As filed with the Securities and Exchange Commission on November 27, 2000

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 20-F

ANNUAL REPORT PURSUANT TO SECTION 13 OF THE
SECURITIES EXCHANGE ACT OF 1934,
for the fiscal year ended June 30, 2000

Commission File Number: 0-28798

Harmony Gold Mining Company Limited
(Exact name of registrant as specified in its charter)

Republic of South Africa
(Jurisdiction of incorporation or organization)

PO Box 2
Randfontein, 1760
South Africa
(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act: None

Securities registered or to be registered pursuant to Section 12(g) of the Act:

Ordinary shares, with nominal value Rand 50 cents per share*
(Title of Class)

American Depositary Shares (as evidenced by American Depositary Receipts), each representing one ordinary share
(Title of Class)

* Not for trading, but only in connection with the registration of American Depositary Shares, pursuant to the requirements of the Securities and Exchange Commission.

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the last full fiscal year covered by this Annual Report:

At June 30, 2000, there were outstanding:
97,310,435 ordinary shares, with nominal value of Rand 50 cents per share

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days:

Yes X No __

Indicate by check mark which financial statement item the registrant has elected to follow:

Item 17 __ Item 18 X

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INTRODUCTION

Harmony Gold Mining Company Limited is a corporation organized under the law of the Republic of South Africa. As used in this Annual Report on Form 20-F (this "Annual Report"), unless the context otherwise requires, the term "Harmony" refers to Harmony Gold Mining Company Limited; the term "South Africa" refers to the Republic of South Africa; the terms "we," "us" and "our" refer to Harmony and, as applicable, its direct and indirect subsidiaries as a group; the terms "South African Government" and "Government" refer to the government of South Africa and, where the context requires, include the South African state.

Harmony is a South African company and the majority of its operations are located there. Accordingly, its books of account are maintained in South African Rand and its annual and interim financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice as prescribed by law and are based on International Accounting Standards. Harmony also prepares annual financial statements in accordance with generally accepted accounting principles in the United States which are translated into U.S. dollars. The financial information included in this Annual Report has been prepared in accordance with U.S. GAAP and is presented in U.S. dollars. Balance sheet item amounts are translated from Rand to U.S. dollars at the exchange rate prevailing on June 30, 2000 and income statement item amounts are translated from Rand to U.S. dollars at the average exchange rate for the fiscal year.

In this Annual Report, references to "R", "Rand" "¢" and "cents" are to the South African Rand, the lawful currency of South Africa, "A$" refers to Australian dollars, "C$" refers to Canadian dollars and references to "$" and "U.S. dollars" are to United States dollars.

This Annual Report contains information concerning the gold reserves of Harmony. While this Annual Report has been prepared in accordance with the definitions contained in Securities and Exchange Commission Guide 7, it is based on assumptions which may prove to be incorrect. See "Item 1. Description of Business—Risk Factors—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."

This Annual Report contains descriptions of gold mining and the gold mining industry, including descriptions of geological formations and mining processes. We have explained some of these terms in the glossary included in this Annual Report. This glossary may assist you in understanding these terms.

For the convenience of the reader, certain information in this Annual Report presented in Rand has been translated into U.S. dollars. The conversion rate for these translations is Rand 6.79 per $1.00, which was the noon buying rate on June 30, 2000. By including convenience currency translations in this Annual Report, we are not representing that the Rand amounts actually represent the U.S., Canadian or Australian dollar amounts shown or could be converted into U.S., Canadian or Australian dollars at the rates indicated.

Forward looking statements

This Annual Report contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 with respect to Harmony's financial condition, results of operations, business strategies, operating efficiencies, competitive positions, growth opportunities for existing services, plans and objectives of management, markets for stock and other matters. In particular, among other statements, certain statements in "Item 1. Description of Business," "Item 2. Description of Property," "Item 9. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Item 9A. Quantitative and Qualitative Disclosures About Market Risk" are forward-looking in nature. Statements in this Annual Report that are not historical facts are "forward-looking statements" for the purpose of the safe harbor provided by Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended.

These forward-looking statements, including, among others, those relating to the future business prospects, revenues and income of Harmony, wherever they may occur in this Annual Report, are necessarily estimates reflecting the best judgment of the senior management of Harmony and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this Annual Report. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation:

- overall economic and business conditions in South Africa and elsewhere;
- the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions;
- decreases in the market price of gold;
- the occurrence of hazards associated with underground and surface gold mining;
- the occurrence of labor disruptions;
- availability, terms and deployment of capital;
- changes in government regulation, particularly environmental regulation;
- fluctuations in exchange rates, currency devaluations and other macroeconomic monetary policies; and
- political instability in South Africa and regionally.

Harmony undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Annual Report or to reflect the occurrence of unanticipated events.

Exchange Rates

The conversion rate for the translations in the financial statements is Rand 6.775 per $1.00 for balance sheet items, except for specific items included with shareholders' equity that are converted at the exchange rate prevailing on the date the transaction was entered into, and Rand 6.345 per $1.00 for statement of operations. As of November 3, 2000, the noon buying rate per $1.00 was Rand 7.53.

The following table sets forth, for the periods indicated, the average, high, low and period-end noon buying rates in New York City for cable transfers in Rand as certified for customs purposes by the Federal Reserve Bank of New York for Rand expressed in Rand per $1.00.

Year ended June 30,	Average[1]	High	Low	Period end
1996	3.87	4.50	3.61	4.33
1997	4.54	4.75	4.33	4.54
1998	4.96	5.96	4.53	5.92
1999	6.04	6.64	5.49	6.04
2000	6.35	7.18	5.80	6.79
2001 (through September 30, 2000)	7.05	7.34	6.79	7.22

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1 The average of the noon buying rates on the last day of each full month during the relevant period.

PART I

Item 1. *Description of Business*

Introduction

Harmony and its subsidiaries are involved in underground and surface gold mining and related activities, including exploration, processing, smelting and refining. Harmony is the third largest gold producer in South Africa and one of the largest gold producers in the world. Based on the figures reported by Harmony's mining operations as at June 30, 2000, Harmony has proven and probable reserves of approximately 27.02 million ounces. In the year ended June 30, 2000, Harmony processed approximately 13.4 million tons of ore and produced 1,625,925 ounces of gold.

Harmony's principal mining operations are located in South Africa, although it also has a gold mining operation in Canada and has recently purchased a minority equity interest in a gold mining company in Australia. Harmony and its subsidiaries have twelve operating shafts in the Free State province of South Africa, five operating shafts at Evander in the Mpumalanga province of South Africa, six operating shafts and an opencast operation at Randfontein in the Gauteng province of South Africa, an opencast mine in the North West province of South Africa and an underground mine in the Manitoba province of Canada. Ore from the shafts and surface material are treated at twelve metallurgical plants (three in the Free State, three at Evander, four at Randfontein, one in the North West province and one in Canada). Harmony received regulatory approval in 1997 to market its own gold, a function that was previously the sole preserve of the South African Reserve Bank. A refinery was commissioned during fiscal 1997 in the Free State province.

History

Harmony was incorporated and registered as a public company in South Africa on August 25, 1950.

Commercial gold mining in South Africa evolved with the establishment of various mining houses at the beginning of the 1900s by individuals who bought and consolidated blocks of claims until sufficient reserves could be accumulated to sustain underground mining. The mines were then incorporated, but it was not the practice of the founding mining house to retain a majority shareholding. Instead, the mining house would enter into a management agreement with the mine pursuant to which the mining house would carry out certain managerial, administrative and technical functions pursuant to long-term contracts. Fees were generally charged based on revenues, working costs or capital expenditures, or a combination of all three, without regard to the cost or the level of services provided.

Harmony was operated as a mining operation in this manner and the mining house Randgold Exploration Company Limited retained the management agreement. In late 1994, Randgold cancelled the management agreement and entered into a service agreement with Harmony to supply executive and administrative services at market rates. In 1997, Harmony and Randgold terminated their service agreement and Harmony began operating as a completely independent gold mining company.

Harmony's operations have grown significantly since 1995. Since 1995, Harmony has expanded from a lease-bound mining operation into an independent, world-class gold producer.

Harmony has increased its gold production from 650,312 ounces of gold in fiscal 1995 to 1,625,925 ounces of gold in fiscal 2000. In fiscal 2000, approximately 98.5% of Harmony's gold production took place in South Africa, with the remaining 1.5% taking place in Canada. In fiscal 2000, approximately 94.2% of Harmony's gold came from its underground mines and 5.8% came from its surface mines.

Harmony acquired additional mineral rights in the provinces of Free State, Gauteng and North West in South Africa when it acquired Lydenburg Exploration Limited ("Lydex") in 1997.

In 1998, Harmony acquired its first production facility outside South Africa by purchasing the mining assets in the Bissett area of Manitoba in Canada from the liquidators of the Rea Gold Corporation. Harmony has completed the capital expenditure and development programs required to establish a production unit capable of producing over 65,000 ounces per year on this property.

In early 2000, Harmony made an offer for all of the outstanding ordinary share capital of Randfontein. By June 30, 2000, Harmony had acquired 100% of Randfontein's outstanding ordinary share capital and 96.5% of the warrants to purchase ordinary shares of Randfontein. Randfontein produced 864,338 ounces of gold in the year ended June 30, 2000. On a pro forma basis, the combined gold production of Harmony and Randfontein would have been 2,189,815 ounces for the year ended June 30, 2000. Harmony's gold production of 1,625,925 ounces of gold for the year ended June 30, 2000 includes four months of gold production at Randfontein. See "Item 2. Description of Property—Reserves."

In February 2000, Harmony made its first investment in the Australian gold mining industry by acquiring a stake in Goldfields (Australia), an independent gold production and exploration company. As at November 3, 2000, this stake in Goldfields (Australia) was approximately 22.96%. Goldfields (Australia), through its interests in operations in the Kalgoorlie region of Australia, Tasmania and Papua New Guinea, has attributable annual gold production of over 500,000 ounces per year.

Strategy

Harmony is an independent growth oriented company in the gold production business and is distinguished by the focused operational and management philosophies which it employs throughout the organization. Harmony is currently expanding in North America and Australia, building on Harmony's position as a leading cost-effective South African gold company in order to enhance Harmony's position as one of the world's premier international gold producers.

The international gold mining industry has been in the recent past and continues to be affected by structural and investment trends moving toward the consolidation of relatively smaller operations into larger, more efficient gold producers with lower, more competitive cost structures. This consolidation enables gold producers to be more competitive in pursuing new business opportunities and creates the critical mass (measured by market capitalization) necessary to attract the attention of international gold investment institutions. Harmony's current strategy is predominantly influenced by these investment trends which have already resulted in significant restructuring and rationalization in the South African gold mining industry and which have more recently begun to impact on the Australian and North American gold mining industries. Harmony believes these trends will lead to significant realignments in the international gold production business. Harmony intends to participate in this international restructuring activity to continue to achieve its growth objectives.

Since undergoing a change in management in 1995, Harmony has employed a successful strategy of growth through a series of acquisitions and through the evolution and implementation of a simple set of management systems and philosophies, which Harmony refers to as the "Harmony Way", and which it believes are unique in the South African gold mining industry. A significant component of the success of Harmony's strategy to date has been its ability to acquire underperforming mining assets, mainly in South Africa, and in a relatively short time frame to transform these mines into cost-effective production units. The initial phase of Harmony's strategy between fiscal 1995 to fiscal 2000 has resulted in the growth of Harmony's annual gold production from approximately 650,000 ounces to over 1.6 million ounces. With the acquisition of Randfontein, Harmony has expanded its proven and probable ore reserve base to approximately 27.02 million ounces of gold at June 30, 2000. From June 30, 1995 to June 30, 2000, Harmony has reduced weighted average cash operating costs from approximately $341 per ounce to approximately $245 per ounce.

Although Harmony's primary focus is on pursuing growth through the acquisition of producing mines, Harmony has also addressed growth through the recent expansion of its exploration activities through the acquisition of WRCM, which is only engaged in exploration activity and does not presently account for any of Harmony's mining production. Harmony currently maintains a range of focused exploration programs mainly concentrating on areas not too distant from its operating mines. Harmony has also embarked on several focused gold exploration initiatives in prospective regions where it does not yet produce gold.

Harmony is managed according to the philosophy that its shareholders have invested in Harmony in order to own a growth stock which will also participate in movements in the gold price. Accordingly, Harmony has consistently maintained a policy of not hedging its future gold production. Harmony's policy is to eliminate any hedging positions existing within the companies that it acquires as soon as opportunities can be created to do so in sound, commercially advantageous transactions. There may, however, be instances where certain hedge positions in acquired companies need to be kept in place for contractual or other reasons.The major components of Harmony's strategy include:

Continuing to implement Harmony's unique management structure and philosophy.

Harmony implements a simple set of management systems and philosophies, which Harmony refers to as the "Harmony Way", which it believes are unique to the South African gold mining industry. This "Harmony Way" is underpinned by the following concepts:

- **Empowered management teams.** At each mining site Harmony has established small, multi-disciplinary, focused management teams responsible for planning and implementing the mining operations at the site. Each of these teams is accountable for the results at its particular site and reports directly to the Harmony board.

- **Active strategic management by Harmony's board.** Annual operational goals and targets, including cost, volume and grade targets are established in consultation with Harmony's board of directors for each mining site. Each management team develops an operational plan to implement the goals and targets for its mine site. The board reviews and measures the results at each mining site on a regular basis throughout the year.

- **Increased productivity.** Gold mining in South Africa is very labor intensive with labor accounting for approximately 50% of Harmony's costs. To control these costs, Harmony structures its operations to achieve maximum productivity with the goal of having 60% of Harmony's workforce directly engaged in stoping, or underground excavation, and development rock breaking activities. In addition, Harmony has implemented productivity-based bonuses designed to maximize productivity.

- **A no-frills, low cost ethic.** Harmony has an obsession about lowering its cost base and to this end Harmony extensively benchmarks its costing parameters both internally between operations within Harmony and externally against other gold producers.

- **Systems.** Harmony has implemented sophisticated cost accounting systems and strict ore accounting and ore reserve management systems to measure and track costs and ore reserve depletion accurately, so as to enable it to be proactive in its decision making.

Harmony has successfully implemented the "Harmony Way" at its original mining operations and at each mining property Harmony has acquired since 1995, and is currently implementing the "Harmony Way" at Randfontein. In each case, Harmony has been able to reduce costs significantly while increasing production and extending mine life.

Growth through acquisitions in South Africa and internationally.

Harmony's acquisition strategy in South Africa has been, and will continue to be, mainly to pursue mature, underperforming gold mining operations in which it believes it can successfully introduce the "Harmony Way" to increase productivity, reduce costs and extend mine life. The advantage to acquiring mature, underperforming operations is that they tend to be cheaper to acquire and, particularly for underground operations, much of the required capital expenditure has already been made.

In South Africa, Harmony continues to explore a number of potential acquisitions. The South African gold mining industry has undergone a significant restructuring since 1990 with the result that a number of gold mining companies owned principally by mining houses have been sold to other gold operators. Harmony believes that this restructuring process has not yet been completed and that there will continue to be a number of opportunities for further acquisitions in South Africa.

Outside of South Africa, Harmony intends to leverage the broad gold mining experience it has gained through acquisitions and existing operations. Through Harmony's existing operations, Harmony has gained extensive underground mining experience. Harmony has also gained extensive experience in surface mining through its acquisition of Kalgold and, more recently, the surface mining operations of Randfontein, and in mechanized mining of greenstone orebodies through Harmony's acquisition of Bissett. These types of mining are more typical outside of South

Africa. In addition, Harmony's experience managing the Bissett mine has shown it that the "Harmony Way" can be implemented successfully outside of South Africa. Harmony believes that these skills should position it to be able to pursue a broad range of acquisition opportunities and that the reduction of the gold price in the past few years has created additional offshore acquisition opportunities, which Harmony intends to pursue actively.

Expanding Harmony's exploration activities to increase its reserve base.

Traditionally, like most other major South African gold producers, Harmony has not focused much of its efforts on greenfield exploration. With the acquisition of Kalgold, Harmony acquired potentially valuable exploration rights and an active exploration capability. Harmony intends to continue to support and expand these activities as another important avenue for increasing the size of its reserve base.

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 which in the past has fluctuated widely.

Substantially all of 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 jewelry;
- international or regional political and economic trends;
- the strength of the U.S. 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 for and supply of gold affects the price of gold, but not necessarily in the same manner as current demand and supply 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 crisis. As a result, central banks, financial institutions and individuals hold large amounts of gold as a store of value and production in any given year constitutes a very small portion of the total potential supply of gold. Since the potential supply of gold is large relative to mine production in any given year, normal variations in current production will not necessarily have a significant effect on the supply of gold or its price.

The volatility of gold prices is illustrated in the following table, which shows the annual high, low and average of the afternoon London Bullion Market fixing price of gold in U.S. dollars for the past ten years:

	Price per Ounce		
Year	**High**	**Low** ($)	**Average**
1990	424	346	383
1991	403	344	362
1992	360	330	344
1993	406	326	360
1994	396	370	384
1995	396	372	384
1996	415	367	388
1997	367	283	331
1998	313	273	294
1999	326	253	279
2000 (through September 30, 2000)	313	270	282

Source: Bloomberg

On June 30, 2000, the afternoon fixing price of gold on the London Bullion Market was $288.15 per ounce. On November 3, 2000, the afternoon fixing price of gold on the London Bullion Market was $264.65 per ounce.

While the aggregate effect of these factors is impossible for Harmony to predict, if gold prices should fall below Harmony's cost of production and remain at such levels for any sustained period, Harmony may experience losses and may be forced to curtail or suspend some or all of its operations. In addition, Harmony would also have to assess the economic impact of low gold prices on its ability to recover any losses it may incur during that period and on its ability to maintain adequate reserves. Harmony's average cash cost of production per ounce of gold sold was approximately $245 in fiscal 2000, $239 in fiscal 1999 and $305 in fiscal 1998.

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, and, more recently, the International Monetary Fund has discussed selling significant gold reserves to fund international debt relief. The gold price has declined following each such announcement and sale, culminating in a drop in the gold price to its lowest level in at least twenty 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 the next five years to sales announced at that time and to limit gold lending and derivative operations for five years. The announcement of this agreement led to an immediate increase in the price of gold, although the gold price has since then been subject to downward pressure around the time of the periodic auctions held by the Bank of England. 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 could result in a decrease in the price of gold.

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

Unlike many other gold producers, as a general rule, Harmony sells its gold production at market prices. While a small portion of Harmony's production at Bissett is currently hedged to secure a loan facility and a significant proportion of Harmony's recently acquired production at Randfontein remains hedged, Harmony generally does not enter into forward sales, derivatives or other hedging arrangements to establish a price in advance for the sale of its future gold production. See "Item 9. Management's Discussion and Analysis of Financial Condition and Results of Operation — Market Risk." In general, hedging in this manner reduces the risk of exposure to volatility in the gold price. Such hedging also enables a gold producer to fix a future price for hedged gold that generally is higher than the then current spot price. Because it does not hedge in this manner, Harmony can realize the full positive impact of any increase in the gold price. However, it also means that Harmony is not protected against decreases in the gold price and if the gold price decreases significantly Harmony runs the risk of reduced revenues.

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 Annual 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 ore bodies;
- past experience with mining properties; and
- the experience of the person making the reserve estimates.

In addition, Harmony's ore reserves are calculated based on estimates of future production costs, future gold prices and, because Harmony's gold sales are primarily in U.S. dollars and Harmony incurs most of its production costs in Rand, the exchange rate between the Rand and the U.S. dollar. As a result, the reserve estimates contained in this Annual 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 Harmony makes based on the above factors, in the future Harmony may need to revise its estimates. In particular, if Harmony's production costs increase or if gold prices decrease, a portion of Harmony's ore reserves may become uneconomical to recover. This will force Harmony to lower its estimated reserves.

Harmony's strategy depends on its ability to make additional acquisitions.

In order to increase Harmony's gold production and to acquire additional reserves so that Harmony can maintain and grow its gold production beyond the life of its current ore reserves, Harmony is exploring opportunities to expand by acquiring selected gold producers and mining operations. However, Harmony cannot guarantee that:

- Harmony will be able to identify appropriate acquisition candidates or negotiate acquisitions on favorable terms;
- Harmony will be able to obtain the financing necessary to complete future acquisitions; or
- the issuance of Harmony's common stock or other securities in connection with any future acquisition will not result in a substantial dilution in ownership interests of holders of Harmony's common stock.

As at June 30, 2000, Harmony's mining operations reported total proven and probable reserves of approximately 27.02 million ounces. If Harmony is unable to acquire additional gold producers or generate additional proven and probable reserves at its existing operations or through Harmony's exploration activities, Harmony cannot be certain that it will be able to expand or replace its current production with new reserves in an amount sufficient to sustain the life of its mining operations beyond the current life of its 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 Harmony has 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. In particular, hazards associated with underground mining include:

- rock bursts;
- seismic events;
- underground fires;
- cave-ins or falls of ground;
- discharges of gases and toxic chemicals;
- release of radioactive hazards;
- flooding;
- accidents; and
- other conditions resulting from drilling, blasting and removing and processing material from a deep level mine.

Hazards associated with open-pit mining include:

- flooding of the open-pit;
- collapse of the open-pit walls;
- accidents associated with the operation of large open-pit mining and rock transportation equipment; and
- accidents associated with the preparation and ignition of large scale open-pit blasting operations.

Harmony is at risk of experiencing any and all of these environmental or other industrial hazards. The occurrence of any of these hazards could delay production, increase production costs and result in liability to Harmony.

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. While Harmony believes that its current insurance coverage for the hazards described above is adequate and consistent with industry practice, Harmony may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining activities. Further, Harmony maintains and intends 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 assurance 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 it for environmental or industrial accidents or pollution.

Because Harmony's production costs are in Rand, while gold is generally sold in U.S. 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 U.S. dollars, but Harmony's operating costs are incurred principally in Rand. As a result, any significant and sustained appreciation of the Rand against the U.S. dollar will serve materially to reduce Harmony's revenues.

The Rand has experienced significant depreciation against the U.S. dollar since 1997. The Rand has continued to weaken in 2000. However, there can be no assurance that the depreciation of the Rand will continue. If this depreciation trend reverses, it may have a material adverse impact on Harmony's operating results.

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.

South Africa has been transformed into a democracy over the past six years, with a successful second round of democratic elections held during 1999. While Harmony believes that the South African government is stable, government policies aimed at redressing the disadvantages suffered by the majority of citizens under previous governments may impact on Harmony's operations and profits.

In addition to political issues, South Africa faces many challenges in overcoming substantial differences in levels of economic development among its people. While South Africa features highly developed, sophisticated "first world" business sectors and infrastructure at the core of its economy, large parts of the population do not have access to adequate education, health care, housing and other services, including water and electricity. Furthermore, in recent years, South Africa has experienced high levels of crime and unemployment. These problems have impeded fixed inward investment into South Africa and prompted emigration of skilled workers.

