UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20–F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended June 30, 1999

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____________ to

Commission file number 0-28798

HARMONY GOLD MINING COMPANY LIMITED
(Exact name of Registrant as specified in its charter
and translation of Registrant's name into English)

SOUTH AFRICA
(Jurisdiction of incorporation or organization)

P.O. BOX 1, GLEN HARMONY, SOUTH AFRICA, 9435
(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
None	

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

Ordinary Shares, Rand 50 cents par value per share
(Title of Class)

American Depositary Shares
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

As of June 30, 1999, the Registrant had outstanding 69,460,286 ordinary shares, par value 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.

617369

☒ Yes ☐ No

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

☐ Item 17 ☒ Item 18

HARMONY GOLD MINING COMPANY LIMITED
ANNUAL REPORT ON FORM 20-F

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Preparation of Financial Information

Harmony Gold Mining Company Limited is a South African company and substantially all of its operations are located there. Accordingly, its books of accounts are maintained in South African Rand. The Company's financial statements are prepared in United States Dollars and in accordance with generally accepted accounting principles in the United States. All references to "Dollars" or "$" herein are to United States Dollars, and references to "Rand" or "R" are to South African Rand.

Glossary of Terms and Explanations

Bissett:	The Bissett gold mine in the province of Manitoba, Canada, owned by the Company through its wholly-owned subsidiary, Harmony Canada.
Brand:	The numbers 2, 3 and 5 shafts of the former President Brand gold mine. These shafts are contiguous to the Company's Free State operations.
Cash costs:	Cash costs are working costs adjusted to exclude management fees charged and changes in the provision for environmental rehabilitation.
Company or Harmony	Harmony Gold Mining Company Limited.
Cons Modder:	Consolidated Modderfontein Mines Limited, previously a wholly-owned subsidiary of the Company and its subsidiaries, Consolidated Modderfontein Mines 1979 Limited and Modderfontein Seventy-four (Proprietary) Limited.
Depletion:	The steadily declining quantity of ore in a deposit or property resulting from extraction or production.
East Rand operations:	The Grootvlei and Cons Modder mining authorization areas.
Evander:	Evander Gold Mines Limited, a wholly-owned subsidiary of the Company and its subsidiaries, Leslie Gold Mines Limited, Bracken Mines Limited, Winkelhaak Mines Limited, Evander Township Limited, Evander Township Development Limited, Salt Holdings Limited and Evander Stone Holdings (Proprietary) Limited.
Free State operations:	The Harmony, Unisel, Brand, Masimong and Saaiplaas mining authorization areas.
Grade:	The quantity of gold contained within gold–bearing material generally expressed in ounces per ton of ore.

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Grootvlei:	The Grootvlei Proprietary Mines Limited, previously a wholly-owned subsidiary of the Company.
Group:	The Company and its subsidiaries.
Harmony Canada:	Harmony Gold (Canada) Incorporated, a wholly-owned subsidiary of the Company incorporated in the Yukon Territory, Canada.
Harmony Warrants:	Warrants exercisable at a price of Rand 60.0 on or before July 31, 2001.
In-situ deposit:	Reserves still in the ground.
Kalgold	Kalahari Goldridge Mining Company Limited, a wholly-owned subsidiary of the Company, held largely through WRCM.
La Riviera:	La Riviera (Proprietary) Limited, a wholly-owned subsidiary of the Company.
Lydex:	Lydenburg Exploration Limited, a wholly-owned subsidiary of the Company and its subsidiaries, Potchefstroom Gold Areas Limited, Potchefstroom Gold Holdings (Proprietary) Limited, Trodex Platinum (Proprietary) Limited, Portions 1 and 3 Wildebeestfontein (Proprietary) Limited and Remaining Extent and Portion 15 Wildebeestfontein (Proprietary) Limited.
Masimong:	A mining authorization area, previously known as the "Erfdeel" lease area, comprising Saaiplaas 4 and 5 shafts, together with a metallurgical plant and related infrastructure, as well as an area known as the "ML Block," situated to the north of the Company's Saaiplaas area.
Metallurgical Plant:	A processing plant erected to treat ore and extract gold contained within the gold-bearing material.
Ore reserves:	That part of a mineral deposit which at the time of the reserve determination could be economically and legally extracted or produced. Gold ore reserves stated in this Annual Report reflect estimated quantities and grades of gold in-situ and surface deposits that the Company believes can be exploited and sold at prices sufficient to recover the estimated future cost of production. The cost of production is based on current and projected total costs.

Ore reserves are reported as general indicators of the life of mineral deposits. Changes in reserves generally reflect:
(i) development of additional reserves;
(ii) depletion of existing reserves through production;
(iii) actual mining experience; and
(iv) price forecasts.

Grades of ore actually processed from time to time 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 mineral deposits nor of the profitability of future operations.

Probable reserves:	Reserves for which quantity and grade and/or quality are computed from information similar to that used for proven (measured) reserves, but the distances for inspection, sampling and measurement are further apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven (measured) reserves, is high enough to assume continuity between points of observation.
Proven reserves:	Reserves for which: (i) 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 (ii) 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.
Randgold:	Randgold & Exploration Company Limited and its wholly-owned subsidiary, First Wesgold Mining (Proprietary) Limited.
Reef:	A gold-bearing sedimentary horizon, normally a conglomerate band, that may contain economic levels of gold.
Refining:	The final purification process of a metal or mineral.
Rehabilitation:	The process of restoring mined land to a condition approximating its original state to a greater or lesser degree. Rehabilitation standards are

determined by the South African Department of Minerals and Energy and address ground and surface water, topsoil, final slope gradients, waste handling and revegetation issues.

Saaiplaas:	The Saaiplaas mining authorization area to the north of the Company's original lease area, but excluding an area known as the "ML Block" (see "Masimong").
Shaft:	An opening cut downwards from the surface 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 a cage in the shaft. A shaft generally has more than one compartment.
Smelting:	A metallurgical operation in which gold is further separated from impurities.
Stope:	Underground production working area.
Tailings dam:	A dam or dump created from processed ore after the economically recoverable gold has been extracted.
Tonnage:	Quantities where the ton 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.
Unisel:	Unisel Gold Mines Limited, a wholly-owned subsidiary of the Company.
Virginia Salvage:	Virginia Salvage (Proprietary) Limited, a subsidiary of the Company which is involved in reclamation of redundant and re-usable materials and disposal of surplus assets of the Company.
WRCM	West Rand Consolidated Mines Limited, a wholly-owned subsidiary of the Company, and its subsidiaries West Rand Consolidated Exploration (Proprietary) Limited, Kalahari Goldridge Mining Company Limited, Kunana Mining Company (Proprietary) Limited, Kwazulu Gold Mining Company (Proprietary) Limited, Venda Gold Mining Company (Proprietary) Limited, Cogent (Proprietary) Limited and Swaziland Gold (Proprietary) Limited.
Working costs:	Working costs represent:

(i) production costs directly associated with processing gold; and
(ii) selling, administration and general charges related to the operation of the mine, excluding amortization charges.

Yield: The amount of recovered gold from production, generally expressed in ounces per ton of ore.

PART I

ITEM 1. DESCRIPTION OF BUSINESS.

The "Description of Business" is addressed in the following sections:

Section A: Description of the Company

Section B: Description of Subsidiary Companies

Section C: Risk Factors

Section D: Description of Process

Section E: Financial and Operational Information

Private Securities Litigation Reform Act Safe Harbor Statement.

This Annual Report (including the documents incorporated by reference herein) contains certain forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) and information relating to the Company that are based on the beliefs of the management of the Company, as well as assumptions made by and information currently available to the management of the Company. When used in this Annual Report, the words "estimate," "project," "believe," "anticipate," "intend," "expect" and similar expressions are intended to identify forward-looking statements. Such statements reflect the current views of the Company with respect to future events and are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. For a discussion of such risks, see "—Section C: Risk Factors." Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Section A: Description of the Company

The Company was incorporated and registered as a public company in South Africa on September 11, 1954 and operates under the South African Companies Act. The Company and its subsidiaries are involved in gold mining and related activities, exploration, mineral and participation rights and property ownership. The Group has thirteen operating shafts in the Free State province of South Africa, five operating shafts at Evander in the Mpumalanga province of South Africa, an opencast mine in the North West province of South Africa and a mine in the Manitoba province of Canada. Surface sources are treated at all South African operations. Ore from the shafts and surface material are treated at eight metallurgical plants (three in the Free State, one in the North West province, one in Canada and three at Evander). A refinery was commissioned during the 1997 fiscal year in the Free State province. The Company received regulatory approval in 1997 to market its own gold, a function which was previously the sole preserve of the South African Reserve Bank.

The Company now markets its various gold products through Brandeis, Hauk and Partner GmbH, a German metals and commodities firm, that focuses on retail markets, mainly the Indian and Asian markets.

The Company formulated a growth strategy in 1995 in order to expand from a lease-bound mining operation into an independent world-class gold producer. The strategy focuses on the acquisition of producing mines and turning those mines into profitable business units by introducing the Company's low-cost mining methods.

In terms of acquisitive growth, the Company has targeted producing mines which offer turnaround opportunities, while improving the overall quality and volume of the Group's production profile. The Company has been successful with its acquisitions to date, as evidenced by the increase in production output from 590,000 ounces in fiscal 1996 to almost 1.3 million ounces in fiscal 1999.

In terms of its strategy, the Company has acquired the following major assets and subsidiaries since September 1996:

Acquisition	***Reserve ounces (million/oz)***
Unisel	1.6
Saaiplaas	1.4
Brand	1.5
Bissett	0.6
Evander	10.5
Masimong	1.2
WRCM/Kalgold	1.4

The Company intends to continue expanding by acquiring quality mining assets. Management believes that the restructuring of the South African gold mining industry has not yet been completed and will therefore offer opportunities for further acquisitions in South Africa in the future. The

Company extended its growth strategy to encompass international assets with the acquisition of Bissett, its first operative offshore venture. The reduction in the gold price over the past few years offers additional offshore acquisition opportunities, which the Company also intends to pursue actively in the future.

