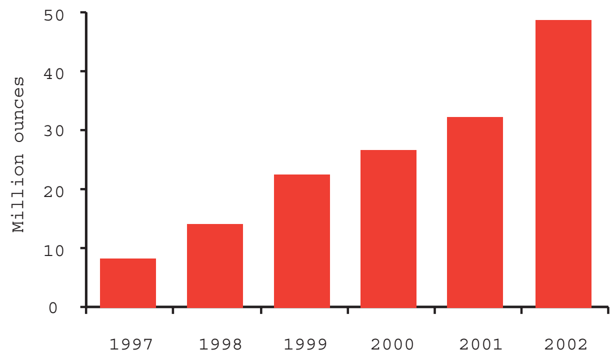
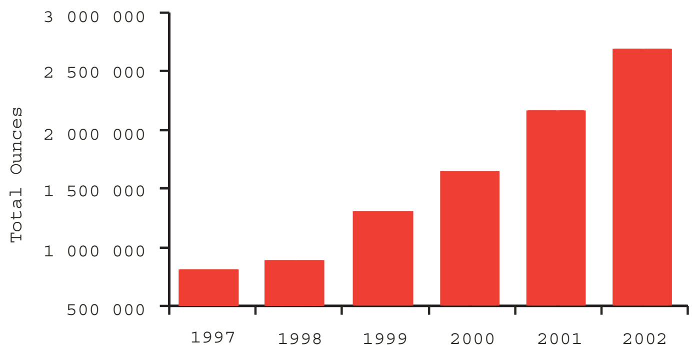
HIGHLIGHTS

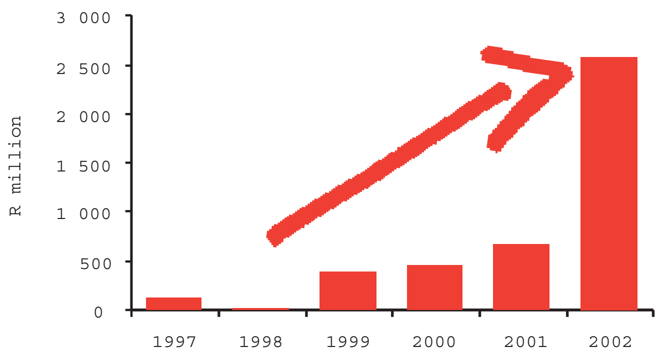
Total Reserves



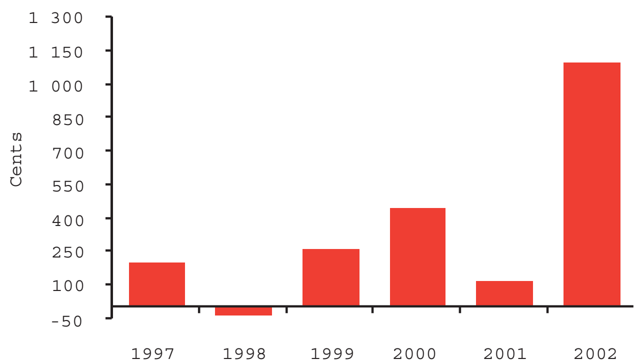
Gold Production



Cash Operating Profit



Earnings per Share



VALUE CREATION STRATEGY

strategy

COMPANY REVIEW FOR FINANCIAL YEAR ENDED JUNE 2002

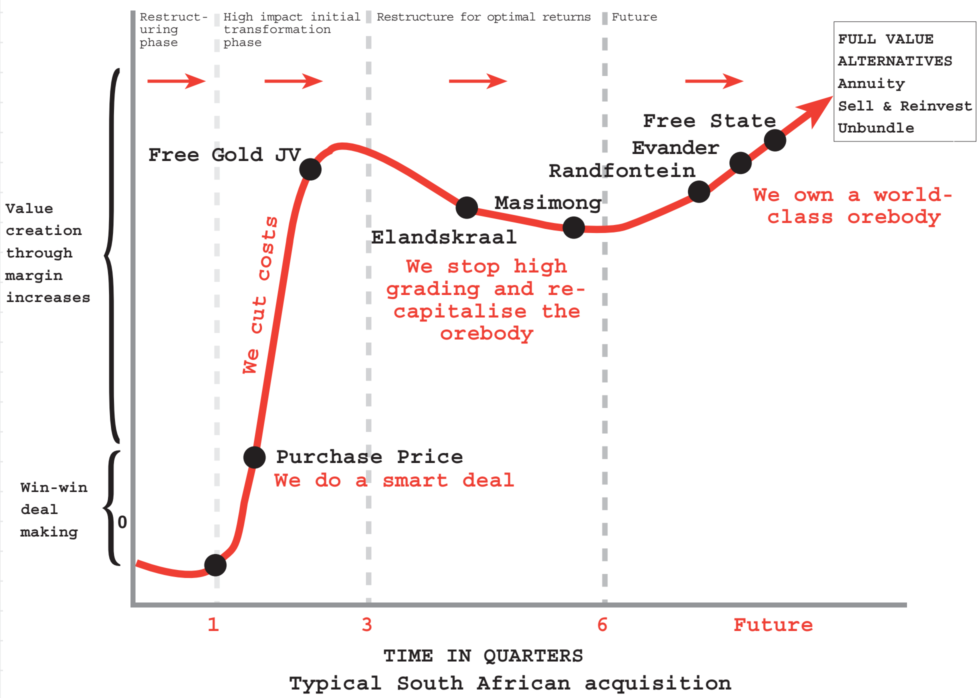
VALUE CREATION THE HARMONY WAY

We have continued with our successful strategy of growth – through acquisitions as well as organically – during the past financial year. This strategy has created significant value for all our stakeholders. Harmony has completed 23 acquisitions in the past six years, growing its production base from approximately 560 000 ounces to an estimated 3.1 million ounces for the 2002/2003 financial year. Over the same period our reserve base has increased in both quantity and quality, from approximately 8 million ounces in 1995 to an estimated 49 million ounces by June 2002. Through the success of our strategy we have become the fifth largest gold producer in the world.

"We continued with our successful strategy of growth – through acquisitions as well as organically – during the past financial year. This strategy has created significant value for all our stakeholders."

– Bernard Swanepoel

Harmony Value Curve



The Value Creation Curve

Harmony's strategy of acquiring mature low-margin operations, with turnaround potential, is clearly illustrated through the Harmony Value Creation Model.

This model has been applied successfully at our South African operations. It is based on the fact that in a market undergoing change and consolidation, companies and assets become available for sale.

Harmony operates on the principle that a "win-win deal" is necessary to complete transactions. This implies that the value of the asset acquired must be well understood by both parties in order to offer a sufficiently attractive price for the seller, while not destroying value for the Harmony shareholder.

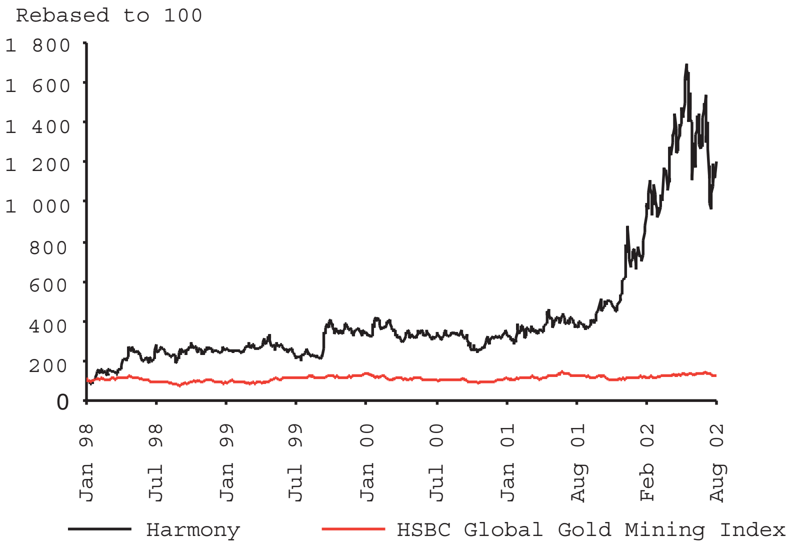
strategy

Upon acquiring a new asset we immediately start restructuring the mine. A restructuring plan is introduced which addresses overhead costs, working costs and organisational structures. This generally results in much higher cash operating profits. The long-term viability of these assets must now be ensured. At this stage we can afford to stop high grading and to spend more on development programmes to improve our mining flexibility.

This results in cash operating profit margins decreasing compared to the previous few quarters. Depending on the remedial measures required at the specific mine, this phase could last between 6 to 18 months. Once we have restructured the assets, we see the acquisition delivering consistent returns, as it now operates with higher and sustainable margins.

The typical signature of the Harmony Value Creation Curve is clearly seen when analysing the return on investment graphs of the various operations. We have used, and will continue to use, this Value Creation Model when evaluating future opportunities presented to us in gold-producing regions around the world.

Harmony vs HSBC Global Gold Mining Index over the last five years



Source: JP Morgan

"As our environment changes we adapt so that we deliver and continue to deliver value."

– Bernard Swanepoel

Our shareholders have benefited from this strategy and, when measured over the past five years, Harmony has consistently outperformed its peer group.

Our operating environment is subject to significant changes which have the potential to negatively impact on our profitability and ability to deliver on our strategy. As our environment changes we adapt so that we deliver and continue to deliver value.

How we deliver value

A year-on-year analysis of the performance of the company indicates the following:

Year Ending	30 June 2002	30 June 2001	Actual Variance	% Variance
Production - kg	82 971	66 563	16 408	25
Production - oz	2 667 572	2 140 043	527 529	25
Revenue - R/kg	94 080	67 525	26 555	39
Revenue - US$/oz	287	276	11	4
Working cost - R/kg	62 848	57 416	5 432	9
Working cost - US$/oz	192	234	(42)	(18)
Cash operating profit - R million	2 591	673	1 918	285
Cash operating profit - US$ million	254	88	166	189
Earnings/share (cents)	1 094	112	982	877

We believe that the South African Rand will continue to trade in the range of R10.00 to R11.50 to the US Dollar in the 2003 financial year, resulting in Harmony receiving a gold price in R/kg terms of approximately 12% more than in the previous year.

Harmony has seen an increase of 25% in production on a year-on-year basis. For the next financial year, we expect to produce an estimated 3.1 million ounces, an increase of 16% over the past financial year.

We have used the past six months to consolidate the acquisitions of Free Gold in South Africa and Hill 50 in Australia. Due to the current higher US Dollar gold price environment, Harmony has evaluated a number of growth opportunities available in other mining areas throughout the world.

This is how we have created significant value for our shareholders over the past five years:

	30 June 1998	30 June 1999	30 June 2000	30 June 2001	30 June 2002
Gold produced					
Kilogram	23 853	39 997	50 572	66 563	82 971
Ounces	766 890	1 285 931	1 625 925	2 140 043	2 667 572
Cash operating profit (million)					
SA Rand	24	386	461	673	2 591
US$	4	64	73	88	254
Cash operating cost					
R/Kg	47 991	46 759	50 121	57 416	62 848
US$/oz	305	240	246	234	192

In the year ended June 2002 we reported improved operational profits for the fourth year in succession. Cash operating profit for 2002 increased by 285%, from R673 million to R2 591 million. Kilograms produced were 25% higher, at 82 971kg compared to the 66 563kg, for the previous period. This increase in production was mainly due to improved operational performance by Elandskraal and the inclusion of Free Gold and the operations in Australia for a portion of the year under review.

Working costs were higher in R/kg terms, increasing by 9% from R57 416/kg to R62 848/kg, while in R/tonne terms, working costs increased marginally from R224/tonne to R227/tonne.

Profit before tax increased by 895% from R229 million to R2 279 million. Taxation at R583 million was 425% higher than the R111 million reported for 2001. We have, through taxes paid, made a significant contribution to the citizens of the countries in which we operate.

Net profit was 1 361% higher at R1 680 million compared with the R115 million for the previous financial year.

Earnings per share increased by 877% year-on-year to 1 094 cents. This is perhaps the best measurement of value created for shareholders.

We announced a final dividend of 425 cents, making the total dividend declared for the year 500 cents. In the 2001 financial year we declared a dividend of 120 cents.

Harmony achieved a US$95/oz or 33% cash operating profit margin with average cash costs of US$192/oz for the current year, compared with the margin of US$42 or 15% achieved by June 2001. Although working costs in R/kg terms increased, the devaluation of the South African Rand ensured that when measured in US$ terms, working costs decreased by 18% from US$234/oz to US$192/oz.

A year-on-year cash operating profit analysis of the company's operational regions is as follows:

Total cash operating profit (R million) **Operations**	**June** **2002**	**June** **2001**	**Variance** **(R million)**
Free State	478	46	432
Evander	468	259	209
Randfontein	615	274	341
Elandskraal	415	88	327
Kalgold	49	5	44
Offshore operations*	79	1	78
Sub-total	2 104	673	1 431
Free Gold (50%)**	487	-	487
Total	**2 591**	**673**	**1 918**

* includes Hill 50 results from April 2002
** results for six months have been included

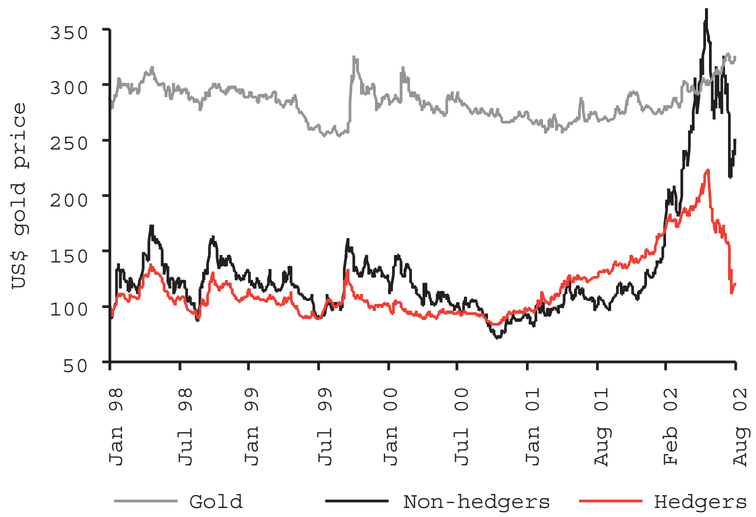
Still unhedged and proud of it

As an investment alternative the gold industry has been shunned over the previous four years, attracting only small amounts from new investment funds. It is interesting to note that over the past five years, non-hedgers have generally outperformed hedgers in what was a weak US Dollar gold price environment.

There was a period from August 2000 to early 2002 when shareholders became disillusioned with the inability of the gold price to react to world events, to the extent that hedged producers temporarily outperformed unhedged producers. The trend was reversed in 2002, as the outlook for gold has steadily been improving in the aftermath of September 11.

Since then the outperformance of non-hedgers has been significant, indicating the flow of new money into the sector. Investors are voting with their money.

Performance of Hedgers vs Non-hedgers over last five years



Source: JP Morgan

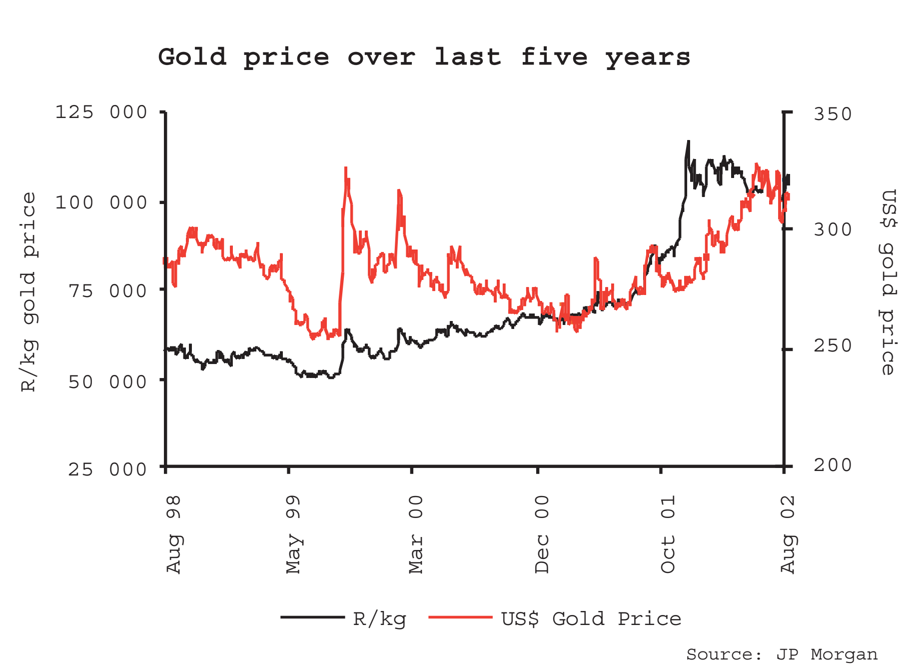
Our actions regarding restructuring the hedge books which came with our acquisitions, are very clear. During the past 12 months the Randfontein hedge book was completely closed. This hedge book, which we initially described as inappropriate for a gold mining company, came with the acquisition of the company in January 2000. In total, a further 710 000 ounces of forward sales contracts and call options were closed during the year. We incurred a net after tax cash cost of R135 million (US$13 million) on closing the hedge book.

Our position regarding the New Hampton and Hill 50 hedge books is well known. We will continue to restructure the inherited hedge books as and when market conditions allow.

CURRENT POSITIONING THE HARMONY WAY

Devaluation of the South African Rand versus the US Dollar

Domestic inflation concerns and regional political uncertainty caused the South African Rand to depreciate against most currencies. Since the end of 2001, Harmony, as an unhedged producer, benefited substantially from these market conditions.



Harmony saw a 4% increase in the US Dollar gold price for the period and, in R/kg terms, revenue increased by 39%. This gearing to movements in the US$/oz and R/kg gold prices, as well as the 25% growth in production, resulted in a 285% increase in cash operating profit in Rand terms. In US Dollar terms the increase in operating profit was 189%.

The effect of the depreciating Rand on cost profile

Should the exchange rate of approximately R11.00 to US$1.00 continue, and the US Dollar gold price remain constant this change in the R/kg gold price received will result in Harmony returning cash operating profits of approximately R800 million per quarter.

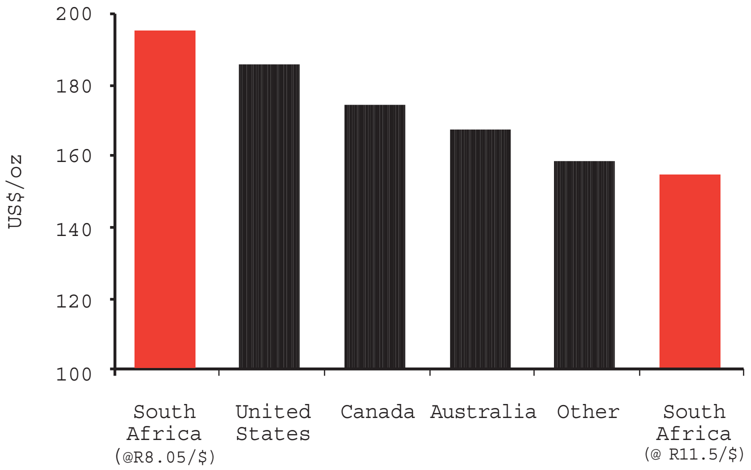
The challenge, however, is to continue to focus on the importance of managing working costs as part of our strategy of creating shareholder value. Although the higher gold price favourably affected the reserve base of the company due to a lower cut-off, we have avoided the temptation to increase marginal production in the shorter term.

As gold companies' ratings are determined by investors who focus mainly on cash costs, marginal production increases could actually destroy value. These marginal ounces will have above average cash costs and, therefore, will negatively impact on average cash costs as well as on the rating of the company.

"With a real profit margin of US$87/oz at a gold price of US$312/oz, Harmony could rightfully claim to be one of the most profitable gold mines in the world. Yet, we still have spectacular leverage remaining in the gold price, the Rand currency, as well as the largest resource in the world."

– Bernard Swanepoel

US$ cash costs of gold producers



Source: Company reports and Schroder Salomon Smith Barney estimates

In early 2001, at an exchange rate of R8.05 to the US Dollar, South African gold producers were the most expensive producers in the world when measured on a cash cost basis. At R11.50 to the US Dollar, the industry was the lowest cost producer. This resulted in vastly increased profit margins. We now operate at a cash cost of US$192/oz and a total cost of US$225/oz. With a real profit margin of US$87/oz at a gold price of US$312/oz, Harmony could rightfully claim to be one of the most profitable gold mines in the world. Yet, we still have spectacular leverage remaining in the gold price, the Rand currency, as well as the largest resource in the world.

We continue to pursue organic growth as part of our value creation strategy. Significant growth projects are under way at Elandsrand, Deelkraal, Masimong and also at Free Gold. Additional opportunities exist in the Evander and Randfontein regions.

Significant growth in ore reserves

The change in the South African exchange rate and the recovery in the gold price to levels above US$300/oz, have created a new operating environment. Using a gold price of US$295/oz and an exchange rate of R10.00 to the US Dollar, Harmony has a resource base of 295.9 million ounces of which 49.1 million ounces are in the reserve category. This is an increase of 51% over the reserves reported in June 2001.

A year-on-year comparison of reserves and resources:

Ore reserve statement as at	30 June 2002	30 June 2001
Gold price per kilogram	R95 000	R67 500
Exchange rate (SA Rand per US Dollar)	R10.00	R8.00
Total resource including project areas (ounces)	295.9 million	223.9 million
Reserve base (ounces)	49.1 million	32.5 million
(Includes 50% of Free Gold ounces attributable to Harmony)		

The acquisition of Hill 50 and Free Gold improved both the quantity and quality of our reserves. This increase in reserves will allow Harmony greater flexibility in the planned exploitation of the respective orebodies.

Our market capitalisation and liquidity

Our liquidity has increased significantly over the past year. As an unhedged growth gold stock, operating in a country with a weak currency, we are attractive to investors venturing into the gold market looking for value and leverage to the gold price.

Harmony shares traded per bourse (millions):

	1999/2000	As a %	2000/2001	As a %	2001/2002	As a %
JSE Securities Exchange	63.1	45	55.6	38	206.2	33
NASDAQ	43.3	30	63.1	44	301.0	48
London Stock Exchange	5.6	4	15.6	11	108.8	17
Euronext Brussels	15.6	11	5.5	4	8.0	1
Euronext Paris	14.1	10	4.8	3	5.6	1
TOTAL	**141.7 m**	**100**	**144.6 m**	**100**	**629.6**	**100**

	1999/2000	2000/2001	2001/2002
Average issued share capital	83.6 million	102.9 million	153.5 million
Liquidity of shares per annum	169%	141%	410%
Market Capitalisation	**R3 650 million**	**R6 779 million**	**R24 033 million**
Market Capitalisation	**US$539 million**	**US$843 million**	**US$2 302 million**

Harmony traded 629.6 million shares in the June 2002 financial year, compared with the 144.6 million for the previous financial year, an increase of 335%.

The past year saw a significant shift as the percentage shares traded on the JSE Securities Exchange decreased from 38% to 33%, the NASDAQ increased from 44% to 48%, while trading on the London Stock Exchange (LSE) increased from 11% to 17%.

When measured in quantity of shares traded, a total of 301 million ADRs were traded, compared to 63 million for the previous financial year. This increase in activity reflects the rush into unhedged stocks, such as Harmony, as investor interest in gold returned.

Over the last two quarters to 30 June 2002, Harmony, through its listing on the NASDAQ, had the most active ADR programme in the world.

We have been included in the following indices and bourses on the basis of our market capitalisation and in recognition of our offshore liquidity in the trading of our shares:

- Philadelphia Gold and Silver Index (XAU) as from 8 October 2001
- ALSI 40 Index (which consists of the 40 largest companies by market capitalisation) on the JSE Securities Exchange in South Africa in the latter half of December 2001
- We were listed on the Berlin Stock Exchange on 20 March 2002
- Options to acquire the company stock were listed on the Chicago Board Options Exchange (CBOE), the world's largest options market, on 2 April 2002

strategy

HARMONY OPERATIONAL LOCATIONS

GROWTH THE HARMONY WAY

Local Acquisitions

Conclusion of the acquisition of Freegold from AngloGold (50/50 joint venture)
The Harmony/ARMgold Freegold Joint Venture Company (Pty) Ltd (Free Gold) took operational control through the 50/50 joint venture of the assets in January 2002. The remaining conditions precedent to the acquisition were met on 10 April 2002. The acquisition, valued at R2 832 million, was concluded with the payment of R900 million each by Harmony and ARMgold on 23 April 2002. The outstanding payment to AngloGold of R400 million will be made by Free Gold on 1 January 2005. Free Gold will be able to claim a significant portion of the purchase price as a deductable expenditure against taxable income.

For the first six months since acquisition, the Free Gold assets generated attributable cash operating profits of R486 million for Harmony. This is significantly ahead of the estimates used for acquisition and financing purposes.

The operational restructuring is proceeding according to plan. Once the cost-cutting phase is complete, we plan to implement continuous operations and to further invest in the orebody of Free Gold. Acquiring the Free Gold assets in a joint venture company has created new challenges. We are happy with the level of co-operation that has been established between us and our partners. We believe this acquisition will continue to deliver significant returns for our shareholders. Making a success of the joint venture is also important to us in order to position ourselves as a partner of choice in South Africa for emerging mining companies.

Acquisition of St Helena by Free Gold
On 24 May 2002 Free Gold announced that it had reached an agreement in principle with Gold Fields Limited to acquire the assets of St Helena gold mine for a gross sale consideration of R120 million. In addition, a 1% royalty on revenue will be payable for a period of 48 months from the effective date.

The acquisition of the assets, which have an annual production of 100 000 ounces at a cash cost of US$234/oz, continues the consolidation of the Free State goldfields. It is anticipated that Harmony's share of this acquisition will add 50 000 attributable ounces to the company's production base for a five-year period.

Global Acquisitions

strategy

Takeover offer for Hill 50 Limited in Australia
On 10 December 2001, we announced a recommended takeover offer of R1 419 million (A$233 million) for all the shares and options of Hill 50 Limited in Australia. The takeover was completed on 22 June 2002. Hill 50 is one of Australia's premier mid-cap gold producers whose principal assets are the Mount Magnet operations in the Murchison Belt of Western Australia and the recently acquired New Celebration operations south of Kalgoorlie. In addition, Hill 50 owns exploration projects in the Northern Territory. As at 30 June 2002, Hill 50 had more than 1.9 million ounces of reserves and 8.1 million ounces of resources. It is anticipated that Harmony's Australian assets will contribute 580 000 ounces to the production base of the company.

The acquisition of Hill 50 has provided critical mass to Harmony's Australian operations and has been an important step in the development of our Australian gold mining business. The Hill 50 operations are the closest neighbours to our New Hampton operations at Big Bell and Jubilee respectively, and its acquisition has enabled a range of synergies to be extracted from the combination of these assets.

Bendigo Mining NL

On 14 December 2001 Harmony invested A$50 million (R292 million) to subscribe for 294 million shares, representing 31.8% of the share capital of Bendigo Mining NL, a single project Australian gold company which controls the entire Bendigo goldfields. In addition, Harmony has been granted 360 million options to acquire shares in Bendigo at any time before 31 December 2003 at a price of A$0.30 per share. On exercise of these options, Harmony would own approximately 50.1% of the diluted capital of the company.

Our cash investment will be used to continue developing and testing virgin underground orebodies, which exist beneath the myriad of historically individually owned old workings making up this goldfield. The Bendigo goldfields were closed in the early 1950s after 100 years of continuous production.

This project has the potential to be developed into a significant high-grade modern underground mechanised mine with a life of over 25 years. The potential resource has been estimated by Bendigo at 12 million ounces. The mine would be developed in stages and would reach full capacity over a six-year period. If an average recovery grade of 11 – 12 g/t (approximately 66% of the historical average recovered grade of this 22 million ounce field) can be achieved, the mine would produce 400 000 ounces per year at attractive cash and total costs.

The first blast in ore from the development programme is anticipated during September 2002. An intensive programme of further development, bulk sampling, grade validation and metallurgical test work will continue for 12 months before the final mine construction decision can be made.

Acquisition of 32.5% in Highland Gold Limited

On 31 May 2002, Harmony invested US$18 million to acquire a 32.5% interest in Highland Gold Limited (HGL), a Jersey-based company which holds Russian gold assets. It has a producing gold mine, with projects and potential projects at various stages of development.

Russia is well endowed with good quality multi-million ounce gold deposits. These deposits have been known for many years but remain undeveloped. In 2001, Russia was the world's sixth largest gold producer, producing approximately 155 tonnes (5 million ounces) representing 5.9% of world production. South Africa, the world's largest gold producer, produced 394 tonnes and Australia, as the third largest producer, produced 285 tonnes. Russian production, which is still dominated by alluvial mining, has increased by 11% per year since 1999.

EXPLORING OUR FUTURE

"The acquisition of Hill 50 has provided critical mass to Harmony's Australian operations and has been an important step in the development of our Australian gold mining business."

– Adam Fleming

strategy

Other Group Opportunities

Sale of AurionGold Shares

Subsequent to the financial year-end, Harmony accepted a bid from Placer Dome to exchange our 43 million shares in AurionGold (9.8%) for 7.5 million shares (1.9%) in Placer Dome and a cash component of A$15 million. This AurionGold holding was classified as non-core by Harmony in 2001 after the Goldfields/Delta merger. Proceeds from the possible liquidation of these shares may be used to further develop our international business.

Gold Exploration Activities

Exploration activities have not delivered any sizeable gold discoveries. Drilling and sampling programmes in both South Africa and Peru have located small zones of mineralisation but no Harmony-size targets have been identified.

Several interesting exploration projects have been evaluated in Russia and Central Asia and investigations into the possibility for joint ventures in these regions are in progress.

Platinum could be offering value

Work on our Kalplats project in the Kraaipan belt has continued with R15 million spent during the past financial year. Pre-feasibility work included the updating of orebody models, resource calculations, pit optimisations and plant design. The mineral resource is approximately 3.8 million ounces at 1.5 g/t total precious metals (tpm), including approximately 1.5 million ounces at 3.7 g/t tpm. Metallurgical extractions are estimated at about 75% for ore with grades above 2.0 g/t tpm. The economic viability of this project depends on the feasibility of mining selectively by open pit the higher grade reef zones at 2 to 3 g/t tpm, and on sustained platinum and palladium markets.

A life-of-mine of approximately ten years is indicated at a mining rate of 90 000 ounces platinum group metals (pgm) production per year. Underground mining on high-grade portions of the reefs and new discoveries within the project area may extend the life-of-mine. We plan to proceed with an advanced feasibility study at a cost of about R25 million, which will include the taking of a 500 tonne bulk sample for pilot plant scale metallurgical testwork.

We believe that further opportunities might present themselves in the platinum industry within the next two to three years. There are significant similarities between the mining of gold and platinum in South Africa and we have a track record of turning around mature assets and unlocking value in the process.