Recently, the South African economy has been growing at a relatively slow rate, inflation and unemployment have been high by comparison with developed countries, and foreign reserves have been relatively low. The South African economy remained weak in 1998 with minimal growth in all sectors. GDP growth in 1998 was 0.6%, improving to 1.2% for 1999. The depreciation of the Rand in 1997 and 1998 resulted in an increase in the South African bank prime lending rate, which peaked at approximately 25.5% during 1998, although rates have since decreased and in the quarter ending June 30, 2000 the rate was 14.5%.

Although the South African government has indicated on numerous occasions that it is committed to creating a stable free market democracy, including the phasing out of exchange controls, it is difficult to predict the future political, social and economic direction of South Africa or how the government will try to address South Africa's problems. It is also difficult to predict the effect on Harmony's business of these problems or of the government's efforts to solve them.

Further, there has been regional political and economic instability in the countries surrounding South Africa. As discussed above, any resulting political or economic instability in South Africa could have a negative impact on Harmony's ability to manage and operate its South African mines.

Harmony's results of operations 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 over year increases in operational costs. In recent years, however, the inflation rate has decreased to single-digit figures.

While Harmony's operations have not in recent years been materially affected by inflation, 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 Harmony's 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. As a result, Harmony's 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 utilize profits of one foreign business to finance operations of a different foreign business.

These restrictions could hinder Harmony's normal corporate functioning. While exchange controls have been relaxed in recent years and are continuing to be so relaxed, it is difficult to predict whether or how the South African government will loosen the exchange control regulations in the future.

Since Harmony's labor force has substantial trade union participation, Harmony faces the risk of disruption from labor disputes and new South African labor laws.

Due to the number of its employees that belong to unions, Harmony is at risk of having its production stopped for indefinite periods due to strikes and other labor disputes. Significant labor disruptions may have a material adverse effect on Harmony's operations and financial condition. Harmony is not able to predict whether it will experience significant labor disputes in the future.

Harmony's production may also be materially affected by new labor laws. In the past five years laws relating to labor have changed significantly in ways that affect Harmony's operations. In particular, laws enacted since 1995 that provide for mandatory compensation in the event of termination of employment for operational reasons and that impose large monetary penalties for non-compliance with the reporting requirements in respect of affirmative action policies could result in significant costs to Harmony. In addition, future South African legislation and regulations relating to labor may further increase Harmony's costs or alter Harmony's relationship with its employees. There may continue to be significant changes in labor law in South Africa over the next several years.

AIDS poses risks to Harmony in terms of productivity and costs.

The incidence of AIDS in South Africa, which is forecast to increase over the next decade, poses risks to Harmony in terms of potentially reduced productivity and increased medical and other costs. The exact extent of infection in Harmony's workforce is not known at present, but the prevalence of AIDS could be or become significant. Significant increases in the incidence of AIDS infection and AIDS-related diseases among Harmony's workforce in the future could adversely impact its operations and financial condition. Harmony is actively pursuing AIDS awareness campaigns with its workforce.

Harmony's operations are subject to extensive government regulations.

The Mine Health and Safety Act. In January 1997, the South African government introduced The Mine Health and Safety Act. This act is intended to encourage greater interaction between government regulators, labor representatives and mining companies with regard to health and safety matters. The act leaves room for self-regulation but also provides for strict control by the government. As part of Harmony's compliance with this act, Harmony has made progress in establishing risk management and medical surveillance systems. These systems have resulted in improvements in the safety performance of Harmony's workers. Harmony has also established the health and safety committees required by the act and has arranged for the elections of workplace representatives. To date, the cost of complying with these regulations has not been material. There can be no assurance, however, that any additional expenditure required for compliance with this act will not be material.

Mineral rights ownership. Currently Harmony owns the majority of its mineral rights. In October, 1998, the South African Minister of Minerals and Energy issued a paper proposing that the government adopt legislation requiring that privately-owned mineral rights be reallocated to the state. According to this proposal, the state, as custodian of South Africa's mineral resources, would acquire all mineral rights over a period of time (currently proposed to be 20 years). The state would then issue licenses for prospecting and mining operations against the payment of a royalty by the holders of the licenses. As a transitional arrangement, a new system for granting access to all mineral rights would apply. Under this system:

- the right to prospect and mine will vest in the state of South Africa; and
- the government will develop detailed legislative proposals for the introduction of the new system of operations in accordance with the "use-it and keep-it" principle. There will be a transitional period to allow current holders of prospecting, mining and mineral rights to license the operations referred to above, as well as extensions which are necessary to provide for the continuation of such operations.

The proposal in this paper only reflects the government's intentions with regard to the ownership of mineral rights. The proposal does not address the issue of compensation for existing mineral rights. The proposal must go through the further process of public and parliamentary debate before being passed as legislation. There can be no assurance that any legislation proposed on this matter will be passed or that the enacted legislation will not be more disadvantageous to current mineral rights holders. However, if legislation were passed in a form consistent with this proposal, it would be unlikely to have a significant impact on Harmony, as Harmony currently actively carries out mining or exploration activities in all of its material mineral rights areas. Harmony is unable to predict, however, the impact of legislation yet to be proposed in this area.

Harmony is subject to extensive environmental regulations. As a gold mining company, Harmony is subject to extensive environmental regulation. Harmony has experienced and expects 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 the Minerals 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. Pursuant to these regulations, upon the suspension, cancellation, termination or lapsing of a prospecting permit or mining authorization in South Africa, Harmony will 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 Harmony has complied with the provisions of the Minerals Act.

Currently, Harmony provides for environmental liabilities by contributing to environmental trust funds. While Harmony believes that its current provision for compliance with South African environmental laws and regulations is reasonable, any future changes and development in environmental regulation may adversely affect its 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, which could have a material adverse effect on Harmony's results and financial condition.

The South African government is currently reviewing requirements imposed upon mining companies to ensure environmental restitution. For example, with the introduction of an environmental rights clause in South Africa's constitution, a number of environmental legislative reform processes have been initiated. Legislation passed as a result of these initiatives has tended to be materially more onerous than laws previously applied in South Africa. Examples of such legislation include the National Water Act 36 of 1998 and the National Environmental Management Act 107 of 1998, both of which include stringent "polluter-pays" provisions. The adoption of these or additional or more comprehensive and stringent requirements, in particular with regard to the management of hazardous wastes, the pollution of ground and ground water systems and the duty to rehabilitate closed mines may result in additional costs and liabilities to Harmony.

Because Harmony's stock is principally traded on the Johannesburg Stock Exchange, its investors face liquidity risk in the market for its shares.

The principal trading market for Harmony's ordinary shares is the Johannesburg Stock Exchange, or the JSE. Historically, trading volumes and liquidity of shares listed on the JSE have been low in comparison with other major markets. The ability of a holder to sell a substantial number of Harmony's ordinary shares on the JSE in a timely manner, especially with regard to a large block trade, may be restricted by the limited liquidity of shares listed on the JSE.

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 and Harmony's capital expenditures and other cash requirements existing at the time. Under South African law, dividends may only be paid out of the profits of Harmony. 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 U.S. 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 U.S. dollar.

Because Harmony has a significant number of outstanding options and warrants, its stock is subject to dilution.

As of November 13, 2000, Harmony had an aggregate of 180,000,000 ordinary shares authorized to be issued and at that date an aggregate of 100,823,935 ordinary shares were issued and outstanding. In addition to outstanding warrants to purchase a total of 7,579,900 ordinary shares at an exercise price of Rand 60 per share, Harmony also has a securities option plan authorizing the granting of options in an amount of up to an aggregate of 10% of the number of ordinary shares outstanding as of the date of the grant, of which Harmony had issued and outstanding at November 13, 2000 options to purchase a total of 6,710,400 ordinary shares at exercise prices of between Rand 11.70 and Rand 51.50. As a result, shareholders' equity interests in Harmony are subject to dilution to the extent of future exercises of these options and warrants.

Description of Mining Business

Exploration

Exploration activities are focused on the extension of existing orebodies and identification of new orebodies both at existing sites and at undeveloped sites. Once a potential orebody has been discovered, exploration is extended and intensified in order to enable clearer definition of the orebody and the potential portions to be mined. Geological techniques are constantly refined to improve the economic viability of prospecting and mining activities.

Mining

The mining process can be divided into two main phases: (i) creating access to the orebody and (ii) mining the orebody. This basic process applies to both underground and surface operations.

- **Access to the orebody.** In Harmony's underground mines, access to the orebody is by means of shafts sunk from the surface to the lowest economically and practically mineable level. Horizontal development at various intervals of a shaft (known as levels) extends access to the horizon of the reef to be mined. On-reef development then provides specific mining access.

In Harmony's open-pit mines access to the orebody is provided by overburden stripping, which removes the covering layers of topsoil or rock, through a combination of drilling, blasting, loading and hauling, as required.

- **Mining the orebody.** The process of ore removal starts with drilling and blasting the accessible ore. The blasted faces are then cleaned and the ore is transferred to the transport system. In open-pit mines, gold-bearing material may require drilling and blasting and is usually collected by bulldozers or shovels to transfer it to the ore transport system.

  In Harmony's underground mines, once ore has been broken, train systems collect ore from the faces and transfer it to a series of ore passes which gravity feed the ore to hoisting levels at the bottom of the shaft. The ore is then hoisted to the surface in dedicated conveyances and transported either by conveyor belts directly or via surface railway systems to the treatment plants. In addition to ore, waste rock broken to access reef horizons must similarly be hoisted and then placed on waste rock dumps. In open-pit mines, ore is transported to treatment facilities in large capacity vehicles.

Processing

Harmony has twelve metallurgical plants which treat ore to extract the gold. The principal gold extraction processes used by Harmony are carbon in leach, or CIL, and carbon in pulp, or CIP, although Harmony also has a heap leach plant and an old filter plant processing low grade waste rock. Harmony has decided to discontinue its heap leach operation.

The gold plant circuit consists of the following:

- **Comminution.** Comminution is the process of breaking up the ore to expose and liberate the gold and make it available for treatment. Conventionally, this process occurs in multi-stage crushing and milling circuits, which include the use of jaw and gyratory crushers and rod and tube and ball mills. Harmony's more modern milling circuits include semi or fully autogenous milling where the ore itself is used as the grinding medium. Typically, ore must be ground to a minimum size before proceeding to the next stage of treatment.

- **Treatment.** In most of Harmony's metallurgical plants, gold is extracted into a leach solution from the host ore by leaching in agitation tanks. Gold is then extracted onto activated carbon from the solution using the CIL or CIP process. In addition, Harmony has two metallurgical plants which use the zinc precipitation filter process to recover gold in solution. Harmony also has one heap leach operation. In the heap leach process, ore is stacked on impervious leach pads and a leaching solution is sprayed on the pile which separates the gold from the host ore. Gold is then extracted from the leach solution using the carbon in solution process, which is similar to the CIL process.

Gold in solution from the filter plants is recovered using zinc precipitation. Recovery of the gold from the loaded carbon takes place by elution and electro-winning. As a final on-mine recovery step, gold recovered from the carbon or from the precipitators using the above process is smelted to produce rough gold bars. These bars are then transported to the refinery which is responsible for refining the bars to good delivery status.

Harmony operates the only independent refinery in South Africa. For the fiscal year ended June 30, 2000, approximately 34% of Harmony's South African gold production was refined at Harmony's refinery and the remainder was refined at the Rand Refinery, which is owned by a consortium of the major gold producers in South Africa, including Harmony. Harmony produces its own branded products at its refinery including various sizes of gold bars. This has allowed Harmony to sell directly to markets such as India, the Middle East and Asia. Harmony intends to pursue expanded refining capacity from 40 tons per year in fiscal 2000 to a target of 90 tons per year by the end of fiscal 2001.

Services

Mining activities require extensive services, located both on the surface and underground. These services include mining-related services such as mining engineering (optimizing mining layouts and safe mining practices), planning (developing short-term and long-term mining plans), ore reserve management (to achieve optimal orebody extraction), ventilation (sustaining operable mining conditions underground), provision of supplies and materials, and other logistical support. In addition, engineering services are required to ensure equipment operates effectively. Unlike many other South African gold producers, Harmony generally provides only those services directly related to mining. In some cases, other services are provided by outside contractors. Harmony provides medical services to certain employees at its Free State, Evander, and Randfontein hospitals.

Harmony's Management Structure

As part of the "Harmony Way", Harmony structures its mining operations in a way that it considers to be unique in the South African gold mining industry. Harmony's operational structure is based on small empowered management teams at each production site which may include one or more underground mine shafts or opencast sites. These management teams are fully responsible for planning and executing the mining at the production site and report directly to Harmony's board. Each management team consists of an ore reserve manager, a mining manager, an accountant, an engineering manager and a human relations manager. Each member of the management team has an individual area of responsibility: the mining manager is responsible for rock breaking and safety; the ore reserve manager is responsible for geology and ore reserves; the accountant is responsible for financial management; the engineering manager is responsible for maintaining equipment; and the human resource manager is responsible for manpower issues. One of the managers is appointed as the team captain. Financial incentives are provided for the production team at each site based on the production and efficiency at the site.

Placing management power at the level of the actual production sites has resulted in greater flexibility, innovation and quicker decision-making than the more traditional management structures at South African gold mines. It also means that Harmony operates without multiple levels of management. This contributes to decreased overhead costs, which has a positive impact on the payable portion of Harmony’s mineral resources. In addition, the reduced management structure is important in facilitating Harmony’s goal of having 60% of its work force being directly involved in actual mining as opposed to the industry standard of 40%. Harmony believes that this initiative has resulted in increased productivity.

Exploration

Harmony conducts exploration activities by itself or with joint venture partners. Harmony's prospecting interests measure approximately 550,000 hectares. In addition to ongoing mine site exploration, Harmony has a program of investment in regional exploration. Harmony and the Kalgold operations which Harmony now owns have spent approximately Rand 35.6 million ($6.3 million) over the last three fiscal years on exploration, mainly within the Kraaipan greenstone belt and particularly on the Kalgold mining lease and surrounding areas. The exploration strategy on these greenstone belts uses geological, geophysical and geochemical techniques to identify broad systems of anomalous gold and associated rock alteration within which gold deposits typically occur as clusters or "mining camps.” Harmony spent approximately Rand 15.9 million (approximately $2.4 million), excluding contributions from joint venture partners, on exploration in fiscal 2000 and has an exploration budget of Rand 28 million ($4.1 million) for fiscal 2001.

Harmony's exploration activities over the last three years have focused on prospective greenstone-type ore belts in the search for deposits that may be exploited by open pit and shallow underground, low cost operations. Current fieldwork programs primarily involve Southern African exploration targets, although Harmony is evaluating several opportunities in other countries, including countries in South America. Harmony has compiled a comprehensive database on opportunities in East and West Africa, Australia and selected prospects from other parts of the world.

Lower priority exploration interests are held over prospects in the provinces of Mpumalanga and KwaZulu-Natal in South Africa and in Botswana. Prospecting rights in these regions are held via subsidiaries Kalgold and WRCM.

Harmony’s exploration projects are wholly owned, apart from the Khunwana project area on the Kraaipan, which is a joint venture with Gold Fields Limited, the Murchison exploration program in the Murchison greenstone belt in the Northern Province, which is being conducted in a joint venture with Metorex Limited, and a joint venture for exploration in Peru. Gold Fields has the right to earn 51% of the Khunwana project by funding Rand 4 million ($0.6 million) of exploration expenditures under Harmony management. This funding has commenced and is expected to be completed by June 30, 2001. The Murchison joint venture is divided into the claims area surrounding the Metorex gold/antimony operations and the regional project areas on prospective parts of the Murchison greenstone belt outside the claims area. Harmony manages these exploration programs and has the right to earn 50% equity in the claims area and 80% equity in the regional area by funding Rand 5 million ($0.7 million) of exploration and evaluation expenditures by the end of calendar year 2003. Funding for this project is currently underway. Harmony’s exploration in Peru is in the initial phase of exploratory drilling and includes the right to earn up to 60% of this joint venture project by providing funding of $75 million.

Regulatory and Environmental Matters

Mineral Rights

South African law provides for the separate ownership of surface and mineral rights. It is therefore possible for one person to own the surface of a property, another to own rights to precious metals and yet another to own rights to base minerals. Harmony controls mineral rights by way of ownership, mining rights and mining authorizations.

Currently, approximately two-thirds of South Africa's mineral rights are in private hands. The South African government is investigating the structure of mineral ownership in the country, with the view of making access to minerals easier for small and emerging mining companies.

After the election of a democratic government in South Africa in 1994, the issue of mineral rights was reviewed. A group consisting of the Chamber of Mines of South Africa, various individual companies, organized labor and the State of South Africa produced a draft discussion document on mineral rights in October 1996. After further debate and amendments, the discussion document was adopted as a Green Paper on a mining and minerals policy for South Africa. The Green Paper, which was published in February 1998, proposed legislation which would require that privately owned mineral rights be reallocated to the State of South Africa, while leaving unaddressed the issue of compensation for existing mineral rights. A Green Paper is a ministerial document used in the conduct of public debates on a subject and for soliciting public comment. Following such debate, a White Paper is drafted reflecting the debates and discussions on the Green Paper. The final White Paper on mineral rights was published on October 29, 1998 and confirmed the proposals of the Green Paper. Based on a review of the White Paper, Harmony believes the motivation of the government in drafting the White Paper to be a desire to address previous racial inequity and prevent the hoarding of mineral rights without disturbing investor confidence in South Africa's mining industry. The White Paper recommended adopting legislation requiring that privately owned mineral rights be reallocated to the State. According to the White Paper, the State, as custodian of the nation's mineral resources for the benefit of all, would require the ownership of all mineral rights over a period of time to pass to the state (currently proposed to be 20 years). The State would issue licenses for prospecting and mining operations against payment of a form of royalty by the holders of such licenses to the State. As a transitional arrangement, the following new system for granting access to mineral rights would apply:

- the right to prospect and to mine for all minerals will vest in the State of South Africa; and
- the government will develop detailed legislative proposals for the introduction of the new system whereby the State will grant the right to mine in accordance with the "use-it and keep-it" principle. There will be a transitional period to allow holders of prospecting, mining and mineral rights to license the operations referred to above, as well as extensions which are necessary to provide for the continuation of such operations.

The White Paper, which has not, as of June 30, 2000, resulted in proposed legislation in the form of a draft bill, reflects the government's intentions only. The White Paper does not address the issue of compensation for existing mineral rights. A White Paper is used as a basis for proposed legislation which must go through a further process of public and parliamentary debate.

Harmony understands that the Department of Minerals and Energy Affairs is drafting a Minerals Development Bill, currently expected to be published in late 2000 or early 2001. While it is expected that this bill will address the ownership of mineral rights in South Africa, it is not expected to affect existing mining operations in South Africa. There can be no assurance as to whether or when this or any other proposed legislation on this matter will be passed.

Harmony currently has active mining operations associated with all of its material mining and mineral rights. As a result, Harmony does not expect that the proposals in the White Paper, if implemented, will have a significant impact on its mining operations in South Africa.

Health and Safety Regulations

For many years, the safety of people working in South African mines and quarries was controlled by the Mines and Works Act of 1956 and subsequently the Minerals Act of 1991. Several incidents in mines in recent years indicated that this legislation needed to be updated and revised. The findings of the Leon Commission of Inquiry into Health and Safety in the Mining Industry in April 1994 led to the drafting of new legislation which resulted in the Mine Health and Safety Act No. 29 of 1996 (the “Mine Health and Safety Act”). The Mine Health and Safety Act was the result of intensive discussions and consultations between government, employers and employee representatives over an extended period of time, and came into force on January 15, 1997. The objectives of the Mine Health and Safety Act are:

- to protect the health and safety of persons at mines;
- to require employers and employees to identify hazards and eliminate, control and minimize the risks relating to health and safety at mines;
- to give effect to the public international law obligations of South Africa that concern health and safety at mines;
- to provide for employee participation in matters of health and safety through health and safety representatives and the health and safety committees at mines;
- to provide for effective monitoring of health and safety conditions at mines;
- to provide for enforcement of health and safety measures at mines;
- to provide for investigations and inquiries to improve health and safety at mines; and
- to promote
  - a culture of health and safety in the mining industry;
  - training in health and safety in the mining industry; and
  - co-operation and consultation on health and safety between the State, employers, employees and their representatives.

The Mine Health and Safety Act prescribes general and specific duties for employers and others, determines penalties and a system of administrative fines, and provides for employee participation by requiring the appointment of health and safety representatives, and through the establishment of health and safety committees. It also entrenches the right of employees to refuse dangerous work. Finally, it describes the powers and functions of a mine health and safety inspectorate and the process of enforcement.

It is anticipated that mining companies will incur additional expenditures in order to comply with the legislation's requirements. Management anticipates that such additional expenditures will not have a material adverse effect upon Harmony's results of operations or financial condition, although there can be no assurance of this.

Environmental Matters

Pursuant to South African law, mine properties must be rehabilitated upon closure. Mining companies are required by law to submit Environmental Management Program Reports ("EMPRs") to the Department of Minerals and Energy. EMPRs identify the rehabilitation issues for a mine and must also be approved by other South African government departments including, but not restricted to, the Department of Water Affairs and Forestry.

EMPRs were prepared and submitted for most of Harmony's operations from 1996 to 1998. With the exception of Randfontein, whose EMPR is already approved, all of Harmony EMPRs are currently in the process of being approved by the authorities. Harmony's other mining operations currently operate under temporary mining authorizations. Harmony does not anticipate any difficulties in obtaining approval for any of these EMPRs. The process has improved the mutual co-operation and information sharing between Harmony and the relevant government departments. Harmony has met and intends to continue to meet on a regular basis with the relevant government departments to continue the EMPR process and to ensure the environmental impact of Harmony's mining operations are managed in accordance with applicable regulatory requirements and industry standards.

Each of Harmony's mines has a person dedicated to environmental matters who, in addition to organizing the implementation of the environmental management programs, monitors the impact of the mine on the environment and responds to impacts that require specific attention outside of the normal program of environmental activities.

The primary environmental focus at most of Harmony's operations is water management and the administration of areas outside the operating plants and shafts. The major objective is to ensure that water is of a quality fit for use by downstream users.

Based on current environmental and regulatory requirements, Harmony accrues estimated environmental rehabilitation costs over the operating life of a mine. It also makes annual contributions to environmental trust funds created in accordance with South African statutory requirements, to provide for the estimated cost of pollution control and rehabilitation during and at the end of the life of a mine. Estimates of the ultimate rehabilitation liability are subject to change as a result of future changes in regulations or cost estimates.

While the ultimate amount of rehabilitation costs to be incurred in the future is uncertain, Harmony has estimated that the total cost for Harmony in current monetary terms to rehabilitate its mine properties will be approximately Rand 540 million ($80 million). There can be no assurance, however, that this estimate reflects or approximates actual costs to be incurred.

