	-	-
Cash paid for Elandskraal	(130,909)	-	-
Proceeds on disposal of other assets and listed investments	13,772	3,276	11,478
Increase/(decrease) in other non-current investments	(8,394)	324	2,952
Proceeds on disposal of mining assets	11,540	10,332	4,650
Additions to property plant and equipment	(52,537)	(23,380)	(28,900)
NET CASH UTILIZED IN INVESTING ACTIVITIES	(189,336)	(51,321)	(22,708)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term loans raised - net	61,479	61,590	-
Dividends paid	(15,706)	(11,927)	(5,722)
Preference shares issued	681	-	-
Ordinary shares issued – net of expenses	178,535	6,006	2,224
NET CASH GENERATED BY / (UTILIZED IN) FINANCING ACTIVITIES	224,989	55,669	(3,498)
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	(18,533)	(10,212)	(54)
NET INCREASE IN CASH AND CASH EQUIVALENTS	66,154	32,624	36,800
CASH AND CASH EQUIVALENTS - JULY 1	77,942	45,318	8,518
CASH AND CASH EQUIVALENTS - JUNE 30	144,096	77,942	45,318

See notes to the consolidated financial statements

Harmony Gold Mining Company Limited

Consolidated Statements of Comprehensive Income
For the years ended June 30

	2001 $'000	2000 $'000	1999 $'000
Net income	9,008	57,030	27,908
Other comprehensive income/(loss)			
Mark-to-market of listed and other investments	9,908	(2,802)	-
Mark-to-market of hedging instruments	(1,047)	-	-
Translation adjustment	(71,259)	(34,400)	(3,685)
Reversal of mark-to-market due to sale of Western Areas Limited shares	3,756	-	-
Other comprehensive losses	(58,642)	(37,202)	(3,685)
Comprehensive (loss)/income	(49,634)	19,828	24,223

See notes to the consolidated financial statements

1. NATURE OF OPERATIONS

Harmony Gold Mining Company Limited ("the Company") or ("the Group") is engaged in gold mining and related activities, including exploration, extraction, processing and refining. Gold bullion, the Company's principal product, is currently produced in South Africa, Australia and Canada and sold in South Africa (primarily to the Rand Refinery) and internationally.

2. SIGNIFICANT ACCOUNTING POLICIES

a) USE OF ESTIMATES: The preparation of the financial statements in conformity with United States generally accepted accounting principles requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The following are accounting policies used by the Company which, except as noted in 2(p), have been consistently applied:

b) CONSOLIDATION: The consolidated financial information includes the financial statements of the Company and its subsidiaries. A company in which the Group has directly or indirectly, through other subsidiary undertakings, a controlling interest is classified as a subsidiary undertaking. Any excess or deficits of the purchase price, when compared to the net book value of the subsidiary acquired, is attributed to mineral property interests and amortized in terms of the Group accounting policies unless a permanent diminution in the value of the assets occurs in which case it is written off.

For self-sustaining foreign entities, assets and liabilities are translated using the closing rates at year-end, and income statements are translated at average rates. Differences arising on translation are taken directly to shareholders' equity.

c) CASH AND EQUIVALENTS include all highly liquid investments with a maturity of three months or less at the date of purchase.

d) SHORT TERM INVESTMENTS, which consist of similar investments to cash and equivalents, mature in periods greater than three months, but less than twelve months and are available for sale.

e) NON-CURRENT INVESTMENTS comprise:

- Investments in listed companies which are classified as available-for-sale and are accounted for at fair value, with unrealized holding gains and losses excluded from earnings and reported as a separate component of shareholders equity; and

- Investments in unlisted companies, which are accounted for at cost. Realized gains and losses are included in determining net income or loss.

  Unrealized losses are included in determining net income or loss where it is felt that a significant decline in the value of the investment, other than temporary, has occurred.

f) **INVENTORIES**, which include gold in process, and supplies, are stated at the lower of cost or net realizable value. The cost of gold produced is determined principally by the weighted average cost method using related production costs. The cost of supplies is also determined using the weighted average cost method.

g) **EXPLORATION COSTS** are expensed as incurred. When a decision is taken that a mining property is capable of commercial production, all further pre-production expenditure is capitalized. Costs related to property acquisitions and mineral and surface rights are capitalized.

h) **UNDEVELOPED PROPERTIES** upon which the Company has not performed sufficient exploration work to determine whether significant mineralization exists, are carried at original cost. Where the directors consider that there is little likelihood of the properties being exploited, or the value of the exploitable rights have diminished below cost, a write down is effected against exploration expenditure.

i) **DEVELOPMENT COSTS** relating to major programs at existing mines are capitalized. Development costs consist primarily of expenditure to expand the capacity of operating mines. Mine development costs in the ordinary course to maintain production are expensed as incurred. Initial development and pre-production costs relating to a new orebody are capitalized until the orebody is brought into production at which time the costs are amortized as set out below.

Interest on borrowings to specifically finance the establishment of mining assets is capitalized until commercial levels of production are achieved.

j) **NON-MINING FIXED ASSETS:** Land is shown at cost and not depreciated. Buildings and other non-mining fixed assets are shown at cost less accumulated depreciation.

k) **DEPRECIATION AND AMORTIZATION** of mineral property interests, mineral and surface rights, mine development costs and mine plant facilities are computed principally by the units-of-production method based on estimated proved and probable ore reserves. Proved and probable ore reserves reflect estimated quantities of economically recoverable reserves which can be recovered in the future from known mineral deposits. Other fixed assets are depreciated by the straight-line method principally over estimated useful lives of two to five years.

l) **MINING PROPERTY EVALUATIONS:** Recoverability of the long-term assets of the Group, which include development costs, are reviewed whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. To determine whether a long-term asset may be impaired the estimate of future undiscounted cash flows, calculated on an area of interest basis, is compared to its carrying value.

If impairment exists on this basis then reductions in the carrying value of the long-term asset are recorded to the extent the remaining investment exceeds the estimate of future discounted cash flows calculated on an area of interest basis. Management's estimate of future cash flows is subject to risk and uncertainties. It is therefore reasonably possible that changes could occur which may affect the recoverability of the Group's mining assets.

m) **REHABILITATION COSTS** and related accrued liabilities, which are based on the Company's interpretation of current environmental and regulatory requirements, are accrued and expensed over the operating lives of the mines, principally by the units-of-production method based on estimated proved and probable ore reserves. Interest earned on monies paid to environmental trust funds is accrued on an annual basis and is recorded as credits to the rehabilitation expense.

Based on current environmental regulations and known rehabilitation requirements, management has included its best estimate of these obligations in its rehabilitation accrual. However, it is reasonably possible that the Company's estimates of its ultimate rehabilitation liabilities could change as a result of changes in regulations or cost estimates.

Environmental liabilities other than rehabilitation costs which relate to liabilities from specific events are expensed when they are known, probable and reasonably estimable.

n) **GOLD SALES** are recognized when the gold is delivered.

o) **INTEREST** is recognized on a time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Company.

p) **HEDGING:** Statement of Financial Accounting Standard 133 ("FAS 133"), Accounting for Derivative Instruments and Hedging Activities has been issued and was adopted by the Company with effect from July 1, 2000.

Previously gains and losses on derivative instruments, which effectively established minimum prices for designated future production, were recognized in revenue when the planned production was delivered. Derivatives which were not designated to future production were accounted for on a mark-to-market basis and the associated gains and losses were recognized in the results.

Under FAS 133, all derivatives are recognized on the balance sheet at their fair value, unless they meet the criteria for the normal purchases normal sales exemption. On the date a derivative contract is entered into, the Group designates the derivative as (1) a hedge of the fair value of a recognized asset or liability (fair value hedge), (2) a hedge of a forecasted transaction (cash flow hedge), or (3) a hedge of a net investment in a foreign entity. Certain derivative transactions, while providing effective economic hedges under the Group's risk management policies, do not qualify for hedge accounting. Derivative instruments are not entered into for trading or speculative purposes.

Changes in the fair value of a derivative that is highly effective, and that is designated and qualifies as a fair value hedge, are recorded in the income statement, along with the change in the fair value of the hedged asset or liability that is attributable to the hedged risk.