Once an operation has been acquired, the Harmony management principles are introduced in order to extend the Company's low-cost mining methods to these operations. These principles are termed the "Harmony way" and comprise a focus on total costs, upgrading the orebody through the Company's successful ore reserve management system and empowering management teams.

While recognizing the importance of reducing cash operating costs, the Company focuses on reducing total costs. Total costs have been reduced from $360 per ounce in fiscal 1995 to approximately $240 in fiscal 1999. The intention is to keep total costs below the international average which is currently approximately $250 per ounce. The Company'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 the average recovery grade from 0.092 ounces per ton in fiscal 1995 to 0.150 ounces per ton in fiscal 1999. Instead of merely surviving at current gold price levels, this has enabled the Company to grow. The Company's reserves have also increased significantly from approximately 8 million ounces in 1996 to in excess of 24million ounces. One of the critical success factors has been the flattening of the management structure at operating units by removing excess layers of management. The deployment at operating units of multi-disciplinary management teams (comprising mining, engineering, finance, ore reserves and human resources specialists) who report directly to the Board of Directors, has resulted in greater flexibility, innovation and quicker decision-making.

The Company disposed of its interests in Grootvlei and Cons Modder during fiscal 1999, as these operations consumed a disproportionate amount of management time in relation to the returns generated from their operations.

WRCM

The Company acquired WRCM upon the issuance of 6,416,150 of the Company's ordinary shares valued at $29.7 million, at an exchange ratio of 35.71 Harmony ordinary shares for every 100 WRCM ordinary shares, effective July 1, 1999. WRCM is the holding company of Kalgold, an opencast gold producer. WRCM, through West Rand Consolidated Exploration (Proprietary) Limited, is also actively engaged in exploration activities.

Kalgold

Simultaneous with its acquisition of WRCM, the Company acquired Kalgold upon the issuance of 4,450,411 of the Company's ordinary shares valued at $20.0 million, at an exchange ratio of 7.66 Harmony ordinary shares for every 100 Kalgold ordinary shares. Kalgold was largely held by WRCM and the Company acquired all those shares in Kalgold not held by WRCM effective July 1, 1999. Kalgold has extensive mineral rights in the North West province of South Africa on the Kraaipan greenstone belt and operates an opencast mine in that province.

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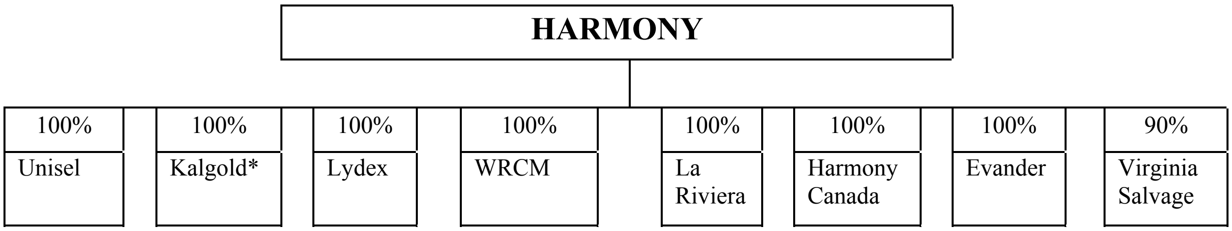
Group Structure

The following chart sets forth the organizational structure of the Group as of December 1, 1999:



*Kalgold is held 56.6% by WRCM and 43.4% by Harmony.

Section B: Description of Subsidiary Companies

Unisel

Unisel operated a single shaft in the Free State province of South Africa until September 9, 1996, when the business, assets and liabilities of Unisel were sold to the Company at book value as a going concern. Unisel has not engaged in business since September 9, 1996 and the Unisel shaft has been integrated into the Group's operations in the Free State province of South Africa.

Lydex

Lydex is an exploration and mineral holding company with interests in various South African and African mining and minerals projects.

La Riviera

La Riviera's sole asset is a property, on which a golf course is situated, in the town of Virginia in the Free State province of South Africa. La Riviera receives a nominal rental from the local golf club.

Harmony Canada

Harmony Canada was incorporated in the Yukon Territory of Canada in February 1998 to acquire the Bissett gold mine in the Manitoba province of Canada from the court-appointed receiver of Bissett Gold Mining Company Limited. The acquisition was finalized on June 16, 1998.

Evander

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Evander is an amalgamation of four gold mining companies which operated gold mines in the Mpumalanga province of South Africa near the towns of Leslie, Kinross and Evander. Evander is engaged in gold mining from underground and surface reserves and related activities including extraction, processing and smelting.

Virginia Salvage

Virginia Salvage operates the Company's reclamation business in the Free State province of South Africa and undertakes, as agent, the sale of redundant equipment and assets on behalf of the Company.

WRCM

The Company acquired WRCM, effective July 1, 1999. WRCM is one of the oldest mining companies in South Africa. Its mining activities ceased in 1995 and its lease area is under tribute to Durban Roodepoort Deep, Limited. No mining activities have taken place in the lease area due to the current low gold price environment. WRCM has extensive South African gold exploration projects and now acts as the Group's exploration arm. It also holds a substantial (56.6%) interest in Kalgold.

Kalgold

The Company acquired Kalgold, effective July 1, 1999. Kalgold operates an opencast gold mine in the North West province of South Africa, where it currently produces approximately 100,000 ounces of gold per year. Kalgold furthermore controls extensive mineral rights on the Kraaipan greenstone belt in the North West province.

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Section C: Risk Factors

The following are factors that are likely to have an effect upon the results and financial conditions of the Group.

Ore Reserves

The ore reserve figures presented in Items 2 and 9 are estimates and no assurance can be given that these reserves will continue to be economically feasible to extract, process, smelt and refine. These figures have been prepared in accordance with industry practice. Reserve estimates, however, may require revisions based on actual production experience. Further, a sustained decline in the market price of gold may render ore reserves containing relatively lower grades of gold mineralization uneconomic to recover, thereby eroding the Company's ore reserve base. See "— Gold Price Volatility." The Company adheres to the Australasian Code for reporting of Identified Mineral Resources and Ore Reserves (JORC 1996). In terms of the Australasian Code, ore reserves are stated at a specific date according to factors such as the gold price and exchange rate on that day. Reserves may therefore fluctuate over time as a result of changes in the price of gold and/or exchange rates.

Gold Price Volatility

The market price of gold has a significant effect on the results of Group operations, the Group's ability to pay dividends and undertake capital expenditure, and the market price of the shares of the Company.

Gold prices have historically fluctuated widely and are affected by numerous industry factors over which the Group does not have any control, including international economic trends, currency exchange fluctuations, expectations of inflation, speculative activities, consumption patterns (such as the purchase of gold jewelry and gold coin programs), purchases and sales of gold bullion holdings by central banks or other large gold bullion holders or dealers and global or regional political events. The aggregate effect of these factors, all of which are beyond the control of the Group, is impossible for the Company to predict. There can be no assurance that in the future gold will continue to serve as a significant monetary benchmark.

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The volatility of gold prices is illustrated in the following table, which shows the annual high, low and average of the London PM fix for the past ten years:

	PRICE PER OUNCE (U.S.$)		
YEAR	**High**	**Low**	**Average**
1989	416	356	381
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	416	367	391
1997	368	283	331
1998	315	271	294
1999 (through December 1, 1999)	340	252	277

It is management's policy, as a general rule, to sell the Group's production at market prices to obtain the maximum benefit from prevailing gold prices and not to enter into forward sales, derivatives or other hedging arrangements that establish a price in advance for the sale of the Group's future gold production. As a result, the Group's profitability is exposed to and significantly affected by fluctuations in the current price of gold and the Rand/Dollar exchange rate in world markets. However, the Group may secure gold prices and/or currency exchange rates by entering into forward sales contracts to secure its revenue stream during a period of high capital expenditure related to a specific project or while restructuring operations. If gold prices should decline below the Group's cash costs of production and remain at such levels for any sustained period, the Group could be forced to reduce levels of production or, in extreme circumstances, to cease production.

Potential Problems in Integration of Operations

The integration of acquired subsidiary companies and operational assets, whether such subsidiary companies or assets operated independently or were managed by third parties, into the Group requires significant management time and attention. The successful integration of such subsidiaries and assets is considered to be of vital importance, as the Company pursues a strategy of acquiring underperforming assets and turning those into profitable business units by applying its low-cost mining skills to such acquisitions. Difficulties or time delays in achieving successful integration could therefore have a material adverse effect on the Company's business, operating results, financial condition and stock price.

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Mining Risk and Insurance

The business of gold mining by its nature involves significant risks and hazards, including environmental hazards, industrial accidents, discharge of toxic chemicals, fire, drought and flooding. In particular, hazards associated with deep level mining include, but are not limited to, rock bursts, seismic events, underground fires, cave-ins, flooding, accidents and other conditions involved in drilling, blasting and removing and processing material from a deep level mine. The occurrence of any of these hazards can delay production, increase production costs and result in liability to the operator of the mines. The Group 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. Each of the companies in the Group has third party liability coverage for most potential liabilities, including environmental liabilities, except that in the case of pollution, the damage must not be gradual. Coverage over the Group's property would, however, be limited to insured assets only. Although the Group 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, it believes that the current insurance coverage within the overall philosophy and constraints of the insurance market, is adequate.

Labor Relations

A significant number of South Africa's workers belong to either registered or unregistered trade unions, and most of the major industries are unionized. The Group currently employs and contracts approximately 22,000 people. Approximately 80% of the employees are members of South Africa's registered or unregistered trade unions. Significant labor disruptions could have a material adverse effect on the results and financial condition of the Group.