Harmony intends to fund its ultimate rehabilitation costs from the money invested in the environmental trust funds, as well as the proceeds from the sale of assets and gold from plant cleanup at the time of mine closure. The requirements imposed upon mining companies to ensure environmental restitution, however, are currently under review and it is possible that this will result in additional costs and liabilities in particular with regard to the management of hazardous wastes, the pollution of ground and ground water systems and the duty to rehabilitate closed mines.

Employees

Unionized Labor

The South African gold mining industry is very labor-intensive. The total number of employees at Harmony, together with people working at Harmony's mines but employed by outside contractors, at June 30 of the past three fiscal years was:

	At June 30,		
	2000	**1999**	**1998**
Total	39,410	22,000	20,500

Harmony recently acquired Randfontein, which has approximately 13,390 employees. As of September 30, 2000, Harmony, including Randfontein, employed approximately 39,310 people, including outside contractors.

Approximately 80% of Harmony's labor force in South Africa is unionized, with the major portion of the workforce being members of the National Union of Mineworkers ("NUM"). Since 1995 the South African legislature has enacted various labor laws that enhance the rights of employees. For example, these laws:

- confirm the right of employees to belong to trade unions and the right of unions to have access to the workplace;
- guarantee employees the right to strike, the right to picket and the right to participate in secondary strikes in certain prescribed circumstances;
- provide for mandatory compensation in the event of termination of employment for operational reasons;
- reduce the maximum ordinary hours of work;
- increase the rate of pay for overtime;
- require large employers, such as Harmony, to implement affirmative action policies to benefit historically disadvantaged groups and impose significant monetary penalties for non-compliance with the reporting requirements of the legislation; and
- provide for the financing of training programs by means of a levy grant system and a national skills fund.

Harmony is currently in compliance with applicable labor laws.

As a result of its highly unionized labor force and the fact that labor costs constitute approximately 50% of production costs, Harmony has attempted to balance union demands with the need to contain and reduce cash costs in order to ensure the long-term viability of its operations.

Harmony participates in industry-wide Central Chamber of Mines negotiations for Category 3 to 8 semi-skilled employees. In July 1999, a two-year wage deal was concluded with the NUM. Negotiations with other unions and associations take place on a mine by mine basis. One year agreements were reached in early 2000 in order to bring all employees within the same negotiation cycle. A 9% increase was agreed with the NUM, along with an average 8% increase for other employees.

Harmony experienced no significant strikes in 1999 or in the first six months of 2000. Harmony believes that this is the result of improved workplace relationships, effective domestic dispute settlement arrangements and the recent establishment of a statutory body, the Commission for Conciliation, Mediation and Arbitration.

Item 2. ***Description of Property***

Introduction

Harmony's operational mining areas comprise the Free State operations of 58,249 acres, the Evander area of 97,926 acres, the Randfontein area of 41,026 acres, the Kalgold area of 5,259 acres and the Bissett area of 1,083 acres. Harmony furthermore owns, controls or shares in mineral rights that have not been brought to production.

In line with the rest of the South African mining industry, Harmony has been rationalizing its mineral rights holdings in recent years. Accordingly, over the past two years, Harmony disposed of its shares and its participation rights in areas in South Africa in which it has not actively pursued mining. Harmony may continue to investigate further disposals.

Geology

The major portion of Harmony's gold production is derived from mines located in the Witwatersrand Basin in South Africa. In contrast to the greenstone hosted gold deposits at Kalgold and Bissett, the Witwatersrand gold deposits are a unique gold bearing succession of sedimentary rocks that show great continuity through the Witwatersrand area. As a consequence, resource estimates can often be made with a higher degree of confidence, even when the exploration data is limited.

The Witwatersrand Basin is an elongate structure that extends approximately 300 km in a northeast-southwest direction and approximately 100 km in a northwest-southeast direction. It is an Archean sedimentary basin containing a 6 km deep stratigraphic sequence consisting mainly of quartzites and shales with minor intermittent volcanic units.

Conglomerate layers occur in distinctive depositional cycles or packages within the upper, arenaceous portion of the sequence, known as the Central Rand Group. The conglomerate packages are thicker and tend to display greater basin edge proximality in terms of sedimentary characteristics from the base of the Central Rand Group to the top. The thickest units are multiple stacks of lenticular conglomerate layers, separated by erosional surfaces. It is within these predominately conglomeratic units that the gold-bearing alluvial placer deposits, termed reefs, are located.

The differences in the morphology and gold distribution patterns within a single reef, and from one reef to the next, are a reflection of the different sedimentary processes at work at the time of placer deposition on erosional surfaces in fluvial and littoral environments.

Within the various goldfields of the Witwatersrand Basin there are major and minor fault systems, and some of the normal faults have displaced basin-dipping placers upwards in a progressive step-like manner, enabling mining to take place at accessible depths. Folding is most prominent along the previously active tectonic margins of the basin, and syndepositional interference warping appears to have played a role in some placer formation and gold accumulation.

Harmony's gold production is derived from auriferous placer reefs situated at different stratigraphic positions and at varying depths below surface in three of the seven defined goldfields of the Witwatersrand Basin.

Reserves

Harmony applies an ore reserve management system which emphasizes effective geological control of the orebody. In addition, ongoing management of the ore reserves is decentralized to each production site where management applies site-specific technical and working cost parameters to determine the optimal cut-off grade. This cut-off grade is defined as the grade at which the total profits from mining the orebody, under a specific set of mining parameters, is maximized and, therefore, optimizes exploitation of the orebody. The use of a cut-off grade attempts to account for all the ore tons that make a marginal contribution to the profitability of the mine.

Historically, South African gold mining companies have not been required to follow any particular standard for reporting ore reserves. Consequently, Harmony inherited a number of different standards for reporting ore reserves as it acquired mining operations.

In March 2000, the JSE announced that all gold mining companies listed on the JSE must report ore reserves on the basis of the South African Mineral Resource Committee code of practice ("SAMREC"). In accordance with this ruling, Harmony has recalculated its ore reserves. As at June 30, 2000 all of Harmony's ore reserves are reported on the basis of SAMREC. All of the ore reserve information included herein is reported on the basis of SAMREC. Only the reserves which qualify as proven and probable reserves for purposes of the SEC's industry guide number 7 at each of Harmony's mining operations are presented herein. See "Glossary of Mining Terms."

As at June 30, 2000, Harmony has aggregate proven and probable reserves of approximately 27.02 million ounces as set forth in the following table:

Ore reserve statement as at June 30, 2000

Operations	Proven reserves			Probable Reserves			Total reserves			Gold production in the year ended June 30, 2000
	Tons (million)	Grade (oz/ton)	Gold oz[3] (million)	Tons (million)	Grade (oz/ton)	Gold oz[3] (million)	Tons (million)	Grade (oz/ton)	Gold oz[3] (million)	(oz)
Underground										
Free State[1]	36.080	0.158	5.684	14.111	0.150	2.113	50.190	0.155	7.797	856,816
Evander	17.377	0.202	3.508	37.091	0.167	6.193	54.467	0.178	9.701	393,235
Randfontein[2]	27.421	0.161	4.406	28.271	0.139	3.920	55.692	0.150	8.326	754,853
Bissett	0.837	0.187	0.156	1.467	0.199	0.292	2.304	0.194	0.448	26,943
Total Underground	81.715	0.168	13.754	80.940	0.156	12.518	162.653	0.162	26.272	2,031,847
Surface (Open Pit)										
Kalgold	7.185	0.067	0.479	1.436	0.082	0.117	8.621	0.069	0.597	68,738
Randfontein[2]	1.328	0.040	0.053	2.010	0.048	0.097	3.338	0.045	0.150	109,485
Total Surface (Open Pit)	8.513	0.062	0.532	3.446	0.062	0.214	11.959	0.062	0.747	178,223
TOTAL	90.228	0.158	14.286	84.386	0.151	12.731	174.612	0.155	27.018	2,210,070[4]

1 Harmony's Free State operations include the Harmony, Unisel, Merriespruit, Virginia, Saaiplaas, Brand and Masimong shafts.

2 Harmony acquired Randfontein as at March 1, 2000.

3 "Gold oz" figures are fully inclusive of all mining dilutions and gold losses, and are reported as mill delivered tons and head grades. Metallurgical recovery factors have not been applied to the reserve figures. Approximate metallurgical recovery factors are set forth below.

4 Harmony's gold production of 1,625,925 ounces of gold for the year ended June 30, 2000 includes nine months of production at Kalgold and Bissett and four months of production at Randfontein. The above total of 2,210,070 ounces reflects production at Kalgold and Randfontein for the entire year ended June 30, 2000.

The numbers shown in the table above are fully inclusive of all mining dilutions and gold losses, and are reported as mill delivered tons and head grades. Metallurgical recovery factors have not been applied to the reserve figures stated above. The approximate metallurgical recovery factors for the table above are as follows: (a) Free State 95%; (b) Evander 96%;

(c) Randfontein 96%; (d) Bissett 91%; (e) Kalgold CIL 89% and Kalgold heap leach 70%. A gold price of $290 per ounce and an exchange rate of Rand 6.44 per $1.00 was applied in calculating the ore reserve figures. Harmony's standard for sampling with respect to both proven and probable reserve calculations for underground mining operations at Free State, Evander, Randfontein and non-mechanized operations at Bissett is applied on a 6 meter by 6 meter grid. Average sample spacing on development ends is at 2 meter intervals in development areas. Randfontein and Kalgold surface operations are sampled on diamond drill and reverse circulation drill spacing of no more than 25 meters on average.

In calculating proven and probable reserves, Harmony applies a cut-off grade. The cut-off grade is determined for each shaft using Harmony's optimizer computer program, which takes account of a number of factors, including grade distribution of the orebody, an assumed gold price, planned production rates, planned working costs and mine recovery factors. Harmony's optimizer computer program determines the total profits that can be made from mining blocks of various grades. The point of maximum total profit is used to determine the cut-off grade. Mining the blocks at and above the cut-off grade will be profitable if the assumptions underlying the cut-off grade hold true. Blocks below the cut-off grade are not included in Harmony's reserve estimates. Harmony generally aims to mine above the cut-off grade. This can be contrasted with the so-called "pay limit" approach for determining reserve estimates, which identifies the grade at which revenues and costs are equal and then determines the portion below this break-even grade that can be mined together with portions above the break-even grade to remain profitable. Harmony believes the cut-off grade methodology defines more precisely which blocks should be mined for profitable operations.

Harmony's Mining Operations

Harmony conducts underground mining operations at four principal mining sites: the Free State, Evander, Randfontein and Bissett and conducts surface mining operations at Randfontein and Kalgold.

Underground Operations

The following chart details the operating and production results from underground operations for the past three fiscal years:

	Year ended June 30,		
	2000[1]	**1999**	**1998**
Production			
Tons ('000)	10,324	8,289	5,916
Recovered grade (ounces/ton)	0.148	0.154	0.123
Gold produced (ounces)	1,530,180	1,274,774	730,174
Results of operations ($)			
Revenues ('000)	444,418	369,507	228,261
Cash cost ('000)	377,047	306,029	229,933
Cash profit/(loss) ('000)	67,371	63,478	(1,672)
Cash costs			
Per ounce of gold ($)	246	240	315

1 Includes Randfontein's production for four months from March 1, 2000.

Tons milled increased to 10,324 in fiscal 2000 compared with fiscal 1999 due primarily to the acquisition of Randfontein. Tons milled showed a significant increase in fiscal 1999 compared with fiscal 1998 due primarily to the acquisition of Evander. This acquisition was also largely responsible for the 25% increase in recovered grade from fiscal 1998 to fiscal 1999. The overall decrease in the recovered grade from fiscal 1999 to fiscal 2000 is primarily due to the lower recovered grades at Evander.

Surface Operations

Currently, Harmony's principal surface mining operations are at Randfontein, which was acquired in fiscal 2000, and at an opencast mine at Kalgold, which it acquired with effect from October 1, 1999. Prior to the purchases of Randfontein and Kalgold, Harmony's surface mining operations consisted primarily of clean-up projects where gold was recovered from areas previously involved in processing, such as metallurgical plants, as well as the re-processing of tailings dams.

The following chart details the operating and production results from surface operations for the past three fiscal years:

	Year ended June 30,		
	2000[1]	**1999**	**1998**
Production			
Tons ('000)	2,773	303	1,622
Recovered grade (ounces/ton)	0.035	0.037	0.023
Gold produced (ounces)	95,745	11,156	36,716
Results of operations ($)			
Revenues ('000)	27,700	3,200	11,500
Cash cost ('000)	22,100	1,800	3,600
Cash profit ('000)	5,600	1,400	7,900
Cash costs			
Per ounce of gold ($)	231	161	98

1 Includes Randfontein's production for four months from March 1, 2000 and Kalgold's production for nine months from October 1, 1999.

The amount of gold produced from surface operations increased in the year ended June 30, 2000 as a result of the acquisition of Kalgold and Randfontein. During fiscal 1998, Harmony produced additional ounces of surface gold due to the reprocessing of tailings dams.

The following pages contain maps of Harmony's South African and Canadian operations.

[Insert Map of South African Operations.]

[Insert Map of Canadian Operations.]

Randfontein Operations

Introduction. The Randfontein gold mine is located in the Gauteng Province of South Africa, approximately thirty kilometers west of Johannesburg. The Randfontein mine currently operates under a mining authorization with a total area of 17,753 hectares. The Randfontein mine has both underground and surface mining operations, and has four metallurgical plants. Underground mining is conducted at Randfontein at depths ranging from 500 meters to 2,500 meters. In the fiscal year ended June 30, 2000, Randfontein produced 864,338 ounces of gold. Harmony's gold production of 1,625,925 ounces of gold for the year ended June 30, 2000 included four months of production at Randfontein.

History. Gold mining began at the Randfontein mine in 1889. Since the commencement of mining operations to June 30, 2000, Randfontein has produced approximately 52.6 million ounces of gold at an average recovered grade of 0.15 ounces per ton.

On January 11, 2000, Harmony announced its offer to purchase all of the outstanding ordinary share capital of Randfontein at a purchase price of either 31 Harmony shares for every 100 Randfontein shares or Rand 11.00 per Randfontein share, or a combination of shares and cash. Also at this time, Harmony offered to purchase all of the outstanding warrants of Randfontein at a purchase price of either 7 Harmony ordinary shares for every 100 Randfontein warrants held or Rand 2.48 per warrant, or a combination of cash and ordinary shares. Harmony increased the offer price on January 14, 2000 to either 34 Harmony shares for every 100 Randfontein shares or Rand 12.25 per Randfontein share, or a combination of shares and cash. In addition, Harmony increased the offer price for all the outstanding warrants of Randfontein to a purchase price of either 8 Harmony ordinary shares for every 100 Randfontein warrants held or Rand 2.76 per warrant, or a combination of cash and ordinary shares. Harmony obtained management control of Randfontein in January 2000 and by June 30, 2000 had acquired 100% of Randfontein's outstanding ordinary share capital and 96.5% of the warrants to purchase ordinary shares of Randfontein.

Since acquiring Randfontein, Harmony has begun to implement the "Harmony Way" at Randfontein. Harmony has reduced the number of senior managers, has begun to sell off non-core assets and has begun to implement management teams.

Geology. The Randfontein mine is situated in the West Rand Goldfield of the Witwatersrand Basin, the structure of which is dominated by the Witpoortjie and Panvlakte Horst blocks which are superimposed over broad folding associated with the southeast plunging West Rand Syncline. The structural geology in the north section of the Randfontein mine is dominated by a series of northeast trending dextral wrench faults.

The Randfontein mine contains six identified main reef groupings: the Black Reef; the Ventersdorp Contact Reef; the Elsburg Formations; the Kimberleys; the Livingstone Reefs; and the South Reef. Within these, several economic reef horizons have been mined at depths below surface between 600 and 1,260 meters.

The reefs comprise fine to coarse grained pyritic mineralization within well developed thick quartz pebble conglomerates or narrow single pebble lags, which in certain instances are replaced by narrow carbon seams.

Mining Operations. The Randfontein mine is engaged in both underground and surface mining. The Randfontein operations are subject to all of the underground and open pit mining risks detailed in the Risk Factors section. Due to the shallow to moderate depths of the operations, seismicity and pressure related problems are infrequent. There is a risk of subterranean water and/or gas intersections in some areas of the mine. However, this risk is mitigated by active and continuous management and monitoring which includes the drilling of boreholes in advance of faces. Where water and/or gas is indicated in the drilling, appropriate preventative action is taken. The primary challenge facing the Randfontein operations is the lowering of working costs, and some progress in addressing this challenge has been made since Harmony's acquisition of management control of Randfontein in January 2000. In particular, in early 2000 the shaft 4 section of the Randfontein operations was operating at a loss, raising the risk of closure at that location. Losses at this location were reduced during the quarter ended June 30, 2000, but Harmony believes that losses were still at unacceptable levels in the quarter ended September 30, 2000. Harmony will continue to monitor this operation. The safety record at the Randfontein operations during the period from June 1999 to June 2000 in terms of lost time frequency rate and fatality frequency rate compares favorably with the South African industry average. Nevertheless, safety at the operations receives constant and high-level attention and where problems are identified steps are taken to address the situation.

Underground operations. Detailed below are the operating and production results from underground operations for the past three fiscal years:

	Year ended June 30,		
	2000	**1999**	**1998**
Production			
Tons ('000)	4,675	4,267	3,984
Recovered grade (ounces/ton)	0.16	0.16	0.17
Gold produced (ounces)	754,853	667,771	684,521
Results of operations ($)			
Cash cost ('000)	190,110	185,697	211,485
Cash profit/(loss) ('000)	29,154	19,077	24,012
Cash costs			
Per ounce of gold ($)	252	278	309

The underground operations at Randfontein are comprised of the underground sections of the Cooke shafts No. 1, 2, and 3, shaft 4 and the Doornkop shaft.

Set out below are the hoisting capacities of Randfontein's producing shafts:

Shaft	Hoisting Capacity (tons/month)
Cooke 1..................	176,400
Cooke 2..................	187,400
Cooke 3..................	264,600
Shaft 4....................	148,800
Doornkop	49,600

On a simplistic basis (and assuming that no additional reserves are identified), at the production level achieved since Harmony acquired management control of Randfontein (i.e. 2.5 million tons in the six months ended June 30, 2000; 4.80 million tons annualized), the June 30, 2000 reported proven and probable underground ore reserves of 55.692 million tons will be sufficient for the Randfontein underground operations to maintain production until approximately fiscal 2011. However, because the Randfontein operations consist of several different mining sections that are at various stages of maturity, it is expected that some sections will decrease production earlier than others. In addition, any future changes to the assumptions upon which the reserves are based, as well as any unforeseen events affecting production levels, could have a material effect on the expected period of future operations. See "Item 1. Description of Business—Risk Factors—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."

Surface operations. Surface operations at Randfontein exploit the surface open-pit operations of Lindum mine and numerous secondary surface sources, including low grade rock dumps and tailings dams (slimes and sand). Detailed below are the operating and production results from surface operations for the past three fiscal years:

	Year ended June 30,		
	2000	1999	1998
Production			
Tons ('000)	3,496	6,275	4,999
Recovered grade (ounces/ton)...........	0.03	0.03	0.02
Gold produced (ounces)	109,485	165,255	111,627
Results of operations ($)			
Cash cost ('000)	29,247	33,673	26,189
Cash profit/(loss) ('000)	2,606	10,328	11,168
Cash costs			
Per ounce of gold ($)	267	204	235

The increase in cash costs per ounce to $267 per ounce for fiscal 2000 from $204 per ounce in fiscal 1999 is primarily due to the lower production achieved given a high fixed cost base.

On a simplistic basis (and assuming that no additional reserves are identified), at the production level achieved since Harmony acquired management control of Randfontein (i.e. 1.5

million tons in the six months ended June 30, 2000), the June 30, 2000 reported proven and probable open pit ore reserves of 3.338 million tons will be sufficient for the Randfontein open pit operations to maintain production until approximately fiscal 2001. Future changes to the assumptions upon which the reserves are based, as well as any unforeseen events affecting production levels, could have a material effect on the expected period of future operations. See "Item 1. Description of Business—Risk Factors—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."

Plants. The processing facilities at the Randfontein mine presently comprise four operating plants serviced by a surface rail network. These include the Cooke metallurgical plant, the Doornkop metallurgical plant, the No. 4 metallurgical plant and the Lindum metallurgical plant.

The Cooke metallurgical plant, commissioned in 1977, is a hybrid CIP/CIL plant. The Doornkop metallurgical plant, commissioned in 1985, is a conventional CIP plant. The No. 4 metallurgical plant, commissioned in 1965, has a process route which includes carbon extraction based on a CIP process route. This plant discontinued treatment of underground ore in late 1997, and since that time has processed only low grade surface accumulations. The Lindum metallurgical plant, commissioned in 1992, is a small conventional CIP operation.

Processing capacity

Plant	**Capacity**	**Average milled for the year ended June 30, 2000**
	(tons/month)	**(tons/month)**
Cooke	313,000	308,000
Doornkop	253,500	241,000
No. 4	121,000	76,000
Lindum	48,000	44,000

In the fiscal year ended June 30, 2000, the plants at the Randfontein operations recovered approximately 95% of the gold contained in the ore delivered for processing.

Capital Expenditure. Randfontein spent Rand 85.4 million ($12.6 million) on capital expenditures in the year ended June 30, 2000. Of this amount, approximately Rand 78.7 million ($11. 6 million) was spent on underground development, Rand 4.7 million ($0.7 million) was spent on computer installations and Rand 2.0 million ($0.3 million) was spent on other capital items. Capital expenditure at Randfontein operations in fiscal 2001 is expected to be Rand 60.0 million ($8.9 million), primarily for underground development and upgrading of plants. In addition, Harmony is currently evaluating the cost of capital expenditures to complete the development of additional mining at Doornkop. At the time of Harmony's acquisition of Randfontein, Randfontein had estimated that an additional Rand 400 million of capital expenditures would be needed to complete this project. Harmony expects to finalize its evaluation of the capital expenditure requirements near the beginning of calendar 2001, at which time a decision will be made whether to pursue further development.

Operations in the Free State

Introduction. Harmony's gold mining operations in the Free State are comprised of the original Harmony mines, the Unisel mine, Saaiplaas mine shafts 2 and 3, Saaiplaas mine shafts 4 and 5 (Masimong), Brand mine shafts 2, 3 and 5 and Vermeulenskraal North. Mining is conducted at Harmony's Free State operations at depths ranging from 500 meters to 2,500 meters. In the year ended June 30, 2000, Harmony's Free State operations accounted for 52.7% of Harmony's total production.