Changes in the fair value of a derivative that is highly effective, and that is designated and qualifies as a cash flow hedge, are recognized directly in equity. Amounts deferred in equity are included in the income statement in the same periods during which the hedged firm commitment or forecasted transaction affects net profit or loss.

Recognition of derivatives which meet the criteria for the normal purchases normal sales exception under FAS 133 are deferred until settlement.

Hedges of net investment in foreign entities are accounted for similarly to cash flow hedges.

Changes in the fair value of derivatives that do not qualify for hedge accounting are recognized in the income statement.

The Group formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. This process includes linking derivatives designed as hedges to specific assets and liabilities or to specific firm commitments or forecasted transactions. The Group also formally assesses, both at the hedge inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

With the adoption of FAS 133, none of the Company's derivatives at that date qualified for hedge accounting as they did not meet the new hedging requirements of FAS 133 and were thus marked to market, resulting in a cumulative effect of change in accounting principles write-off of $5.8 million, net of tax. The cumulative effect adjustment was required to record the fair value of those derivative instruments on the balance sheet, which previously qualified for hedge accounting and were not recorded on the balance sheet.

q) PENSION PLANS AND OTHER EMPLOYEE BENEFITS: Pension plans are funded through annual contributions. In addition, the Group makes long service bonus payments (long-service awards) for certain eligible employees, based on qualifying ages and levels of service, and accrues the cost of such liabilities over the service life of the employees on an actuarial basis.

The Group contributes to one medical fund for current employees and certain retirees on an annually determined contribution basis. No contributions are made for employees retiring after June 30, 1996. A liability for retirees and their dependants prior to this date has been accrued in full based on an actuarial valuation.

r) INCOME AND MINING TAXES: The Group follows the comprehensive liability method of accounting for income and mining taxes whereby deferred income and mining taxes are recognized for the tax consequences of temporary differences by applying current statutory tax rates applicable to future years to differences between financial statement amounts and the tax bases of certain assets and liabilities. Changes in deferred tax assets and liabilities include the impact of any tax rate changes enacted during the year.

s) DIVIDENDS PAID are recognized when declared by the board of directors. Dividends are payable in South African Rands. Dividends declared which are payable to foreign shareholders are subject to approval by the South African Reserve Bank in terms of South African foreign exchange control regulations. In practice, dividends are freely transferable to foreign shareholders.

t) EARNINGS PER SHARE is calculated based on the net income divided by the weighted average number of common shares in issue during the year. Diluted earnings per share is presented when the inclusion of potential ordinary shares has a dilutive effect on earnings per share.

u) FOREIGN CURRENCY: The functional currency is the South African Rand. The translation differences arising as a result of converting to US dollars using the current exchange rate method, is included as a separate component of shareholders' equity.

v) **RECENT ACCOUNTING PRONOUNCEMENTS:** In September 2000, the Financial Accounting Standards Board issued SFAS No 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities". This statement is effective for transfers and servicing of financial assets and extinguishment of liabilities occurring after March 31, 2001. The adoption of this statement did not have a material impact on the financial statements.

3. ACQUISITION AND DISPOSAL OF BUSINESSES

a) Evander Gold Mines Limited ("Evander")

On July 21, 1998, the Company made an offer to the shareholders of Evander whereby Evander would become a wholly-owned subsidiary of the Company. This offer followed the original announcement made on June 24, 1998. The revised offer was accepted on July 21, 1998.

Evander is a gold producer operating on the East Rand approximately 100 kilometers from Johannesburg. The consideration for the issued share capital of Evander of approximately $81.5 million comprised of 19,308,886 ordinary shares of the Company and approximately $21.2 million in cash. The acquisition of Evander was accounted for as a purchase and accordingly the purchase price was allocated to the net assets acquired based upon their estimated fair market value. The excess of the purchase price compared to the book value of the net assets acquired amounted to $5.6 million which has been allocated to developed properties included in property, plant and equipment.

b) The Grootvlei Proprietary Mines Limited ("Grootvlei") and Consolidated Modderfontein Mines Limited ("Consmodder")

The Company disposed of its entire interest in Grootvlei and Consmodder, effective December 15, 1998, to Petra Mining Limited for a consideration of $14.9 million. The purchase consideration was paid by way of shares to the value of $9.9 million, which were sold before year end and a receivable of $5 million payable in 21 monthly installments commencing March 1999.

The Company realized a net loss of $1.1 million in connection with the disposal of the above mentioned subsidiaries.

c) Acquisition of West Rand Consolidated Mines Limited ("West Rand Cons") and its subsidiary Kalahari Goldridge Mining Company Limited ("Kalgold")

On June 10, 1999, the Company made an offer to purchase the entire issued share capital of West Rand Cons and its operating subsidiary Kalgold. The offer was accepted on October 8, 1999. Kalgold is an opencast gold producer operating approximately 400 kilometers from Johannesburg.

The consideration for the issued share capital of West Rand Cons and Kalgold amounted to approximately $47.3 million which was settled primarily through the issue of 10,869,018 ordinary shares of the Company. The acquisition was accounted for as a purchase with effect from October 1, 1999 and accordingly the purchase price was allocated to the net assets acquired based upon their estimated fair market value. The excess of the purchase price compared to the book value of the net assets acquired amounted to $20 million which has been allocated to undeveloped properties included in property, plant and equipment.

d) Acquisition of Randfontein Estates Limited ("Randfontein")

On January 14, 2000, Harmony made a revised offer to the shareholders of Randfontein to acquire the entire issued share capital and listed warrants of Randfontein. As at this date the Company effectively held 33% of Randfontein's issued share capital. Randfontein is a gold producer operating on the West Rand approximately 50 kilometers from Johannesburg.

For accounting purposes the Company has equity accounted its interest in Randfontein up to February 29, 2000, the date upon which its investment in the issued share capital exceeded 50%. During this period the Company exercised significant influence over the financial and operating policies of Randfontein. Between March 2000 and June 2000, the Company acquired the entire remaining issued share capital and accounted for Randfontein as a subsidiary from March 1, 2000.

The total consideration for the share capital and warrants of Randfontein amounted to approximately $134.7 million and comprised of 14,909,631 ordinary shares of the Company and approximately $51.9 million in cash. The acquisition of Randfontein was accounted for as a purchase and accordingly the purchase price was allocated to the net assets acquired based upon their estimated fair market value. The excess of the purchase price compared to the book value of the net assets acquired amounted to $66 million which has been allocated to undeveloped properties included in property, plant and equipment.

e) Acquisition of Goldfields Limited (Australia) ("Goldfields")

On February 4, 2000, the Company purchased a 19.95 equity interest in Goldfields for a cash consideration of R143 million (A$41 million). Due to a subsequent share issue by Goldfields, the Company's interest was diluted to 17.3%. On October 5, 2000, the Company concluded the purchase from Hanson Plc of 10.58 million Goldfields shares financed through the issue for cash of 2 189 700 Harmony ordinary shares for $10.2 million. This transaction resulted in Harmony's interest in Goldfields increasing to approximately 22.96%. The Goldfields investment is being accounted for as an available-for-sale investment as the Company has no board representation or other significant influence over the financial and operating policies of Goldfields.

f) Acquisition of New Hampton (Australia)

On December 19, 2000, the Company announced that it had agreed to purchase 19.99% of New Hampton ordinary shares from Normandy Mining, subject to regulatory approval. On the same date, the Company also announced an offer for all the outstanding ordinary share capital of New Hampton for a cash consideration of A$0.265 for each ordinary share. On March 1, 2001, Harmony announced a revised offer to the shareholders of New Hampton, increasing its cash offer for each outstanding ordinary share to A$0.275. The total cash bid valued New Hampton at approximately Rand 229.4 million ($28.5 million). On March 22, 2001, Harmony announced that Normandy Mining had accepted Harmony's offer for Normandy Mining's remaining 13.2% shareholding in New Hampton, and that the New Hampton board of directors recommended that New Hampton shareholders accept Harmony's offer and indicated their intention to accept Harmony's offer for their individual holdings. As of June 30, 2001, shareholders holding approximately 95.84% of New Hampton's shares had surrendered their shares to Harmony in acceptance of the Harmony offer and this offer had become unconditional.