Environmental Regulation

Mining companies are required by law to submit Environmental Management Program Reports ("EMPRs") to the Department of Minerals and Energy. EMPRs identify the individual rehabilitation issues and must also be approved by other South African government departments including, but not restricted to, the Department of Water Affairs and Forestry. These departments may impose restrictive conditions on the operations of mining companies.

The requirements imposed upon mining companies to ensure environmental restitution are currently under review and it is possible that the adoption of 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 will result in additional costs and liabilities to the Group. Harmony does not insure against environmental liabilities other than through third party liability coverage.

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The Minerals Act, the regulations to the Minerals Act, certain other environmental legislation and administrative policies of the South African government all regulate the impact of prospecting and mining operations on the environment. The principal object of these regulations is to ensure a proper balance between the economic benefits of prospecting and mining operations and their impact on the environment by, for example, requiring the rehabilitation of land and the surface of land affected by prospecting or mining activities upon cessation of such activities.

Upon the suspension, cancellation, abandonment or lapsing of a prospecting permit or mining authorization, the holder remains liable for compliance with the provisions of the Minerals Act, including any rehabilitation obligations under the Minerals Act. This liability continues until such time as the Department of Minerals and Energy certifies that the provisions of the Minerals Act have been complied with.

While the Company believes it is currently in substantial compliance with all material environmental laws and regulations to which its South African operations are subject, there can be no assurance that it will not in the future 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 the Company's results and financial condition. 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 Company believes that its current provision for compliance with such legislation is reasonable. Any future changes and development in environmental regulation, however, may adversely affect the Company's operations.

Political Risks

South Africa has been transformed into a democracy over the past five years, with a successful second round of democratic elections held during fiscal 1999. Management 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, however, impact on the operations and profits of the Company. In this regard, the Government has published a white paper on minerals policy, which has at aim the ultimate ownership by the South African Government of mineral rights; however, with an undertaking that current operations and reserves required for such operations would not be affected.

Inflation

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The Group's operations have not in recent years been materially affected by inflation, although the Group is unable to control the prices at which it sells its gold (except to the limited extent that it enters into forward sales contracts which may or may not be advisable). Nonetheless, 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 upon the Group's results and financial condition.

Dividend Policy

It is the policy of the Board of Directors to declare and pay cash dividends if funds are available for that purpose which will depend on a variety of factors, including the amount of cash available, the Group's capital expenditures and other cash requirements existing at the time. No assurance can be given that cash dividends will be paid in the future.

Currency Considerations

Dividends or distributions with respect to the Company's ordinary shares have historically been paid in Rand. The U.S. Dollar equivalent of any dividends or distributions with respect to the Company's ordinary shares will be adversely affected by reductions in the value of the Rand against the U.S. Dollar. Sustained Rand weakness could have an inflationary effect.

Gold is sold throughout the world principally based on the U.S. Dollar price, but the operating expenses for the Group are incurred principally in Rand. Any significant and sustained appreciation of the Rand against the Dollar would serve to materially reduce the Company's revenues.

Since the determination of the exchange rate of the Rand is primarily tied to market forces, its value at any time cannot be considered a true reflection of underlying value so long as exchange controls exist. The Government of South Africa has indicated its intention to lift exchange controls over time, but there is no assurance when or if this will occur or its impact on the future value of the Rand.

Dilution

As of December 1, 1999, the Company had an aggregate of 180,000,000 ordinary shares authorized to be issued and at that date an aggregate of 80,882,304 ordinary shares were issued and outstanding. In addition to the Harmony Warrants (of which there are 7,579,900 issued and outstanding), the Company also has a securities option plan authorizing an aggregate of 8,088,230 ordinary shares to be issued, of which the Company had issued and outstanding at December 1, 1999 options to purchase a total of 3,752,900 ordinary shares at exercise prices of between R11.70 and R51.50. As a result, shareholders' equity interests in the Company are subject to dilution to the extent of future exercises of these options and warrants.

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Year 2000 Compliance

Similar to other organizations, the Group recognizes the potential dangers and inherent problems relating to the advent of the Year 2000. The "Year 2000" issue affects computer and information technology ("IT") systems, as well as non-IT systems which include embedded technology such as micro-processors and micro-controllers (or micro-chips) that have date-sensitive programs that may not properly recognize the Year 2000. Systems that do not properly recognize such information could generate inaccurate data or cause a system to fail, resulting in business interruption. The Company has, as a result, developed a plan of action which is expected to minimize any negative impact of the Year 2000. Although the Company has taken steps to address the Year 2000 issue, there can be no assurance that the failure of third parties with whom the Company conducts business to timely attain Year 2000 compliance or that the impact of broader compliance failures by telephone, mail, data transfer or other utility or general service providers or government or private entities will not have a material adverse effect on the Group. See "Item 9. Management's Discussion and Analysis of Financial Condition and Results of Operations — Year 2000 Compliance."

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Section D: Description of Process

Underground Mining

Mining takes place on gold-bearing reefs. Access from the surface to the current underground workings of the mines is through 18 producing shafts, which are used for the conveyance of personnel, and the pumping and hoisting of ore and material.

Mining on the reef takes place in stope panels. Holes are drilled into the solid rock and are charged with explosives and blasted. The blasted rock is removed from the stope panels and trammed to the different shafts, hoisted to the surface and conveyed to the metallurgical plants for gold extraction.

Surface Mining

The Company's surface mining operations consist of the removal and conveying of tailings material to the metallurgical plants, as well as clean-up projects where gold is recovered from areas previously involved in processing, such as metallurgical plants. The content of tailings dams deposited in years when the technology for gold extraction was not as advanced, is reclaimed and pumped to the metallurgical plants for gold extraction.

Opencast Mining

The Company's opencast mining operations consist of the removal of overburden (non-gold bearing surface material down to the level of gold-bearing ore) in a defined area and excavating ore from a pit by means of blasting and hauling the ore by truck to the metallurgical facilities.

Metallurgical Plants and Process

There is a series of ore preparation processes that include crushing, screening and milling operations. The object of the ore preparation is to produce a finely-ground, gold-bearing material that can be leached in cyanide to transfer the gold from a solid state in the host material into solution. The gold-bearing solution is then loaded onto activated carbon and separated from the host material.

The carbon route involves the loading of the gold-bearing cyanide into the pores of the activated carbon followed by eluting (removing) the carbon in a hot caustic cyanide solution under pressure. The resultant gold-bearing solution passes into an electro-winning system with an inert anode and a stainless steel cathode. The gold plates onto the stainless steel and is washed off with a high pressure water hose and then is fed into the gold refining plant.

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At the Kalgold operations, use is also made of heap leach pads, where crushed ore is stockpiled and a gold-extracting solution sprayed over the ore dumps. The gold-bearing solution is then recovered for further conventional treatment.

The refining process comprises three unit operations, namely leaching, solvent extraction and precipitation to a gold powder of 99.99% purity.

Ore Reserve Management System

The Harmony ore reserve management system, which requires management to identify ore reserves that can be mined economically and to maintain sufficient controls on production and costs incurred at the mines, was implemented to improve the yield from the Group's mines. The system is comprised of a people component and a technical component. Functional disciplines of survey, geology and sampling are integrated under an ore reserve manager at each shaft/business unit. The ore reserves manager is a member of the shaft executive team and is responsible for reserve and resource identification, mining planning and monitoring and production reconciliation. Short interval control systems support dynamic planning and control, providing warnings if performance deviates from strategic and monthly objectives. Special emphasis is placed on understanding the geological models with respect to sedimentology, structure and economic geology. Blocking is done allowing the ore body to dictate the mining strategy. Grade cutoffs as opposed to pay limits are used, with the optimum cutoff being the grade at which profits are maximized given a specified mining rate, cost of production, gold price and recovery factor. Mining is planned such that monthly grades approximate the average grade of the reserve. The average grade of the reserve is determined by using an in-house designed program which calculates total profits, grade cutoff, and average grade above grade cutoff over the projected life of the ore body.

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Section E: Financial and Operational Information

The following summary of financial and operating information over the past three years for the Group excludes the results of Evander, Bissett and Masimong for 1997 and 1998 as they were acquired after fiscal 1998. The results for WRCM and Kalgold are also excluded as they were acquired after the end of the 1999 fiscal year. The results of Grootvlei and Cons Modder were included from fiscal 1997 until the date of their disposal, effective December 15, 1998.

	1999	1998	1997
Gold price received ($ average per ounce)	289	316	377
Financial ($'000)			
Revenues	381,412	249,536	267,627
Working costs	309,964	235,682	226,867
Depreciation and amortization	16,589	14,258	13,362
Impairment of assets	18,503	-	49,772
Loss on disposal of subsidiaries	1,124	-	-
Provision for former employees' post-retirement benefits	-	(2,596)	6,000
Interest paid	2,307	439	-
Employment termination costs	5,430	4,353	2,825
Profit/(loss) on sale of other assets and listed investments	(2,704)	4,549	-
Income/(loss) before taxes	30,199	(7,149)	(31,199)
Net Income/(loss)	27,908	(7,004)	(27,496)
Operations			
Overall			
Tons processed '000	8,592	7,538	7,547
Gold produced - ounces	1,285,931	766,890	678,830
Yield - ounces per ton	0.150	0.102	0.090
Cash cost - $ per ounce	242	309	335
Cash profit - $ per ounce	47	7	40
Underground			
Tons milled ('000)	8,289	5,916	5,941
Gold produced - ounces	1,274,774	730,174	661,243
Yield - ounces per ton	0.154	0.123	0.111
Cash cost - $ per ounce	243	320	341
Cash profit/(loss) - $ per ounce	46	(4)	35
Surface			
Tons treated - ('000)	303	1,622	1,606

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Gold produced - ounces	11,156	36,715	17,587
Yield - ounces per ton	0.037	0.023	0.011
Cash cost - $ per ounce	159	99	136
Cash profit - $ per ounce	130	214	279

ITEM 2. DESCRIPTION OF PROPERTY.

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. The Group controls mineral rights by way of ownership, claims and mining authorizations.

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. To this end, the South African Government has published a White Paper on Mineral and Mining Policy. The Government is investigating the feasibility of imposing disincentives intended to discourage the non-utilization of privately owned mineral rights, but such disincentives, as currently envisaged, will not apply in respect of areas where currently valid prospecting, retention or mining licenses are held. The Government has stated that it will be their policy to identify any barriers, economic and otherwise, to mineral exports and appropriate strategies for their removal will be devised. A possible mineral tax has been suggested to discourage long term hoarding of mineral rights. The long-term goal of the South African Government is to vest ownership of all minerals in the State; however, the Government has indicated that it does not intend to disrupt the mining industry by this process. It is not anticipated that this policy and upcoming legislation will have a material adverse effect on mining activities in South Africa.

The Group's operational mining areas comprise the Free State operations of 58,249 acres, the WRCM area of 397 acres, the Evander area of 97,926 acres, the Kalgold area of 5,259 acres and the Bissett area of 1,083 acres. The Group furthermore owns, controls or shares in mineral rights, which have not been brought to production.

In line with the rest of the South African mining industry, the Company took part in the process of rationalizing its mineral rights holdings. The Group accordingly over the past two years disposed of its shares in Weltevreden Mines Limited and its participation rights in Area One East, the Red River Ilmenite project and Kalkoenkrans. The Group will continue to investigate further disposals.

A brief description of the geology, together with a summary of ore reserves, follows hereunder:

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Geology

The Central Rand Group, which underlies the Group's producing operational areas in South Africa, is preserved in an oval-shaped basin measuring 180 miles by 90 miles and is situated centrally within the Witwatersrand Supergroup sedimentary basin. The Archean rocks consist of a dominantly sedimentary sequence of quartzites, conglomerates, shales and microlava, much of it buried beneath younger sediments and lavas. Gold-bearing conglomerate placers are tabular bodies, approximately 40 inches thick, that can be traced for hundreds of miles around the basin.

Mineralization at Bissett is hosted in veins and stockworks within a competent gabbro unit.

The Kalgold operations are situated on the Kraaipan greenstone belt, which is a typical gold-bearing greenstone formation.

Ore reserves

The information contained in the table hereunder was prepared by the Company's in-house ore resources department based on a gold price of 53,000/kg., or $273/oz. at an exchange rate of U.S. $1.00 = R6.038. Harmony conforms to the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC 1996). The exception to this rule is Evander, which is based on the terminology and definitions proposed by the Institution of Mining and Metallurgy (IMM) and used by the London Stock Exchange.

ORE RESERVE STATEMENT AS OF JUNE 30, 1999

	Proven reserves			**Probable reserves**			**Total reserves**		
	Tons (million)	Grade (oz/ton)	Gold oz (million)	Tons (million)	Grade (oz/ton)	Gold oz (million)	Tons (million)	Grade (oz/ton)	Gold oz (million)
FREE STATE OPERATIONS	37.37	0.22	8.08	11.22	0.21	2.36	48.59	0.21	10.44
EVANDER OPERATIONS	13.72	0.24	3.23	42.32	0.25	10.50	56.04	0.25	13.73
BISSETT OPERATIONS	0.66	0.24	0.16	1.40	0.25	0.35	2.06	0.25	0.51
TOTAL OPERATIONS	51.75	0.22	11.47	54.94	0.24	13.21	106.69	0.23	24.68

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ITEM 3. LEGAL PROCEEDINGS.

The Group is not a party to any material legal proceedings, nor is any of its property the subject of pending material legal proceedings.

ITEM 4. CONTROL OF REGISTRANT.

The Company is an independent gold producer, with no single shareholder exercising control.

As of December 1, 1999, the issued capital of the Company consisted of 80,882,304 ordinary shares. Furthermore, the Company has issued 7,579,900 Harmony Warrants, mostly in connection with the acquisition of Lydex and certain mineral rights.

To the knowledge of the Company, (A) the Company is not directly or indirectly owned or controlled (i) by another corporation or (ii) by any foreign government and (B) there are no arrangements, the operation of which may at a subsequent date result in a change in control of the Company. The Company is not aware of any individual or organization holding more than 10% of its issued share capital or warrants beneficially. The following sets forth, as of December 1, 1999, the total amount of ordinary shares beneficially owned by the directors and officers of the Company as a group:

Holder	Ordinary Shares	Percentage (%)
Directors and Officers (18 persons)	5,090496*	6.27

* Includes 361,000 ordinary shares which may be acquired upon the exercise of options under the Company's securities option plan within sixty days of December 1, 1999. See "Item 12. Options to Purchase Securities from Registrant or Subsidiaries."

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ITEM 5. NATURE OF TRADING MARKET.

The Company's ordinary shares are listed on the Johannesburg Stock Exchange, which currently constitutes the principal non-United States trading market for those shares, under the symbol "HARMONY." Since October 1996, the Company's American Depository Shares have traded in the United States on the Nasdaq National Market under the trading symbol "HGMCY" in the form of American Depository Receipts ("ADRs") . The ADRs are issued by The Bank of New York, as Depositary. Each ADR represents one American Depository Share. As of December 1, 1999, 2,917 record holders of the Company's ordinary shares, holding an aggregate of 14,986,916 ordinary shares (18.53%), were listed as having addresses in the United States. The Company's ordinary shares are also listed on the London, Paris and Brussels stock exchanges.

The high and low sales prices in Rand for the Company's ordinary shares on the Johannesburg Stock Exchange for the two most recent fiscal years and for the period through December 1, 1999 were as follows:

YEAR ENDED	QUARTER	ORDINARY SHARES	
		High	**Low**
June 30, 1998	Q1	23.50	15.00
	Q2	22.10	16.65
	Q3	17.50	9.00
	Q4	30.50	17.00
June 30, 1999	Q1	31.35	18.00
	Q2	33.00	24.85
	Q3	32.00	25.50
	Q4	37.50	26.65
June 30, 2000	Q1	40.20	21.00
	Q2	45.50	36.00

The high and low sales prices in Dollars for the Company's ADRs as reported by The Nasdaq Stock Market, Inc. for the two most recent fiscal years and for the period through December 1, 1999 were as follows:

YEAR ENDED	QUARTER	ADR	
		High	**Low**
June 30, 1998	Q1	5.13	3.19
	Q2	4.81	2.00
	Q3	3.59	1.81
	Q4	6.00	3.50
June 30, 1999	Q1	4.88	3.00
	Q2	5.75	4.25
	Q3	5.25	4.12
	Q4	6.25	4.47
June 30, 2000	Q1	6.56	3.69

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Q2	7.45	5.69

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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.

Although the exchange rate of the South African 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 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. 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 comments below relate to exchange controls in force at December 1, 1999. These controls are subject to change at any time without notice.

Government Regulatory Considerations

Generally, the making of loans to the Company or its subsidiaries, the ability of the Company and its subsidiaries to borrow from non-South African sources and the repatriation of dividends, interest and royalties by the Company will be regulated by the Exchange Control Department of the South African Reserve Bank (the "SARB").

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 share investment in a South African company and transfer the proceeds out of South Africa without restriction.

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.

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Where 75% or more of a South African company's capital, voting power 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. The Company is not, and has never been, designated an "affected person" by the SARB.

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 without first making good past losses. Moreover, in situations where a South African company has a calculated tax loss without a concomitant accounting loss, the SARB requires that a notional tax charge be deducted from current profits before the profit available for distribution to shareholders is determined.

Interest

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

Voting Rights

There are no limitations imposed by South African law or by the Articles of Association of the Company on the rights of non-South African shareholders to hold or vote the Company's ordinary shares or securities convertible into ordinary shares.

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ITEM 7. TAXATION.

OVERVIEW

The text below outlines the material tax consequences to U.S. shareholders of the Company under South African laws and regulations. Investors should consult a professional advisor as to the tax implications of their particular investments.

It has been assumed that the U.S. shareholders only own shares of the Company. Therefore, the only income items that will be received by the U.S. shareholders are dividends and proceeds on the sale of shares. It has further been assumed that the U.S. shareholders are not resident in South Africa for tax purposes.

The analysis below is based on the law in force in South Africa at December 1, 1999.

Withholding Taxes

There are no withholding taxes on dividend payments made to U.S. shareholders. A double taxation treaty signed by the U.S. and South African governments came into effect on January 1, 1998. However, in view of the absence of any withholding taxes on dividends under South African domestic law, the treaty has no effect in this area.

Income Taxes Relating to Shareholders

Normal tax ("income tax") in South Africa is levied on a source basis rather than a residence basis. Thus, any person, wherever he, she or it is resident, will generally be liable for income tax in South Africa if they derive "gross income" from a South African source or deemed source. Specifically excluded from gross income, however, is income of a capital nature. Additionally, an exemption from taxation is given to all dividend income. Dividend receipts by U.S. shareholders should thus not be subject to any South African income tax.

As income of a capital nature is not included in gross income, gains on the sale of shareholdings by U.S. shareholders should *prima facie* be free of South African income tax. The South African tax authorities will, however, look at the intention behind the ownership of a shareholding to determine whether the disposal gives rise to a capital (tax free) or revenue (taxable) profit.