History. Harmony's mining operations in the Free State began with the Harmony mine, which is an amalgamation of the Harmony, Virginia and Merriespruit mines. Beginning in 1996, Harmony began purchasing neighboring mine shafts. The Unisel mine was purchased in September 1996, the Saaiplaas mine shafts 2 and 3 were purchased in April 1997, the Brand mine shafts 2, 3 and 5 were purchased in May 1998 and the Saaiplaas mine shafts 4 and 5 (Masimong) were purchased in September 1998.

Geology. Harmony's Free State operations are located in the Free State goldfield on the southwestern edge of the Witwatersrand Basin.

Within this area, the operations are located on the southwestern and southeastern limb of a synclinal closure, with the Brand, Saaiplaas and Masimong shafts occupying northerly extensions of the same structure. The reefs dip inwardly from their sub-outcrop positions in the east and south of the mine to a position close to the western boundary of the original Harmony mine, where the reefs abut against the De Bron fault. To the west of the De Bron faulted zone, faulting is generally more intense, resulting in structurally more complex mining conditions.

Mining Operations. Harmony conducts underground mining at its mining operations in the Free State. The Free State operations are subject to all of the underground mining risks detailed in the Risk Factors section. Due to the shallow to moderate depths of the operations, seismicity and pressure related problems are relatively infrequent with the exception of the Brand shafts where such problems receive constant attention. There is a risk of subterranean water and/or gas intersections in some areas of the mine. However, this risk is mitigated by active and continuous management and monitoring which includes the drilling of boreholes in advance of faces. Where water and/or gas is indicated in the drilling, appropriate preventative action is taken. The principal challenges at the Free State operations of achieving optimal volumes and grades of ore production are addressed by stringent ore reserve management. The safety record at the Free State operations during the period from June 1999 to June 2000 in terms of lost time frequency rate was less favorable than the South African industry average and in terms of fatality frequency rate compares favorably with the South African industry average. Safety at the operations receives constant and high-level attention and where problems are identified steps are taken to address the situation.

Detailed below are the operating and production results from underground and surface mining operations in the Free State for the past three fiscal years:

	Year ended June 30,		
	2000	**1999**	**1998**
Production			
Tons ('000)	6,268	5,862	6,508
Recovered grade (ounces/ton)	0.137	0.138	0.101
Gold produced (ounces)	856,816	809,835	656,002
Results of operations ($)			
Cash cost ('000)	213,793	200,347	190,257
Cash profit ('000)	29,755	32,607	13,508
Cash costs			
Per ounce of gold ($)	250	247	290

Harmony currently has twelve operating production sites at its Free State operations. The total shaft hoisting capacity is detailed below:

Shaft	**Hoisting Capacity (tons/month)**
Harmony shaft 2	227,000
Harmony shaft 3	90,000
Harmony shaft 4	146,000
Merriespruit shaft 1	129,000
Merriespruit shaft 3	197,000
Virginia shaft 2	103,000
Unisel	137,000
Saaiplaas 3	220,000
Brand shaft 2	120,000
Brand shaft 3	120,000
Brand shaft 5	151,000
Masimong shaft 4	220,000

On a simplistic basis (and assuming that no additional reserves are identified), at the production level achieved in the year ended June 30, 2000, the June 30, 2000 reported proven and probable ore reserves of 50.190 million tons will be sufficient for the Free State operations to maintain production until approximately fiscal 2009. However, because Harmony's Free State operations consist of several different mining sections that are at various stages of maturity, it is expected that some sections will decrease production earlier than others and it is currently envisaged that a decrease of production in certain sections will commence in 2004. In addition, any future changes to the assumptions upon which the reserves are based, as well as any unforeseen events affecting production levels, could have a material effect on the expected period of future operations. See "Item 1. Description of Business—Risk Factors—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."

Plants. Harmony has three metallurgical plants at its mining operations in the Free State, namely the Central, Virginia and the Saaiplaas plants. The Central and Virginia plants employ CIP/CIL hybrid technology. The Saaiplaas plant uses the zinc precipitation filter process.

The following table sets forth processing capacity and average tons milled during the fiscal year ended June 30, 2000 for each of the plants:

Processing capacity

Plant	**Capacity**	**Average milled for the year ended June 30, 2000**
	(tons/month)	**(tons/month)**
Central	204,000	198,000
Virginia	204,000	191,000
Saaiplaas	165,000	132,000

In the fiscal year ended June 30, 2000, Harmony's plants at its Free State operations recovered approximately 95% of the gold contained in the ore delivered for processing. Harmony's refinery is also located at its Free State operations.

Capital Expenditure. Harmony spent Rand 62 million ($9.2 million) on capital expenditures at its Free State operations in the year ended June 30, 2000. Of this amount, Rand 56.6 million ($8.4 million) was spent on underground development to access new reserves and Rand 5.4 million ($0.8 million) was spent on equipment. Harmony plans to spend approximately Rand 100 million ($14.7 million) on capital expenditures in fiscal 2001, principally on efforts to increase production at the Masimong, Unisel and Brand shafts.

Evander Operations

Introduction. Harmony's Evander operations are located in the province of Mpumalanga in South Africa and are comprised of an amalgamation of the former Kinross, Bracken, Leslie and Winkelhaak mines and 26,952 hectares of mineral rights adjacent to these mines. Mining at Harmony's Evander operations is conducted at depths ranging from 300 meters to 2,100 meters. In the year ended June 30, 2000, Harmony's Evander operations accounted for 24.2% of Harmony's total gold production.

History. Gold mining in the Evander Basin began in 1955. Eventually, four mining operations were established at Evander. In 1996, as a result of depletion of ore reserves, all four mining areas were merged to form Evander. In August 1998, Harmony acquired Evander as a wholly-owned subsidiary. Since then, Evander has been going through a transition phase during which Harmony has been implementing the "Harmony Way" management process.

Geology. The area covered by Evander's mining authorization and mineral rights is situated within the Evander basin, a geologically discrete easterly extension of the main Witwatersrand Basin.

Only one economic placer unit, the Kimberley Reef, is mined at Evander. In addition to the faulting of the reef horizon, there are numerous dykes and sills that complicate the mining layouts, the most significant of which is an extensively developed dolerite footwall sill that occasionally intersects the Kimberley Reef, causing displacements within it.

Mining Operations. Mining operations at Evander are primarily underground. The Evander operations are subject to all of the underground mining risks detailed in the Risk Factors section. Due to the shallow to moderate depths of the Evander operations, seismicity and pressure related problems are relatively infrequent. There is a risk of subterranean water and/or gas intersections in some areas of the mine. However, this risk is mitigated by active and continuous management and monitoring which includes the drilling of boreholes in advance of faces. Where water and/or gas is indicated in the drilling, appropriate preventative action is taken. Evander was affected by two underground fires and the flooding of parts of the mine during the fiscal year ended June 30, 2000, both of which had a negative impact on production. Harmony believes that the damage from these incidents should not reduce production materially in the long run. Such incidents are generally infrequent. The safety record at the Evander operations during the period from June 1999 to June 2000 in terms of lost time frequency rate and fatality frequency rate was less favorable than the South African industry average. Safety at the operations receives constant and high-level attention and where problems are identified steps are taken to address the situation. Underground falls of ground remain the biggest cause of fatal injuries at Evander. Roofbolting has been implemented at Evander to address this risk, notwithstanding the initial negative impact on productivity and cost.

Detailed below are the operating and production results for the past three fiscal years:

	Year ended June 30, 2000	1999	1998
Production			
Tons ('000)	2,651	2,324	2,656
Recovered grade (ounces/ton)	0.148	0.182	0.172
Gold produced (ounces)	393,235	422,920	456,990
Results of operations ($)			
Cash cost ('000)	93,840	92,510	168,889
Cash profit/(loss) ('000)	20,349	30,146	(26,086)
Cash costs			
Per ounce of gold ($)	239	219	370

Since it acquired Evander, Harmony has been implementing the "Harmony Way" to cut costs and increase productivity. Harmony has decreased the number of employees at Evander and has reorganized Evander's operations by introducing its production site management concept, its ore reserve management system and by selling off non-core assets. These changes have resulted in a decrease in Evander's cash operating costs from $370 per ounce in the fiscal year prior to Harmony's purchase to $239 in fiscal 2000. The increase in cash cost operating costs to $239 per ounce in fiscal 2000 from $219 per ounce in fiscal 1999 is primarily due to the lower recovered grade.

Harmony operates six shafts at its Evander operations. The total shaft hoisting capacities are detailed below:

Shaft	Hoisting capacity (tons/month)
Evander No. 2 shaft	68,800
Evander No. 3 shaft	19,800
Evander No. 5 shaft	93,700
Evander No. 7 shaft	105,800
Evander No. 8 shaft	146,600
Evander No. 9 shaft	82,700

On a simplistic basis (and assuming that no additional reserves are identified), at the production level achieved in the year ended June 30, 2000, the June 30, 2000 reported proven and probable ore reserves of 54.467 million tons will be sufficient for the Evander operations to maintain production until approximately fiscal 2020. However, because Harmony's Evander operations consist of several different mining sections that are at various stages of maturity, it is expected that some sections will decrease production earlier than others and it is currently envisaged that production at Shafts 2, 5 and 9 will end by 2007. However, production increases are planned at other production shafts and total production is expected to remain constant in the foreseeable future. In addition, any future changes to the assumptions upon which the reserves are based, as well as any unforeseen events affecting production levels, could have a material effect on the expected period of future operations. See "Item 1. Description of Business—Risk Factors—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."

Plants. There are three metallurgical plants at Evander. The bulk of the mine's ore production is treated at the Kinross plant which is a CIP/CIL hybrid plant. The Leslie plant is an old zinc precipitation and filter plant that is currently used to treat low-grade material from dumps and underground. The plant is in poor condition and is currently in the process of being upgraded. The Winkelhaak plant has recently been restarted for milling only following a refurbishing. The plant mills all of the ore from shafts 2 and 5, and pumps the slurry to the Kinross plant for further processing.

Processing capacity

Plant	**Capacity**	**Average milled for the year ended June 30, 2000**
	(tons/month)	**(tons/month)**
Kinross	198,000	98,000
Leslie	50,000	43,000
Winkelhaak	72,000	37,000

In the fiscal year ended June 30, 2000, Harmony's plants at its Evander operations recovered approximately 96% for the Kinross plant and approximately 82% for the Leslie plant of the gold contained in the ore delivered for processing.

Capital Expenditure. Harmony spent Rand 68.4 million ($10.1 million) on capital expenditures at its Evander operations in the year ended June 30, 2000. This amount was spent primarily on underground development to access new ore reserves. Harmony has currently budgeted capital expenditures of approximately Rand 45 million ($6.6 million) for fiscal 2001 mostly for the opening up of No. 5 shaft and various other underground development.

Kalgold Operations

Introduction. Harmony conducts a surface mining operation at the Kalgold gold mine near Mafikeng in the North West Province of South Africa. Through Kalgold, Harmony also controls extensive mineral rights on the Kraaipan Greenstone Belt in the North West Province of South Africa. Harmony purchased Kalgold on July 1, 1999. The Kalgold operations accounted for 3.0% of Harmony's total production in the fiscal year ended June 30, 2000.

History. Harmony acquired Kalgold on July 1, 1999 and fully incorporated Kalgold into its operations in October 1999. Prior to Harmony's acquisition, the Kalgold mine had operated for more than three years. Open pit mining operations at Kalgold began in April 1996 with the first gold poured in July 1996.

Geology. The Kalgold operations are situated on the Kraaipan granite-greenstone belt, which is a typical gold-bearing greenstone formation. It has undergone intense structural deformation that has led to its dislocation into separate units.

Within the mining lease area, six steeply dipping zones of mineralization have been identified. Several additional zones of mineralization have been located within this area and are being evaluated. The first zone to be exploited by open pit mining has been an area known as the D-Zone. The D-Zone orebody has a strike length of 1,400 meters, varying in width between 40 meters in the south and 15 meters in the north.

Gold mineralization is associated with pyrite and pyrrohotite, which was developed as a replacement mineral within a banded ironstone formation and also within extensional, cross-cutting quartz veins within the ironstone.

Mining Operations. Kalgold's mining operations are conducted by mining contractors, who are responsible for provision of the equipment and personnel needed for production of the ore under guidance of Harmony's management. Harmony has 340 employees at Kalgold, while the contractors employ 224 people.

The Kalgold operation is subject to all of the open pit mining risks detailed in the Risk Factors section. Abnormally high rainfall in January and February of 2000 disrupted the mining and metallurgical processes at Kalgold, but the damage from these incidents is not expected to have any material effects on production in the long run. Small subterranean water intersections in the pit are common and are actively managed and appropriate action is taken when necessary. The mining challenges at the Kalgold operations of achieving optimal volumes and grades of ore production are addressed by stringent ore reserve management. While there is no reliable industry benchmark for safety at South African surface mining operations, the Kalgold operations had a lost time injury frequency rate of 12.44 per million hours worked and recorded no fatal accidents during the period from June 1999 to June 2000. Safety at the operations receives constant and high-level attention and where problems are identified steps are taken to address the situation.

Detailed below are the operating and production results from Kalgold's open pit operations for the past three fiscal years:

	Year ended June 30,		
	2000	**1999**	**1998**
Production			
Tons ('000)	1,676	1,613	1,295
Recovered grade (ounces/ton)	0.041	0.051	0.036
Gold produced (ounces)	68,738	82,366	46,410
Results of operations ($)			
Cash cost ('000)	17,896	17,326	12,261
Cash profit ('000)	1,446	6,109	1,022
Cash costs			
Per ounce of gold ($)	260	210	264

The increase in cash costs per ounce to $260 per ounce in fiscal 2000 from $210 per ounce in fiscal 1999 is primarily due to the poor performance of the operation during the period January 2000 through March 2000 when activities were interrupted by severe and unusual rainfall in the region resulting in less than expected production.

On a simplistic basis (and assuming that no additional reserves are identified), at the production level achieved in the year ended June 30, 2000, the June 30, 2000 reported proven and probable ore reserves of 8.621 million tons will be sufficient for the Kalgold operations to maintain production until approximately fiscal 2008. However, any future changes to the assumptions upon which the reserves are based, as well as any unforeseen events affecting production levels, could have a material effect on the expected period of future operations. See "Item 1. Description of Business—Risk Factors—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."

Plants. During the fiscal year ended June 30, 2000, Kalgold had a CIL plant and a heap leach operation, although Harmony has since discontinued Kalgold's heap leach operation. In the fiscal year ended June 30, 2000, Kalgold processed 165,000 tons of ore per month. In the fiscal year ended June 30, 2000, Kalgold milled 1.676 million tons of ore at an average recovered grade of 0.04 ounces per ton.

Ore is trucked from the pit and stockpiled according to grade categories. Higher grade ore is processed in the CIL plant. Lower grade ore is dumped on heap leach pads. Subsequent to the recent commissioning of the pre-primary crusher, the ore now undergoes a five phase crushing process.

Processing capacity

Plant	Capacity	Average milled for the year ended June 30, 2000
	(tons/month)	(tons/month)
CIL	99,200	91,099
Heap Leach	66,100	48,452

In the fiscal year ended June 30, 2000, Harmony's plants at its Kalgold operations recovered approximately 58% at the heap leach plant and 89% at the CIL plant of the gold contained in the ore delivered for processing.

Capital Expenditure. Harmony spent Rand 15.8 million ($2.3 million) on capital expenditures at its Kalgold operations in the year ended June 30, 2000. The majority of this amount was spent on development. Current planned capital expenditures for fiscal 2001 of approximately Rand 2 million ($0.3 million) will include expenditure on a river diversion as well as additional pit expenditure.

Bissett Mine

Introduction. Harmony's Bissett operations are located near Bissett in the province of Manitoba, Canada. Mining at Harmony's Bissett operations is conducted at depths ranging from 1,200 meters to 1,500 meters. Full production of 1,000 tons of mill throughput per day was achieved by June 2000. In the fiscal year ended June 30, 2000, Harmony's Bissett operation accounted for 1.7% of Harmony's total production.

History. Harmony purchased the Bissett Gold Mine out of liquidation in June 1998. The first mining at Bissett occurred in 1932. Though the mine has not been in continuous operation since that time, in total it has produced in excess of 1.3 million ounces of gold. In 1995, the previous owners of the mine undertook to recommence mining at Bissett and completed a pre-production underground exploration, development and construction program that culminated in a feasibility study. Operations were due to recommence at a targeted 1,000 mill tons per day throughput in 1997, when the owners went into liquidation after expenditure of C$85 million.

Geology. The orebodies at Bissett Gold Mine, located within the Red Lake Archaen greenstone belt, comprise two major sets of shear-related quartz veins occurring within a steeply-dipping, intrusive host. One set of veins consists of stockwork breccias and the other narrower, fault-controlled veins cross-cutting the stockworks. Gold mineralization occurs in both sets of veins but is enriched at the intersection of the two vein types.

Mining Operations. Harmony conducts underground mining at Bissett. Mining at Bissett is more mechanized than mining at Harmony's South African underground mines. Long hole and shrinkage mining techniques are used to extract the near vertical orebodies. The Bissett operation is subject to all of the underground mining risks detailed in the Risk Factors section. Due to the moderate depths of the operation, pressure related problems are infrequent but actively managed. The primary challenge facing the Bissett operation is to accelerate exploration and development activities for future mining operations. This challenge is being addressed by an extensive capital development program, which is making progress toward meeting this challenge.

The safety record at the Bissett operations during the period from June 1999 to June 2000 in terms of accidents per hours worked compares favorably with the Canadian industry average.

Detailed below are the operating and production results from underground operations for the period from October 1, 1999 to June 30, 2000, which was Bissett's first recent period of commercial production:

	Nine months ended June 30, 2000
Production	
Tons ('000)	189
Recovered grade (ounces/ton)	0.14
Gold produced (ounces)	26,943
Results of operations ($)	
Cash cost ('000)	9,589
Cash profit/(loss) ('000)	(1,351)
Cash costs	
Per ounce of gold ($)	356

On a simplistic basis (and assuming that no additional reserves are identified), at the planned production level of 360,000 tons per year, the June 30, 2000 reported proven and probable ore reserves of 2.304 million tons will be sufficient for the Bissett operations to maintain production until approximately fiscal 2006. However, any future changes to the assumptions upon which the reserves are based, as well as any unforeseen events affecting production levels, could have a material effect on the expected period of future operations. See "Item 1. Description of Business—Risk Factors—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."

Plant. The mineralogy of the orebodies is simple and gold is easily extractable using conventional gravity concentration, CIL and electro-winning processing techniques.

Processing capacity

Plant	Capacity	Average milled for the year ended June 30, 2000
	(tons/month)	(tons/month)
Bissett..	33,000	21,000

In the fiscal year ended June 30, 2000, Harmony's plant at its Bissett operations recovered approximately 91% of the gold contained in the ore delivered for processing.

Capital Expenditure. Harmony spent Rand 48 million ($7.1 million) on capital expenditures at its Bissett operations in the year ended June 30, 2000. A significant portion of this was spent on the underground development of the mine. Harmony currently intends to spend an additional Rand 15 million ($2.2 million) in fiscal 2001 in order to bring Bissett to the stage of profitable operation.

Goldfields (Australia)

On February 4, 2000, Harmony purchased 32,770,992 shares of Goldfields (Australia), which, as of August 31, represented approximately 17.3% of Goldfields (Australia). On October 5, 2000, Harmony concluded the purchase from Hanson plc of 10.58 million Goldfields (Australia) shares at a price of A$1.425 per share for a total consideration of $8.8 million, financed through the issue of 2.2 million Harmony ordinary shares at Rand 37.45 per share. This transaction resulted in Harmony's interest in Goldfields (Australia) increasing to approximately 22.96%.

Goldfields (Australia) is one of the largest gold producers in Australia. Goldfields (Australia) owns a 25% interest in the Porgera mine in Papua New Guinea, operates and owns a 90% revenue share of the Henty mine in Tasmania, and owns an 87.7% interest, and is in the process of acquiring the remaining 12.3% interest, in the Paddington mine and the Kundana mine, both of which are in Western Australia. In the fiscal year ended June 30, 2000, Goldfields (Australia)'s attributable production from its holdings was 544,000 ounces at an average cash cost of A$276 per ounce.

Harmony has identified Australasia as an attractive region for its international expansion objectives and the acquisition of a stake in Goldfields (Australia) provides the opportunity to gain experience in the region.

Harmony Precious Metals Services

Harmony established its own trading company, Harmony Precious Metals Services SAS, in Nice, France in July 2000 to assist in the sale of Harmony's gold refined in its refinery. Harmony owns 60% of this company. The remaining 40% is owned by KL Management. Harmony will continue to market its gold through unaffiliated companies in countries and regions where Harmony Precious Metal Services does not have direct distribution facilities.

Item 3. *Legal Proceedings*

Harmony experiences a number of claims and legal proceedings incidental to the normal conduct of its business. Harmony's management does not believe that liabilities related to such claims and proceedings are likely to be, individually or in the aggregate, material to Harmony's consolidated financial condition.

Item 4. *Control of Registrant*

To the knowledge of Harmony, Harmony is not directly or indirectly owned or controlled (i) by another corporation or (ii) by any foreign government. Harmony is not aware of any individual or organization holding more than 10% of its issued share capital and warrants beneficially. The following sets forth, as of November 13, 2000, the total amount of ordinary shares directly or indirectly owned by the directors and executive officers of Harmony as a group:

Title of class	Identity of group	Amount owned	Percent of class
Ordinary shares	Directors and executive officers (9 persons)	4,640,344	4.6%

Item 5. Nature of Trading Market

The principal non-United States trading market for the ordinary shares of Harmony is the Johannesburg Stock Exchange, on which the Harmony shares trade under the symbol "HAR." The ordinary shares of Harmony are also listed on the London Stock Exchange and the Bourse de Paris. Harmony's International Depositary Shares are listed on the Brussels Stock Exchange.

Since October, 1996, Harmony's American Depositary Shares have traded in the United States on the Nasdaq National Market under the trading symbol "HGMCY." The ADRs representing the ADSs are issued by The Bank of New York, as Depositary. Each ADR represents one American Depositary Share. Each ADS represents one ordinary share. At June 30, 2000, 2,875 record holders of Harmony's ordinary shares, holding an aggregate of 21,726,013 ordinary shares (22.3%), were listed as having addresses in the United States.