For accounting purposes the Company accounted for New Hampton as a subsidiary from April 1, 2001, the date on which it gained control of New Hampton. Prior to this date the Company had no significant influence over New Hampton. No minority interests were accounted for from this date until June 30, 2001 as New Hampton was in a net deficit position. The excess of the purchase price compared to the net book value of the net assets acquired amounted to $12.7 million which has been allocated to undeveloped properties included in property, plant and equipment.

g) Acquisition of certain assets and liabilities of the Elandsrand and Deelkraal mines ("Elandskraal") from AngloGold

On January 31, 2001, Harmony entered into an agreement to purchase Elandskraal, subject to the fulfillment of certain conditions precedent, for approximately Rand 1 billion ($130.9 million) in cash. Harmony and AngloGold jointly managed Elandskraal between February 1, 2001 and April 1, 2001 and Harmony completed the purchase on April 9, 2001. The results of Elandskraal have been accounted for in the books of Harmony from April 1, 2001. The deficit of the purchase price compared to the net book value of the net assets acquired amounted to $30.7 million which has been allocated to property, plant and equipment.

h) Agreement with Open Solutions (Proprietary) Limited ("Open Solutions")

On April 24, 2001, the Group entered into an agreement with Open Solutions (25% of which is owned by Khumo Bathong Holdings (Proprietary) Limited), pursuant to which the parties agreed to associate together in a joint venture related to the business of the Elandskraal, or the Elandskraal Venture. Open solutions, an empowerment group, undertook to purchase a 10% participation interest in the Elandskraal Venture for a cash consideration equal to 10% of the historical acquisition costs (including all transaction costs but excluding loan financing costs) of the Elandskraal mine, in an amount estimated to be approximately Rand 113.7 million ($ 14.1 million). No gain or loss was recorded in the financial statements of the Group as a result of this transaction. Randfontein has retained the remaining 90% participation interest in the Elandskraal Venture (but must consult with Open Solutions prior to effecting a sale or disposal of the material portion of the assets of the Elandsrand or Deelkraal mines). Under the agreement, Harmony also undertook to loan the purchase price to Open Solutions at an interest rate equal to the prime rate less 1%, which will be repaid by Open Solutions from the benefits accruing to open Solutions attributable to its 10% participation interest. As security for the repayment of this loan, Open Solutions ceded and assigned to Randfontein all its right, title and interest in and to its participation interest (other than the right to appoint three representatives) until the loan is repaid in full.

i) Pro-forma financial information relating to Randfontein, Kalgold and Elandskraal (including the sale to Open Solutions) and New Hampton

The consolidated statements of operations reflect the operating results of Randfontein, Kalgold, Elandskraal (including the sale to Open Solutions) and New Hampton since the effective dates of acquisition.

The following pro-forma unaudited summarized financial information assumes that the above acquisitions had occurred on July 1 of each of the fiscal years in which they occurred.

	2001	**2000**
	$'000	**$'000**
Revenues	699,715	666,371
Net income	1,092	1,062
Basic earnings per share – cents	1.1	1.1
Average shares used in the computation	102,156,205	96,335,715

These pro-forma amounts have been prepared for comparative purposes only and they do not purport to be indicative of the results of operations which actually would have resulted had the combination been in effect on July 1, 1999 and 2000 or of future results of operations of the consolidated entities.

4. OTHER INCOME - NET

	2001 $'000	2000 $'000	1999 $'000
Profit on sale of property, plant and equipment	10,528	6,308	3,361
Other (expenses)/income - net	168	2,232	(2,703)
	10,696	8,540	658

5. LOSS ON DISPOSAL OF SUBSIDIARY

The Company disposed of its entire interest in The Grootvlei Proprietary Mines Limited and Consolidated Modderfontein Mines Limited, effective December 15, 1998, to Petra Mining Limited for a consideration of $14.9 million. The purchase price was paid by way of shares to the value of $9.9 million, which were sold before year end and a receivable of $5 million payable in 21 monthly installments commencing March 1999.

The Company realized a net loss of $1.1 million with the disposal of the above mentioned subsidiaries.

6. EQUITY LOSSES / MINORITY INTERESTS

On January 14, 2000 Harmony made a revised offer to the shareholders of Randfontein to acquire the entire issued share capital and listed options in Randfontein. As at this date the Company effectively held 33% of the issued share capital. The Company has equity accounted for its interest in Randfontein up to February 29, 2000, the date at the end of the accounting period during which its investment in the issued share capital exceeded 50%. Between March 2000 and June 2000, the Company acquired the entire remaining issued share capital of Randfontein. The minority interests in Randfontein during this period have been separately accounted for.

On April 24, 2001, Harmony disposed of 10% of its interest in Elandskraal. The minority interest in Elandskraal since that date to June 30, 2001 have been separately accounted for.

7. IMPAIRMENT OF ASSETS

	2001 $'000	2000 $'000	1999 $'000
Free State shafts	5,624	-	18,503
Randfontein shafts	1,524	-	-
Evander shafts	1,493	-	-
Bissett Gold mine	19,625	-	-
	28,266	-	18,503

Due to the depletion of mineable reserves, certain shafts at Randfontein, Free State and Evander were closed and the remaining net book values written off.

It was also decided to place the Bissett mine on care and maintenance due to the mining operations being uneconomic at current gold prices. The write-down reflects the excess of the book value of long term and other assets over estimated salvage values of those assets.

As a result of the significant decline in the gold price during the 1999 financial year, a number of shafts' future undiscounted cash flows were lower than their net carrying value, resulting in a number of shafts being impaired. An amount of $18.5 million, calculated on a discounted basis was therefore written off.

8. EMPLOYMENT TERMINATION COSTS

	2001 $'000	2000 $'000	1999 $'000
Free State	-	222	5,430
Randfontein and Elandskraal	4,521	-	-
Evander	136	-	-
Kalgold	72	-	-
	4,729	222	5,430

During the year ended June 30, 2001, due to the closure of No. 4 shaft at Randfontein and the restructuring of Elandskraal certain restructuring costs were incurred which included the termination of service of certain production employees.

During the year ended June 30, 2000, in order to achieve strategic objectives, the services of certain non-production employees at Evander were terminated at a cost of R1.4 million ($0.2 million). During January and February 2000, Randfontein terminated the employment of the services of certain Randfontein production and non-production employees at a cost of R18.2 million ($2.6 million), while implementing the Company's management style. As the Company equity accounted for its investment in Randfontein at this date, the retrenchment costs are not reflected as a cost item in the consolidated statement of operations. The Company has accounted for its portion of the retrenchment costs through equity accounting for its investment in Randfontein.

Restructuring at the Evander and Masimong mines when the Company took over ownership of these operations during the second half of 1998 resulted in the termination of the services of non-production employees at a cost of $3.5 million. During December 1998, the Company sold The Grootvlei Proprietary Mines Limited and Consolidated Modderfontein Mines Limited and terminated the services of employees who could not be absorbed by the rest of the Group at a cost of $1.9 million. The restructuring plan at Evander and Masimong was completely carried out before the financial year-end and all expenses relating to the restructuring were incurred. No provisions relating to the costs involved in the termination of services of employees existed at the financial year-end.

9. INCOME AND MINING TAXES

	2001 $'000	2000 $'000	1999 $'000
Current Income and mining taxes	8,277	3,477	2,138
Deferred Income and mining taxes	6,348	10,072	153
Total income and mining taxes expense	14,625	13,549	2,291

Mining tax on mining income is determined on a formula basis which takes into account the profit and revenue from mining operations during the year. Non-mining income is taxed at a standard rate. Deferred tax is provided at the estimated effective mining tax rate for temporary differences. Major items causing the Company's income tax provision to differ from the estimated effective mining rate of 20.5% were:

	2001 $'000	2000 $'000	1999 $'000
Tax on net income at estimated mining statutory rate	(3,430)	(15,047)	(6,176)
Rate adjustment	-	-	3,150
Valuation allowance raised against deferred tax assets	(9,816)	(1,504)	-
Non-taxable income / additional deductions	(512)	6,473	735
Difference between non-mining tax rate and estimated mining statutory rate on non-mining income	(867)	(971)	-
Other	-	(2,500)	-
Income and mining tax expense	(14,625)	13,549	(2,291)

Deferred income and mining tax liabilities and assets on the balance sheet as of June, 30 2001 and June, 30 2000, relate to the following:

	2001 $'000	2000 $'000
Deferred income and mining tax liabilities		
Depreciation and amortization	81,195	68,844
Product inventory not taxed	4,303	3,374
Other	3,731	977
Gross deferred income and mining tax liability	89,229	73,195
Net deferred income and mining tax assets	(43,508)	(24,095)
Deferred financial liability	(6,791)	(9,240)
Unredeemed capital expenditure	(31,119)	(5,243)
Provisions, including rehabilitation accruals	(12,152)	(11,404)
Tax losses	(1,953)	-
Valuation allowance	8,507	1,792
Less: short term portion of deferred income and mining tax included in accounts payable	1,329	(414)
Net deferred income and mining tax liabilities	47,050	48,686

The classification of deferred income and mining tax assets is based on the related asset or liability creating the deferred tax. Deferred taxes not related to a specific asset or liability are classified based on the estimate period of reversal. As at

June 30, 2001 the Group has unredeemed capital expenditure of $130.2 million (2000: $25.4 million) and tax loss carry forwards of $6.5 million (2000: $10.7 million) available for deduction against future mining income. These future deductions are utilizable against mining income generated only from the Group's current mining operations and does not expire unless the Group ceases to trade for a period longer than one year.

10. EARNINGS PER SHARE

	For the year ended June 30, 2001		
	Income (Numerator) $'000	Shares (Denominator)	Per-share Amount
Basic earnings per share before cumulative effect of change in accounting policy			
Shares outstanding July 1, 2000	-	97,310,435	-
Weighted average number of shares issued during the year	-	4,845,770	-
Income available to common stockholders	14,830	102,156,205	14.5
Effect of dilutive securities			
Share options issued to employees	-	3,348,123	(0.4)
Diluted earnings per share	14,830	105,504,328	14.1
Basic earnings per share after cumulative effect of change in accounting policy			
Shares outstanding July 1, 2000	-	97,310,435	-
Weighted average number of shares issued during the year	-	4,845,770	-
Income available to common stockholders	9,008	102,156,205	8.8
Effect of dilutive securities			
Share options issued to employees	-	3,348,123	(0.3)
Diluted earnings per share	9,008	105,504,328	8.5

	For the year ended June 30, 2000		
	Income (Numerator) $'000	Shares (Denominator)	Per-share Amount
Basic earnings per share			
Shares outstanding July 1, 1999	-	69,460,286	-
Weighted average number of shares issued during the year	-	14,133,138	-
Income available to common stockholders	57,030	83,593,424	68.2
Effect of dilutive securities			
Share options issued to employees	-	1,997,452	(1.6)
Diluted earnings per share	57,030	85,590,876	66.6

	For the year ended June 30, 1999		
	Income (Numerator) $'000	Shares (Denominator)	Per-share Amount
Basic earnings per share			
Shares outstanding July 1, 1998	-	53,927,000	-
Weighted average number of shares issued during the year	-	12,916,932	-
Income available to common stockholders	27,908	66,843,932	41.8
Effect of dilutive securities			
Share options issued to employees	-	1,226,240	(0.8)
Diluted earnings per share	27,908	68,070,172	41.0

Warrants to purchase 7,579,900 ordinary shares at a price of R60.00 per share were outstanding during the years presented. Warrants to purchase 9,027,500 ordinary shares at a price of R43.00 per share ($5.32) were outstanding from June 29, 2001. Preference shares enabling the holder to convert into 10 958 904 ordinary shares at R41.50 per share were outstanding from June 18, 2001.

These warrants and preference shares have not been included in the computation of fully diluted earnings per share because the effect would have been antidilutive.

11. RECEIVABLES

	2001 $'000	2000 $'000
Value added tax	12,753	7,392
Trade receivables	8,660	-
Amount owing relating to share issue	36,276	-
Interest and other	41,627	24,329
	99,316	31,721

12. INVENTORIES

	2001 $'000	2000 $'000
Gold in-process	24,309	17,146
Supplies	13,169	10,715
	37,478	27,861

13. PROPERTY, PLANT AND EQUIPMENT

	2001 $'000	2000 $'000
Mining properties, mine development costs and mine plant facilities	660,115	543,535
Other non-mining assets	12,869	14,190
	672,984	557,725

Included in property, plant and equipment is cumulative capitalized interest relating to the Bissett mine amounting to $1.1 million (2000: $1.1 million).

14. OTHER ASSETS

	2001 $'000	2000 $'000
Mineral subscriptions, participation rights and slimes dams	5,874	6,971
Bond issue costs, net of amortization	1,866	-
	7,740	6,971

15. NON-CURRENT INVESTMENTS

	2001 $'000	2000 $'000
Listed investments (a)	39,784	39,152
Unlisted investments (b)	2,829	2,946
Amounts contributed to environmental trust funds (c)	24,027	18,368
Other investments	1,571	2,192
	68,211	62,658

(a) Listed investments consist of 43,350,992 shares in Goldfields Australia Limited valued at Rand 7.38 ($0.92) per share.

(b) Unlisted investments comprise investments in various unlisted companies in South Africa for which a fair value is not readily determinable. The directors of the Company perform independent valuations of the investments on an annual basis to ensure that no permanent diminution in the value of the investments has occurred.

(c) The environmental trust funds are irrevocable trusts under the Group's control. The monies in the trusts are invested primarily in interest bearing short-term investments.

16. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2001 $'000	2000 $'000
Trade payables	27,294	20,741
Deferred income and mining taxes	(1,329)	414
Short term portion of long-term loan	-	52,074
Short term borrowings	9,640	-
Payroll and other compensation	31,478	26,740
Other (including accrued liabilities)	66,297	36,796
	133,380	136,765

17. LONG-TERM LOANS

	2001 $'000	2000 $'000
Secured		
Loan from ABSA ("term loan facility") (a)	-	59,041
Less short-term portion of loan	-	29,520
	-	29,521
Loan from ABSA ("Capex loan") (b)	-	6,517
Less short-term portion of loan	-	-
	-	6,517
Capitalized finance leases – Stannic (c)	-	122
Less current portion	-	98
	-	24
Robert Fleming & Co Limited (d)	-	18,059
Less short-term portion of loan	-	18,059
	-	-
NM Rothschild & Sons – term loan (e)	-	8,504
NM Rothschild & Sons – revolving credit loan (f)	-	6,466
Less short-term portion of loan	-	4,397
	-	2,069
BAE Systems Plc (g)	3,501	-
Less short term portion of loan	-	-
	3,501	-
Unsecured		
Senior unsecured fixed rate bonds (h)	149,947	-
Less: amortized discount	1,982	-
	147,965	-
Total secured and unsecured long-term loans	151,446	46,635

(a) On February 2, 2000 the Company entered into a Rand denominated term loan facility with ABSA, which entitled the Company to drawdown up to a maximum of $66.4 million (Rand 450 million) by April 30, 2000 to fund the cash portion of the Randfontein consideration. The loan was settled in full during fiscal 2001.

(b) On July 31, 1999, the Company entered into a US dollar denominated loan with ABSA to fund capital expenditure at the Bissett mine. The loan was settled in full during fiscal 2001.

(c) Capitalized finance leases for moveable mining assets were settled in full during the year ended June 30, 2001.

(d) On March 1, 2000, a wholly owned subsidiary of the Company, Harmony Gold (Australia) (Pty) Limited (''Harmony Gold Australia'') entered into an agreement with Robert Fleming & Co., whereby Robert Fleming & Co. made a $20 million loan facility available to Harmony Gold Australia. 19.95% interest in Goldfields Australia. The loan was settled in full during fiscal 2001.

(e) The term loan from NM Rothschilds was a collaterized loan over the assets of the Bissett gold mine. The loan was settled in full during fiscal 2001.

(f) The NM Rothschild & Sons revolving credit facility was a collaterized loan over the fixed and moveable assets of Bissett as well as rights to the orebody and gold in process. The loan was settled in full during June 2001.

(g) The loan from BAE Systems Plc is a US dollar denominated term loan of R72 million ($9 million), of which R28.2 million ($3.5 million) has been drawn down, for financing the design, development and construction of a facility for the manufacture and sale of value added gold products at Harmony's premises in the Free State. The loan is secured by this facility and is repayable in full on April 30, 2004. The loan bears interest at Libor plus 2% which is accrued daily from the drawdown date and is repayable on a quarterly basis.

(h) On June 16, 2001, Harmony launched and priced an issue of senior unsecured fixed rate bonds in an aggregate principal amount of Rand 1,200 million ($149.3 million), with semi-annual interest payable at a rate of 13% per annum. These bonds are repayable on June 14, 2006, subject to early redemption at Harmony's option. The bonds are listed on the Bond Exchange of South Africa. The bonds were issued to settle existing debt and fund the purchase of Elandskraal and New Hampton. So long as the bonds are outstanding, Harmony will not permit encumbrances on its present or future assets or revenues to secure indebtedness for borrowed money, without securing the outstanding bonds equally and ratably with such indebtedness, except for certain specified permitted encumbrances. Issuance costs of $1.9 million were capitalized and are being amortized over the life of the bonds.

18. PREFERENCE SHARES

On April 3, 2001, Harmony entered into an agreement with Komanani Mining (Pty) Ltd ("Komanani"), a South African empowerment group, and the Industrial Development Corporation of South Africa Limited ("IDC") on behalf of Komanani, pursuant to which, subject to the fulfillment of certain specified conditions, Komanani and the IDC thereby subscribed for 222 222 Harmony ordinary shares and 10 736 682 Harmony ordinary shares at R46.00 ($4.47) per share, respectively. The IDC shares were issued during June 2001 and Komanani did not take up the issue. Subsequent to the year-end, Simane Investments, a South African black empowerment group, took up the shares offered to Komanani.

Under the agreement, the IDC also subscribed for 10 958 904 redeemable convertible preference shares at a price equal to their par value of Rand 0.50 each. The shares were issued on June 8, 2001. During a period of five years from their issue, the preference shares may be converted into an equal number of ordinary shares at the option of their holders upon payment of an additional Rand 41.50 per preference share. Any preference shares that are not converted within this five-year period will be redeemed by Harmony at Rand 0.50 per share.

19. DEFERRED FINANCIAL LIABILITY

	2001 $'000	2000 $'000
Deferred gain relating to restructuring of hedge book (a)	-	11,946
Mark to market of speculative financial instruments at year-end	48,451	28,228
Amount owing on close out of derivatives	2,747	-
Mark to market of hedging financial instruments at year-end	(1,824)	-
	49,374	40,174

(a) During October 1999, Randfontein restructured its hedge book as part of a refinancing arrangement. A gain arose on certain gold forward contracts which is being recognized over the original designated production.

20. PROVISION FOR ENVIRONMENTAL REHABILITATION

	2001	2000
	$'000	$'000
Accrued rehabilitation costs	53,136	52,525

While the ultimate amount of rehabilitation cost to be incurred in the future is uncertain, the Company has estimated that the total cost for the mines, in current monetary terms, will be R689 million ($85.7 million).

The Company intends to finance the ultimate rehabilitation costs from the monies invested with the environmental trust funds as well as the proceeds on sale of assets and gold from plant clean-up at the time of mine closure.

21. PROVISION FOR POST-RETIREMENT BENEFITS

	2001	2000
	$'000	$'000
Provision for former employees' post-retirement benefits	1,002	3,709

The provision for former employees' post retirement benefits comprise medical benefits for former employees who retired prior to December 31, 1996. This amount was based on an actuarial valuation conducted during the prior year.

22. HARMONY WARRANTS

	2001	2000
	$'000	$'000
For the acquisition of Vermeulenskraal Noord, 1,125,000 warrants were issued at a fair value of South African Rand 10 per warrant on December 3, 1996	2,480	2,480
For the acquisition of Lydex, 6,418,855 warrants were issued at a fair value of South African Rand 8.89 per warrant during the period January through March 1997	12,582	12,582
For the acquisition of the credit facility from NM Rothschild 36,045 warrants were issued at a fair value of South African Rand 5.70 per warrant on June 6, 1998	32	32
	15,094	15,094

The warrants are exercisable at a price of South African Rand 60.00, at which they may be converted into ordinary shares of the Company, on or before July 31, 2001. None of the warrants were exercised and therefore they lapsed.

In terms of a transaction dated June 29, 2001, 27,082,500 ordinary shares and 9,027,500 warrants to purchase 9,027,500 additional ordinary shares were issued. The ordinary shares were purchased in integral multiples of three and investors received one warrant for every three ordinary shares purchased. Each warrant will entitle its holder to purchase, on any business day on or before June 29, 2003, one ordinary share at R43.00 ($5.35).

23. EMPLOYEE BENEFIT PLANS

PENSION AND PROVIDENT FUNDS: The Group contributes to several pension and provident funds governed by the Pension Funds Act, 1946 for the employees of its South African subsidiaries. The pension funds are multi-employer industry plans. The Group's liability is limited to its annually determined contributions.

The provident funds are funded on the "money accumulative basis" with the member's and employer's contributions having been fixed in the constitution of the funds.

Substantially all the Group's employees are covered by the above mentioned retirement benefit plans. Funds contributed by the Group for fiscal 2001 amounted to $16.1 million (2000: $12.1 million and 1999: $10.9 million).

POST-RETIREMENT BENEFITS OTHER THAN PENSIONS: Skilled workers in South Africa participate in the Minemed medical scheme. The Group contributes to this scheme on behalf of current employees and retired employees who retired prior to December 31, 1996 (Minemed scheme). The Group's contributions to this scheme on behalf of retired and current employees amounted to $4.1 million, $1.9 million and $0.7 million for 2001, 2000 and 1999 respectively.

No post-retirement benefits are available to other workers. No liability exists for employees who were members of these schemes who retired after the dates noted above. The medical schemes pay certain medical expenses for both current and retired employees and their dependents. Current and retired employees pay an annual fixed contribution to these schemes.

An updated actuarial valuation was carried out during the 2000 fiscal year on the Minemed medical scheme following the last actuarial valuation in fiscal 1998 which resulted in a credit being reflected in that fiscal year. This was due to the fact that some of the premises on which the previous valuation was carried out had changed. The updated valuation resulted in a credit being reflected in the 2000 fiscal year due to the Group's contributions for retired employees no longer being inflation adjusted and certain changes in South African Law as regards employee benefits.

Assumptions used to determine the liability relating to the Minemed medical scheme included, investment returns of 12%, no increases in employer subsidies (in terms of the agreement) and mortality rates according to the SA "a mf" tables.

Randfontein had a liability to certain retirees and their dependants who retired prior to September 30, 1991 in terms of the JCI medical scheme. As at June 30, 2000, Harmony reflected a liability of $2.2 million in this regard. During the 2001 fiscal year an agreement was reached with these retirees whereby they were transferred to the Minemed medical scheme and no subsidies would be payable by Harmony to the scheme on behalf of these retirees. The provision was therefore reversed in the 2001 fiscal year.

The year-end liability of $1.0 million consists of $0.7 million relating to the Free State operations and $0.3 million relating to Evander.

LONG SERVICE AWARDS: The Company participates in the Chamber of Mines of South Africa Long Service Awards Scheme. In terms of the scheme bonus payments are made to certain employees upon attaining the qualifying age and level of service. Included in accounts payable is an amount of $0.6 million and $0.6 million, as at June 30, 2001 and June 30, 2000, respectively, relating to the current estimate of long-service awards payments which have been actuarially determined.

SHARE OPTION SCHEME: The Company has an Employee Share Option Scheme ("Harmony Share Option Scheme" hereunder referred to as the HSOS scheme) under which certain qualifying employees may be granted options to purchase shares in the Company's authorized but unissued ordinary shares. Of the total of 14,455,328 (2000: 9,731,043) ordinary shares under the specific authority of the directors in terms of the Share Option Scheme, 4,887,700 (2000: 6,899,000) shares have been offered to participants leaving a balance of 9,567,628 (2000: 2,832,043). In terms of the rules of the HSOS scheme, the exercise price of the options granted is equal to fair market value of the shares at the date of the grant.