INCOME AND MINING TAXES RELATING TO THE COMPANY

South African Income Tax

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Income and mining tax is levied in South Africa on income which is classified as being of a "revenue" nature. Income of a capital nature is not currently subject to tax. In respect of its gold mining profits, the Company is currently subject to a rate of tax calculated in accordance with the formula: $y=37-(185\div x)$, in which formula y represents the rate of mining tax and x represents the ratio expressed as a percentage which the taxable income derived from gold mining income bears to the income so derived. In 1995, gold mining companies could elect to pay a Secondary Tax on Companies ("STC") or be exempt from STC. The election made affects the rate of taxation applied to non-mining income as well as the formula used to calculate the rate of tax to be applied to gold mining income. The Company has elected to pay STC. Income tax on non–mining income is currently levied at the rate of 30%.

The following example illustrates the operation of the formula:

Income from gold mining operations	R200,000,000
Taxable income	R20,000,000

The x factor in the formula is therefore 10%.

The mining tax rate is therefore $Y = 37 - (185\div 10) = 18.5\%$.

The gold mining tax rate is therefore a progressive rate which takes into account the profitability of the particular gold mine. Where the x factor in the formula is less than 5%, no mining tax is payable.

Secondary Tax on Companies

The Company is currently liable to pay STC at a rate of 12.5% of the amount of net dividends declared during any dividend cycle for dividends declared after March 13, 1996. The tax is levied on the Company and does not constitute a withholding tax on dividends declared. The net amount of dividends is the excess of dividends declared by a company over the amount of dividends accrued to a company during a dividend cycle. A dividend cycle runs from date of declaration of a dividend to the date of declaration of the next dividend. Thus, STC will only indirectly affect U.S. shareholders, as it will be paid by the South African company under consideration when declaring a dividend. The Company did not have to pay STC as a result of dividends declared or paid during fiscal 1999 due to sufficient STC credits based on dividends received from non-STC paying subsidiaries.

Marketable Securities Tax, Uncertificated Securities Tax and Stamp Duty

Listed securities (shares and other marketable securities) purchased and sold through a stock broker are subject to marketable securities tax or, since June 1, 1999, uncertificated securities tax at a rate of 0.25% of the consideration paid. Where marketable securities tax is not payable, stamp duty is

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payable on the registration of transfer or acquisition of shares and other marketable securities at a rate of 0.25% of the consideration or market value for the transfer (whichever is higher).

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ITEM 8. SELECTED FINANCIAL DATA.

For the years ended June 30	1999 $'000	1998 $'000	1997 $'000	1996 $'000	1995 $'000
OPERATIONS					
Revenues	381,412	249,536	267,627	231,665	252,695
Equity losses	-	-	-	649	-
Income/(loss) before taxes	30,199	(7,149)	(31,199)	5,801	(1,692)
Net income/(loss)	27,908	(7,004)	(27,496)	3,625	(927)
Basic earnings/(loss) per share - cents	42	(14)	(71)	13	(3)
Cash dividends per share - cents	18	-	-	-	11

As of June 30	1999 $'000	1998 $'000	1997 $'000	1996 $'000	1995 $'000
FINANCIAL POSITION					
Cash and short-term investments	56,062	24,136	32,062	27,041	38,379
Other current assets	32,071	41,874	37,048	19,324	25,772
Property, plant and equipment - net	347,036	251,461	305,772	118,526	142,084
Other long-term assets	9,244	4,995	19,930	20,786	4,660
Total assets	444,413	322,466	394,812	185,677	210,895
Current liabilities	70,583	43,055	59,443	35,055	36,646
Provision for environmental rehabilitation	33,811	21,779	29,364	22,678	27,918
Deferred income and mining taxes	28,442	22,445	30,068	29,807	35,533
Provision for post-retirement benefits	5,793	3,756	7,702	-	-
Long-term loans	14,024	8,546	-	-	-
Shareholders' equity	291,760	222,885	268,235	98,137	110,798
Total liabilities and shareholders' equity	444,413	322,466	394,812	185,677	210,895

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ITEM 9. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

OVERVIEW

Harmony is an independent, gold mining and exploration entity engaged in gold mining from underground and opencast reserves, the treatment of surface reserves and related activities, including exploration, extraction, processing, smelting and refining.

The Company has continued its growth strategy, formulated in 1995, in order to expand from a lease-bound mining operation into an independent world-class gold producer. The strategy focuses on the acquisition of producing mines and turning those mines into profitable business units by introducing the Company's low-cost mining methods.

In terms of acquisitive growth, the Company has targeted producing mines which offer turnaround opportunities, while improving the overall quality and volume of the Group's production profile. The Company has been successful with its acquisitions to date, as evidenced by the increase in production output from 590,000 ounces in fiscal 1996 to almost 1.3 million ounces in fiscal 1999.

In terms of its strategy, the Company has acquired the following major assets and subsidiaries since September 1996 to date of this Annual Report:

Acquisition	***Reserve ounces (million/oz)***
Unisel	1.6
Saaiplaas	1.4
Brand	1.5
Bissett	0.6
Evander	10.5
Masimong	1.2
WRCM/Kalgold	1.4

The Company intends to continue expanding by acquiring quality mining assets. Management believes that the restructuring of the South African gold mining industry has not yet been completed and will therefore offer opportunities for further acquisitions in South Africa in the future. The Company extended its growth strategy to encompass international assets with the acquisition of Bissett, its first operating offshore venture. The reduction in the gold price over the past few years offers additional offshore acquisition opportunities, which the Company also intends to pursue actively in the future.

Once an operation has been acquired, the Harmony management principles are introduced in order to extend the Company's low-cost mining methods to these operations. These principles are termed the

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"Harmony way" and comprise a focus on total costs, upgrading the orebody through the Company's successful ore reserve management system and empowering management teams.

While recognizing the importance of reducing cash operating costs, the Company focuses on reducing total costs. Total costs have been reduced from $360 per ounce in fiscal 1995 to approximately $240 in fiscal 1999. The intention is to keep total costs below the international average, which is currently approximately $250 per ounce. The Company's 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 the average recovery grade from 0.092 ounces per ton in fiscal 1995 to 0.150 ounces per ton in fiscal 1999. Instead of merely surviving at current gold price levels, this has enabled the Company to grow. The Company's reserves have also increased significantly from approximately 8 million ounces in 1996 to in excess of 24 million ounces. One of the critical success factors has been the flattening of the management structure at operating units by removing excess layers of management. The deployment at operating units of multi-disciplinary management teams (comprising mining, engineering, finance, ore reserves and human resources specialists) who report directly to the Board of Directors, has resulted in greater flexibility, innovation and quicker decision-making.

Subsequent to the end of fiscal 1999, the Company acquired the WRCM/Kalgold group of companies. This acquisition will add approximately 100,000 ounces of gold production from opencast mining to the Group's annual production.

The Dollar gold price received by the Group continued to decline during fiscal 1999; however, the effects of this decline were alleviated by a significant decrease in the value of the Rand against the Dollar in the first quarter of fiscal 1999. The value of the Rand remained at this level for the balance of fiscal 1999.

The Company disposed of its entire shareholding in and claims against Grootvlei and Cons Modder effective December 15, 1998. The decision to dispose of these interests was taken in order to focus management time and attention on new acquisitions.

The Company currently employs and contracts approximately 22,000 people, approximately 80% of whom are members of South Africa's registered trade unions.

Revenues and profits are dependent on several factors, mainly the Dollar gold price, Rand/Dollar exchange rate, grade, tonnage, working costs and capital expenditure. The Dollar gold price and Rand/Dollar exchange rate are beyond the Company's control. The Dollar gold price and Rand/Dollar exchange rate are determined on international markets and are prone to sudden and unpredictable fluctuations.

Prospects

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The following factors will continue to have a direct impact upon the future profitability of the Company:

(a) Effective management of ore reserves and grade control.
(b) Successful integration of newly-acquired operations into the Company.

(c) Fluctuation of the gold price, currency exchange rates and local inflation rate.

The Group's profitability is exposed to fluctuations in the price of gold and the currency exchange rate in world markets. It is management's policy, as a general rule, to sell the Group's production at market prices to obtain the maximum benefit from prevailing gold prices and not to enter into forward sales, derivatives or other hedging arrangements which establish a price in advance for the sale of the Group's future gold production. The exchange rates obtained when converting Dollar-denominated proceeds from operations to local currency are set by foreign exchange markets, over which the Group has no control. Similarly, 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 upon the Group's results and financial condition.

Other factors relating to changes in the economic or political policies of the Government of South Africa may also materially affect, directly or indirectly, the future profitability of the Company, the Group's operations and any investments by United States nationals. These factors, among others, discussed in the paragraph above, are described in "Item 1. Description of Business. — Section C: Risk Factors."

RESULTS OF OPERATIONS

The following summary of financial and operating information over the past three years for the Group excludes the results of Evander, Bissett and Masimong for 1997 and 1998 as they were acquired after fiscal 1998 and those of WRCM and Kalgold for all three years, as they were acquired after the end of fiscal 1999.

Overview

The average Dollar spot price of gold and the Company's average Dollar sales price during the past three fiscal years were as follows:

	Year ended June 30, 1999	Year ended June 30, 1998	Year ended June 30, 1997
Dollar gold price (per ounce)			
Average	286	306	365
High	305	335	387

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Low	257	278	341
Company average sales price (per ounce)	289	316	377

The Company's average Dollar sales price differs from the average Dollar gold price due to the timing of sales within each year.
The Company's cash costs for the past three fiscal years were as follows:

	Year ended June 30, 1999	**Year ended June 30, 1998**	**Year ended June 30, 1997**
Working costs ($'000)	309,694	235,682	226,867
Adjustments for:			
Change in provision for environmental rehabilitation ($'000)	(989)	869	698
Total cash costs ($'000)	308,705	236,551	227,565
Cash cost per ounce ($)	240	308	335
Underground cash cost per ounce ($)	243	319	341
Surface cash cost per ounce ($)	159	99	136

Cash costs are affected by grade, inflation, the Rand/Dollar exchange rate, labor and overhead costs and the mix of underground and surface production.

Underground operations

Detailed below are the Group's operating and production results from underground operations for the past three fiscal years:

	Year ended June 30, 1999	**Year ended June 30, 1998**	**Year ended June 30, 1997**
Results of operations (Dollar)			
Revenues ('000)	369,500	228,300	248,800
Cash cost ('000)	306,900	233,000	225,200
Cash profit/(loss)	62,600	(5,000)	(23,600)

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Production			
Tons ('000)	8,289	5,916	5,956
Recovered grade (ounces/ton)	0.154	0.123	0.111
Gold produced (ounces)	1,274,774	730,174	661,243
Cash costs			
Per ounce of gold (Dollar)	241	319	341
Per ounce of gold (Rand)	1,459	1,560	1,487

The growth in all facets of the Company's underground production is the direct result of its strategy of carefully selected acquisitions and the Company's ability to reduce working costs.

Tons milled showed a significant increase in fiscal 1999 compared with fiscal 1998 due to the acquisition of Evander. This acquisition was also largely responsible for the 25% increase in recovered grade. Tons milled showed a slight decrease during fiscal 1998 over fiscal 1997 due to the Group's restructuring process with increased focus on mining higher-grade areas.

Surface operations

Detailed below are the Group's operating and production results from surface operations for the past three fiscal years:

	Year ended June 30, 1999	**Year ended June 30, 1998**	**Year ended June 30, 1997**
Results of operations (Dollar)			
Revenues ('000)	3,200	11,500	7,300
Cash cost ('000)	1,800	3,600	2,400
Cash profit ('000)	1,400	7,900	4,900
Production			
Tons ('000)	303	1,622	1,593
Recovered grade (ounces/ton)	0.037	0.023	0.011
Gold produced (ounces)	11,156	36,716	17,587
Cash costs			
Per ounce of gold (Dollar)	159	99	136
Per ounce of gold (Rand)	960	484	584

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Surface sources comprise clean-up projects where gold is recovered from areas previously involved in processing, such as metallurgical plants, as well as the re-processing of tailings dams.

During fiscal 1999, the Company reduced surface tonnages in order to maximize underground production. The Company completed the Merriespruit plant clean-up project which contributed to an increase in recovery grade and production of gold from surface sources in fiscal 1998 over fiscal 1997.

Employment termination costs

Employment termination costs during fiscal 1999 amounted to $5.4 million, mainly due to post-acquisition restructuring of the Evander operations. The Company paid $4.4 million for the termination of the services of approximately 1,700 employees during its restructuring in the second quarter of fiscal 1998 due to lower gold prices. Employment termination costs during fiscal 1997 amounted to $2.8 million following the acquisition of Unisel.

Interest and dividends received

Interest and dividend income was $8.0 million in fiscal 1999, as opposed to $2.0 million in fiscal 1998 and $11.1 million in fiscal 1997. The increase in fiscal 1999 compared with fiscal 1998 was due to the Group's higher average cash balances and an increase in short-term interest rates over the period. The decrease in fiscal 1998 compared with fiscal 1997 is due to a decrease in the Company's average cash balances.

Income and mining taxes

The table below indicates the effective tax rate over the past three years including normal and deferred tax:

Income and mining tax	**Year ended June 30, 1999**	**Year ended June 30, 1998**	**Year ended June 30, 1997**
(Benefit)/expense	7.6%	(2.0)%	(11.8)%

The deferred tax rate was reduced from 26.2% in fiscal 1997 to 24% in fiscal 1998 and 20.5% in fiscal 1999. This reduction was due to management's short-term view of the gold price and the effect thereof on the Group. The change in rate had the effect of reducing the deferred tax liability by $8.0 million in fiscal 1997, $2.2 million in fiscal 1998 and $5.9 million in fiscal 1999.

Impairment of assets

As a result of the significant decline in the price of gold, it was determined that certain mining assets at the Company's Free State operations had carrying values that exceeded the estimated future

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undiscounted cash flows that would accrue to the Company 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 resulted in an impairment loss of $18.5 million being recognized during fiscal 1999. No impairment of assets occurred during fiscal 1998. During fiscal 1997, the difference between the carrying value of Grootvlei and Cons Modder's assets and the net present value of estimated future cash flows expected to accrue from the continued use of those assets was written off. The impairment resulted from the significant decrease in the Dollar gold price and amounted to $25.3 million for Grootvlei and $22.4 million for Cons Modder. A further impairment of $2.1 million resulted from the abandonment of the Merriespruit South project due to uneconomical yields.

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Depreciation and amortization

Depreciation increased to $16.6 in fiscal 1999, compared with $14.3 million in fiscal 1998 and $13.4 million in fiscal 1997.

The increase in depreciation and amortization results from the inclusion of new acquisitions in the Company's consolidated financial statements.

Provision for former employees post-retirement benefits

The provision in 1997 for former employees' post-retirement benefits relates to medical benefits for retired employees. This amount is based on an actuarial valuation performed during fiscal 1997. The release of $2.6 million during the 1998 fiscal year was the result of certain amendments to the plan which reduced the Company's benefit obligations and resulted in a reduction of the provision required by the plan. No amounts were released from the provision or provided for former employees' post-retirement benefits in fiscal 1999.

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

During fiscal 1999, the Company disposed of its holding in the Area One East mineral rights as well as its shareholdings in Gold Fields Limited and its Molope "N" listed investments at a profit of $2.7 million. In fiscal 1998, the Company lost $4.5 million on the sale of an equity investment in Evander. This investment was made in fiscal 1997 in an earlier effort to acquire Evander.

Loss on disposal of subsidiaries

The Company disposed of its entire shareholding in and claims against Grootvlei and Cons Modder for a consideration of $14.9 million effective December 15, 1998. The purchase consideration was settled partly in equity and partly by way of a $5 million loan repayable in 21 monthly installments commencing March 1999 and resulting in a loss of $1.1 million.

Balance sheets

Substantially all of the Company's assets and liabilities are denominated in Rand. Their carrying values as of June 30, 1999 were therefore reduced in Dollar terms by the reduction of 2.0% in the value of the Rand against the Dollar compared with June 30, 1998. The increase in total current assets, property, plant and equipment and total current liabilities results from the consolidation into the Group of Evander, Masimong and Bissetts' assets and liabilities for the first time during fiscal 1999.

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LIQUIDITY AND CAPITAL RESOURCES

Cash resources

Cash and equivalents increased to $45.3 million at June 30, 1999, compared with $8.5 million during fiscal 1998. This was mainly due to cash generated from operations of $32.5 million during the fiscal year and $14.9 million brought into the Group by Evander. Cash and equivalents increased to $8.5 million during 1998 from $4.3 million in fiscal 1997 due to cash of $2.5 million generated from operations and a decrease in short-term and non-current investments.

The Company secured a $16.0 million credit facility with NM Rothschild & Sons Limited in fiscal 1999 in order to provide for the acquisition of Evander and Masimong; however, these acquisitions were funded from internally generated cash resources and the facility, which was not used, has since been cancelled.

The Company acquired Masimong from Freegold in September 1998. The purchase consideration was $18.3 million, settled by way of cash amounting to $11.2 million, with the balance to be paid in 15 equal monthly installments commencing January 31, 1999, bearing interest at a fixed rate of 10%. As of December 1, 1999, the outstanding balance was $2.0 million.

Effective June 1998, the Company, through its wholly-owned subsidiary, Harmony Canada, acquired out of receivership the Bissett Gold Mine in Manitoba, Canada. A part of the acquisition price was financed by Harmony with a loan from NM Rothschild & Sons Limited. The Company guaranteed the loan 100% and collateralized its shares in Harmony Canada for that purpose. The loan bears interest at LIBOR plus 1.75% and is repayable in two equal installments commencing June 2002. The interest rate in effect on June 30, 1999 was 6.5%. As part of the loan agreement, the Company issued 36,000 Harmony Warrants to N M Rothschild & Sons Limited. The outstanding amount of the loan as of December 1, 1999 was $8.5 million.

In order to avoid a drain on the Group's South African cash resources and to provide for the operating capital requirements of Bissett, Harmony Canada entered into a $6.8 million revolving credit facility with NM Rothschild & Sons Limited. Harmony Canada has pledged fixed and moveable assets as well as rights to mining production as security and collateral for this facility. The loan is repayable in quarterly installments commencing March 31, 2000 and bears interest at LIBOR plus 2.5%. The interest rate in effect on June 30, 1999 was 7.25%.

In connection with the acquisition of Bissett, the Company is required to enter into forward contracts for the sale of gold per year for fiscal years 1999 through 2001. See "Item 9A. Quantitative and Qualitative Disclosures about Market Risk."

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The authorized capital of the Company was increased from R37,500,000 divided into 75,000,000 ordinary shares of R0.50 each to R60,000,000 divided into 120,000,000 ordinary shares of R0.50 each in fiscal 1998 and, after the close of fiscal 1999, to R90,000,000 divided into 180,000,000 ordinary shares of R0.50 each.

Dividend policy

It is the policy of the Board of Directors to declare and pay cash dividends if funds are available for that purpose. The payment of dividends will depend on a variety of factors, including the amount of cash available, the Company's capital expenditures and other cash requirements existing at the time. The total dividend for fiscal 1999 amounted to $0.18 per share.

Capital expenditures

Capital expenditures approved for fiscal 1999 totaled $50.7 million, compared with $23.2 in fiscal 1998 and $9.4 million in fiscal 1997. The increase in capital expenditures in fiscal 1999 compared with fiscal 1998 is largely due to the Masimong acquisition as well as capital expenditures on the re-opening of the Bissett mine.

Provision for environmental rehabilitation

Mine properties must be rehabilitated upon closure. Mining companies are required by law to submit Environmental Management Program Reports ("EMPRs") to the Department of Mineral and Energy Affairs. 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.

While the ultimate amount of rehabilitation costs to be incurred in the future is uncertain, the directors have estimated that the total cost for the Group, in current monetary terms, will be $50.5 million. There can be no assurance, however, that such an estimate will reflect or proximate actual costs to be incurred.

The total accrual as of June 30, 1999, is made up as follows:	**$'000**
Total amount accrued, net of amount expended	33,811
Less: Amounts contributed to environmental trust funds and interest accrued thereon	6,741
	27,070

The amounts have been contributed to irrevocable trusts under the Company's control. The Group intends to fund the ultimate rehabilitation costs from the money invested in the trust funds as well as

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the proceeds on 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.

The shortfall between the $50.5 million estimated by the directors and the $33.8 million accrued as of June 30, 1999, will be accrued by the units of production method over the remaining proven and probable reserves of the Company in terms of the Company's accounting policies.

Inflation

Management does not believe that South African inflation materially impacts the performance and results of the Group, as the Group's revenues are derived in Dollars and its costs paid mainly in Rand. The devaluation of the Rand against the Dollar therefore offsets the effects of local inflation.

The average gold price per ounce received by the Company has shown a steady decline over the past three fiscal years, from $377 in fiscal 1997, to $316 in fiscal 1998 and $289 in fiscal 1999.

EMPLOYEE BENEFIT PLANS

The Company contributes to several defined contribution pension and provident funds governed by the Pension Funds Act, 1956 covering the majority of the Company's employees. The provident funds are funded on the "money accumulative basis" with the members' and Company's contributions having been fixed in the constitutions of the funds. Contributions by the Company during fiscal years 1999, 1998 and 1997 were $10.9 million, $6.7 million and $6.7 million, respectively.

Skilled workers participate in the Minemed Medical Scheme. The Group contributes to the Minemed Medical Scheme on behalf of current employees and retired employees who retired prior to December 31, 1996. The Group's contributions to Minemed on behalf of current and retired employees amounted to $0.7 million, $0.3 million and $0.8 million for fiscal years 1999, 1998 and 1997, respectively.

In addition, the Group has a provision for former employees' post retirement benefits, which comprises medical benefits for former employees who retired prior to December 31, 1996. This provision amounted to $5.8 million, $3.8 million and $7.7 million for fiscal years 1999, 1998 and 1997, respectively.

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ORE RESERVES

The information contained in the table hereunder was prepared by the Company's in-house ore resources department based on a gold price of R53,000/kg., or $273/oz. at an exchange rate of U.S $1.00 = R6.038. Harmony conforms to the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC 1996). The exception to this rule is Evander, which is based on the terminology and definitions proposed by the Institution of Mining and Metallurgy (IMM) and used by the London Stock Exchange.

ORE RESERVE STATEMENT AS OF JUNE 30, 1999

	Proven reserves			**Probable reserves**			**Total reserves**		
	Tons (million)	Grade (oz/ton)	Gold oz (million)	Tons (million)	Grade (oz/ton)	Gold oz (million)	Tons (million)	Grade (oz/ton)	Gold oz (million)
FREE STATE OPERATIONS	37.37	0.22	8.08	11.22	0.21	2.36	48.59	0.21	10.44
EVANDER OPERATIONS	13.72	0.24	3.23	42.32	0.25	10.50	56.04	0.25	13.73
BISSETT OPERATIONS	0.66	0.24	0.16	1.40	0.25	0.35	2.06	0.25	0.51
TOTAL OPERATIONS	51.75	0.22	11.47	54.94	0.24	13.21	106.69	0.23	24.68

YEAR 2000 DISCLOSURE

Similar to other organizations, the Group recognizes the potential dangers and inherent problems relating to the advent of the Year 2000. The "Year 2000" issue affects computer and information technology ("IT") systems, as well as non-IT systems which include embedded technology such as micro-processors and micro-controllers (or micro-chips) that have date-sensitive programs. The "Year 2000" problem results from computer programs not properly recognizing the Year 2000 as a result of their code defining the applicable year with two rather than four digits. As a result, any of the Group's non-"Year 2000" compliant computer applications that have time-sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in major system failures or miscalculations, resulting in business interruptions.

The management of the Group is fully aware of the Year 2000 issue and its possible effects on the business activities of the Group. Management has accordingly instituted a Year 2000 project to ensure that the problems foreseen with Year 2000 are addressed in a timely fashion. As part of this project, the Group reviewed its computer systems and operations and those of its subsidiary companies in order to identify and determine the extent to which any systems will be vulnerable to potential errors and failures as a result of the Year 2000 problem. The Company has successfully completed its compliance process.

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Management now believes that the major risks lie with entities and systems external to the Group. Although Harmony has been in contact with those entities and all of them have plans in place to minimize the advent of Year 2000, there are no guarantees that such external systems and entities will be Year 2000 compliant by December 31, 1999 and that, as a result, there can be no assurance that the Group will not be affected materially by the advent of Year 2000.

As part of its preparation for the advent of Year 2000, the Company has prepared a comprehensive contingency plan, as well as a switchover plan. The objective of these plans is to ensure that the Group will conduct business as normal on the first working day of Year 2000.

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ITEM 9A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

General

The following discussion about the Company's risk-management activities includes "forward-looking statements" that involve risk and uncertainties. Actual results could differ materially from those projected in the forward-looking statements. The discussion addresses market risk only and does not address other risks which the Company faces in the normal course of business, including country risk, credit risk and legal risk, due to such risks being either non-financial or non-quantifiable.

The Company 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, the Company selectively enters into derivative financial instruments to manage these related risk exposures. In entering into these contracts, the Company does so pursuant to its policies in areas such as counterparty exposure and hedging practices. These policies have been approved by the Company's senior management. The Company does not hold or issue derivative financial instruments for trading or speculative purposes.

Foreign Currency Sensitivity

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

At June 30, 1999, the Company's liability subject to risk of foreign currency exchange rate fluctuations amounted to $15.4 million. This exposure amount primarily reflects Dollar – denominated debt relating to loans to finance Bissett. The aggregate hypothetical loss in earnings on an annual basis that would result from a hypothetical appreciation of 10% in the Dollar against the Rand would be approximately $1.5 million, which is derived by taking 10% of the liability subject to risk ($15.4 million).

As a result of its term loan for Bissett, the Company has entered into foreign currency forward exchange contracts. As at June 30, 1999, the following foreign currency forward exchange contracts were outstanding:

Maturity dates	*U.S.$ (million)*	*Exchange rate (U.S.$/Canadian$)*
June 30, 2000	12.7	1.44

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June 30, 2001	12.7	1.43
June 30, 2002	2.1	1.43

The mark to market valuation of these forward exchange contracts amounted to an unrecognized liability of $516,000 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 the Company, the ability of the Company to pay dividends and undertake capital expenditures, and the market prices of the Company's ordinary shares.

Gold prices have historically fluctuated widely and are affected by numerous industry factors over which the Company does not have any control, including international economic trends, currency exchange fluctuations, expectations of inflation, speculative activities, consumption patterns (such as the purchase of gold jewelry and gold coin programs), purchases and sales of gold bullion holdings by central banks or other large gold bullion holders or dealers and global or regional political events. The aggregate effect of these factors, all of which are beyond the control of the Company, is impossible for the Company to predict. There can be no assurance that in the future gold will continue to serve as a significant monetary benchmark.

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

Maturity dates	***Gold price put options***		***Gold price forward contracts***	
	Ounces	*$/oz*	*Ounces*	*$/oz*
June 30, 2000	40,000	317	-	-
June 30, 2001	24,167	317	15,833	317
June 30, 2002	3,500	317	16,500	317

The total fair value of these hedge instruments at June 30, 1999 amounted to an asset of $3.5 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, 1999, the Company sold approximately 1,285,931 ounces of gold at an average price of $289 per ounce. At a gold price of $250 per ounce, product sales would have amounted to approximately $321 million for the year ended June 30, 1999, a reduction of approximately $51 million in product sales.

Interest Rate Sensitivity

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The Company generally does not undertake any specific actions to cover its exposure to interest rate risk and at June 30, 1999 was not party to any interest rate risk management transactions.

At June 30, 1999, the Company'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, 1999, the fair value of the Company's Dollar-denominated long-term liabilities was estimated at $14 million. Long-term loans approximate fair value as they are subject to market bond floating rates. This analysis represents the hypothetical loss in earnings of those debt instruments which are sensitive to changes in interest rates and were held by the Company as at June 30, 1999. The aggregate hypothetical loss in earnings on an annual basis from a hypothetical increase of 10% of LIBOR sustained for one month is estimated to be $7,938.

Because the Company's net earnings exposure with respect to debt instruments was tied to the LIBOR rate, the hypothetical loss was modeled by calculating the 10% adverse change in the LIBOR rate, multiplied by the fair value of the respective debt instruments.

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ITEM 10. DIRECTORS AND OFFICERS OF REGISTRANT.

The following table sets forth certain information regarding the Company's directors and executive officers:

Name	Age	Position
A R Fleming	51	Non-executive Chairman of the Board
Z B Swanepoel	38	Chief Executive Officer and a Director
F Abbott	44	Chief Financial Officer and a Director
R A Andrew	55	Non-executive Director
N V Armstrong	46	Exploration Director
R A L Atkinson	47	Operations Director, Free State and East Rand
G P Briggs	46	Vice President: An Alternate Director in charge of ore reserve management
F Dippenaar	38	Commercial Director
N J Froneman	40	Operations Director, Evander
T S A Grobicki	50	Director, New Business
L Hewitt	67	Non-executive Director and former Chairman of the Board
P McKenna	48	Alternate Director, New Business
G J Mowatt	47	Alternate Financial Director
P Kotze	39	An Alternate Director in charge of the Kalgold operations
P C Pienaar	35	An Alternate Director in charge of the Brand and Masimong operations
M F Pleming	64	Non-executive Director
Lord Renwick of Clifton KCMG	62	Non-executive Director
F R Sullivan	43	Human Resources Director
F W Baker	35	Corporate Secretary

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The following changes occurred in the directorate between June 30, 1999 and the date of this Annual Report:

Appointments	Date
A R Fleming	October 14, 1999
Lord Renwick of Clifton KCMG	October 14, 1999
Dr N V Armstrong	October 14, 1999
P McKenna	October 14, 1999
P Kotze	October 14, 1999
G J Mowatt	October 14, 1999

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

The business experience of each of the Company's directors and executive officers is as follows:

Adam Robert Fleming

A Director and the Chairman of the Company since October 14, 1999. He was the non-executive chairman of WRCM and of Kalgold prior to the acquisition of these companies by the Company.

Lionel Hewitt: BSc (Mining Engineering), BCom (Admin)

A Director of the Company since November 1994 and Chairman from 1995 to October 14, 1999 when he retired as Chairman. He has more than 40 years' mining experience.

Zacharias Bernardus Swanepoel: BSc (Mining Engineering), B Com(Hons)

A Director of the Company and Chief Executive Officer since May 1995. He has 20 years' experience in the mining industry.

Frank Abbott: BCom, CA(SA), MBL

A Director of the Company since 1994 and Chief Financial Officer since October 1997. He has 22 years' experience in financial management.

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Richard Arnold Andrew:

A Director of the Company since April 1997. He has 26 years' merchant banking experience.

Neville Vaughan Armstrong: (PhD Geology)

A Director of the Company since October 1999 and previously a director of WRCM. He has 18 years' exploration experience.

Robert Alex Llewellyn Atkinson: Higher Diploma in Metalliferous Mining

A Director of the Company since March 1997. He has 28 years' experience in the mining industry.

Graham Paul Briggs: BSc (Hons)(Geology)

An Alternate Director of the Company since October 1997. He has 23 years' experience in the mining industry.

Ferdinand Dippenaar: BCom, BProc, MBA

A Director of the Company since June 1997. He has 16 years' commercial/financial experience.

Neal John Froneman: BSc(Mechanical Engineering), BCompt.

A Director of the Company since March 1997. He has 15 years' experience in the mining industry.

Thaddeus Steven Anthony Grobicki: BSc (Hons) (Geology) MSc (Minerals Exploration)

A Director of the Company since October 1994. He has 25 years' experience in the mining industry.

Geoffrey John Mowatt: CA (SA)

An Alternate Director of the Company since October 1999. He has 23 years' financial experience, mostly in the mining sector.

Peter McKenna: BSc (Hons) (Geology), PrSciNat, FGSSA

An alternate director of the Company since October 1999. He has 26 years' experience in the mining industry, ranging from exploration to corporate finance.

Phillip Kotze: GDE (Mining Economics), NHD (Metalliferous Mining), DPLR, NDP

An alternate director of the Company since October 1999. He has 18 years' mining experience.

Petrus Cornelius Pienaar: BCom, BCompt(Hons), CA(SA)

An Alternate Director of the Company since October 1997. He has 11 years' financial experience.

Michael Frank Pleming: Pr Eng, FIMM

A Director of the Company since September 1998. He has 30 years mining and 14 years' mining investment experience.

Lord Renwick of Clifton, KCMG

A Director of the Company since October 1999. He was in 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: West Rand Consolidated Mines Limited, Robert Fleming Holdings Limited, Fluor Daniel (UK) Limited, British Airways Plc., Compagnie Financière Richemont AG, Liberty International Holdings Plc., Billiton Plc., Fluor Corporation, and Robert Fleming Inc.

Frank Robert Sullivan: MCom, BPL(Hons)

A Director of the Company since June 1997. He has 19 years' experience in industrial relations and human resources in the gold mining industry.

Frederick William Baker: BCom(Law)

Secretary of the Company since 1997. He has 16 years' legal/administrative experience.

There are no family relationships between any director or executive officer of the Company. There are no arrangements or understandings between any director or executive officer of the Company and any other person pursuant to which the director or executive officer was selected.

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

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The Company's Executive Committee comprises the executive directors and their alternates, 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 the Group. The composition of the Executive Committee (with areas of responsibility indicated) is as follows:

Z B Swanepoel	Chairman
F Abbott	Finance
N V Armstrong	Exploration
R A L Atkinson	Free State and East Rand Operations
G P Briggs	Ore reserves
F Dippenaar	Investor relations
N J Froneman	Evander operations
T S A Grobicki	New business and Bissett
P Kotze	Kalgold operations
P McKenna	New business
G J Mowatt	Financial services
P C Pienaar	Masimong and Brand operations
F R Sullivan	Human resources

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

A R Fleming (chairman)

R A Andrew

L Hewitt

M F Pleming

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

A R Fleming (chairman)

L Hewitt

R A Andrew

M F Pleming

Z B Swanepoel

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ITEM 11. COMPENSATION OF DIRECTORS AND OFFICERS.

During the fiscal year ended June 30, 1999, the aggregate cash compensation paid or payable to the directors and executive officers of the Company as a group was $1,106,706, including all salaries, fees, commissions and bonuses. An aggregate of $96,837 was contributed during such period to provide pension, retirement or similar benefits for directors and executive officers of the Company.

Share options exercised by the executive directors and their alternates during fiscal 1999 and up to date of this Annual Report are detailed in the table below:

Name	Number of Options Exercised	Option Exercise Price (Rand)
Z B Swanepoel	96,600	14.12
F Abbott	60,000	15.60
R A L Atkinson	60,000	15.60
G P Briggs	50,000	16.38
F Dippenaar	60,000	15.60
N J Froneman	60,000	15.60
P C Pienaar	50,000	16.38
F R Sullivan	60,000	15.60

Share options outstanding at December 1, 1999 and held by directors and executive officers were as follows:

Name	Options to Purchase
Z B Swanepoel	213,400 ordinary shares at R15.42 per share
F Abbott	120,000 ordinary shares at R15.60 per share
R A L Atkinson	140,000 ordinary shares at R18.37 per share
G P Briggs	120,000 ordinary shares at R15.60 per share
F Dippenaar	100,000 ordinary shares at R16.38 per share
N J Froneman	140,000 ordinary shares at R18.94 per share
P C Pienaar	135,000 ordinary shares at R17.89 per share
F R Sullivan	130,000 ordinary shares at R20.10 per share

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Currently outstanding share options held by directors and officers as a group are set forth in Item 12.

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ITEM 12. OPTIONS TO PURCHASE SECURITIES FROM REGISTRANT OR SUBSIDIARIES.

The Company has a securities option plan for its employees which has a total of 8,088,304 ordinary shares reserved for issuance thereunder. The exercise price of each option granted under the plan is set at the closing market price of the Company's ordinary shares on the Johannesburg Stock Exchange on the day before the date of grant. Each option remains in effect for 10 years after the date of grant, subject to the terms of the option plan.

Options to purchase a total of 3,752,900 ordinary shares were outstanding on December 1, 1999, of which options to purchase 1,098,400 ordinary shares at a weighted average price of R17.23 were held by directors and officers of the Company as a group. An aggregate of 361,600 of the aforementioned share options held by the Company's directors and officers were exercisable within sixty days of December 1, 1999. The exercise prices of the outstanding options range between R11.70 and R51.50 per share and they expire between January 11, 2005 and August 31, 2008. The non-executive directors do not hold any share options in the Company.

In November 1999, at a general meeting, the Company's shareholders approved the creation of a share incentive trust for employees of the Company to be used in conjunction with the existing option plan. As of the date of this Annual Report, the incentive scheme has not been utilized.

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ITEM 13. INTEREST OF MANAGEMENT IN CERTAIN TRANSACTIONS.

None of the directors, officers or major shareholders of the Company or, to the knowledge of the Company, 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 the Company or its investment interest or subsidiaries, other than as stated below:

Messrs. A R Fleming, T S A Grobicki, P McKenna, G J Mowatt 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 the Company's ordinary shares upon Harmony's acquisition of these companies. Their respective shareholdings were disclosed at the time of these transactions and their current shareholdings in Harmony are included in "Item 4. Control of Registrant" above.

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

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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, CHANGES IN SECURITY FOR REGISTERED SECURITIES AND USE OF PROCEEDS.

Not applicable.

PART IV

ITEM 17. FINANCIAL STATEMENTS.

Not applicable.

ITEM 18. FINANCIAL STATEMENTS.

Attached. See Item 19(a).

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ITEM 19. FINANCIAL STATEMENTS AND EXHIBITS.

(a) The following financial statements of the Company and related accountants' report are filed as part of this Annual Report:

(b) Exhibits:
The following exhibits are filed as a part of this Annual Report:

*2.1 Memorandum of Association of the Company.
*2.2 Articles of Association of the Company.
*2.3 Agreement, dated August 1995, among the Company, First Wesgold Mining (Proprietary) Limited ("First Wesgold") 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 listings requirements.
*2.7 Service Agreement between Randgold and the Company, 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 the Company, 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.

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**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.
†2.19 Agreement between Free State Consolidated Gold Mines (Operations) Limited and the Company, 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 the Company and Gold Fields Limited, dated June 24, 1995.
†2.22 Agreement between Free State Consolidated Gold Mines (Operations) Limited and the Company, dated September 21, 1998.

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

** Incorporated by reference to the Company'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 the Company's Registration Statement (File No. 333-5410) on Form F-6.

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

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SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the Registrant 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:	/s/ F. Abbott F. Abbott Financial Director	By:	/s/ F.W. Baker F. W. Baker Company Secretary

Date: December 28, 1999

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