The high and low sales prices in Rand for Harmony's ordinary shares on the Johannesburg Stock Exchange for the two most recent fiscal years were as follows:

	Harmony ordinary shares (Rand per ordinary share)	
	High	**Low**
Year ended June 30, 1999		
First Quarter	31.35	18.00
Second Quarter	33.00	24.85
Third Quarter	32.00	25.50
Fourth Quarter	37.50	26.65
Year ended June 30, 2000		
First Quarter	40.20	21.00
Second Quarter	45.50	34.75
Third Quarter	46.10	32.50
Fourth Quarter	42.00	31.00

The high and low sales prices in U.S. dollars for Harmony's ADRs as reported by The Nasdaq Stock Market, Inc. for the two most recent fiscal years were as follows:

	Harmony ADRs ($ per ADR)	
	High	**Low**
Year ended June 30, 1999		
First Quarter	4.88	3.00
Second Quarter	5.75	4.25
Third Quarter	5.25	4.12
Fourth Quarter	6.25	4.47
Year ended June 30, 2000		
First Quarter	6.56	3.69
Second Quarter	6.53	3.75
Third Quarter	7.19	5.19
Fourth Quarter	6.69	4.59

On June 30, 2000, the closing price for the Harmony ordinary shares on the Johannesburg Stock Exchange (the "JSE") was Rand 37.50 and the last sale price of Harmony ADRs quoted on the Nasdaq National Market was $5.56.

The Johannesburg Stock Exchange

The JSE was formed in 1887. The JSE provides facilities for the buying and selling of a wide range of securities, including equity and corporate debt securities and warrants in respect of securities, as well as Krugerrands.

The JSE is a self-regulatory organization operating under the ultimate supervision of the Ministry of Finance, through the Financial Services Board and its representative, the Registrar of Stock Exchanges. Following the introduction of the Stock Exchanges Control Amendment Act No. 54 of 1995, which provides the statutory framework for the deregulation of the JSE, the JSE's rules were amended with effect from November 8, 1995. These amendments removed the restrictions on corporate membership and allowed stockbrokers to form limited liability corporate entities. Members were, for the first time, also required to keep client funds in trust accounts separate from members' own funds. Further rules to complete the deregulation of the JSE, as envisaged by the Control Amendment Act, were promulgated during 1996 to permit members of the JSE to trade either as agents or as principals in any transaction in equities and to allow members to negotiate freely the brokerage commissions payable on agency transactions in equities. With effect from June 7, 1996, screen trading commenced on the JSE.

The market capitalization of South African equity securities was approximately Rand 1.461 trillion as of June 30, 2000. The actual float available for public trading is significantly smaller than the aggregate market capitalization because of the large number of long-term holdings by listed holding companies in listed subsidiaries and associates, the existence of listed pyramid companies and cross holdings between listed companies. Liquidity on the JSE (measured by reference to the total market value of securities traded as a percentage of the total market capitalization) was 43% for the first six months of the year 2000. Trading is concentrated in a small, but growing number of companies. As of June 30, 2000, there were 655 listed companies on the JSE.

South Africa was included in the Morgan Stanley Capital International Emerging Markets Free Index and the International Finance Corporation Investable Index in March and April, 1995, respectively. South Africa has a significant representation in these emerging market indices, with weightings of 11.4% in the MSCI Emerging Market Free Index and 8.0% in the IFCI Index as of June 30, 2000.

The three main indices charting the performance of the JSE as a whole and of composite sectors are the All Share Index, the Financial and Industrial Index and the Resources Index. As of June 30, 2000, the All Share Index included 555 companies and accounted for approximately 93% of the market capitalization of the JSE, and the Financial and Industrial Index and the Resources Index included approximately 540 and 70 companies, respectively, and accounted for approximately 60% and 31%, respectively, of the JSE total market capitalization.

The JSE settles securities trades through a computerized clearing system of the clearing house which the JSE operates. All trades are downloaded from the "JET" automated trading system to the Equity Clearing House system and each week's trades are netted by brokers and settled on a daily basis from Tuesday to Friday, commencing on Tuesday of the following week.

Purchasers of securities must pay their stockbroker for the securities on offer of delivery by the broker or, if delivery is not tendered, within seven business days after the trade date, unless the purchaser has net assets in excess of Rand 10 million or settles through a bank, in which case they are only required to pay on offer of delivery by the broker. Securities are allocated to the account of the purchaser once they have been received by the broker and they have been fully paid for.

Sellers of securities must deliver their shares to their stockbroker within seven business days after the trade date and receive the proceeds of the sale on delivery but not before the Tuesday of the following settlement week.

The JSE has undertaken an initiative to dematerialize share certificates in a Central Security Depositary operated by STRATE Limited (Share Transactions Totally Electronic) and to introduce contractual, rolling settlement in order to increase the speed, certainty and efficiency of the settlement mechanism and to fall into line with international practices. Once STRATE is implemented, settlement on the JSE will be made five days after each trade (T+5). The JSE has also stated that it intends eventually to move to a system whereby the five-day settlement period is reduced further to T+3 and possibly T+1. The STRATE System commenced on a trial basis in September 1999. The ordinary shares of Harmony have been included in this testing process and, as of November 2, 2000, 89% of Harmony's shares had been dematerialized through this process. It is expected that the STRATE System will be fully implemented in 2001.

Item 6. *Exchange Controls and Other Limitations Affecting Security Holders*

Introduction

The following is a general outline of South African exchange controls. Investors should consult a professional adviser as to the exchange control implications of their particular investments.

The Republic of South Africa's exchange control regulations provide for restrictions on exporting capital from a Common Monetary Area consisting of South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland. Transactions between South African residents (including corporations) and between residents and non-residents of the Common Monetary Area are subject to these exchange control regulations which are enforced by the South African Reserve Bank.

Although the exchange rate of the Rand is primarily market-determined, its value at any moment cannot be considered a true reflection of the underlying value of the Rand while exchange controls exist. The South African Government has stated repeatedly that it is committed to phasing out controls in a prudent manner. In line with this commitment, the Financial Rand (part of the dual currency scheme which then existed) was abolished in 1995, and there has subsequently been a practice of leniency in applying certain capital ratios.

In view of the many inherent disadvantages of exchange controls, such as the distortion of the price mechanism, the problems encountered in the application of monetary policy, the detrimental effects on inward foreign investment and the large administrative costs, the South African Finance Minister has indicated that all remaining exchange controls are likely to be dismantled as soon as circumstances are favorable. Exchange controls were partially relaxed in 1996 and further relaxations occurred in 1997, 1998 and 1999 and were announced in the budget speech of the Minister of Finance of South Africa on February 24, 2000. The gradual approach to the abolition of exchange controls adopted by the South African Government is designed to allow the economy to adjust more smoothly to the removal of controls that have been in place for a considerable period of time. The stated objective of the authorities is to reach a point where there is equality of treatment between residents and non-residents in relation to inflows and outflows of capital. Unlimited outward transfers of capital are not permitted at this stage, but the emphasis of regulation is expected to be increasingly on the positive aspects of prudential financial supervision.

The comments below relate to exchange controls in force at June 30, 2000. These controls are subject to change at any time without notice. It is not possible to predict whether existing exchange controls will be abolished, continued or modified by the South African Government in the future.

Government Regulatory Considerations

Generally, the making of loans to Harmony or its subsidiaries, the ability of Harmony and its subsidiaries to borrow from non-South African sources and the repatriation of dividends, interest and royalties by Harmony will be regulated by the Exchange Control Department of the South African Reserve Bank, or the SARB. Harmony is also required to seek approval from the SARB to use funds held in South Africa to make investments outside of South Africa.

A foreign investor may invest freely in shares in a South African company, whether listed on the Johannesburg Stock Exchange or not. The foreign investor may also sell his or her share investment in a South African company and transfer the proceeds out of South Africa without restriction. However, when the company is not listed on the JSE, the SARB must be satisfied that the sale price of any shares reflects fair market value.

If a foreign investor wishes to lend capital to a South African company, the prior approval of the SARB must be sought mainly in respect of the interest rate and terms of repayment applicable to such loan.

Where 75% or more of a South African company's capital, voting power, power of control or earnings is directly or indirectly controlled by non-residents, such a company is designated an "affected person" by the SARB, and certain restrictions are placed on its ability to obtain local financial assistance. Harmony is not, and has never been, designated an "affected person" by the SARB.

Sale of Shares

Under present South African exchange control regulations, the ordinary shares and ADSs of Harmony are freely transferable outside the Common Monetary Area between non-residents of the Common Monetary Area. In addition, the proceeds from the sale of shares on the Johannesburg Stock Exchange on behalf of shareholders who are not residents of the Common Monetary Area are freely remittable to such shareholders. Share certificates held by non-residents will be endorsed with the words "non-resident."

Dividends

Although payments to non-South African residents are subject to SARB approval, in practice, dividends are freely transferable out of South Africa from both trading and non-trading profits earned in South Africa through a major bank as agent for the SARB. "Affected persons" must apply for SARB approval for the remittance of dividends offshore if such companies have made use of local borrowing facilities.

As a general matter, an "affected person" that has accumulated historical losses may not declare dividends out of current profits unless and until that person's local borrowings do not exceed the local borrowings limit.

Interest

Interest on foreign loans is freely remittable abroad, provided the loans receive prior SARB approval.

Voting Rights

There are no limitations on the right of non-resident or foreign owners to hold or vote Harmony's ordinary shares imposed by South African law or by Harmony's charter.

Item 7. ***Taxation***

TAXATION

Certain South African Tax Considerations

The discussion in this section is based on current law. Changes in the law may alter the tax treatment of Harmony's ordinary shares or ADSs, as applicable, possibly on a retroactive basis. The following summary is not a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of Harmony's shares or ADSs and does not cover tax consequences that depend upon your particular tax circumstances. In particular, the following summary addresses tax consequences for holders of shares or ADSs who are not residents of, or who do not carry on business, in South Africa and who hold shares or ADSs as capital assets (that is, for investment purposes). Harmony recommends that you consult your own tax advisor about the consequences of holding Harmony's ordinary shares or ADSs, as applicable, in your particular situation.

South Africa

The following discussion represents the views of Cliffe Dekker Fuller Moore Inc., South African counsel to Harmony.

Withholding tax on dividends

With effect from October 1, 1995, South Africa repealed all legislation imposing any withholding tax on dividends. Consequently, Harmony will not be obliged to withhold any form of non-resident shareholders' tax on dividends paid to non-residents of South Africa. It should be noted that any future decision to re-impose a withholding tax on dividends declared by South African residents to non-resident shareholders is generally permissible under the terms of a reciprocal tax treaty recently entered into between South Africa and the United States (the "Treaty"); provided that the Treaty generally limits the withholding tax to 5% of the gross amount of the dividends if the beneficial owner of the shares is a company holding directly at least 10% of the voting stock of the company paying the dividends and to 15% of the gross amount of the dividends in all other cases.

Income tax and capital gains tax

South African tax law does not presently impose any form of capital gains tax. At present, profits derived from the sale of shares in a South African company will generally only be subject to tax in South Africa if the seller carries on business in South Africa as a share dealer, and the profits are realized in the ordinary course of that business. Profits derived from the sale of South African shares held as investments, or by sellers who have no business presence in South Africa, are therefore not generally subject to South African tax. The Treaty only permits the imposition of an income or withholding tax on gains of a United States resident seller from the sale of shares where such shares form part of the business property of a permanent establishment which the seller has in South Africa or pertain to a fixed base available to the seller in South Africa for the purpose of performing independent personal services.

The Commission of Enquiry into the tax structure in South Africa (the "Katz Commission") recommended in its fourth interim report that a capital transfer tax should be introduced. Certain of these recommendations are to be implemented with effect from April 1, 2001.

It should be noted that the use of trusts for business and income splitting purposes has been criticized by the South African government, and a full investigation into their use for these purposes is currently being conducted. The following interim measures have been introduced: (i) income vesting in a trust as a taxpayer (but not the income vesting in a beneficiary of a trust) is taxable at flat rates, which rates are generally in line with prevailing corporate income tax rates, and (ii) losses of trusts are not allowed to flow through to the beneficiaries but are only utilizable in the trust.

In its fifth interim report, the Katz Commission recommended that a difference should be recognized between "active" income (income deriving from direct, operational activity) and "passive" income (income which is derived from passive forms of investment). The Katz Commission recommended that "active" income should continue to be taxed on a source basis and that "passive" income should be taxed on a worldwide basis. The recommendations of the Katz Commission relating to the taxation of "passive" income of South African residents on a worldwide basis were implemented by legislation which became effective on July 1, 1997. The imposition of a residence-based tax system in the 2000/2001 Budget Speech with effect from January 1, 2001, effectively means that all income, whether active or passive, will be taxed on a worldwide basis from that date.

The sixth interim report of the Katz Commission examined benefit funds (principally friendly societies and registered medical schemes), as well as medical insurance and the pre-funding of post-retirement medical expenses, and made certain recommendations relating to the tax treatment thereof and the deductibility of contributions made to them. The South African government has partially implemented one of the Katz Commission's major recommendations relating to the taxation of employer contributions to employee medical programs. Further recommendations are currently being considered by the government. In particular, the Budget Speech introduced a new definition of "public benefit organization," enabling this entity to qualify for certain tax exemptions.

The seventh interim report of the Katz Commission reviews the viability of provincial taxes in general and the possible imposition of surcharges on the personal income tax and the fuel levy. The Katz Commission emphasized that it is not in the national interest for national framework legislation relating to tax devolution to be prepared with undue haste. It suggested that South Africa must move gradually in order to manage transformation to a system of tax devolution. In this regard, it is suggested that the imposition of a land tax may be a first step.

The eighth interim report of the Katz Commission reviews implications of introducing a land tax in South Africa. The Commission came to the conclusion that two critical issues required further investigation before it was able to recommend further action. These issues are the potential economic impact of a land tax and the capacity of rural authorities to implement such a tax. Any rural land tax must be remitted against the generally-agreed principles of an efficient and coherent tax system. In this regard, the tax structure should not interfere with the ability of the authorities to pursue economic goals through effective fiscal policy, the revenue yield of the land tax should be adequate, the distribution of the tax burden should be equitable and the implementation of a land tax should be designed to minimize interference in the workings of the economy.

The Budget Speech introduced a capital gains tax with effect from April 1, 2001. The tax will apply to capital gains realized or shares sold in a South African company. However, since a residence-based tax system is to be introduced, as described above, only those sellers of shares with a permanent business establishment in South Africa will be liable for the tax.

Stamp duty on the shares

South African stamp duty is payable by the company upon the issue of shares at the rate of 0.25% of the higher of the consideration or the market value of the issue price. Such stamp duty will be paid by Harmony.

On a subsequent registration of transfer of shares, South African stamp duty is generally payable for off-market transactions (i.e., other than through a stockbroker) and a marketable securities tax, or MST, is generally payable for on-market transactions (i.e., through a stockbroker), each at 0.25% of the market value of the share concerned. South African stamp duty and MST is payable regardless of whether the transfer is executed within or outside South Africa. In respect of transactions involving dematerialized shares, uncertified securities tax will be payable at the same rates.

There are certain exceptions to the payment of stamp duty where, for example, the instrument of transfer is executed outside South Africa and registration of transfer is effected in any branch register kept by the relevant company, subject to certain provisions set forth in the South African Stamp Duties Act of 1968. Transfers of ADSs between non-residents of South Africa will not attract South African stamp duty; however, if shares are withdrawn from the deposit facility or the relevant Deposit Agreement is terminated, stamp duty will be payable on the subsequent transfer of the shares. An acquisition of shares from the Depositary in exchange for ADSs representing the shares will also render an investor liable to South African stamp duty at the same rate as stamp duty on a subsequent transfer of shares, upon the registration of the investor as the holder of shares on the company's register.

Secondary tax on companies

This secondary market tax, or STC, is paid by companies at the flat rate of 12.5% in respect of the amount of cash dividends declared by the company less all cash dividends (excluding foreign sourced dividends which are taxable in the hands of the company) which accrue to the company during its relevant "dividend cycle." "Dividend cycle" means the period commencing on the date following the date of accrual to the company's shareholders of the last dividend declared by the company and ending on the date on which the dividend in question accrues to the shareholder concerned. When a company declares a dividend out of profits derived from sources within and outside South Africa, STC on the dividend is calculated on the amount which bears to the net amount of the dividend, the same ratio as the sum of the net annual profits of the company derived from sources within or deemed to be within South Africa bears to its total annual profits from all sources. The net annual profits shall be determined by excluding profits derived by way of dividends (other than taxable foreign dividends.) An excess of dividends accruing to a company over dividends paid may be carried forward to succeeding dividend cycles as a STC credit.

The imposition of STC effectively means that a dual corporate tax system exists in South Africa comprising a normal income tax and STC. Liability for STC is determined independently from normal income tax. Accordingly, a company without a normal income tax liability may have a liability for STC, and vice versa, and may be liable for both normal tax and STC. Capitalization shares distributed at the option of holders of shares in lieu of cash dividends do not incur STC and it has become common practice for listed South African companies to offer capitalization shares in lieu of cash dividends. No South African tax (including withholding tax) is payable in respect of the receipt of these shares by the recipients thereof. A credit against STC is allowed under present laws to a company for foreign sourced dividends received by the company. The Minister of Finance has indicated that the STC might be abolished when fiscal circumstances allow.

Certain U.S. Federal Income Tax Considerations

Except as described below under the heading "Non-U.S. Holders," the following discussion is a summary of certain material U.S. federal income tax considerations that may be relevant to you if you invest in the ordinary shares or the ADSs and are a U.S. holder. You will be a U.S. holder if you are an individual who is a citizen or resident of the United States, a U.S. domestic corporation, or any other person that is subject to U.S. federal income tax on a net income basis in respect of an investment in the ordinary shares or the ADSs. This summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase the ordinary shares or the ADSs. In particular, this summary deals only with U.S. holders that will hold the ordinary shares or the ADSs as capital assets. It does not address considerations that may be relevant to you if you are an investor that is subject to special tax rules, such as a bank, thrift, real estate investment trust, regulated investment company, insurance company, dealer in securities or currencies, trader in securities or commodities that elects mark-to-market treatment, person that will hold the ordinary shares or the ADSs as a hedge against currency risk or as a position in a "straddle" or conversion transaction, tax-exempt organization, or a person whose "functional currency" is not the U.S. dollar.

This summary is based on laws, regulations, rulings, and decisions now in effect, all of which may change. Any change could apply retroactively and could affect the continued validity of this summary.

You should consult your tax advisors about the tax consequences of holding the ordinary shares or the ADSs, including the relevance to your particular situation of the considerations discussed below, as well as the relevance to your particular situation of state, local, or other tax laws.

ADSs

For U.S. federal income tax purposes, U.S. holders of the ADSs generally will be treated as the owners of the ordinary shares represented by those ADSs.

Taxation of Dividends

Dividends, if any, paid out of Harmony's current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) with respect to the ordinary shares or the ADSs will be includible in your gross income on the day such dividends are received by you, in the case of the ordinary shares, or by the Depositary, in the case of the ADSs. Such dividends will not be eligible for the dividends received deduction allowed to U.S. corporations in respect of dividends from a domestic corporation. Dividends paid in South African Rand will be includible in your gross income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day you or the Depositary, as applicable, receives the dividend. You generally should not be required to recognize any foreign currency gain or loss to the extent such dividends paid in South African Rand are converted into U.S. dollars immediately upon receipt by the applicable party. You should consult your own tax advisors regarding the treatment of foreign currency gain or loss, if any, on any dividends paid in South African Rand that are converted into U.S. dollars on a date subsequent to the date of receipt.

In the event Harmony pays any dividends, such dividends payable to U.S. holders will constitute income from sources without the United States for U.S. foreign tax credit purposes, and generally will constitute “passive income” or, in the case of certain U.S. holders, “financial services income.”

Distributions of ordinary shares that you receive as part of a *pro rata* distribution to all stockholders generally will not be subject to U.S. federal income tax.

Sale, exchange, or other disposition of the ordinary shares or the ADSs

Gain or loss that you realize on the sale, exchange, or other disposition of the ordinary shares or the ADSs will be subject to U.S. federal income taxation as capital gain or loss in an amount equal to the difference between your adjusted basis in the ordinary shares or the ADSs and the amount realized on the disposition. Such gain or loss generally will be long-term capital gain or loss if you held the ordinary shares or ADSs for more than one year. Long-term capital gain realized by an individual U.S. holder is generally subject to a maximum tax rate of 20%.

Deposits and withdrawals of ordinary shares by U.S. holders in exchange for ADSs will not result in the realization of gain or loss for U.S. federal income tax purposes.

To the extent that you incur South African stamp duty or MST in connection with a subsequent registration of transfer of ordinary shares as described under “—Certain South African Tax Considerations—Stamp Duty on the Shares” above, such stamp duty or MST, as applicable, will not be a creditable tax for U.S. foreign tax credit purposes, but will be deductible. In the case of an individual U.S. holder, such deduction will be subject to specified limits on the deductibility of investment expenses.

Non-U.S. holders

If you are a non-U.S. holder of the ordinary shares or the ADSs, you generally will not be subject to U.S. federal income or withholding tax on dividends received on such ordinary shares or ADSs unless such income is effectively connected with your conduct of a trade or business in the United States. You will be a non-U.S. holder if you are a holder of the ordinary shares or the ADSs that is, with respect to the United States, a foreign corporation or a nonresident alien individual. If you are a non-U.S. holder of the ordinary shares or the ADSs, you will also generally not be subject to U.S. federal income or withholding tax in respect of gain realized on the sale, exchange, or other disposition of such ordinary shares or ADSs, unless (i) such gain is effectively connected with your conduct of a trade or business in the United States or (ii) in the case of gain realized by an individual non-U.S. holder, you are present in the United States for 183 days or more in the taxable year of the sale and certain other conditions are met.

Information reporting and backup withholding

Payments or other taxable distributions in respect of the ordinary shares or the ADSs that are made in the United States or by a U.S. related financial intermediary will be subject to U.S. information reporting rules. If you are a United States person, you generally will not be subject to a

31% United States backup withholding tax on such payments if you are a corporation or other exempt recipient or you provide your taxpayer identification number and certify that no loss of exemption from backup withholding has occurred. United States persons may also be subject to information reporting and backup withholding tax requirements with respect to the proceeds from a sale of the ordinary shares or the ADSs. If you are not a United States person, you may have to comply with certification procedures to establish that you are not a United States person in order to avoid information reporting and backup withholding tax requirements.

Item 8. ***Selected Financial Data***

The selected consolidated financial data below should be read in conjunction with, and are qualified in their entirety by reference to, our Consolidated Financial Statements and the Notes thereto included elsewhere in this Annual Report.

Selected Historical Consolidated Financial Data

The following selected historical financial data has been extracted from the more detailed information and financial statements, including Harmony's audited consolidated financial statements for each of the years in the three years ended June 30, 2000 and as of June 30, 1999 and 2000 and the related notes, which appear elsewhere in this Annual Report. The historical consolidated financial data as of June 30, 1996 and 1997, and for each of the years in the two years ended June 30, 1996 and 1997 has been extracted from Harmony's audited consolidated financial statements not included in this Annual Report.

The financial information included in this Annual Report has been prepared in accordance with U.S. GAAP.