We believe that by introducing the "Harmony Way" to some of the marginal shafts currently operated by platinum producers we can unlock value for our current shareholders.

Beneficiation strategy pays off

We have made significant progress over the past few years with the marketing of our refined products. During the past year, our refinery's capacity was increased and it can now refine all our gold to a purity of 99.99%. We manufacture a varied range of investment bars and gold granules. We plan to expand this range even further over the next 12 months, as the benefits of our casting technology research and development programme becomes evident.

As one of the large producers of gold in the world, we have recognised our responsibility in the refining, marketing and distribution of our product. The benefits from these initiatives are likely to have an effect at a regional and national level. Our value-added products have been made available to regional and national jewellery manufacturers. South Africa has realised the need to beneficiate gold produced in the country and if we export value-added products from the Free State region we can benefit a larger group, create employment opportunities and establish an industry in a region which has seen a decline in gold production.

At a national, provincial and regional level our success with beneficiation has been recognised by the various stakeholders. Our integrated approach to realise the benefits of a beneficiation strategy is well supported.

Harmony, through New Line Cinema, acquired the rights to distribute a range of gold jewellery for the *Lord of the Rings* trilogy in South Africa, the United States and Canada. This high-quality jewellery is manufactured through a unique technological process.

"As one of the large
producers of gold in the
world, we have recognised
our responsibility
in the refining,
marketing and distribution
of our product."

– Adam Fleming

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– Bernard Swanepoel

OUR BUSINESS IS STRATEGICALLY MANAGED

Both South Africa and its gold industry find themselves in a phase of transformation. As the rules of our game have changed we have had to proactively reposition the company to seize the opportunities and to minimise the risks created by our new environment.

– Bernard Swanepoel

MANAGING DIVERSITY

transformation

TRANSFORMATIONAL OVERVIEW

Both South Africa and its gold industry find themselves in a phase of transformation. As the rules of our game have changed we have had to proactively reposition the company to seize the opportunities and to minimise the risks created by our new environment.

POSITIONING THE HARMONY WAY

These are the new rules:

The Mineral and Petroleum Resources Development Bill
On 26 June 2002, the South African Parliament passed legislation to enable broader participation in the local mining industry. The well-publicised Mineral and Petroleum Resources Development Bill has the following principal objectives:

- the country's mineral resources should be developed for the benefit of all South Africans;
- the State is the custodian of the nation's mineral resources and should have the right to exercise full and permanent sovereignty over these mineral resources;
- redressing the impact of past racial discrimination;
- mining companies will contribute to the socio-economic development and social upliftment in the regions where mining activities are located;
- respect for, and protection of, the environment; and
- the "use it and keep it" principle with no expropriation and guaranteed compensation for mineral rights.

For current established operations, security of tenure is assured for 30 years and renewable for 30 years thereafter. However, a new mining licence is required over existing mineral rights, and mining groups have five years to apply for it. The new licence will be subject to the requirements of the mining charter and an approved Social Plan. The charter will prescribe requirements for Black Economic Empowerment (BEE) and beneficiation, among other things.

We have positioned ourselves well over the past 18 months through the following initiatives:

- Simane Security Investments acquired a 6.4% stake in Harmony, funded by the IPC. This transaction, agreed to by our shareholders in May 2001, was successfully concluded with the conversion of the preference shares during January and February 2002. The average price of R85.46 per converted share enabled Simane to take transfer from the IDC of the 10.8 million unencumbered ordinary shares;
- Khuma Bathong's 10% participation in Elandskraal. At the time of acquiring Elandskraal in March 2001, the company sold a 10% participation right to Khuma Bathong, a BEE company for R100 million. The agreement enabled them to participate in the turnaround of Elandskraal and the purchase price plus interest was payable from profits generated by these operations.

The recent repurchase of this 10% stake by Harmony for R210 million has allowed Khuma Bathong to realise its investment in Elandskraal, allowing them to pursue other opportunities in the South African mining industry. Various local community trusts have benefited through their 40% shareholding in Khuma Bathong. Our shareholders stand to benefit from further value uplift expected at Elandskraal;

- the joint venture agreement between Harmony and ARMgold with the acquisition of AngloGold's Free State assets (Free Gold) at a total cost of R2 832 million.

We are also well positioned with regards to beneficiation. Our refinery and production of first phase valued-added products is in compliance with the new legislation.

In our view, there will be a practical and realistic agreement reached on the requirements of the charter, thus not adversely affecting our ability to operate in South Africa. Although there may be a cost involved in meeting the requirements, we remain committed to South Africa, where the bulk of our mines are based.

RESPONSIBILITY THE HARMONY WAY

HIV/AIDS

The HIV/AIDS infection rate of approximately 28% at the company's South African operations are representative of the country's gold mining industry's infection rate.

The industry is experiencing the impact of a high infection rate although there is still a low occurrence of full-blown AIDS. This scenario is bound to change over the next few years as HIV translates into full-blown AIDS. We have embarked on the following activities to address the HIV/AIDS issues:

- awareness programmes in all our operating regions;
- company-wide wellness programmes;
- medical assistance to repatriated employees; as well as
- separation packages for employees who wish to return home.

Actuarial modelling indicates that the cost of addressing the disease at the company's operations will peak at about 2% of total cost or about US$4/oz. We are currently incurring a cost of US$1.20/oz associated with the impact of HIV/AIDS.

Health

We provide quality health care equivalent to private hospital standards to all employees. The facilities range from 24-hour emergency care and intensive care units to world-class surgical theatres and outpatient facilities.

Education in all health matters, as well as continuing surveillance, is the bedrock of our approach. During the past year we have achieved our aim of at least one full medical examination for every employee.

The incidence of pulmonary tuberculosis has further escalated from a rate of 1 678 cases per 100 000 workers to 2 307 per 100 000 workers. This was not unexpected in light of the developing HIV/AIDS epidemic. However, TB plus silicosis has declined from 359 cases in 2001 to 315 in 2002.

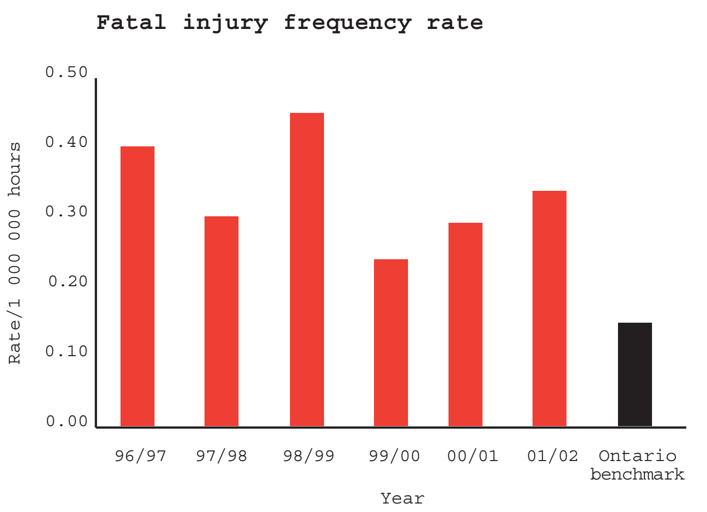
Noise-induced hearing loss remains a serious occupational hazard and 744 claims were submitted to the Rand Mutual Assurance Company on behalf of employees. Of these 311 employees have been paid compensation. The problem is being addressed by creating awareness of the effect of noise on hearing and through enforcing the use of hearing protection equipment.

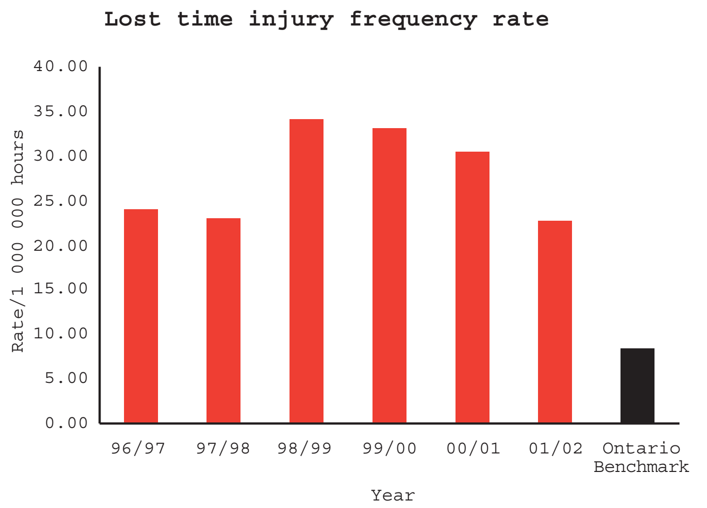
Safety

In 2001 we reported that the number of fatal accidents remained unacceptably high. The board took a strategic decision to appoint an Executive for Health, Safety and Quality in May 2002.

We have made safety a priority and by consistently driving the concept of safe production, we expect to improve our performance.

The company has made significant investments in setting up multi-disciplinary risk management teams. The benefits of having these teams is now beginning to show. The lost time injury frequency rate (LTIFR) per million man-hours worked is improving, but the fatal injury frequency rate (FIFR) per million man-hours worked shows a regrettable increase.





This means that there is a reduction in the number of the incidents occurring, but unfortunately, an increase in the severity of incidents. The fact that our recent acquisitions have, on average, been deeper and seismically more active has also impacted on the year-on-year numbers.

The main critical areas of incident severity remain fall of ground (62%) and trucks and tramways (6%). In order to proactively focus on these critical areas, the fall of ground safety awareness campaign has been revived and reinforced throughout the company. Training and communication will focus on hazard identification and risk assessment. Our rates compare favourably with the rest of the underground mining industry, even though the restructuring of new acquisitions results in a much higher percentage of people being in the higher risk production categories.

Our emphasis will remain on safe production. Safety is a focus during the planning phase and at site meetings. There is self-regulation through the Harmony Risk Management System, regular audits of compliance and constant communication.

Harmony is convinced that this team effort will enhance safety at all its operations.

On behalf of the board we would like to extend our sincere condolences to the families, friends and colleagues of the 34 employees who lost their lives at our operations this year.

Environmental Management

Mining impacts on the environment, but the environmental management teams at all our operations helped to sustain our commitment to minimise this impact of mining.

- **Environment Management Programmes (EMPR)**

  As required, 11 EMPRs were submitted to the Department of Mineral and Energy Affairs (DME). Ten have been approved and one is awaiting approval.

  All our mines are audited externally on an annual basis in terms of the legal requirements for each individual mine.

  Rehabilitation is an ongoing process in terms of Part 6 of the EMPR. It includes, but is not limited to, the grassing of slimes dams, demolition of facilities/infrastructure and the restoration of these areas. We are proactive in terms of the final closure of slimes dams no longer required. Harmony also partakes in developing guidelines for final closure that will be acceptable to the various regulatory bodies.

  The total group current rehabilitation liability is estimated at R1 085 million.

- **Water Management**

  Water quality management has become one of the main focus areas in the South African mining industry over the past year. This is mainly driven by the new National Water Act (36 of 1998).

  Our mines are spread over a wide area within various regional water catchment areas. Catchment Management Agencies (CMA) are operating in all these areas and we are represented at management level in these structures.

All water uses are now being licensed, and Harmony has submitted Water-Use Registrations in terms of the National Water Act.

Water Management Plans have been developed for the different operations as part of the Environmental Management Strategy. Overall, excess mine effluent is being reduced. These management plans also provide for a reduction in pollution potential and associated risks.

The Western Basin (Mine Void) at our Randfontein operations continues to fill with water. Concerned groups see this as a potential threat to the environment, and specifically to the nearby World Heritage Site, the Sterkfontein Caves. There are several mines in the basin which share the responsibility in this regard. We have initiated a study to establish the possibility of water reaching the Heritage Site through faults and other geological features. Initial evidence indicates that the potential risk is minimal, but the study continues.

Further work is currently under way to look at mitigation plans to manage the water once it starts decanting on surface.

- **Air Pollution**
  An environmental surveillance system has been implemented at slimes dams at our operations to monitor dust generation and fall-out in residential and other areas. This will assist in future dust suppression and the design and measurement of rehabilitation programmes.

- **Radiation Protection and Control**
  The National Nuclear Regulator (NNR) has issued nuclear licences to all Harmony's operations. Exposure to the public is controlled in accordance with the licence conditions.

  Public Hazard Assessments have been completed and an ongoing programme for dust, radon and water is in place at all our operations.

- **Cyanide Management**
  Harmony has developed a Code of Practice (CoP) for the safe handling of cyanide in accordance with the set guidelines. This CoP includes guidelines for the management of the impact on the environment. All our operations are audited annually for compliance in terms of ISO 14000.

transformation

RESPONSIBLE EMPOWERMENT

"We believe that employment equity is not merely about meeting targets, but about how we optimally engage employees in our changing business environment. It remains crucial to unlock the potential of all our employees."
– Adam Fleming

Employment Equity

We believe that employment equity is not merely about meeting targets, but about how we optimally engage employees in our changing business environment. It remains crucial to unlock the potential of all our employees. Flatter structures, with appropriate decision-making empowerment, are now in place throughout the company. In the past year we spent approximately R30 million on leadership development. The majority of our miners are historically disadvantaged, and good progress is being made with advancing this group into line management positions. Women, traditionally not employed in management positions in the South African gold mining industry, are being successfully introduced into management. We are not merely changing the face of the company from the bottom up and at executive level, eight of the most senior 22 people in Harmony are from the previously disadvantaged groups. We have been fortunate in acquiring well-qualified, passionate individuals with broad-based experience in areas such as transformation and business management, to add value to our intellectual capacity.

Corporate and Socio-Economic Involvement Programme

Restructuring, job losses and a new political environment have forced the industry to look beyond its traditional activities. Following the success of our refinery in the Free State, we played an anchor role in establishing a jewellery manufacturing hub in Virginia.

We upgraded our refinery in 2001, and it now refines most of our gold to a purity of 99.99%. The refinery supplies gold alloys and associated products to jewellery manufacturers nationally and internationally.

We have utilised foreign expertise and a local training programme to establish a range of profitable and pioneering jewellery ventures, which have been adding value to our gold and creating new jobs in a region where job losses are the norm.

The Virginia Jewellery School has been operating successfully since September 2000.

In addition, the Canadian-sponsored Royal South African Manufacturers (RSAM) started production in May 2002, manufacturing fashionable low-cost jewellery for the North American market. They train and employ local people.

Emthuthwini Jewellery Manufacturer uses local African design artists with little formal training to produce jewellery for the export market.

Our social investment goes beyond beneficiation. Housing and sport facilities in the Free State goldfields are also high on the agenda. Affordable quality housing for our employees and the wider community is the outcome of a partnership between Harmony, the National Union of Mineworkers (NUM) and the provincial government.

Soccer and rugby will benefit from a newly established National Sports Academy which opens in Virginia in 2003 utilising some of our redundant hostel facilities. This academy will benefit young talented players. Regional and national sports bodies as well as the government will be involved.

DEVELOPING OUR PEOPLE

Our growth and success as a business has resulted from us developing a thinking, technically sound and self-motivated workforce. Going forward our people and their attitude will make the difference. Developing, training and inspiring them to reach their potential and fulfill their dreams has a direct impact on their performance, our results and our bottom line.

During the year Harmony emphasised people development by utilising innovative training methods and internal communication interventions.

Training interventions

We focus on leadership and teamwork development, harmonised to support the cultural change process within the core business of the company. Early indications show a shift towards changed behaviour and a need to develop a different set of competencies. These interventions are also contributing to improved safe production results.

Performance management system (PMS)

We have developed a PMS to complement training and development interventions. This process will reinforce the cultural transformation process, assist in talent identification and help our people develop their own growth paths.

Internal communication and marketing

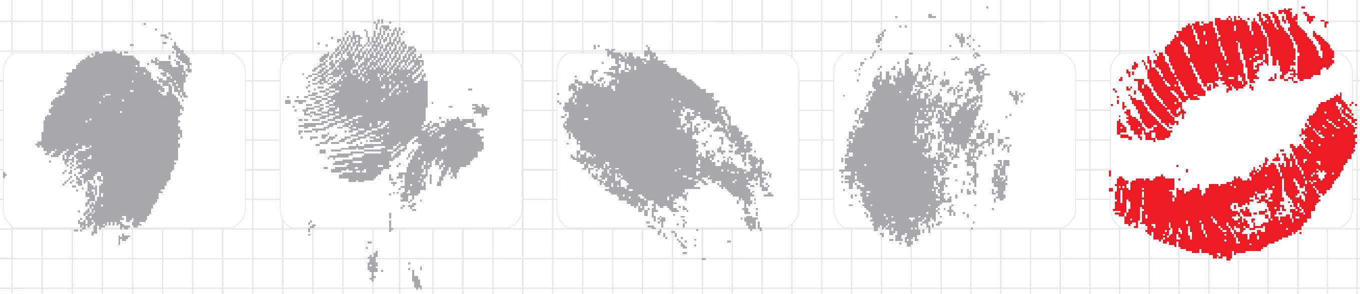
We do not communicate with our employees (our internal market) using a one-size-fits all approach. We segment our internal audience and develop appropriate messages and media channels to appeal to each segment's motivational triggers. The Harmony Way manual, which captures the essence of our approach to the business of mining in a cartoon format, targets supervisors and technical management. Woza Nazo, a full-time communication group, drawn from within our workforce, has proved extremely successful in conveying messages to, and getting feedback from, the workforce. Each quarter the Chief Executive by way of an internal roadshow meets with all the shaft and plant teams during which current performance and strategic issues are addressed.

Partnership for Public Education

Our Adult Basic Education Programmes (ABET) are a prerequisite for attendance at our mining school where we give focused attention to developing mining and operational leadership competencies.

Harmony's Bridging School and bursary scheme is establishing a sound base for core business related tertiary studies, ensuring that additional leadership capacity becomes available. We assist less privileged students who show promise, as well as our employees, with bursaries to gain relevant qualifications and to reach their potential.


EMPLOYMENT EQUITY



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OPERATIONAL OVERVIEW

Our South African production has increased by 18% over the past year. The inclusion of a full year's results from Elandskraal and results for a six-month period from Free Gold, offset the reduction in volume from existing operations due to the closure of high-cost and short-life shafts at Randfontein, Evander and the Free State. Offshore production increased by 161%, due to the inclusion of New Hampton's production for the full year and Hill 50's for the last quarter, offset by the closure of Bissett.

The cash operating profit profile of the company can be broken down as follows:

	Total* Tonnes Milled ('000)	Total* Ounces Sold (oz)	Recovery Grade (g/t)	Cash Operating Profit (R/m)
Free State	4 536	611 944	4.32	478
Evander	2 352	415 382	6.05	468
Randfontein	4 799	561 638	5.06	615
Free Gold (50%)	2 186	279 113	7.82	487
Elandskraal	3 279	476 054	6.28	415
Kalgold	961	62 179	2.01	49
Offshore operations	4 821	261 257	1.69	79
TOTAL	**22 934**	**2 667 567**	**3.62**	**2 591**

*Includes tonnage and ounces from both underground and surface sources.

The production by region indicates the following annual variances:

OUNCES PRODUCED	JUNE 2002	JUNE 2001	VARIANCE %
Free State	611 944	686 223	(11)
Evander	415 382	458 212	(9)
Randfontein	561 638	723 421	(22)
Elandskraal	476 059	122 880	287
Kalgold	62 179	49 351	26
Offshore operations	261 257	99 956	161
Sub Total	2 388 459	2 140 043	12
Free Gold (50%)	279 113	-	100
TOTAL	**2 667 572**	**2 140 043**	**25**

We expect to produce more than 3.1 million ounces in the current financial year, mainly due to a full year's contribution by the Australian operations and Free Gold.

Significant organic growth opportunities
We have identified a number of major capital projects for further development. The shallow and medium-depth projects we are considering are the most prospective projects remaining in South Africa and will ensure organic growth at our operations. Feasibility studies for these projects are under way.

- **The Poplar Project**

The Poplar Project is a greenfields site, adjoining the existing Evander lease area. The total geological resource for the project area contains 10.8 million ounces of gold. A twin-shaft system from surface to 1 200m below surface is required to facilitate mining this orebody. A feasibility study for the project is in progress.

- **The Rolspruit Project**

This resource is contiguous to the existing Evander 8 Shaft operation. Scoping studies for two options to access and mine this area will be completed in the second half of the year. The first option is for a twin sub-vertical shaft system from 1 535m to 2 515m below surface to exploit a probable reserve of 6 million ounces of gold. This option utilises our existing 8 Shaft infrastructure and exploits the resource down to a major geological feature. The second option is to develop a brownfields project to exploit the economically viable portion of the total Rolspruit geological resource of 17.4 million ounces of gold. This will require a twin-shaft system from surface to 2 600m below surface. In addition, some new surface infrastructure will be required. This option holds the potential to see the output of Evander increase in six years' time, whereas the first option is constrained by the existing hoisting capacity at 8 Shaft.

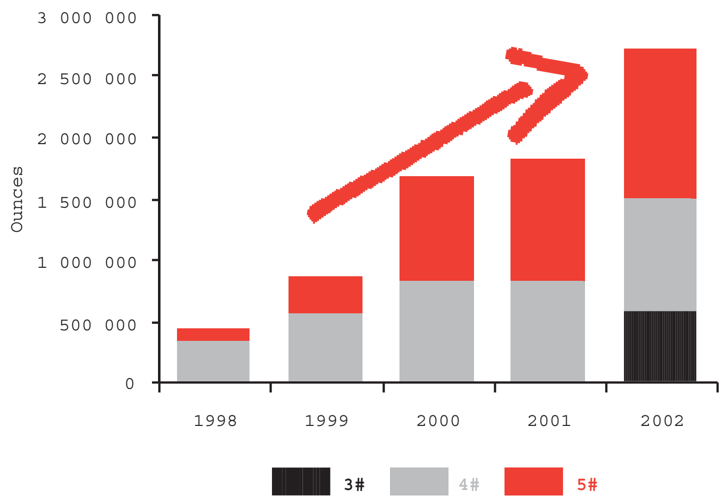
- **The Doornkop South Reef Project**

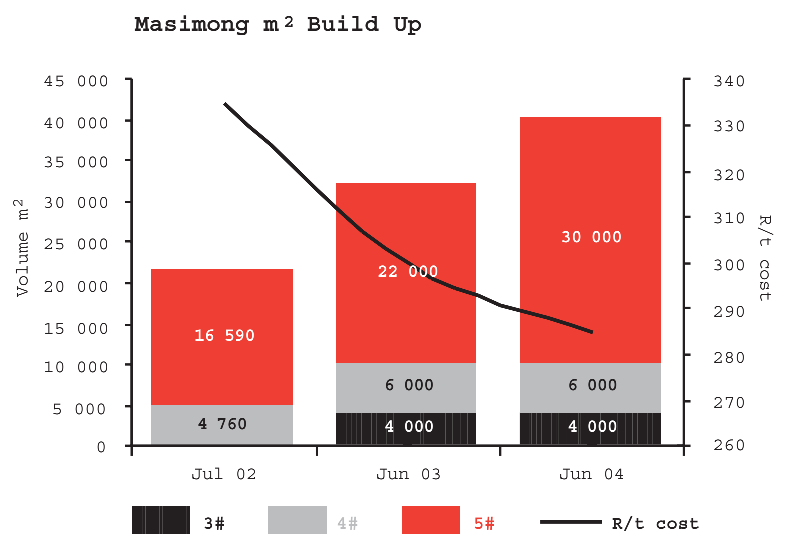
This existing project at our Randfontein operations was put on hold in May 1999. A feasibility study is in progress to determine the viability of deepening the main shaft from 1 127m, where the project was stopped, to 2 033m below surface. This will allow mining from a total geological resource of 9.5 million ounces of gold. The fact that the ventilation shaft was sunk to the required level before the project was stopped, reduce both capital requirements and the long lead times normally associated with such projects. The feasibility study is almost complete and will be taken to the board before the end of 2002.

- **Masimong Expansion Project**

The Masimong Expansion Project at our Free State operations will significantly contribute to the sustainability and viability of this region over the next 15 years.

Masimong Ore Reserves





During the past year we invested a further R35 million in developing the Basal and B-Reef orebodies and equipping the shaft. Reserves have steadily increased from under 500 000 ounces in 1999, when the shafts were acquired from AngloGold, to more than 2.6 million ounces by June 2002. These shafts will be increasing production from the 13 000m^2 per annum level at the time of acquisition to 40 000m^2 by June 2004. Currently, production is approximately 21 000m^2. It must be noted that the shafts in this complex access a resource of over 48 million ounces.

At a working cost of R290/tonne, a gold price of R95 000/kg, and capital expenditure of R38 million per year for a further three years, shareholders can expect a pre-tax NPV of R506 million at a discount rate of 10%. The IRR of the project is 118% and payback on the investment is expected within 18 months of completion.

The gold price had a positive impact on the viability of Saaiplaas 3 Shaft which is now part of the Masimong complex. We purchased it from AngloGold for R87 million in 1998, but closed it due to the decrease in the gold price at the time.

An evaluation of a project to extract the Saaiplaas 3 Shaft pillar shows a net present value (NPV) of R109 million at a high discount rate of 17%. This project, which requires capital expenditure of only R28 million, will return cashflows of R153 million. Work on the project commenced during the June 2002 quarter. It is anticipated that the project will deliver 740 000 tonnes with a gold recovery of 3 808kg over a four-year period.

Although the decision to shut this shaft down soon after acquisition was difficult, it has proved to be the right one. Instead of wasting the orebody by mining it at a loss, it was maintained for a better gold price environment where it can now be mined at a profit.

● **Elandsrand New Mine Project**

The Elandsrand Sub Shaft Deepening Project has the following attributes:

- reserves have increased by 1.6 million ounces to 10 million ounces in the last year;
- the project will ensure that Elandsrand will continue to produce 350 000 ounces per annum for the next 20 years;
- 7 million ounces at a recovery grade of 7.2g/t will be recovered over the life of this project;
- an amount of R137 million out of a remaining total of R609 million in capital expenditure is planned in the 2002/2003 financial year. At a gold price of R95 000/kg this project shows an NPV at 15% of R547 million with an IRR of 33%.

SOUTH AFRICAN OPERATIONAL REVIEW

● **Free State Operations – leveraged contribution**

The Free State operations reported a 917% increase in cash operating profits from R46 million to R478 million. These operations milled 4 305 000 tonnes from underground at a recovery grade of 4.32g/t. Gold recovery totalled 19 034kg which included 414kg from surface sources.

Working costs remained under control at R71 933/kg or R311/tonne.

The Free State operations, our original more mature and leveraged assets, delivered excellent results. At current gold prices, it has done well to sustain these levels of profitability.

Virginia 2 and Harmony 4 Shafts, which had been in closure mode for the past 12 months, were finally closed by June 2002. The increased gold price meant that closure was postponed by a few quarters.

The incorporation of the Free Gold mines and plants into the regional overhead infrastructure of our Free State operations is expected to optimise synergies between the operations.

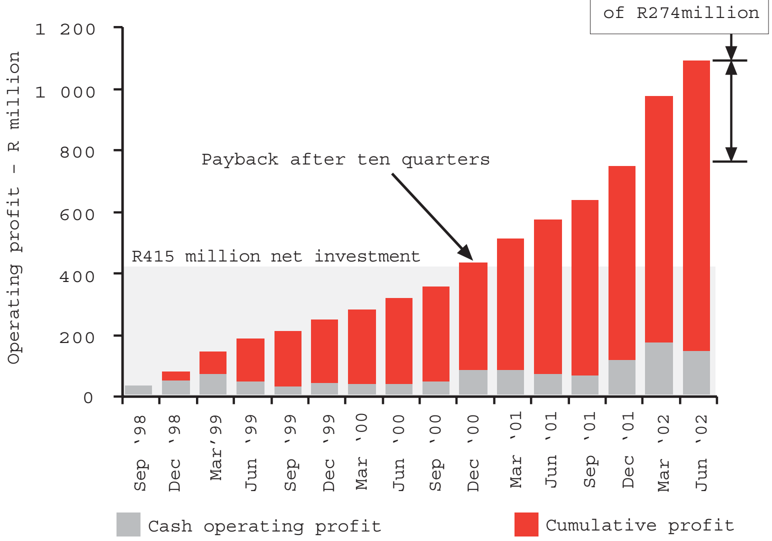
The Free State operations, excluding Free Gold, have resources of 84.6 million ounces of which 7.3 million at a mill grade of 4.6 g/t, are in the reserve category.

● **Evander Operations – good performance**

Evander reported good results with cash operating profit increasing by 81% from R259 million to R468 million year-on-year. Underground tonnages of 2 107 000 tonnes at a recovery grade of 6.05 g/t, resulted in a 9% decrease in gold recovered at 12 756kg. This decrease can mainly be attributed to the depletion of surface sources which previously reported to the mill, as well as the partial closure of 9 Shaft. Total gold recovered for Evander was 12 920kg, which included only 164kg from surface sources.

Underground working costs at Evander totalled R56 085/kg or US$171/oz. This compares with approximately $350/oz at the time of acquisition in 1998.

Recoupment of Evander Investment



We achieved payback on the R415 million net investment made in June 1998 within ten quarters. To date, even with a further investment of R274 million on CAPEX spent over the past four years, this operation has delivered spectacular returns for our shareholders.

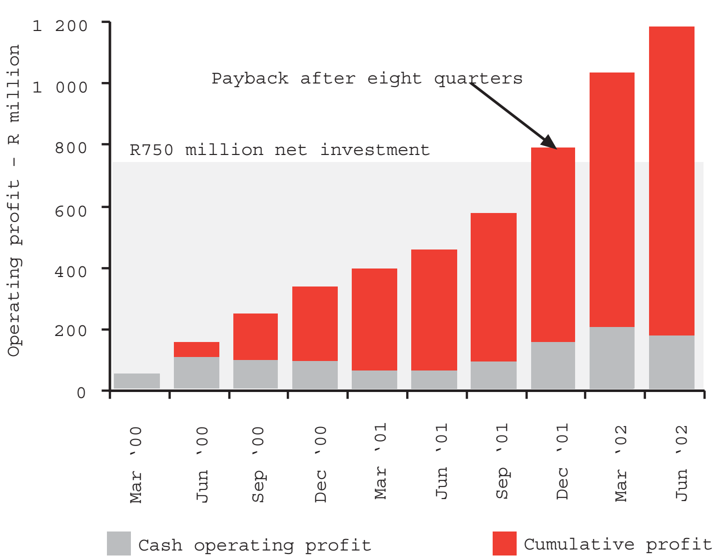
Evander, which produces approximately 420 000 ounces per annum, has a resource of 59.8 million ounces of which 14.9 million ounces, at a mill grade of 7.42g/t, are in the reserve category.

- **Randfontein Operations** **– increased profitability means growth**

Randfontein was our biggest profit contributor, with a R615 million cash operating profit. These operations milled 3 270 000 tonnes from underground at a grade of 5.06g/t which resulted in a gold recovery of 16 534kg. The closure of the unprofitable No. 4 Shaft and the depletion of surface sources treated through the Lindum section, resulted in the mine recovering 22% less gold than the previous year.