Options currently expire no later than 10 years from the grant date and annually from the grant date, a third of the total options granted are exercisable. Proceeds received by the Company from the exercise are credited to common stock and additional paid in capital.

Share option activity was as follows:

	Available for grant	Number of shares	Average exercise price per share SA Rand
Balance as at June 30, 1998	1,085,174	4,419,400	
Net share options granted during the year	(920,100)	920,100	19.50
Share options exercised during the year	-	(963,200)	
Share options reserved during the fiscal year	2,404,654	-	
Balance as at June 30, 1999	2,569,728	4,376,300	
Share options granted during the year	(4,804,500)	4,804,500	
Share options exercised during the year	-	(2,071,500)	26.06
Share options forfeited during the year	210,300	(210,300)	
Shares reserved during fiscal year 2000	4,856,515	-	
Balance as at June 30, 2000	2,832,043	6,899,000	
Share options granted during the year	(824,400)	824,400	
Share options exercised during the year	-	(2,835,700)	20.89
Shares reserved during fiscal year 2001	7,559,985	-	
Balance as at June 30, 2001	9,567,628	4,887,700	

The options exercisable on June 30, 2001 and 2000 were 1,570,433 and 1,028,433, respectively.

The range of exercise prices for options outstanding at June 30, 2001 was R11.70 to R 51.50. The range of exercise prices for options is wide primarily due to the fluctuation of the price of the Company's stock over the period of the grants.

The following tables summarize information relating to the options outstanding at June 30, 2001:

Tables are denominated in South African Rands ("R") where applicable.

			Outstanding options Weighted average	
		Number of Shares	**Contractual life (in years)**	**Exercise price**
Range of prices	11.70 – 17.40	60,000	6.50	11.70
	19.50 – 27.20	3,481,700	8.35	23.53
	35.00 – 51.50	1,346,000	8.59	35.40
Total		4,887,700	8.39	26.65

		Exercisable options	
		Number of Shares	**Weighted average exercise price**
Range of prices	11.70 – 17.40	60,000	11.70
	19.50 – 27.20	1,061,767	22.11
	35.00 – 51.50	448,666	35.40
Total		1,570,433	25.51

These options will expire if not exercised at specific dates ranging from January 2005 to January 2010. Market prices for options exercised during the three fiscal periods ended June 30, 2001 ranged from R23.00 to R48.10.

PRO-FORMA INFORMATION

The Company has elected to follow APB Opinion No. 25 "Accounting for Stock Issued to Employees". Previously under APB No. 25, because the exercise price of the Company's employee stock options equaled the market price of the underlying stock on the date of the grant, no compensation expense was recognized in the Company's financial statements.

Pro-forma information regarding net income and earnings per share is required by SFAS No. 123. This information is required to be determined as if the Company had accounted for its employee stock options, granted subsequent to December 31, 1995, under the fair value method of that statement. The fair value of options granted in 2001, 2000 and 1999 reported below has been estimated at the date of grant using a Black-Scholes option pricing model with the following weighted average assumptions:

	2001	**2000**	**1999**
Expected life (in years)	6	6	6
Risk free interest rate	11.19%	13.58%	17.21%
Volatility	53.81%	65.00%	62.64%
Dividend yield	3.33%	3.20%	0.00%

The Black Scholes option valuation model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. In addition, option valuation models required the input of highly subjective assumptions including the expected stock price volatility. Because the Company's options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in the opinion of management, the existing models do not necessarily provide a reliable single measure of the fair value of its options. The weighted average estimated fair value of employee stock options granted during fiscal 2001, 2000 and 1999 under the ESOS was R18.90, R18.80 and R10.61 per share, respectively.

For purposes of pro-forma disclosures, the estimated fair value of the options is amortized to expense over the options vesting period. The Company's pro-forma information follows (thousands except for earnings per share information):

	2001 $	2000 $	1999 $
Adjusted net income	3,808	52,284	26,964
Adjusted basic earnings per share	3.61	59.17	40.34

The impact on pro-forma net income and earnings per share in the table above, which shows the effect for both schemes, may not be indicative of the effect in future years. The Company continues to grant stock options to new employees. This policy may or may not continue.

24. DERIVATIVE FINANCIAL INSTRUMENTS AND FAIR VALUE AND CREDIT RISK OF FINANCIAL INSTRUMENTS

Harmony is exposed to market risks, including credit risk, foreign currency, commodity price, interest rate and liquidity risk associated with underlying assets, liabilities and anticipated transactions. Following periodic evaluation of these exposures, Harmony may enter into derivative financial instruments to manage these exposures. Harmony does not hold or issue derivative financial instruments for trading or speculative purposes.

Foreign currency sensitivity

In the ordinary course of business, Harmony enters into transactions denominated in foreign currencies (primarily US Dollars). In addition, Harmony has investments and liabilities in US, Canadian and Australian Dollars. As a result, Harmony is subject to transaction and translation exposure from fluctuations in foreign currency exchange rates. Harmony does not generally hedge its exposure to foreign currency exchange rates.

Harmony did however, hedge certain of its exposure between the Canadian dollar and the US dollar for a portion of Bissett's gold sales.

These positions were all closed during fiscal 2001. As at June 30, 2000, the foreign currency exchange contracts held by Bissett were:

Maturity dates	Amount $'000	Exchange rate ($/C$)	Fair value June 30, 2000 $'000
June 30, 2001	12,700	1.43	
June 30, 2002	2,100	1.43	
	14,800	1.43	(400)

Commodity price sensitivity

As a general rule, Harmony sells its gold production at market prices. Harmony, generally, does not enter into forward sales, derivatives or other hedging arrangements to establish a price in advance for the sale of its future gold production.

Harmony's commodity contracts by type of contract as of June 30, 2001 are set forth below:

	Financial years over which instruments expire						Mark-to-market
	2002	**2003**	**2004**	**2005**	**2006**	**Total**	**$'000**
(a) Randfontein							
Forward sales							
Ounces	-	-	12,500	37,500	-	50,000	(644)
$/ounce	-	-	284	284	-	284	
Puts purchased							
Ounces	750,000	-	-	-	-	750,000	644
R/ounce	1,990	-	-	-	-	1,990	
Forward purchases							
Ounces	(350,000)	-	-	-	-	(350,000)	(13,481)
$/ounce	309	-	-	-	-	309	
Calls sold							
Ounces	-	27,006	163,526	200,079	59,714	450,325	(11,618)
$/ounce	-	279	296	299	300	297	
Total	400,000	27,006	176,026	237,579	59,714	900,325	(25,099)
(b) New Hampton							
Forward sales							
Ounces	177,304	206,000	9,000	-	-	392,304	(7,739)
A$/ounce	498	514	539	-	-	507	
Puts purchased							
Ounces	-	25,500	227,500	220,000	90,000	563,000	4,752
A$/ounce	-	523	500	498	500	500	
Calls sold							
Ounces	245,000	97,206	175,500	-	-	517,706	(12,989)
A$/ounce	500	523	526	-	-	513	
Calls purchased							
Ounces	(100,000)	-	-	-	-	(100,000)	2,038
A$/ounce	500	-	-	-	-	500	
Total	322,304	328,706	412,000	220,000	90,000	1,373,010	(13,938)
Total hedged position (ounces)	722,304	355,712	588,026	457,579	149,714	2,273,335	(39,037)

Harmony's commodity contracts by type of contract as of June 30, 2000 are set forth below:

	Financial years over which instruments expire						Fair value at June 30, 2000 $'000
	2001	2002	2003	2004	2005	Total	
Randfontein and Bissett							
$ Forward sales							
Ounces	15,833	95,871	207,448	211,618	83,543	614,313	(19,600)
$ per ounce	317	301	295	294	295	296	
$ Calls Sold							
Ounces	-	49,800	118,500	137,400	68,700	374,400	(20,000)
$ per ounce	-	300	304	307	307	306	
R Calls Sold							
Ounces	-	27,006	54,012	28,928	1,922	111,868	(4,500)
R per ounce	-	2,255	2,380	2,511	2,613	2,400	
$ Puts purchased							
Ounces	24,167	3,500	-	-	-	27,667	600
$ per ounce	317	317	-	-	-	317	
$ Forward gold purchase							
Ounces	(438,450)	-	-	-	-	(438,450)	(5,300)
$ per ounce	309	-	-	-	-	309	
Total hedged position (ounces)	(398,450)	176,177	379,960	377,946	154,165	68,798	
Total fair value							(48,800)

During the fiscal year ended June 30, 1999, Harmony did not enter into any significant hedging transactions. During the fiscal year ended June 30, 2000, Harmony recorded a gain on financial instruments of $8.6 million. This gain related primarily to the change in the mark-to-market of the speculative financial instruments held by Randfontein from March 1, 2000 to June 30, 2000, offset by the cost of closing out certain of the speculative financial instruments during that period. Harmony did not enter into other significant hedging instruments during the fiscal year ended June 30, 2000. During the fiscal year ended June 30, 2001, Harmony recorded a gain on financial instruments of $7.6 million. This gain related primarily to the change in mark-to-market of the speculative financial instruments held by Randfontein.

Subsequent to year-end certain financial instruments covering 230,000 ounces at New Hampton were closed out at no cost.

Concentration of credit risk

Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist principally of cash and equivalents, short-term investments and various derivative financial instruments. The Group's financial instruments do not represent a concentration of credit risk because the Group deals and maintains cash and equivalents, short-term investments and derivative financial instruments with a variety of major financial institutions and the credit ratings of the respective financial institutions are evaluated before the Group invests with them. The Group's debtors and loans are regularly monitored and assessed. An adequate level of provision is maintained.

Interest rates and liquidity risk

Fluctuation in interest rates impact on the value of short-term cash investments and financing activities, giving rise to interest rate risk.

Harmony generally does not undertake any specific actions to cover its exposure to interest rate risk. However, Harmony, through its acquisition of Randfontein and New Hampton, holds certain gold lease rate swaps and during June 2001 entered into an interest rate swap on a portion of the senior unsecured fixed rate bonds. Harmony held the following derivatives at June 30, 2001:

	Financial years in which instruments finally expire						**Mark to market**
	2002	**2003**	**2004**	**2005**	**2006**	**Total**	**$'000**
Gold lease rates (receive interest indicated and pay floating)							
(a) Randfontein							
Ounces................................	-	-	-	300,000	-	300,000	(1,209)
Lease rate receivable	-	-	-	1.5%	-	1.5%	
(b) New Hampton							
Ounces................................	-	-	318,000	-	581,000	899,000	(7,554)
Lease rate receivable	-	-	1.4%	-	0.7%	1.0%	
Total..	-	-	318,000	300,000	581,000	1,199,000	(8,763)
Interest rate swap on senior unsecured bond (pay variable rate and receive fixed rate)							
Rand amount (000's)...............	80,000	80,000	80,000	80,000	80,000	400,000	1,035
Fixed rate..............................	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	
Variable rate...........................	Based on Zar/Jibar/Safex plus 1.8% spread						
Rand amount (000's)...............	40,000	40,000	40,000	40,000	40,000	200,000	138
Fixed rate..............................	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	
Variable rate...........................	Based on Zar/Jibar/Safex plus 2.2% spread						
Total (Rand amount (000's)).......	120,000	120,000	120,000	120,000	120,000	600,000	1,173
Grand total...............................							(7,590)

Harmony held the following derivatives at June 30, 2000:

	Fiscal 2004	Total	Fair value at June 30, 2000 $'000
Ounces	549,500	549,500	
Rate	1.75%	1.75%	(1,100)

In the ordinary course of business, the Group receives cash from its operations and is required to fund working capital and capital expenditure requirements. The cash is managed to ensure surplus funds are invested in a manner to achieve maximum returns while minimizing risks.

Fair value

The fair value of a financial instrument is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The carrying amounts of receivables, all accounts payable, short-term investments and cash and equivalents are a reasonable estimate of their fair values because of the short-term maturity of such instruments. The investment in the environmental trust fund approximates fair value as the monies are invested in short-term maturity investments and listed investments (including those in environmental trust funds) are carried at market value. Long-term loans, other than the bonds, approximate fair value as they are subject to market based floating rates. The carrying value of the bonds approximate their market value at June 30, 2001 based on their market value.

25. ADDITIONAL CASH FLOW INFORMATION

The income and mining taxes paid in the statement of cash flow represents actual cash paid.

a) Non cash-items

Excluded from the statements of consolidated cash flows are the following:

i) For the year ended June 30, 2001

- The minorities' share in the profits of Elandskraal.
- The $9.9 million mark-to-market of listed and other investments.
- The $1.0 million mark-to-market of derivatives qualifying as hedges.

ii) For the year ended June 30, 2000

- The $6.6 million loan obtained from NM Rothschilds to directly finance the development costs at the Bissett mine.
- The $18.1 million loan obtained from Robert Fleming to finance the investment in Goldfields Australia.
- The $2.8 million mark-to-market of listed investments.

iii) For the year ended June 30, 1999

- The portion of the Masimong shafts acquired from Freegold, paid through a long-term payable of $7.0 million and through a transfer of an asset of $3.8 million.
- The $16.5 million loan obtained from NM Rothschilds to directly finance the development costs at the Bissett mine.

b) Acquisitions of Subsidiaries/Businesses

i) For the year ended June 30, 2001

(a) With effect from April 9, 2001, the Company acquired the Elandskraal mine from Anglogold. The aggregate fair value of the assets acquired and liabilities assumed were:

	2001 **$'000**
Property, plant and equipment	130,909
Investments	6,789
Long-term liabilities	(6,789)
Total purchase price	130,909
Paid for by cash	(130,909)

(b) With effect from April 1, 2001, the Company had acquired a majority shareholding in New Hampton and during the period to June 30, 2001 increased its shareholding such that as at June 30, 2001, the Company had acquired 96% of the issued share capital of New Hampton. The aggregate fair value of the assets acquired and liabilities assumed were:

	2001 **$'000**
Inventories	5,455
Accounts receivable	2,272
Investments	3,260
Property, plant and equipment	75,898
Accounts payable and accrued liabilities	(18,546)
Long-term liabilities	(39,808)
Total purchase price	28,532
Paid for by cash	(28,532)

ii) For the year ended June 30, 2000

(a) With effect from March 1, 2000, the Company had acquired a majority shareholding in Randfontein and during the period up to June 30, 2000 the Company increased its shareholding that as at June 30, 2000, the Company had acquired the entire issued share capital and 96.5% of the outstanding warrants of Randfontein Estates Limited. The aggregate fair value of the assets acquired and the liabilities assumed were as follows:

	2000
	$'000
Inventories	8,192
Accounts receivable	10,268
Investments	33,760
Property, plant and equipment	210,695
Accounts payable and accrued liabilities	(97,809)
Long-term liabilities	(24,661)
Deferred tax	(14,460)
Total purchase price	125,985
Paid for by the issue of share capital	(82,842)
Paid for by cash	(51,892)
Cash and cash equivalents at acquisition	(8,749)

(b) With effect from October, 1 1999, the Company acquired the entire issued share capital of West Rand Consolidated Mines Limited and its subsidiary Kalahari Goldridge Mining Company Limited. The aggregate fair value of the assets acquired and the liabilities assumed were as follows:

	2000
	$'000
Inventories	1,068
Accounts receivable	1,395
Investments	5,904
Property, plant and equipment	41,545
Accounts payable and accrued liabilities	(2,540)
Long-term liabilities	(501)
Deferred tax	(259)
Total purchase price	46,612
Paid for by the issue of share capital	(46,393)
Paid for by cash	(949)
Cash and cash equivalents at acquisition	(730)

iii) For the year ended June 30, 1999

(a) With effect from July 1, 1998 the Company acquired the entire issued share capital of Evander Gold Mines Limited. The aggregate fair value of the assets acquired and the liabilities assumed were as follows:

	1999 **$'000**
Inventories	5,190
Accounts receivable	2,962
Investments	3,828
Property, plant and equipment	104,198
Accounts payable and accrued liabilities	(8,235)
Long-term liabilities	(15,692)
Deferred tax	(10,781)
Total purchase price	81,470
Paid for by the issue of share capital	(75,662)
Paid for by cash	(21,243)
Cash and cash equivalents at acquisition	(15,435)

(b) With effect from September 20, 1998 the Company acquired the Masimong 4 and 5 shafts as well as the gold plant from Freegold. The aggregate fair value of assets acquired and liabilities assumed were as follows:

	1999 **$'000**
Property, plant and equipment	25,974
Long-term liabilities	(7,723)
Total purchase price	18,251
Paid for by transfer of asset to Freegold	(3,768)
Paid for by way of long-term loan	(7,030)
Paid for by cash	7,453

c) Disposal of Subsidiaries

i) For the year ended June 30, 2001

With effect from April 24, 2001, Harmony disposed of a 10% interest in Elandskraal to Open Solutions. The book value of assets and liabilities disposed of were:

	2001 **$'000**
Property, plant and equipment	13,271
Stores	871
Total sales price	14,142
Paid for by way of receivables	(14,142)

ii) For the year ended June 30, 1999

With effect from December 15, 1998, the Company disposed of its entire shareholding in The Grootvlei Proprietary Mines Limited and Consolidated Modderfontein Mines Limited. The book value of assets and liabilities disposed were as follows:

	1999
	$'000
Property, plant and equipment	18,052
Investments	1,805
Inventories	662
Receivables	5,399
Long-term loans	(3,875)
Accounts payable and accrued liabilities	(6,012)
Loss on disposal	(1,126)
Total sales price	14,905
Paid for by way of listed investments	(9,937)
Paid for by way of receivables	(4,968)

26. COMMITMENTS

	2001	**2000**
	$'000	**$'000**
Capital expenditure commitments	15,299	1,744
Contracts for capital expenditure	26,137	14,305
Authorized by the directors but not contracted for	41,436	16,049

27. GEOGRAPHICAL AND SEGMENT INFORMATION

Harmony is primarily involved in gold mining, exploration and related activities. Activities are conducted and investments held both inside and outside of South Africa.

Up until June 30, 1998 all the group's gold mining activities were conducted in South Africa. The Bissett gold mine in Canada was acquired with effect from June 16, 1998. As at June 30, 1999, the Bissett gold mine was in the development phase and accordingly all operating income and expenses were capitalized.

Segmental information includes the results of operations of Kalgold, Randfontein, Elandskraal and New Hampton from date of acquisition with effect from October 1, 1999, March 1, 2000 and April 1, 2001, respectively, and Bissett from commencement of normal production on October 1, 1999.

Gold operations are managed and internally reported based on the following geographic areas: Free State, East Rand, Evander, Kalgold, Randfontein, Elandskraal, New Hampton and Bissett. The Free State, East Rand, Randfontein, Kalgold, Evander and Elandskraal are specific gold producing regions within South Africa. The Bissett mine is located in Canada and the New Hampton mines are located in Australia. The Company also has exploration interests in Southern Africa and Peru which are included in Other. Selling, administrative, general charges and corporate costs are allocated between segments based on time spent on each segment by members of the executive team.

The segmental split on a geographical basis is:

Year ended June 30, 2001

	Free State (South Africa)	Evander (South Africa)	Kalgold (South Africa)	Randfontein (South Africa)	Elandskraal (South Africa)	New Hampton (Australia)	Bissett (Canada)	Other	Total
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**
Profit and loss									
Product sales	188,101	125,142	13,507	194,363	37,219	18,057	14,245	-	590,634
Production costs	181,239	91,053	12,834	158,984	25,685	17,779	14,636	-	502,210
Cash operating profit	6,862	34,089	673	35,379	11,534	278	(391	-	88,424
Other revenues	5,502	4,437	60	4,823	30	2,274	202	(742)	16,586
Other costs/(income)	29,520	2,622	2,324	13,582	2,836	2,696	24,380	(2,754)	75,206
Including:									
Interest expense	7,274	4	13	3,412	-	2,416	1,473	415	15,007
Employment termination cost	-	-	72	4,521	-	-	-	136	4,729
Depreciation and amortization	12,130	2,020	1,940	6,904	3,386	1,343	3,282	412	31,417
Impairment	5,624	1,493	-	1,524	-	-	19,625	-	28,266
Operating profit/(loss) before tax	(17,156)	35,904	(1,591)	26,620	8,728	(144)	(24,569	2,012	29,804
Taxation expense	1,029	(10,028)	-	(4,073	(2,082)	-	-	529	(14,625)
Net profit/(loss) for the year before minority interest	(16,127)	25,876	(1,591)	22,547	6,646	(144	(24,569	2,541	15,179
Ounces sold	686,223	458,212	49,351	723,421	122,880	55,653	44,303	-	2,140,043
Capital expenditure	14,959	8,534	4,049	6,525	7,704	2,219	6,123	2,424	52,537
Total assets	281,097	108,928	21,368	270,561	151,229	128,443	8,150	60,049	1,029,825
Total liabilities	253,822	35,512	3,666	86,658	19,826	30,799	2,874	22,438	455,595

Year ended June 30, 2000

	Free State (South Africa)	Evander (South Africa)	Kalgold (South Africa)	Randfontein (South Africa)	Bissett (Canada)	Other	Total
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**
Profit and loss							
Product sales	243,548	114,189	14,017	92,126	8,238	-	472,118
Production costs	213,793	93,840	13,098	68,827	9,589	-	399,147
Cash operating profit	29,755	20,349	919	23,299	(1,351)	-	72,971
Other revenues	11,814	4,529	245	9,094	54	(7,203)	18,533
Other costs/(income)	15,681	(1,526)	3,802	(1,666)	3,223	(1,499)	18,015
Including:							
Interest expense	1,546	38	35	-	1,033	550	3,202
Employment termination costs	-	222	-	-	-	-	222
Depreciation and amortization	12,333	2,170	3,289	1,805	2,191	9	21,797
Reversal of former employees post retirement benefits	(1,461)	(2,439)	-	-	-	-	(3,900)
Operating profit/(loss) before tax	25,888	26,404	(2,638)	34,059	(4,520)	(5,704)	73,489
Taxation expense	(2,477)	(6,028)	(341)	(3,644)	(44)	(1,015)	(13,549)
Net profit/(loss) for the year before minority interest	23,411	20,376	(2,979)	30,415	(4,564)	(6,719)	59,940
Ounces sold	856,816	393,235	48,483	300,448	26,943	-	1,625,925
Capital expenditure	9,158	10,090	1,008	2,506	7,242	-	30,004
Total assets	252,218	147,542	48,450	266,396	17,005	40,577	772,188
Total liabilities	134,803	38,141	3,899	109,405	16,719	18,910	341,877

Year ended June 30, 1999

	Free State (South Africa)	Evander (South Africa)	East Rand (South Africa)	Bissett (Canada)	Other	Total
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Profit and loss						
Product sales	232,954	122,656	17,097	-	-	372,707
Production costs	200,347	92,510	14,972	-	-	307,829
Cash operating profit	32,607	30,146	2,125	-	-	64,878
Other revenues	16,904	2,175	557	-	(10,931)	8,705
Other costs/(income)	36,688	7,525	3,482	-	(4,311)	43,384
Including:						
Interest expense	2,276	9	3	-	19	2,307
Employment termination costs	497	3,073	1,860	-	-	5,430
Depreciation and amortization	11,243	4,107	1,235	-	4	16,589
Impairment	18,503	-	-	-	-	18,503
Operating profit/(loss) before tax	12,823	24,796	(800)	-	(6,620)	30,199
Taxation expense	1,578	(3,644)	-	-	(225)	(2,291)
Net profit/(loss) for the year before minority interest	14,401	21,152	(800)	-	(6,845)	27,908
Ounces sold	809,835	422,920	53,176	-	-	1,285,931
Capital expenditure	35,194	6,380	-	10,277	-	51,851
Total assets	266,729	147,777	-	21,484	8,423	444,413
Total liabilities	98,612	37,450	-	16,591	-	152,653