	Year ended June 30,				
	2000[1]	1999[2]	1998[3]	1997	1996
	(in $ thousands, except per share amounts)				
Income statement data					
Revenues	490,651	381,412	249,536	267,627	231,665
Equity losses	(1,401)	-	-	-	(649)
Income/(loss) before taxes and minority interests	73,489	30,199	(7,149)	(31,199)	5,801
Minority interests	(2,910)	-	-	-	-
Net income/(loss)	57,030	27,908	(7,004)	(27,496)	3,625
Basic earnings/(loss) per share ($)[4]	0.68	0.42	(0.14)	(0.71)	0.13
Cash dividends per share ($)	0.19	0.18	-	-	-
Other financial data					
Cash cost per ounce of gold ($/oz)	245	239	305	341	363

1 Randfontein's financial results have been equity accounted from January 14, 2000 to February 29, 2000 and consolidated thereafter to June 30, 2000. The financial results of Kalahari Goldridge Mining Company Limited ("Kalgold") have been consolidated from October 1, 1999.

2 Does not include the financial results of Kalgold and Randfontein, which were acquired after the end of the fiscal year.

3 Does not include the financial results of Evander and Bissett, which were acquired after the end of the fiscal year.

4 Calculated by dividing the earnings/(loss) by the weighted average number of shares in issue during the period.

	As of June 30,				
	2000	1999[1]	1998[2]	1997	1996
	(in $ thousands, except per share amounts)				
Balance sheet data					
Cash and cash equivalents	77,942	45,318	8,518	4,333	9,581
Short term investments	-	10,744	15,618	27,729	17,460
Other current assets	59,582	32,071	21,252	37,048	19,324
Property, plant and equipment – net[3]	564,696	347,036	251,461	305,772	118,526
Restricted cash	7,310	-	-	-	-
Other long-term assets	62,658	9,244	4,995	19,930	20,786
Total assets	772,188	444,413	301,844	394,812	185,677
Current liabilities	150,148	70,583	43,055	59,443	35,055
Provision for environmental rehabilitation	52,525	33,811	21,779	29,364	22,678
Deferred income and mining taxes	48,686	28,442	22,445	30,068	29,807
Provision for post-retirement benefits	3,709	5,793	3,756	7,702	-
Deferred financial liability	40,174	-	-	-	-
Long-term loans	46,635	14,024	8,546	-	-
Shareholders' equity	430,311	291,760	202,263	268,235	98,137
Total liabilities and shareholders' equity	772,188	444,413	301,844	394,812	185,677

1 Does not include the financial position of Kalgold and Randfontein, which were acquired after the end of the fiscal year.

2 Does not include the financial position of Evander and Bissett, which were acquired after the end of the fiscal year.

3 Includes other assets (mineral subscriptions and participation rights relating to Harmony's exploration activities and slimes dams.) See note 14 to the "Harmony Gold Mining Company Limited Notes to the Consolidated Financial Statements."

Unaudited Pro Forma Condensed Financial Statements

On January 11, 2000 Harmony announced an offer for all of the outstanding ordinary share capital of Randfontein, a South African gold producer. Harmony acquired management control of Randfontein on January 14, 2000 and by June 30, 2000 had acquired 100% of Randfontein's outstanding ordinary share capital and 96.5% of the warrants to purchase ordinary shares of Randfontein. See "Item 2. Description of Property—Harmony's Mining Operations—Randfontein Operations." Harmony offered its ordinary shares, cash or a combination of the two in exchange for Randfontein's ordinary shares. The proportion of the purchase price paid in cash was $51.9 million and the proportion of the purchase price paid in Harmony ordinary shares was $82.8 million. The purchase price for ordinary shares was 34 Harmony ordinary shares for every 100 Randfontein ordinary shares held and 8 Harmony ordinary shares for every 100 Randfontein warrants held, and the purchase price for cash was Rand 12.25 for every Randfontein ordinary share held and Rand 2.76 for every Randfontein warrant held. The purchase price using this mix of ordinary shares and cash was $134.7 million, including acquisition expenses.

In February 2000, Harmony entered into a Rand 450 million ($66.4 million) ABSA Bank loan facility for the purpose of financing the acquisition of Randfontein and repaying a Rand 150 million ($22.4 million) bridge loan provided by ABSA Bank. As of June 30, 2000, Harmony had drawn down Rand 400 million ($59 million) under this facility.

The following unaudited pro forma condensed statement of operations of Harmony has been prepared to illustrate the estimated effects of the acquisition of Randfontein as if the acquisition had taken place on July 1, 1999 and has been derived by the application of pro forma adjustments to the historical consolidated statement of operations of Harmony and the historical consolidated statement of operations of Randfontein. The historical consolidated financial statements of Harmony and Randfontein are included elsewhere herein. The historical consolidated financial statements of Harmony and Randfontein have been prepared in accordance with U.S. GAAP.

The unaudited pro forma statement of operations should not be considered indicative of actual results that would have been achieved had the acquisition been consummated on the date or for the period indicated and does not purport to indicate results of operations as of any future date or any future period. The pro forma statement of operations should be read in conjunction with the historical consolidated financial statements of Harmony and Randfontein and the related notes thereto included elsewhere herein.

The unaudited pro forma statement of operations for the year ended June 30, 2000 gives effect to the acquisition of Randfontein as if the transaction had occurred on July 1, 1999. The pro forma adjustments are described in the accompanying notes to the pro forma statement of operations.

Pro Forma Statement of Operations (Unaudited)[1]

	Harmony for the year ended June 30, 2000	Randfontein for the six months ended December 31, 1999	Randfontein for the two months ended February 29, 2000	Adjustments	Pro Forma
	(In $ thousands, except per share amounts)				
Revenues					
Product sales	472,118	126,012	39,968	-	638,098
Interest and dividends	9,993	3,460	88	-	13,541
Other income	8,540	574	308	-	9,422
	490,651	130,046	40,364	-	661,061
Costs and expenses					
Production costs	399,147	116,728	37,993	-	553,868
Depreciation and amortization	21,797	3,974	1,489	3,600[1]	30,860
Employment termination costs	222	-	2,640	-	2,862
Corporate expenditure	1,952	-	-	-	1,952
Exploration expenditure	2,502	-	-	-	2,502
Sundry expenses	1,886	810	266	-	2,962
(Gain)/loss on financial instruments	(8,565)	65,288	-	-	56,723
(Profit)/loss on sale of other assets	(2,482)	203	1,310	-	(969)
Interest paid	3,202	859	197	-	4,258
Equity loss	1,401	-	-	(1,401)[2]	-
Reversal of provision for former employee post retirement benefits	(3,900)	-	-	-	(3,900)
Loss upon cancellation of management agreement	-	22,838	-	-	22,838
	417,162	210,700	43,895	2,199	673,956
Income/(loss) before tax	73,489	(80,654)	(3,531)	(2,199)	(12,895)
Income and mining tax (expense)/benefit	(13,549)	28,309	(803)	-	13,957
Net income/(loss) after tax before minority interests	59,940	(52,345)	(4,334)	(2,199)	1,062
Minority interests	(2,910)	-	-	2,910[3]	-
Net income/(loss)	57,030	(52,345)	(4,334)	711	1,062
Basic earnings per share (cents)					1.14
Weighted average number of shares used in the computation					93,533,178

1 Reflects the amortization of the excess of the purchase price over the net assets of Randfontein acquired.

2 Reflects the elimination of equity loss included for the year ended June 30, 2000 due to consolidation.

3 Reflects the elimination of minority interests included for the year ended June 30, 2000 due to consolidation.

Notes to Unaudited Pro Forma Statement of Operations

Statement of Operations Adjustments

The adjustments column on the pro forma consolidated statements of operations relates to the following:

1) Amortization of the excess of the purchase price allocated to mining assets for six months ($3.6 million);
2) Reversal of Harmony's equity interest in the losses of Randfontein for the two month period from January 1, 2000 to February 29, 2000.
3) Reversal of the minority interests in the net income of Randfontein for the four month period from March 1, 2000 to June 30, 2000.

Dividend Information

Harmony has paid dividends on its ordinary shares in 1999 and 2000. In each of the last two years, an interim dividend was declared by the Board of Directors in the second quarter of each fiscal year and paid during the quarter following its declaration. In each of the last two years, a final dividend was declared by the Board of Directors at the end of the year to which it relates, and paid during the quarter following its declaration.

The following table sets forth the interim, final and total dividends announced and paid in respect of Harmony ordinary shares for the last five fiscal years.

	Year ended June 30,									
	2000		1999		1998		1997		1996	
	($)	(R)	($)	(R)	($)	(R)	($)	(R)	($)	(R)
Interim dividend...........	0.08	0.50	0.08	0.50	-	-	-	-	-	-
Final dividend..............	0.11	0.70	0.10	0.60	-	-	-	-	-	-
Total dividend.........	0.19	1.20	0.18	1.10	-	-	-	-	-	-

South African law was recently relaxed to permit the distribution of a company's equity as a dividend, provided that the necessary shareholder approval is obtained and, subsequent to the distribution of the dividend, the company remains solvent and liquid. Previously under South African law, dividends could only be paid out of the profits of a company. Cash dividends paid by Harmony will not bear any interest payable by Harmony. The amount of dividends, if any, paid in the future will depend on Harmony's results of operations, financial condition, cash requirements and other factors deemed relevant by the Board of Directors.

Item 9. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following discussion should be read in conjunction with the Consolidated Financial Statements and other financial data, including the notes thereto, found elsewhere in this Annual Report.

Overview

Harmony is a gold mining company engaged in underground and surface gold mining and related activities, including exploration, extraction, processing, smelting and refining. Harmony is the third largest gold producer in South Africa and one of the largest gold producers in the world.

Harmony's operations have grown significantly in the past five years, largely through acquisitions. Since 1995, Harmony has expanded from a lease-bound mining operation into an independent world-class gold producer. Harmony's gold production has increased from 650,312 ounces of gold in fiscal 1995 to 1,625,925 ounces of gold in fiscal 2000.

In early 2000, Harmony made an offer for all of the outstanding ordinary share capital of Randfontein. By June 30, 2000, Harmony had acquired 100% of Randfontein's outstanding ordinary share capital and 96.5% of the warrants to purchase ordinary shares of Randfontein. Randfontein produced 864,338 ounces of gold in the year ended June 30, 2000. Harmony's gold production of 1,625,925 ounces of gold for the year ended June 30, 2000 includes four months of gold production at Randfontein. On a pro forma basis, the combined gold production of Harmony and Randfontein would have been 2,189,815 ounces for the year ended June 30, 2000. See "Item 2. Description of Property—Reserves—Ore reserve statement as at June 30, 2000."

On January 11, 2000, Harmony announced an offer to purchase all of the outstanding ordinary shares of Randfontein at a purchase price of either 31 new Harmony ordinary shares for every 100 Randfontein ordinary shares or Rand 11.00 per Randfontein ordinary share, or a combination of cash and ordinary shares. Also at this time, Harmony offered to purchase all the outstanding warrants of Randfontein at a purchase price of either 7 Harmony ordinary shares for every 100 Randfontein warrants held or Rand 2.48 per warrant, or a combination of cash and ordinary shares.

On January 14, 2000, Harmony announced a revised offer to purchase all the outstanding ordinary shares of Randfontein at a purchase price of either 34 new Harmony ordinary shares for every 100 Randfontein ordinary shares or Rand 12.25 per Randfontein ordinary share, or a combination of cash and ordinary shares. In addition, Harmony increased the offer price for all the outstanding warrants of Randfontein to a purchase price of either eight Harmony ordinary shares for every 100 Randfontein warrants held or Rand 2.76 per warrant, or a combination of cash and ordinary shares.

On January 14, 2000, the Randfontein board of directors recommended that the Harmony offer be accepted by the Randfontein shareholders. The board of directors was then reconstituted, with the current directors resigning and being replaced by Harmony appointees. At this date Harmony owned approximately 33% of the outstanding ordinary shares of Randfontein which had been acquired in the open market. At April 26, 2000, 94% of the Randfontein shareholders had accepted the Harmony offer and exchanged their Randfontein ordinary shares for a combination of Harmony shares and cash. Harmony then commenced a compulsory buy-out of the remaining shareholders as required by the South African Companies Act. This compulsory buy-out was completed on June 30, 2000, which resulted in Randfontein becoming a wholly-owned subsidiary of Harmony as of that date.

For accounting purposes, Harmony has equity accounted for its interest in Randfontein up to February 29, 2000. Up to this date, Harmony exercised significant influence over the financial and operating policies of Randfontein. From March 1, 2000, Harmony accounted for its majority interest in Randfontein as a purchase. During the period up to June 30, 2000, Harmony acquired all of the remaining outstanding ordinary shares of Randfontein and 96.5% of the warrants to purchase Randfontein's ordinary shares. The total purchase consideration for the outstanding ordinary shares and substantially all of the warrants of Randfontein was $134.7 million, which was settled through the issue of 14,909,631 Harmony shares and cash payments totaling $51.9 million.

Harmony's strategy for growth has generally been to acquire existing underperforming mines and turn them into profitable business units by introducing low-cost mining methods. See "Item 1. Description of Business—Strategy." Harmony targets producing mines which offer turnaround opportunities, with the aim of improving the overall quality and volume of their production profiles. Harmony intends to continue expanding through acquisitions both in South Africa and internationally. See "Item 1. Description of Business—Strategy."

Because Harmony has acquired a large number of significant gold mining operations since 1996, its financial results for each of the years since 1996 may not be directly comparable.

Revenues

Substantially all of Harmony's revenues are derived from the sale of gold. As a result, Harmony's operating results are directly related to the price of gold. Historically, the price of gold has fluctuated widely. The gold price is affected by numerous factors over which Harmony does not have control. See "Item 1. Description of Business—Risk Factors—The profitability of Harmony's operations, and the cash flows generated by those operations, are affected by changes in the market price of gold which in the past has fluctuated widely."

As a general rule, Harmony sells the gold it produces at market prices to obtain the maximum benefit from prevailing gold prices and does not enter into hedging arrangements such as forward sales or derivatives which establish a price in advance for the sale of its future gold production. As required by financing agreements which Harmony entered into in connection with the financing of the acquisition of the Bissett mine in Canada, Harmony has hedged a certain amount of Bissett's production. At June 30, 2000, Harmony had entered into put options relating to the delivery of 27,667 ounces of gold and forward contracts relating to the delivery of 72,327 ounces of Bissett's production through June, 2002 at a price of $317 per ounce. In addition, prior to its acquisition by Harmony, Randfontein had hedged a significant amount of its production. Harmony has closed out a number of the Randfontein hedging arrangements, including all hedge positions relating to gold production in calendar year 2000 and calendar year 2001, and will continue to monitor the remaining hedge positions to assess whether it becomes economical to close them out. See "—Market Risk." The cost of closing out the Randfontein hedge positions was approximately $10 million.

Significant changes in the price of gold over a sustained period of time may lead Harmony to increase or decrease its production in the near-term.

Harmony's realized gold price

The gold price in U.S. dollars received by Harmony has declined since the year ended June 30, 1998. The following table sets out the average, the high and the low London Bullion Market price of gold and Harmony's average U.S. dollar sales price during the past three fiscal years:

	Year ended June 30,		
	2000	**1999**	**1998**
		($/oz)	
Average	280	286	307
High	319	301	334
Low	269	258	279
Harmony's average sales price[1]	290	290	313

[1] Harmony's average sales price differs from the average gold price due to the timing of its sales of gold within each year.

Costs

Harmony's cash costs and expenses typically make up over 90% of its total costs. The remainder of Harmony's total costs consists primarily of exploration costs, selling, administrative and general charges and depreciation and amortization. Harmony's cash costs consist primarily of production costs. Production costs are incurred on labor, stores and utilities. Labor costs are the largest component and typically comprise approximately 50% of Harmony's production costs. Harmony has reduced its overall cash costs from approximately $363 per ounce in fiscal 1996 to approximately $245 per ounce in fiscal 2000. Harmony's goal is to keep its cash costs below the international industry average, which, based on publicly available sources, Harmony believes is currently approximately $200 per ounce.

While recognizing the importance of reducing cash costs, Harmony's chief focus is on reducing total costs, including overhead costs. Harmony aims to reduce total unit costs per ounce produced by maintaining its low total cost structure at its existing operations and implementing this low-cost structure at the new mining operations it acquires. Harmony has been able to reduce total costs by implementing a management structure and philosophy that is focused on reducing management and administrative costs, implementing an ore reserve management system that allows for greater grade control and acquiring higher grade reserves. See "Item 1. Description of Business—Strategy." Harmony has reduced its costs by flattening the management structure at its operating units by removing excess layers of management. Harmony's ore reserve management system relies on a detailed geological understanding of the orebody backed up by closely-spaced sampling and an emphasis on grade control. The acquisition of higher grade reserves and the effect of the implementation of the ore reserve management system have increased Harmony's underground recovery grade from 0.102 ounces per ton in fiscal 1996 to 0.148 ounces per ton in fiscal 2000.

Exchange Rates

Currently, the majority of Harmony's earnings are generated in South Africa and, as a result, most of its costs are incurred in Rand. Since gold is generally sold in U.S. dollars, weakness in the Rand generally results in improved Rand earnings for Harmony. The exchange rates obtained when converting U.S. dollars to Rand are set by foreign exchange markets, over which Harmony has no control. The average gold price received by Harmony during fiscal 2000 and fiscal 1999 remained constant at $290 per ounce.

Inflation

Harmony's operations have not been materially impacted by inflation in recent years. However, it is possible that a period of significant inflation in South Africa could adversely affect Harmony's results and financial condition. Because Harmony's costs are primarily in Rand and Harmony sells its gold in U.S. dollars, movements in the Rand/U.S. dollar exchange rate may influence the impact of inflation on Harmony's profits. To the extent the Rand devalues against the U.S. dollar, it may offset the impact of inflation.

South African Economic and Political Environment

Harmony is a South African company and substantially all of its operations are in South Africa. As a result, Harmony is subject to various economic, fiscal, monetary and political policies and factors that affect South African companies generally. See "Item 1. Description of Business—Risk Factors—Political or economic instability in South Africa or regionally may have an adverse effect on Harmony's operations and profits."

South African companies are subject to significant exchange control limitations. While exchange controls have been relaxed in recent years, South African companies remain subject to significant restrictions on their ability to deploy capital outside of the Southern African Common Monetary Area. As a result, Harmony has financed its offshore acquisitions with offshore long-term debt. See "Item 6. Exchange Controls and Other Limitations Affecting Shareholders."

Results of Operations

Years ended June 30, 2000 and 1999

Revenues

From fiscal 1999 to fiscal 2000, revenue increased $109.3 million, or 28.7%, from $381.4 million to $490.7 million. The increase in Harmony's revenue was attributable to increased production primarily due to the acquisition of Randfontein. Harmony's gold production increased 339,994 ounces or 26.4% from 1,285,931 ounces in fiscal 1999 to 1,625,925 ounces in 2000. Harmony's average sales price of gold per ounce was $290 in fiscal 2000 as compared with $290 in fiscal 1999.

Interest and dividends increased by 25% from $8.0 million in fiscal 1999 to $10 million in fiscal 2000. The increase was due to a dividend of $5.4 million from the shares held in Western Areas Limited, acquired as part of the net assets of Randfontein, offset by a decrease in the amount of interest received due to average lower cash deposit balances during the year.

Other income increased by $7.8 million to $8.5 million in fiscal 2000 from $0.7 million in fiscal 1999. The increase is primarily due to the sale of land and housing facilities at Evander and Randfontein, which resulted in a realized profit of $6.2 million.

Costs

The following table sets out Harmony's total ounces produced and weighted average cash costs per ounce for fiscal 2000 and fiscal 1999:

	Year ended June 30, 2000[1]		**Year ended June 30, 1999**		**% increase in cash costs**
	(oz)	**($/oz)**	**(oz)**	**($/oz)**	
Free State	856,816	250	809,835	247	1.2%
Evander...............	393,235	239	422,920	219	9.1%
East Rand............	-	-	53,176	282	-
Randfontein..........	300,448	229	-	-	
Bissett.................	26,943	356	-	-	-
Kalgold	48,483	270	-	-	
Total...................	1,625,925		1,285,931		
Weighted Average		245		239	2.5%

1 Includes nine months of production at Kalgold and Bissett and four months of production at Randfontein.

From fiscal 1999 to fiscal 2000, Harmony's weighted average cash costs per ounce increased $6 per ounce, or 2.5%, from $239 per ounce to $245 per ounce. Cash costs per ounce vary with the number of tons and grade of ore processed. The increase primarily resulted from a $20 per ounce increase at Evander because grades achieved were lower than the prior year and the inclusion of cash costs per ounce from the Bissett and Kalgold operations, which were higher than Harmony's costs at other operations in the prior year.

Depreciation and amortization

Depreciation and amortization charges increased $5.2 million, or 31.3%, from $16.6 million in fiscal 1999 to $21.8 million in fiscal 2000. The increase in depreciation and amortization charges in fiscal 2000 was due to the acquisition of Randfontein and Kalgold during fiscal 2000.

Employment termination costs

Employment termination costs decreased $5.2 million or 96.3% from $5.4 million in the year ended June 30, 1999. Employment termination costs during fiscal 1999 were mainly due to the restructuring of the Evander operations following Harmony's acquisition of Evander, which resulted in the voluntary retrenchment of approximately 1,700 employees and the retrenchment of approximately 1,000 employees in connection with the sale of the Grootvlei mine. Employment termination costs during fiscal 2000 related to the retrenchment of non-production employees at Evander.

Exploration costs

Exploration costs were $2.5 million in the year ended June 30, 2000 as compared with $0.03 million in the year ended June 30, 1999. The increased costs in fiscal 2000 consisted primarily of off-lease exploration costs incurred mainly due to the acquisition of Kalgold and its related exploration activities.

Gain on financial instruments

The gain on financial instruments in fiscal 2000 of $8.6 million relates primarily to the change in the mark to market of the speculative financial instruments held by Randfontein from March 1, 2000 to June 30, 2000, offset by the cost of closing out certain of the speculative financial instruments during that period.

Profit/(loss) on sale of other assets and listed investments

Harmony had a profit of $2.5 million on the sale of other assets and listed investments in fiscal 2000 as compared with a profit of $2.7 million on the sale of other assets and listed investments in fiscal 1999. The profit in fiscal 1999 related to Harmony's disposal of its shareholding in Gold Fields Limited, a South African mining company, which it acquired in exchange for certain mineral rights in the Free State. This profit was partially offset by a loss of $0.6 million in connection with the disposal of certain listed investments acquired in connection with the disposal of the Grootvlei mine. The profit in fiscal 2000 related primarily to the sale of certain mineral rights.

Impairment of assets

No write-off of impaired assets occurred during fiscal 2000. During fiscal 1999, Harmony wrote off $18.5 million of impaired assets, as a result of the significant decline in the price of gold. Harmony determined that, as a result of the sustained low gold price, certain mining assets at its operations in the Free State had carrying values that exceeded the estimated future undiscounted cash flows that would accrue to Harmony through the utilization of these mining assets. The difference between the carrying values of these mining assets and the net present value of estimated future cash flows was written off.