Our net investment of R750 million for the acquisition of Randfontein in the March 2000 quarter has delivered significant returns with payback being achieved within eight quarters. These operations will continue to produce some 450 000 highly profitable ounces in the forthcoming financial year.

Recoupment of Randfontein Investment



Randfontein has a resource of 64.5 million ounces, of which 4.61 million ounces at a mill grade of 5.64g/t, are in the reserve category.

Elandskraal Operations – significant improvements with introduction of the "Harmony Way"

Elandskraal, an acquisition announced on 19 December 2000, has shown significant improvements following the successful introduction of the "Harmony Way". These operations were unprofitable when we took over in April 2001. At the time we set out to grow its profitability to a level where the CAPEX of the new mine project at the Elandsrand Shaft could be funded. Current cash operating profit of R415 million far exceeds the capital expenditure of R135 million per year.

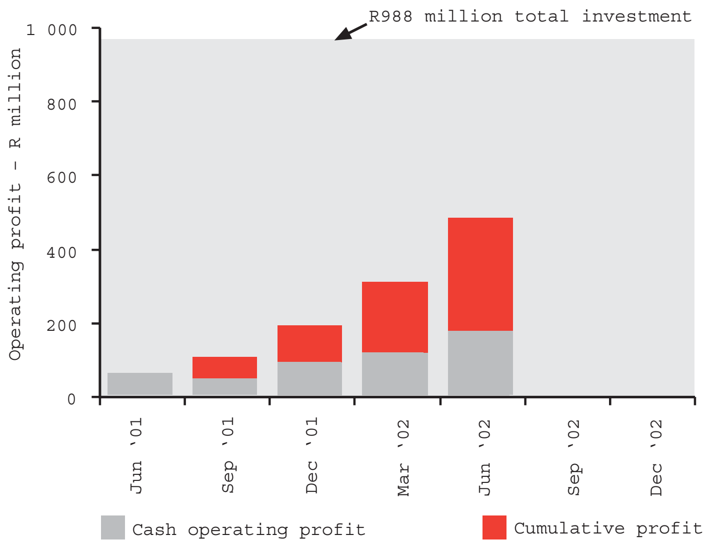
Underground tonnage of 2 194 000 tonnes were treated at a recovery grade of 6.28g/t, resulting in gold recovery of 13 770kg. Surface resources contributed an additional 1 037kg over the same period. Underground working costs/kg decreased to R65 000/kg. Measured in cost/tonne, the operations reported costs of R411/tonne.

Elandsrand is a mature mine with a significant capital expenditure programme and has a life-of-mine in excess of 20 years. Harmony will have delivered a project which can be classified as "a new mine" being developed through the infrastructure of the previous Elandsrand operations.

The Deelkraal section has also benefited from the increased gold price and reduced working costs achieved through implementation of the "Harmony Way". At the time of acquisition, Deelkraal's life-of-mine was six months. The current cost structure has allowed the mine to resume the development of 35 level which will add an additional 156 000 ounces over five years to this operation. An amount of R14 million will be spent in the 2002/2003 financial year, resulting in an NPV at 10% of R163 million and an IRR of 164%. Payback will be achieved within 28 months of the start of this project.

[Elandskraal demonstrates very effectively how our Value Creation Model works in practice. We acquired loss-making operations, unable to fund any capital expenditure programme. We reduced costs, re-capitalised the orebody and today we own mines well positioned to deliver real value to our shareholders.]

Recoupment of Elandskraal Investment



operations

Kalgold Operations - growth in profit

The Kalgold operations increased cash operating profit by 849%, up from R5 million to R49 million, mainly due to the recovery grade increasing from 1.6g/t to 2.01g/t. The mine treated 961 000 tonnes, producing 1 934kgs of gold.

These operations are expected to treat similar tonnages at a recovery grade of 2.0g/t during the forthcoming financial year. Kalgold has reported resources of 1.9 million ounces of which 600 000 ounces, at a mill grade of 2.1g/t, are in the reserve category.

Free Gold Operations (50/50 Joint Venture with ARMgold) – smart acquisition

The Free Gold Joint Venture Company took operational control on 3 January 2002. As can be expected with new acquisitions, we spent considerable time on operational restructuring. We were rewarded with a spectacular contribution of R487 million cash operating profit for the six months.

All the shafts and surface sources have been evaluated according to what the orebodies dictate in terms of optimal grade, mining rate and development required to optimise profitability. The high grading which took place at Bambanani Shaft is being addressed and we expect the grades to come down to the average grade of the orebody. This will, however, depend on the progress of a development plan which will allow for the availability of more workplaces.

The benefits of a significantly lower overhead cost structure, complemented by a higher gold price, have allowed Free Gold to restart mining operations at Kudu and Sable shafts. West Mine was successfully re-commissioned, and both Joel Mine and surface sources recorded improved cash operating profits. The benefits of a lower working cost environment will enable the Nyala Shaft to be restarted, producing an estimated 30 000 attributable ounces per annum.

Negotiations with the unions, regarding continuous operations at Free Gold, are progressing. Continuous operations will create an additional 2 500 employment opportunities and should significantly reduce the cost of production. The resulting lower cut-offs and more production shifts will improve the utilisation of the orebody.

Free Gold achieved a profit margin of US$159/oz or 51% at a gold price of US$311/oz in the June 2002 quarter. These operations are currently producing some of the most profitable ounces in the South African gold industry.

The increased profitability at these operations has resulted in the Free Gold board approving the deepening of Tshepong North Shaft. This project will add two additional operating levels below the present bottom level of Tshepong Shaft. Capital cost of the project is estimated at R260 million of which R130 million is attributable to Harmony. The project will commence during the September 2002 quarter, and full production should be achieved by December 2005. This shaft-deepening project will add 75 000 ounces per annum to Harmony’s production base.

Of strategic importance to Harmony was to demonstrate that the skills required to turn around mines is well entrenched in our management team, and that it is also possible to leverage these skills to joint ventures.

In the 2002/2003 financial year Free Gold is expected to produce 1 million ounces of which 500 000 ounces would be attributable to Harmony. Free Gold has a resource of 65.8 million ounces of which 13.1 million ounces, at a mill grade of 7.4 g/t, are in the reserve category.

AUSTRALIAN OPERATIONAL REVIEW

Australian Operations – critical mass through acquisition of Hill 50
With the acquisition of New Hampton, Hill 50 and a significant stake in Bendigo Mining, we have now achieved critical mass in terms of our production base in Australia. Our Australian operations include a full year's production from the New Hampton assets, while results from the assets acquired through Hill 50 have been included for three months only.

Cash operating profits for the offshore operations increased from R2.1 million to R70 million mainly due to the inclusion of the Hill 50 assets. The addition of Hill 50 has improved the quality of our reserves. Tonnage milled increased from 1 088 000 tonnes to 4 782 000 tonnes. At a higher average recovery grade of 1.65g/t, gold recovered increased to 7 869kg from the 1 378kg reported for the previous financial year.

The main features of our Australian activities have been:

- the completion of the takeover of 100% of the Hill 50 shares on 22 June 2002;
- the integration of all Harmony's operations in Western Australia, including the closing down of the New Hampton office, retrenchments of a small number of staff and the merger of Harmony's Jubilee operations with Hill 50's New Celebration;
- the elimination of our debt after the placement of 8.5 million Harmony shares at R134 per share;
- increasing our resource base to 10,8 million ounces of which 2.3 million ounces, at a mill grade of 3.3g/t, are in the reserve category;
- the cleaning up of our Australian balance sheet by taking an impairment of A$88 million on the New Hampton investment;
- selling our 9.8% stake in AurionGold to Placer Dome; and
- intensifying exploration and development activities in the Northern Territory. We have the opportunity to rationalise a large portion of the Pine Creek Gold Belt in order to develop a 100 000 ounces per annum production base in the region.

We expect production of approximately 580 000 ounces for the 2002/2003 financial year.

CAPITAL EXPENDITURE

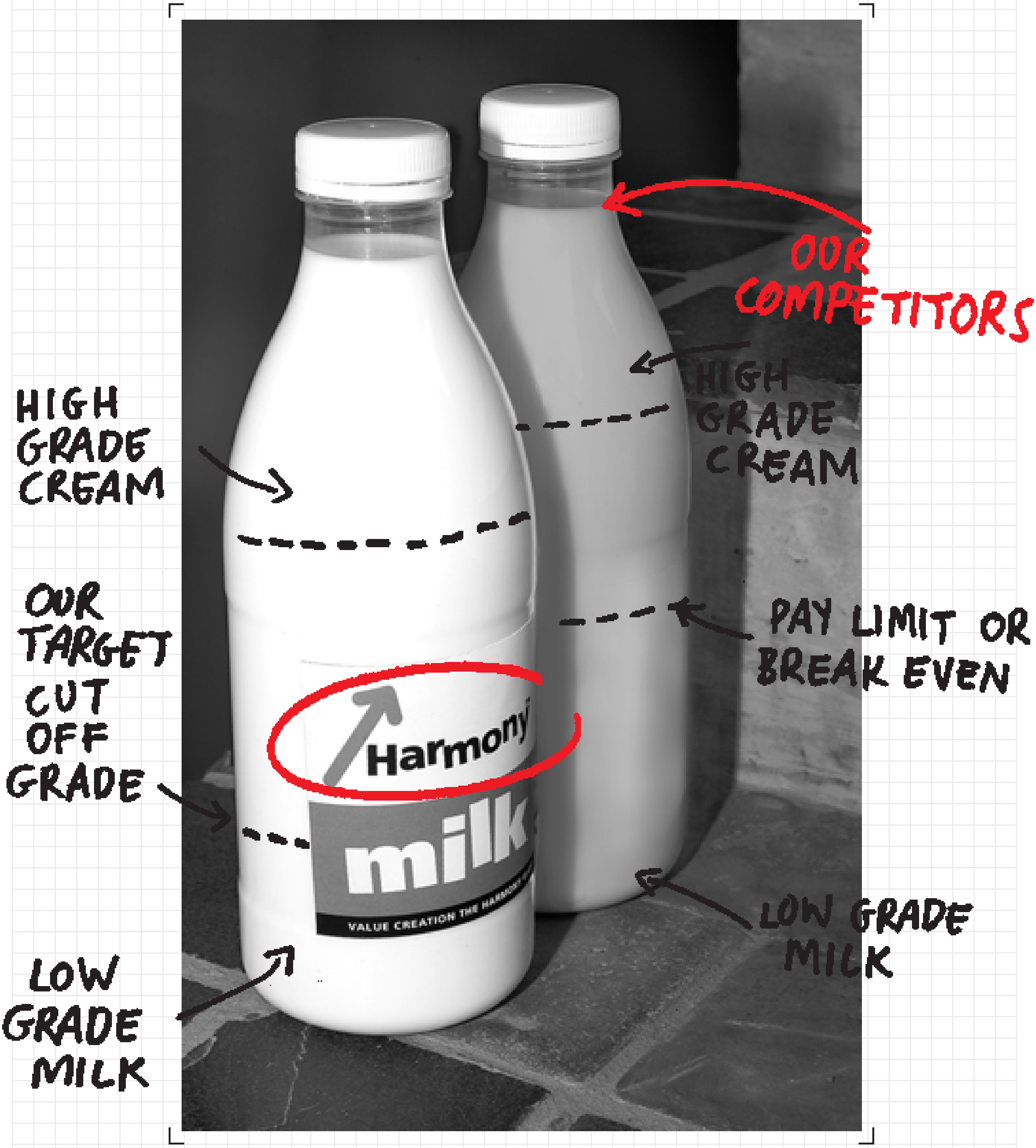
No significant increase anticipated
The higher gold price, and therefore lower cut-offs, will allow the mines more flexibility in their mining plans, thereby optimising operating profit margins and profits. Because we have not withheld necessary capital expenditure from our operations, no "catch-up" expenditure is required.

We own some of the best organic growth project areas remaining in South Africa. We plan to evaluate each project on merit and allocate funds commensurate with the best prospects for return on investment and value creation for shareholders. With a weighted average cost of capital typically in the 15-16% range, we use a hurdle rate of 22% for capital investment decisions.

"Elandskraal demonstrates very effectively how our Value Creation Model works in practice. We acquired loss-making operations, unable to fund any capital expenditure programme. We reduced costs, re-capitalised the orebody and today we own mines well positioned to deliver real value to our shareholders."

– Bernard Swanepoel

NO FRILLS


OUR COMPETITORS
HIGH GRADE CREAM
HIGH GRADE CREAM
OUR TARGET
CUT OFF GRADE
PAY LIMIT OR BREAK EVEN
Harmony
milk
LOW GRADE MILK
LOW GRADE MILK

ORE RESERVE STATEMENT

REPORTING CODE

Harmony's declaration complies with the South African Code for reporting of Mineral Resources and Mineral Reserves (the SAMREC Code), which sets out the internationally recognised procedures and standards for reporting mineral resources and reserves in South Africa. The code was prepared under the auspices of the South African Institute of Mining and Metallurgy (SAIMM). It is modelled on the JORC code of the Australasian Institute of Mining and Metallurgy (AusIMM). Our Australian reserves and resources are compliant with the Australian code.

The following tables summarise the inventory of Harmony's mineral resources and mineral (ore) reserves. The mineral resources are quoted as in situ grams and ounces, above a cut-off and over an estimated stoping width. The mineral reserves are quoted inclusive of diluting material as tonnes and grade delivered to the mill. The final recovery grade will be lower than the declared grade as the recovery factor of the various plants are applied.

Mineral Reserves Schedule (Metric)

	Proved			Probable			Total Reserve		
Region	**Tonnes** (million)	**Grade** (g/t)	**Gold** (tonnes)	**Tonnes** (million)	**Grade** (g/t)	**Gold** (tonnes)	**Tonnes** (million)	**Grade** (g/t)	**Gold** (tonnes)
Free State	31.79	4.65	147.88	18.20	4.38	79.69	49.99	4.55	227.57
Evander	9.75	6.28	61.24	52.68	7.63	402.11	62.43	7.42	463.35
Randfontein	17.26	5.59	96.51	8.17	5.75	46.95	25.43	5.64	143.46
Elandskraal	21.02	7.02	147.60	33.21	7.00	232.50	54.23	7.01	380.10
Kalgold	7.00	2.10	14.72	1.91	2.10	4.02	8.91	2.10	18.74
Australia	8.70	2.09	18.17	13.11	4.17	54.70	21.81	3.34	72.88
Free Gold (50%)	9.78	6.99	68.33	17.67	7.62	134.57	27.45	7.39	202.90
SA Surface Sources	15.07	0.79	11.95	7.97	0.73	5.82	23.04	0.77	17.77
Total	**120.37**	**4.71**	**566.40**	**152.92**	**6.28**	**960.36**	**273.30**	**5.59**	**1526.77**

Mineral Reserves Schedule (Imperial)

	Proved			Probable			Total Reserve		
Region	**Tons** (million)	**Grade** (oz/t)	**Gold** (oz million)	**Tons** (million)	**Grade** (oz/t)	**Gold** (oz million)	**Tons** (million)	**Grade** (oz/t)	**Gold** (oz million)
Free State	35.04	0.136	4.75	20.06	0.128	2.56	55.10	0.133	7.32
Evander	10.75	0.183	1.97	58.07	0.223	12.93	68.82	0.217	14.90
Randfontein	19.02	0.163	3.10	9.01	0.168	1.51	28.03	0.164	4.61
Elandskraal	23.18	0.205	4.75	36.60	0.204	7.47	59.78	0.204	12.22
Kalgold	7.72	0.061	0.47	2.10	0.062	0.13	9.82	0.061	0.60
Australia	9.59	0.060	0.58	14.45	0.122	1.76	24.04	0.097	2.34
Free Gold (50%)	10.78	0.204	2.20	19.47	0.222	4.33	30.25	0.216	6.53
SA Surface Sources	16.61	0.023	0.38	8.79	0.022	0.19	25.40	0.022	0.57
Total	**132.69**	**0.137**	**18.20**	**168.55**	**0.183**	**30.88**	**301.26**	**0.163**	**49.09**

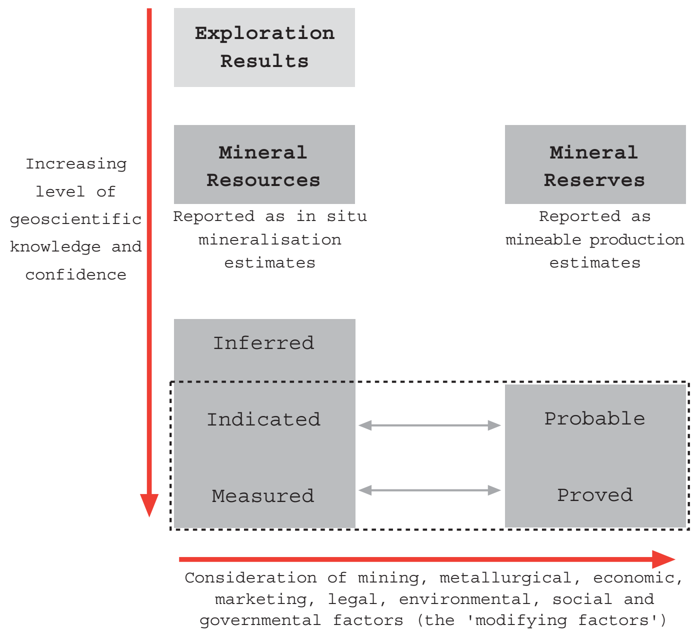
Mineral Resources

Mineral Resources are inclusive of the reserve figures.

	Category	Metric Tonnes (million)	Metric Grade (g/t)	Metric Gold (tonnes)	Imperial Tons (million)	Imperial Grade (oz/t)	Imperial Gold (oz million)
Total Company							
	Measured	269.91	4.66	1,258.63	297.54	0.14	40.47
	Indicated	802.59	2.24	1,795.54	884.74	0.07	57.73
	Inferred	2,027.76	3.03	6,150.15	2,235.30	0.09	197.73
	Total	**3,100.27**	**2.97**	**9,204.32**	**3,417.58**	**0.09**	**295.93**
Free State							
	Measured	93.72	4.55	426.24	103.32	0.13	13.70
	Indicated	54.50	3.92	213.91	60.08	0.11	6.88
	Inferred	637.65	3.12	1,992.43	702.91	0.09	64.06
	Total	**785.87**	**3.35**	**2,632.58**	**866.31**	**0.10**	**84.64**
Evander							
	Measured	23.98	5.96	142.82	26.43	0.17	4.59
	Indicated	62.12	9.34	580.03	68.47	0.27	18.65
	Inferred	178.93	6.36	1,137.34	197.25	0.19	36.57
	Total	**265.03**	**7.02**	**1,860.19**	**292.15**	**0.20**	**59.81**
Randfontein							
	Measured	44.64	4.85	216.52	49.21	0.14	6.96
	Indicated	45.26	4.29	194.29	49.90	0.13	6.25
	Inferred	535.66	2.98	1,595.69	590.48	0.09	51.30
	Total	**625.56**	**3.21**	**2,006.50**	**689.59**	**0.09**	**64.51**
Lindum							
	Measured	0.30	1.42	0.42	0.33	0.04	0.01
	Indicated	5.02	1.78	8.93	5.53	0.05	0.29
	Inferred	1.78	1.07	1.90	1.96	0.03	0.06
	Total	**7.09**	**1.59**	**11.26**	**7.82**	**0.05**	**0.36**
Elandskraal							
	Measured	30.91	7.80	240.98	34.07	0.23	7.75
	Indicated	31.05	8.78	272.76	34.23	0.26	8.77
	Inferred	70.30	7.25	509.33	77.49	0.21	16.38
	Total	**132.26**	**7.74**	**1,023.06**	**145.80**	**0.23**	**32.89**
Kalgold							
	Measured	16.23	1.36	22.08	17.90	0.04	0.71
	Indicated	8.84	1.47	13.01	9.74	0.04	0.42
	Inferred	12.81	1.98	25.35	14.12	0.06	0.81
	Total	**37.88**	**1.60**	**60.44**	**41.76**	**0.05**	**1.94**
Bissett (Canada)							
	Measured	0.48	8.41	4.07	0.53	0.25	0.13
	Indicated	0.68	9.14	6.26	0.75	0.27	0.20
	Inferred	0.74	10.04	7.44	0.82	0.29	0.24
	Total	**1.91**	**9.30**	**17.77**	**2.11**	**0.27**	**0.57**
Australia							
	Measured	12.74	2.58	32.89	14.04	0.08	1.06
	Indicated	68.44	2.39	163.58	75.44	0.07	5.26
	Inferred	69.04	2.00	138.29	76.10	0.06	4.45
	Total	**150.21**	**2.23**	**334.77**	**165.59**	**0.06**	**10.76**
Free Gold (50%)							
	Measured	22.31	7.15	159.61	24.60	0.21	5.13
	Indicated	23.50	8.97	210.73	25.90	0.26	6.78
	Inferred	138.72	4.66	646.22	152.92	0.14	20.78
	Total	**184.53**	**5.51**	**1,016.56**	**203.42**	**0.16**	**32.68**
Surface Sources							
	Measured	24.60	0.53	13.00	27.12	0.02	0.42
	Indicated	503.17	0.26	132.04	554.67	0.01	4.25
	Inferred	382.14	0.25	96.15	421.25	0.01	3.09
	Total	**909.91**	**0.27**	**241.19**	**1,003.04**	**0.01**	**7.75**

Mineral Resources are declared using a cut-off of approximately 250 cmg/t for the underground mines (approximately 2g/t, 0.8g/t for Kalgold).

**Cautionary note to US Investors. The United States Securities and Exchange Commission (the "SEC") permits mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. We use certain terms in this annual report, such as "resources", that the SEC guidelines strictly prohibit us from including in our filings with the SEC.*



SAMREC CODE

DEFINITIONS

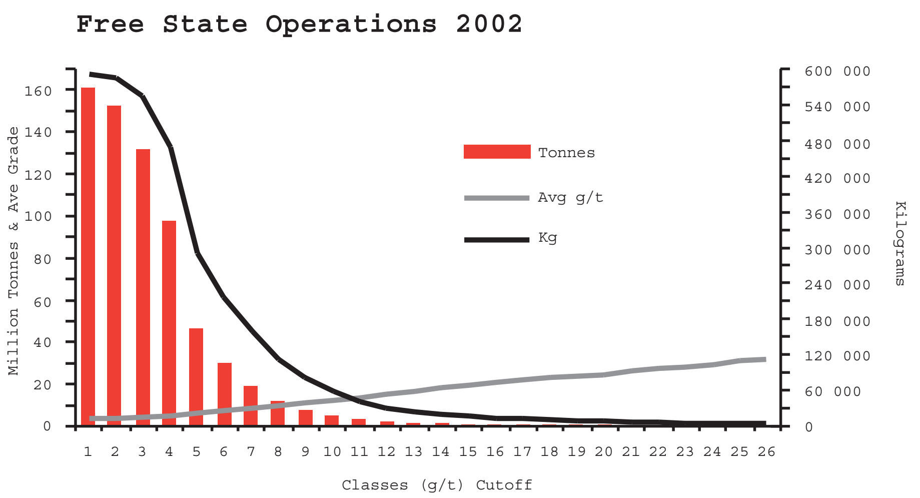
A Mineral Resource is a concentration (or occurrence) of material of economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are estimated from specific geological evidence and knowledge, or interpreted from a well-constrained and portrayed geological model. Mineral Resources are subdivided, in order of increasing confidence in respect of geoscientific evidence, into Measured, Indicated and Inferred categories.

The **Measured Mineral Resource** is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.

The **Indicated Mineral Resource** is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

The **Inferred Mineral Resource** is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as workings and drill holes that may be limited or of uncertain quality and reliability.

A **Mineral Reserve** is the economically mineable material derived from a Measured and/or Indicated Mineral Resource. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. The Mineral Reserves are sub-divided in order of increasing confidence into Probable Mineral Reserves and Proved Mineral Reserves.



The **Probable Mineral Reserve** is the economically mineable material derived from the Indicated Mineral Resource. It is estimated with a lower level of confidence than a Proved Mineral Reserve, is inclusive of diluting materials and allows for losses that may occur when the material is mined.

The **Proved Mineral Reserve** is the economically mineable material derived from the Measured Mineral Resource and is estimated with a high level of confidence. It is inclusive of diluting materials and allows for losses that may occur when the material is mined.

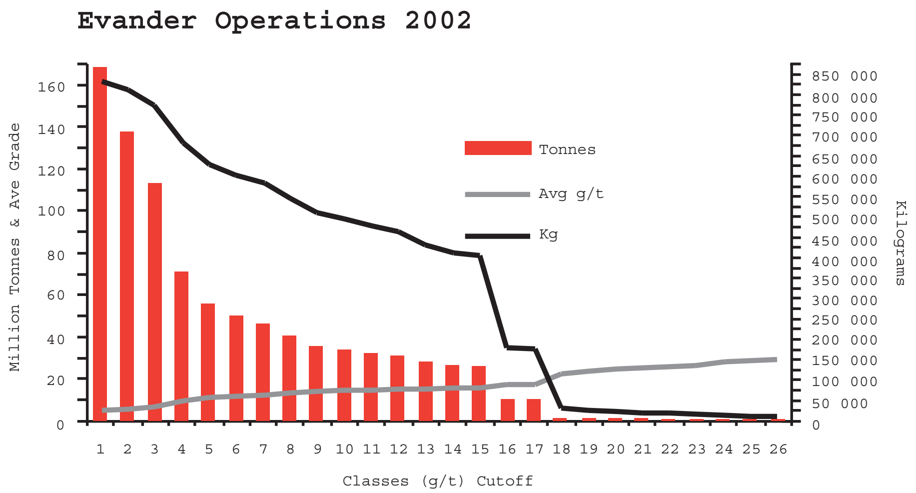
The **Measured and Indicated Mineral Resources** are inclusive of those Mineral Resources modified to produce the Mineral Reserves.

MINERAL RIGHTS

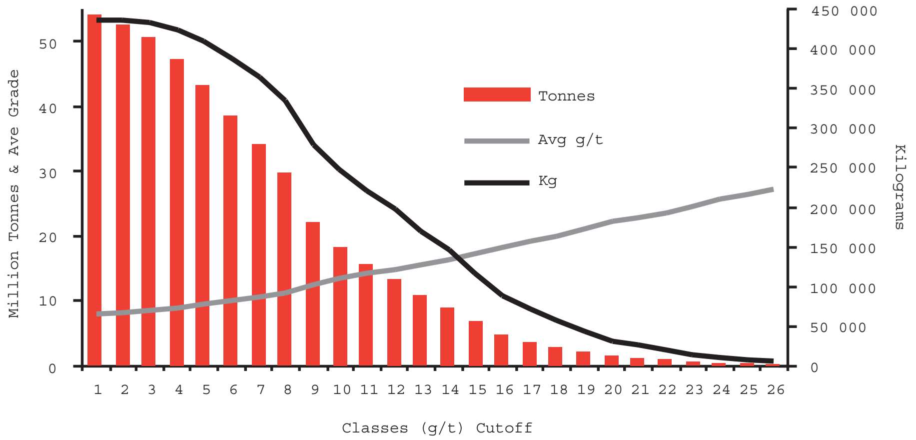
All Harmony's measured and indicated mineral resources, and proved and probable mineral reserves, are located within the boundaries of the authorised mining areas at each of our mines. At Evander, inferred mineral resources extend beyond the authorised mining areas into project areas, Rolspruit and Poplar, where Harmony owns, through its wholly owned subsidiary Evander Gold Mines Limited, 100% of the mineral rights.

GEOLOGICAL MODELLING

The Free State mining complex, Free Gold, Elandskraal, Evander and Randfontein are all mature mining operations that have been in operation for many years. Consequently, the latest declaration of mineral resources was based on a thorough understanding and interpretation of the geology, as a result of the experience and information obtained during many years of mining, supplemented by the information available from surface boreholes and adjacent mines.



Elandskraal Operations 2002



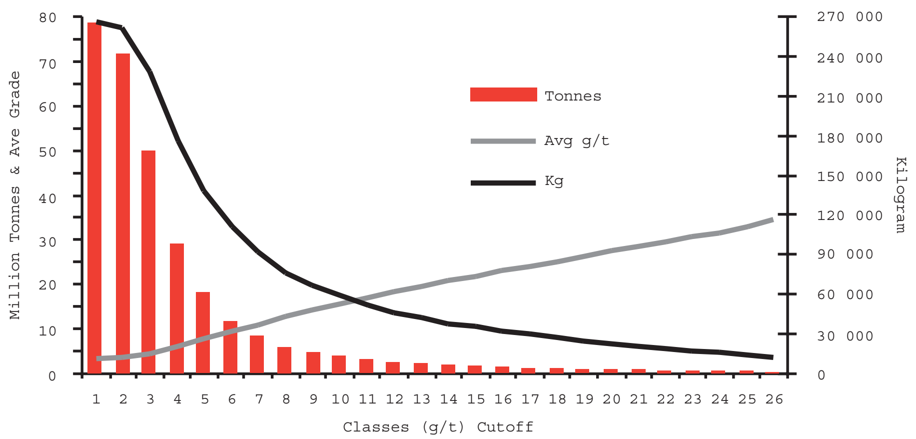
For the purposes of geological interpretation, and to define areas of reasonable similarity for geostatistical analysis, each mine section is subdivided into coherent geozones. Typically, each mine section may have five to ten geozones bounded by major faults, distinct changes in sedimentological faces and less distinct boundaries defining areas where there is a noticeable regional change in the general grade of the reef.

Each mine’s mineral resources are categorised, blocked out and ascribed an estimated value. Typically, measured and indicated resource blocks are aligned in the direction of mining. The blocks comprise the length of a mining panel (20 to 30 metres) and extend beyond the mine workings to a distance that is equivalent to three months’ mining.

Consequently, these blocks are typically 30 metres long and 30 metres wide, although at Evander there are some substantially larger blocks defined along pay channels. Beyond the indicated blocks, large inferred blocks are defined up to the mine boundary.

DILUTING MATERIALS
The SAMREC code requires that reported mineral reserves are "inclusive of diluting materials and allow for losses that may occur when the material is mined". Guidelines to the code state that "mineral reserves are reported inclusive of marginally economic material and diluting material delivered for treatment or dispatched from the mine without treatment".

Randfontein Operations 2002



Harmony has adjusted the in situ mineral reserve, which is calculated over an anticipated stoping width, to account for those gold losses and other contributing diluting materials. Diluting or additional materials include sundries (tonnes ascribed to gully cuts, faults and waste), on-reef development tonnes (a wider cut with consequential diluting material), reclamation (tonnes from vamping operations in old mine areas), and shortfall (tonnes not called for by the survey department and ascribed no grade).

Each of these items has been ascribed a value based on current mining experience and has typically been calculated over 12 to 20-month periods. Where recent history has shown unusual or exceptional results, these have been adjusted to reflect more typical mining expectations.

CUT-OFF GRADES

Reserve cut-off grade

In order to define that portion of a measured and indicated mineral resource that can be classified as a proven and probable mineral reserve, Harmony applies the concept of a cut-off grade. The cut-off grade is determined using the company's Optimiser computer program which requires the following as inputs:

- the database of measured and indicated resource blocks (per shaft section);
- an assumed gold price which, for this ore reserve statement, was taken as R95 000 per kilogram (US$ 295/oz and R/US$ = 10);
- planned production rates;
- planned working costs (Rands per tonne); and
- the mine recovery factor (MRF) which is equivalent to the mine call factor multiplied by the plant recovery factor.

Resource cut-off grade

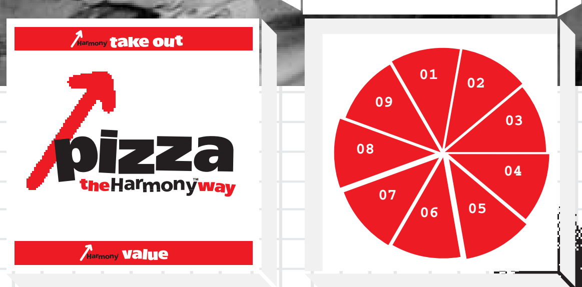
In order to meet SAMREC's requirements that the material reported as a mineral resource should have "reasonable and realistic prospects for eventual economic extraction", we have determined an appropriate cut-off grade which has been applied to the quantified mineralised body, according to a process incorporating the following parameters:

- a ten-year view; and
- the gold price (in Rand per kilogram) for ten years.

Applying this process as input into Harmony's Optimiser program to determine the cut-off grades, the average value of 250 cmg/t (approximately 2g/t) is used to determine that portion of the mineralised body that is reported as a mineral resource.

The competent persons responsible for the preparation of the company's reserves and resources are Graham Briggs (PrSciNat) for South Africa and Ted Grobicki (PrSciNat) for Australia.


take out
pizza
theHarmony
BLOCKING THE ORE RESERVE
Harmony
IT'S THE DIFFERENCE



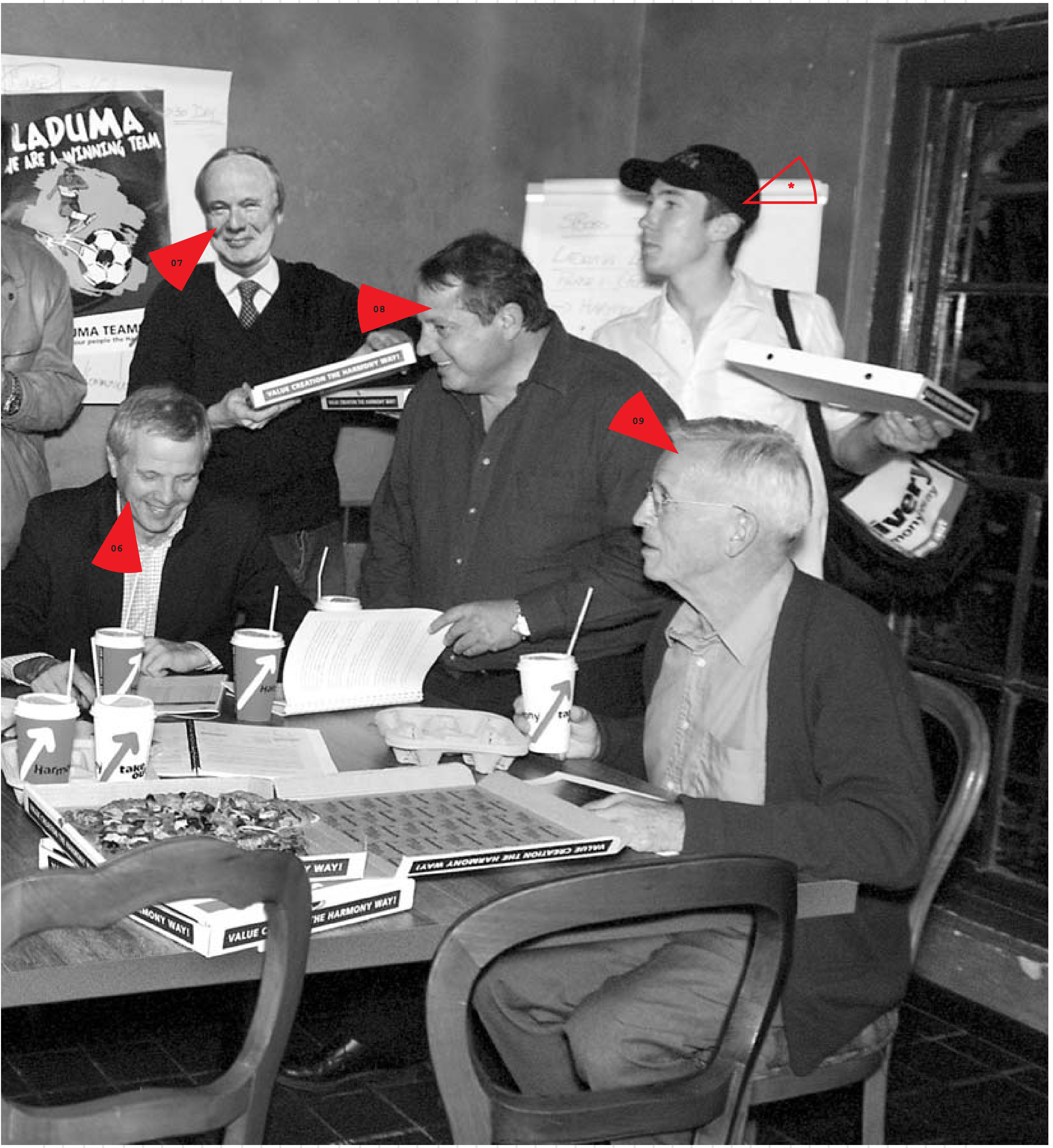
01 **Adam Fleming** Independent non-executive chairman

02 **John Smithies** Independent non-executive director

03 **Audrey Mokhobo** Non-executive director

04 **Bernard Swanepoel** Chief executive

05 **Ferdi Dippenaar** Marketing director



06 **Ted Grobicki** Executive director – offshore operations
07 **Lord Renwick of Clifton KCMG** Independent non-executive director
08 **Frank Abbott** Financial director
09 **Mike Pleming** Independent non-executive director

*** DELIVERY THE HARMONY WAY**

TED GROBICKI (53)
BSc (Hons) (Geology), MSc (Mineral Exploration) (London), PrSciNat, FIMM
Executive director since 1999

After fulfilling various roles within mining and exploration companies in South Africa, Namibia and Zimbabwe, Ted Grobicki was appointed chief executive of Texas Gulf Inc South Africa in 1979. He has since served at a senior executive level in a wide range of public and private companies in the mining sector, and was appointed as non-executive director of Harmony in 1994. With Harmony's merger with Kalgold and West Rand Cons. in 1999, he was appointed as executive director focusing on new business. Ted has 30 years' experience in all aspects of the mining industry, including exploration, evaluation, development, mine management and financial and corporate management. He oversees Harmony's offshore operations.

FERDI DIPPENAAR (41)
BCom, BProc, MBA
Marketing director since 1997

Ferdi Dippenaar started his career at Buffelsfontein gold mine in 1983 and took his degrees through part-time study while employed in various financial and administrative capacities at Gengold mines. In 1996 he became managing director of Grootvlei and of East Rand Proprietary Mines. Following Harmony's acquisition of Grootvlei and Cons Modder, he was appointed marketing director of Harmony in 1997. He oversees Harmony's refining and direct marketing activities, as well as the company's investor relations programme.

AUDREY MOKHOBO (46)
BA (Admin), MA (Political Science)
Non-executive director since 2002

Audrey Mokhobo is the chairman of Simane Security Investments (Pty) Ltd. She has held senior positions at the Development Bank of SA and Eskom, and is currently a General Manager at Eskom Enterprises (Pty) Ltd.

Audrey has been a Special Advisor to the erstwhile Minister of Public Enterprises on the restructuring of Transnet, and Deputy CEO of The National Command Centre for Emergency Reconstruction. She is a director of Capital Alliance Life, Barnard Jacobs Mellet, Rotek Industries, M-Net Phuthuma Trust, Women's Development Bank Investment Holdings, and Khoetsa Technologies.

JOHN SMITHIES (57)
BSc (Mining Engineering), BSc (Chemistry)
Independent non-executive director since 2002

John Smithies holds BSc degrees in both Mining and Chemistry. He joined Union Corporation in March 1973 and spent three years in its gold division before being transferred to Impala Platinum's operations in Rustenburg. There he rose through the ranks to general manager before going to its head office to work on projects. In 1996 John was appointed consulting engineer for the Rustenburg operations and in February 1999 he joined the Board of Directors of Impala Platinum Holdings Limited (Implats) as operations director. He was subsequently appointed as chief executive officer in September 2000 and retired as CEO in July 2001.

DIRECTORATE

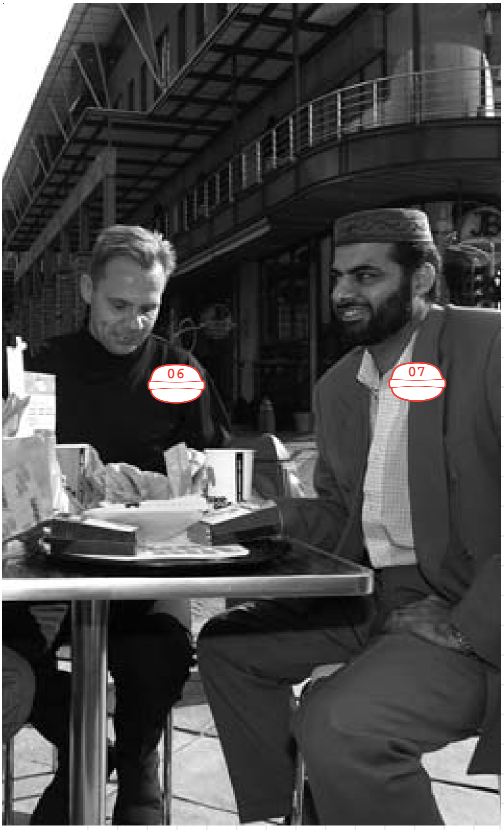
ADAM FLEMING (54)
Independent non-executive chairman since 1999
Adam Fleming joined the investment bank, Robert Fleming, in 1970. He worked for Jardine Fleming in the Far East in the 1970's and joined Robert Fleming's main board in 1985. He moved to South Africa in 1991 to open and expand the group's offices in southern Africa. Adam retired as deputy chairman of Robert Fleming Holdings and joined the Harmony board as chairman in 1999. He also serves on the boards of the Merrill Lynch World Mining Trust plc and Edinburgh Dragon Trust plc.

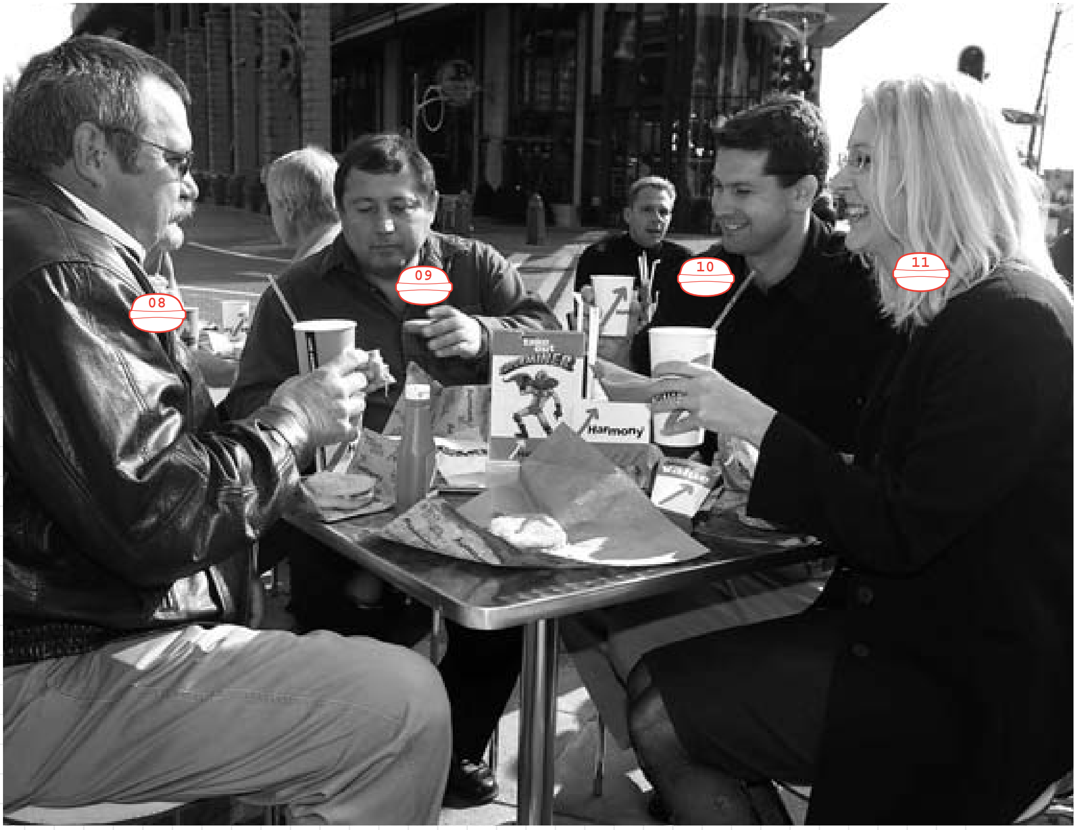
BERNARD SWANEPOEL (41)
BSc (Mining Engineering), BCom (Hons)
Chief executive since 1995
Bernard Swanepoel started his career in gold mining at Grootvlei in 1983. As part of his training he spent time on various Gengold operations, including Kinross (Evander) and Barberton. He spent a year on secondment working as a mining analyst. He then moved into senior management with the Gengold group, culminating in his appointment as general manager and a director of Beatrix Mines in 1993. He joined Randgold in 1995 as managing director of Harmony and has since led the team responsible for making the company the fifth largest gold producer in the world.

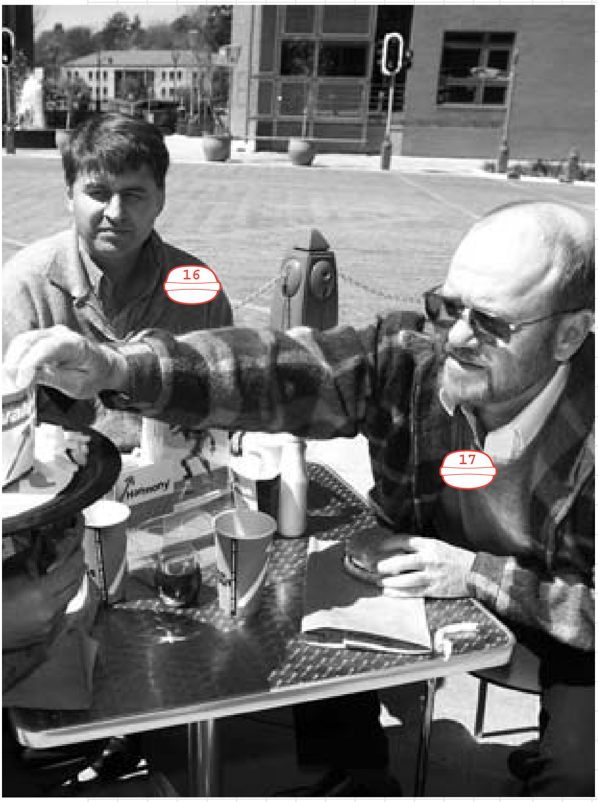
FRANK ABBOTT (47)
BCom, CA(SA), MBL
Financial director since 1997
Frank Abbott joined the Rand Mines/Barlow Rand Group in 1981, where he obtained broad financial management experience at operational level. He was appointed as financial controller to the newly formed Randgold in 1992 and was promoted to financial director of that group in October 1994. Until 1997, he was a non-executive director of Harmony. During that year he was appointed as financial director of Harmony.

MIKE PLEMING (66)
PrEng FIMM
Independent non-executive director since 1998
Mike Pleming started his career in mining engineering on the Zambian Copperbelt. He joined Trans Natal (now Ingwe) in 1975 as general manager: Optimum Collieries, and was later appointed project manager and consulting engineer. He joined Liberty Asset Management in 1982 where he was responsible for mining investment research. He retired in 1995 and has since undertaken a series of mining investment-related assignments. Following Harmony's acquisition of Evander in 1998, he joined the company as a non-executive director. He is also a director of Impala Platinum Holdings (Implats) Limited.

LORD RENWICK OF CLIFTON KCMG (64)
Independent non-executive director since 1999
Having formerly served as British Ambassador to South Africa and the United States, Lord Renwick is Vice Chairman, Investment Banking of JPMorgan plc. He is also Chairman of Fluor Limited and serves on the boards of a number of other public companies including British Airways, SABMiller plc and Richemont.



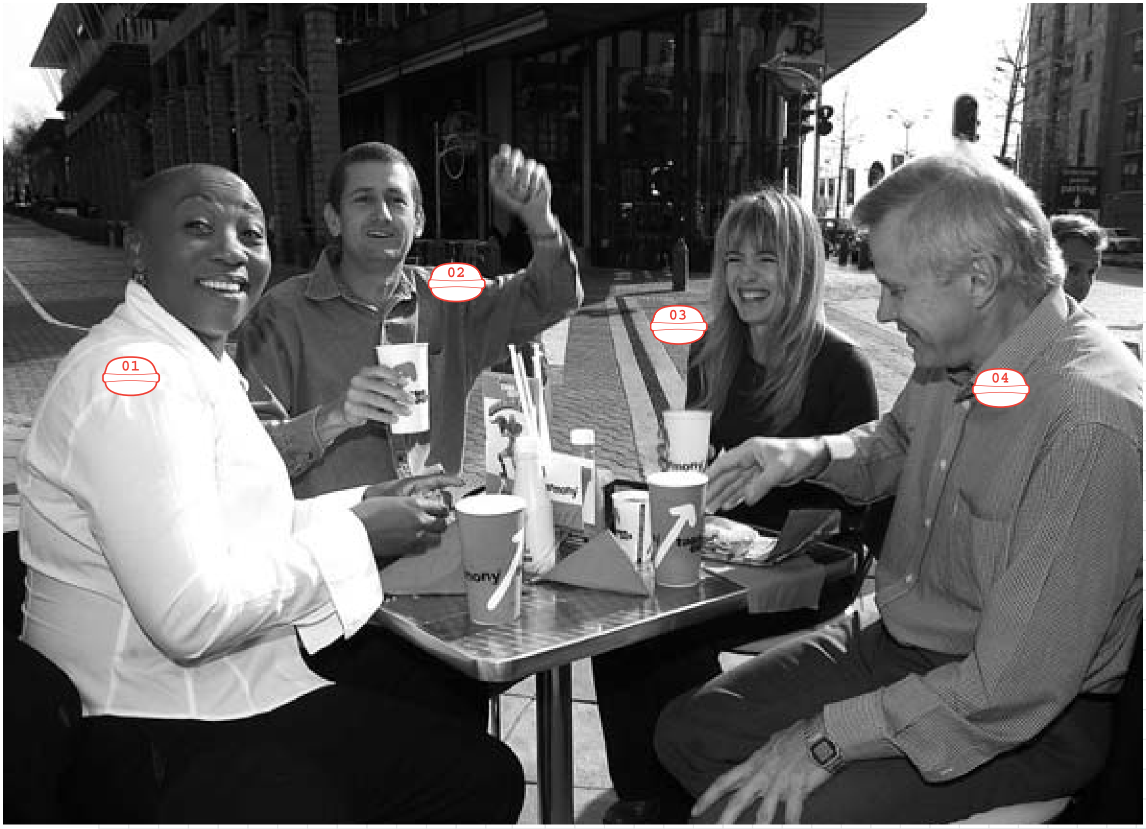




12 **Boetie Swanepoel** BCompt(Hons), CA(SA)
13 **Peter McKenna** BSc(Hons)(Geology), PriSciNat
14 **Yusuf Jardien** ICSA, PMD(UCT)
15 **Frank Sullivan** MCom, BPL(Hons)DPLR, MPD, EMP
16 **Pine Pienaar** BCom, BCompt(Hons), CA(SA)
17 **Vaughan Armstrong** BSc(Hons), PhD
18 **Khetiwe McClain** BA Fine Arts
19 **Ferdi Dippenaar** BProc, BCom, MBA
20 **Sembie Danana** B.Journalism, BA(Hons), MBA
21 **Philip Kotze** NHD Met Mining, GDE
absent **Jackie Mathebula** B.Admin(Hons), Dip Labour Law

Harmony
Executive
Committee

WHAT YOU TAKE OUT IS WHAT WE PUT IN



01 **Khosi Ndlovu** BA Social Development

02 **Bernard Swanepoel** BSc(Mining Engineering), BCom(Hons)

03 **Tracey Jonkheid** BA Communications(Hons), MBA

04 **Ted Grobicki** BSc(Hons)(Geology, MSc(Mineral Exploration), PrSciNat, FIMM

05 **Graham Briggs** BSc(Hons)(Geology), PrSciNat

06 **Abré van Vuuren** BCom, MDP, DPLR, Advanced Labour Law

07 **Mohamed Madhi** BSc(Electrical and Electronic Engineering), MBA,MSC(Engineering)

08 **Bob Atkinson** NHD(Metalliferous Mining)

09 **Frank Abbott** BCom, CA(SA), MBL

10 **Dawie Mostert** Diploma in Labour Relations(LAR), MDP, Advanced Labour Law

11 **Fleur Plimmer** BA(Hons)

CORPORATE GOVERNANCE

Harmony and its subsidiaries operate mainly in South Africa and Australia. It has its main listing in South Africa and is also listed in London, Paris and Brussels and, as a result of its ADR listing on NASDAQ, complies with SEC requirements. This means that we are subject to the governance rules of the Code of Corporate Practices and Conduct ("King I"). King I came out in 1994 and was recently updated by King II. The company, however, still reports to King I for this financial year.

King II has now been published and applies to all companies listed on the JSE Securities Exchange, South Africa, with a financial year commencing on 1 April 2002, King II reporting for us will, therefore, apply as from 2003.

Recent corporate failures in the USA have led to the adoption of the Sarbanes-Oxley Act and the Securities and Exchange Commission has already commenced rule-making in terms of that Act.

Our board of directors takes corporate governance seriously and has accordingly reviewed the board and its functioning from a strategic perspective. This review showed that while we practice sound corporate governance, a considerable number of changes are required to comply with the letter of King II and other governance requirements. We plan to evaluate and implement these during the 2003 financial year.

Framework

Harmony fully subscribes to the principles of integrity, accountability and transparency and complies with generally accepted business practices by which corporate entities seek to govern themselves. We are committed to an open governance process, through which our employees and shareholders can be assured that the organisation is managed ethically, according to sound and effective risk management parameters, and in compliance with best international practices.

The underpinning principles of Harmony's corporate governance practices rest upon the three cornerstones of an effective and efficient organisation, namely: day-to-day management processes, a long-term strategic planning process and effective transformation processes. All these processes are supported by Harmony systems which are used to plan, execute, deliver and control strategic and operational domains of the organisation.

The Harmony board believes that the organisation has applied and complied with the principles incorporated in the Code of Corporate Practices and Conduct as set out in the King Report. All the key principles underlying the King recommendations have been reflected in Harmony's corporate governance structures. These are reviewed from time to time to take into account corporate changes and international developments with regard to corporate governance.

Chairman and board of directors

The company has a unitary board structure. The board comprises four independent directors, one of whom is the chairman, one non-executive director and four executive directors. The non-executive and independent directors are of sufficient calibre and number for their views to carry significant weight in the board's decisions. In addition, the roles of chairman and chief executive are not vested in the same person.

The directors, under the chairmanship of Adam Fleming, meet on a quarterly basis. They are mandated to effect key decisions which ensure that they retain proper direction and full control of the company and monitor executive management.

All directors have access to the advice and services of the company secretary. They are also entitled to seek independent professional advice about the affairs of the company at the company's expense. The company secretary is responsible to the board for ensuring that procedures and applicable statutes and regulations are complied with. The board has established a number of committees in which the non-executives play an active role and which operate within defined terms of reference laid down by the board.

Risk management and insurance

Our operations are subject to the provisions of numerous South African acts of law and the regulations promulgated thereunder, the principal acts being the Minerals Bill and the Mine Health and Safety Act. The provisions of these acts and regulations ensure that extensive and well-managed risk control initiatives are an integral part of our operations.

The objective of our risk management programme is to minimise our business risk by safeguarding our assets and revenue, as well as the procurement of insurance for those events beyond the control of management. The Harmony board retains risk management control through the final review of key risk matters affecting the company. The focus of risk management is on identifying, assessing, managing and monitoring all known forms of risk across all business units. We endeavour to minimise operating risk by ensuring that the appropriate infrastructure, control systems and people are in place throughout our business units. Key policies and procedures employed in managing operating risk involve segregation of duties, transaction authorisation, monitoring, and financial and managerial reporting. Financial risks are managed within predetermined procedures and constraints. Compliance is measured through regular reporting against these standards, internal audit checks and external audit verification.

Risk control with regard to numerous potential loss exposures, such as the health and safety of our workers and third parties, the protection of assets, the prevention of business interruption losses, the safeguarding of the environment, and the minimisation of exposure to civil and criminal litigation, are integral aspects of Harmony's operations.

Risk factors

The profitability of Harmony's operations, and the cash flows generated by those operations, are affected by changes in the market price for gold

A substantial part of all Harmony's revenues come from the sale of gold. Historically, the market price for gold has fluctuated widely and has been affected by numerous factors over which Harmony has no control, including:

- the demand for gold for industrial uses and for use in jewellery;
- international or regional political and economic trends;
- the strength of the US Dollar (the currency in which gold prices generally are quoted) and of other currencies;
- financial market expectations regarding the rate of inflation;

- interest rates;
- speculative activities;
- actual or expected purchases and sales of gold bullion holdings by central banks or other large gold bullion holders or dealers;
- forward sales by gold producers; and
- the production and cost levels for gold in major gold-producing nations, such as South Africa.

In addition, the current demand and supply balance affects the price of gold, but not necessarily in the same manner as it would affect the prices of other commodities. Historically, gold has tended to retain its value in relative terms against basic goods in times of inflation and monetary crises. As a result, central banks, financial institutions and individuals hold large amounts of gold as a store of value. Production in any given year constitutes a very small portion of the total potential supply of gold. Thus, normal variations in current production will not necessarily have a significant effect on the supply of gold or its price.

Actual or expected sales of gold by central banks have had a significant impact on the price of gold

Over the past several years, one of the most important factors influencing the gold price has been actual or expected sales of gold reserves by central banks. Since 1997, a number of central banks, including the central banks of Australia, Switzerland and the United Kingdom, have announced plans to sell significant gold reserves. More recently, the International Monetary Fund (IMF) has discussed selling gold reserves to fund international debt relief. The gold price has declined following each such announcement and sale. The gold price dropped to its lowest level in at least 20 years in July 1999, after the Bank of England completed the first part of its announced sale of more than half of its gold reserves. In September 1999, the central banks of fifteen European countries agreed to limit sales of gold reserves for five years and to limit gold lending and derivative operations. The announcement of this agreement led to an immediate increase in the price of gold. But the price has since been subject to downward pressure around the time of the periodic auctions held by the Bank of England, which was completed during the year. The agreement by the central banks is voluntary and there are a number of central banks with significant gold reserves that are not subject to the agreement. Any future sales or publicly announced proposed sales by central banks of their gold reserves are likely to result in a decrease in the price of gold.

Because Harmony does not use commodity or derivative instruments to protect against low gold prices with respect to most of its production, Harmony is exposed to the impact of any significant drop in the gold price.

Unlike many other gold producers, Harmony sells its gold production as a general rule at market prices. A substantial proportion of the production at New Hampton and Hill 50 was already hedged when acquired by Harmony and remains hedged.

Harmony, however, 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. We can, therefore, realise the positive impact of any increase in the gold price. However, this also means that we are not significantly protected against decreases in the gold price and if the gold price decreases significantly, we run the risk of reduced revenues in respect of its gold production.

Harmony's gold reserve figures are estimates based on a number of assumptions, including assumptions as to mining and recovery factors, future production costs and the price of gold, and may yield less gold under actual production conditions than Harmony currently estimates

The ore reserve estimates contained in this report are estimates of the mill-delivered quantity and grade of gold in Harmony's deposits and stockpiles. They represent the amount of gold that Harmony believes can be mined, processed and sold at prices sufficient to recover Harmony's estimated future total costs of production, remaining investment and anticipated additional capital expenditures. Harmony's ore reserves are estimated based upon many factors, including:

- the results of exploratory drilling and an ongoing sampling of the orebodies;
- past experience with mining properties; and
- the experience of the person making the reserve estimates.

As a result, the reserve estimates contained in this report should not be interpreted as assurances of the economic life of Harmony's gold deposits or the profitability of its future operations. Since ore reserves are only estimations which we make based on the above factors, we may need to revise these estimates in the future. In particular, if Harmony's production costs increase (either in Rand terms or in relative terms should the Rand appreciate against the US Dollar), or if the gold price decreases, a portion of our ore reserves may become uneconomical to recover. This will force us to lower our estimated reserves.

Harmony may experience problems in managing new acquisitions and integrating them with its existing operations

Acquiring new gold mining operations involves a number of risks, including:

- difficulties in assimilating the operations of the acquired business;
- difficulties in maintaining the financial and strategic focus of Harmony while integrating the acquired business;
- problems in implementing uniform standards, controls, procedures and policies;
- increasing pressures on existing management to oversee a rapidly expanding company; and
- to the extent Harmony acquires mining operations outside South Africa, encountering difficulties relating to operating in countries in which we have not previously operated.

Any difficulties or time delays in achieving successful integration of new acquisitions could have a material adverse effect on Harmony's business, operating results, financial condition and stock price.

Due to the nature of mining and the type of gold mines it operates, Harmony faces a material risk of liability, delays and increased production costs from environmental and industrial accidents and pollution

The business of gold mining by its nature involves significant risks and hazards, including environmental hazards and industrial accidents.

Any and all of these environmental or industrial hazards are a risk for us. The occurrence of any of these hazards could delay production, increase production costs and result in liability to us.

Harmony's insurance coverage may prove inadequate to satisfy future claims against it

Harmony has third-party liability coverage for most potential liabilities, including environmental liabilities. We believe that our current insurance coverage for the hazards described above is adequate and consistent with industry practice. We may become subject to liability for pollution or other hazards against which we have not insured or cannot insure, including those in respect of past mining activities. Further, we maintain and intend to continue to maintain, property and liability insurance consistent with industry practice, but such insurance contains exclusions and limitations on coverage. In addition, there can be no certainty that insurance will continue to be available at economically acceptable premiums. As a result, in the future Harmony's insurance coverage may not cover the extent of claims against us for environmental or industrial accidents or pollution.

Because Harmony's production costs are in Rand, while gold is generally sold in US Dollars, Harmony's financial condition could be materially harmed by an appreciation in the value of the Rand

Gold is sold throughout the world principally in US Dollars, but our operating costs are incurred principally in Rand. As a result, any significant and sustained appreciation of the Rand against the US Dollar will materially reduce our Rand revenues and net income as a result of higher working costs in US Dollar terms.

Political or economic instability in South Africa or regionally may have an adverse effect on Harmony's operations and profits

Harmony is incorporated and owns significant operations in South Africa. As a result, there are important political and economic risks relating to South Africa which could affect an investment in Harmony.

Government policies aimed at redressing the disadvantages suffered by the majority of citizens under previous governments could impact on Harmony's operations and profits.

Harmony's operational results may be negatively impacted by inflation.

In the late 1980s and early 1990s, inflation in South Africa reached record highs. This increase in inflation resulted in considerable year-on-year increases in operational costs. In recent years, however, the inflation rate has decreased to single-digit figures.

Our operations have in recent years not been materially affected by inflation. However, a period of significant inflation in South Africa, without a concurrent devaluation of the Rand or an increase in the price of gold, could have a material adverse effect on our profits and financial condition.

Harmony's financial flexibility could be materially constrained by South African currency restrictions

South Africa's exchange control regulations provide for restrictions on exporting capital from South Africa, the Republic of Namibia, and the Kingdoms of Lesotho and Swaziland, known collectively as the Common Monetary Area. Transactions between South African residents (including corporations) and non-residents of the Common Monetary Area are subject to these exchange control regulations which are enforced by the South African Reserve Bank, or the SARB. As a result, our ability to raise and deploy capital outside the Common Monetary Area is restricted. In particular, Harmony:

- is generally not permitted to export capital from South Africa or to hold foreign currency without the approval of the South African exchange control authorities;
- is generally required to repatriate to South Africa profits of foreign operations; and
- is limited in its ability to utilise profits of one foreign business to finance operations of a different foreign business.

These restrictions could hinder our normal corporate functioning and the acquisition of offshore assets. While exchange controls have been relaxed in recent years and are continuing to be relaxed, it is difficult to predict whether or how the South African government will further relax these.

Since Harmony's labour force has substantial trade union participation, Harmony faces the risk of disruption from labour disputes

Due to the number of our employees who belong to unions, we face the risk of production stoppages due to strikes and other labour disputes. Significant labour disruptions may have a material adverse effect on our operations and financial condition. We are not able to predict whether we will experience significant labour disputes in the future.

HIV/AIDS poses risks to Harmony in terms of productivity and costs

The incidence of HIV/AIDS in South Africa, which is forecast to increase over the next few years, poses risks to Harmony in terms of potentially reduced productivity and increased medical and other costs. Significant increases in the incidence of HIV/AIDS infection and HIV/AIDS-related diseases among our workforce in the future could adversely impact our operations and financial condition. We are actively pursuing AIDS awareness campaigns with our workforce.

Mineral rights ownership

Currently Harmony owns the majority of its mineral rights and we actively carry out mining and exploration activities in all of our material mineral rights areas. In June 2002, the South African Parliament enacted the Mineral and Petroleum Resources Development Act. The Bill is based on the principle that mineral resources are part of South Africa's national patrimony and that the state is the custodian of the nation's mineral resources. It is from such principles that the state will derive its entitlements to control, administer and manage access to South Africa's mineral resources, grant prospecting rights, and mining rights and issue retention permits. Therefore, on commencement of the new legislation, prospecting rights, mining rights, retention permits and permission to remove minerals will only be granted by the state. There are various transition periods to allow holders of existing rights to change over to the new dispensation and Harmony is working within the framework of these transition periods.

Harmony is subject to extensive environmental regulations

As a gold mining company, we are subject to extensive environmental regulations. We have experienced, and expect to continue to experience, increased costs of production arising from compliance with South African environmental laws and regulations. The Minerals Act, the regulations promulgated under this Act, certain other environmental legislation and the administrative policies of the South African government all regulate the impact of Harmony's prospecting and mining operations on the environment.

Upon the suspension, cancellation, termination or lapsing of a prospecting permit or mining authorisation in South Africa, we shall remain liable for compliance with the provisions of the Minerals Act, including any rehabilitation obligations. This liability will continue until such time as the South African Department of Minerals and Energy certifies that the company has complied with the provisions of the Minerals Act.

Currently, we provide for environmental liabilities by contributing to environmental trust funds. While we believe that our current provision for compliance with South African environmental laws and regulations is adequate, any future changes and development in environmental regulation may adversely affect our operations. In the future, Harmony may incur significant costs associated with complying with more stringent requirements imposed under new legislation and regulations. This may include the need to increase and accelerate expenditure on environmental rehabilitation, and alter provisions for this expenditure, which could have a material adverse effect on our results and financial condition.

Harmony may not pay dividends to its shareholders in the future

It is the current policy of Harmony's board of directors, to declare and pay cash dividends if profits and funds are available for that purpose. Whether funds are available depends on a variety of factors, including the amount of cash available, our capital expenditures, and other cash requirements existing at the time. Under South African law, cash dividends may only be paid out of our profits. No assurance can be given that cash dividends will be paid in the future.

Harmony's non-South African shareholders face additional investment risk from currency exchange rate fluctuations since any dividends will be paid in Rand

Dividends or distributions with respect to Harmony's ordinary shares have historically been paid in Rand. The US Dollar equivalent of any dividends or distributions with respect to Harmony's ordinary shares will be adversely affected by potential future reductions in the value of the Rand against the US Dollar.

Audit Committee

The Audit Committee, which comprises independent non-executive directors and is chaired by Adam Fleming, meets periodically with the company's external and independent internal auditors and executive management to review accounting, auditing and financial reporting matters so as to ensure that an effective control environment in the company is maintained. The committee also monitors proposed changes in accounting policy, reviews the internal audit function and discusses the accounting implications of major transactions. The committee operates in accordance with written terms of reference confirmed by the board.

Audit Committee

AR Fleming* (Chairman), MF Pleming*,
JG Smithies*.
*Independent non-executive directors.

Internal controls and internal audit
Internal controls comprise methods and procedures adopted by management to assist in achieving the objectives of safeguarding assets, preventing and detecting errors and fraud, ensuring the accuracy and completeness of accounting records and preparing reliable financial statements.

The internal audit function, which has been outsourced to an independent accounting firm, serves management and the board of directors by performing independent evaluations of the adequacy and effectiveness of the company's controls, financial reporting mechanisms and records, information systems and operations. In reporting on the adequacy of these controls, additional assurance regarding the safe guarding of company assets and financial information is provided.

The internal audit function is designed to respond to management's requirements while maintaining an appropriate degree of independence to render impartial and unbiased judgements in performing its service. The internal and external auditors have unrestricted access to the chairman of the Audit Committee.

The board, operating through its Audit Committee, oversees the financial reporting process and is satisfied that the control systems are adequate for this purpose.

Health, Safety and The Environment (HSE) Audit Committee
The Health, Safety and Environmental (HSE) Audit Committee, which comprises independent non-executive directors and is chaired by Mike Pleming, meets periodically with executive management to review our HSE policies, practices and standards. The committee monitors HSE performance and makes recommendations to the board where it deems particular attention to be required. The committee operates in accordance with specific terms of reference confirmed by the board.

HSE Audit Committee
MF Pleming* (Chairman), AR Fleming*,
JG Smithies*.
*Independent non-executive directors.

Remuneration Committee
Adam Fleming chairs the Remuneration Committee consisting of independent non-executive directors. The committee, in consultation with management where necessary, ensures that the company's directors and senior executives are fairly rewarded for their individual contributions to the company's overall performance, as well as determining the remuneration policy pertaining to all employees.

Remuneration committee
AR Fleming* (Chairman), JG Smithies*, MF Pleming*
*Independent non-executive directors.

Worker participation

We have participating structures to deal with issues that affect our employees directly and materially. These structures are designed to achieve good employer/employee relations through encouraging open communication, consultation and the identification and resolution of conflicts through a system of workplace forums. These structures embrace goals relating to productivity, career security, legitimacy and identification with the company. A designated group programme forms part of the company's training programme and business plan. Positive rapport is maintained with unions and associations.

Code of ethics

Harmony is committed to promoting the highest standards of behaviour. Our code of ethics, which was published and has been in force since 1996, is a clear guide as to the expected behaviour of all employees in their dealings with our stakeholders. These include the directors, managers, employees, customers, suppliers, competitors, investors, shareholders and society at large. We require our employees to maintain the highest ethical standards in ensuring that we conduct our business practices in a way which is above reproach.

Restrictions on share dealings

Employees (including directors) are prohibited from dealing in Harmony shares during price-sensitive periods. In line with regulatory and governance requirements, they must furthermore disclose their and their concert parties' dealings in Harmony shares to the company secretary.

WE DELIVER TO ALL OUR STAKEHOLDERS

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation, integrity and fair representation of the financial statements of the company. The financial statements, presented on pages 73 to 117 of this report, were prepared in accordance with South African Statements of Generally Accepted Accounting Practice and International Accounting Standards and include amounts based on judgements and estimates made by management. The directors also prepared other information included in this annual report and are responsible for both its accuracy and consistency with the financial statements.

During the preparation of the financial statements, the going concern basis was adopted. Based on forecasts and available resources, the directors have no reason to believe that the company will not be a going concern in the foreseeable future. The financial statements support the viability of the company.

The independent firm, PricewaterhouseCoopers Inc., audited the financial statements. Unrestricted access was given to all financial records and related data, including minutes of all shareholders', board of directors' and board committee meetings. The directors believe that all representations made to the independent auditors during their audit were valid and appropriate.

These financial statements were approved by the board of directors on 29 August 2002 and signed on its behalf by:

ZB SWANEPOEL
Chief Executive

F ABBOTT
Financial Director

Virginia
29 August 2002

INDEPENDENT AUDITORS' REPORT

To the members of Harmony Gold Mining Company Limited

We have audited the annual company and group financial statements for the year ended 30 June 2002 set out on pages 73 to 117. These financial statements are the responsibility of the directors of the company. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with statements of South African Auditing Standards. To obtain reasonable assurance that the financial statements are free from material misstatement, these statements require that we plan and perform the audit. An audit includes:

- an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements;
- an assessment of the accounting principles used and significant estimates made by management; and
- an evaluation of the overall presentation of financial statements.

We believe that our audit provides a reasonable basis for our opinion.

Audit opinion

In our opinion, the financial statements fairly represent, in all material respects, the financial position of the group as at 30 June 2002, and the results of their operations and cash flows for the year then ended, in accordance with South African Statements of Generally Accepted Accounting Practice and International Accounting Standards and in the manner required by the Companies Act of South Africa.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Chartered Accountants (SA)
Registered Accountants and Auditors

Sunninghill
2 September 2002

DIRECTORS' REPORT

The company and its subsidiaries

Harmony Gold Mining Company Limited and its subsidiaries and associates are involved in gold mining, exploration and related activities mainly in South Africa, Australia, the Russian Federation and Peru. The company does not have a major or controlling shareholder and is managed by its directors for and on behalf of its stakeholders.

Financial statements and results

The directors have pleasure in submitting the financial statements of the company, together with those of the group, for the year ended 30 June 2002. These appear on pages 73 to 117 of this report. These financial statements have been prepared using appropriate accounting policies, conforming to South African Generally Accepted Accounting Practice and International Accounting Standards, supported by reasonable and prudent judgements and estimates where required.

Going concern

The directors believe that the company and group have sufficient resources and expected cash flows to continue operating as a going concern.

Capital

Full detail of the authorised, issued and unissued share capital of the company as at 30 June 2002 is set out in the statements of shareholders' equity on page 84 of this report.

The authorised ordinary share capital of the company increased by R5 479 452,00 or 10 958 904 ordinary shares in January 2002 due to the conversion of the company's preference share capital into ordinary shares pursuant to the conversion of the preference shares held by the Industrial Development Corporation on behalf of Simane Security Investments.

Year-on-year the issued share capital of the company increased by R12 347 029 to R84 623 674,50, equal to 24 694 058 million newly-issued ordinary shares of 50 cents each. These shares were issued mostly as a result of the conversion of the preference shares discussed above, a private placement of 8,5 million shares in April 2002 to defray the loan obtained for the acquisition of Hill 50 (see "Acquisitions" below), and the exercise of share options under the company's share incentive schemes.

The control over the unissued shares of the company is vested in the directors, in specific terms as regards allotments in terms of the Harmony (1994) and (2001) share option schemes ("the option schemes") and the allotment of shares for cash and in general terms as regards all other allotments.

The authorities granted to directors in respect of control over the unissued shares expire on the date of the annual general meeting of members to be held on 15 November 2002. Members, therefore, will be requested to consider resolutions at the forthcoming annual general meeting placing under the control of the directors the then remaining unissued ordinary shares not required for purposes of the share option schemes.

Members will furthermore be requested to furnish general approval for the acquisition by the company of its issued shares in terms of Section 85 of the Companies Act, 1973 and subject to the listing requirements of the JSE Securities Exchange.

The full text of the proposed resolutions is contained in the notice of the annual general meeting (enclosed).

Investments

A schedule of investments in subsidiaries, associates and listed and unlisted investments, appears on pages 116 and 117 of this report.

Acquisitions

During the year under review, the following acquisitions were made:

In December 2002, an interest of 31.8% in the issued share capital of Bendigo Mining NL for a cash consideration of A$50 million (R292 million), together with 360 million options to acquire shares in Bendigo at A$0.30 per share at any time prior to 31 December 2003. The exercise of these options will result in Harmony owning 50% and hence control over Bendigo.

Effective 3 January 2002, a fifty per cent interest in Clidet No. 383 (Pty) Limited, which has since changed its name to the ARMgold/Harmony Freegold Joint Venture Company (Pty) Limited (Free Gold). This company in turn acquired the Freegold assets from AngloGold Limited for a consideration of R2.2 billion (of which R400 million has been deferred to January 2005) and the assumption of certain tax liabilities incurred by AngloGold pursuant to this transaction estimated to be R632 million. Loan financing was put in place for part of the company’s contribution to the acquisition cost (Refer to note 22 to the financial statements).

In May 2002, an interest of 32.5 per cent in the share capital of Highland Gold Limited, a Jersey-registered company which owns an operating gold mine and projects in Russia, for a cash consideration of US$18 million (R188 million).

Effective 22 June 2002, the total issued share capital and all listed options of Hill 50 Limited, an Australian gold producer, were acquired at a total cost of A$233 million (R1 419 million). Hill 50 has since been renamed Harmony Australia (Operations) Limited. In order to finance part of the acquisition price of Hill 50, a syndicated loan facility of US$80 million was raised in February 2002. This loan was redeemed before year-end.

Property

Full detail of the property, mineral and participation rights of the company and the group are available on request.

Dividends

Interim dividend No. 74 of 75 cents per share was declared payable on 18 February 2002 and final dividend No. 75 of 425 cents per share was declared payable on 2 September 2002 in respect of the financial year ended 30 June 2002, thus resulting in a total dividend of 500 cents per share for the year.

Share Incentives

Activity under the various share incentive schemes for the year under review was as follows:

	Balance as at 1 July 2001		Exercised and sold during the year		Allocated during the year		Balance 30 June 2002	
	Number of options	Average price per share	Number of options	Average price per share	Number of options	Average price per share	Number of options	Average price per share
Management	5 157 100	27.86	2 376 300	26.77	5 423 900	49.60	8 204 700	42.55
Executive directors:								
F Abbott	130 000	25.96	80 000	24.75	110 000	49.60	160 000	42.82
F Dippenaar	150 000	27.22	100 000	26.88	110 000	49.60	160 000	42.82
T S A Grobicki	158 000	27.65	-	-	131 000	49.60	289 000	37.60
Z B Swanepoel	196 700	27.47	126 600	27.36	193 200	49.60	263 300	43.76

The prices per share range between R11.70 and R49.60. The last date on which an option may be exercised is between 2 December 2007 and 20 November 2011.

Directorate

Drs G S Sibiya and A M Edwards retired from the board on 15 April 2002. Ms A Mokhobo was appointed as a director on 25 January 2002 and Mr J G Smithies was appointed as a director on 15 April 2002. Abridged CVs of the new directors appear on pages 58 and 59 of this report. Ms Mokhobo and Mr Smithies have made themselves available for election to the board at the upcoming annual general meeting of members.

In terms of the company's Articles of Association, Messrs F Abbott, F Dippenaar and Lord Renwick of Clifton KCMG retire by rotation at the forthcoming annual general meeting. The retiring directors are eligible, and have made themselves available, for re-election to the board.

Directors' interests

Disclosures by directors indicate that, at the date of this report, their individual shareholdings and those of their immediate families and associates, do not exceed one per cent of the company's issued share capital, save for Mr A R Fleming, who holds indirectly, 5 213 868 shares or 3.08% of the issued share capital of the company as at 30 June 2002. Ms T A Mokhobo is a shareholder and director of Simane Security Investments (Pty) Limited, which holds 10 958 982 shares in the company, or 6.48 per cent of the issued share capital as at 30 June 2002.

The directors' interests and dealings in shares acquired, other than through share incentive schemes, for the year under review and up to 31 August 2002 are set out in the table below:

Name	Balance 30 June 2002	Acquired	Disposed	Balance at 31 Aug 2002
A R Fleming	5 258 868	250 000	295 000	5 213 868
Z B Swanepoel	120 000	-	120 000	-
F Abbott	90 100	-	90 100	-
F Dippenaar	63 400	-	63 400	-
T S A Grobicki	160 800	-	79 970	80 830
T A Mokhobo*	-	-	-	-
R W Renwick	5 105	6 600	-	11 705
J G Smithies	-	-	-	-

* See note above regarding Simane Security Investments (Pty) Limited

** All holdings are beneficial, other than 60 830 held by Mr TSA Grobicki on behalf of a trust of which he is a trustee, but not a beneficiary.

Directors' emoluments

Directors' emoluments for the year ended 30 June 2002 are set out in the table below in conformity with the requirements of the JSE Securities Exchange South Africa:

Name (R'000)	Directors' fees	Salaries and benefits	Retirement contributions	Bonuses paid during the year	Total
A R Fleming	100	-	-	-	100
A M Edwards*	100	-	-	-	100
T A Mokhobo	50	-	-	-	50
M F Pleming	100	-	-	-	100
R W Renwick	100	-	-	-	100
G S Sibiya*	100	-	-	-	100
J G Smithies	-	-	-	-	-
Executive**					
F Abbott	-	977	81	2 000	3 058
F Dippenaar	-	923	75	2 000	2 998
T S A Grobicki	-	1 279	115	2 000	3 394
Z B Swanepoel	-	1 597	150	3 000	4 747
Total	**550**	**4 776**	**421**	**9 000**	**14 747**

* Retired during the June quarter
** Directors' fees waived

Executives participate in an executive bonus scheme and bonuses (if any) are determined for a financial year by the Renumeration Committee based on a share of profits over a pre-determined benchmark. This is paid in equal parts over a three-year term; provided that the executive is in service of the company on date of payment. The bonuses are to be paid as follows:

Name	Total bonus financial year 2002 (R'000)	Paid 2002 (R'000)	Payable 2003 (R'000)	Payable 2004 (R'000)
F Abbott	6 000	2 000	2 000	2 000
F Dippenaar	6 000	2 000	2 000	2 000
T S A Grobicki	6 000	2 000	2 000	2 000
Z B Swanepoel	9 000	3 000	3 000	3 000

The profit in terms of share incentive schemes is as follows:

Name	No of shares sold	Average cost per option	Average price per share realised	Gross profit (R' 000)
F Abbott	80 000	24.75	54.85	2 408
F Dippenaar	100 000	26.88	55.64	2 876
T S A Grobicki	-	-	-	-
Z B Swanepoel	126 600	27.36	62.92	4 502

Shareholders
Information on shareholder spread, range of shareholdings and public shareholders, as well as major shareholders, is presented on page 123 of this report.

Post year-end events
Free Gold (held 50% by the company) announced its intention to acquire the St Helena gold mine and related infrastructure, held indirectly by Gold Fields Limited, for a consideration of R120 million in cash and a royalty of one per cent of revenue payable for a period of 48 months, during May 2002. It is envisaged that the conditions precedent to this acquisition will be fulfilled during the quarter ending 31 December 2002.

The company's Australian subsidiary, Harmony Gold (Australia) Pty Limited, accepted an offer from Placer Dome for its entire shareholding in AurionGold on 15 August 2002. This has resulted in the company owning 7.5 million shares in Placer Dome and receiving A$15 million in cash.

Secretary
The secretary of the company is F W Baker. His business address appears on page 124 of this report.

The secretary has, in terms of Section 286G(d) of the Companies Act, 1973, certified that: "All such returns as are required of a public company in terms of the Act had been made and are true, correct and up to date".

HARMONY IS HEADLINE NEWS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Harmony Gold Mining Company Limited
Operational Results
for the year ended 30 June 2002

METRIC (Rand)	2002 (1)	2001 (2)
Underground operations		
Tonnes milled ('000)	13 234	12 785
Gold produced (kg)	71 000	62 446
Yield (g/t)	5.37	4.88
Cash operating cost (R/t milled)	329	279
Surface operations		
Tonnes milled ('000)	9 700	4 289
Gold produced (kg)	11 971	4 117
Yield (g/t)	1.23	0.96
Cash operating cost (R/t milled)	88	77
Total operations		
Gold produced (kg)	82 971	66 563
Gold price received per kilogram	94 080	67 525
Cash operating cost (R/kg)	62 848	57 416

IMPERIAL (US Dollar)	2002	2001
Underground operations		
Tonnes milled ('000)	14 593	14 093
Gold produced (oz)	2 282 698	2 007 679
Yield (oz/t)	0.156	0.142
Cash operating cost ($/t milled)	29	32
Surface operations		
Tonnes milled ('000)	10 697	4 728
Gold produced (oz)	384 874	132 364
Yield (oz/t)	0.036	0.028
Cash operating cost ($/t milled)	8	9
Total operations		
Gold produced (oz)	2 667 572	2 140 043
Gold price received per ounce	287	276
Cash operating cost ($/oz)	192	234

Average conversion rate for the 12 months under review: US$1=R10.20 (2001: R7.61)

Note (1) – Includes gold production from Free Gold for six months from 3 January 2002 and Hill 50 for three months from 1 April 2002.

Note (2) – Includes gold production from Elandskraal and New Hampton for three months from 1 April 2001.

This statement does not form part of the annual financial statements and is unaudited.

Harmony Gold Mining Company Limited
Consolidated Income Statement
for the year ended 30 June 2002

Company 2001 R million	Company 2002 R million		Notes	Group 2002 R million	Group 2001 R million
1 431	1 829	Revenue		7 806	4 495
(1 385)	(1 351)	Cash operating costs	2	(5 215)	(3 822)
46	**478**	**Cash operating profit**		**2 591**	**673**
378	468	Interest and dividends		138	45
21	7	Other income – net	4	94	81
-	(16)	Employment termination and restructuring costs	5	(83)	(36)
18	(54)	Corporate, administration and other expenses		(78)	(19)
(2)	-	Exploration expenditure		(61)	(27)
(32)	-	Marketing and beneficiation development		(89)	(38)
-	-	Profit/(loss) on sale of listed investments	6	46	(11)
(55)	(187)	Interest paid		(230)	(114)
374	**696**	**Cash profit**		**2 328**	**554**
(90)	(82)	Depreciation and amortisation		(308)	(237)
9	(16)	(Provision)/reversal of provision for rehabilitation costs		(20)	52
-	10	Gain on financial instruments		48	58
-	-	Gain on listed investments	7	595	-
(225)	(13)	Impairment of assets	8	(362)	(215)
-	1	(Provision)/reversal of provision for former employees' post-retirement benefits		(2)	17
68	**596**	**Profit before tax**	3	**2 279**	**229**
8	(75)	Taxation (expense)/benefit	9	(583)	(111)
76	**521**	**Net profit before minority interests**		**1 696**	**118**
-	-	Minority interests	10	(16)	(3)
76	**521**	**Net profit**		**1 680**	**115**

	Notes	Group 2002	Group 2001
Basic earnings per share (cents)	11	1 094	112
Fully diluted earnings per share (cents)	11	1 017	108
Basic headline earnings per share (cents)	11	1 316	254
Fully diluted headline earnings per share (cents)	11	1 223	246
Interim dividends per share (cents)	12	75	50
Proposed final/final dividends per share (cents)	12	425	70
Total dividends per share (cents)	12	500	120

Harmony Gold Mining Company Limited
Consolidated Balance Sheet
at 30 June 2002

Company 2001 R million	Company 2002 R million		Notes	Group 2002 R million	Group 2001 R million
		Assets			
		Non-current assets			
1 211	1 298	Property, plant and equipment	13	9 433	5 424
49	315	Investments	14	1 778	572
-	-	Investment in associate	15	291	-
4 033	6 219	Investments in subsidiaries	15	-	-
5 293	**7 832**	**Total non-current assets**		**11 502**	**5 996**
		Current assets			
167	211	Inventories	17	448	300
370	159	Receivables	18	685	799
438	669	Cash and cash equivalents		1 441	1 159
975	**1 039**	**Total current assets**		**2 574**	**2 258**
6 268	**8 871**	**Total assets**		**14 076**	**8 254**
		Equity and liabilities			
		Share capital and reserves			
72	85	Share capital	19	85	72
3 727	5 462	Share premium	19	5 462	3 727
69	-	Options issued	20	-	69
-	46	Non-distributable reserves	21	88	54
364	835	Retained earnings		2 328	672
4 232	**6 428**	**Total shareholders' equity**		**7 963**	**4 594**
		Non-current liabilities			
1 212	1 570	Long term borrowings	22	1 771	1 212
6	-	Preference shares	23	-	6
114	147	Deferred taxation	9	770	368
(9)	(26)	Deferred financial liability/(asset)	24	971	397
120	134	Provision for environmental rehabilitation	25	711	427
6	5	Provision for post-retirement benefits	26	9	8
-	-	Minority interests	10	-	2
1 449	**1 830**	**Total non-current liabilities**		**4 232**	**2 420**
		Current liabilities			
490	587	Accounts payable and accrued liabilities	27	1 648	1 083
(4)	25	Income and mining taxes		228	50
101	1	Shareholders for dividends		5	107
587	**613**	**Total current liabilities**		**1 881**	**1 240**
6 268	**8 871**	**Total equity and liabilities**		**14 076**	**8 254**

Commitments and contingencies - see note 33

Harmony Gold Mining Company Limited
Consolidated Statements of Shareholders' Equity
for the year ended 30 June 2002

	Number of ordinary shares issued	Number of options issued	Share capital R million	Share premium R million	Harmony listed options issued R million	Retained earnings R million	Non-distributable reserves R million	Total R million
Group								
Balance - 30 June 2000	**97 310 435**	**7 579 900**	**49**	**2 021**	**69**	**752**	**(16)**	**2 875**
Net income	-	-	-	-	-	115	-	115
Change in accounting policy	-	-	-	-	-	(43)	-	(43)
Dividends declared	-	-	-	-	-	(152)	-	(152)
Issue of shares								
- Public offerings	31 784 200	-	16	1 324	-	-	-	1 340
- IDC / Simane offering	10 736 682	-	5	381	-	-	-	386
- Private offering	568 774	-	-	23	-	-	-	23
- Share trust	2 000 000	-	1	34	-	-	-	35
Exercise of employee share options	2 153 200	-	1	52	-	-	-	53
Share issue expenses	-	-	-	(108)	-	-	-	(108)
Issue of warrants	-	9 027 500	-	-	-	-	-	-
Reversal of mark-to-market due to sale of Western Areas Limited shares	-	-	-	-	-	-	28	28
Foreign exchange translation reserve	-	-	-	-	-	-	(20)	(20)
Mark-to-market of listed and other investments	-	-	-	-	-	-	80	80
Mark-to-market of hedging instruments	-	-	-	-	-	-	(18)	(18)
Balance - 30 June 2001	**144 553 291**	**16 607 400**	**72**	**3 727**	**69**	**672**	**54**	**4 594**
Net income	-	-	-	-	-	1 680	-	1 680
Dividends declared	-	-	-	-	-	(119)	-	(119)
Issue of shares								
- Public offerings	222 300	-	-	8	-	-	-	8
- International private placement	8 500 000	-	4	1 139	-	-	-	1 143
Exercise of employee share options	3 998 800	-	2	132	-	-	-	134
Conversion of preference shares	10 958 904	-	6	455	-	-	-	461
Share issue expenses	-	-	-	(42)	-	-	-	(42)
Conversion of warrants	1 014 054	(1 014 054)	1	43	-	-	-	44
Listed options expired		(7 579 900)			(69)	95	(26)	-
Foreign exchange translation reserve	-	-	-	-	-	-	83	83
Mark-to-market of listed and other investments	-	-	-	-	-	-	(87)	(87)
Mark-to-market of hedging instruments	-	-	-	-	-	-	64	64
Balance - 30 June 2002	**169 247 349**	**8 013 446**	**85**	**5 462**	**-**	**2 328**	**88**	**7 963**
Company								
Balance - 30 June 2000	**97 310 435**	**7 579 900**	**49**	**2 021**	**69**	**441**	**-**	**2 580**
Net income	-	-	-	-	-	76	-	76
Dividends declared	-	-	-	-	-	(153)	-	(153)
Issue of shares								
- Public offerings	31 784 200	-	16	1 324	-	-	-	1 340
- IDC / Simane offering	10 736 682	-	5	381	-	-	-	386
- Private offering	568 774	-	-	23	-	-	-	23
- Share trust	2 000 000	-	1	34	-	-	-	35
Exercise of employee share options	2 153 200	-	1	52	-	-	-	53
Share issue expenses	-	-	-	(108)	-	-	-	(108)
Issue of warrants	-	9 027 500	-	-	-	-	-	-
Balance - 30 June 2001	**144 553 291**	**16 607 400**	**72**	**3 727**	**69**	**364**	**-**	**4 232**
Net income	-	-	-	-	-	521	-	521
Dividends declared	-	-	-	-	-	(119)	-	(119)
Issue of shares								
- Public offerings	222 300	-	-	8	-	-	-	8
- International private placement	8 500 000	-	4	1 139	-	-	-	1 143
Exercise of employee share options	3 998 800	-	2	132	-	-	-	134
Conversion of preference shares	10 958 904	-	6	455	-	-	-	461
Share issue expenses	-	-	-	(42)	-	-	-	(42)
Conversion of warrants	1 014 054	(1 014 054)	1	43	-	-	-	44
Listed options expired	-	(7 579 900)	-	-	(69)	69	-	-
Mark-to-market of hedging instruments	-	-	-	-	-	-	46	46
Balance - 30 June 2002	**169 247 349**	**8 013 446**	**85**	**5 462**	**-**	**835**	**46**	**6 428**

Harmony Gold Mining Company Limited
Consolidated Statements of Cash Flows
for the year ended 30 June 2002

Company 2001 R million	Company 2002 R million		Notes	Group 2002 R million	Group 2001 R million
		Cash flow from operations			
		Cash generated from/(utilised in)			
(36)	525	operations	31	2 436	473
378	468	Interest and dividends received		138	45
(55)	(187)	Interest paid		(230)	(114)
(8)	(13)	Income and mining taxes paid		(88)	(30)
279	**793**	**Net cash provided by operations**		**2 256**	**374**
		Cash flow from investing activities			
		Net increase in amounts invested in			
(2)	(27)	environmental trusts		(61)	(6)
-	-	Cash cost to close out Randfontein Hedges		(250)	-
50	-	Restricted cash		-	50
-	-	Cash held by subsidiaries on acquisition	32	154	-
-	-	Cash paid for New Hampton mines	32	-	(229)
-	-	Cash paid for Elandskraal mines	32	(210)	(1 053)
-	(17)	Cash paid for Free Gold mines	32	(900)	-
-	-	Cash paid for Hill 50 mines	32	(1 419)	-
-	-	Investment in associate acquired	15	(292)	-
-	(188)	Investment in Highland Gold acquired	14	(188)	-
-	-	Loan repaid by Khuma Bathong		90	-
-	-	Proceeds on disposal of listed investments		158	105
(2 339)	(1 897)	Increase in other non-current investments		(156)	(64)
3	12	Proceeds on disposal of mining assets		34	87
(120)	(179)	Additions to property plant and equipment		(733)	(422)
-	-	Foreign currency translation adjustments		105	-
(2 408)	**(2 296)**	**Net cash utilised in investing activities**		**(3 668)**	**(1 532)**
		Cash flows from financing activities			
959	375	Long-term borrowings raised – net		335	468
6	-	Preference shares issued		-	6
1 435	1 580	Ordinary shares issued - net of expenses		1 580	1 435
(120)	(221)	Dividends paid		(221)	(120)
2 280	**1 734**	**Net cash generated by financing activities**		**1 694**	**1 789**
151	231	**Net increase in cash and cash equivalents**		282	631
287	438	**Cash and equivalents - 1 July 2001**		1 159	528
438	**669**	**Cash and equivalents - 30 June 2002**		**1 441**	**1 159**

Harmony Gold Mining Company Limited
Notes to the Consolidated Financial Statements
for the year ended 30 June 2002

1. ACCOUNTING POLICIES

a) BASIS OF PREPARATION

The annual financial statements are prepared on the historical cost basis except for certain financial instruments, which are carried at fair value. The accounting policies as set out below have been consistently applied, and comply with the accounting standards issued by the International Accounting Standards Board, South African Statements of Generally Accepted Accounting Practice and the South African Companies Act.

b) USE OF ESTIMATES

The preparation of the financial statements in conformity with South African Statements of Generally Accepted Accounting Practice and International Accounting Standards 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. Significant estimates used by management include the valuation and amortisation of long lived assets as well as estimates of exposure and liabilities with regard to rehabilitation costs, employee benefit liabilities, taxation and hedging and financial derivatives. Actual results could differ from those estimates.

c) CONSOLIDATION

(i) Consolidated entities

The consolidated financial information includes the financial statements of the Company, its subsidiaries, its proportionate interest in joint ventures and its interests in associates. A Company in which the Group has directly or indirectly, through subsidiary undertakings, a controlling interest is classified as a subsidiary undertaking. The results of any subsidiary or joint venture acquired or disposed of during the year are consolidated from the date power of control was acquired and up to the date power of control ceased. Any excess or deficit of the purchase price, when compared to the net book value of the subsidiary acquired, is attributed to mineral property interests and amortised 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.

Intercompany profits, transactions and balances have been eliminated.

(ii) Investments in associates

An associate is an entity, other than a subsidiary, in which the Group has a material long term interest and in respect of which the Group exercises significant influence over operational and financial policies, normally owning between 20% and 50% of the voting equity.

Investments in associates are accounted for by using the equity method of accounting based on the most recent audited financial statements or unaudited interim financial statements. Equity accounting involves recognising in the income statement the Group's share of the associates' profit or loss for the period. The Group's interest in the associate is carried in the balance sheet at an amount that reflects the cost of the investment, the share of post acquisition earnings and other movement in reserves. The carrying value of an associate is reviewed on a regular basis and, if an impairment in the carrying value has occurred, it is written off in the period in which such permanent impairment is identified.

(iii) Investments in joint ventures

A joint venture is an entity in which the group holds a long term interest and which is jointly controlled by the Group and one or more venturers under a contractual arrangement. The Group's interest in jointly controlled entities is accounted for by proportionate consolidation. Under this method the Group includes its share of the joint venture's individual income and expenses, assets and liabilities in the relevant components of the financial statements on a line by line basis.

d) FOREIGN CURRENCIES

(i) Foreign entities

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, until the foreign entity is sold or disposed of, when the translation differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of foreign entities are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(ii) Foreign currency transactions

The South African Rand is the functional currency of the Group.

Transactions in foreign currencies are converted at the rates of exchange ruling at the date of these transactions. Monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange ruling at balance sheet date. Gains and losses and costs associated with foreign currency transactions are recognised in the income statement in the period to which they relate. These transactions are included in the determination of other income - net.

(iii) Convenience translations

The consolidated income statement and the consolidated balance sheets have been expressed in United States Dollars for information purposes.

For this purpose the consolidated income statement was translated at the average exchange rate for the year and the consolidated balance sheet at the rate of exchange ruling at the balance sheet date.

e) FINANCIAL INSTRUMENTS

Financial instruments are initially measured at cost. Subsequent to initial recognition these instruments are measured as set out below. Financial instruments carried on the balance sheet include cash and bank balances, money market instruments, investments, receivables, trade creditors and borrowings.

f) CASH AND CASH EQUIVALENTS

Cash and cash equivalents are defined as cash on hand, deposits held at call with banks and short term highly liquid investments with insignificant interest rate risk and original maturities of three months or less. Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at balance sheet date.

g) INVESTMENTS

(i) Listed investments

Investments in listed companies, other than investments in subsidiaries, joint ventures and associates, are carried at market value. Market value is calculated by reference to stock exchange quoted selling prices at the close of business on the balance sheet date. Changes in the carrying amount of strategic investments are credited to revaluation and other reserves in shareholders' equity. Movement in the carrying amount of trading securities are charged to the income statement. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged to the income statement. On disposal of strategic investments, amounts in the revaluation and other reserves relating to that investment, are transferred to retained earnings.

(ii) Unlisted investments

Unlisted investments are reflected at fair value, or cost, where fair value cannot reliably be measured. If the directors are of the opinion that there has been a permanent diminution in the value of these investments they are written down and recognised as an expense in the period in which the diminution is recognised.

h) INVENTORIES

Inventories which include gold in process and supplies, are stated at the lower of cost or net realisable value after appropriate allowances for redundant and slow moving items.

Stores and materials consist of consumable stores and are valued at average cost.

Bullion on hand and gold in process represents production on hand after the smelting process in the case of deep level mines and in the case of open pit operations placement on heap leach pads. It is valued using the weighted average cost method. Costs included are average production costs at the relevant stage of production and relevant administration costs.

Net realisable value is the estimated selling price in the ordinary course of business.

i) RECEIVABLES

Accounts receivable are stated at the gross invoice value, adjusted for payments received and an allowance for doubtful debt, where appropriate, to reflect the fair value of the anticipated realisable value. Bad debts are written of during the period in which they are identified.

j) ACCOUNTS PAYABLE

Accounts payable are stated at cost, adjusted for payments made to reflect the value of the anticipated economic outflow of resources.

k) HEDGING

Derivatives are recognised on the balance sheet at their fair value, unless they meet the criteria for normal purchase, normal sales exemption.

On the date a derivative contract is entered into, the Group designates it for accounting purposes as either:

a) a hedge of the fair value of a recognised asset or liability (fair value hedge)
b) a hedge of a forecasted transaction (cash flow hedge); on
c) a hedge of a net investment in a foreign entity; or
d) a derivative to be marked to market.

Certain derivative transactions, however while providing effective economic hedges under the Groups risk management policies, do not qualify for hedge accounting.

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 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 recorded directly in equity. Amounts deferred in equity are included in the income statement in the same periods during which the hedged firm commitment of forecasted transaction affects net profit or loss.

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

Recognition of derivatives which meet the criteria for the normal purchases, normal sales exemption under the Accounting Standards are deferred until settlement, under these contracts the group must physically deliver a specified quantity of gold at a future date at a specified price and to the contracted counter party.

Changes in the fair value of derivatives which are not designated as hedges or do not qualify for hedge accounting are recognised in the income statement.

The Group formally documents all relationships between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions. This process includes linking derivatives 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.

l) BORROWINGS

Borrowings are recognised at amortised cost, comprising original debt less principal payments and amortisations.

m) EXPLORATION COSTS

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 capitalised. Costs related to property acquisitions and mineral and surface rights are capitalised. Where the directors consider that there is little likelihood of the properties or rights being exploited or the value of the exploration rights have diminished below cost, a write down is effected against exploration expenditure.

n) PROPERTY, PLANT AND EQUIPMENT

(i) Mining assets

Mining assets including mine development costs and mine plant facilities are recorded at cost. Costs include pre-production expenditure incurred in the development of the mine and the present value of future decommissioning costs. Interest on borrowings to specifically finance the establishment of mining assets is capitalised until commercial levels of production are achieved. Development costs incurred to evaluate and develop new orebodies, to define mineralisation in existing orebodies to establish or expand productive capacity are capitalised. 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 capitalised until the orebody achieves commercial levels of production at which time the costs are amortised as set out below.

Stripping costs incurred during the production phase to remove waste ore are deferred and charged to operating costs on the basis of the average life of mine stripping ratio. The average stripping ratio is calculated as the number of tonnes waste material removed per tonne of ore mined. The average life of mine ratio is revised annually in the light of additional knowledge and change in estimates. The cost of "excess stripping" is capitalised as mine development costs when the actual stripping ratio exceeds the average life of mine stripping ratio.

(ii) Mining operations placed on care and maintenance

The net assets of operations placed on care and maintenance are written down to net realisable value. Expenditure on the care and maintenance of these operations is charged against income, as incurred.

(iii) 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.

(iv) Depreciation and amortisation

Depreciation and amortisation 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 reserves. Proved and probable ore reserves reflect estimated quantities of economically recoverable reserves which can be recovered in future from known mineral deposits. Amortisation is first charged on mining ventures from the date on which the mining ventures reach commercial production quantities. Other non mining fixed assets are depreciated by straight line over estimated useful lives of two to five years.

(v) Impairment

The recoverability of the carrying value of the long term assets of the Group, which include development costs are annually compared to the net book value of the assets, or whenever events or changes in circumstances indicate that the net book value may not be recoverable. The recoverable amount is the higher of value in use and net selling price.

In assessing the value in use the expected future cash flows from the asset is determined by applying a discount rate to the anticipated pre-tax future cashflows. The discount rate used is the Group's weighted average cost of capital as determined by the capital asset pricing model. An impairment is recognised in the income statement whenever the carrying amount of the asset exceeds its recoverable amount, to the extent that the carrying amount exceeds the assets' recoverable amount. The revised carrying amounts are amortised in line with Group accounting policies.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount. This reversal is recognised in the income statement and is limited to the carrying amount that would have been determined, net of amortisation, had no impairment loss been recognised in prior years.

The estimates of future discounted cash flows are subject to risks and uncertainties including the future gold price and exchange rates. It is therefore reasonably possible that changes could occur which may affect the recoverability of mining assets.

o) ENVIRONMENTAL OBLIGATIONS

Estimated long-term environmental obligations, comprising pollution control, rehabilitation and mine closure, are based on the Group's environmental management plans in compliance with current technological, environmental and regulatory requirements.

The net present value of future rehabilitation cost estimates are recognised and provided for in full in the financial statements. The estimates are reviewed annually and are discounted using rates that reflect the time value of money.

Annual changes in the provision consist of finance cost relating to the change in the present value of the provision and inflationary increases in the provision estimate, as well as changes in estimates. The present value of environmental disturbances created are capitalised to mining assets against an increase in the rehabilitation provision. The rehabilitation asset is amortised as noted in the Group's accounting policy. Rehabilitation projects undertaken, included in the estimates are charged to the provision as incurred. The cost of ongoing current programmes to prevent and control pollution is charged against income as incurred.

p) ENVIRONMENTAL TRUST FUNDS

Annual contributions are made to the Group's trust funds, created in accordance with statutory requirements, to fund the estimated cost of pollution control, rehabilitation and mine closure at the end of the life of the Group's mines. Contributions are determined on the basis of the estimated environmental obligation over the life of the mine. Income earned on monies paid to environmental trust funds is accounted for as investment income. The funds contributed to the trusts plus growth in the trust funds are included under investments on the balance sheet.

q) PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

r) DEFERRED TAXATION

The Group follows the comprehensive liability method of accounting for deferred tax using the balance sheet approach. Under this method deferred income and mining taxes are recognised for the tax consequences of temporary differences by applying expected tax rates to the differences between the tax base of certain assets or liabilities and its balance sheet carrying amount. Deferred tax is charged to the income statement except to the extent that it relates to a transaction that is recognised directly in equity, or a business combination that is an acquisition. The effect on deferred tax of any changes in tax rates is recognised in the income statement, except to the extent that it relates to items previously charged or credited directly to equity.

The principal temporary differences arise from amortisation and depreciation on property, plant and equipment, provisions, post retirement benefits and tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

s) PENSION PLANS AND OTHER EMPLOYEE BENEFITS

(i) Pension plans

Pension plans are funded through annual contributions. The Group's contributions to the defined contribution pension plans are charged to the income statement in the year to which they relate. The Group's liability is limited to its annually determined contributions.

(ii) Medical plans

The Group provides medical cover to current employees and certain retirees through one fund. The medical accounting costs for the defined benefit plan are assessed using the projected unit credit method. The health care obligation is measured as the present value of the estimated future cash outflows using market yields consistent with the term and risks of the obligation. Actuarial gains and losses as a result of these valuations are recognised in the income statement. No contributions are made for employees retiring after June 30, 1996. A liability for retirees and their dependents prior to this date is accrued in full based on regular actuarial valuations.

(iii) Equity compensation benefits

The Group grants share options to certain employees under an employee share plan. Costs incurred in administering the scheme are expensed as incurred. No compensation cost is recognised in these financial statements for options or shares granted to employees from employee share plans.

t) REVENUE RECOGNITION

(i) Revenue

Revenue represents gold sales and is recognised when the risks and rewards of ownership has passed to the buyer with delivery from the refinery. Sales revenue excludes value added tax but includes the net profit and losses arising from hedging transactions to the extent that they relate to that metal and have been matched at the date of the financial statements.

(ii) Interest income

Interest is recognised 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 Group.

(iii) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established, recognised at the last date of registration.

u) DIVIDENDS DECLARED

Dividends paid are recognised 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.

v) COMPARATIVES

Where necessary comparative figures have been adjusted to conform with changes in presentation in the current year.

Harmony Gold Mining Company Limited
Notes to the Consolidated Financial Statements
for the year ended 30 June 2002

2. CASH OPERATING COSTS

Company 2001 R million	Company 2002 R million		Group 2002 R million	Group 2001 R million
		Cash operating costs include mine production, transport and refinery costs, general and administrative costs, movement in inventories and ore stockpiles as well as transfers to and from deferred stripping. These costs, analysed by nature, consist of the following:		
880	658	Labour costs, including contractors	2 458	2 388
345	261	Stores and materials	1 101	912
190	142	Water and electricity	475	457
(38)	(8)	Changes in inventory	(23)	(68)
8	298	Other	1 204	133
1 385	**1 351**		**5 215**	**3 822**

3. INCOME BEFORE TAX

Company 2001 R million	Company 2002 R million		Group 2002 R million	Group 2001 R million
		The following have been included in income before tax:		
10	**6**	**Professional fees**	**32**	**18**
1	**1**	**Auditors' remuneration**	**5**	**2**
1	1	Fees - current year	2	1
-	-	Fees - other services	3	1

4. OTHER INCOME–NET

Company 2001 R million	Company 2002 R million		Group 2002 R million	Group 2001 R million
5	9	Profit on sale of property, plant and equipment	21	80
9	4	Foreign exchange gains	99	9
7	(6)	Other (expenditure)/income - net	(26)	(8)
21	**7**		**94**	**81**

5. EMPLOYMENT TERMINATION AND RESTRUCTURING COSTS

Company 2001 R million	Company 2002 R million		Group 2002 R million	Group 2001 R million
-	16	Free State	16	-
-	-	Randfontein and Elandskraal	36	34
-	-	Evander	2	1
-	-	Kalgold	-	1
-	-	Australian operations	32	-
-	-	Bissett mine	(3)	-
-	**16**		**83**	**36**

The closure of Virginia 2 Shaft and Harmony 4 Shaft in the Free State resulted in certain excess labour, which could not be accommodated on other shafts, becoming surplus and being made redundant. Elandskraal continued the process of restructuring, which was started in the previous year, which lead to certain positions becoming redundant. The acquisition of Hill 50 in Australia resulted in the merger of the New Hampton and Hill 50 operations, which lead to certain restructuring and employment termination costs being incurred. The Bissett mine was placed on care and maintenance at 30 June 2001 due to the mining operations being uneconomic at gold prices at that time. As restructuring has been completed, over-provisions on restructuring have been reversed.

During the year ended 30 June 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.

6. PROFIT/(LOSS) ON SALE OF LISTED INVESTMENTS

Company 2001 R million	Company 2002 R million		Group 2002 R million	Group 2001 R million
-	-	Profit/(loss) on sale of listed investments	46	(11)

As part of the initial public offering of ARMgold Limited, Harmony subscribed to 2 860 000 shares at R38.67 per share. These shares were subsequently disposed of.

With the acquisition of Randfontein Estates Limited, Harmony acquired 4 944 948 shares in Western Areas Ltd. These shares were disposed of at a loss of R11 million in the 2001 financial year.

7. GAIN ON LISTED INVESTMENTS

Company 2001 R million	Company 2002 R million		Group 2002 R million	Group 2001 R million
-	-	Gain on mark-to-market of listed investments	595	-

The gain on the mark-to-market of listed investments is due to the reclassification of Harmony's investment in AurionGold to a trading security from a strategic security. This reflected a change in the group's intentions regarding the AurionGold investment from a strategic, long term investment to a non-core investment. As a result of the reclassification, Harmony recorded a gain in the mark-to-market of listed investments of R595 million. These shares, which were purchased at Australian Dollar 1.29 per share, were revalued at A$ 3.93 per share at year end. Subsequent to year end these shares were disposed off (refer to note 34).

8. (IMPAIRMENT)/REVERSAL OF IMPAIRMENT OF ASSETS

Company 2001 R million	Company 2002 R million		Group 2002 R million	Group 2001 R million
(43)	(13)	Free State operations	63	(43)
-	-	Randfontein operations	12	(12)
-	-	Evander operations	-	(11)
(182)	-	Bissett operations	-	(149)
-	-	New Hampton operations	(437)	-
(225)	**(13)**		**(362)**	**(215)**

The current higher Rand gold price has resulted in significantly more economically mineable reserves being available at some of the older shafts, which has extended the life of several shafts and made them more profitable. Therefore some of the impairments of prior years have been reversed.

Harmony completed the redevelopment programme at New Hampton's Big Bell underground mine during the year. Production have indicated however that the grade is significantly lower than expected. Therefore it has been deemed prudent to reduce the grade estimates for future production, which gave rise to a severe cut in the underground reserves at this mine. This has resulted in a significant impairment to the carrying value of this asset in Harmony's balance sheet.

Due to the depletion of economically mineable reserves, certain shafts at Randfontein, Evander and the Free State were closed and the remaining net book value written off during the previous financial year.

The Bissett mine was placed on care and maintenance at 30 June 2001 due to the mining operations being uneconomic at gold prices at that time. The write-down of the prior year reflected the excess of the book value of long term and other assets over the estimated salvage values of those assets.

The recoverable amount for the impairment calculation was determined at the cash-generating unit level (the shaft) and represents the value in use. Discount rates of 11.5% for the South African operations and 10% for the Australian operations were used in the calculations of the recoverable amount.

9. TAXATION

Company 2001 R million	Company 2002 R million		Group 2002 R million	Group 2001 R million
-	(42)	Current income and mining taxes	(265)	(63)
8	(33)	Deferred income and mining taxes	(318)	(48)
8	**(75)**	**Total income and mining tax (expense)/benefit**	**(583)**	**(111)**

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. Tax on mining and non-mining income of Australian operations are taxed at a standard rate. Deferred tax is provided at the estimated expected future mining tax rate for temporary differences. Major items causing the Company's income tax provision to differ from the estimated effective mining rate of 29% (2001: 20.5%) were:

Company 2001 R million	Company 2002 R million		Group 2002 R million	Group 2001 R million
(14)	(123)	Tax on net income at estimated mining statutory rate	(659)	(26)
-	-	Valuation allowance raised against deferred tax assets	53	(75)
18	61	Non-taxable income/(additional deductions)	40	(4)
		Difference between non-mining tax rate and estimated		
-	(13)	mining statutory rate on non-mining income	(17)	(6)
4	-	Other	-	-
8	**(75)**	**Income and mining tax (expense)/benefit**	**(583)**	**(111)**

Deferred income and mining tax liabilities and assets on the balance sheet as of 30 June 2002 and 30 June 2001, relate to the following:

Company 2001 R million	Company 2002 R million		Group 2002 R million	Group 2001 R million
		Deferred income and mining tax liabilities		
149	168	Depreciation and amortisation	1 257	653
12	14	Product inventory not taxed	33	35
4	-	Other	198	30
165	**182**	**Gross deferred income and mining tax liability**	**1 488**	**718**
(51)	(35)	Net deferred income and mining tax assets	(718)	(350)
-	-	Deferred financial liability	(238)	(55)
(17)	-	Unredeemed capital expenditure	(416)	(250)
(34)	(35)	Provisions, including rehabilitation accruals	(34)	(98)
-	-	Tax losses	(30)	(15)
-	-	Valuation allowance	-	68
114	**147**		**770**	**368**

	Group 2002 R million	Group 2001 R million
The Group's net deferred tax liability is made up as follows:		
Deferred tax assets	(243)	-
Deferred tax liabilities	1 013	368
Total	**770**	**368**

As at 30 June 2002 the Group has unredeemed capital expenditure of R1 573 million (2001: R1 046 million) and tax losses carried forward of R93 million (2001: R53 million) available for deduction against future mining income. These future deductions are utilisable 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. MINORITY INTERESTS

With effect from 1 April 2002, Harmony re-acquired the 10% participation interest in the Elandskraal Mine that it had sold to a subsidiary of Khuma Bathong, a Black Economic Empowerment (BEE) Company. This has allowed Khuma Bathong to realise its investment and pursue other opportunities in the South African mining industry. The aggregate consideration paid by Harmony to Khuma Bathong was R210 million. This was netted off against the remaining R91 million due to Harmony under its original loan of 24 April 2001 to Khuma Bathong. This 10% participation interest in Elandskraal had been disposed off in the prior year, and minority interests had subsequently been separately accounted for.

11. EARNINGS PER SHARE

Company 2001 R million	Company 2002 R million		Group 2002 R million	Group 2001 R million
		Basic earnings per share		
		Basic earnings per share is calculated by dividing the net income attributable to shareholders by the weighted number of ordinary shares in issue during the year		
		Net income attributable to shareholders	1 680	115
		Weighted average number of ordinary shares in issue	153 509 862	102 997 239
		Basic earnings per share (cents)	**1 094**	**112**
		Fully diluted earnings per share		
		For the fully diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of the bonus element of share options granted and all warrants in issue. The average number of options used in the calculation of diluted earnings per share is calculated by taking the average number of ordinary options allocated in terms of the share option scheme multiplied by the weighted average option price divided by the average price of the ordinary shares on the JSE Securities Exchange of South Africa.		
		Weighted average number of ordinary shares in issue	153 509 862	102 997 239
		Adjustments for share options	7 346 070	3 348 123
		Adjustments for warrants in issue	4 361 156	-
		Weighted average number of ordinary shares for fully diluted earnings per share	165 217 088	106 345 362
		Fully diluted earnings per share (cents)	**1 017**	**108**
		Headline earnings per share		
		The calculation of headline earnings per share is based on the basic earnings per share calculation adjusted for the following items:		
		Net income attributable to shareholders	1 680	115
		Profit on sale of property, plant and equipment	(21)	(80)
		Net impairment of assets	362	215
		Other	-	11
		Headline earnings	**2 021**	**261**
		Basic headline earnings per share (cents)	**1 316**	**254**
		Fully diluted headline earnings per share (cents)	**1 223**	**246**

12. DIVIDENDS DECLARED

Company 2001 R million	Company 2002 R million		Group 2002 R million	Group 2001 R million
		As a result of adopting IAS 10 (revised), dividends now relate to those declared in the current financial year. The final dividend proposed for this financial year was only approved after the balance sheet date.		
		Dividends declared		
		Interim dividend no.74 of 75 cents per share (2001: 50 cents)	119	51
		Final dividend (2001: 70 cents per share)	-	101
			119	**152**
		Under the previous accounting policy, the dividends proposed would have been as follows:		
		Dividends proposed		
		Final dividend no. 75 proposed of 425 cents per share (2001: Nil cents)	719	-
		Dividends cover based on total declared and proposed (times)		
		Based on attributable income	2.0	0.8
		Based on headline earnings	2.4	1.7

The final dividend in respect of the 2002 financial year was approved on 2 August 2002. These financial statements do not reflect the final dividend proposed. It will be accounted for in the 2003 financial year.

13. PROPERTY, PLANT AND EQUIPMENT

Company 2001 R million	Company 2002 R million		Group 2002 R million	Group 2001 R million
1 210	1 297	Mining properties, mine development costs and mine plant facilities	9 285	5 273
1	1	Other non-mining assets	148	151
1 211	**1 298**		**9 433**	**5 424**
		Mining properties, mine development costs and mine plant facilities		
2 147	2 267	Cost at beginning of year	8 771	6 614
-	-	Acquired through the purchase of subsidiaries	3 843	1 751
120	95	Additions	735	411
-	(1)	Disposals	(22)	(5)
-	-	Foreign currency translation adjustments	1 060	-
2 267	**2 361**		**14 387**	**8 771**
947	1 057	Accumulated depreciation and amortisation at beginning of period	3 498	2 972
-	-	Acquired through the purchase of subsidiaries	515	93
20	(70)	Impairment/(reversal of impairment) of fixed assets	355	202
-	-	Disposals	(8)	(2)
-	-	Foreign currency translation adjustments	447	-
90	77	Charge for the period	295	233
1 057	**1 064**		**5 102**	**3 498**
1 210	**1 297**	**Net book value**	**9 285**	**5 273**

Company 2001 R million	Company 2002 R million		Group 2002 R million	Group 2001 R million
		Other non-mining assets		
28	28	Cost at beginning of year	189	177
-	-	Additions	6	12
-	-	Disposals	(3)	-
-	-	Foreign currency translation adjustments	1	-
28	**28**		**193**	**189**
		Accumulated depreciation and amortisation		
27	27	at beginning of period	38	33
-	-	Disposals	(3)	-
-	-	Foreign currency translation adjustments	2	-
-	-	Charge for the period	8	5
27	**27**		**45**	**38**
1	**1**	**Net book value**	**148**	**151**
1 211	**1 298**	**Total net book value**	**9 433**	**5 424**

Other non-mining assets consist of mineral subscription and participation rights, freehold land, computer equipment and motor vehicles.

14. NON-CURRENT INVESTMENTS

Company 2001 R million	Company 2002 R million		Group 2002 R million	Group 2001 R million
		Listed investment		
-	-	Investments in listed shares(a)	988	320
		Other investments		
-	188	Investment in Highland Gold Limited (b)	188	-
15	3	Unlisted investments and loans (c)	26	23
16	44	Amounts contributed to environmental trust funds (d)	487	193
18	80	Loan to Harmony Share Trust (e)	89	36
49	**315**		**790**	**252**
49	**315**	**Total non-current investments**	**1 778**	**572**

(a) Listed investments consist of 43 350 992 shares in AurionGold Limited (previously Goldfields Australia Limited) valued at R22.78 per share. The shares are listed on the Australian Stock Exchange. The market value of these shares at the close of business on 30 June 2002 by reference to stock exchange quoted prices and closing exchange rates was R988 million (2001: R320 million). Subsequent to year end this investment was disposed of to Placer Dome (refer to note 34). Dividends received during the year from AurionGold amounted to R11 million.

(b) The Company has acquired a strategic 32.5% shareholding in Highland Gold Limited on 31 May 2002 for US$18 million. Highland Gold Limited is a Jersey based company which holds Russian gold assets, comprising of a producing gold mine together with projects and potential projects at various stages of development.

(c) Unlisted investments comprise of various industry related investments and loans, which have been valued at bookvalue by the directors. 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. Dividends received from these investments amounted to R2 million in the financial year.

(d) 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 and other investments and approximate their fair value.

(e) A loan of R89 million was made to the Harmony Share Trust to purchase 2 176 600 shares for employees participating in the Harmony Share Option Scheme. Refer to note 29 for detail on the share option scheme.

15. INVESTMENTS IN ASSOCIATE AND SUBSIDIARIES

	Group	
	2002 R million	2001 R million
Listed investment in associate		
Shares at cost	292	-
Share of results before tax	(14)	-
Costs capitalised	14	-
Net share of results of associate	-	-
Exchange differences	(1)	-
Closing carrying amount	**291**	**-**

Valued by the directors at book value

As at 30 June 2002 the Group held 294 222 437 shares in Bendigo Mining NL, a company incorporated in Australia. The investment represents a 31.8% interest in a single project gold company, listed on the Australian Stock Exchange. The Company is developing into virgin underground orebodies which have been proved to exist beneath old workings which made up this gold field which closed in the early 1950's after 100 years of continuous production. All pre-production costs are capitalised. The market value of this investment as determined by closing prices on the Australian Stock Exchange at the close of business and closing exchange rates amounted to R503 million. Harmony has also been granted options to acquire 360 million shares in Bendigo any time before 31 December 2003 at A$ 0.30 per share.

The Group's interest of 31.8% in the summarised balance sheet of the associate is as follows:

	2002 R million	2001 R million
Capital and reserves	79	-
Non-current liabilities	2	-
	81	**-**
Fixed assets	6	-
Net current assets	75	-
	81	**-**

Company 2001 R million	Company 2002 R million	
		Unlisted investment in subsidiaries
4 033	6 219	Shares and loans at cost (refer Annexure A)

16. INTEREST IN JOINT VENTURE

The Group has a 50% interest in a joint venture with ARMgold Limited, the ARMgold/Harmony Freegold Joint Venture Company (Pty) Ltd (Free Gold), which operates as a gold mining company in the Welkom area of the Free State goldfields. The joint venture company purchased the Free Gold and Joel assets from AngloGold Limited for approximately R2 832 million and took operational control of these assets on 3 January 2002. The following amounts represent the Group's share of the assets and liabilities and revenue and expenses of the joint venture and are included in the consolidated balance sheet and income statement:

	Group 2002 R million	Group 2001 R million
Property, plant and equipment	1 079	-
Investments	229	-
Current assets	571	-
	1 879	**-**
Non-current interest-bearing borrowings	517	-
Non-current intergroup borrowings	907	-
Deferred income and mining taxes	(213)	-
Provisions for environmental rehabilitation	200	-
Provision for post-retirement benefits	1	-
Current liabilities	181	-
	1 593	**-**
Net assets	**286**	**-**
Profit before tax	422	-
Taxation	(136)	-
Profit after tax	**286**	**-**
Operating cash flows	525	-
Investing cash flows	(922)	-
Financing cash flows	900	-
Total cash flows	**503**	**-**
Proportionate interest in joint venture commitments	**14**	**-**

There are no contingencies relating to the Group's interest in the joint venture. The number of employees in the joint venture was 13 734 at year end.

Free Gold has announced that it has reached an agreement in principal with Gold Fields Limited to acquire the assets of St Helena gold mine for a gross sale consideration of R120 million. In addition Free Gold will pay a royalty of 1% of revenue to Gold Fields from the effective date for a period of 48 months. The agreement is subject to the fulfilment of certain conditions precedent. Thereafter implementation of the agreement will be subject to the obtaining of all necessary regulatory consents and approvals by 31 October 2002. It is expected that this deal will be concluded after year end.

17. INVENTORIES

Company 2001 R million	Company 2002 R million		Notes	Group 2002 R million	Group 2001 R million
92	100	Gold in-process		286	195
75	111	Stores and materials at average cost		162	105
167	**211**			**448**	**300**

18. RECEIVABLES

Company 2001 R million	Company 2002 R million		Notes	Group 2002 R million	Group 2001 R million
11	25	Value added tax		92	103
11	23	Trade receivables		103	70
292	-	Amount receivable relating to share issue		-	292
56	111	Interest and other		490	334
370	**159**			**685**	**799**

19. SHARE CAPITAL AND SHARE PREMIUM

Company 2001 R million	Company 2002 R million		Group 2002 R million	Group 2001 R million
		Share capital		
		Authorised		
		250 000 000 (2001: 250 000 000) ordinary shares of 50 cents each		
		10 958 904 (2001: 10 958 904) redeemable convertible preference shares of 50 cents each		
		Issued		
		169 247 349 (2001: 144 553 291) ordinary shares of 50 cents each		
49	72	Ordinary shares of 50 cents each at 1 July 2001	72	49
2	2	Issued in terms of the share option scheme	2	2
21	4	Issued for cash to repay debt	4	21
-	6	Conversion of preference shares	6	-
-	1	Warrants converted	1	-
72	**85**	**Balance as at 30 June 2002**	**85**	**72**
3 727	**5 462**	**Share premium**	**5 462**	**3 727**

The unissued shares are under the control of the Directors until the forthcoming Annual General Meeting. The directors report and note 29 set out details in respect of the share option scheme.

The company has a general authority to purchase its shares up to a maximum of 20% of the issued share capital in any one financial year. This is in terms of the Annual General Meeting of shareholders on 16 November 2001. The general authority is subject to the Listings Requirements of the JSE Securities Exchange South Africa and the Companies Act no 61 of 1973 of South Africa, as amended.

20. HARMONY LISTED OPTIONS AND WARRANTS

Company 2001 R million	Company 2002 R million		Group 2002 R million	Group 2001 R million
11	-	For the acquisition of Vermeulenskraal Noord, 1 125 000 warrants were issued at a fair value of South African Rand 10 per warrant on 3 December 1996	-	11
58	-	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	-	58
-	-	For obtaining the credit facility from NM Rothschild 36 045 warrants were issued at fair value of South African Rand 5.70 per warrant on 6 June 1998	-	-
69	**-**		**-**	**69**

The options were exercisable at a price of South African Rand 60.00, at which time they could have been converted into ordinary shares of the Company, on or before 31 July 2001. None of the options were exercised and they lapsed.

In terms of a transaction dated 29 June 2001, 27 082 500 ordinary shares and 9 027 500 options to purchase 9 027 500 additional ordinary shares were issued. Ordinary shares were purchased in integral multiples of three and investors received one option for every three shares purchased. Each option will entitle its holder to purchase, on any business day on or before June 28, 2003, one ordinary share at South African Rand 43.00. As at 30 June 2002, 1 013 554 options were exercised, leaving a balance of 8 013 946 options still to be exercised. These warrants are traded on the JSE Securities Exchange.

21. NON-DISTRIBUTABLE RESERVES

Company 2001 R million	Company 2002 R million		Group 2002 R million	Group 2001 R million
-	-	Foreign exchange translation reserve	64	(19)
-	-	Mark-to-market of listed investments	-	86
-	46	Mark-to-market of financial instruments	47	(18)
-	-	Other	(23)	5
-	**46**		**88**	**54**

The balance of the foreign exchange translation reserve represents the cumulative translation effect of the Company's offshore operations.

The mark-to-market of listed investments consisted of listed shares in AurionGold held by the Company as a strategic interest in the previous year. Subsequently this investment was reclassified as a trading security, from a strategic investment, to reflect a change in the Company's intentions regarding this investment from a strategic long term investment to a non core investment. This resulted in movements in the share price being reflected against earnings instead of equity for the current year. Subsequent to year end this interest was sold as described in note 34.

The mark-to-market of financial instruments relate to the currency hedge taken out in Harmony in the current year and to the movement in the derivative instruments of Randfontein which qualified for hedge accounting, in the prior year. Refer to note 30 for detail on financial instruments.

22. BORROWINGS

Company 2001 R million	Company 2002 R million		Notes	Group 2002 R million	Group 2001 R million
		Long term borrowings			
		Unsecured			
1 200	1 200	Senior unsecured fixed rate bonds (a)		1 200	1 200
9	(21)	Fair value adjustment		(21)	9
(25)	(20)	Less : amortised discount and bond issue costs		(20)	(25)
1 184	**1 159**	**Total unsecured long term borrowings**		**1 159**	**1 184**
		Secured			
28	37	**BAE Systems Plc (b)**		37	28
-	500	**BoE loan (c)**		500	-
-	(125)	Less: short term portion		(125)	-
-	375			375	-
-	-	**AngloGold (d)**		516	-
-	-	Less: short term portion		(316)	-
-	-			200	-
28	**411**	**Total secured long term borrowings**		**612**	**28**
1 212	**1 570**	**Total long term borrowings**		**1 771**	**1 212**

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(a) On 16 June 2001, Harmony launched and priced an issue of senior unsecured fixed rate bonds in an aggregate principal amount of Rand 1 200 million, with semi-annual interest payable at a rate of 13% per annum. These bonds will be repayable on 14 June 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. As long as the bonds are outstanding, Harmony will not permit encumbrances on its present or future assets or revenues to secure indebtness for borrowed money, without securing the outstanding bonds equally and ratably with such indebtedness, except for certain specified permitted encumbrances. Included in the amortisation charge in the Income Statement is R5 million for the amortisation of bond issue costs.

(b) The loan from BAE Systems Plc is a US Dollar denominated term loan of R37 million ($3.5 million) 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 a notarial covering bond over certain gold proceeds and other assets and is repayable in full on 30 April 2004. The loan bears interest at Libor plus 2% which is accrued daily from the drawdown date with interest repayable on a quarterly basis.

(c) On 18 April 2002 Harmony entered into a term loan facility of R500 million with BoE Bank Limited for the purpose of partially funding loans made by Harmony to Free Gold in connection with the acquisition of mining assets. The facility is collateralised by a pledge of Harmony's shares in Free Gold and is guaranteed by Randfontein, Evander, Kalgold and Lydex. The loan is repayable in full on 23 April 2006 by way of eight semi-annual capital installments which are due beginning 23 October 2002. The loan bears interest at a rate equal to the JIBAR rate for deposits in Rand plus 1.5% plus specified costs, which is accrued daily from the draw down date and is payable quarterly in arrears commencing 23 July 2002. The following restrictive covenants apply: Consolidated net worth must be more than R4 600 million; total debt to EBITDA ratio not to exceed 1.5; EBITDA to total debt service ratio should not be less than 3.5.

(d) On 24 December 2001 Free Gold entered into an agreement with AngloGold Limited to purchase its Free Gold assets for R2 832 million. R1 800 million was payable on 1 January 2002 at the call rate from this date until the 10th business day after the date of fulfilment of the last of the conditions precedent. R400 million is payable on 1 January 2005 at no interest charge. The balance of the consideration is payable five business days before AngloGold is obliged to pay recoupment tax, capital gains tax and any other income tax on the disposal of the assets at no interest charge. Currently is it estimated that this will amount to R632 million. Harmony's 50% portion of the outstanding loan balance at 30 June 2002 was R516 million which was proportionately consolidated.

Other borrowings

The level of the Company's borrowing powers, as determined by its articles of association, is such that, taking into account the obligations as at 30 June 2002, the Company will have unrestricted access to loan financing for its reasonable foreseeable requirements. At year end total borrowings amounted to R2 212 million.

23. PREFERENCE SHARES

Harmony entered into an agreement with Simane Investments (Pty) Ltd ("Simane"), a South African Black Economic Empowerment (BEE) group, and the Industrial Development Corporation of South Africa Limited (IDC) on behalf of Simane, pursuant to which, subject to the fulfilment of certain specified conditions, Simane and the IDC subscribed to respectively 222 222 Harmony ordinary shares and 10 736 682 Harmony ordinary shares at R36.00 per share.

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 preference shares could be converted into ordinary Harmony shares for a period of five years from their issue at the payment of an additional R41.50 per preference share. During January and February 2002, all of the preference shares were converted into ordinary shares, leaving Simane with a stake of 6.4% in the Company.

24. DEFERRED FINANCIAL LIABILITY/(ASSET)

Company 2001 R million	Company 2002 R million		Group 2002 R million	Group 2001 R million
		Mark-to-market of speculative financial		-
-	-	instruments at year end	84	390
-	-	Amount owing on close out of derivatives	-	22
		Mark-to-market of hedging financial		
(9)	(26)	instruments at year end	887	(15)
(9)	**(26)**		**971**	**397**

The Randfontein hedge book was closed during the year at a net cash cost of R135 million after tax. The balance currently provided relates to the Hill 50 hedge book, acquired with the acquisition of Hill 50, as well as the remaining portion of the New Hampton hedge book. These hedge books have been restructured as normal sales. The financial liability will be reflected in the income statement as gold is delivered into the contracts. Refer to note 30 for more detail on the financial instruments outstanding.

25. PROVISION FOR ENVIRONMENTAL REHABILITATION

Company 2001 R million	Company 2002 R million		Group 2002 R million	Group 2001 R million
		Provision raised for future rehabilitation		
134	120	Opening balance	427	356
-	-	Acquisition of subsidiaries	264	123
(5)	(2)	Other	-	-
(9)	16	Charge to income statement/(reversal of provision)	20	(52)
120	**134**	**Closing balance**	**711**	**427**

While the ultimate amount of rehabilitation costs to be incurred in the future is uncertain, the Group has estimated that based on current environmental and regulatory requirements, the total cost for the mines, in current monetary terms, will be R1 085 million (2001: R655 million).

Company 2001 R million	Company 2002 R million		Group 2002 R million	Group 2001 R million
		The movements in the investments in the Group Environmental Trust Funds, were as follows:		
14	16	Opening balance	193	124
-	-	Transferred from other trust funds	222	55
1	3	Interest accrued	23	13
3	27	Contributions made	50	3
(2)	(2)	Reimbursement of costs incurred	(1)	(2)
16	**44**	**Closing balance**	**487**	**193**
202	**186**	**Future net obligation**	**598**	**462**

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

26. PROVISION FOR POST-RETIREMENT BENEFITS

The provision for former employees' post retirement benefits comprise medical benefits for former employees who retired. The amounts were based on an actuarial valuation conducted during the current year.

Company 2001 R million	Company 2002 R million		Group 2002 R million	Group 2001 R million
		The amounts recognised in the balance sheet are as follows:		
6	**5**	**Present value of unfunded obligation**	**9**	**8**
		The amounts recognised in the income statement are as follows:		
1	1	Interest cost	2	3
-	-	Additional liability raised - Elandskraal	1	-
-	-	Benefits paid	3	-
(1)	(2)	Net actuarial gains	(5)	(20)
-	**(1)**		**1**	**(17)**
		The movement in the liability recognised in the balance sheet is as follows:		
6	6	At the beginning of the year	8	25
-	(1)	Total expenses/(income) as above	1	(17)
6	**5**	**At the end of the year**	**9**	**8**
		The principal actuarial assumptions used for accounting purposes were:		
	12%	**Discount rate**	**12%**	
	0%-7%	**Assumed medical subsidy inflation**	**0%-7%**	

27. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Company 2001 R million	Company 2002 R million		Notes	Group 2002 R million	Group 2001 R million
198	216	Trade payables		263	220
-	125	Short term portion of long term borrowings		441	-
-	-	Short term borrowings		36	78
109	149	Payroll and leave liabilities		408	253
183	97	Other (including accrued liabilities)		500	532
490	**587**			**1 648**	**1 083**

Leave liability

Employee entitlements to annual leave are recognised on an ongoing basis. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

28. EMPLOYEE BENEFITS

Company 2001 R million	Company 2002 R million		Group 2002 R million	Group 2001 R million
		Number of permanent employees:		
		Harmony Free State	12 644	14 671
		Evander	7 384	6 909
		Kalgold	222	229
		Randfontein	7 455	9 700
		Elandskraal	7 559	7 200
		Australian operations	309	169
		Bissett	6	208
		Exploration	20	13
			35 599	39 099
		Free Gold (50%)	6 867	-
		Total	42 466	39 099
		Aggregate earnings:		
		The aggregate earnings of employees including directors were:		
		Salaries and wages and other benefits	1 780	1 667
		Retirement benefit costs	191	123
		Medical aid contributions	40	31
			2 011	1 821
		Directors' remuneration is fully disclosed in the directors' report		

29. 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 members' and employer's contributions having been fixed in the constitution of the funds.

The Australian operations make contributions to each employee's Superannuation (pension) funds in accordance with the Superannuation Guarantee scheme (SGS). The SGS is a Federal Government initiative enforced by law which compels employers to make regular payments to regular funds providing for each employee on their retirement. The Superannuation Guarantee Contributions were set at a minimum of 8% of gross salary and wages for the 2002 year.

Substantially all the Group's employees are covered by the above mentioned retirement benefit plans. Funds contributed by the Group for fiscal 2002 amounted to R191 million (2001 : R123 million).

POST-RETIREMENT BENEFITS OTHER THAN PENSIONS: Skilled workers in South Africa participate in the Minemed medical scheme, as well as other medical schemes. The Group contributes to these schemes on behalf of current employees and retired employees who retired prior to 31 December 1996 (Minemed scheme). The Group's contributions to these schemes on behalf of retired and current employees amounted to R40 million and R31 million for 2002 and 2001 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 date 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 contribution to these schemes.

An updated actuarial valuation was carried out during the current fiscal year on the Minemed medical scheme following the last actuarial valuation in fiscal 2000.

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 and a medical inflation rate of 0%-7%.

Randfontein had a liability to certain retirees and their dependents who retired prior to 30 September 1991 in terms of the JCI medical scheme. During the June 2001 year an agreement was reached with these retirees whereby they were transferred to the Minemed medical scheme and the provision was therefore reversed in June 2001.

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 authorised but unissued ordinary shares. Of the total of 8 million ordinary shares under the specific authority of the directors in terms of the Harmony (2001) Share Option Scheme, 5 968 200 shares have been offered to participants leaving a balance of 2 031 800. In addition, a total of 3 108 800 shares were still outstanding under the Harmony (1994) Share Option Scheme. 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, between a third and a fifth of the total options granted are exercisable. Proceeds received by the Company from the exercise are credited to share capital and share premium.

Share option activity was as follows:

	Number of share options granted	**Average exercise price per share SA Rand**
Balance as at 30 June 2000	**6 899 000**	**-**
Share options granted during the year	1 728 400	-
Share options exercised during the year	(2 835 700)	20.89
Balance as at 30 June 2001	**5 791 700**	**-**
Share options granted during the year	5 968 200	-
Share options exercised during the year	(2 689 900)	26.88
Balance as at 30 June 2003	**9 077 000**	

The details pertaining to share options issued and exercised by directors during the year are disclosed in the directors' report.

The number of shares held by the Harmony share trust at year end amounted to 2 185 200 (2001: 1 158 800)

The following table summarises the status of share options outstanding at 30 June 2002:

Grant date	Number of options	Option price (Rand)
2 December 1997	18 500	11.70
31 August 1998	5 000	19.50
21 September 1999	1 268 800	22.90
23 February 1999	18 000	25.75
15 November 2000	584 500	27.20
31 January 2000	752 600	35.40
24 April 2001	461 500	36.50
20 November 2001	5 968 100	49.60
	9 077 000	

30. 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 and liabilities. Based on 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.

Commodity price sensitivity

As a general rule, Harmony sells its gold production at market prices and normally 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. In order to secure borrowing facilities, there have been instances where Harmony has made use of commodity contracts to secure revenue streams (all of which have subsequently expired). In addition, a significant proportion of Randfontein Estate, New Hampton and Hill 50's production was already hedged when acquired by Harmony. The inherited Randfontein hedge which had previously been treated as a speculative hedge was closed out during the financial year at a cash cost of R250 million (US$22 million). The Group's remaining commodity contracts relate to a portion of both New Hampton's and Hill 50's production. These contracts, originally acquired with their acquisition were restructured towards the end of the financial year to normal purchase, normal sale agreements where Harmony must physically deliver a specified quantity of gold at a future date, subject to the agreed prices described below.

The Harmony Group's commodity contracts by type as at 30 June 2002

		Maturity scheduled for							
		2003	2004	2005	2006	2007	2008	2009	Total
Normal sales contracts									
Forward Sales Agreements									
Ounces	*1	425 792	229 000	205 000	187 500	125 000	100 000	100 000	1 372 292
A$/ounce		514	522	524	523	514	518	518	519
Variable price sales contracts (with "caps")									
Ounces	*2	62 425	175 500	130 000	40 000	-	-	-	407 925
A$/ounce		545	544	512	552	-	-	-	535
Variable price sales contracts (with "floors")									
Ounces	*3	33 000	-	-	-	-	-	-	33 000
A$/ounce		500	-	-	-	-	-	-	500
		521 217	**404 500**	**335 000**	**227 500**	**125 000**	**100 000**	**100 000**	**1 813 217**

*1 The Group must deliver into these agreements at the prices indicated
*2 The Group must deliver its production into these agreements subject to the capped price indicated in the table above
*3 The Group must deliver its production into these agreements subject to the floor price indicated in the table above

These contracts are treated as normal purchase, normal sales contracts. The mark-to-market of these contracts was a negative R913 million (US$88 million) as at 30 June 2002, based on independent valuations provided by Standard Risk and Treasury Management Services (Pty) Ltd (SRTMS). The value was based on a gold price of US$316 (A$557) per ounce, exchange rates of US$/R10.39 and A$/US$ 0.57 and prevailing market interest rates and volatilities at the time.

Harmony's previous years commodity contracts by type as at 30 June 2001, are set out below:

	Maturity scheduled for					
	2002	2003	2004	2005	2006	Total
South Africa						
Forward sales						
Ounces	–	–	12 500	37 500	–	50 000
$/oz	–	–	284	284	–	284
Puts purchases						
Ounces	750 000	–	–	–	–	750 000
R/oz	1 990	–	–	–	–	1 990
Forward purchases						
Ounces	(350 000)	–	–	–	–	(350 000)
$/oz	309	–	–	–	–	309
Calls sold						
Ounces	–	27 006	163 526	200 079	59 714	450 325
$/oz	–	279	296	299	300	297
Total	**400 000**	**27 006**	**176 026**	**237 579**	**59 714**	**900 325**

	Maturity scheduled for					
	2002	2003	2004	2005	2006	Total
Australia						
Forward sales						
Ounces	177 304	206 000	9 000	–	–	392 304
A$/oz	498	514	539	–	–	507
Puts purchases						
Ounces	–	25 500	227 500	220 000	90 000	563 000
A$/oz	–	523	500	498	500	500
Calls sold						
Ounces	245 000	97 206	175 500	–	–	517 706
A$/oz	500	523	526	–	–	513
Calls purchased						
Ounces	(100 000)	–	–	–	–	(100 000)
A$/oz	500	–	–	–	–	500
Total	**322 304**	**328 706**	**412 000**	**220 000**	**90 000**	**1 373 010**
Grand total	**722 304**	**355 712**	**588 026**	**457 579**	**149 714**	**2 273 335**

All the above contracts where accounted for as speculative. The mark-to-market of the above contracts was a negative R314 million as at 30 June 2001, based on independent valuations provided by SRTMS.

Foreign currency sensitivity
In the ordinary course of business, Harmony enters into transactions denominated in foreign currency (primary US Dollars). In addition, the Group has investments and liabilities in Canadian, Australian and US 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, however during the year, it entered into monthly forward sales agreements totalling US$90 million, at an average of US$/R11.76 maturing over the period July to December 2002. These contracts were entered into to preserve the revenue streams for the Free State operations.

These contracts are accounted for as cash flow hedges and are recorded in each period in reserves and subsequently reclassified to revenue on the contract expiry date.

The mark-to-market value of the transactions making up the positions was a positive R47 million (US$5 million) as at 30 June 2002, the valuation was based on an exchange rates of US$/R10.42 and the prevailing interest rates and volatilities at the time.

Concentration of credit risk

Financial instruments, which 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 as the Group deals and maintains cash and cash equivalents, short-term investments and derivative financial instruments with a variety of well established financial institutions of high quality and credit standing. The credit exposure to any one counter party is managed by setting exposure limits, which are reviewed regularly. The Groups debtors and loans are regularly monitored and assessed, and an adequate level of provision is maintained.

Interest rates and liquidity risk

Fluctuations in interest rates and gold lease rates impact on the value of short-term cash and financing activities.

Harmony generally does not undertake any specific actions to cover its exposure to gold lease rates in respect of its lease rate swaps. Through its acquisitions of New Hampton, and Hill 50, Harmony holds certain gold lease rate swaps, which are tabled below:

	2003	2004	2005	2006	2007	2008	2009	2010
Ounces	1 906 500	1 879 000	1 170 000	1 170 000	900 000	675 000	675 000	-
Lease rate received	1.0%	1.0%	1.2%	1.2%	1.0%	1.1%	1.1%	-

The above instruments are all treated as speculative. The mark-to-market of the above contracts was a negative R84 million (US$8 million) as at 30 June 2002, based on valuations provided by independent treasury and risk management experts.

The Group has interest rate swap agreements to change R600 million of its R1.2 billion fixed rate bond to variable rate debt. The interest rate swaps run over the term of the bond and comprise two separate tranches: (a) R400 million: receive interest at a fixed rate of 13% and pay floating at JIBAR (reset quarterly) plus a spread of 1.8%. (b) R200 million: receive interest at a fixed rate of 13% and pay floating at JIBAR (reset quarterly) plus a spread of 2.2%. These transactions which mature in June 2006, are designated as fair value hedges. The marked-to-market value of the transactions was a negative R20.8 million (US$2 million) as at 30 June 2002.

In the ordinary course of business, the Group receives cash from its operations and is required to fund its working capital and capital expenditure requirements. The cash is managed to ensure that surplus funds are invested to provide sufficient liquidity at the minimum risk.

Fair value

The fair value of the financial instrument is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties. The carrying amount of the receivables, all accounts payable and cash and equivalents are a reasonable estimate of the fair values because of short-term maturity of such instrument. The investments in the environmental trust funds approximates fair values as the funds are invested in short term maturity investments. Listed investments (including those in the environmental trust fund) are carried at market value. Long term loans, other that the bonds, approximates fair value as they are subject to market based rates. The carrying value of the bond approximates their market value at 30 June 2002.

31. CASH GENERATED FROM/(UTILISED IN) OPERATIONS

Company 2001 R million	Company 2002 R million		Group 2002 R million	Group 2001 R million
		Reconciliation of profit before taxation to cash generated from operations:		
68	596	Income before taxation	2,279	229
		Adjustments for:		
(378)	(468)	Interest and dividends received	(138)	(45)
55	187	Interest paid	230	114
-	-	Loss/(profit) on sale of other assets and listed investments	(46)	7
(4)	(9)	Profit on sale of mining assets	(21)	(80)
90	82	Depreciation and amortisation	308	237
225	13	Impairment of assets	362	215
-	(10)	Gain on financial instruments	(46)	(140)
-	-	Mark-to-market of listed investments	(595)	-
(9)	16	Net (decrease)/increase in provision for environmental rehabilitation	20	(52)
-	(1)	Net decrease in provision for former employees post retirement benefits	2	(17)
(1)	(156)	Other non cash transactions	(4)	(2)
		Effect of changes in operating working capital items:		
(13)	222	Receivables	127	(274)
(88)	(44)	Inventories	(93)	(82)
19	97	Accounts payable and accrued liabilities	51	363
(36)	**525**	**Cash generated by/(utilised) in operations**	**2 436**	**473**

32. 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 for the years ended June 2002 and 2001:
The minorities' share in the profits of Elandskraal.

b) **Acquisitions of Subsidiaries/Businesses**

i) **For the year ended June 2002**

(a) With effect from 3 January 2002, the Company acquired a 50% shareholding in the ARMgold/Harmony Freegold Joint Venture Company (Pty) Ltd. The aggregate fair value of the assets acquired and the liabilities assumed were as follows:

	2002 R million
Environmental trust fund	222
Property, plant and equipment	1 090
Accounts payable and accrued liabilities	(53)
Long term liabilities	(190)
Deferred tax	347
Total purchase price	**1 416**
Paid for by way of borrowings	(516)
Paid for by cash	(900)
Cash and cash equivalents at acquisition	-

(b) With effect from 1 April 2002, Harmony acquired the remaining 10% interest in Elandskraal from Khuma Bathong. The fair value of assets acquired were as follows:

	2002 R million
Property, plant and equipment	110
Net minority interest in Elandskraal	100
Total purchase price	**210**
Paid for by cash	**(210)**

(c) With effect from 1 April 2002, Harmony acquired the entire share capital of Hill 50 Gold NL and its subsidiaries. The aggregate fair value of the assets acquired and the liabilities assumed were as follows:

	2002 R million
Inventories	54
Accounts receivable	29
Property, plant and equipment	2 754
Accounts payable and accrued liabilities	(134)
Long term liabilities	(52)
Deferred financial liability	(944)
Deferred tax	(442)
Total purchase price	**1 265**
Paid for by cash	(1 419)
Cash and cash equivalents at acquisition	**(154)**

ii) **For the year ended June 2001**

(a) With effect from 9 April 2001, the Company acquired Elandsrand and Deelkraal mines from AngloGold. The aggregate fair value of the assets required and liabilities assumed were:

	2001 R million
Property, plant and equipment	1 053
Investments	55
Long term liabilities	(55)
Total purchase price	**1 053**
Paid for by cash	**(1 053)**

(b) With effect from 1 April 2001, the Company had acquired a majority shareholding in New Hampton and during the period to 30 June 2001 increased its shareholding such that as at 30 June 2001, the Company had acquired 100% of the issued share capital of New Hampton. The aggregate fair value of the assets acquired and liabilities assumed were :

	2001 R million
Inventories	44
Accounts receivable	18
Investments	26
Property, plant and equipment	610
Accounts payable and accrued liabilities	(149)
Long term liabilities	(320)
Total purchase price	**229**
Paid for by cash	**(229)**

c) Disposal of Subsidiaries/Businesses

i) For the year ended June 2001

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

	2001 R million
Property, plant and equipment	107
Inventories	7
Total sales price	**114**
Paid for by way of receivables	**(114)**

33. COMMITMENTS AND CONTINGENCIES

Company 2001 R million	Company 2002 R million		Group 2002 R million	Group 2001 R million
		Capital expenditure commitments		
36	7	Contracts for capital expenditure	33	123
6	49	Authorised by the directors but not contracted for	267	199
42	**56**		**300**	**322**

This expenditure will be financed from existing cash resources

Contingent liabilities	
Guarantees and suretyships	5
Environmental guarantees	82
	87

34. SUBSEQUENT EVENTS

(a) On 27 May 2002, Harmony announced that it had entered into a pre-acceptance agreement with Placer Dome, whereby it agreed to accept Placer Dome's offer for its 9.8% holding in AurionGold. The Company has subsequently accepted Placer Dome's increased, final and unconditional offer on 29 July 2002, which included A$ 0.35 cash payment per AurionGold share held. Harmony held 43 350 992 shares in AurionGold which were converted into 7 586 422 shares in Placer Dome.

(b) Refer to note 16 for the proposed acquisition of the St Helena assets by Free Gold.

35. GEOGRAPHICAL AND SEGMENT INFORMATION

The primary reporting format of the company is by business segment. As there is only one business segment, being mining, extraction and production of gold, the relevant disclosures have been given in the financial statements. The secondary reporting format is by geographical analysis by origin. The accounting policies of the segments are the same as those described in the accounting policy notes.

The results of Free Gold have been included from 3 January 2002 and Hill 50 from 1 April 2002.

Segmental information includes the results of operations of Elandskraal and New Hampton from date of acquisition with effect from 1 March 2000 and 1 April 2001 respectively. Gold operations are internally reported based on the following geographic areas: Free State, Evander, Kalgold, Randfontein, Elandskraal, New Hampton, Hill 50 and Free Gold. The Free State, Randfontein, Kalgold, Evander and Elandskraal are specific gold producing regions within South Africa. The Bissett mine is located in Canada and the New Hampton and Hill 50 mines are located primarily in Western Australia. The Company also has exploration interests in Southern Africa and Australia which are included in Other. Selling, administrative, general charges and corporate costs are allocated between segments based on the size of activities based on production results.

The segmental split on a geographical basis is:

Year ended 30 June 2002

	Free State (South Africa) R million	Evander (South Africa) R million	Kalgold (South Africa) R million	Randfontein (South Africa) R million	Elandskraal (South Africa) R million	FreeGold JV(South Africa) R million	New Hampton (Australia) R million	Hill 50 (Australia) R million	(*) Other R million	Total R million
Profit and loss										
Revenue	1 829	1 191	179	1 628	1 365	918	493	185	18	7 806
Cash operating costs	(1 351)	(723)	(130)	(1 013)	(950)	(431)	(474)	(134)	(9)	(5 215)
Cash operating profit	478	468	49	615	415	487	19	51	9	2 591
Non-cash items:										
- Depreciation and amortisation	(82)	(26)	(11)	(51)	(36)	(30)	(25)	(44)	(3)	(308)
- Impairment	63	-	-	12	-	-	(437)	-	-	(362)
- Mark-to-market of										
- listed investment	-	-	-	-	-	-	-	-	595	595
- financial instruments	10	-	-	(121)	-	-	46	113	-	48
Operating profit/(loss) before tax	513	441	36	355	291	422	(380)	126	475	2 279
Taxation (expense)/benefit	(75)	(150)	43	(140)	(15)	(136)	-	(5)	(105)	(583)
Net profit/(loss) for the period before minority interest	438	291	79	215	276	286	(380)	121	370	1 696
Kilogram**	19 034	12 920	1 934	17 469	14 807	8 681	5 957	1 912	257	82 971
Tonnes milled** (000's)	4 536	2 352	961	4 799	3 279	2 186	3 833	949	39	22 934
Capital expenditure	95	98	25	15	247	32	233	-	(10)	735
Total assets	5 801	1,222	332	2,233	393	981	1 488	1 496	130	14 076
Total liabilities	2 443	372	(23)	504	133	608	656	1 373	47	6 113

(*) The Bissett mine in Canada was placed on care and maintenance at the end of the previous financial year, and clean-up results amounting to R18 million revenue (257kg) and R9 million production costs were reflected under "other" for 2002.

(**) Production statistics are unaudited,

Year ended 30 June 2001

	Free State (South Africa) R million	Evander (South Africa) R million	Kalgold (South Africa) R million	Randfontein (South Africa) R million	Elandskraal (South Africa) R million	New Hampton (Australia) R million	Bissett (Canada) R million	Other R million	Total R million
Profit and loss									
Revenue	1 431	952	103	1 479	283	137	108	2	4 495
Cash operating costs	(1 385)	(693)	(98)	(1 205)	(195)	(135)	(111)	-	(3 822)
Cash operating profit	46	259	5	274	88	2	(3)	2	673
Non-cash items:									
- Depreciation and amortisation	(90)	(15)	(17)	(53)	(26)	(10)	(25)	(1)	(237)
- Impairment	(43)	(11)	-	(12)	-	-	(149)	-	(215)
- Mark-to-market of									
- financial instruments	-	-	-	43	-	15	-	-	58
Operating profit/(loss) before tax	(135)	282	(12)	219	37	(1)	(187)	26	229
Taxation expense	8	(76)	-	(31)	(16)	-	-	4	(111)
Net profit/(loss) for the period before minority interest	127	206	(12)	188	21	(1)	(187)	30	118
Kilogram**	21 346	14 251	1 535	22 500	3 822	1 731	1 378	-	66 563
Tonnes milled** (000's)	5 289	2 481	959	6 285	706	1 088	266	-	17 074
Capital expenditure	120	69	33	53	62	18	49	20	424
Total assets	2 234	876	172	2 175	1 216	1 033	66	482	8 254
Total liabilities	2 035	286	30	697	159	248	23	182	3 660

(**) Production statistics are unaudited,

Harmony Gold Mining Company Limited
Subsidiary Companies
as at 30 June 2002

ANNEXURE A:
STATEMENT OF SUBSIDIARY COMPANIES

Company and description		Issued share capital	Effective group interest 2002	Effective group interest 2001	Cost of investment by holding company 2002	Cost of investment by holding company 2001	Loans from/(to) holding company 2002	Loans from/(to) holding company 2001
		R'000	%	R million	R million	R million	R million	R million
DIRECT SUBSIDIARIES:								
Dormant companies:								
Authentic Beverage (Pty) Ltd	(a)	#	100	-	-	-	-	-
Harmony Gold Ltd	(f)	550	100	100	-	-	-	-
La Riviera (Pty) Ltd	(a)	#	100	100	-	-	-	-
Virginia Salvage (Pty) Ltd	(a)	2	100	90	-	-	-	-
Unisel Gold Mines Ltd	(a)	23 136	100	100	89	89	(92)	(92)
Exploration company:								
Lydenburg Exploration Ltd	(a)	42 792	100	100	204	204	(42)	(7)
Gold mining companies:								
Evander Gold Mines Ltd	(a)	39 272	100	100	545	545	(320)	(62)
Harmony Gold (Canada) Inc.	(b)	25 000	100	100	28	28	10	22
Randfontein Estates Ltd	(a)	12 959	100	100	1,307	915	496	1,363
Investment holding companies:								
Harmony Gold (Australia) Pty Ltd	(c)	#	100	100	771	-	1 843	551
West Rand Consolidated Mines Ltd	(a)	17 967	100	100	321	321	5	26
Management services company:								
Harmony Gold (Management Services) (Pty) Ltd	(a)	1	100	100	-	-	-	-
Marketing companies:								
Harmony Gold (Marketing) (Pty) Ltd	(a)	#	100	100	-	2	46	-
Harmony Precious Metal Services SAS	(d)	62	100	60	-	-	76	108
INDIRECT SUBSIDIARIES:								
Dormant companies:								
Bracken Mines Ltd	(a)	#	100	100	-	-	-	-
Cogent (Pty) Ltd	(a)	#	100	100	-	-	-	-
Garden Gully (Pty) Ltd	(c)	#	100	100	-	-	-	-
Garnkirk (Pty) Ltd	(c)	#	100	100	-	-	-	-
Harmony Gold FIS Limited	(f)	#	100	100	-	-	-	-
Kwazulu Gold Mining Company (Pty) Ltd	(a)	#	100	100	-	-	-	-
Leslie Gold Mines Ltd	(a)	#	100	100	-	-	-	-
NHG Investments (Pty) Ltd	(c)	#	100	100	-	-	-	-
Potchefstroom Gold Holdings (Pty) Ltd	(a)	2	100	100	-	-	-	-
Quarrytown Limited	(a)	#	100	100	-	-	-	-
Selcast Nickel (Pty) Ltd	(c)	#	100	100	-	-	-	-
Swaziland Gold (Pty) Ltd	(e)	#	100	100	-	-	-	-
The Kunana Mining Company (Pty) Ltd	(a)	#	100	100	-	-	-	-
Venda Gold Mining Company (Pty) Ltd	(a)	#	100	100	-	-	-	-
Winkelhaak Mines Ltd	(a)	#	100	100	-	-	-	-
Exploration company:								
Harmony Gold (Exploration) (Pty) Ltd	(a)	10	100	100	-	-	-	3
Gold mining companies:								
Big Bell Gold Operations (Pty) Ltd	(c)	#	100	100	-	-	-	-
Buffalo Creek Mines (Pty) Ltd	(c)	#	100	-	-	-	-	-
Harmony Gold Operations Ltd	(c)	405 054	100	-	-	-	-	-
Jubilee Minerals (Pty) Ltd	(c)	2	100	100	-	-	-	-
Kalahari Goldridge Mining Company Ltd	(a)	1 275	100	100	-	-	-	8
Mt Magnet Gold NL	(c)	79 710	100	-	-	-	-	-
New Hampton Goldfields Ltd	(c)	196 248	100	100	-	-	-	-
South Kal Mines (Pty) Ltd	(c)	6	100	-	-	-	-	-

STATEMENT OF SUBSIDIARY COMPANIES continue

Company and description		Issued share capital R'000	Effective group interest 2002 %	Effective group interest 2001 %	Cost of investment by holding company 2002 R million	Cost of investment by holding company 2001 R million	Loans from/(to) holding company 2002 R million	Loans from/(to) holding company 2001 R million
Investment holding companies:								
Evander Stone Holdings (Pty) Ltd	(a)	#	100	100	-	-	-	-
Harmony Gold Investments (Pty) Ltd	(c)	#	100	-	-	-	-	-
Harmony Gold Securities (Pty) Ltd	(c)	#	100	-	-	-	-	-
Harmony Gold WA (Pty) Ltd	(c)	#	100	-	-	-	-	-
Harmony Victoria (Pty) Ltd	(c)	#	100	-	-	-	-	-
Potchefstroom Gold Areas Ltd	(a)	8 407	100	100	-	-	-	-
Vadessa (Pty) Ltd	(c)	#	100	-	-	-	-	-
Beneficiation company:								
Harmony Precision Casting Company (Pty) Ltd	(a)	357	70	-	-	-	-	12
Mineral right holding companies:								
Hampton Gold Mining Areas Ltd	(g)	299 680	100	100	-	-	-	-
Portions 1 and 3 Wildebeesfontein (Pty) Ltd	(a)	2	100	100	-	-	-	-
Remaining Extent and Portion 15 Wildebeesfontein (Pty) Ltd	(a)	1	90	90	-	-	-	-
Trodex Platinum (Pty) Ltd	(a)	4	100	100	-	-	-	-
Property holding companies:								
Evander Township Ltd	(a)	1 340	100	100	-	-	-	-
Evander Township Development Ltd	(a)	3	100	100	-	-	-	-
Salt Holdings Ltd	(a)	60	100	100	-	-	-	-
JOINT VENTURE COMPANY - DIRECT:								
Gold mining company:								
ARMgold/Harmony Freegold Joint Venture Company (Pty) Ltd	(a)	20	50	50	17	-	915	-
JOINT VENTURE COMPANY - INDIRECT:								
Dormant company:								
Jeanette Gold Mines Ltd	(a)	#	50	50	-	-	-	-

Accounting method:
The group's interest in jointly controlled entities is accounted for by proportionate consolidation. Under this method the group includes its share of the joint venture's individual income and expenses, assets and liabilities in the relevant components of the financial statements on a line-by-line basis.

Company and description		Issued share capital R'000	Effective group interest 2002 %	Effective group interest 2001 %	Cost of investment by holding company 2002 R million	Cost of investment by holding company 2001 R million	Loans from/(to) holding company 2002 R million	Loans from/(to) holding company 2001 R million
ASSOCIATE COMPANY - INDIRECT:								
Gold mining company:								
Bendigo Mining NL	(c)	708,067	32	-	-	-	-	-

Accounting method:
Investments in associates are accounted for by using the equity method of accounting. Equity accounting involves recognising in the income statement the group's share of the associates' profit or loss for the period. The group's interest in the associate is carried on the balance sheet at an amount that reflects the cost of the investment, the share of post acquisition earnings and other movement in reserves.

	Cost 2002	Cost 2001	Loans 2002	Loans 2001
Total	3 282	2 104	2 937	1 929
Total investments			6 219	4 033

\# Indicates issued share capital of less than R1 000
(a) Incorporated in the Republic of South Africa
(b) Incorporated in the Yukon Territory, Canada
(c) Incorporated in Australia
(d) Incorporated in France
(e) Incorporated in Swaziland
(f) Incorporated in the Isle of Man
(g) Incorporated in the United Kingdom

The above investments are valued by the directors at book value.

The interest of Harmony Gold Mining Company Ltd in the aggregate amount of the after tax profits of its subsidiaries, joint venture company and associate is R1 159 million (2001: R242 million).

Harmony Gold Mining Company Limited
Financial Statements (US$/Imperial)
Statement of Operations
for the year ended 30 June 2002
(convenience translation)

	Group 2002 US$ million	Group 2001 US$ million
Revenue	765	590
Cash operating costs	(511)	(502)
Cash operating profit	**254**	**88**
Interest and dividends	14	6
Other income – net	9	11
Employment termination and restructuring costs	(8)	(5)
Corporate expenditure	(9)	(3)
Exploration expenditure	(5)	(4)
Marketing and new business expenditure	(9)	(5)
Profit/(loss) on sale of listed investments	5	(1)
Interest paid	(23)	(15)
Cash profit	**228**	**72**
Depreciation and amortisation	(30)	(31)
(Provision)/reversal of provision for rehabilitation costs	(2)	7
Gain on financial instruments	4	8
Gain on listed investments	58	-
Impairment of assets	(35)	(28)
Reversal of provision for former employee post-retirement benefits	-	2
Income before tax	**223**	**30**
Taxation expense	(57)	(15)
Net income before minority interests	**166**	**15**
Minority interest	(2)	-
Net income	**164**	**15**
Basic earnings per share (cents)	107	15
Fully diluted earnings per share (cents)	100	14
Basic headline earnings per share (cents)	129	33
Fully diluted headline earnings per share (cents)	120	32
Dividends per share (cents)	7	7
Final/proposed final dividends per share (cents)	42	9
Total dividends per share (cents)	49	16

Convenience translation based on average rates of US$/R10.20 (2001: R/US$7.61)

Harmony Gold Mining Company Limited
Financial Statements (US$/Imperial)
Balance Sheets
as at 30 June 2002
(convenience translation)

	Group	
	2002	2001
	US$ million	US$ million
Assets		
Non-current assets		
Property, plant and equipment	908	674
Investments	171	71
Investment in associate	28	-
Total non-current assets	**1 107**	**745**
Current assets		
Inventories	43	37
Receivables	66	100
Cash and cash equivalents	139	144
Total current assets	**248**	**281**
Total assets	**1 355**	**1 026**
Equity and liabilities		
Share capital and reserves		
Share capital	8	9
Share premium	526	463
Options issued	-	9
Non-distributable reserves	9	6
Retained earnings	224	84
Total shareholders' equity	**767**	**571**
Non-current liabilities		
Long term borrowings	170	151
Preference shares	-	1
Deferred taxation	74	46
Deferred financial liability	93	49
Provision for environmental rehabilitation	68	53
Provision for post-retirement benefits	1	1
Total non-current liabilities	**406**	**301**
Current liabilities		
Accounts payable and accrued liabilities	159	135
Income and mining taxes	22	6
Shareholders for dividends	1	13
Total current liabilities	**182**	**154**
Total equity and liabilities	**1 355**	**1 026**

Convenience translation based on average rates of US$/R10.20 (2001: US$/R7.61)

INVESTOR RELATIONS

Contact information

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Investor Relations Officer
Telephone: +27 11 684 0146
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Mobile: +27(0) 83 380 6614
E-mail: cbobbert@harmony.co.za

Stock exchange listings

The primary listing of the Company's ordinary shares is on the JSE Securities Exchange South Africa. Its ordinary shares have secondary listing status on the NASDAQ and on the stock exchanges in London, Paris and Berlin, as well as being quoted in Brussels in the form of International Depository Receipts (IDRs) and in New York in the form of American Depository Receipts (ADRs). In addition the Company's options are listed on the Chicago Board Options Exchange.

Listings	Share code	Shareholder queries can be directed to:
JSE Securities Exchange South Africa		South African Share Transfer Secretaries Ultra Registrars (Pty) Ltd Contact: Polly Pollard 11 Diagonal Street Johannesburg 2001 (PO Box 4844, Johannesburg 2000) South Africa Telephone: +27 11 834 2265 Fax: +27 11 834 4398 E-mail: ultra@registrars.co.za
Ordinary shares	HAR	
Warrants	HARW	
London Stock Exchange	HRM	United Kingdom Secretaries St James's Corporate Services Limited Contact: Phil Dexter 6 St James's Place London SW1A 1NP United Kingdom Telephone: +44 207 499 3916 Fax: +44 207 491 1989 E-mail: phil.dexter@jcilondon.co.uk United Kingdom Registrars Capita IRG Plc Contact: Melvyn Leigh Balfour House 390-398 High Road, Ilford Essex IG1 1NQ United Kingdom Telephone: +44 208 639 1001 Fax: +44 208 478 2876 E-mail: mleigh@capita-irg.com
NASDAQ ADRs		ADR Depository The Bank of New York 101 Barclay Street, 22nd Floor New York, NY 10286 United States of America
ADRs	HGMCY	
Warrants	HGMCW	
Euronext Paris	HG	French Agents Euro Emetteurs Finance Contact: Corinne Bourdier 48 Boulevard des Batignolles 75850 Paris Cedex 17 France Telephone: +33 1 5530 5900 Fax: +33 1 5530 5910 E-mail: corinne.bourdier@eef.fr
Euronext Brussels	HMY	Belgian Agents Soges-Fiducem SA Contact: Francis Adriaenssens 24 Avenue Marnix 1000 Brussels Belgium Telephone: +32 2 738 81 09 Fax: +32 2 738 64 20 E-mail: francis.adriaenssens@bbl.be
Berlin Stock Exchange	HAM1	
Chicago Board Options Exchange	QHG	
Philadelphia Gold and Silver Index	HGMCY	
Reuters	HARJ.J	
Bloomberg	HARSJ	

Global BuyDIRECT
The Bank of New York maintains a direct share purchase and dividend reinvestment plan for Harmony. Global BuyDIRECT, a direct and sale/dividend reinvestment plan sponsored by the Bank of New York, offers investors the opportunity to purchase depository receipts at commissions that are typically less than a retail broker. For additional information, please visit the Bank of New York's web site at www.globalbuydirect.com or call Shareholder Relations at 1-888-BNY-ADRS or write to:

The Bank of New York
American Depository Receipts
Shareholder Relations Department
101 Barclay Street, 22nd Floor
New York, NY 10286
United States of America

The ratio of Harmony ADRs to ordinary shares is 1 ADR : 1 Ord.

STRATE
Share Transactions Totally Electronic (STRATE) is an electronic settlement system for transactions on the JSE Securities Exchange and off-market trades. STRATE has brought South Africa in line with international practice and enhances the security of settlement in the equities market.

The STRATE initiative enables dematerialisation of equity scrip in a Central Securities Depository (CSD). This dematerialisation will facilitate settlement and the transfer of ownership by electronic book entry.

As at 30 June 2002 99% of Harmony's shares had been dematerialised.

For more information write to:

STRATE
PO Box 78608
Sandton, 2146
South Africa
Telephone: +27 11 520 7700
Fax: +27 11 520 8600
Web site: www.strate.co.za

Sector	Resources
Sub-sector	Gold
Nature of Business	Harmony Gold Mining Company Limited and its subsidiaries are engaged in underground and open pit gold mining, exploration and related activities in South Africa, Canada, Australia and Russia.
Issued share capital	169 247 349 million
Market Capitalisation	
At 30 June 2002 (R million)	24 033
At 30 June 2002 (US$ million)	2 290
US$ per production ounce per annum	858.46
US$ per reserve ounce	46.64
US$ per resource ounce	7.74
Share Price	
12 Month High (July 2001 – June 2002)	$18.94
12 Month Low (July 2001 – June 2002)	$ 4.51
Number of employees	42 466

Dividends

Period	Period ended	Dividend per share (SA cents)
Interim Dividend No. 70	31 December 1999	50
Final Dividend No. 71	30 June 2000	70
Interim Dividend No. 72	31 December 2000	50
Final Dividend No. 73	30 June 2001	70
Interim Dividend No. 74	31 December 2001	75
Final Dividend No. 75	30 June 2002	425

Shareholders' calendar

Financial year-end	30 June
Annual General Meeting	15 November 2002

Results announcements

Quarter ended 30 September 2002	October 2002
Quarter ended 31 December 2002	January 2002
Quarter ended 31 March 2003	April 2002
Quarter ended 30 June 2003	July 2003

Shareholders' analysis as at 30 June 2002

Analysis of ordinary shareholdings

Holders	Number of shareholders	Number of shares held	Percentage of issued shares
Institutions and bodies corporate	191	122 386 364	72.31
Private individuals*	24 574	46 860 985	27.69
Total	24 765	169 247 349	100.00

Range of shareholdings

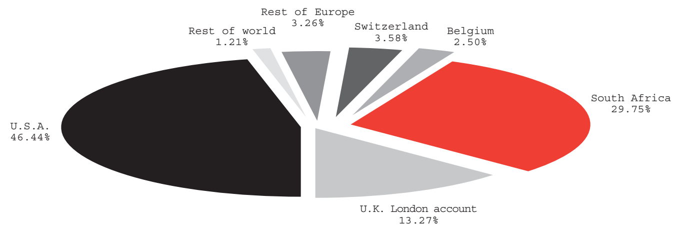
Shares	Number of shareholders	Number of shareholders as percentage	Number of shares held	Percentage of issued shares held
1 – 10 000	24 561	99.17	17 504 659	10.36
10 001 – 100 000	70	0.28	3 096 150	1.82
100 001 – 1 000 000	109	0.45	31 556 956	18.64
1 000 001 – and more	25	0.10	117 089 584	69.18
Total	24 765	100.00	169 247 349	100.00

Largest shareholders as at 30 June 2002

	Number of shares held	Percentage of issued shares
Holding 5% and more:		
Simane Security Investments (Pty) Ltd	10 958 982	6.38
Holding less than 5%:		
Fidelity Management Research	8 118 931	4.80
Investec Asset Management	6 044 096	3.57
Merrill Lynch Investment Managers	5 382 000	3.18
A R Flemming (indirect)	5 258 868	3.08
Liberty Asset Management	5 025 448	2.97
Gensec Bank	4 798 225	2.84
Old Mutual Asset Management	4 386 388	2.59
Liberty Group Limited	3 964 815	2.34
Strong Capital Management, Inc.	3 094 145	1.83
BNP Paribas Asset Management	2 511 764	1.48
Capital Research & Management	2 470 900	1.46

Information supplied by Thomson Financial
The Company's total shareholding is considered "public" in terms of the JSE Securities Exchange Listing Requirements
*Retail ownership figure assuming holdings less than 10 000 are private individuals

Shareholder distribution by country



Ordinary share performance on the JSE Securities Exchange

	2002	2001	2000	1999	1998	1997
Market price per share						
- 30 June	142.00	46.90	37.50	28.40	24.50	20.75
- high	187.30	50.00	46.10	36.10	30.00	48.60
- low	38.50	26.50	22.00	20.60	9.00	20.50
Number of ordinary shares issued ('000)	169 247	144 553	97 310	69 460	53 927	49 044
Number of deals recorded	77 752	20 087	18 604	10 638	5 952	2 897
Volume of shares traded ('000)	206 171	55 967	63 086	38 239	23 263	10 212
Volume of shares traded as a percentage of total issued shares	121.8	38.7	65.0	55.1	43.1	20.8

(Weighted average issued share capital for 2002 – 153.5 million)

Total share liquidity

(Period July 2001 – June 2002)

	JSE Securities Exchange Trading Volume	NASDAQ ADR Trading Volume	London Stock Exchange Trading Volume	Euronext Brussels IDR Trading Volume	Euronext Paris Trading Volume	Issued Share Capital (millions)	Total Volume (monthly)
July 01	6 654 266	9 311 063	3 020 890	236 600	135 303	144 553 291	19 358 122
August 01	6 754 276	7 911 311	2 592 961	340 850	245 602	144 553 291	17 845 000
September 01	8 809 176	8 744 088	4 233 720	331 700	446 332	145 183 591	22 565 016
October 01	9 285 616	14 285 880	12 330 536	622 300	555 956	146 856 891	37 080 288
November 01	8 075 752	11 115 080	8 381 300	262 700	204 252	146 922 891	28 039 084
December 01	20 855 636	15 059 102	11 675 025	1 040 050	517 400	148 194 591	49 147 213
January 02	14 765 993	14 945 404	3 319 588	671 050	580 382	159 153 495	34 282 417
February 02	31 398 488	25 389 668	13 530 752	1 343 000	953 537	159 281 395	72 615 445
March 02	12 928 571	26 945 352	10 362 156	751 750	419 331	159 525 329	51 407 160
April 02	20 523 397	32 529 698	12 529 463	730 300	595 416	159 573 045	66 971 274
May 02	35 759 054	59 270 338	16 431 659	913 950	847 700	168 635 865	113 222 701
June 02	30 361 439	75 410 397	10 289 056	626 150	425 487	169 247 349	117 112 529
TOTAL	206 171 664	300 917 381	108 760 106	7 870 400	5 926 698	169 247 349	629 646 249

Weighted average issued share capital for 12 months

153,5 million

Liquidity of shares per annum

2002	2001
410%	141 %

Production Profile

	Free State Operations	Evander Operations	Free Gold Operations	Randfontein Operations	Kalgold Operations	Elandskraal Operations	Australian Operations
Interest	100%	100%	50%	100%	100%	100%	100%
Number of production units	7	5	7	4	1	2	3
Number of gold plants	3	2	3	2	1	2	4
Annualised production (kg)	17 666	13 063	15 551	16 173	1 928	13 996	18 040
Annualised production (oz)	568 000	420 000	500 000	520 000	62 000	450 000	580 000

This annual report is available in printed format from the contacts whose details appear above or on the Internet at **www.harmony.co.za** In addition, Harmony is producing the Form 20-F (a report required by the Securities and Exchange Commission in the United States), copies of which will be available in printed format from the abovementioned contacts after 1 October 2002.

Supplementary information on Mineral Resources, Ore Reserves and development, prepared on a business unit basis, are obtainable from the above sources as well as in pdf format on Harmony's web site. Plans of the South African region underground workings are also available on request.

Corporate Information

Harmony Gold Mining Company Limited
Incorporated in the Republic of South Africa
Company Registration number:1950/038232/06

Registered Office
Harmony Main Offices
Remaining Extent of Portion 3 of the farm
Harmony Farm 222, Private Road, Glen Harmony
Virginia, Free State, Republic of South Africa

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E-mail: perth@harmonygold.com.au

Attorneys
Cliffe Dekker Inc Fuller Moore

Bankers
ABSA Bank Limited

Auditors
PricewaterhouseCoopers Incorporated

VOTED BEST PERFORMER

Disclaimer on certain forward-looking statements
Certain statements contained in this document contain certain forward-looking statements regarding Harmony's operations, economic performance and financial condition. This includes those concerning the economic outlook for the gold mining industry, expectations regarding the price of gold and production, the completion and commencement of commercial operations of certain of Harmony's exploration and production projects, its liquidity, and capital resources and expenditure. Although Harmony is of the opinion that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. Actual results could differ materially from those set out in the forward-looking statements. Among other factors, this could be as a result of changes in economic and market conditions, the success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in the price of gold and exchange rates, and business and operational risk management.

GLOSSARY OF MINING TERMS

The following explanations are not intended as technical definitions, but rather are intended to assist the general reader in understanding certain terms as used in this annual report.

Alluvial: the product of sedimentary processes in rivers, resulting in the deposition of alluvium (soil deposited by a river).

Call option: a contract that permits the owner to purchase an asset at a specified price on or before a specified date.

Capital Expenditure: Total capital expenditure on mining assets to both maintain and expand operations.

Cash cost: a measure of the average cost of producing an ounce of gold, calculated by dividing the total cash working costs in a period by the total gold production over the same period.

Cut-off grade: the grade at which the total profit from mining the orebodies, under a specified set of mining parameters, is maximised.

Depletion: the decrease in quantity of ore in a deposit or property resulting from extraction or production.

Development: activities (including shaft sinking and on-reef and off-reef tunnelling) required to prepare for mining activities and maintain a planned production level and those costs to enable the conversion of mineralised material to reserves.

Exploration: activities associated with ascertaining the existence, location, extent or quality of mineralised material, including economic and technical evaluations of mineralised material.

Forward sale: the sale of a commodity for delivery at a specified future date and price.

Grade: the average amount of gold contained in a tonne of gold bearing ore expressed in grade per tonne of ore.

Greenfield: a potential mining site of unknown quality.

In situ: in place, i.e. within unbroken rock or still in the ground.

Life-of-Mine: number of years that the operation is planning to mine and treat ore, taken form the current mine.

Market Capitalisation: Number of ordinary shares in issue at close of business on 30 June multiplied by the closing share price as quoted on the JSE Securities Exchange South Africa.

Mark-to-market: the current fair value of a derivative based on current market prices or to calculate the current fair value of a derivative based on current market prices, as the case may be.

Measures: conversion factors from metric units to U.S. units are provided below.

	Metric unit	**U.S. equivalent**
1 tonne	= 1 t	= 1.10231 short tons
1 gram	= 1g	= 0.03215 ounces
1 gram per tonne	= 1 g/t	= 0.02917 ounces per short ton
1 kilogram per tonne	= 1 kg/t	= 29.16642 ounces per short ton

Mineable: that portion of a mineralised deposit for which extraction is technically and economically feasible.

Mineral Resource: A mineral resource is a concentration or occurrence of material of economic interest in or on the earth’s crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a mineral resource are known, estimated from specific geological evidence and knowledge, or interpreted form a well-constrained and portrayed geological model. Mineral resources are subdivided, in order of increasing geological confidence, into inferred, indicated and measured categories. The mineral resources are inclusive of those resources which have been modified to produce ore reserves.

Neither reserves nor projections of future operations should be interpreted as assurances of the economic life of mineralised material nor of the profitability of future operations.

Open pit: mining in which the ore is extracted from a pit. The geometry of the pit may vary with the characteristics of the orebody.

Ore reserves: that part of mineralised material, which at the time of the reserve determination could be economically and legally extracted or produced. Ore reserves are reported as general indicators of the life of mineralised materials. Changes in reserves generally reflect: development of additional reserves; depletion of existing reserves through production; actual mining experience; and price forecasts.

Ore: a mixture of mineralised material from which at least one of the contained minerals can be mined and processed at an economic profit.

Orebody: a well defined mass of mineralised material of sufficient mineral content to make extraction economically viable.

Ounce: one Troy ounce, which equals 31.1035 grams.

Pay limit: the breakeven grade at which the orebody can be mined without profit or loss, calculated using the forecast gold price, working costs and recovery factors.

Prospect: an area of land with insufficient data available on the mineralisation to determine if it is economically recoverable, but warranting further investigation.
Recovery grade: the actual grade of ore realised after the mining and treatment process.
Reef: a gold-bearing sedimentary horizon, normally a conglomerate band that may contain economic levels of gold.
Refining: the final stage of metal production in which final impurities are removed from the molten metal by introducing air and fluxes. The impurities are removed as gases or slag.
Rehabilitation: the process of restoring mined land to a condition approximating its original state.
Sampling: taking small pieces of rock at intervals along exposed mineralisation for assay (to determine the mineral content).
Shaft: a shaft provides principal access to the underground workings for transporting personnel, equipment, supplies, ore and waste. A shaft is also used for ventilation and as an auxiliary exit. It is equipped with a surface hoist system that lowers and raises conveyances for men, materials and ore in the shaft. A shaft generally has more than one conveyancing compartment.
Tonnage: quantities where the tonne or tonne is an appropriate unit of measure. Typically used to measure reserves of gold-bearing material in situ or quantities of ore and waste material mined, transported or milled.
Tonne: one tonne is equal to 1,000 kilograms (also known as a "metric" ton).

ABBREVIATIONS

ADR	American Depository Receipts
AUSIMM	Australian Institute of Mining and Metallurgy
A$	Australian Dollars
BEE	Black Economic Empowerment
bn	billion
CMA	Catchment Management Agencies
cmg/t	Centimetre gram per tonne
CoP	Code of Practice
DME	Department of Mineral and Energy Affairs
EMPR	Environmental Management Programme Report
FIFR	Fatal injury frequency rate per million man-hours worked
g/t	Gram per tonne
HGL	Highland Gold Limited
HSE	Health, Safety and Environment
IDR	International Depository Receipts
IMF	International Monetary Fund
IRR	Internal Rate of Return
JORC	Australian Code for Reporting Mineral Resources and Mineral Reserves
JSE	JSE Securities Exchange
kg	kilograms
LTIFR	Lost time injury frequency rate per million man-hours worked
m	million
MRF	Mine Reserve Factor
NNR	National Nuclear Regulator
NPV	Net present value
NUM	National Union of Mineworkers
oz	ounces (troy)
PGM	Platinum Group Metals
R	South African Rands
R/kg	Rand per kilogram
R'm	Rand million
SAIMM	South African Institute of Mining and Metallurgy
SAMREC	South African Code for Reporting of Mineral Resources and Mineral Reserves
SARB	South African Reserve Bank
SEC	Securities and Exchange Commission
t	tonnes (metric)
TB	Tuberculosis
tpm	tonnes per month
TPM	Total Precious Metals
US$/oz	United States Dollars per ounce
US$'m	United States Dollars million
XAU	Philadelphia Gold and Silver Index

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