Interest paid

Harmony paid $3.2 million in interest for the year ended June 30, 2000, compared to $2.3 million for the year ended June 30, 1999. The increase in fiscal 2000 was primarily due to an increase in long-term loans.

Equity loss

The equity loss of $1.4 million in fiscal 2000 reflects Harmony's share of Randfontein's net loss in the period from January 14, 2000 to February 29, 2000. Randfontein incurred a net loss in this period primarily due to employment termination costs as a result of the retrenchment of management of Randfontein following Harmony's acquisition of management control of Randfontein and losses incurred at Randfontein Cooke 4 shaft.

Provision for former employees post-retirement benefits

Harmony provides for amounts due under its former employees post-retirement benefit plans for medical aid. In fiscal 2000, Harmony released $3.9 million from the provision as a result of an updated actuarial evaluation.

Income and mining taxes

The table below indicates the effective tax rate for fiscal 2000 and fiscal 1999, including normal and deferred tax:

	Year ended June 30,	
Income and mining tax	**2000**	**1999**
Effective tax rate expense	18.4%	7.6%

Harmony pays taxes on mining income and non-mining income. The amount of Harmony's mining income tax is calculated on the basis of a formula which takes into account Harmony's total revenue and profits from, and capital expenditures for, mining operations. Five percent of total mining revenue is exempt from taxation. The amount of revenue subject to taxation is calculated by subtracting capital expenditures from operating profit. The amount by which the adjusted profit figure exceeds 5% of revenue constitutes taxable mining income. Harmony and its subsidiaries each make their own calculation of taxable income.

The tax rate applicable to the mining and non-mining income of a gold mining company depends on whether the company has elected to be exempt from the Secondary Tax on Companies, or STC. The STC is a tax on dividends declared and at present, the STC tax rate is equal to 12.5%. In 1993, all existing gold mining companies had the option to elect to be exempt from STC. If the election was made, a higher tax rate would apply for both mining and non-mining income. In 1999, the tax rates for taxable mining and non-mining income for companies that elected the STC exemption were 46% and 38%, respectively, compared to 37% and 30%, respectively, if the STC exemption election was not made. In 1993, Harmony elected to pay the STC tax. All of Harmony's subsidiaries, however, elected the STC exemption. To the extent Harmony receives dividends, such received dividends are offset against the amount of dividends paid for purposes of calculating the amount subject to the 12.5% STC tax.

The effective tax rate for fiscal 2000 differs from the estimated statutory tax rate for Harmony and its subsidiaries as a whole of 20.5% primarily due to non-taxable dividend income and the lower actual formula rate on mining income.

The effective tax rate for fiscal 1999 differs from the estimated statutory tax rate for Harmony and its subsidiaries as a whole of 20.5% primarily due to the release from deferred tax associated with the decrease in statutory tax rates in South Africa in fiscal 1999.

Minority interests

The minority interests of $2.9 million in fiscal 2000 reflect the Randfontein minority shareholders' share of Randfontein's net loss in the period from March 1, 2000 to June 30, 2000. The minority shareholders' interest in Randfontein reduced from 17% to 0% during that period.

Net income

As a result of the factors discussed above, Harmony's net income was $57 million in fiscal 2000 as compared with net income of $27.9 million in fiscal 1999.

Years ended June 30, 1999 and 1998

Revenues

From fiscal 1998 to fiscal 1999, revenue increased $131.9 million or 52.9%, from $249.5 million to $381.4 million. Revenue from the sale of gold was $239.8 million in fiscal 1998 and $372.7 million in fiscal 1999. The increase in Harmony's revenue was primarily due to an increase in Harmony's gold production, as a result of the acquisition of Evander in July 1998 and, to a lesser extent, the acquisition of the Brand shafts in the Free State in May 1998 and the Masimong shafts in the Free State in September 1998. Harmony's gold production increased 519,041 ounces, or 67.7%, from 766,890 ounces in fiscal 1998 to 1,285,931 ounces in fiscal 1999, largely as a result of Evander's production of 422,920 ounces. This increase was offset in part by gold production lost due to the disposal of Harmony's East Rand operations in December 1998.

The increase in revenue from gold production from fiscal 1998 to fiscal 1999 was partially offset by the decline in Harmony's realized price of gold. Harmony's average sales price of gold decreased $23 per ounce, or 7.3%, from $313 per ounce in fiscal 1998 to $290 per ounce in fiscal 1999.

Interest and dividend income was $8.0 million in fiscal 1999, as compared to $2.0 million in fiscal 1998. The increase in fiscal 1999 compared with fiscal 1998 was due to Harmony's higher average cash balances and an increase in short-term interest rates over the period.

Other income decreased $7.0 million, or 91%, from $7.7 million in fiscal 1998 to $0.7 million in fiscal 1999. This decrease was primarily due to a settlement in fiscal 1998 of a claim in favor of Harmony relating to the ownership of gold in a processing plant where ore from the Unisel shafts was treated prior to the acquisition of Unisel by Harmony.

Costs

The following table sets out Harmony's total ounces produced and weighted average cash costs per ounce for fiscal 1999 and 1998:

	Year ended June 30, 1999		Year ended June 30, 1998		Percentage decrease in cash costs
	(oz)	($/oz)	(oz)	($/oz)	
Free State	809,835	247	656,002	290	14.8%
Evander................	422,920	219	-	-	-
East Rand.............	53,176	282	110,888	390	27.7%
Total....................	1,285,931		766,890		
Weighted average		239		305	21.6%

From fiscal 1998 to fiscal 1999, Harmony's weighted average cash costs per ounce decreased $66 per ounce, 21.6% from $305 per ounce in fiscal 1998 to $239 per ounce in fiscal 1999. The decrease in Harmony's cash costs per ounce from fiscal 1998 to fiscal 1999 resulted largely from the application of Harmony's low-cost mining methods to Evander's higher yield operations, which were acquired on July 1, 1998, as well as the depreciation of the Rand against the U.S. dollar by over 20%. This was offset in part by increased costs as a result of inflation.

Depreciation and amortization

Depreciation and amortization charges increased $2.3 million, or 16.1%, from $14.3 million in fiscal 1998 to $16.6 million in fiscal 1999. The increase in depreciation and amortization charges was due primarily to the increase in Harmony's assets as a result of its acquisitions of Evander and the Masimong shafts in fiscal 1999, which was partially offset by the disposal of the East Rand operations in December 1998.

Employment termination costs

Employment termination costs in fiscal 1999 amounted to $5.4 million and were mainly due to the restructuring of the Evander operations following Harmony's acquisition of Evander, which resulted in the voluntary retrenchment of approximately 1,700 employees and the retrenchment of approximately 1,000 employees in connection with the sale of the Grootvlei mine. In fiscal 1998, Harmony paid $4.4 million in connection with the retrenchment of approximately 2,100 employees in the second quarter of fiscal 1998 due to the restructuring at Free State and Grootvlei, which followed the collapse of the gold price in the beginning of fiscal 1998.

Loss on disposal of subsidiaries

Harmony recognized a loss on disposal of subsidiaries of $1.1 million in connection with the disposal of its entire shareholding in and claims against Grootvlei and Cons Modder for consideration of $14.9 million effective December 15, 1998. The purchase consideration was in the form of equity and in the form of a $5 million loan receivable in 21 monthly installments commencing March 1999.

Profit/(loss) on sale of other assets and listed investments

Harmony had a profit of $2.7 million on the sale of other assets and listed investments in fiscal 1999 as compared with a loss of $4.5 million in fiscal 1998. The profit in fiscal

1999 related to Harmony's disposal of its shareholding in Gold Fields Limited, a South African mining company, which it acquired in exchange for certain mineral rights in the Free State. This profit was partially offset by a loss of $0.6 million in connection with the disposal of certain listed investments acquired in connection with the disposal of the Grootvlei mine. In fiscal 1998, Harmony lost $4.5 million on the sale of an equity investment in Evander made in fiscal 1997.

Impairment of assets

In fiscal 1999, Harmony wrote-off $18.5 million of property, plant and equipment as impaired assets as a result of the significant decline in the price of gold. Harmony determined that, as a result of the sustained low gold price, certain mining assets at its operations in the Free State had carrying values that exceeded the estimated future undiscounted cash flows that would accrue to Harmony through the utilization of these mining assets. The difference between the carrying value of these mining assets and the net present value of estimated future cash flows was written-off. No write-off of impaired of assets occurred during fiscal 1998.

Provision for former employees post-retirement benefits

Harmony provides for amounts due under its former employees post-retirement benefit plans for medical aid. Based on an actuarial evaluation conducted in fiscal 1999, Harmony believed that the then-current level of the provision was adequate and that no further provisions needed to be made. Therefore, no amounts were released from the provision or provided for former employees' post-retirement benefits in fiscal 1999. In fiscal 1998, Harmony released $2.6 million from the provision as a result of certain amendments to the plan, which reduced Harmony's benefit obligations and resulted in a reduction of the provision required by the plan.

Income and mining taxes

The table below indicates Harmony's effective tax rate for fiscal 1999 and fiscal 1998, including normal and deferred tax:

	Year ended June 30, 1999	Year ended June 30, 1998
Effective tax rate expense/(benefit)..................	7.6%	(2.0)%

The effective tax rate for fiscal 1999 differs from the estimated statutory tax rate for Harmony and its subsidiaries as a whole of 20.5% primarily due to the release from deferred tax associated with the decrease in statutory tax rates in South Africa in fiscal 1999.

The effective tax rate for fiscal 1998 differs from the estimated statutory tax rate for Harmony and its subsidiaries as a whole of 24% primarily due to the fact that no deferred tax benefit, created by losses in subsidiaries, was brought to account.

Net income

As a result of the factors discussed above, net income was $27.9 million in fiscal 1999 as compared with a net loss of $7.0 million in fiscal 1998.

Liquidity and Capital Resources

Cash resources

Operations

Net cash provided by operations was $38.5 million in fiscal 2000 as compared to $63.1 million in fiscal 1999. Although in both fiscal 2000 and fiscal 1999 increased gold production resulted in increased cash being generated by operations, net cash provided by operations in fiscal 2000 decreased by $24.6 million from net cash provided by operations in fiscal 1999. This decrease was principally due to the repayment of $8.9 million of loans relating to the purchase of shafts and other mining assets, the payment of the first installment of $1.4 million on the NM Rothchild & Sons Limited revolving credit facility and an increase in accounts receivable of $7.1 million.

Net cash provided by operations was $63.1 million in fiscal 1999 as compared to $2.6 million in fiscal 1998. The increase from fiscal 1998 to fiscal 1999 was due primarily to increased cash generated from operations as a result of increased gold production.

Investing

Net cash (utilized in)/generated by investing activities was $(51.3) million in fiscal 2000 as compared to $(22.7) million in fiscal 1999. The increase in net cash utilized in investing activities in fiscal 2000 was primarily due to the acquisition of the Randfontein mine for net cash paid of $43.3 million which compared to net cash of $13.3 million paid for the Evander mine and Masimong shafts in fiscal 1999. Property, plant and equipment additions of $23.4 million in fiscal 2000 consisted primarily of underground development costs at Harmony and Evander.

Net cash (utilized in)/generated by investing activities was $(22.7) million in fiscal 1999 as compared to $4.5 million in fiscal 1998. The increase in net cash utilized in investing activities in fiscal 1999 was primarily due to additions to property, plant and equipment, as well as to the net cash paid for Evander of $5.8 million and the $7.5 million cash portion of the amount paid for Masimong. Property, plant and equipment additions of $25 million in fiscal 1999 consisted of $8.4 million of underground development costs at Harmony and Evander, $10 million of capital development at Bissett, and $6.6 million relating to the plants at Harmony and Evander. Fiscal 1998's property, plant and equipment additions of $7.5 million consisted primarily of underground development costs at Harmony.

Financing

Net cash generated by/(utilized in) financing activities was $55.7 million in fiscal 2000 as compared to $(3.5) million in fiscal 1999 and $0.03 million in fiscal 1998 due primarily to the loan of $59 million raised to finance the acquisition of Randfontein and the issue of ordinary shares in connection with the exercise of employee share options of $6 million. Harmony also paid dividends of $11.9 million in fiscal 2000. Net cash utilized in fiscal 1999 of $(3.5) million consisted of dividends paid by Harmony of $5.7 million and the issue of ordinary shares in connection with the exercise of employee share options of $2.2 million.

Credit facilities

On June 10, 1998, Harmony Canada entered into a C$7.5 million loan agreement with NM Rothschild & Sons Limited in connection with the acquisition of Bissett. The loan bears interest at LIBOR plus 1.75% and has been renegotiated during fiscal 2000 to be repayable in three equal annual installments commencing in June 2002. Harmony has guaranteed the loan and has pledged its shares in Harmony Canada Inc. ("Harmony Canada") as security for the guarantee. In connection with the loan agreement, Harmony issued 36,000 warrants to NM Rothschild & Sons Limited. In March, 1999, Harmony obtained supplemental financing from NM Rothschild & Sons Limited of an additional C$5.0 million on the same terms and with the same repayment schedule as the initial amount.

On June 10, 1998, Harmony Canada obtained a revolving credit facility from NM Rothschild & Sons Limited of C$11.0 million. The loan bears interest at LIBOR plus 2.5% repayable in quarterly payments based on the amount outstanding and Harmony Canada's surplus cash resources with the full amount repayable on or before June 2002. Harmony Canada has pledged fixed and moveable assets as well as rights to mining production as security and collateral for the loan.

In order to provide for the operating capital requirements of Bissett, Harmony arranged a $6.8 million loan facility from ABSA Bank to Bissett in July 1999. As Harmony Canada draws down under this loan, Harmony is required to post an amount in Rand equal to the drawn down amount plus 30% as collateral. The loan, which is repayable on July 31, 2001, has an interest rate of LIBOR plus 1.75%. As of June 30, 2000, Harmony Canada had drawn down $6.5 million of this facility.

In February, 2000, Harmony entered into a Rand 450 million term loan facility with ABSA Bank for the purpose of financing the acquisition of the shares of Randfontein and repaying a Rand 150 million ($22.4 million) bridge loan provided by ABSA in connection with the acquisition. Harmony was able to draw down this facility until April 30, 2000. As of April 30, 2000 Harmony had drawn down approximately Rand 400 million ($59 million) under this facility. The facility became repayable quarterly beginning on April 30, 2000 and matures on April 30, 2002. As of November 3, 2000, the outstanding amount due under this facility was Rand 300 million. The interest rate of the facility is the three month bank bill rate quoted by the South Africa Futures Exchange plus 1.25% on amounts drawn down of less than Rand 250 million and 1.5% on amounts drawn down in excess of Rand 250 million. In connection with the facility, Harmony has covenanted that it will not take on any other loans or encumbrances involving all or any part of Harmony's present or future assets or revenues without the approval of ABSA Bank except for statutory liens, the $20 million loan from Robert Fleming in connection with Harmony's purchase of shares of Goldfields (Australia) (described below) and certain existing loan facilities. Harmony's subsidiaries have provided a guarantee to ABSA Bank.

On March 1, 2000, Harmony Gold (Australia) Pty Limited entered into a $20 million loan facility with Robert Fleming in connection with the initial acquisition of a 17.3% interest in Goldfields (Australia). The loan bears interest at LIBOR plus 2.5% and becomes repayable on December 31, 2000. The loan becomes immediately repayable if Harmony undertakes an equity offering without the participation of Robert Fleming. In connection with the facility, Harmony has covenanted that it will not take on any other loans or encumbrances involving all or any part of Harmony's present or future assets or revenues without the approval of Robert Fleming except for statutory liens, the Rand 450 million term loan facility from ABSA Bank and certain existing loan facilities. Harmony has guaranteed the loan and Harmony Australia has pledged its shares in Goldfields (Australia) as security. Also in connection with this facility, Harmony has granted Robert Fleming a call option on Harmony ordinary shares, exercisable in the event of a default, which requires Harmony to issue to Robert Fleming a number of ordinary shares equivalent in value to the amounts due to Robert Fleming under the loan facility.

As of November 3, 2000, Harmony owned a 22.96% interest in Goldfields (Australia). See "—Recent Developments."

Share capital

The authorized capital of Harmony was increased from Rand 37.5 million divided into 75 million ordinary shares of Rand 0.50 each to Rand 60 million divided into 120 million ordinary shares of Rand 0.50 each in fiscal 1998 and, after the close of fiscal 1999, to Rand 90 million divided into 180 million ordinary shares of Rand 0.50 each.

Capital expenditures

Capital expenditures, including the non-cash portion, incurred for fiscal 2000 totaled $30 million, compared with $67.7 million in fiscal 1999 and $7.5 million in fiscal 1998. The decrease in capital expenditures in fiscal 2000 compared with fiscal 1999 is largely due to the purchase in fiscal 1999 of Masimong shafts, amounting to $22.2 million. The increase in capital expenditures in fiscal 1999 compared with fiscal 1998 is largely due to capital expenditures on the re-opening of the Bissett mine and capital expenditures at Evander, which was consolidated for the first time in fiscal 1999 and the acquisition of the Masimong shafts. Details regarding the capital expenditures for each mine are found in the individual mine sections under "Item 2. Description of Property" above.

Recent Developments

On October 5, 2000, Harmony concluded the purchase from Hanson plc of 10.58 million Goldfields (Australia) shares at a price of A$1.425 per share for a total consideration of $8.8 million, financed through the issue of 2.2 million Harmony ordinary shares at Rand 37.45 per share. This transaction resulted in Harmony's interest in Goldfields (Australia) increasing to approximately 22.96%.

On November 27, 2000, Harmony issued a cautionary announcement that it had entered into negotiations with AngloGold Limited ("AngloGold") regarding AngloGold's mines at Elandsrand and Deelkraal and certain of AngloGold's assets in the Free State which, if successfully concluded, may have a material effect on the price of Harmony's securities. The announcement advised Harmony shareholders to exercise caution in their dealings in Harmony's securities until a full announcement is made.

Item 9A. ***Quantitative and Qualitative Disclosures About Market Risk***

General

Harmony is exposed to market risks, including foreign currency, commodity price and interest rate risk associated with underlying assets, liabilities and anticipated transactions. Following periodic evaluation of these exposures, Harmony may enter into derivative financial instruments to manage the exposures. Harmony has policies in areas such as counterparty exposure and hedging practices which have been approved by Harmony's senior management. Harmony does not hold or issue derivative financial instruments for trading or speculative purposes.

Foreign currency sensitivity

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

At June 30, 2000, Harmony's liability subject to risk of foreign currency exchange rate fluctuations amounted to $39.5 million. This exposure amount primarily reflects U.S. dollar denominated debt relating to loans to finance Bissett and the acquisition of an interest in Goldfields (Australia). The aggregate hypothetical loss in earnings on an annual basis that would result from a hypothetical appreciation of 10% in the U.S. dollar against the Rand would be approximately $3.5 million, which is derived by applying an average 9% annual interest rate to the liability subject to risk.

As a condition of the term loan for Bissett, Harmony has entered into foreign currency forward exchange contracts to hedge against the exchange rate risk associated with gold sales. As at June 30, 2000, the following foreign currency forward exchange contracts were outstanding:

Maturity dates	**Amount ($ millions)**	**Exchange rate ($/C$)**
June 30, 2001........................	12.7	1.43
June 30, 2002........................	2.1	1.43

The mark to market valuation as of June 30, 2000 of these forward exchange contracts amounted to an unrecognized loss of $0.4 million which is based on quotes obtained from brokers.

Commodity price sensitivity

The market price of gold has a significant effect on the results of operations of Harmony, the ability of Harmony to pay dividends and undertake capital expenditures, and the market prices of Harmony's ordinary shares.

Gold prices have historically fluctuated widely and are affected by numerous industry factors over which Harmony does not have any control. See "Item 1. Description of Business—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 which in the past has fluctuated widely." The aggregate effect of these factors, all of which are beyond the control of Harmony, is impossible for Harmony to predict.

Generally, Harmony does not hedge its exposure to gold price fluctuation risk and sells at market spot prices. However, as a condition of the loan agreement financing the acquisition of Bissett, Harmony must fix the gold price in respect of a portion of Bissett's production over the next three years. Accordingly, Harmony has entered into the following contracts as at June 30, 2000:

Period ending Maturity dates	**Gold price put options**		**Gold price forward contracts**	
	oz	**$/oz**	**oz**	**$/oz**
June 30, 2001...............	24,167	317	15,833	317
June 30, 2002...............	3,500	317	36,496	317
June 30, 2003...............	-	-	19,998	317

Harmony may change the relative mix of these hedging instruments in response to market conditions.

The total fair value of these hedge instruments at June 30, 2000 amounted to an unrecognized gain of $1.4 million. The hypothetical profit in fair value depends largely on the difference between the exercise price of such options, if the options are exercised, and the market price of gold at time of exercise.

During the year ended June 30, 2000, Harmony sold approximately 1,625,925 ounces of gold at an average price of $290 per ounce. At a gold price of $270 per ounce, product sales would have amounted to approximately $439 million for the year ended June 30, 2000, a reduction of approximately $33 million in product sales.

Interest rate sensitivity

Harmony generally does not undertake any specific actions to cover its exposure to interest rate risk and at June 30, 2000 was not party to any interest rate risk management transactions.

At June 30, 2000, Harmony's assets and liabilities included certain short term variable rate instruments. The fair value of these instruments would not change significantly as a result of changes in interest rates due to their short term nature and variable interest rate features.

At June 30, 2000, the fair value of Harmony's U.S. dollar-denominated long-term liabilities, including the short-term portion of such liabilities, was estimated at $39.5 million. Long-term loans approximate fair value as they are subject to market bond floating rates. This analysis represents the hypothetical loss in earnings for debt instruments which are sensitive to changes in interest rates and were held by Harmony as at June 30, 2000. The aggregate hypothetical loss in earnings on an annual basis from a hypothetical increase of 10% of LIBOR is estimated to be $0.3 million. Because Harmony's net earnings exposure with respect to debt instruments was tied to the LIBOR rate, this hypothetical loss was modeled by calculating the 10% adverse change in the LIBOR rate, multiplied by the fair value of the respective debt instruments.

Randfontein hedging

As at June 30, 2000, Randfontein held certain commodity forward contracts (not matched to underlying production) and calls sold. These instruments do not qualify as hedges and have been marked to market accordingly in terms of Randfontein's accounting policy. As at June 30, 2000, these instruments consisted of:

Commodity contracts

Maturity dates	Rand denominated call options sold		$ denominated call options sold	
	oz	Rand/oz	oz	$/oz
June 30, 2002	27,006	2,255	49,800	300
June 30, 2003	54,012	2,380	118,500	304
June 30, 2004	28,928	2,511	137,400	307
June 30, 2005	1,922	2,613	68,700	307

Maturity dates	$ denominated forward purchases	
	oz	$/oz
June 30, 2000	438,950	309

As at June 30, 2000, Randfontein had also entered into gold lease rate swap contracts which are designed to enhance the revenues generated by the commodity forward contracts.

In addition, as at June 30, 2000, Randfontein held the below commodity forward sales contracts to secure the future gold price. These derivatives are accounted for as hedges and, accordingly, gains and losses are deferred and recognized as a component of product sales.

The following table details Randfontein's commodity forward sale and puts purchased outstanding as of June 30, 2000:

Commodity contracts

Maturity dates	$ denominated forward contracts	
	oz	$ / oz
June 30, 2002	59,375	291
June 30, 2003	187,450	293
June 30, 2004	211,618	294
June 30, 2005	83,543	295

The fair value of these forward contracts at June 30, 2000 was negative $20 million.

The gold spot price on June 30, 2000 was $288.15 per ounce and, during calendar year 2000, with the exception of a few weeks during February, the spot gold price has generally traded in a price range of $260 to $280 per ounce.

With respect to the remaining forward sales contracts, as long as the spot gold price is below $291 to $295 per ounce during the period that Harmony is required to deliver the quantities specified in the forward sales contracts, Harmony will benefit from the increased revenue received for the quantities sold under the forward sales contract. Should the spot gold price increase above the forward sales contract price, Harmony would not benefit from the higher spot gold price with respect to the quantities under the forward sales contract.

With respect to the remaining call options sold, these options require Harmony to deliver the amounts of gold specified annually should the third party exercise its option. This will only occur should the spot gold price exceed the option price of $300 to $307 per ounce, and, as such, Harmony would not benefit from a spot gold price in excess of option exercise price for these quantities.

Item 10. ***Directors and Officers of Registrant***

Directors and Executive Officers

The Articles of Association of Harmony provide that the Board of Directors (the "Board") must consist of not less than four nor more than twenty directors at any time. The Board currently consists of nine directors.

The Articles of Association of Harmony provide that the longest serving one-third of directors retire from office at each annual general meeting of Harmony. Retiring directors normally make themselves available for re-election and are re-elected at the annual general meeting on which they retire. Officers of Harmony who are also directors retire as directors in terms of the Articles of Association, but their service as officers is regulated by standard industry employment agreements.

Directors and executive officers of Harmony owned beneficial interests, directly or indirectly, in 4,640,344 ordinary shares as of June 30, 2000, excluding 830,400 share options, or less than 5.0% of the then outstanding shares.

According to the Articles of Association, the Board meets not less than quarterly.

Executive Directors and Alternates

Zacharias Bernardus Swanepoel (39), BSc (Mining Engineering), B Com(Hons), Chief Executive Officer and a Director. Mr. Swanepoel has been a Director of Harmony and its Chief Executive Officer since February 1995. Mr. Swanepoel has 20 years' experience in the mining industry. Prior to joining Harmony he was General Manager of the Beatrix Mine within the Gengold Group.

Frank Abbott (45), BCom, CA(SA), MBL, Chief Financial Officer and a Director. Mr. Abbott has been a Director of Harmony since 1994 and Chief Financial Officer since October 1997. Mr. Abbott has 22 years' experience in financial management. Prior to joining Harmony he was Financial Director of Rangold Exploration Company from 1994 to 1997.

Ferdinand Dippenaar (39), BCom, BProc, MBA, Marketing Director. Mr. Dippenaar has been a Director of Harmony since June 1997. Mr. Dippenaar has 16 years' commercial and financial experience. He was Managing Director of The Grootvlei Proprietary Mines Limited and East Rand Proprietary Mines Limited from 1996 to 1997. Prior to 1996, Mr. Dippenaar served as Project Leader for the East Rand companies of Randgold Exploration Company in 1995 and Financial Manager of Beatrix Gold Mines Limited in 1994.

Thaddeus Steven Anthony Grobicki (51), BSc (Hons) (Geology) MSc (Minerals Exploration), Director, New Business, and Operations Director for Bissett. Mr. Grobicki has been a Director of Harmony since October 1999. Mr. Grobicki has 25 years' experience in the mining industry. He was a Chief Executive Officer of the WRCM and Kalgold from 1994 until October 1999.

Non-Executive Directors

Adam Robert Fleming (52), Non-executive Chairman of the Board. Mr. Fleming has been a Director and the Chairman of Harmony since October 14, 1999. Mr. Fleming was the non-executive chairman of WRCM and of Kalgold before the acquisition of these companies by Harmony.

Michael Frank Pleming (65), Pr Eng, FIMM, Non-executive Director. Mr. Pleming has been a Director of Harmony since September 1998. Mr. Pleming has 30 years mining and 14 years' mining investment experience.

Lord Renwick of Clifton (62), KCMG, Non-executive Director. Lord Renwick has been a Director of Harmony since October 1999. Lord Renwick was in the diplomatic service, *inter alia* as British ambassador to Pretoria and Washington, until his retirement in 1997. He is currently a director of the following public companies: British Airways Plc., Compagnie Financière Richemont AG, Billiton Plc., Fluor Corporation, South African Breweries plc, Robert Fleming Holdings SA Limited and Fluor Limited.

Gordon Sandile Sibiya (54), Pr Eng, BSc, BSc (Hons)(Elec. Eng), MSc (Elec. Eng), PhD (Nuclear Eng), Non-executive Director. Dr. Sibiya has been a Director of Harmony since July 2000. Dr. Sibiya is a director of several companies, including Afrox, Honeywell and Babcock Africa. Some of his accomplishments include leading the drafting South Africa's first White Paper on Energy Policy, as well as the Nuclear Safety and Gas Regulatory Bills, which have become legislation. Dr. Sibiya is also the chairman of the Science and Engineering Academy of South Africa, and has a firm of electrical consulting engineers.

Aidan Miller Edwards (63), RFEng, BSc (Eng) Met, DIC, PhD, Non-executive Director. Dr. Edwards has been a Director of Harmony since July 2000 and will assist with Harmony's product research and development initiatives. Dr. Edwards has been appointed to the Royal Academy of Engineering in the United Kingdom, and was recently the president of Mintex, the world-renowned minerals research and development institute. In the academic field, Dr. Edwards is engaged in consultation with five educational institutions. In addition, he has successfully promoted the MAP-educational program, which contributes to training in disadvantaged communities.

Secretary

Frederick William Baker (36), BCom(Law), Corporate Secretary. Mr. Baker has been the Secretary of Harmony since 1997. He has 16 years' legal and administrative experience.

Board of Directors Committees

In order to ensure good corporate governance, the Board of Directors has formed an Executive Committee, an Audit Committee, a Remuneration Committee and an Executive Health and Safety Committee. The Audit and Remuneration Committees are comprised of a majority of Non-executive Directors.

Harmony's Executive Committee comprises the executive directors and selected senior officers of Harmony, each with his own area of responsibility. The Executive Committee meets on a weekly basis to discuss and make decisions on the day-to-day operations of Harmony. The composition of the Executive Committee (with areas of responsibility indicated) is as follows:

Z. B. Swanepoel.................................	Chief executive
F. Abbott..	Finance

N. V. Armstrong................................	Exploration
R. A. L. Atkinson	Evander operations
G. P. Briggs	Ore reserves, Free State and Kalgold operations
F. Dippenaar......................................	Marketing
N. J. Froneman..................................	Randfontein operations
T. S. A. Grobicki	New business and Bissett operations
P. Kotze...	Randfontein operations
P. McKenna.......................................	New business
P. C. Pienaar......................................	Masimong, Unisel and Brand operations
F. R. Sullivan.....................................	Human resources

The Audit Committee monitors Harmony's control systems. Membership of the Audit Committee is as follows:

A. R. Fleming (chairman)

M. F. Pleming

G. S. Sibiya

The Remuneration Committee reviews the remuneration of directors and senior management. Membership of the Remuneration Committee is as follows:

A. R. Fleming (chairman)

A. M. Edwards

M. F. Pleming

Z. B. Swanepoel

The Executive Health and Safety Committee reviews adherence to occupational health and safety standards by Harmony. Membership of the Executive Health and Safety Committee is as follows:

M. F. Pleming (chairman)

Z. B. Swanepoel

R. A. L. Atkinson

G. P. Briggs

N. J. Froneman

P. Kotze

P. C. Pienaar

Item 11. ***Compensation Of Directors And Officers***

During the fiscal year ended June 30, 2000, the aggregate cash compensation paid or payable to the directors and executive officers of Harmony as a group was $3.6 million, including all salaries, fees, commissions and bonuses. An aggregate of $0.3 million was contributed during such period to provide pension, retirement or similar benefits for directors and executive officers of Harmony.

Item 12. ***Options to Purchase Securities from Registrant or Subsidiaries***

Share options exercised by the executive directors during fiscal 2000 are detailed in the table below:

Name	Number of options exercised	Average option exercise price (Rand)
Z. B. Swanepoel...............................	116,600	16.50
F. Abbott..	60,000	15.60
F. Dippenaar.....................................	60,000	15.60

Share options outstanding at November 13, 2000 and held by directors and executive officers were as follows:

Name	Options to Purchase ordinary shares	Average exercise price per share (Rand)	Expiration dates
Z. B. Swanepoel.......................	263,500	23.47	1/31/2010
F. Abbott..................................	180,000	24.63	1/31/2010
F. Dippenaar	180,000	24.63	1/31/2010
T. S. A. Grobicki......................	206,900	26.53	1/31/2010

Employee Share Option Scheme

Harmony has a share option scheme for its employees which, as of June 30, 2000, had a total of 9,731,043 ordinary shares reserved for issuance thereunder. The maximum number of share options that may be granted is equal to 10% of the outstanding Harmony ordinary shares on the date of the grant. The exercise price of each option granted under the scheme is set at the closing market price of Harmony's ordinary shares on the Johannesburg Stock Exchange on the day before the date of grant. Each option remains open for acceptance for 10 years after the date of grant, subject to the terms of the option scheme.

Options to purchase a total of 6,710,400 ordinary shares were outstanding on November 13, 2000, of which options to purchase 830,400 ordinary shares at a weighted average price of Rand 24.74 were held by directors and officers of Harmony. The exercise prices of the outstanding options range between Rand 11.70 and Rand 51.50 per share and they expire between January 11, 2005 and January 31, 2010. The non-executive directors do not hold any share options in Harmony.

Item 13. ***Interest of Management in Certain Transactions***

None of the directors, officers or major shareholders of Harmony or, to the knowledge of Harmony, their families, had any interest, direct or indirect, in any transaction during the last fiscal year or in any proposed transaction which has affected or will materially affect Harmony or its investment interest or subsidiaries, other than as stated below:

A. R. Fleming, T. S. A. Grobicki, P. McKenna and P. Kotze, as well as Lord Renwick of Clifton KCMG and Dr. N. V. Armstrong, all held, directly or indirectly, shares in WRCM and/or Kalgold. These shares converted into Harmony's ordinary shares upon Harmony's acquisition of these companies.

None of the directors or officers of Harmony or any associate of such director or officer is currently or has been at any time during the past three fiscal years indebted to Harmony.

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).

Arenaceous: said of a sediment or sedimentary rock consisting wholly or in part of sand-sized fragments or having a sandy texture or the texture of such a sediment or rock.

Arsenopyrite: a mineral compound of iron, arsenic and sulfur.

Auriferous: a substance that contains gold.

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

Carbon In Leach (CIL): a process similar to CIP (described below) except that the ore slurries are not leached with cyanide prior to carbon loading. Instead, the leaching and carbon loading occur simultaneously.

Carbon In Pulp (CIP): a common process used to extract gold from cyanide leach slurries. The process consists of carbon granules suspended in the slurry and flowing counter-current to the process slurry in multiple-staged agitated tanks. The process slurry, which has been leached with cyanide prior to the CIP process, contains solubilized gold. The solubilized gold is absorbed onto the carbon granules which are subsequently separated from the slurry by screening. The gold is then recovered from the carbon by electrowinning onto steel wool cathodes or by a similar process.

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. Working costs represent total operating costs less certain administrative expenses, royalties and depreciation. In determining the cash cost of different elements of the operations, production overheads are allocated pro rata.

Channel width: the total thickness of the entire reef unit to be mined, including internal waste, but excluding external waste.

Contained ounces: gold ounces from which neither extraction, dilution nor processing recovery losses have been deducted.

Crosscut: a mine working which is driven horizontally and at right angles to an adit, drift or level.

Cut and fill: a method of underground mining in which a stope is excavated and refilled with material (waste or tailings).

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

Cyanide leaching: the extraction of a precious metal from an ore by its dissolution in a cyanide solution.

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 tunneling) required to prepare for mining activities and maintain a planned production level and those costs to enable the conversion of mineralized material to reserves.

Doré: unrefined alloy consisting of 60 percent to 90 percent gold with lesser quantities of silver and base metals which will be further refined to almost pure gold by a smelter or refinery.

Electro-winning: the process of removing gold from solution by the action of electric currents.

Elution: removal of the gold from the activated carbon before the zinc precipitation stage.

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

Fabricated gold: gold on which work has been performed to turn it into a product, such as jewelry, which differs from a pure investment product, such as a gold bullion bar.

Faulting: the process of fracturing that produces a displacement of rock.

Fluvial: produced by the action of a stream or river.

Footwall: the underlying side of a fault, orebody or stope.

Forward contract: an agreement for the sale and purchase of an asset at a specified future date at a fixed price.

Forward purchases: an agreement for the purchase of gold at a specified future date at a fixed price.

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

Free milling: term applied to the process of recovering gold after grinding (milling) its host mineral to a predetermined particle size.

Gold reserves: the gold contained within proven and probable reserves on the basis of recoverable material (reported as mill delivered tons and head grade.)

Grade: the quantity of metal per unit mass of ore expressed as a percentage or, for gold, as ounces of gold per ton of ore.

Greenfield: a potential mining site of unknown quality.

Greenstone: a field term applied to any compact dark-green altered or metamorphosed basic igneous rock that owes its color to the presence of chlorite, actinolite or epidote.

Grinding: reducing mineralized rock to the consistency of fine sand by crushing and abrading in a rotating steel grinding mill.

Hanging wall: the overlying side of a fault, orebody or stope.

Head grade: the grade of the ore as delivered to the metallurgical plant.

Heap leaching: a low-cost technique for extracting metals from ore by percolating leaching solutions through heaps of ore placed on impervious pads. Generally used on low-grade ores.

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

Leaching: dissolution of gold from the crushed and milled material, including reclaimed slime, for absorption and concentration on to the activated carbon.

Level: the workings or tunnels of an underground mine which are on the same horizontal plane.

Lenticular: resembling in shape the cross section of a lens.

Littoral: of or pertaining to a shore.

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
1 kilometer	= 1 km	= 0.621371 miles
1 meter	= 1 m	= 3.28084 feet
1 centimeter	= 1 cm	= 0.39370 inches

Metallurgical plant: a processing plant used to treat ore and extract the contained gold.

Metallurgy: in the context of this document, the science of extracting metals from ores and preparing them for sale.

Mill delivered tons: a quantity, expressed in tons, of ore delivered to the metallurgical plant.

Milling/mill: the comminution of the ore, although the term has come to cover the broad range of machinery inside the treatment plant where the gold is separated from the ore.

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

Mineralization: the presence of a target mineral in a mass of host rock.

Mineralized material: a mineralized body which has been delineated by appropriately spaced drilling and/or underground sampling to support a sufficient tonnage and average grade of metals to warrant further exploration. Such a deposit does not qualify as a reserve until a comprehensive evaluation based upon unit cost, grade, recoveries, and other material factors conclude legal and economic feasibility.

Morphology: the form or shape of a crystal or mineral aggregate.

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

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

Ore grade: the average amount of gold contained in a ton of gold bearing ore expressed in ounces per ton.

Ore reserves: that part of mineralized 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 mineralized materials. Changes in reserves generally reflect:

- development of additional reserves;
- depletion of existing reserves through production;
- actual mining experience; and
- price forecasts.

Grades of ore actually processed may be different from stated reserve grades because of geologic variation in different areas mined, mining dilution, losses in processing and other factors. Recovery rates vary with the metallurgical characteristics and grade of ore processed.

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

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

Ounce: one Troy ounce, which equals 31.1035 grams.

Overburden: the soil and rock that must be removed in order to expose an ore deposit.

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.

Placer: a sedimentary deposit containing economic quantities of valuable minerals mainly formed in alluvial environments.

Precipitate: the solid product of chemical reaction by fluids such as the zinc precipitation referred to below.

Probable reserves: reserves for which quantity and grade and/or quality are computed from information similar to that used for proven reserves, but the sites for inspection, sampling, and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven reserves, is high enough to assume continuity between points of observation.

Prospect: an area of land with insufficient data available on the mineralization to determine if it is economically recoverable, but warranting further investigation.

Prospecting license: an area for which permission to explore has been granted.

Proven reserves: reserves for which: (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling; and (b) the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of reserves are well-established.

Put option: a contract which enables the owner to sell an asset at a specified price on or before a specified date.

Pyrite: a brassy-colored mineral of iron sulfide (compound of iron and sulfur).

Quartz: a mineral compound of silicon and oxygen.

Recovery grade: the actual grade of ore realized 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 mineralization for assay (to determine the mineral content).

Semi-Autogenous-Grinding (SAG) mill: a piece of machinery used to crush and grind ore which uses a mixture of steel balls and the ore itself to achieve communition. The mill is shaped like a cylinder causing the grinding media and the ore itself to impact upon the ore.

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.

Slimes: the finer fraction of tailings discharged from a processing plant after the valuable minerals have been recovered.

Slurry: a fluid comprising fine solids suspended in a solution (generally water containing additives).

Smelting: thermal processing whereby molten metal is liberated from beneficiated ore or concentrate with impurities separating as lighter slag.

Spot price: the current price of a metal for immediate delivery.

Stockpile: a store of unprocessed ore.

Stockwork: mineralized material consisting of a three-dimensional network of planar to irregular veinlets closely enough spaced that the whole mass can be mined.

Stope: the underground excavation within the orebody where the main gold production takes place.

Stripping: the process of removing overburden to expose ore.

Sulfide: a mineral characterized by the linkages of sulfur with a metal or semi-metal, such as pyrite, FeS_2 (iron sulfide). Also a zone in which sulfide minerals occur.

Syncline: a basin-shaped fold.

Tailings: finely ground rock from which valuable minerals have been extracted by milling.

Tailing dam/slimes dam: dams or dumps created from tailings or slimes.

Ton: one ton is equal to 2,000 pounds.

Tonnage: quantities where the ton 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.

Trenching: making elongated open-air excavations for the purposes of mapping and sampling.

Trend: the arrangement of a group of ore deposits or a geological feature or zone of similar grade occurring in a linear pattern.

Vertical projection: a vertical plane parallel with the strike or orebodies onto which geological features and mine workings are projected.

Waste: ore rock mined with an insufficient gold content to justify processing.

Yield: the actual grade of ore realized after the mining and treatment process.

Zinc precipitation: a chemical reaction using zinc dust that converts gold solution to a solid form for smelting into unrefined gold bars.

PART II

Item 14. ***Description of Securities to be Registered***

Not applicable.

PART III

Item 15. ***Defaults Upon Senior Securities***

Not applicable.

Item 16. ***Changes in Securities and Changes in Security for Registered Securities***

Not applicable.

PART IV

Item 17. ***Financial Statements***

Harmony’s financial statements have been prepared in accordance with Item 18 hereof.

Item 18. ***Financial Statements***

Reference is made to Item 19(a) for a list of all financial statements filed as part of this Annual Report.

Item 19. ***Financial Statements and Exhibits***

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*2.1 Memorandum of Association of Harmony.

*2.2 Articles of Association of Harmony.

*2.3 Agreement, dated August 1995, among Harmony, First Wesgold Mining (Proprietary) Limited and Randgold in respect of Preference Shares of First Wesgold.

*2.4 Harmony Share Option Scheme.

*2.5 Excerpts of relevant provisions of the South African Companies Act.

*2.6 Excerpts of relevant provisions of the Johannesburg Stock Exchange listing requirements.

*2.7 Service Agreement between Randgold and Harmony, dated April 18, 1996.

*2.8 Toll Milling Agreement between Unisel and St Helena Gold Mines Limited dated January 1980.

**2.9 Deposit Agreement among Harmony, The Bank of New York as Depository, and owners and holders of American Depository Receipts, dated as of August 12, 1996, as amended and restated as of October 2, 1996, as further amended and restated as of September 15, 1998.

**2.10 Unisel circular dated July 19, 1996.

**2.11 The Vermeulenskraal Noord Mineral Rights acquisition agreement dated September 16, 1996.

**2.12 Lydex circular dated December 12, 1996.

**2.13 The Randex Participation Rights and Shares acquisition agreement dated February 19, 1997.

**2.14 Increase of authorized capital circular dated February 25, 1997.

**2.15 The Saaiplaas acquisition agreement effective April 1, 1997.

**2.16 Circular dated April 25, 1997 relating to amendments to the Harmony Share Option Scheme.

**2.17 Grootvlei circular dated April 18, 1997.

**2.18 Cons Modder circular dated May 19, 1997.

†2.9 Agreement between Free State Consolidated Gold Mines (Operations) Limited and Harmony, dated April 6, 1998.

†2.20 HGCL Purchase of Assets from KPMG Inc. solely in its capacity as Court Appointed Receiver and Manager of the Undertaking, Property and Assets of Bissett Gold Mining Company Limited, dated June 16, 1998.

†2.21 Agreement between Harmony and Gold Fields Limited, dated June 24, 1998.

†2.22 Agreement between Free State Consolidated Gold Mines (Operations) Limited and Harmony, dated September 21, 1998.

2.23 Agreement between Harmony, Western Areas Limited, Consolidated African Mines Limited, JCI Gold Limited and Roger Brett Kebble, dated January 14, 2000.

2.24 Agreement between Harmony and Castillo Investments (Proprietary) Limited, dated January 14, 2000.

2.25 Agreement between Harmony and Durban Roodepoort Deep, Limited, dated January 14, 2000.

2.26 Agreement between Harmony and Durban Roodepoort Deep, Limited, dated January 14, 2000.

2.27 Agreement between Harmony and Rangold & Exploration Company Limited, dated January 14, 2000.

2.28 Agreement between Harmony and Rangold & Exploration Company Limited, dated January 14, 2000.

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* Incorporated by reference to Harmony's Registration Statement (File No. 0-28798) on Form 20-F.

** Incorporated by reference to Harmony's Annual Report on Form 20-F for the fiscal year ended June 30, 1997.

*** Incorporated by reference to Post-Effective Amendment No. 1 to Harmony's Registration Statement (File No. 333-5410) on Form F-6.

† Incorporated by reference to Harmony's Annual Report on Form 20-F for the fiscal year ended June 30, 1998.

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, Harmony certifies that it meets all of the requirements for filing on Form 20-F and has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

HARMONY GOLD MINING COMPANY LIMITED

By: __________________________
F. Abbott
Financial Director

By: __________________________
F.W. Baker
Company Secretary

Date: