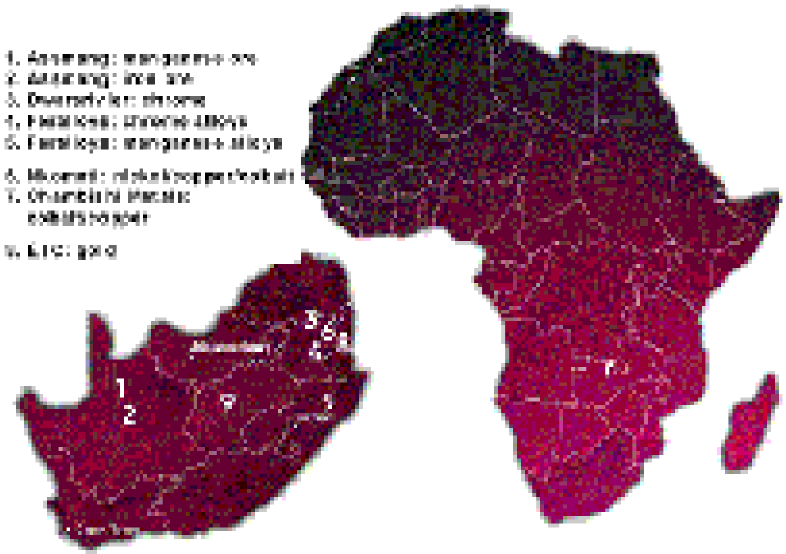
Asset locality and production



Production and sales
based on total production or sales as at 30 June 2000

	Avmin % share	2000	1999
Diamonds (production)			
Venetia (*000 carats recovered)	43,8 [1]	**3 739**	4 495
Ferrous Metals (sales)			
Nchwaning and Gloria	50,4		
Manganese (*000 tons)		**1 360**	1 475
Beeshoek	50,4		
Iron ore (* 000 tons)		**4 170**	3 981
Feralloys	50,4		
Chrome alloys (*000 tons)		**114**	112
Manganese alloys[2] (*tons)		**207**	156
Base Metals (production)			
Nkomati	75		
Nickel (* 000 tons)		**4,4**	3,7
Copper (* 000 tons)		**2,5**	1,4
Chambishi Metals[3]	90		
Cobalt (* 000 tons)		**1,9**	1,8

Copper (* 000 tons)		**7,7**	8,6
Gold[4] (sales)			
Avgold (* 000 ounces)	59,8	**149**	637

1. Avmin' effective interest in the Venetia mine, which was sold during the second half of the financial year.
2. Includes all manganese alloy product sales.
3. Toll-refining and oxide ore production only. Chambishi Metals operated for 10 months of the year to 30 June 1999.
4. Includes Hartebeestfontein gold mine to date of sale, 16 August 1999.

Anglovaal Mining Limited Annual Report 2000

Contents | Asset portfolio and production | Group financial summary and statistics
Directors and management | Chairman's letter | CEO's report | Review of operations
Reserves and resources | Corporate governance | Annual financial statements
Shareholder information | Shareholders' diary | Notice to members | Administration

Group Financial Summary and Statistics

for the year ended 30 June 2000

	Actual 2000 Rm	Restated 1999* Rm	Reported 1999 Rm	**Actual 2000 US$m**	Restat 199 US$
Income statement					
Revenue	**2 934**	2 489	2 489	**463**	4.
Earnings	**3 980**	521	522	**627**	
Headline earnings	**486**	289	290	**77**	
Earnings per share (cents)	**3 723**	561	562	**587**	
Headline earnings per share (cents)	**455**	311	312	**72**	
Dividends per share (cents) (see note)	**1 123**	70	70	**164**	
Balance Sheet					
Total Assets	**9 437**	4 960	4 852	**1 388**	8:
Total interest bearing borrowings	**1 082**	730	730	**159**	1:
Shareholders. equity	**4 272**	3 123	3 125	**628**	5.
Cash flow					
Cash generated from operations	**632**	460	468	**100**	
Cash generated from operations per share (cents)	**591**	495	504	**93**	
Cash and cash equivalents at year end	**4 160**	436	436	**612**	
Johannesburg Stock Exchange performance					
Ordinary shares (cents) after capital distribution of 2 700 cents in the year to 30 June 2000					
- high	**2 837**		3 905	**456**	
- low	**1 779**		1 236	**291**	
- year end	**2 500**		3 900	**368**	
Volume of shares traded (thousands)	**91 856**		46 426	**91 856**	
Number of ordinary shares in issue (thousands)	**107 610**		106 200	**107 610**	
Financial statistics	**Definition number**				
Effective taxation rate (per cent)	1	**4**	18		
Interest cover (times)	2	**10,9**	5,6		**10**
Dividend cover (times) (see note)	3	-	4,5		

Return on capital employed (per cent)	4	**11,8**	16,1	**11**
Return on equity (per cent)	5	**15,8**	14,5	**15**
Debt:equity ratio	6	**(0,7)**	0,1	**(0,**
Net asset value per share (cents)	7	**2 865**	1 875	**4:**
Market capitalisation (R million)	8	**2 690**	4 142	**3!**

Exchange rates used:
Balance sheet . R6,80 = US$1,00 (1999: R6,03)
Income statement and cash flow . R6,34 = US$1,00 (1999: R6,06)

Note:
The dividend of 1 123 cents per share represents that part of the special distribution to shareholders of 2 700 cents per share relating to the surplus on the sale of the Company' diamond interests which was made out of distributable reserves. Under the circumstances, it has been considered inappropriate to calculate a dividend cover ratio in respect of the year under review.

Definitions:
1. Effective taxation rate
(per cent) Taxation charge per income statement less secondary tax on companies divided by profit before taxation.
2. Interest cover (times)
Profit before exceptional items, finance costs and taxation divided by finance costs.
3. Dividend cover (times)
Headline earnings per share divided by dividends per share for the year to 30 June 1999.
4. Return on capital employed (per cent)
Profit before exceptional items and finance costs, and after the pre-tax share of income from associates, divided by average capital employed. Capital employed comprises non-current and current assets less trade and other payables and provisions.
5. Return on equity (per cent)
Headline earnings divided by ordinary shareholders. interest in capital and reserves at year end.
6. Debt:equity ratio
Total debt divided by total equity. Total debt comprises long-term borrowings, overdrafts and short-term borrowings less cash and cash equivalents. Total equity comprises total shareholders' interest.
7. Net asset value per share (cents)
Ordinary shareholders. interest in capital and reserves divided by the number of ordinary shares in issue.
8. Market capitalisation (R million)
Number of ordinary shares in issue multiplied by market value of shares at 30 June.

*Refer note 1 of the notes to the financial statements.

Directors and management

Kennedy Maxwell
Chairman
BSc Eng (Mech), MA, PMD, 61

Appointed to the board in 1998 and appointed Chairman in 1999.
A former Executive Director of Johannesburg Consolidated Investments Company Limited, Ken served as President of the Chamber of Mines of South Africa between 1989 and 1990. He currently serves on the board and the executive of the National Business Initiative. He also chairs the Company. s audit and remuneration committees.

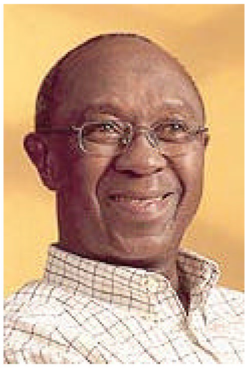
Dr Vincent Maphai
BA (Hons), MA, BPhil, 48

Appointed to the board in 1998.
Vincent is the Corporate Affairs Director, South African Breweries and Chairman of the South African Broadcasting Corporation. He previously chaired the Political Science Department at the University of the Western Cape and is also past President of the South African Political Science Association and a council member of the University of South Africa. He is chairperson of the Presidential Review Commission and serves on various boards and community trusts.

Rick Menell

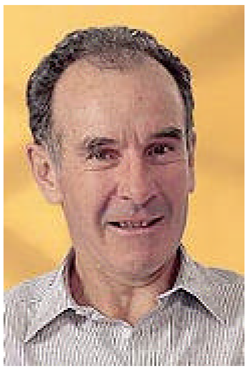
Deputy Chairman and CEO
MA, MSc, 45

Appointed to the board in 1994 and appointed CEO in 1999.
Trained as a geologist, Rick has spent time as a merchant banker in New York and Melbourne and worked in Australia as Executive Director: Finance for Delta Gold. He joined the Company in February 1992 as Assistant Financial Manager, Mines. He was later appointed Manager, Finance and Administration (Mines) and then General Manager, Corporate Services. Rick was appointed Managing Director of Avmin Limited in 1996. Rick Menell also chairs the Company management board, and in 1999 was elected President of the Chamber of Mines. He is also Deputy Chairman of The South African Tourism Board (Satour), a director of Standard Bank Investment Corporation Limited, Telkom Limited and Mutual & Federal Insurance Company Limited and a trustee of the National Business Trust.



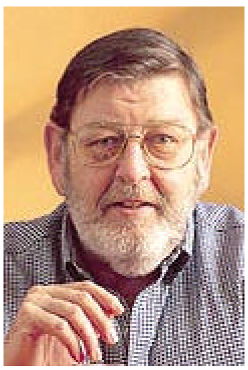
Dr Morley Nkosi
PhD (Economics), MBA, BS (Economics), 65
Appointed to the board in 1998.

Apart from being an academic, economist and a businessman, Morley, a member of the audit committee, is currently the Administrator of the University of Transkei, Chairperson of the National Institute for Economic Policy and managing associate of Morley Nkosi Associates. He serves on several boards including those of Investec Group Limited and Investec Bank Limited.



Roy McAlpine
BSc, CA, 59
Appointed to the board in 1998.

Roy emigrated to South Africa from Scotland in 1965 and subsequently spent 29 years with Liberty Life, the last 18 as an Executive Director. He retired from Liberty Life in 1998 in order to diversify his interests. He is a former chairman of the Association of Unit Trusts of South Africa and currently serves on the boards of a number of listed companies.



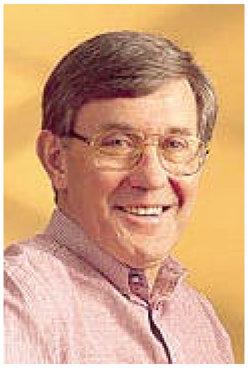
Donn Jowell
BCom, LLB, 59

Appointed to the board in 1999.
Donn established his own law practice in 1968 and is currently the senior partner of Jowell, Glyn & Marais Inc. He is a non-executive director of Investec Group Limited and Chairman of its audit committee. He also serves on the boards of a number of listed and unlisted companies with property and commercial interests. Donn is Chairman of the Company. s environmental committee and a member of its audit committee.

Brian Menell

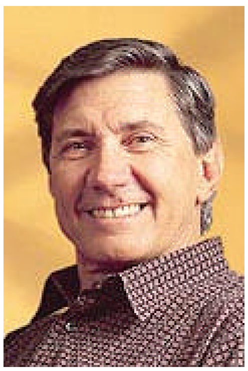
BA (Hons), 35

Appointed to the board in 1998.
Currently Chairman and Chief Executive of Professional Diamond Resources (Pty) Limited. He has worked in the diamond mining and trading industries since 1988. He serves on the boards of various other diamond mining, finance and trading companies in South Africa, Belgium and Canada. In 2000 he was appointed to the position of Executive Director: New Business at Avmin, committing 60 per cent of his time.



Dave de Beer
Director: Finance

CA(SA), 60
Dave has spent most of his career in various financial capacities as a merchant banker. He joined the Anglovaal Group in 1991 with responsibility for its life insurance interests. He later moved into the mining division and headed the finance, administration, information technology and commercial sectors. Appointed to the management board in 1999.



Gerry Robbertze
Director: Base Metals
Pr Eng, ACSM, 57

Gerry spent his early career on the Zambian Copperbelt and then worked for various mining companies in Southern Africa as a mining engineer. He joined the Anglovaal Group in 1987. Appointed to the management board in 1999.

David Murray
Director: Gold
BA (Econ), BA (Hons) (Econ), MBA, 55

David was previously the President and Chief Operating Officer of TVX Gold Inc. in Canada. Prior to this, he worked for RTZ plc as President and CEO of various subsidiary companies in Brazil and Portugal. He also served with this group in Spain, Germany, Wales, England, Namibia and Zimbabwe. He was awarded the OBE in 1993. Appointed to the management board in 2000.

Jan Steenkamp
Director: Ferrous Metals, 46

Jan started his career with the Anglovaal Group in 1973. Trained as a mining engineer he has worked and managed mining operations within the gold, copper, manganese and iron ore sectors. Appointed to the management board in 1999.

Executive committee

Rick Menell
CEO

Dave de Beer
Director: Finance

Graham Emmett
General Manager: Human Resources

Julian Gwillim
General Manager: Investor Relations

Paul Henderson
General Manager: Legal Services

Brian Menell
Executive Director: New Business

Jan Mostert
General Manager: Exploration/New Business

David Murray
Director: Gold

Greg Niekerk
Personal Assistant to Chief Executive Officer

Gerry Robbertze
Director: Base Metals

Jan Steenkamp
Director: Ferrous Metals

Audit committee

Kennedy Maxwell
Rick Menell
Donn Jowell
Morley Nkosi

Remuneration committee

Kennedy Maxwell
Rick Menell
Roy McAlpine

Environmental committee

Donn Jowell

Kennedy Maxwell
Rick Menell
Brian Menell
Morley Nkosi

Chairman' Letter

Chairman, Kennedy Maxwell, in the new Main Street concourse outside Avmin' head office in Johannesburg. As part of the commitment to improving conditions in the Central Business District of Johannesburg, Avmin participated in a project that resulted in a section of Main Street being replaced with this pleasant concourse.

Dear shareholder
The shape of Avmin was dramatically altered during the year ended 30 June 2000. Most notable was the sale to De Beers Consolidated Mines Limited (De Beers) of Avmin's 87,5 per cent interest in The Saturn Partnership and its 20 per cent stake in Finsch Diamonds (Pty) Limited. While the size of the Company has been halved as a result of the distribution to shareholders of R2,9 billion out of the R3,72 billion realised from this sale, we are now more in control of our own destiny as a focused mining and minerals development company.

Overall the results for the year were satisfactory, with a 68 per cent increase in our headline earnings from R289 million in the previous financial year to R486 million this year. Royalties from our diamond investment contributed R339 million (R263 million). Disappointing prices for ferrous metals and gold led to a drop in the contributions to our earnings for the year from these divisions. Within our base metal division, the contribution from the Nkomati nickel mine rose dramatically and more than made up for temporary technical problems associated with some of the feed into the toll refining plant at Chambishi Metals.

Further reshaping

The year was marked by considerable activity on the development side of the business. The ferrous metals division made good progress with its R1,2 billion programme to expand its operations and made excellent progress in the development of the new Dwarsrivier chrome mine; Avgold disposed of the Hartebeestfontein gold mine and continued to develop the Target mine at a very satisfactory rate; and the base metals division continued to make good progress on the new and expanded Chambishi Metals cobalt processing plant in Zambia.
The Company has had to provide additional finance for the development programmes at Avgold and Chambishi Metals. The Associated Manganese Mines of South Africa Limited (Assmang) will finance its expansion programme from internal resources and borrowing facilities.

Developing future earnings

The thrust of the Company now is to develop profitable new and expanded operations in the gold, base and ferrous metal divisions. The aim is to ensure that our operating divisions are well-positioned to grow earnings in the future.
The first development to come on stream is Assmang. s Dwarsrivier chrome mine. This mine has been completed in record time and will start delivering chrome ore to Assmang. s ferrochrome smelter in Machadodorp, as scheduled, in October 2000. The new plant at Chambishi Metals,

Zambia, is due to be commissioned over the next six months and the Target gold mine is scheduled to achieve full production during the second half of financial year ending 30 June 2002. For the forthcoming financial year, earnings will of course decrease due to the disposal of The Saturn Partnership. While earnings from the operating divisions are expected to be up on last year. s results, the growth in earnings are expected to be relatively modest in comparison with the anticipated growth in the subsequent two financial years.

Chambishi metals

Avmin. s investment in Chambishi Metals, a venture with ZCCM Investments Holdings Limited, formerly Zambia Consolidated Copper Mines Limited (ZCCM), and in which Avmin has a 90 per cent shareholding, has added cobalt and copper to the range of commodities produced by our base metals division. When the new and expanded plant at Chambishi Metals goes into production, we will start exploiting the 20-million ton surface source of slag owned by Chambishi Metals at a rate rising to over 4 000 tons of cobalt per annum.
This will introduce Chambishi Metals as a low cost producer into the cobalt market in a significant way. Since acquisition, the efficiency of the existing toll refining business at Chambishi Metals has been increased to allow for more flexibility with respect to raw material input, which was a significant impediment during the year under review.
The soon-to-be-commissioned smelter will result in Chambishi Metals becoming the largest primary producer of cobalt in the world. Our entry into this market has been developed to meet the growing demand in the major markets, namely the United States, Europe and Japan with a phased approach over the next two years. The strategy has also been aimed at developing the second-tier of markets in, mainly, China, India and the Asian rim. It is hoped this strategy will limit the effects of the traditional cobalt price volatility.
All in all we expect the Chambishi Metals venture to make a significant contribution to Avmin's earnings.

New opportunities

To ensure we always have new development opportunities available to us Avmin continues to look at new prospects in its sphere of focused interests. To help boost this activity Brian Menell has been appointed Executive Director of New Business, a role to which he is devoting 60 per cent of his time.

The year ahead

I believe there are grounds for holding the view that the outlook for the prices of cobalt, iron ore, manganese ore and chrome alloys will be reasonably stable for the current year. But, of course, much will depend on the state of the economies of the major trading nations. Insofar as the gold price is concerned, I do not expect to see a significant increase for another three years. Then, as those central banks that want to reduce their gold reserves will have largely done so, the potential for an increase in the price will be promising.
South Africa still faces many challenges. The level of foreign and domestic investment is insufficient for our job creation targets and the unemployment rate gives rise to an unacceptable level of crime. The HIV/AIDS epidemic is becoming ever more serious and there is still a lot of transformation to be achieved in the economy and in society in general.
But there is much that is positive and the nation can look back with some pride on what has been achieved since 1994. On the fiscal side we have the lowest budget deficit we' ve had for more than a decade. On the monetary side, South Africa has set a reasonable inflation target for 2002 and the Reserve Bank is doing everything in its power to achieve this. On the trade front we have lifted a host of barriers in the form of tariffs and import duties on trade. The steps taken to improve the quality of life for the disadvantaged - while still inadequate - have nonetheless been significant.
One industry which offers important opportunities is tourism: business, including our Company, is

working closely with Government on harnessing these under the auspices of the R1 billion Business Trust, a voluntary effort by businesses during our period of structural economic adjustment to bring businesslike approaches to the key challenges of employment creation and human capacity-building. It is pleasing to see Government now prioritising this important industry, and the leadership of the dynamic minister bodes well.
There is a critical need to help build capacity and experience amongst those who have been elevated to positions of authority and responsibility. Businesses have to realise that it is in their own direct interests to assist in this process. Transformation in terms of redressing the ills of the past and eliminating racist attitudes requires first and foremost a proactive demonstration of respect for each and every individual and a climate of goodwill on the part of both donor and recipient.
The eagerly awaited draft minerals bill due for release by Government shortly will, when approved, direct the future activities of the South African mining industry. It is expected to be a substantial document covering a broad range of issues and the mining industry is keen to support an environment which is ultimately in the best interests of our country.
Avmin is, both directly and through various senior executives, playing its part in these respects and I am pleased to be associated with these endeavours.

Dividend policy and share tradeability

Shareholders were advised that following the R27,00 per share distribution out of the proceeds from the diamond sale, Avmin would not declare a final dividend in respect of the year ended June 2000. We intend to return to the policy of declaring one dividend a year after the final results are known at the end of the current financial year. However, shareholders are reminded that during the 2001 and 2002 financial years this policy will be subject to certain bank covenants related to the debt financing of Chambishi Metals.
Last year I noted that as a result of the restructuring of the Company there had been a noticeable reduction in the share price discount that the market had previously attributed to the Group's mining assets, and a pleasing increase in the tradeability of its shares. It is significant that trading in Avmin shares has doubled during the past year. However, it is not really possible to determine the extent of the current share price discount because the valuation of the Chambishi Metals project is regarded as speculative at this stage by the investing community.

Safety, health and the environment (SHE)

Avmin remains committed to the pursuit of the highest standards of corporate responsibility with respect to health, safety and environmental management in all aspects of the business. We are maintaining our focus on these critical issues and comply with all applicable laws, regulations and permit conditions as a minimum standard in terms of our practices and management procedures. We do not compromise on these issues in order to achieve financial goals. Our safety record has improved with no underground fatalities being recorded during the year. Sadly, one of our employees and an employee of an outside contractor lost their lives during two surface accidents. This remains unacceptable to us and we have intensified our efforts to eliminate these and other safety-related incidents at all our operations. A more comprehensive SHE report can be found on pages 30 and 31.

Business performance through people

We continually aim to make Avmin a profitable long-term investment for our shareholders. To this end, the Company is transforming its business technology, its culture and its processes. We recognise that to achieve this transformation we need to make the best possible use of the talents and skills of our people and provide them with a working environment that encourages innovation, values diversity and rewards performance.
To support this new performance, management and reward systems have been introduced. There

is an ongoing communication process within the Company that is intended to ensure that our staff understand and identify with the Company's strategy and hence translate that strategy into action.

Appreciation

Our CEO, Rick Menell, has had a challenging year in the further reshaping of the Company. In addition, he took on the Presidency of the Chamber of Mines of South Africa as from November 1999 - a role that he fills with distinction.

He is particularly fortunate to have a capable management board to support him and I am grateful to its members for the expertise and immense effort they have demonstrated during the year. We welcome David Murray and Brian Menell onto this team. The Company has already benefited greatly from their fresh ideas and entrepreneurial capabilities.

It remains for me to pay tribute to all members of the staff of Anglovaal Mining for their dedication and hard work, which is appreciated.

I also want to thank my fellow non-executive directors for the pertinent support and guidance they have provided with respect to the overall affairs of the Company during the year.

Yours sincerely

Kennedy Maxwell
Chairman, Anglovaal Mining Limited

Chief Executive Officer' Report

Deputy Chairman and CEO: Rick Menell

The year 2000 has been challenging, but also a year of significant accomplishments. Although the year was characterised by virtually static prices received for ferrous metals and gold, a significantly enhanced diamond royalty flow and an exceptionally strong nickel price recovery enabled Avmin to increase headline earnings by 68 per cent to R486 million. That we were in a position to attain these results against the current environment is attributable to our reformulated strategy of creating a specialised African mining company with a strong focus on building new and profitable operations.

Summarising the year. s efforts, our nickel producer, Nkomati, was the star performer with significant improvements in all operating areas. It remains the lowest cost nickel producer in the world with unit costs and efficiencies showing continual improvement. Assmang. s operations held on to efficiency gains achieved in the previous year, although earnings were lower due to decreased prices received and a stronger South African rand. The Chambishi Metals refinery experienced lower profits due to concentrate and pyrite supply problems, which have since been overcome. Within the gold division, the existing producer ETC was hampered by a series of unanticipated operational problems, leading to unacceptable costs, which have since been resolved, and the important Target project, while not a current producer, delivered a satisfactory development performance with increasing efficiency and productivity.

More sharply focused

Two years ago in our report, I said we were planning a more sharply focused portfolio of interests, with an enhanced capacity to manage growth in our chosen commodities and regions. We have achieved these goals.

In mid-1998 developments were initiated effectively starting Avmin. s latest chapter. At that time the Company was in a fairly difficult position. Our balance sheet was relatively weak, we faced major capital spending in divisions and subsidiaries and we had experienced a few disappointments in terms of acquiring new assets. We resolved that Avmin needed to narrow its focus; sell assets to strengthen its balance sheet; and focus growth directions.

As reported last year, we exited the coal and industrial minerals businesses and we disposed of our portfolio of shares in non-core assets, which we sold at a fair advantage.

As mentioned in the Chairman. s letter, another key step of our strategy was completed during the year under review. This was the sale of our diamond interests to De Beers, which acquired Avmin. s 87,5 per cent interest in The Saturn Partnership (Saturn) for a cash consideration of R3,7 billion and Avmin. s 20 per cent interest in Finsch Diamonds (Pty) Limited (which effectively equated to an 8 per cent profit participation in the Finsch mine) for R20 million. De Beers also placed its holding of 23 378 955 ordinary shares in the Company with various portfolio investors. On 31 March 2000, De Beers paid R3,72 billion into an interest-bearing escrow account, which earned Avmin interest of R96 million, which has been included in the year. s earnings. Following shareholder approvals for these transactions on 12 June 2000, a cash distribution of R27,00 per ordinary share was posted to all shareholders on 7 July 2000. The distribution was made in cash with an amount of R1,697 billion drawn from the Company. s share premium account and the balance of R1,208 billion from its distributable reserves. In respect of this transaction, Avmin paid Secondary Tax on Companies (STC) of R133 million.

Avmin received, in terms of the De Beers transaction, its share of the royalty accruing to Saturn in the second six months to 30 June 2000 amounting to R258 million (R119 million). Avmin had also received its 87,5 per cent share of the royalty accruing from Saturn in the six months ended 31 December 1999 amounting to R81 million (R144 million). The total Saturn royalty accounted for by Avmin in the year ended 30 June 2000 amounted to R339 million (R263 million).

Target funding

In Avgold we faced a difficult challenge during the early part of 1999. Around that time, we decided to raise international debt in order to build the new Target gold mine, but the gold price declined very rapidly during the first half of the financial year and funding terms became unduly onerous as a result of gold hedging requirements. By August, the banks were asking us to hedge out a number of years of Target. s production and if we had done that at US$250/oz, we could have been in the position of other international gold companies which had over-hedged at very low prices.

Instead we decided against accepting this debt facility which was available to us and then reshaped Avgold: it shut its exploration division; sold the Hartebeestfontein (Harties) gold mine, which realised R305 million; and substantially reduced its head office. The Harties sale was, in my view, a very satisfactory outcome for Avgold and the broader Anglovaal Mining Group as it took away an asset that demanded significant resources for a relatively minor return. It provided cash which funded the bulk of Target. s capital requirement during the last financial year. The face of Avmin was changed from a company which employed large numbers of people in traditional labour intensive gold mining to a modern mining organisation with mechanised operations and a highly skilled workforce.

The funding now required to complete Target is R1,1 billion. Avmin has provided interim funding of R300 million, of which R200 million had been used as at 30 June 2000, and a bridging loan was secured by Avgold from Standard Corporate and Merchant Bank (SCMB) for R400 million repayable by 31 March 2001. We announced on 6 September 2000 that Avgold would raise approximately R500 million before expenses by way of a renounceable rights offer of new ordinary shares. The rights offered for subscription were in the ratio of 45 new ordinary shares for every 100 Avgold ordinary shares held at a price of 243 cents per new ordinary share. The proceeds of this rights issue will be used to repay the R300 million Avmin loan and a portion of the SCMB bridging loan.

Avmin, Anglo American Corporation of South Africa Limited and its subsidiaries, and Allan Gray Limited, which respectively hold approximately 60 per cent, 12 per cent and 5 per cent of the ordinary shares of Avgold, have committed to follow their rights to subscribe for the new ordinary shares to be issued in terms of the offer. In addition, Avgold has entered into underwriting agreements with these companies and Deutsche Bank Securities (Pty) Limited. In terms of the underwriting agreements the three major shareholders have agreed to underwrite approximately 10 per cent of the rights offer amount, in proportion to their existing shareholdings in Avgold and Deutsche Bank has agreed to underwrite the final 5 per cent of the rights offer amount. The rights offer is therefore, collectively, underwritten to 90 per cent of the offer amount.

The balance of Target. s funding requirement of R600 million will be raised by way of a bank loan. Discussions are under way to finalise this and the responses from various South African and international institutions have been good. The proceeds of this loan will be used to repay the balance of the SCMB bridging loan and fund the balance of the cost of bringing Target into full production.

Active development programme

In addition to the disposal strategy over the last few years, which generated net proceeds of nearly R5 billion, and together with continuing to promote a culture of efficiency and innovation and advancing our technology within all operations, an active and major development programme has now reinforced the Company. s portfolio.

At Avgold, Target has made pleasing progress on the underground mine development over the last year. The new decline that will significantly reduce travelling time from the shaft infrastructure to the mine workings was completed ahead of schedule as was the return airway holing, which is designed for optimum ventilation. Following the completion of a comprehensive underground exploration drilling programme, which revealed an increase in gold resources, a detailed and extensive mining plan has been developed for the life of this operation. The plan selected by Avgold is the most robust in terms of production and cost. Full production, which remains scheduled to be achieved during the first quarter of 2002, is now planned at 1,2 million tonnes, up from 1,08 million tonnes, with annual gold sales in excess of 350 000 ounces, from 330 000 ounces, at a planned cash cost below US$150 an ounce. This new plan has necessitated a change in the mining sequence with the need for a destress cut in the Dreyerskuil reef horizon to be substantially completed before massive open stope mining commences.

The Chambishi Metals acquisition during late 1998 and subsequent decision to construct a new smelter will position the Company as the world. s lowest-cost and largest primary cobalt producer. The new facility is on track to start commissioning within the next few months and has been well sequenced to complement the existing toll refining facility. During this current financial year, Chambishi Metals starts its build-up and at full production will be producing and distributing about 20 per cent of the world. s cobalt.

I am also pleased with our international cobalt marketing and sales programme that we introduced during this year. The strategy is largely aimed at direct contact with the consumer, which is being developed through a marketing and sales infrastructure with a carefully selected group of very experienced agents/distributors in the major cobalt markets. These agents have all been selected for their experience and knowledge of the industry, relationships with consumers and, equally important, their existing market share.

Within the ferrous metals unit, the new chrome mine at Dwarsrivier and related upgrades to furnaces at Assmang. s chrome alloy facility will result in the contribution to Assmang. s earnings from chrome increasing from the current 10 per cent to some 37 per cent. Strategically, the chrome market is one in which we would like to play a more active role as we are anticipating continued strength in this market over the medium to longer term. In view of this, the Assmang board has given the go-ahead for the construction of a fourth furnace with a pre-heater and a 350 000 tons a year pelletising plant, which will improve production efficiency. Also, a study is currently being done to assess the potential of increasing the chrome alloy capacity to 400 000 tons a year.

With the recently completed southern extension to the Beeshoek iron ore mine, capacity is fast increasing to 5,5 million tons a year, and a jig plant is being installed for commissioning during 2001 that will further improve iron ore product qualities.

A large part of Assmang. s R1,2 billion four-year capital programme, which Assmang is funding, is being spent on a new decline shaft to access new reserves at the Nchwaning manganese mine. This development is on schedule for commissioning in late 2003 and will ensure that we can continue exploiting our manganese deposit, which is one of the world. s largest, from a significantly lower cost base for a period in excess of 20 years.

A new Avmin has emerged

The strategic activity implemented over the last two years has resulted in a company that is today a developer and operator of medium-sized projects and mineral-related assets in the precious, base and ferrous metals industries in southern Africa. What has further emerged, is that we are an opportunistic company capable of quick decision making with an ability to get the best return from current assets and which regularly identifies new opportunities for further investment and growth. The Company has now consolidated its strengths, which include:

- a high level of control over all our assets;
- high-quality operations with low costs and superior margins focused on our three core sectors;
- a strong weighting towards exceptional development projects promising high growth; and
- a balance sheet strong enough to support these current growth plans. We will continue to re-

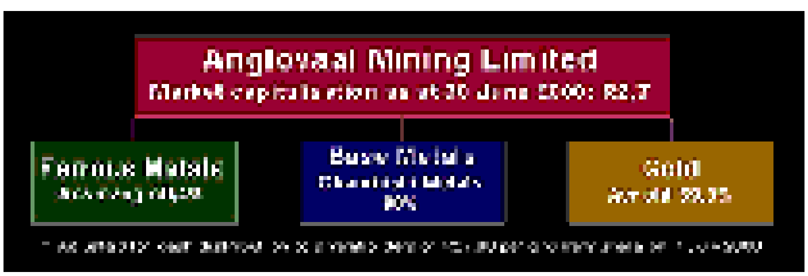
examine our objectives and build on our strengths, pursuing a natural growth path based on opportunities extending from our existing operations and projects, including a probable expansion at Nkomati and a potential extension to the north of the existing Target mine, where the viability of exploiting nearly 55 million ounces of gold is currently under investigation.

Geological exploration continues

In addition to this, geological exploration continues from the corporate centre and is also managed actively within the base metals division. Given the number of projects under way in all our divisions, the exploration strategy focuses on opportunities that will progress to the development phase within the next five years. Work continues to identify opportunities that are in keeping with our proven track record of successfully developing modern operations of medium size in southern Africa. The new opportunity search now also extends to other parts of Africa. We remain active in South Africa for nickel and zinc, in Namibia for zinc-copper-gold, and corporate opportunities to leverage Avmin. s reputation and skills base are being investigated within the East African gold arena. Wherever the search is active, the focus is essentially based on:

- opportunities with the potential to be at the low end of the commodity cost curve and the ability to sustain profitability from the lowest currently predicted commodity price scenarios;
- regions and countries with good infrastructure and acceptable levels of economic and political stability, while maintaining a watching brief on other less secure areas with attractive mineral potential; and
- the identification of talented . junior. companies with whom alliances can be formed to facilitate entry into highly prospective regions in which Avmin has little previous exposure.

Within base metals, Avmin continues to be active in exploring the Central African Copperbelt. At Konkola North, an exploration property acquired by Avmin from ZCCM and Government of the Republic of Zambia (GRZ), agreement has been reached with ZCCM and the GRZ to extend Phase 1 of the programme to allow for additional work to be completed. Also in Zambia, the Copperbelt joint venture, between Avmin and Korea Zinc Company Limited, continues its exploration programme on various properties around the existing mining operations on the Copperbelt. One of these properties has produced exciting data and some further drilling has been commissioned. The business development team in Zambia is also active in various discussions with companies to form alliances on exploration and acquisitions in Zambia and the Democratic Republic of Congo (DRC).



The year ahead

The Company, of course, remains subject to commodity price and exchange rate fluctuations, but it is expected that the weighted average prices received for the commodities produced by Avmin will be higher during the forthcoming financial year. While earnings will not compare to those over the last year as a result of the sale of the diamond interests, levels of production and contributions from Avmin. s core operating areas of gold, base and ferrous metals are likely to improve. We expect a significant boost to earnings in the financial year ending 2002 as Chambishi Metals and current projects within the ferrous metals division start delivering.

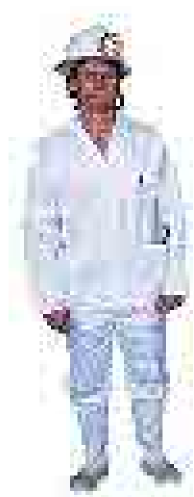
A team effort

I hope I have provided an insight into the Company. s new shape and direction. Much work is under way to equip our excellent team with further skills and to continue responding quickly to the opportunities presented by a fast-changing world to create further value for shareholders. At Avmin we are proud that we are making a significant contribution to the economic growth of the region and also providing exciting and rewarding careers for our people.

I would like to express my gratitude to Kennedy Maxwell and our colleagues on the main board for their unstinting contribution. My thanks to our management board members and all the employees within the Anglovaal Mining Group for their dedication and devotion. In the final analysis, the quality, commitment and passion of our people will determine this Company. s fortunes.

Rick Menell
Deputy Chairman and Chief Executive Officer

Review of operations
Ferrous metals



Chrome alloy sales to contribute 37% to Assmang' earnings by 2004
The Associated Manganese Mines of South Africa Limited (Assmang) is currently involved in capital expenditure projects amounting to R1,2bn Iron ore sales reach 4,2 Mt
Assmang group earnings amount to R127 million.

Assmang is well advanced in all its major project areas with a new chrome mine and related facility commissioning in October 2000 and extensions to its iron ore and manganese businesses due for commissioning in 2001 and 2003 respectively.

Management

Jan Steenkamp
Director: Ferrous metals
Avmin management board member

Brian Broekman
General Manager: Services

Byl Bezuidenhout
Manager: Engineering

Colin Chapple

Manager: Engineering

Bruce Funston
Manager: Finance

Willem Grobbelaar (Assmang)
General Mine Manager:
Beeshoek and Black Rock

Kevin Cookson (Feralloys)
General Manager:
Chrome Alloys

Clive Muir (Feralloys)
Acting General Manager:
Manganese Alloys

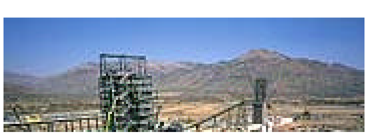
Albie Hamman (Dwarsrivier)
General Manager:
Chrome Ore

The Associated Manganese Mines of South Africa (Assmang) Limited

Significant progress was made during the year as project work advanced to further integrate the operations and establish the Company as a major producer of chrome alloys and a reliable, low-cost supplier of manganese and iron ore to the steel manufacturing industry. These developments include a new chrome mining complex, upgrades to furnaces at the ferrochrome plant, a new shaft system at the manganese mining operation to access new reserves, the construction of a new jig plant at the iron ore operation and upgrades to the manganese alloy facility. It is expected that about R1,2 billion will have been spent on these developments by June 2004.

During the year, Assmang' earnings declined to R127 million (R237 million), mainly as a result of lower volumes of manganese ore and lower prices received for iron ore and manganese alloys. The second half of the year showed a strong improvement over the first half with alloy prices starting to firm in January. In February, the rand weakened significantly and soon thereafter, the manganese ore price strengthened in line with the increase in world crude steel production. While earnings were 72 per cent lower in the first half of the year compared to the corresponding period of the previous year, the improvement in the second half of the year resulted in earnings being only 15 per cent down on the previous year'second period. It is expected that this improved situation should endure for at least the remainder of this calendar year. Sales of manganese ore, including sales to Feralloys Limited' (Feralloys) Cato Ridge facility, reduced to 1,360 million tons (1,475 million tons). Iron ore sales increased to 4,170 million tons (3,981 million tons) as the benefits of the recently commissioned southern extension to the Beeshoek mine came into effect.

Assmang' wholly-owned ferroalloy operator, Feralloys, recorded a profit after taxation of R11 million (R56 million). Sales of manganese alloys were higher at 207 000 tons (156 000 tons), but prices received were about 6 per cent lower. Chrome alloy sales prices were fairly stable during the year and volumes remained almost constant at 114 000 tons (112 000 tons). The significant development programme currently under way is being funded from short-term borrowings, some of which will probably be converted to medium-term loans depending on market expectations and longer-term interest rates.



Dwarsrivier chrome mine: The R190 million Dwarsrivier chrome mine is complete with commissioning commencing during October 2000. This comprises an open-pit mining operation as well as a surface chromite beneficiation plant. The supply of ore to the Machadodorp-based works is also programmed for October 2000. An underground section is provisionally planned to commence during the latter part of 2001.

Nchwaning manganese mine: The new R517 million shaft complex at the Nchwaning 3 manganese mine is proceeding according to plan. The high level of mechanisation, which will be introduced at this facility, will reduce costs. The new shaft is expected to be commissioned in late 2003 with a run-of-mine capacity of about 2 million tons a year extending the life of the mine by over 20 years.

Iron ore: A build-up to 5,5 million tons a year at the iron ore operations will be phased in during 2001. This is sooner than expected following the introduction of the south mine in May 1999 and the advanced development of a R90 million jig plant.

Alloys: Capital expenditure on alloy production during the year amounted to R142 million and was spent mainly on upgrading furnaces at the chrome division and on replacement items at both the Machadodorp and Cato Ridge facilities. During the year a further R375 million expansion at the chrome division was approved, comprising the construction and installation of a 54 MVA furnace with a pre-heater and a 350 000 tons a year pelletising plant. In total, chrome alloy production capacity will double by the end of 2001 with ore being sourced from the new Dwarsrivier mine. The pelletising plant will significantly improve furnace productivity. The 54 MVA furnace will be commissioned during the second half of calendar year 2001 with the pelletising plant being completed shortly thereafter. A further development, subsequent to completion of the fourth furnace, is being investigated with a view to increasing chrome alloy capacity to beyond 400 000 tons a year. Capital expenditure during the year under review totalled R405 million (R317 million) spent mainly on the developments at Dwarsrivier, Nchwaning and the new jig plant at the iron ore operation.

Lavino (Pty) Limited (Lavino)

Since May 1995, Lavino has been in the Lannex Joint Venture with Samancor Limited, in terms of which the mining operations of the Lavino mine were vested in Lannex. Lavino' 23 per cent share of production from Lannex increased to 112 000 tons (74 600 tons). The year. s after-tax loss amounted to R1 million (R1 million - loss).

Review of operations
Base metals

This year represents a pivotal year for the base metals division as Chambishi Metals builds up to full production and Nkomati continues to deliver superior returns.
Chambishi Metals is set to become a major international cobalt producer with a 20% market share.
Nkomati performs exceptionally well with a 629% increase in operating profit.

The expansion of the refinery and construction of the new smelter is being commissioned over the next few months with full production expected during calendar 2001. This will allow Chambishi Metals to treat the 20 million ton, high-grade cobalt and copper surface resource.

Management

Gerry Robbertze
Director: Base Metals
Avmin management board member

John Austin
General Manager:
Financial Engineering

Peter Cutler
Financial Controller

Freddie Human
General Manager: Metallurgy

Ed Kielty
Vice President: Marketing

Arne Lewis
Manager: Nkomati

Ed Munnik
Chief Operating Officer:
Chambishi Metals

Dr Gerhard Overbeek
General Manager:
Research and Development

Neville Roberts
General Manager:
Mining and Environment

Claus Schlegel
Exploration and New Business:
Central African Copperbelt

Thys Uys
General Manager: Engineering

Mark Bräsler
Lloyd Bradford
Projects

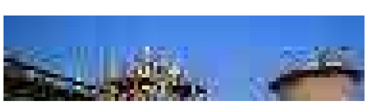
Nkomati mine

Avmin' nickel (and copper, cobalt and platinum group metals as by-products) producer, Nkomati, had an exceptionally good year reporting an operating profit of R204 million (R28 million). The mine milled 239 000 tons (189 000 tons) of ore, producing 41 240 tons (37 104 tons) of concentrate with an average nickel grade of 10,66 per cent (10,10 per cent). This resulted in final metal production levels of: nickel . 4 400 tons (3 700 tons) and copper . 2 500 tons (1 400 tons). The mine remained at the lower end of the international cost benchmark.

The feasibility study to assess the potential of an open-pit expansion at the mine has been submitted to the joint venture council (Avmin . 75 per cent, and the Anglo American group . 25 per cent) and is under review.

This review is currently being done and, when completed, an announcement will be made to all shareholders.

Chambishi Metals



Chambishi Metals, the cobalt and copper producer on the Zambian Copperbelt, toll refined 64 000 tons (81 000 tons . 10 months) of concentrate for its clients through its existing plant, producing, together with oxide ores, 1 900 tons (1 800 tons) of cobalt and 7 700 tons (8 600 tons) of copper. The net result for the year, was an operating loss of R27 million (R48 million . profit . 10 months). Difficulties were experienced during the first nine months of the year in terms of the volumes and quality of concentrate deliveries from various clients and pyrite supply, while the Government of the Republic of Zambia finalised its privatisation of Zambia Consolidated Copper Mines Limited. This was substantially completed on 31 March 2000 and an improvement in concentrate quantity and quality started during the last two months of the year and has continued to the date of this report. In addition to this, the existing refining facility has been upgraded to bring this plant to an internationally competitive standard.

Chambishi Metals has advanced the construction of its new and expanded facility to treat a 20 million ton surface resource located about 35 km away from the plant. As at 30 June 2000, the facility, which will cost about R700 million, was well advanced and the start of the cold commissioning phase is expected within a few months. Earthworks and piling are complete and civil and building works have progressed to accommodate 75 per cent of the structural erection to date. Mechanical erection and electrical installation works that were initiated in May 2000 are progressing well. The furnace and leach plants will ramp up to full production during the June 2001 calendar year.

The new and expanded plant' full production rate of about 4 000 tons of cobalt and about 3 500 tons of copper a year is expected to be reached at this stage. Together with Chambishi Metals' other sources of feed material, this will bring total cobalt production to about 6 000 tons a year and copper production to over 10 000 tons a year. This level of production is expected during the 2002 financial year.

In May 2000, one million man-hours were recorded on the construction site without any reportable or disabling injuries and in September 2000, two million man-hours were achieved. The first safety milestone of 500 000 lost time accident-free man-hours was achieved in February 2000.

Anglovaal Mining Limited Annual Report 2000

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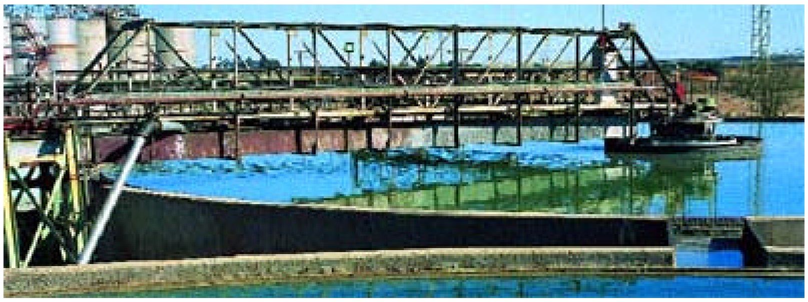
Directors and management | Chairman's letter | CEO's report | Review of operations
Reserves and resources | Corporate governance | Annual financial statements
Shareholder information | Shareholders' diary | Notice to members | Administration

Review of operations

Ferrous metals | Base metals | Gold | Safety, health and environment



Review of operations
Gold

- 59% of the indicated mineral resources on Avgold's properties north of the Target mine are within 2 500 m of the surface and 5 km from Target's mine workings
- Avgold Limited, of which Avmin owns 60%, has moved towards its objective of becoming a low-cost and high-quality gold producer.
- Avgold's asset portfolio has high growth potential and an overall resource base that contains over 70 million ounces of gold

Having sold the Hartebeestfontein mine, production continues from its South African properties. The ETC mining complex, located in the Mpumalanga province, consists of gold mines in the Barberton greenstone belt. The Target mine, located in the Free State province, is in the production build-up phase.

Management

David Murray
Managing Director
Avmin management board member

Doug Campbell
Financial Director

Gerhard Potgieter
Executive Director: Target

Tim Spindler
Executive Director: ETC

Mike Arnold
Financial Manager

Pieter Coetzee
Manager: Legal Services

Vaughn Duke
Manager: Technical Services

Richard Phillips
Company Secretary

Leon Venter
Manager: Human Resources and Labour Relations

Avgold Limited (Avgold)

This was a year of important change and refocusing for Avgold. The most significant event was the decision to dispose of Hartebeestfontein mine (Harties) with effect from 16 August 1999, which realised R305 million for Avgold. Consequently, the head office was downsized and the company refocused on the development of Target, returning ETC to profitability and the potential for extracting value from the significant resources in the Free State, north of the Target mine.

Total gold sales for the year amounted to 4 621 kg, of which 2 344 kg was contributed by Harties prior to the disposal of that mine. The average cash cost was R58 040/kg or US$286/oz at an average yield of 4,62g/t. Inclusive of hedging activity, Avgold's average gold price received for the year was R61 730/kg or US$304/oz, against the average annual 'spot' price of R56 890/kg or US$280/oz. Avgold incurred an operating loss of R42 million and an overall loss of R11 million after taxation and taking into account profits from the sale of Harties. These losses include R29 million of costs arising from non-recurring items relating to Harties, various retrenchments and exploration. Capital expenditure during the year rose to R469 million (R406 million), virtually all on the Target mine development.

Target

Developments at the new Target mine proceeded at a very pleasing rate with the significant milestones of the holing of the 50 level, now renamed the 203 level, decline and the return airway completed; both ahead of schedule. The extensive underground exploration drilling programme was completed in December 1999, which resulted in an increase in mineral reserves to 5,2 million tonnes and mineral resources of 22,2 million tonnes. This represents a reserve of 1,83 million ounces of gold and a resource of 4,76 million ounces. The completion of this programme has allowed a detailed and comprehensive mining plan to be developed with production now planned at 1,2 million tonnes per annum and annual gold sales increasing to in excess of 350 000 ounces at planned cash costs below US$150 per ounce.

Funding

The funding required to complete Target, including interest (capitalised for accounting purposes), is estimated at R1,1 billion. Interim funding of R300 million has been secured from Avmin, of which R200 million had been used at 30 June 2000. A bridging loan of R400 million has been secured from Standard Corporate and Merchant Bank (SCMB) until 31 March 2001. The long-term financing will be in the form of the proposed rights issue for R500 million and the balance by way of a R600 million term bank loan.

ETC

This was ETC's first full financial year since the closure and subsequent sale of the Agnes mine. ETC's expanded Biox® facility was commissioned during the year, but problems were encountered in the downstream sections of the metallurgical plant. These problems have now been resolved and the plant is operating well with concentrate feed, at times, exceeding 50 tonnes a day and recoveries above 95 per cent. During the year, ETC's Sheba, New Consort and Fairview gold mines milled 233 000 tonnes (377 000 tonnes) at an average yield of 9,76 g/t (8,42 g/t). Gold sold was 2 277 kg (3 194 kg) at a cash cost of R58 140/kg or US$286/oz (R50 468/kg or US$259/oz).

A rationalisation programme was implemented at ETC during the year resulting in the number of employees declining by 23 per cent to 1 251 people. Good progress was made over the last year in developing and stoping the area between Sheba and Fairview on 56 and 58 levels. The first mechanised stope in this area, on the 56 level, is now in production. The occurrence of mineralised geological structures in the area is as predicted and the transfer from indicated to measured resource is being accelerated. ETC's capital expenditure amounted to R24 million, spent largely on upgrading underground mining equipment and other infrastructure.

Northern Free State Resources

The surface exploration programme in the Target North and Sun South areas was completed in May 2000. All the resulting data has been collated, validated and correlated, with an improvement on the previous estimate of 42,1 million ounces to 54,7 million ounces for Target North and Sun South combined. More importantly, this is an increase to 18,5 million ounces of indicated resources and 10,9 million ounces, or 59 per cent of the indicated resources, are within 2 500 metres of surface and 5 km from the Target mine workings. As expected, the Dreyerskuil reefs have been confirmed as a major resource of Target North, with the Ventersdorp Contact Reef being more extensive than originally thought with a nature similar to that mined elsewhere in the Witwatersrand goldfield.

Safety, Health and Environmental Review

Safety, health and the environment (SHE) are key considerations throughout all aspects of the Group's activities. The attainment of high and ever-improving standards is an integral part of all planning, construction and operational areas.

Performance across the Group is reviewed and monitored by a high level SHE Committee chaired by the Group's Chief Executive Officer. The committee meets quarterly for this purpose and on an ad hoc basis in response to any significant issues relating to SHE.

The attitude of the Group to all SHE issues is clearly defined by the Group's policy statements and these have been communicated to, and posted at, all operations.

Legal compliance and international best practice are constantly reviewed to ensure that high performance levels are maintained.

Safety

The Company deeply regrets that two fatal accidents occurred during the year within the Assmang group. These involved an assistant artisan at Feralloys 'Cato Ridge works and an employee from an external drilling contractor at the Beeshoek iron ore mine.

Training, safety audits and the appointments of competent safety employees have ensured an otherwise creditable safety performance across the operations. It is notable that this is the first year, certainly over the last half-century, that the Group has not had an underground fatal accident. In particular, the large number of contractors, with their diverse groupings at the Chambishi Metals construction site, completed the year without any lost time incidents and Target achieved one million fatality free shifts. The graph bel0w indicates the Total Injury Frequency Rate (TIFR) for the Avmin Group over the last five financial years. TIFR is defined as the number of lost day cases per 1 000 000 man-hours worked.

Health

Hearing conservation measures have been implemented throughout the Group. Malaria is the most common complaint at the Zambian operations and a programme of intensive malaria control has been implemented at the operations and in the nearby townships.

Heat related incidents in the gold division are being addressed by improved ventilation and refrigeration considerations.

Environment

At Avmin, giving the environment high priority makes good business sense. Environmental challenges are approached from different perspectives and the Group continues to develop innovative solutions and deal effectively with environmental issues. A programme of annual internal and external audits was successfully implemented throughout the Group. ISO 14001 systems are being put in place at the Assmang operations and Environmental Management Systems have been developed and implemented at the Nkomati and Target operations. Good progress was made at the Chambishi Metals operation on reducing the inherited backlog of environmental remediation work. An Environmental Plan and the statutory Environmental Impact Statement were submitted to the Zambian authorities. All Environmental Licence conditions were reviewed and new licences were obtained.

Interaction with interested and affected parties, in particular the local communities, continued to be promoted across the Group. In conjunction with this programme, the policy of complete openness with all regulatory authorities was actively promoted.

Significant improvements in environmental performance in relation to noise, blast and dust emissions have been achieved. This demonstrates the Company's commitment to continuous improvement to minimise the impact of its mining operations on adjacent towns and communities.

Reserves and Resources

Competent person report on mineral resources and mineral reserves

Avmin's method of reporting mineral resources and mineral reserves conforms to the South African Code for Reporting Mineral Resources and Mineral Reserves (SAMREC Code) and the Australian Institute of Mining and Metallurgy Joint Ore Reserves Committee Code (JORC Code).

The convention adopted in this report is that mineral resources are reported exclusive of that portion of the total mineral resource converted to a mineral reserve. Underground resources are in situ tonnages at the postulated mining width, after deductions for geological losses and pillars. Resources from dumps are estimated as in situ tonnages.

Underground mineral reserves reflect milled tonnages at recovered grades. Surface mineral reserves are in situ tonnages at the grade reporting to the mill.

The evaluation method is generally ordinary kriging with mining block sizes ranging from 20 x 20 m^2 to 100 x 100 m^2. Inverse distance is used in a few instances and with similar block sizes. The Sichel-t estimator is often applied in gold exploration projects.

The competent person with overall responsibility for the compilation of the mineral reserves and resources is Dr F A Camisani-Calzolari (PrScNat). He is employed by Avmin. The following competent persons were involved in the calculation of mineral resources and reserves. They are employed by Avmin or its subsidiaries, unless otherwise stated:

Resources

Dr W D Northrop, PrSciNat
A du P Ferreira, PrSciNat
L Carter, MGASA
L A R Clark, PrMs
R Cowley, MGASA
R Tucker, PrSciNat
F Chadwick, PrMs
R P le Roux
R M Carey, PrSciNatTnl
R Hornsey, PrSciNat
R van der Westhuizen, PrSciNat
P van der Merwe, PrSciNat
A Pretorius, PrSciNat
J Vieler*, PrSciNat
*Private consultant

Reserves

N Schwab, PrEng
D Heyl, PrEng
V Duke, PrEng
F Chadwick, PrMs
L A R Clark, PrMs
A Mostert, PrMs

Most of the competent persons are members of either the South African Council for Natural

Scientific Professionals (SACNASP), or the Engineering Council of South Africa (ECSA), or the South African Council for Professional and Technical Surveyors (referred to as PLATO) and have in excess of five years 'experience relevant to the style of mineralisation and type of deposits under consideration. Snowden Mining Industry Consultants and Steffen Robbertson and Kirsten (SRK) have audited the resources and reserves of some operations. Maps, plans and reports supporting resources and reserves are available for inspection at Avmin's registered office and at the relevant mines.

Definitions

The definitions of resources and reserves, quoted from the SAMREC Code, are as follows: A 'mineral resource 'is a concentration (or occurrence) of material of economic interest in or on the earth's crust in such form, quality or quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a mineral resource are known, estimated from specific geological evidence and knowledge, or interpreted from a well-constrained and portrayed geological model. Mineral resources are subdivided, in order of increasing confidence in respect of geoscientific evidence, into inferred, indicated and measured categories.

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

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

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

A 'mineral reserve 'is the economically mineable material derived from a measured and/or indicated mineral resource. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified. Mineral reserves are sub-divided in order of increasing confidence into probable mineral reserves and proved mineral reserves.

A 'probable mineral reserve 'is the economically mineable material derived from a measured and/or indicated mineral resource. It is estimated with a lower level of confidence than a proved mineral resource. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified.

A 'proved mineral reserve 'is the economically mineable material derived from a measured mineral resource. It is estimated with a high level of confidence. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified.

F A Camisani-Calzolari
24 August 2000

Gold

Avgold

Gold	Tons	g/t	Moz
Proved mineral reserves	4 867 000	11,47	1,79
Probable mineral reserves	8 472 000	3,32	0,30
Measured mineral resources	7 875 000	6,24	1,58
Indicated mineral resources	91 836 000	7,28	21,49
Inferred mineral resources	246 444 000	6,23	49,37
Total mineral reserves	13 339 000	6,29	2,70
Total mineral resources	346 155 000	6,51	72,44

Ferrous Metals

Beeshoek

Iron ore	Tons	%Fe
Proved mineral reserves	357 600 000	66,25
Measured mineral resources	261 500 000	65,20
Indicated mineral resources	85 400 000	64,95
Inferred mineral resources	179 100 000	64,93
Total mineral reserves	357 600 000	65,25
Total mineral resources	526 000 000	65,07

Nchwaning

Manganese	Tons	% Mn	% Fe
Proved mineral reserves	9 000 000	46,87	8,27
Measured mineral resources	75 000 000	44,40	8,85
Indicated mineral resources	10 200 000	49,10	10,63
Inferred mineral resources	30 000 000	41,34	8,79

Gloria

Manganese			
Proved mineral reserves	3 800 000	39,26	4,99
Measured mineral resources	1 000 000	37,35	4,94
Indicated mineral resources	33 800 000	38,62	7,03
Inferred mineral resources	87 000 000	38,62	7,03
Total mineral reserves	12 800 000	44,61	7,30
Total mineral resources	237 000 000	41,24	7,98

Dwarsrivier

Chromite	Tons	% Cr_2O_3	% FeO
Measured mineral resources	10 208 000	39,70	23,51
Indicated mineral resources	13 871 000	39,78	23,38

Inferred mineral resources	49 724 000	39,72	23,14
Total mineral resources	73 803 000	39,73	23,24

Base metals

Chambishi Metals (see note)

Cobalt	Tons	% Co	% Cu
Proved mineral reserves	1 544 000	1,50	1,12
Probable mineral reserves	18 347 000	0,67	1,09
Indicated mineral resources	1 000 000	0,86	1,11
Total reserves and resources	20 891 000	0,74	1,10

Konkola North

Copper	Tons	% Cu
Measured mineral resources	32 700 000	2,40
Indicated mineral resources	45 700 000	2,47
Inferred mineral resources	170 402 000	2,89
Total mineral resources	248 802 000	2,75

Nkomati

Nickel	Tons	% Ni	% Cu	% Co	g / t Pt	g / t Pd
Probable mineral reserves	34 118 000	0,52	0,20	0,028	0,29	0,73
Indicated mineral resources	62 935 000	0,64	0,26	0,032	0,33	0,91

Chromite	Tons	% Cr_2O_3	% Ni
Probable mineral reserves	35 129 000	25,09	0,20
Indicated mineral resources	20 319 000	24,65	0,18

Note: Mineral resources and reserves are added together for the slag dumps of Chambishi Metals because no dilution or loss is expected during mining. Resources and reserves are quoted in metric tons.

Corporate Governance

All companies that form part of the Anglovaal Mining Group have strong commitments to a wide range of corporate governance practices. The directors of Anglovaal Mining are ultimately accountable to shareholders for ensuring that a high corporate governance standard is maintained.

King Code of Corporate Practice and Conduct

The board of Avmin is committed to maintaining the standards of integrity, accountability and openness advocated in the King Report on Corporate Governance. The directors endorse and, for the period under review, have applied the Code of Corporate Practice and Conduct set out in the King Report. The board considers that Mr Kennedy Maxwell’s combined role as Chairman of the Company and Chairman of the Company’s audit committee is in Avmin’s best interest.

Board of directors

During the period 1 July 1999 to 30 June 2000, the directors met on ten occasions. The Anglovaal Mining Limited directorate presently consists of a non-executive chairman, four non-executive directors and two executive directors. The expertise and diverse skills of the directors are detailed on page 4 of this report to shareholders. Mr Kennedy Maxwell, as Chairman, co-ordinates a range of activities ensuring that a strict policy is adhered to with regard to decisions reserved for the directors and promoting the overall effectiveness of corporate governance. Mr Rick Menell, the Deputy Chairman and Chief Executive Officer, is responsible for day-to-day operations of the Company and chairs the management board and the Company' executive committee.

In terms of the Company’s Articles of Association, the maximum term of office of directors is three years and one-third of the directors retire by rotation annually and, if eligible for re-election, their names are submitted for election at the annual general meeting. The board has established a number of committees in which the non-executive directors play an active role, particularly in the capacity of chairman of the committee concerned.

Management board

The management board is mandated to assist in setting the strategic direction of the Group, implementing strategy and maintaining effective management of the Group on a day-to-day basis. The management board members, profiles of whom can be found on page 5 of this report, attend all meetings of the directors and form the nucleus of the Company’s executive committee. In turn, the members of the executive committee, which meets weekly, contribute a diverse range of professional skills across the broad spectrum of the Company’s activities.

With the exception of Messrs Kennedy Maxwell and Brian Menell (see note 6 of the notes to the financial statements), members of the main board and management board do not have service contracts with the Company. All members have access to the advice of the Company Secretary and are entitled to seek independent professional advice about the affairs of the Company at the Company’s expense.

Audit, remuneration and safety, health and environmental committees

The directors of the Company appoint both executive and non-executive members to these committees. A list of the participants in these committees can be found on page 5 of this report. Each committee meets at least four times a year and provides the directorate with an effective communication forum, from both internal and external sources, to ensure an adequate flow of information is received through minutes of meetings, plans and reports of the activities of the committees' meetings.

Audit committee

The main responsibilities of this committee include the safeguarding of the Company's assets and shareholders' investments, the maintenance of high standards of records and systems of internal control as well as the monitoring of standards of corporate governance. In addition, the audit committee has an objective of ensuring that effective policies and practices are adopted in the preparation of public financial information. The committee also conducts reviews of expenditure, business risk and both internal and external audit plans and reports to ensure effectiveness. The external and internal auditors have unrestricted access to the audit committee.

Remuneration committee

The directors ensure appropriate levels of remuneration to senior management of the Company through the remuneration committee. This committee determines broad policy for individual remuneration and benefits to maintain a compensation policy, which is both competitive and equitable. This committee comprises an executive director and two non-executive directors, one of whom is the chairman of the Company. The General Manager: Human Resources, who attends all meetings, has direct access to all members of this committee.

Safety, health and environmental practices

The environmental committee is responsible for developing policies and guidelines for safety, health and environmental management throughout the Group and comprises of executive and non-executive directors reporting directly to the board.

As mining is, by its very nature, an industry which impacts on the environment, the policy that Avmin applies to managing this problem is to go beyond the call of duty when putting things right. Rather than leave the site of an operation as close to its original condition as possible, a process governed by legislation and closely monitored at all times, Avmin attempts to give back more than it took from the land.

The Company also acknowledges its responsibility to the people who work for the Company. Here again the Company's approach is underpinned by a drive to do more than required by legislation.

Avmin has adopted a three-way approach in dealing with these issues. It uses appropriate systems, applies suitable technology and involves all stakeholders wherever possible. All processes for dealing with environmental and safety issues are dynamic. Where a worker involved in the implementation of a process sees a better way of doing things, this new technique is incorporated into official methodology. In this way a synergistic relationship is achieved between legislative requirements and the people who carry them out.

The integration of environmental management and safety into all activities is viewed as a key performance area for all Avmin's operations. A more detailed report appears on page 30 of this document.

Internal audit

Anglovaal Mining's internal audit department operates with full authority of the directors. The head of this department reports directly to the chairman of the audit committee. The internal audit department performs a variety of activities that ultimately result in an examination and evaluation of the effectiveness of all operating sectors of the Company's business. Through this process, significant business risks are highlighted and the systems of operating and financial control are monitored. All issues are brought to the attention of the audit committee, the directors and members of the management board, and the external auditors. Issues that require corrective actions are discussed by senior management and acted on with urgency.

Risk management

A risk management committee, chaired by the Director: Finance and comprising representatives from the Group's operating divisions, internal audit, secretarial function and the Group Risk Manager, reports directly to the audit committee of the board of directors. The committee has implemented an independent formalised process of identifying, recording and reviewing the management of major risk exposures. This process is being facilitated by specialised external consultants. Independent risk engineering consultants continue to grade each operation against international risk standards for fire, security, engineering, commercial, crime, contingency planning and mining to monitor whether our practices meet the set criteria and are being maintained. The committee is also responsible to ensure that appropriate financial and insurance mechanisms comprehensively protect the Group against catastrophe risk.

Communication

Avmin subscribes to a policy of open communication to all stakeholders. Shareholder and investment community communication is given high priority. Shareholders and members of the investment community are encouraged to discuss issues and obtain answers to queries on a one-on-one basis through appropriately placed contact details on all published materials. An equally high priority is placed on a process of employee communication, which is designed to provide a credible source of information on Group strategies and goals as well as on important issues such as employment equity, corporate citizenship and performance measurement programmes.

Diversity and employee participation

One of the aspects of the Company's initiatives in its repositioning strategies involves a process of accelerating the development of individuals within the Group through effective diversity intervention and employee participation.

Avmin has a policy of appointing and developing people with suitable potential, drawing on the best skills available from all groups and relevant nationalities, in order to ensure a sustainable competitive advantage now and in the future.

In line with national requirements, Avmin has submitted its Employment Equity Plan to the Department of Labour. This outlines the Group's strategy for the implementation of a process that will recognise the diversity of its employees and harness that diversity to improve performance. Particular attention is paid to creating development opportunities for designated groups as defined by the Employment Equity Act. The Company's goals for the implementation of the employment equity strategy are to eliminate all discriminatory practices, direct or indirect, throughout the Group; to eliminate all forms of unfair sexual discrimination; to remove any barriers that unfairly restrict employment and development opportunities; to improve representation of designated groups at all levels to meet the long-term objective of reflecting the demographics of the regions in which it operates; and to make clear development and advancement opportunities available to all employees. These goals are seen as business imperatives. In line with the procedure outlined in the Company's policy, all operations have established employment equity committees to assist in the change process.

These democratically elected committees are responsible for monitoring the implementation and progress of the Employment Equity Plan. Reporting on the implementation of the plan is through the management board members and consolidated at a Group level.

Corporate citizenship

Avmin is driven by the desire to be a responsible corporate citizen. This approach needs to exist across the entire spectrum of business activity. To its shareholders, Avmin has a responsibility to provide a return on investment. To its customers, Avmin must deliver quality products and excellent service. Avmin's staff must be given equal opportunity, access to training and development, advancement and market-related rewards. As a responsible corporate citizen, Avmin has evolved a community development programme with the mission to actively participate in the development of the quality of life of the communities in Southern Africa.

Community development

As a mining company, Avmin is reliant on the mineral resources of Southern Africa. In turn, it has an obligation to the communities in which it operates. In acknowledgement of this fact, Avmin donates 1 per cent of before-tax profit to people development. Instead of merely signing off cheques to projects, Avmin has adopted a hands-on approach to its involvement in community development. Projects are selected within the following three categories:

- Education: Training and support of teachers and educators in the fields of mathematics, science and technology. As a mining company, Avmin has a vested interest in developing skills in these areas and is, at the same time, addressing a serious shortfall in the education system.
- Work creation and/or income generation: Training for technical and and/or business skills as well as starting up and supporting emerging business. In a country where so much of the potential workforce is shackled by its lack of practical business knowledge, Avmin seeks to provide a solid foundation for these people to utilise their skills to empower themselves and generate personal income.
- Welfare: Helping those who are not in a position to help themselves, that is children, the aged, and profoundly disabled.

Avmin's community development budget is split between its corporate centre, which administers projects with national significance, and the operations who select locally significant projects to benefit the communities in which they operate.

Selection criteria

Projects are selected for funding by Avmin on the basis of the following criteria: *Credibility:* All projects are evaluated for the extent to which their ultimate beneficiaries drive and support them. Preference is given to projects where there is evidence that the target group needs and wants the intervention. *Relevance:* A project is deemed relevant if it meets a specific need of a particular group of people in the community. All applications must be accompanied by a needs analysis and a clear plan of action. This is to avoid channelling funds into projects that do not adequately respond to the needs of the community they are intended to benefit. Avmin is actively involved at all stages in the process to ensure that relevant issues are addressed and that the plans of action promised are carried out in accordance with these needs. *Impact:* Expected outcomes need to be clearly stated, supported by the evidence of the applicant's capacity and track record. Applicants must be committed to and have the capacity to measure the difference or improvement achieved through the project. *Sustainability:* Improvements achieved must be sustainable beyond the project and Avmin's support. A project should help people to help themselves and not create dependence. All projects are evaluated on how they plan to survive beyond the Company's contribution and how the difference made in the target group's lives is to be maintained. Financial accountability: All applications and subsequent updates must be accompanied by the latest financial report and audited statements where possible.

Risk factors

Forward looking statements

Certain statements included in this report may constitute "forward looking statements". As these statements are influenced by a number of known and unknown risks and uncertainties, the actual results could ultimately differ from those made in this report. As the Group is subject to commodity price, exchange rate and interest rate variances and the risks involved in mining operations, these factors may cause the performance or achievements to be materially different from future results, performances or achievements expressed or implied in those forward looking statements.

Mineral rights

The Group is taking due cognisance of the White Paper on the Minerals and Mining Policy for South Africa released during 1998 by the South African Government. This demands, and has been receiving, detailed and careful consideration. The Company endorses the policy's key objective that the State is, and must be, the custodian of the nation's mineral resources and that these resources are a national asset, and in this sense belong to all the people of South Africa. The criteria against which the Company will seek to understand and evaluate the transitional arrangements are as follows:

- For the South African people to realise the optimal benefits which can flow from these mineral resources, the system of State regulation must ensure security of tenure.
- It cannot infringe on the property rights of private mineral rights holders.
- It must ensure the stability and continuity of current prospecting and mining operations.

The Group is confident that in direct and constructive debate with Government officials, particularly the Department of Minerals and Energy, and other key stakeholders such as the industry's labour movement, a period of growth and prosperity for the South African mining industry will ensue.

Human resources issues

There are various important initiatives receiving special attention within the Company. These include:

- The reformulation of a Health Care Policy in response to changing legislation requirements and employee needs.
- Strategies are being put in place following the restructuring of the Company's Health Care Delivery System to supplement efforts to manage the impact of HIV/AIDS on employees as well as their dependants.
- Efforts to attract and retain skilled and competent employees have been increased following the diminution of key skills within the South African mining industry. Avmin has developed a retention strategy in line with international guidelines and initiatives. Some of these initiatives include:
- providing clear development opportunities;
- competitive remuneration; and
- sourcing young talent from international universities and other tertiary institutions.

Code of ethics

The Company is committed to the highest standards of integrity, behaviour and ethics in dealing with all its stakeholders, and all directors and employees are required to maintain the highest ethical standards to ensure that the Company's business practices are conducted in a reasonable manner and to act in good faith and in the interests of the Company. The Company operates a closed period prior to the publication of its interim and final results during which period directors, officers, participants in the share incentive scheme and designated persons who may have access to price sensitive information, are precluded from dealing in the shares, securities or financial instruments of the Company. The closed period extends from the 15th of the month following the end of a reporting period or the financial year until the day of publication of the results. Where appropriate, dealing is also restricted during sensitive periods where major transactions are being negotiated and a public announcement is imminent.

Auditors ’Report

To the members of Anglovaal Mining Limited

We have audited the annual financial statements and Group annual financial statements set out on pages 38 to 86 for the year ended 30 June 2000. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

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

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial statement presentation.

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

Audit opinion

In our opinion, the financial statements fairly present, in all material respects, the financial position of the Company and the Group at 30 June 2000 and the results of their operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act in South Africa.

Ernst & Young

Ernst & Young
Registered Accountants and Auditors
Chartered Accountants (SA)

Johannesburg, 24 August 2000

Certificate by Secretary

I certify that the requirements as stated in section 268G(d) of the Companies Act have been met and that all returns, as are required of a public company in terms of the aforementioned Act, have been submitted to the Registrar of Companies and that such returns are true, correct and up to date.

S E Sather Company Secretary
Johannesburg, 24 August 2000

Anglovaal Mining Limited Annual Report 2000

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Directors ’Report

Business of the Company

The business of the Company and its subsidiaries is to explore, develop, operate and hold interests in the mining and minerals industry. The operational focus is concentrated in three areas: ferrous metals, base metals and gold. The Company also maintains a core central unit that provides a range of services and skills within the areas of finance, legal services, human resources and information technology. Strategic initiatives and commercial transactions are implemented and maintained by the central unit and the Company also participates directly in, and arranges finance for, mineral prospecting operations and mining development. The Company ’s shares are listed on the Johannesburg Stock Exchange and the London Stock Exchange.

Directors ’responsibility relating to annual financial statements

It is the directors ’responsibility to prepare annual financial statements that fairly present the state of affairs and the results of the Company and of the Group. The external auditors are responsible for independently reviewing and reporting on these annual financial statements.

The annual financial statements set out in this report have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice. They are based on appropriate accounting policies which have been consistently applied except for the changes noted on the next page, and which are supported by reasonable and prudent judgements and estimates. The annual financial statements have been prepared on a going-concern basis and the directors have no reason to believe that the business of the Company will not be a going concern in the years ahead.

To fulfil its responsibilities, management maintains adequate accounting records and has developed and continues to maintain systems of internal controls.

The Company and its subsidiaries ’internal controls and systems are designed to provide reasonable but not absolute assurance as to the integrity and reliability of the annual financial statements and to adequately safeguard, verify and maintain their assets. These controls are monitored throughout the Group and nothing has come to the directors ’attention to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

Share capital

- At the annual general meeting of shareholders held on 4 November 1999, the shareholders approved the transfer of R254 million from the share premium account of the Company to the Company ’s distributable reserves, for the purpose of permitting the award of capitalisation shares to shareholders. On 15 December 1999, the Company issued 1 060 560 new ordinary shares at an issue price of R46,56 per share as a capitalisation share award in lieu of a cash dividend of 70 cents per share.

- On 12 June 2000, the shareholders approved the alteration of the Company's Articles of Association such that the convertible preference shares in issue will be converted into ordinary shares on or before 30 June 2001 in the ratio of 2,3 ordinary shares for every preference share at a premium of 290 cents per preference share.
- At this meeting, the shareholders approved the distribution in cash of an amount of R1,694 billion out of the Company's share premium account in terms of article 42B of the Company's Articles of Association. Between the date of the circular to shareholders regarding the disposal of the Company's diamond interests and the last day to register for the distribution, i.e. 30 June 2000, the Company's issued share capital increased from 107 423 348 to 107 609 995 as a result of options exercised. This resulted in an additional distribution to shareholders of R3,0 million out of the share premium account. Shareholders will be requested to approve and ratify the additional R3,0 million by way of an ordinary resolution at the forthcoming annual general meeting.
- At various times during the year a total of 349 726 ordinary shares were issued to share incentive scheme members who exercised options held in terms of the Company's share incentive schemes. No shares were issued to directors.

The Company's share capital as at 30 June 2000 was as follows:

	Rm
Authorised	
196 668 737 ordinary shares of five cents each	9,8
646 380 convertible preference shares of 678 cents each	4,4
Total authorised capital	14,2

	Rm
Issued	
107 609 995 ordinary shares of five cents each	5,4
646 380 convertible preference shares of approximately 678 cents each	4,4
Share premium account	51,0
Total issued capital and share premium	60,8

Reporting in United States dollars

For the benefit of international investors the income statements, balance sheets, statements of changes in equity and cash flow statements of the Group have been translated into United States dollars and are presented on pages 87 to 90.

Financial

Details concerning the activities and results of operations of the Group for the year are incorporated in the Chief Executive Officer's report and the income and supporting statements. The financial position of the Company and its subsidiaries is set out in the balance sheet which contains, inter alia, information regarding capital, reserves and provisions. At 30 June 2000 the borrowing powers of the Company and its subsidiaries were limited to R6 174 million. Borrowings of the Group at that date amounted to R1 082 million of which R562 million were long-term and R520 million were short-term.

Changes in accounting policies

In order to bring the accounting policies in line with those adopted by the international community, the following policies have been changed:

- Deferred tax – Deferred tax is now recognised on all temporary differences. Deferred tax assets are recognised to the extent that taxable profit will be available in the future against which the assets can be utilised.
- Environmental rehabilitation expenditure – The net present value of the environmental rehabilitation obligation is now recognised in full. Previously only the net liability, after payments to the trust fund, was recognised. A long-term provision is raised for both decommissioning and restoration costs and the amount invested in the environmental trust fund is recognised as an asset on the balance sheet. A decommissioning asset is also recognised and amortised using the units of production method.
- Land and buildings – All buildings, including those previously classified as investment buildings, are now depreciated on a straight-line basis over their estimated useful lives.

The effects of these changes in accounting policies are set out in the notes to the financial statements.

Dividends

On 27 August 1999 and 29 October 1999, the directors announced the award of capitalisation shares in lieu of dividends to shareholders registered in the books of the Company at the close of business on 12 November 1999, the results of which were as follows:

Dividend per share (cents)	70,0
Shares awarded in lieu of dividend (per 100 shares)	1,578608
Shares awarded in lieu of dividend (acceptance ratio – %)	63,2
Cash dividend paid (acceptance ratio – %)	36,8

On 12 June 2000, shareholders approved the disposal by the Company of its interests in The Saturn Partnership and Finsch Diamonds (Proprietary) Limited and immediately thereafter agreed to distribute part of the surplus cash amounting to 2 700 cents per share payable to shareholders registered in the books of the Company at the close of business on 30 June 2000. Payment was made on 7 July 2000 and consisted of a capital reduction of 1 577 cents per share out of share premium account and 1 123 cents per share out of distributable reserves. Between the date of the circular to shareholders regarding the disposal of the Company's diamond interests and the last day to register for the distribution, i.e. 30 June 2000, the Company's issued share capital increased from 107 423 348 to 107 609 995 as a result of options exercised. This resulted in an additional distribution to shareholders of R2,0 million out of its distributable reserves. Shareholders will be requested to approve and ratify the additional R2,0 million by way of an ordinary resolution at the forthcoming annual general meeting.

Dividend policy

Due to the significant special cash distribution, the directors have decided that no final dividend will be declared in respect of the current financial year. In subsequent financial years it is the current intention of the directors to return to the previous dividend policy whereby the Company will declare a single dividend annually that is covered at least four times by earnings. During the next two financial years, however, this is subject to bank covenants related to the debt financing of Chambishi Metals Plc.

Investments

Details of the Company's direct and indirect interests in subsidiaries, joint ventures, partnerships and other investments are given in separate reports which form part of the annual financial statements. The following interests have been disposed of since the date of the last directors' report:

- On 12 June 2000, the shareholders approved and ratified the agreement for the disposal to De Beers of the Company's 87,5 per cent interest in The Saturn Partnership for a cash consideration of R3,7 billion and its 20 per cent interest in Finsch Diamonds (Proprietary) Limited for a cash consideration of R20 million.
- On 20 April 2000, the Company sold 80,1 per cent of its interest in the wholly-owned subsidiary Otterbea International (Proprietary) Limited. In terms of the sale agreement, the remaining 19,9 per cent will be sold to the purchaser in two tranches during the course of the next financial year.

Share incentive schemes

The Company currently has two employee share incentive schemes, namely The Anglovaal Mining Share Incentive Scheme and The Anglovaal Limited 1990 Employee Share Incentive Scheme ("the Schemes").

As a result of the cash distribution to shareholders following the disposal by the Company of its interests in The Saturn Partnership and Finsch Diamonds (Proprietary) Limited, the value of the Company's shares decreased substantially. The decrease in the value of the shares prejudiced option holders. As approved by shareholders at the general meeting held on 12 June 2000, the Schemes were amended so as to place option holders in the same economic position in which they would have been had the distribution not taken place. The amendments to the Schemes allowed the directors to adjust the price of the options and to issue additional options where appropriate. Total options outstanding shall not exceed 10 per cent of the total issued share capital of the Company from time to time.

As at 30 June 2000, the total options granted to option holders were equivalent to 2,8 per cent of the total issued share capital of the Company.

The following are summaries of particulars required in terms of the Schemes and Johannesburg Stock Exchange regulations:

		Options		
	Ordinary shares in issue	The Anglovaal Mining Share Incentive Scheme	The Anglovaal Limited 1990 Employee Share Incentive Scheme	Strike price per share
		Number	Number	

At 30 June 1999	106 199 709	2 427 490	455 463	
Movements during the year:				
Options				
– granted		662 430	–	Varying between R16,00 and R24,30
– exercised		(59 363)	(290 363)	
– forfeited		(203 699)	–	
At 30 June 2000	**107 609 995**	**2 826 858**	**165 100**	

		Options		
	Ordinary shares in issue	The Anglovaal Mining Share Incentive Scheme	The Anglovaal Limited 1990 Employee Share Incentive Scheme	Strike price per share
		Number	Number	
Movements subsequent to year-end:				
Options				
– granted		673 064	14 927	*0.05c
– exercised		(57 990)	(31 413)	
At 24 August 2000	**107 699 398**	**3 441 932**	**148 614**	

	24 August 2000	**30 June 2000**	30 June 1999
Number of shares available for purposes of the Schemes	**7 179 394**	**7 769 042**	2 172 510

No options were exercised by executive directors.

Details regarding the options outstanding at 30 June 2000 are as follows:

Expiry date	Number of options	Weighted average strike price R
The Anglovaal Mining Share Incentive Scheme		
Year to 30 June 2005	1 635	69,25
Year to 30 June 2006	254 438	3,58

Year to 30 June 2007	1 924 798	*0,05
Year to 30 June 2008	645 987	17,30
	2 826 858	
The Anglovaal Limited 1990 Employee Share Incentive Scheme		
Year to 30 June 2001	165 100	3,17

*Options reflected above at a strike price of R0,05 represent the aggregate of options which, prior to the extraordinary distribution to shareholders of R27 per share, had a strike price of less than R27 and the additional options which were issued to compensate such holders for the differences between R27 and the original strike prices.

Loans for purchase of mineral rights and mine development costs

The Company has advanced loans to certain subsidiary prospecting companies to finance the purchase of mineral rights and costs related to mine development.

Directorate

The names and details of the directors of the Company are reflected on page 4.

In terms of the Company's Articles of Association Drs T V Maphai and M Z Nkosi and Mr R P Menell retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election. None of the directors seeking re-election have service contracts with the Company.

Secretary

The Company Secretary is Mr S E Sather. His business and postal addresses appear on the inside back cover.

Interests of directors

Messrs B M Menell and R P Menell have equally between them an indirect interest in the 646 380 compulsorily convertible preference shares and 10 069 962 ordinary shares representing 50,9 per cent of the votes in issue. In addition, the direct and indirect beneficial and deemed beneficial interests of the directors of the Company (including after due enquiry in this regard, their family interests) in the issued share capital of the Company at 30 June 2000 were as follows:

	2000	1999
Direct		
Ordinary shares	6 785	5 605
Ordinary shares – options	251 026	205 642
Indirect deemed beneficial		
Ordinary shares	34 527	34 527

The Company has not been notified of any changes in these interests during the period 1 July 2000 to the date of this report.

Shareholder spread

The percentage of shares held by non-public and public shareholders at 30 June 2000 were as follows:

	Ordinary shares %	Convertible preference shares %
Non-public shareholders		
– beneficial holders in excess of 10 per cent of the capital of the Company	36,2	–
– directors of the Company	9,4	100,0
	45,6	100,0
Public shareholders	54,4	–
	100,0	100,0

Major shareholders

The following shareholders, insofar as it is known, are the registered holders of 5 per cent or more of the issued ordinary shares in the Company at 30 June 2000:

	Number of shares	%
De Beers Group	23 378 955	21,73
S A Mutual Life Assurance Society	15 571 693	14,47
Mettle Resco (Proprietary) Limited	6 503 367	6,04
Aramon Finance Corporation	5 598 214	5,20

Subsequent to the end of the financial year, De Beers disposed of its entire shareholding in the Company to international portfolio investors in accordance with the agreement entered into between the Company and De Beers on 3 February 2000 in terms of which the Company disposed of its interests in The Saturn Partnership and Finsch Diamonds (Proprietary) Limited to De Beers.

Special resolutions

The following significant special resolutions were passed by the Company during the period 1 July 1999 to the date of this report:

- an amendment to the Company's Articles of Association to enable the Company to acquire its own shares and to acquire shares in any holding company of the Company;
- an amendment to the Company's Articles of Association to enable the Company to make payments to its shareholders in accordance with the provisions of the Companies Act;
- an amendment to the Company's Articles of Association authorising the directors to reduce, dispose of, distribute or otherwise deal with the share capital, stated capital, share premium account or any capital redemption reserve fund of the Company in a manner not otherwise governed by the provisions of the Companies Act;
- a general authority to permit the Company to acquire its own shares and/or acquire shares in any holding company of the Company;
- an amendment to the Company's Articles of Association to adjust for the reduction in the value of the ordinary shares into which the preference shares will convert, on or before 30

June 2001, as a result of the special distribution to ordinary shareholders on 7 July 2000.

Share registrars

The Company's United Kingdom share registrar changed its name from IRG plc to Capita IRG Plc with effect from 3 July 2000.

Accounting Policies and Definitions

Accounting policies

The annual financial statements are prepared on the historical cost basis as adjusted for the revaluation of certain freehold land and buildings and are in accordance with South African Statements of Generally Accepted Accounting Practice.

The principal accounting policies as set out below have been consistently applied except as stated in the Directors 'report, which appears on pages 38 to 43 and note 1 to the financial statements.

Basis of consolidation and goodwill

The results of subsidiaries are included in Group income statements from the dates of effective control up to the dates effective control ceased. Consolidation principles relating to elimination of inter-company balances and adjustments of unrealised inter-company profits are applied in all inter-group dealings, whether it be transactions with subsidiaries, associated companies or joint ventures.

Goodwill represents the excess of the cost of the investment resulting from a business combination, over the fair value attributable to the net assets acquired and is amortised on the straight-line basis over the estimated useful life of the entity acquired up to a maximum of 20 years.

Any excess of the value attributable to the net assets acquired over the cost of the investment in subsidiaries is treated as negative goodwill and included in the total amount of assets. Negative goodwill is considered to represent future losses and expenses and is amortised to the income statement as the losses and expenses are incurred. To the extent that negative goodwill does not relate to future expected losses and expenses, the amount of negative goodwill, not exceeding the fair values of acquired identifiable non-monetary assets, is recognised systematically over the estimated useful life of the non-monetary assets and any excess over fair value is recognised in income immediately.

Investments in subsidiaries are accounted for using the purchase method for business combinations. Associated companies are accounted for on the equity method and investments in joint ventures are accounted for on the proportionate consolidation method, as detailed in the accounting policy on investments below.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or development of a fixed asset that requires a substantial period of time to prepare for its intended use are capitalised. Discounts or premiums relating to borrowings are deferred and amortised over the term of the respective borrowing. Borrowing costs are expensed from the time that mining production becomes commercially viable.

Deferred taxation

Deferred tax liabilities and assets are recognised on temporary differences between the book value and tax base of balance sheet items, including items with a tax base but no book value, using the balance sheet liability method.

Deferred tax is not recognised when the transaction involves the initial recognition of an asset or liability which is not subject to a business combination, and at the time of the transaction affects neither accounting nor taxable profit. Deferred tax assets are not recognised on negative goodwill and no deferred tax liability is recognised on goodwill for which amortisation is not deductible for tax purposes. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax is calculated at the applicable rate for non-mining taxes. In the case of mining taxes, deferred tax is calculated at the mining cost formula rate which is expected to apply to the period when the asset is realised or the liability is settled.

Environmental rehabilitation expenditure

The estimated cost of final rehabilitation, comprising liabilities for decommissioning and restoration, is based on current legal requirements and existing technology and is reassessed annually.

Decommissioning costs

The net present value of estimated future decommissioning obligations at the end of the operating life of a mine, is included in long-term provisions. The related decommissioning asset is recognised in fixed assets when the decommissioning provision gives access to future economic benefits. The unwinding of the obligation is included in the income statement. The estimated cost of decommissioning obligations are reviewed regularly and adjusted for legal, technological and environmental circumstances that affect the present value of the obligation for decommissioning.

Restoration costs

The net present value of the estimated cost of restoration is charged against income during the period in which it arises. This estimate is revised annually and any movement is charged against income. The liability for restoration is included in long-term provisions. Cost estimates are not reduced by the potential proceeds from the sale of assets.

Expenditure on ongoing rehabilitation is charged to the income statement as incurred.

Environmental rehabilitation trust funds

Annual payments are made to rehabilitation trust funds in accordance with statutory requirements. The trust funds are recognised separately from the related liability on the balance sheet.

Exploration expenditure

Exploration expenditure comprises expenditure incurred and advances made in respect of exploratory ventures, research programmes and other related projects. The costs of exploration programmes are expensed in the year in which they are incurred, except for expenditure on specific properties which have indicated the presence of a mineral resource with the potential of being developed into a mine, in which case the expenditures are capitalised and amortised in the same way as detailed in the accounting policy for Tangible assets – mine development and decommissioning below. Where it is subsequently found that no potential exists to develop a mine, the capitalised costs are written off in full.

Financial instruments

Financial instruments recognised on the balance sheet include cash and cash equivalents, investments, trade receivables, trade creditors and borrowings.

Gains and losses on derivative instruments that effectively establish the prices for future production are recognised in revenue when the related production is delivered. In the event of early settlement of hedging contracts, gains and losses are brought into revenue at the date of settlement. Any potential loss on hedge positions below the current cost of production is recognised in the period in which it arises.

Option premiums received are recognised when the option contracts mature, and option premiums paid are recognised when payments are made. Net option premiums paid and received in respect of linked transactions are deferred until the related hedged transactions occur.

Interest costs relating to other financial instruments are charged against income in the period in which they are incurred. Fair values of financial instruments are disclosed in the notes to the financial statements and represent an approximation of possible value but may differ from the value finally to be realised.

If a legally enforceable right exists to set off recognised amounts of financial assets and liabilities and the Group intends to settle on a net basis or to realise the asset and settle the liability simultaneously, all related financial effects are netted.

Fixed Assets

Intangible assets

Intangible assets are reflected at cost and are amortised on a straight-line basis over the anticipated useful lives of the assets up to a maximum of 20 years. The directors assess the carrying value of each intangible asset annually and revisions are made when deemed necessary.

Research and development

Expenditure on research projects (or on the research phase of an internal project) is recognised as an expense when it is incurred. When the development phase of a project demonstrates that it is probable that future economic benefits will be generated, the related expenditure is recognised as an asset if:

- the technical feasibility of completing the asset demonstrates that it will be available for use or sale;
- there is an intention to complete the asset, and use or sell it;
- there is an ability to use or sell the asset;
- there are adequate technical, financial and other resources available to complete the development, and to use or sell the asset; and

- the expenditure attributable to the asset can be measured reliably.

Tangible assets

Tangible assets, other than land and buildings, are stated at cost less accumulated depreciation. Impairments to the value of fixed assets which affect long-term recoverability, are recognised at the time the recoverable amount of an asset is below its carrying amount. If the circumstances leading to the impairment no longer exist, the appropriate portion of the impairment loss previously recognised is written back.

Mine development and decommissioning

Costs to develop new ore bodies, to define further mineralisation in existing ore bodies and to expand the capacity of a mine, or its current production as well as the decommissioning thereof are capitalised. Development costs to maintain production are expensed as incurred.

Mine development and decommissioning assets are amortised using the units-of-production method based on estimated proven and probable ore reserves. Proven and probable ore reserves reflect estimated quantities of economically recoverable reserves which can be recovered in future from known mineral deposits. These reserves are reassessed annually. The maximum period of amortisation using this method is 25 years. Where the reserves are not determinable due to their scattered nature, the straight-line method of depreciation is applied based on the estimated life of the mine up to a maximum of 25 years.

Plant and machinery

Mining plant and machinery is amortised using the lesser of its estimated useful life or the units-of-production method based on estimated proven and probable ore reserves. Where ore reserves are not determinable, because of their scattered nature, the straight-line method of depreciation is applied. Non-mining plant and machinery is depreciated over its useful life. The maximum life of any single item is 25 years.

Land and buildings

Freehold land and buildings, other than mine properties, are valued at open market value. Freehold buildings are depreciated on a straight-line basis over their estimated useful lives to an estimated residual value, if such value is significant. The annual depreciation rates used vary between two and five per cent.

Land and buildings are valued by external valuers at periodic intervals of not more than five years. Surpluses on revaluation are transferred to a non-distributable reserve. Any subsequent impairment is adjusted against the revaluation surplus to the extent of such available surplus and thereafter charged against operating profit. New acquisitions and additions to existing land and buildings are reflected at cost until the next periodic revaluation.

Mineral rights

Mineral rights which are being depleted are amortised over their estimated useful lives using the units-of-production method based on proven and probable ore reserves. Where the reserves are not determinable, due to their scattered nature, the straight-line method is applied. The maximum rate of depletion of any mineral right is 25 years. Mineral rights which are not being depleted are not amortised. Mineral rights which have no commercial value are written off in full. The excess purchase price over the fair value paid for mineral rights is recognised as being an amount paid for the acquisition of ore reserves. This amount is capitalised and amortised over the period during which future economic benefits are expected to be obtained from these mineral rights, up to a maximum period of 25 years.

Other

Mine properties (including houses, schools and administration blocks), motor vehicles and furniture and equipment are reflected at cost less accumulated depreciation, calculated on the straight-line basis over their expected useful lives, to estimated residual values. The residual value is the amount expected to be obtained for the asset at the end of its useful life, after deducting expected costs of disposal. The annual depreciation rates generally used in the Group are:

- Furniture and equipment – 10 to 33 per cent
- Mine properties – 4 to 7 per cent
- Motor vehicles – 20 per cent

Foreign currency translations

Foreign entities

Financial statements of foreign subsidiaries that are classified as foreign entities are translated into rands using the exchange rates applicable at the reporting date, as follows:

- Assets and liabilities at rates of exchange ruling at the balance sheet date.
- Income and expenditure at the weighted average rate of exchange for the year.
- Cash flow items at the weighted average rate of exchange for the year, except where the date of cash flow for significant transactions can be identified, in which case the cash flows are translated at the rate of exchange ruling at the date of the cash flow.
- Fair value adjustments are considered to relate to the foreign entity and are translated at the closing rate.
- Goodwill is considered to relate to the reporting entity and is translated at the rate at the date of acquisition.
- Differences arising on translation are classified as equity until the investment is disposed of.

Foreign currency transactions and balances

Transactions in foreign currencies are converted to South African rand at the rate of exchange ruling at the date that the enterprise is irrevocably committed to the transaction.

Foreign denominated monetary assets and liabilities (including those linked to a forward exchange contract) are stated in rands using the exchange rate ruling at the balance sheet date, with the resulting exchange differences being recognised in the income statement. Exchange differences on foreign loans that are naturally hedged by an investment in a foreign entity are taken directly to equity to the extent that the loan is not greater than the investment.

Forward exchange contracts are valued at the balance sheet date using the forward rate available at the balance sheet date for the remaining maturity period of the forward contract. Any gain or loss from valuing the contract against the contracted rate is recognised in the income statement. A corresponding forward exchange asset or liability is recognised.

On settlement of a forward exchange contract, any gain or loss is recognised in the income statement.

Inventories

Inventories are valued at the lower of cost and estimated net realisable value with due allowance being made for obsolete and slow-moving items. Cost is determined using the following basis:

- By-products are valued at the estimated variable cost associated with its production.
- Consumables and maintenance spares are valued at average cost.
- Finished products are valued at weighted average cost including an appropriate portion of direct overhead costs.
- Raw materials are valued at weighted average cost.
- Work-in-process is valued at weighted average cost.

Investments

Investments, including those in subsidiary companies, are stated at cost less amounts written off where there have been any impairments which affect long-term recoverability.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.

Associated companies

An associated company is one in which the Group has a long-term equity interest and exercises significant influence over the financial and operating policies of that company. The Group's share of post-acquisition reserves of such companies is included in the Group financial statements on the equity accounting method.

At acquisition of an associated company, goodwill is identified by comparing the cost of the investment with the attributable portion of the fair value of the associate. The goodwill is amortised in accordance with the Group policy as an adjustment to the equity accounted earnings.

The post-acquisition results of associated companies are adjusted for the effects of fair value adjustments at acquisition, unrealised profits and goodwill adjustments. Post-acquisition retained income is separately identified in the income statement.

If an associated company applies accounting policies that are recognised as being materially different to those adopted by the Group, appropriate adjustments are made to the financial statements of the Company prior to equity accounting in order to obtain consistency of approach to profit recognition.

Where associated companies do not have common accounting dates the most recent published information is used in the case of listed companies and the most recent audited financial statements are used in the case of unlisted companies. Adjustments are made in both cases for the effects of any significant events or transactions which take place between the reporting date of the associated company and that of the Group.

Joint ventures

Joint ventures are contractual agreements whereby the Group has joint control over the financial and operating policy decisions of the enterprise. The Group's attributable share of the assets, liabilities, income and expenses of such jointly controlled entities is incorporated on a line-by-line basis in the Group financial statements.

Upon entering into a joint venture, goodwill is identified by comparing the cost of the investment with the attributable portion of the fair value of the joint venture. The goodwill is amortised to the income statement in accordance with the Group policy.

The post-acquisition results of joint ventures are adjusted for the effects of fair value adjustments at acquisition, unrealised profits and goodwill adjustments.

If a joint venture applies accounting policies that are recognised as being materially different to those adopted by the Group, adjustments are made to the financial statements of the joint venture prior to consolidation in order to obtain consistency of approach to profit recognition. Where a joint venture does not have a common accounting date, the most recent available management financial statements are used.

Leased assets

Leases of fixed and tangible assets where the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liability to the lessor is raised. Lease payments are allocated using the effective interest rate method to determine the lease finance cost which is charged against operating profit and the capital repayment which reduces the liability to the lessor. These assets are depreciated on the same basis as the fixed assets owned by the Group.

Leases under which the risks and rewards of ownership are effectively retained by the lessor, are classified as operating leases, with lease payments charged against operating profit in equal instalments over the period of the lease.

Post-retirement benefits

Current service costs in respect of defined contribution plans and defined benefit plans are expensed as incurred. Past-service costs, experience adjustments and the effects of amendments to defined benefit plans are charged to income over the expected remaining working lives of current employees or are charged immediately, in the case of retired employees.

The Group has certain unfunded liabilities in respect of post-retirement medical health care benefits. The entitlement to these benefits is dependent upon the employee remaining in service until retirement age. The actuarially determined costs of providing these benefits are charged to income immediately.

Provisions

Provisions are recognised when the following conditions have been met:

- A present legal or constructive obligation, to transfer economic benefits as a result of past events exists; and
- A reasonable estimate of the obligation can be made.

A present obligation is considered to exist when there are no realistic alternatives but to make the transfer of economic benefits. The amount recognised as a provision is the best estimate at the balance sheet date of the expenditure required to settle the obligation. Only expenditure related to the purpose for which the provision is raised is charged against the provision.

Revenue recognition

Revenue is recognised when the economic benefits associated with a transaction will flow to the Group and the amount of revenue can be measured reliably.

Dividends

Dividends are accounted for on the last day of registration for listed investments and when declared in respect of unlisted investments.

Mining products

Revenue from the sale of mining and related products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Interest

Interest is recognised on a time proportion basis that takes account of the effective yield on the asset and an appropriate accrual is made at each accounting reference date.

Toll treatment

Revenue from toll treatment contracts is recognised following the treatment of mining concentrates belonging to third parties. The revenue is based on the final metal recoveries from concentrates at the agreed contract rates.

DEFINITIONS

Cash and cash equivalents

Cash and cash equivalents include cash on hand and call deposits as well as short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Earnings per share

Earnings divided by the weighted average number of shares in issue.

Headline earnings per share

Headline earnings comprise earnings, adjusted for profits, losses and items of a capital nature that do not form part of the ordinary activities of the Company and that do not therefore give an indication of the results from continuing operations of the Company. These items are adjusted against earnings after taking into account attributable taxation and minority interests. The adjusted earnings figure is divided by the weighted average number of shares in issue to arrive at headline earnings per share.

Fully diluted earnings per share

Fully diluted earnings comprise earnings as used in calculating basic earnings per share, adjusted for any changes in earnings that would result from the conversion of dilutive potential ordinary shares. This adjusted earnings figure is divided by the weighted average number of ordinary shares, adjusted for any financial instruments or other contracts that may entitle the holder thereof to ordinary shares, to arrive at fully diluted earnings per share.

Cash generated from operations per share

Cash generated from operations divided by the weighted average number of shares in issue during the year.

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Income Statements

	Note	Group actual 2000 Rm	Group restated 1999* Rm	Company actual 2000 Rm	Company actual 1999 Rm
Revenue	2	**2 934**	2 489	603	215
Cost of sales		**2 119**	1 673	106	38
Gross profit		**815**	816	497	177
Other operating income		**76**	126	112	72
Other operating expenses		**289**	297	223	110
Profit from operations	3	**602**	645	386	139
Income from investments	4	**183**	54	203	390
Finance costs		**72**	125	53	50
Profit before exceptional items		**713**	574	536	479
Exceptional items	5	**3 648**	208	3 600	(2 033)
Profit before taxation		**4 361**	782	4 136	(1 554)
Taxation	7	**324**	147	233	(9)
Profit after taxation		**4 037**	**635**	3 903	(1 545)
Income from associates	8	**.**	4		
Net profit		**4 037**	**639**	3 903	(1 545)
Minority interest		**57**	118		
Earnings		**3 980**	521	3 903	(1 545)

Headline earnings	10	**486**	289	436	473
Earnings per share (cents)	11	**3 723**	561		
Headline earnings per share (cents)	11	**455**	311		
Fully diluted earnings per share (cents)	11	**3 592**	555		
Fully diluted headline earnings per share (cents)	11	**439**	308		
Dividends per share (cents)		**1 123**	70		
Capital distribution per share (cents)		**1 577**	-		
Number of shares in issue at end of year (thousands)		**107 610**	106 200		
Weighted average number of shares in issue (thousands)		**106 889**	92 894		
Weighted average number of shares used in calculating fully diluted earnings per share (thousands)	11	**110 805**	93 796		

*Refer note 1 of the notes to the financial statements.

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Balance Sheets

*Refer note 1 of the notes to the financial statements.

	Note	Group **actual 2000 Rm**	Group restated 1999* Rm	Company **actual 2000 Rm**	Company actual 1999 Rm
Assets					
Non-current assets					
Tangible and intangible fixed assets	12	**3 916**	3 058	**116**	121
Loans and long-term receivables		**2**	-	**5**	8
Deferred tax assets	20	**22**	14	**-**	-
Environmental rehabilitation trust funds	14	**51**	94	**7**	-
Investments	13	**57**	16	**1 791**	1 803
		4 048	3 182	**1 919**	1 932
Current assets					
Inventories	16	**586**	672	**16**	13
Trade and other receivables		**640**	665	**722**	307
Taxation		**3**	5	**-**	-
Deposits and cash		**4 160**	436	**4 133**	373
		5 389	1 778	**4 871**	693
Total assets		**9 437**	4 960	**6 790**	2 625
Equity and Liabilities					
Capital and reserves					
Ordinary share capital	17	**5**	5	**5**	5
Preference share capital	17	**4**	4	**4**	4
Share premium	17	**51**	1 692	**51**	1 692
Non-distributable reserves		**56**	95	**6**	101

Distributable reserves		**2 971**	199	**2 697**	2
Shareholders- interest in capital and reserves		**3 087**	1 995	**2 763**	1 804
Minority interest	18	**1 185**	1 128	**-**	-
Total shareholders- interest		**4 272**	3 123	**2 763**	1 804
Non-current liabilities					
Long-term borrowings	19	**562**	389	**354**	314
Deferred tax liabilities	20	**289**	163	**57**	(6)
Long-term provisions	21	**202**	275	**62**	50
		1 053	827	**473**	358
Current liabilities					
Trade and other payables		**388**	445	**95**	71
Provisions	22	**105**	148	**67**	52
Taxation		**194**	58	**169**	28
Shareholders for dividends		**1 208**	18	**1 208**	18
Shareholders for distribution		**1 697**	-	1 697	-
Overdrafts and short-term borrowings	23	**520**	341	**318**	294
		4 112	1 010	**3 554**	463
Total equity and liabilities		**9 437**	4 960	**6 790**	2 625

Statements of changes in equity

For the year ended 30 June 2000

Group	Note	Share capital and premium Rm	Foreign currency translation Rm	Revaluation surplus Rm	Retained profit Rm	Other Rm	**Tota** **R**
Balance at 30 June 1999 restated		1 701	(2)	3	94	199	**1 99**
Foreign currency translation reserve		-	8	-	-	-	
Earnings		-	-	-	-	3 980	**3 98**
Special dividend	9	-	-	-	-	(1 208)	**(1 208**
Special distribution	17	(1 697)	-	-	-	-	**(1 697**
Share issues net of expenses	17	9	-	-	-	-	
Share election reserve							
- utilised	17	47	-	-	(47)	-	
- encashed		-	-	-	(9)	-	**(9**
Post-acquisition items realised		-	-	-	9	-	
Balance at 30 June 2000		60	6	3	47	2 971	**3 08**
Balance at 30 June 1998 previously reported		1 176	-	212	580	1 856	**3 82**
Change in accounting policies	1	-	-	(3)	-	(2)	**(5**
Restated balance		1 176	-	209	580	1 854	**3 81**
Foreign currency translation reserve		-	(2)	-	-	-	**(2**
Revaluation reversal		-	-	(13)	-	-	**(13**
Earnings		-	-	-	-	521	**52**
Reallocation of reserves		-	-	-	10	(10)	
Ordinary dividends	9	-	-	-	-	(74)	**(74**
Dividend in specie	9	-	-	(193)	(510)	(2 322)	**(3 025**

Reserves attributable to National Brands Limited		-	-	-	(66)	-	**(66**
Share issues net of expenses		779	-	-	-	-	**77**
Associated company now subsidiary		-	-	-	28	(28)	
Transfer of share premium	17	(254)	-	-	-	254	
Share election reserve		-	-	-	56	-	**5**
Other movements		-	-	-	(4)	4	
Balance at 30 June 1999 restated		1 701	(2)	3	94	199	**1 99**

Company	Note	Share capital and premium Rm	Foreign currency translation Rm	Revaluation surplus Rm	Retained profit Rm	Other Rm	**Tota Rı**
Balance at 30 June 1999		1 701	3	6	92	2	**1 80**
Foreign currency translation reserve		-	(38)	-	-	-	**(38**
Earnings		-	-	-	-	3 903	**3 90**
Special dividend	9	-	-	-	-	(1 208)	**(1 208**
Special distribution	17	(1 697)	-	-	-	-	**(1 697**
Share issues net of expenses	17	9	-	-	-	-	
Share election reserve							
. utilised	17	47	-	-	(47)	-	
. encashed		-	-	-	(9)	-	**(9**
Other movements		-	-	-	(1)	-	**(1**
Balance at 30 June 2000		60	(35)	6	35	2 697	**2 76**
Balance at 30 June 1998		1 181	-	19	19	2 073	**3 29**
Foreign currency translation reserve		-	3	-	-	-	
Revaluation reversal		-	-	(13)	-	-	**(13**
Earnings		-	-	-	-	(1 545)	**(1 545**
Ordinary dividends	9	-	-	-	-	(74)	**(74**
Dividend in specie	9	-	-	-	-	(716)	**(716**
Share issues net of expenses		779	-	-	-	-	**77**
Elimination of crossholdings		(5)	-	-	-	-	**(5**
Transfer of share premium	17	(254)	-	-	-	254	
Share election reserve		-	-	.	56	-	**5**
Prospecting loans realisedon unbundling of Avmin Limited		-	-	-	17	.	**1**
Reserves of joint venture acquired		-	-	-	-	10	**1**

Balance at 30 June 1999	1 701	3	6	92	2	**1 80**

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Cash Flow Statements

for the year ended 30 June 2000

		Group		Compar	
	Note	**actual 2000 Rm**	restated 1999* Rm	**actual 2000 Rm**	re
Cash flow from operating activities					
Cash receipts from customers		**2 878**	2 430	**227**	
Cash paid to suppliers and employees		**2 246**	1 970	**274**	
Cash generated from/(utilised by) operations	31	**632**	460	**(47)**	
Interest received		**172**	43	**177**	
Interest paid		**(72)**	(125)	**(53)**	
Dividends received		**11**	11	**25**	
Dividends paid	32	**(41)**	(139)	**(27)**	
Taxation paid	33	**(68)**	(143)	**(28)**	
Net cash inflow from operating activities		**634**	107	**47**	
Cash flow from investing activities					
Acquisition of subsidiaries, net of cash acquired		**-**	35	**-**	
Proceeds from disposal of subsidiaries, net of cash disposed	34	**17**	238	**-**	
Acquisition of business of subsidiary		**-**	-	**-**	
Proceeds from sale of Hartebeestfontein mine		**304**	1	**-**	
Additions to fixed assets to maintain operations		**(312)**	(175)	**(17)**	
Additions to fixed assets to expand operations		**(973)**	(572)	**-**	
Proceeds on disposal of fixed assets		**43**	18	**1**	
Proceeds on disposal of investments		**3 732**	419	**3 752**	
Other investments acquired		**(63)**	-	**(63)**	
Net cash in/(out)flow from investing activities		**2 748**	(36)	**3 673**	

Cash flow from financing activities				
Increase in shareholder funding	**9**	200	**9**	
Funding received from minority shareholders	**14**	-	**-**	
Long-term borrowings raised	**160**	367	**-**	
Long-term borrowings repaid	**(6)**	(50)	**-**	
Increase/(decrease) in short-term borrowings	**163**	(309)	**28**	(
Decrease in loans and long-term receivables	**2**	90	**3**	
Net cash in/(out)flow from financing activities	**342**	298	**40**	(
Net increase/(decrease) in cash and cash equivalents	**3 724**	369	**3 760**	
Cash and cash equivalents at beginning of year	**436**	1 207	**373**	
Cash and cash equivalents not available due to unbundling	**-**	(1 140)	**-**	
Cash and cash equivalents at end of year	**4 160**	436	**4 133**	
Cash generated from operations per share (cents)	**591**	495	**(44)**	

*Refer note 1 of the notes to the financial statements.

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1. Change in accounting policies

During the year the Group changed its accounting policies to account for the decommissioning of mining assets, the amortisation of non-specialised buildings and the recognition of deferred tax on all temporary differences.

These changes had no significant effect on the Group or Company earnings for the current or previous years. The opening retained profit of the Group was reduced by R2 million, whilst the opening retained profit of the Company was not affected.

The changes in accounting policies have resulted in a restatement of the Group balance sheet in respect of the previous year. The net present value of the rehabilitation provision is now recognised as a gross liability for decommissioning and restoration, whilst the cost of fixed assets now includes decommissioning. The investment in Environmental Rehabilitation Trust Funds is now recognised as a non-current asset, where previously it was netted off against the liability.

Notes to the annual financial statements

2. Revenue

	Group		Company	
	actual	restated	actual	actual
	2000	1999	2000	1999
	Rm	Rm	Rm	Rm
Revenue comprises:				
- mining and related products	**2 222**	**1 952**	264	60
- by-products	**29**	**20**	**-**	-
- mining supplies and other commodities	**212**	**161**	-	-
- profit distributions from The Saturn Partnership	**339**	**263**	339	155
- toll treatment and other services	**132**	**93**	-	-
Mining and related revenue	**2 934**	**2 489**	603	215
Revenue and other income	**3 193**	**2 669**	918	677

For reporting purposes other income includes fees, which are included in other operating income, and dividends and interest received, which are included in investment income.

Revenue between companies within the Group, including revenue at arm' length, is eliminated on consolidation.

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3. Profit from operations

		Group		Co
		actual 2000 Rm	restated 1999 Rm	**act 20** R
Profit from operations includes:				
Foreign exchange gains	- realised	**6**	-	
	- unrealised	**14**	-	
Gain on extinguishment of debt		**-**	6	
Surplus on disposal of fixed assets		**5**	8	
Amortisation and depreciation	- land and buildings	**3**	3	
	- mine development, exploration and decommissioning	**48**	17	
	- mineral rights	**1**	-	
	- intangible assets	**(16)**	-	
	- plant and machinery	**70**	65	
	- other	**30**	29	
Auditors' remuneration	- audit fees	**4**	3	
Exploration expenditure		**52**	50	
Foreign exchange losses	- realised	**15**	1	
	- unrealised	**2**	1	
Operating leases	- equipment and vehicles	**-**	1	
Provisions	- long term	**57**	39	
Provisions	- short term	**21**	70	
Retirement benefit costs	- defined benefit pension	**3**	26	
	- defined contribution pension	**17**	15	
	- medical aid fund	**9**	15	
Transfer, secretarial, financial, research and development expenditure		**18**	3	

Notes to the annual financial statements

4. Income from investments

		Group actual 2000 Rm	Group restated 1999 Rm	Company actual 2000 Rm	Company actual 1999 Rm
Dividend income	- subsidiary companies - listed			**13**	55
	- subsidiary companies - unlisted			**2**	221
	- other - listed	**1**	4	**2**	61
	- other - unlisted	**10**	7	**8**	6
Interest received	- subsidiary companies			**46**	30
	- other	**172**	43	**132**	17
		183	54	**203**	390

Notes to the annual financial statements

5. Exceptional items

	Group		Company	
	actual 2000 Rm	restated 1999 Rm	**actual 2000 Rm**	actual 1999 Rm
Impairment of assets	**(6)**	(26)	**-**	-
Inventory written down	**(6)**	-	**-**	-
Investments written down	(7)	-	**(7)**	(2 048)
Provisions	**-**	(77)	**-**	(73)
Redundancy costs	**-**	(10)	**-**	(7)
Restructuring costs - insurance commissions, net of provision reversed	**(1)**	(8)	**-**	(8)
Surplus/(loss) on disposal of subsidiaries	**(28)**	137	**(61)**	105
Surplus on disposal of Hartebeestfontein mine	**28**	-	**-**	-
Surplus/(loss) on disposal of other investments	**3 668**	191	**3 668**	(2)
Other	**-**	1	**-**	-
Exceptional items per income statement	**3 648**	208	**3 600**	(2 033)
Taxation	**140**	-	**133**	-
Minority interest	**9**	-		
Net exceptional items	**3 499**	208	**3 467**	(2 033)

Notes to the annual financial statements

6. Directors' emoluments

	Company actual 2000 Rm	actual 1999 Rm
Paid by the Company:		
Executive directors		
- salaries	**1**	5
- benefits	**-**	1
- compensation for loss of office	**-**	15
- bonuses	**1**	-
Management board excluding executive director	**6**	2
	8	23
Share options granted (units in thousands)		
- Directors	**251**	206
- Management Board	**511**	385
Value of options (R million)		
- Directors	**6**	4
- Management Board	**13**	8
	19	12
Option periods		
- Directors	August 2000 to February 2004	
- Management Board	August 2000 to December 2004	

Messrs K W Maxwell and B M Menell, respectively as a non-executive director and an executive director at year end, entered into separate consultancy agreements with the Company on 1 June 2000 on a fixed monthly basis for a period of one year, subject to renewal by prior agreement.

Notes to the annual financial statements

7. Taxation

	Group		Company	
	actual 2000 Rm	restated 1999 Rm	**actual 2000 Rm**	actual 1999 Rm
South African normal taxation				
- current year	**60**	74	**38**	1
- prior year	**3**	1	**-**	-
State share of profits	**7**	20	**-**	-
Deferred taxation				
- temporary differences	**118**	62	**62**	(10)
- adjustment for reduction in tax rate	**-**	(14)	**-**	-
Secondary tax on companies	**136**	3	**133**	-
Foreign taxes	**-**	1	**-**	-
	324	147	**233**	(9)
Dealt with as follows:				
Attributable to profit before exceptional items	**184**	147	**100**	(9)
Attributable to exceptional items (note 5)	**140**	-	**133**	-
	324	147	**233**	(9)
Reconciliation of rate of taxation	**%**	%	**%**	%
Standard rate of company taxation	**30**	30	**30**	30
Adjusted for:				
- Disallowed expenditure	**-**	2	**-**	(41)
- Exempt income	**(24)**	(10)	**(25)**	7
- Effect of state share of profits	**-**	2	**-**	-

- Reduction in tax rate	**-**	(2)	**-**	-
- Secondary tax on companies	**3**	-	**3**	-
- Tax losses not raised as deferred tax assets	**(2)**	(5)	**(2)**	4
- Other	**-**	2	**-**	-
Effective rate of taxation	**7**	19	**6**	-
The estimated losses which are available for the reduction of future taxable income are	**60**	167	**-**	144
The ordinary shareholders. interest in the abated assessed losses is estimated at	**33**	163	**-**	144
The estimated unredeemed capital expenditure available for reduction against future mining income is	**2 062**	1 626	**-**	67
The ordinary shareholders. interest in the abated unredeemed capital expenditure is estimated at	**1 320**	1 061	**-**	67

The Group had no unused credits in respect of secondary tax on companies at 30 June 2000 (1999: R136 million).

Notes to the annual financial statements

8. Income from associates

	Group	
	actual 2000 Rm	restated 1999 Rm
Equity accounted earnings of Avgold Limited	**-**	4

The results of Avgold Limited were consolidated for the year to 30 June 2000 and equity accounted for the year to 30 June 1999.

Notes to the annual financial statements

9. Dividends

	Group		Company	
	actual 2000 Rm	restated 1999 Rm	**actual 2000 Rm**	actual 1999 Rm
Ordinary dividends				
Special dividend of R11,23 (1999 final dividend: 70 cents) per share	**1 208**	74	**1 208**	74
Dividend in specie				
Net assets of Anglovaal Industries Limited distributed on unbundling	**-**	3 025	**-**	716

Notes to the annual financial statements

10. Headline earnings

	Group		Company	
	actual 2000 Rm	restated 1999 Rm	**actual 2000 Rm**	actual 1999 Rm
Earnings per income statement	**3 980**	521	**3 903**	(1 545)
- Impairment of assets	**6**	26	**-**	-
- Inventory written down	**6**	-	**-**	-
- Investments written down	**7**	-	**7**	2 048
- Long-term debt extinguished	-	(6)	**-**	-
- Provisions	**-**	73	**-**	73
- Redundancy costs	**-**	10	**-**	-
- Restructuring costs - insurance commissions	**6**	-	**-**	-
- Surplus on disposal of investments	**(3 668)**	(328)	**(3 607)**	(103)
- Surplus on disposal of fixed assets	-	(8)	**-**	-
- Other	**-**	1	**-**	-
	337	289	**303**	473
- Taxation	**140**	-	**133**	-
- Minority interest	**9**	-		
Headline earnings	**486**	289	**436**	473

Notes to the annual financial statements

11. Earnings per share

The calculation of earnings per share is based on earnings of R3 980 million (1999: R521 million), and a weighted average of 106 889 (1999: 92 894) thousand shares in issue during the year. The calculation of headline earnings per share is based on headline earnings of R486 million (1999: R289 million), and a weighted average of 106 889 (1999: 92 894) thousand shares in issue during the year. The calculation of fully diluted earnings per share is based on earnings of R3 980 million (1999: R521 million), there being no reconciling items to arrive at fully diluted earnings, and a weighted average of 110 805 (1999: 93 796) thousand shares in issue during the year calculated as follows:

Weighted average number of shares used in calculating basic earnings per share (thousands)
Compulsorily convertible preference shares (thousands)
Potential ordinary shares due to share options granted (thousands)
Weighted average number of shares used in calculating fully diluted earnings per share (thousands)

The calculation of fully diluted headline earnings per share is based on earnings of R486 million (1999: R289 million) and a weighted average of 110 805 (1999: 93 796) thousand shares.

2000	1999
106 889	92 894
1 486	646
2 430	256
110 805	93 796

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12. Fixed and intangible assets

	Mine development and exploration	Decom-missioning assets	Plant and machinery	Land and buildings	Mineral rights	Intangible assets	Other
Group - Rm							
Cost							
Balance at 30 June 1998	169	-	3 806	1 247	45	383	366
Change in accounting policy	-	4	-	-	-	-	-
Unbundling of Anglovaal Industries Limited	-	-	(3 186)	(1 055)	-	(383)	(157)
Additions	106	-	424	18	170	-	29
Reclassifications	43	-	(29)	(18)	(2)	-	6
Revaluations	-	-	-	(13)	-	-	-
Impairments	(1)	-	(17)	(3)	(1)	-	(4)
Disposals	-	-	(5)	(4)	-	-	(7)
Subsidiaries acquired or sold	1 720	-	19	(25)	119	(34)	38
Realignment of currencies	-	-	(3)	(1)	-	-	-
Unearned profit	-	-	-	-	(5)	-	-
Balance at 30 June 1999	**2 037**	**4**	**1 009**	**146**	**326**	**(34)**	**271**
Additions	606	34	616	16	2	3	46
Reclassifications	(33)	2	8	(6)	-	7	22
Impairments	-	-	(5)	-	-	-	(1)
Disposals	(23)	-	(5)	(32)	(5)	-	(5)
Subsidiaries acquired or sold	-	-	(2)	-	-	-	(6)

Realignment of currencies	-	-	48	1	-	-	1
Sale of Hartebeestfontein mine	(460)	-	(70)	-	-	-	(53
Balance at 30 June 2000	**2 127**	**40**	**1 599**	**125**	**323**	**(24)**	**27**
Accumulated amortisation and depreciation							
Balance at 30 June 1998	31	-	1 627	90	8	1	21
Change in accounting policy	-	3	-	1	-	-	-
Unbundling of Anglovaal Industries Limited	-	-	(1 458)	(70)	-	(1)	(114
Reclassification	1	-	(3)	(2)	-	-	4
Charge for the year	17	-	65	2	-	-	3
Disposals	-	-	(2)	-	-	-	(4
Subsidiaries acquired or sold	260	-	7	-	(5)	-	5
Realignment of currencies	-	-	(1)	(1)	-	-	-
Balance at 30 June 1999	**309**	**3**	**235**	**20**	**3**	**-**	**131**
Reclassification	4	-	1	-	-	-	(4
Charge for the year	45	3	70	3	1	(16)	3
Disposals	(23)	-	(5)	-	-	-	(4
Subsidiaries acquired or sold	-	-	(2)	-	-	-	(3
Realignment of currencies	-	-	2	-	-	-	-
Sale of Hartebeestfontein mine	(214)	-	(32)	-	-	-	(8
Balance at 30 June 2000	**121**	**6**	**269**	**23**	**4**	**(16)**	**14**
Carrying value at 30 June 1999	**1 728**	**1**	**774**	**126**	**323**	**(34)**	**14**
Carrying value at 30 June 2000	**2 006**	**34**	**1 330**	**102**	**319**	**(8)**	**13**

Borrowing costs

Borrowing costs amounting to R38 million were capitalised in respect of the year to 30 June 2000 (
R25 million).

Balance at 30 June 1998	-	-	-	19	-	-	9

Additions	4	-	-	-	-	-	1
Disposals	-	-	-	-	-	-	(5)
Revaluations	-	-	-	(13)	-	-	-
Reclassifications	43	-	(13)	-	-	-	(30)
Balances acquired	33	-	56	11	-	-	47
Balance at 30 June 1999	**80**	**-**	**43**	**17**	**-**	**-**	**22**
Additions	10	1	1	-	-	-	5
Disposals	-	-	-	-	-	-	(3)
Balance at 30 June 2000	**90**	**1**	**44**	**17**	**-**	**-**	**24**
Accumulated amortisation and depreciation							
Balance at 30 June 1998	-	-	-	-	-	5	-
Charge for the year	7	-	4	-	-	-	2
Disposals	-	-	-	-	-	-	(3)
Reclassifications	1	-	(2)	-	-	-	1
Balances acquired	4	-	9	-	-	-	13
Balance at 30 June 1999	**12**	**-**	**11**	**-**	**-**	**-**	**18**
Charge for the year	10	-	7	-	-	-	5
Disposals	-	-	-	-	-	-	(3)
Balance at 30 June 2000	**22**	**-**	**18**	**-**	**-**	**-**	**20**
Carrying value at 30 June 1999	**68**	**-**	**32**	**17**	**-**	**-**	**4**
Carrying value at 30 June 2000	**68**	**1**	**26**	**17**	**-**	**-**	**4**

Group freehold land and buildings were acquired at cost.

A register containing details of mineral and mining rights and land and buildings is available for insp during business hours at the registered address of the Company by members or their duly authorise agents.

Notes to the annual financial statements

13. Investments

	Group		Company	
	actual 2000 Rm	restated 1999 Rm	**actual 2000 Rm**	actual 1999 Rm
Associated companies				
Unlisted				
Book value	**-**	-	**-**	-
Directors' valuation of unlisted investments	**1**	1	**1**	1
Other investments				
Listed - subsidiary companies and other				
Book value	**52**	6	**1 296**	1 241
Unlisted - subsidiary companies and other				
Book value	**5**	9	**455**	480
Loans (refer to page 82)	**-**	-	**40**	81
	5	9	**495**	561
Unlisted - partnerships and joint ventures	**-**	1	-	1
Total unlisted	**5**	10	**495**	562
Total carrying amount of investments	**57**	16	**1 791**	1 803
Market value of listed investments	**131**	73	**2 099**	1 592
Directors' valuation of unlisted investments - subsidiaries and other	**12**	71	**456**	511

- partnerships and joint ventures	**-**	2 667	**150**	2 667
	12	2 738	**606**	3 178

Read the follwing reports on investment:
Report on subsidiaries
Principal subsidiary companies
Report on other investments

Notes to the annual financial statements

14. Environmental rehabilitation trust funds

	Group		Company	
	actual 2000 Rm	restated 1999 Rm	**actual 2000 Rm**	actual 1999 Rm
Total environmental rehabilitation obligation (note 21)	**109**	163	**8**	-
Less: Amounts in trust funds	**51**	94	**7**	-
Net liability	**58**	69	**1**	-
The funds in the trusts are as follows:				
Balance at beginning of year	**94**	19	**-**	-
Subsidiaries acquired or sold	**-**	88	**-**	-
Amounts received during the year	**4**	2	**1**	-
Less: Work completed	**(1)**	-	**-**	-
Interest earned	**4**	3	**1**	-
Sale of Hartebeestfontein mine	**(57)**	-	**-**	-
Other movements	**7**	(18)	**5**	-
	51	94	**7**	-

Notes to the annual financial statements

15. Joint Ventures

	Group		Company	
	actual 2000 Rm	restated 1999 Rm	**actual 2000 Rm**	actual 1999 Rm
The proportionate share of the following joint venture has been incorporated into the Company results: . a 75 per cent share in the Nkomati mine for twelve months (1999 - six months)				
The proportionate shares of the following joint ventures have been incorporated into the Group results: - a 75 per cent share in the Nkomati mine for twelve months - a 50 per cent share in Cato Ridge Alloys (Pty) Limited - a 23 per cent share in Lannex				
The aggregate amounts of joint ventures proportionately consolidated in the financial statements are:				
Income statements				
Revenue	**345**	160	**264**	60
Profit for the year after taxation	**97**	7	**108**	15
Balance sheets				
Non-current assets	**129**	135	**94**	98
Current assets	**216**	107	**167**	63
Non-current liabilities	**29**	122	**29**	122
Current liabilities	**177**	76	**101**	15
Cash flow statements				
Net cash inflow/(outflow) from operating activities	**104**	(2)	**102**	17
Net cash outflow from investing activities	**(17)**	(15)	**(16)**	3
Net cash inflow from financing activities	**(73)**	31	**(72)**	1
Loan to joint venture	**-**	-	**44**	113

Commitments and contingent liabilities

Commitments	-	-	-	-

Notes to the annual financial statements

16. Inventories

	Group		Company	
	actual 2000 Rm	restated 1999 Rm	**actual 2000 Rm**	actual 1999 Rm
By-products	**-**	71	**-**	-
Consumable stores	**68**	52	**-**	-
Finished products	**211**	254	**-**	4
Raw material	**277**	242	**16**	9
Work-in-process	**30**	53	**-**	-
	586	672	**16**	13

Notes to the annual financial statements

17. Share capital and premium

	Group		Company	
	actual 2000 Rm	restated 1999 Rm	**actual 2000 Rm**	actual 1999 Rm
Share capital				
Authorised				
196 668 737 (1999: 196 668 737) ordinary shares of 5 cents each	**10**	10	**10**	10
646 380 (1999: 646 380) compulsory convertible preference shares of 678 cents each	**4**	4	**4**	4
	14	14	**14**	14
Issued				
107 609 995 (1999: 106 199 709) ordinary shares of 5 cents each	**5**	5	**5**	5
646 380 (1999: 646 380) compulsory convertible preference shares of 678 cents each	**4**	4	**4**	4
Share premium	**51**	1 692	**51**	1 692
- Balance at beginning of the year	**1 692**	1 175	**1 692**	1 180
- Share issue net of expenses	**9**	(7)	**9**	(7)
- Special distribution	**(1 697)**	-	**(1 697)**	-
- Shares issued in lieu of dividends	**47**	-	**47**	-
- Elimination of cross holdings with unbundling	**-**	-	**-**	(5)
- Premium on shares issued	**-**	779	**-**	779
- Capitalisation issue of preference shares with restructuring	**-**	(1)	**-**	(1)
- Transfer of reserves	**-**	(254)	**-**	(254)
Total issued share capital and premium	**60**	1 701	**60**	1 701

Notes to the annual financial statements

18. Minority Interest

	Group	
	actual 2000 Rm	restated 1999 Rm
Balance at beginning of year	**1 128**	3 399
Change in accounting policy	**-**	4
Reserves of minorities in Anglovaal Industries Limited	**-**	(2 668)
Transfer from income statements	**57**	118
Dividends paid to minorities	**(13)**	(13)
Interest in subsidiaries acquired	**-**	684
Interest in subsidiaries sold	**-**	(1)
Decrease/(increase) of interest in an existing subsidiary	**10**	(4)
Acquisition of minorities in Avmin Limited	**-**	(403)
Other	**3**	12
Balance at end of year	**1 185**	1 128

Notes to the annual financial statements

19. Long term borrowings

	Group		Company	
	actual 2000 Rm	restated 1999 Rm	**actual 2000 Rm**	actual 1999 Rm
SA rand long-term borrowings				
Secured loans	**-**	4	**-**	-
Unsecured loans				
Fixed term loan of five years terminating on 11 June 2002. The loan bears interest at a nominal rate of 15,96 per cent, repayable in ten equal six-monthly instalments of R14 million commencing on 11 December 1997 with a final instalment on 11 June 2002.	**45**	64	**-**	-
Other unsecured loans	**11**	5	**11**	-
Total borrowings	**56**	73	**11**	-
Less: Repayable within one year included in short-term borrowings	**11**	3	**11**	-
Total SA rand long-term borrowings	**45**	70	**-**	-

US dollar long-term borrowings

Unsecured loans

- loans of US$20 million (1999: nil) at a fixed interest rate of 6,75% and repayable in

semi-annual instalments over six and a half years commencing six months after final drawdown.	**160**	-	**-**	-
- loans totalling US$52 million (1999: US$52 million). The loans bear interest at rates of between 5,15% and 7,10% and are repayable within 3 years.	**354**	314	**354**	314
- loan of US$0,8 million (1999: US$1,1 million). The loan bears interest at 6,50% and is repayable in equal instalments of US$0,3 million over the next two years with a final instalment of US$0,2 million during the year ended 30 June 2003.	**5**	7	**-**	-
Total borrowings	**519**	321	**354**	314
Less: Repayable within one year included in short-term borrowings	**2**	2	-	-
Total US dollar long-term borrowings	**517**	319	**354**	314
Total borrowings at end of the year	**575**	394	**365**	314
Less: Repayable within one year included in short-term borrowings	**13**	5	**11**	-
Total borrowings at end of the year	**562**	389	**354**	314
Made up as follows:				
. Anglovaal Mining Limited	**354**	314	**354**	314
. Associated Manganese Mines of South Africa Limited	**3**	5	**-**	-
. Anglovaal Air (Pty) Limited	**45**	64	**-**	-
. Avgold Limited	**-**	3	**-**	-
. Chambishi Metals Plc	**160**	-	**-**	-
. Otterbea International (Pty) Limited	**-**	3	**-**	-
	562	389	**354**	314

Repayable during the year ending 30 June

Group-RM	Rate of interest %	**Total borrowings 2000**	2001	2002	2003	2004	2005 onwards
Interest payable and repayments							
Unsecured loans	0 - 5	**11**	11	-	-	-	-
	6 - 10	**160**	-	16	32	32	80
	6 - 10	**5**	2	2	1	-	-
	6 - 10	**354**	-	-	-	-	354
	16	**45**	-	45	-	-	-
		575	13	63	33	32	434

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20. Deferred Taxation

	Group		Company	
	actual 2000 Rm	restated 1999 Rm	**actual 2000 Rm**	actual 1999 Rm
Deferred tax asset				
Valuation of inventories	**1**	1	**-**	-
Provisions made	**4**	9	**-**	-
Product development costs deducted in earlier years	**6**	-	**-**	-
Assessed loss	**9**	2	**-**	-
State share of profits	**1**	-	**-**	-
Liabilities for health care benefits	**1**	1	**-**	-
Other	**-**	1	**-**	-
Net deferred tax asset	**22**	14	**-**	-
Deferred tax liability				
Capital allowances utilised	**336**	253	**26**	5
Valuation of inventories	**-**	1	**-**	-
Provisions made	**(1)**	-	**(1)**	-
Unredeemed capital expenditure	**(108)**	(96)	**-**	-
State share of profits	**20**	11	**-**	-
Liabilities for health care benefits	**(16)**	(15)	**(16)**	(15)
Other	**58**	9	**48**	4
Net deferred tax liability	**289**	163	**57**	(6)
Reconciliation of opening and closing balance				
Opening deferred tax liability	**157**	251	**9**	-

Opening deferred tax asset	**(15)**	-	**(15)**	-
Net deferred tax liability/(asset) - opening balance	**142**	251	**(6)**	-
Change in accounting policy	**7**	16	**-**	-
Restated opening balance	**149**	267	**(6)**	-
Unbundling of Anglovaal Industries Limited	**-**	(159)	**-**	-
Reduction due to change in rate of taxation	**-**	(15)	**-**	-
Subsidiaries acquired or sold	**-**	(14)	**-**	4
Temporary differences from:	**118**	70	**63**	(10)
- Unredeemed capital expenditure	**(12)**	-	**-**	-
- Assessed loss	**(7)**	20	**-**	-
- Capital allowances utilised	**83**	63	**21**	5
- Valuation of inventories	**(1)**	(4)	**-**	-
- Provisions made	**4**	(1)	**(1)**	-
- Prepayments deducted	**-**	(6)	**-**	-
- Development costs	**(6)**	-	**-**	-
- Health care benefits	**(1)**	(15)	**(1)**	(15)
- State share of profits	**8**	1	**-**	-
- Other	**50**	12	**44**	-
- Deferred tax liability	**289**	163	**57**	-
- Deferred tax asset	**(22)**	(14)	**-**	(6)
Net deferred tax liability/(asset) - closing balance	**267**	149	**57**	(6)

Notes to the annual financial statements

21. Long term provisions

	Group		Company	
	actual 2000 Rm	restated 1999 Rm	actual 2000 Rm	actual 1999 Rm
Environmental rehabilitation obligation				
Provision for decommissioning				
Balance at beginning of year	**103**	101	**-**	-
Provision for the year	**36**	2	**1**	-
Sale of Hartebeestfontein mine	**(68)**	-	**-**	-
Balance at end of year	**71**	103	**1**	-
Provision for restoration				
Balance at beginning of year	**60**	58	**-**	-
Provision for the year	**2**	2	**1**	-
Sale of Hartebeestfontein mine	**(32)**	-	**-**	-
Additional obligation recognised	**8**	-	**6**	-
Balance at end of year	**38**	60	**7**	-
Total environmental rehabilitation obligation	**109**	163	**8**	-
Post-retirement health care benefits				
Balance at beginning of year	**96**	28	**50**	-
Subsidiaries acquired	**-**	33	**-**	17
Provision for the year	**4**	35	**4**	33
Sale of Hartebeestfontein mine	**(29)**	-	**-**	-
Balance at end of year	**71**	96	**54**	50

Other long-term provisions				
Balance at beginning of year	**16**	85	**-**	-
Subsidiaries sold	**-**	(70)	**-**	-
Provision for the year	**15**	-	**-**	-
Transfer to short-term provisions	**(9)**	-	**-**	-
Other	**-**	**1**	-	-
Balance at end of year	**22**	16	**-**	-
Total long-term provisions at end of year	**202**	275	**62**	50

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22. Short term provisions

	Group		Company	
	actual 2000 Rm	restated 1999 Rm	**actual 2000 Rm**	actual 1999 Rm
Balance at beginning of year	**148**	96	**52**	**-**
Subsidiaries acquired/sold	**(3)**	(12)	-	5
Provision for the year	**21**	70	**21**	47
Payments made during the year	**(33)**	(6)	**(7)**	**-**
Transfers from long-term provisions	**9**	-	**-**	-
Sale of Hartebeestfontein mine	**(35)**	-	**-**	-
Other	**(2)**	-	**1**	-
Balance at end of year	**105**	148	**67**	52
Made up as follows:				
Closure costs	**9**	8	**-**	**-**
Debt suretyship	**48**	40	**48**	40
Leave pay and bonus provisions	**46**	71	**19**	12
Long service awards	**2**	8	**-**	-
Retrenchments/termination benefits	**-**	5	**-**	-
Other provisions	**-**	16	**-**	-
Total short-term provisions	**105**	148	**67**	52

Notes to the annual financial statements

23. Overdrafts and short-term borrowings

	Group		Company	
	actual 2000 Rm	restated 1999 Rm	**actual 2000 Rm**	actual 1999 Rm
Overdrafts	**49**	41	**-**	4
Short-term borrowings	**445**	282	**294**	277
Treasury liabilities	**13**	13	**13**	13
Current portion of long-term borrowings	**13**	5	**11**	-
	520	341	**318**	294

Overdrafts and short-term borrowings are made up as follows:				
Anglovaal Mining Limited	**20**	7	**20**	7
Associated Manganese Mines of South Africa Limited	**473**	306	**-**	-
Avgold Limited	**6**	2	**-**	-
Chambishi Metals Plc	**8**	-	**-**	-
Loans from subsidiaries			**285**	274
Otterbea International (Pty) Limited	**-**	13	**-**	-
Treasury liabilities	**13**	13	**13**	13
	520	341	**318**	294

Notes to the annual financial statements

24. Commitments and contingent liabilities

	Group		Company	
	actual 2000 Rm	restated 1999 Rm	**actual 2000 Rm**	actual 1999 Rm
Commitments				
Commitments in respect of capital expenditure:				
Approved by directors				
- contracted for	**637**	263		
- not contracted for	**1 279**	241		
	1 916	504		
It is anticipated that this expenditure will be financed from own resources, existing and new borrowing facilities.				
Other commitments:				
- Uranium oxide sales	**-**	163		
- Outstanding orders	**-**	21		
Total commitments	**1 916**	688		
Contingent liabilities				
Guarantee of subsidiary loan			**160**	-
Housing collaterals and contingent liabilities relating to slimes dams	**2**	5		
Total commitments and contingent liabilities	**1 918**	693	**160**	-

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25. Retirement benefit plans

The Group has made provision for pension plans and provident funds covering all employees. These comprise defined contribution pension plans, which are governed by the Pension Funds Act, 1956, and defined contribution provident funds administered either by employee organisations within the industries in which members are employed or by independent administrators. The contributions paid by the Group for retirement benefits are charged to the income statement as they are incurred.

The benefits provided by the defined contribution plans are determined by accumulated contributions and returns on investment.

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26. Post-retirement health care benefits

The Group has obligations to fund a portion of certain pensioners and retiring employees 'medical aid contributions. The anticipated liabilities arising from these obligations have been actuarially determined and a corresponding liability has been raised.

The liabilities are assessed periodically by an independent actuarial survey which uses the following principal actuarial assumptions:
– the discount rates used were based on high quality corporate bonds and amounted to a rate of 13%;
– health care costs are expected to increase at a rate of 9,7%.

The provisions raised in respect of post-retirement health care benefits amounted to R71 million (1999: R96 million) at the end of the year. Of this amount, R4 million (1999: R35 million) was charged against income in the current year (refer to note 21).

This liability is based on the present value of the post-retirement benefits and has been recognised in full. It is based on the actuarial valuation, dated 6 October 1999, and is not funded.

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27. Related party transactions

Related party transactions can exist between subsidiaries and the holding company, fellow subsidiaries, associated companies, joint ventures and key management personnel. A report on investments in subsidiaries, associated companies and joint ventures, that indicate the relationship and degree of control exercised by the Company, appear on pages 82 to 86.

Transactions between the holding company, its subsidiaries, associated companies and joint ventures relate to fees, dividends, rents and interest and are regarded as inter-group transactions and eliminated on consolidation. These transactions are concluded at arm. s length and under terms and conditions that are no less favourable than those arranged with third parties. The volume of these transactions are insignificant in relation to the operating transactions of the Company and are concluded to effect internal policies and practices of the Company. There were no material outstanding balances at the end of the year, as transactions with the Group companies are eliminated on consolidation.

Transactions with directors relate to fees and share options and are disclosed in note 6 above.

The following significant related party transactions for The Associated Manganese Mines of South Africa Limited occurred during the year:

	Group	
	actual 2000 Rm	actual 1999 Rm
Assore Limited - provision of services	**39**	37
African Mining and Trust Company Limited - provision of services	**6**	6

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28. Disposal of diamond interests

	Finsch Diamonds Rm	Saturn Partnership Rm	**Total Rm**
During the year, the Company disposed of its diamond interests as follows:			
Proceeds	20	3 700	**3 720**
Investment at book value	(2)	(1)	**(3)**
Expenses			**(25)**
STC related to special dividend distribution			**(133)**
Surplus on disposal of diamond interests			**3 559**

Notes to the annual financial statements

29. Segmental information

Group 2000-Rm	Gold	Base metals	Ferrous metals	Diamonds	Corporate exploration	Corporate and other
Primary segmental information						
Year to 30 June 2000						
Revenue						
External sales	290	496	1 592	339	-	217
Cost of sales	(303)	(332)	(1 289)	-	-	(195)
Other operating income	-	4	6	-	-	66
Other operating expenses	(12)	(42)	(58)	-	-	(177)
Reallocated corporate expenditure	-	(36)	28	8	(19)	19
Segment result	(25)	90	279	347	(19)	(70)
Income from investments	9	7	2	-	-	165
Finance cost	-	(5)	(37)	-	-	(30)
Exceptional items	28	-	-	-	-	3 620
Taxation	(7)	(41)	(89)	-	-	(187)
Minority interest	4	2	(63)	-	-	-
Contribution to earnings	9	53	92	347	(19)	3 498
Contribution to headline earnings	(3)	53	92	347	(19)	16
Other information						
Consolidated total operating assets	1 907	1 262	1 693	-	-	4 265
Intangibles and mineral rights	125	-	185	-	-	-
Consolidated total assets	2 032	1 262	1 878	-	-	4 265
Consolidated total liabilities	415	736	890	-	-	3 124

Capital expenditure	469	441	407	-	-	6
Depreciation	17	44	70	-	-	5
Primary segmental information						
Year to 30 June 1999						
Revenue						
External sales	1 235	268	1 607	263	-	351
Segment result	(1)	69	383	263	(52)	(28)
Reconciling items to segment result	-	(3)	39	-	-	(22)
Income from investments	5	3	6	-	-	45
Finance cost	(1)	(1)	(41)	-	-	(83)
Exceptional items	-	-	-	-	-	208
Taxation	6	(24)	(112)	(3)	-	(8)
Minority interest	(5)	(3)	(118)	-	-	3
Income from associates	-	-	-	-	-	(4)
Contribution to earnings	4	41	157	260	(52)	111
Contribution to headline earnings	4	41	150	260	(52)	(114)
Other information						
Consolidated total operating assets	2 028	641	1 319	-	-	683
Intangibles and mineral rights	113	-	176	-	-	-
Consolidated total assets	2 141	641	1 495	-	-	683
Consolidated total liabilities	527	252	598	-	-	460
Capital expenditure	-	394	318	-	-	35
Depreciation	-	29	60	-	-	25

Avgold was equity accounted in the year to 30 June 1999.

Business segments

For management purposes, the Company is organised into three major operating divisions.

These are gold, ferrous metals and base metals. The Company' fourth segment, being diamonds, was disposed of during the course of the year. The Company' products predominantly reflect the risks and rewards of trading and the operating divisions are therefore identified as the primary reporting segments. Financial information about the primary segments is presented in the previous section of this note.

Geographical segments

The Company operates in two principal geographical areas namely South Africa and Zambia. Chambishi Metals Plc in Zambia is the only significant operation outside South Africa and is reported on in the base metals business segment.

	Grou| **actual** **2000** **Rm**
Assets by geographical area in which the assets are located are as follows:	
- South Africa	**8 348**
- Zambia	**1 000**
- Europe	**36**
- Other	**53**
	9 437
Capital expenditure by geographical in which the expenditure takes place is as follows:	
- South Africa	**897**
- Zambia	**426**
	1 323

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30. Financial instruments and risk management

The Group is exposed to certain financial risks in the normal course of its operations. To manage these risks, a treasury risk management committee has been established that may enter into transactions involving financial instruments from time to time. Both recognised and unrecognised financial instruments are disclosed below.

The Group does not acquire, hold or issue derivative instruments for trading purposes. All derivative type transactions are entered into as hedges of underlying cash flows.

The following risks occur and are managed through the policies adopted, as shown on the pages which follow.

Commodity and currency risk

Commodity price risk arises from the possible adverse effect of fluctuations in commodity prices on current and future earnings. The commodity market is predominantly priced in US dollars which exposes the Group. s cash flows to foreign exchange currency risks.

Derivative instruments used to hedge the position of the Group against these risks include forward sale
and purchase contracts as well as forward exchange contracts. Details are as follows:

Financial assets United States dollar	Converted at spot rate to Rm at year-end	Year-end rate R/US$	Maturity date
Financial assets included in receivables at 30 June 2000	2	6,80	current account
Financial assets included in receivables at 30 June 1999	2	6,03	current account

Financial liabilities United States dollar	Converted at FEC rate to Rm at year-end	Weighted average rate R/US$	Maturity date

Forward exchange contracts included in short-term borrowings at 30 June 2000	20	6,46 - 30/07/2000 - 05/09/2000
Forward exchange contracts included in short-term borrowings at 30 June 1999	3	6,31 August 1999

Forward contracts (not recognised on balance sheet) Activity:	Volume hedged (ounces)	Volume hedged (kilograms)	Average price	Maturity date year ending
Year ended 30 June 2000				
Hedged gold sales (denominated in US$/oz)	125 658	3 908	345	30 June 2001
	316 750	9 852	307	30 June 2002
	79 715	2 479	332	30 June 2003
Hedged gold sales (denominated in rands/kilogram)	28 569	889	69 896	30 June 2001
Year ended 30 June 1999				
Hedged gold sales		10 819	64 944	30 June 2000
All gold hedge commitments are denominated in rand/kilogram		15 000	74 172	30 June 2001
		8 709	78 509	30 June 2002
		4 043	84 106	30 June 2003

	Principal at year-end US$m	Principal at year-end Rm	Maturity date
Forward exchange contracts for ferrous metal debtors at 30 June 2000	76	527	1/07/2000 - 31/12/2000
Forward exchange contracts for ferrous metal debtors at 30 June 1999	19	122	01/07/1999 - 14/08/1999

Year ended 30 June 2000	Volume hedged (tons)	Average price	Maturity date
Contingent nickel hedged sales	600	7 270	31/12/2000
Call options sold	600	7 270	31/12/2000

All nickel hedge commitments are denominated in US$/ton

The mix of hedging instruments, the volume of production hedged and the tenor of the hedging book is continuously reviewed in the light of changes in operational forecasts, market conditions and the Group' hedging policy.

Interest rate risk

Fluctuations in interest rates give rise to interest rate risks through the impact these fluctuations have on the value of short-term cash investments and financing activities.

Hedging of interest rates may be undertaken to ensure that fluctuations in interest rates do not have an unexpected impact on the cash flows or value of assets and liabilities.

Cash is managed to ensure that surplus funds are invested in a manner to achieve maximum returns while minimising risks. This is achieved through the activities of Anglovaal Treasury Operations serving the Group in managing cash flow needs. Significant exposures to interest rate risk were as follows:

	Book value at year-end Rm	Repricing data	Maturity date	Effective interest rate %
Financial assets				
Year ended 30 June 2000				
Cash - financial institutions	576	30/06/2000	Overnight call deposit	10,04
- coupon bearing call deposits	30	30/06/2000	14/07/2000	10,10
- fixed	3 545	04/07/2000. 11/07/2000		10,09
	4 151			
Year ended 30 June 1999				
Cash - financial institutions	336	30/06/1999	Overnight call deposit	13,20
- coupon bearing call deposits	21	30/06/1999	18/09/1999	14,55
	357			

	Foreign currency amount US$	Book value at year-end Rm	Repricing data	Maturity date	Effective interest rate %
Financial liabilities					
Year ended 30 June 2000					
Foreign long-term borrowings					
. ABSA (Isle of Man) Limited	10	68	30/06/2000	31/01/2001	7,27
. Investec Bank (Mauritius) Limited	10	68	30/06/2000	30/09/2000	6,34
. First National Bank Limited	7	48	30/06/2000	30/09/2000	6,87
. Nedcor Trade Securities (Mauritius) Limited	25	170	30/06/2000	31/07/2000	7,10
. Rand Merchant Bank Limited	20	160	fixed to maturity	11/09/2006	6,75
. Other (refer note 19)	1	5	30/06/2000	30/06/2003	6,50
	73	519			
Local long- and short-term borrowings					
. Shareholders for dividends		1 208	-	07/07/2000	
. Shareholders for distribution		1 697	-	07/07/2000	
					Linked

. Financial institutions		518	30/06/2000	Current	to overnight money market rates
. Nedcor Bank Limited		45	30/06/2000	11/06/2002	15,79
Treasury liabilities		13		Overnight call amount	13,00
	73	4 000			
Year ended 30 June 1999					
Foreign long-term borrowings					
- Standard Finance (Isle of Man) Limited	7	42	30/06/1999	30/06/1999	5,90
. Investec Bank (Mauritius) Limited	10	60	30/06/1999	04/09/2001	5,22
. Amalgamated Finance (Isle of Man) Limited	10	60	30/06/1999	30/09/1999	6,23
. Nedcor Trade Securities (Mauritius) Limited	8	48	30/06/1999	09/07/1999	6,10
. Nedcor Trade Securities (Mauritius) Limited	17	104	30/06/1999	09/07/1999	5,55
. Other (refer note 19)	1	7	30/06/1999	30/06/2003	6,50
	53	321			
Local long- and short-term borrowings					
- Financial institutions		323	30/06/1999	Current	Linked to overnight money market rates
- Hire purchase agreements		4	30/06/1999	30/06/2004	Linked to prime overdraft rates
- Nedcor Bank Limited		64	30/06/1999	11/06/2002	15,79
- Other		5			
Treasury liabilities		13	30/06/1999	Overnight call amount	13,00
	53	730			

Credit risk

Credit risk arises from possible defaults on payments by business partners or bank counterparties. The Group minimises credit risk by evaluating counterparties before concluding transactions in order to ensure the credit worthiness of such counterparties. Cash is only deposited with institutions which have exceptional credit rankings with the amounts distributed appropriately among these institutions to minimise credit risk through diversification.

At year-end, the Binani Group (Ramcoz) owed Chambishi Metals Plc R17 million, which was significantly overdue. The Ramcoz operation in Zambia is under severe financial pressure and the operation needs an injection of capital to meet its obligations. Chambishi Metals holds cobalt metal or concentrates at current cobalt prices as security.

Treasury risk management
The Company. s treasury operation is a division of Anglovaal Mining Limited. The purpose of the division is to co-ordinate the short-term cash requirements in the South African domestic money market. The treasury operation makes available to all Group companies its bulk finance benefits at, or better than, market-related rates.

The treasury function is outsourced to Standard Risk and Treasury Management Services (Pty) Limited, a wholly owned subsidiary of Standard Bank Investment Corporation Limited, a specialist in the management of third party treasury operations.

A treasury committee, consisting of senior managers in the Company and representatives from Standard Risk and Treasury Management Services (Pty) Limited, meet on a regular basis to analyse currency and interest rate exposures as well as future funding requirements within the Group. The committee reviews the treasury operation. s dealings to ensure compliance with Group policies and exposure limits as directed by the Board of directors and audit committee.

Fair value
The estimated fair values of financial instruments are determined at a certain point in time based on relevant market information involving certain assumptions. The determined fair values therefore represent an approximation of the value which can be obtained in the market at a given point in time.

	Group 2000		Group 1999	
	Book value Rm	**Fair value Rm**	Book value Rm	Fair value Rm
The estimated fair values of the Group' financial instruments as at 30 June are as follows:				
Financial assets (recognised on balance sheet)				
Interest-bearing deposits and investments	**4 082**	**4 082**	-	-
Deposits and cash	**69**	**69**	357	357
Trade receivables	**625**	**625**	645	645
Current accounts	**-**	-	73	73
Accrued interest	**19**	**19**	6	6
	4 795	**4 795**	1 081	1 081
Financial assets (not recognised on balance sheet)				
Forward sale agreements	**-**	**21**	-	387
Forward exchange contracts	**-**	**4**	-	-
Financial liabilities (recognised on balance sheet)				

Shareholders for dividend	**2 905**	**2 905**	18	18
Trade and other payables	**388**	**388**	445	445
Treasury liabilities	**13**	**13**	13	13
Overdrafts and short-term borrowings	**494**	**494**	323	323
Long-term borrowings . local	**56**	**56**	73	73
Long-term borrowings . foreign	**519**	**519**	321	321
	4 375	**4 375**	1 193	1 193
Financial liabilities (not recognised on balance sheet)				
Commitments and contingent liabilities	1 918	1 918	693	693< td>

Equity instruments

Equity instruments include equity and preference shares. Preference shares are compulsorily convertible into ordinary shares on 30 June 2001 and do not obligate the Company to an outflow of resources that is potentially unfavourable. There is therefore no liability attached to the preference shares.

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31. Reconciliation of net profit before tax to cash generated from operations

	Group		Company	
	actual 2000 Rm	restated 1999 Rm	**actual 2000 Rm**	actu 199 R
Net income before tax, finance cost and investment income	**4 250**	853	**3 986**	(1 89
Adjusted for:	**(3 467)**	(83)	**(3 575)**	2 03
- Amortisation and depreciation of fixed assets	**136**	114	**22**	1
- Investment in Avmin Limited written off	**-**	-	**-**	2 04
- Long and short-term provisions	**78**	109	**27**	7
- Loss on impairment of fixed assets	**6**	26	**-**	
- Surplus on disposal of fixed assets	**(5)**	(8)	**-**	
- Surplus on disposal of investments	**(3 668)**	(328)	**(3 607)**	(10
- Unrealised foreign exchange (gain)/loss	**(12)**	1	**(8)**	
- Inventory writedown to NRV	**6**	-	**-**	
- Other non-cash flow items	**(8)**	3	**(9)**	
Operating profit before working capital changes	**783**	770	**411**	14
Increase in inventories	**(54)**	(96)	**(3)**	(
(Increase)/decrease in receivables	**(147)**	(59)	**(471)**	31
Decrease in payables	**50**	(155)	**16**	(9
Cash generated from operations	**632**	460	**(47)**	36

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32. Dividends paid

	Group		Company	
	actual 2000 Rm	restated 1999 Rm	**actual 2000 Rm**	actual 1999 Rm
Balance at beginning of year	**18**	101	**18**	101
Dividends accrued to ordinary shareholders	**1 208**	74	**1 208**	74
Dividends paid to minorities	**13**	38		
Transferred from/(to) share election reserve	**9**	(56)	**9**	(56)
Other movements	**1**	-	**-**	-
Balance at end of year	**(1 208)**	(18)	**(1 208)**	(18)
Dividends paid	**41**	139	**27**	101

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33. Taxation paid

	Group		Company	
	actual 2000 Rm	restated 1999 Rm	**actual 2000 Rm**	actual 1999 Rm
Balance at beginning of year (net)	**53**	104	**28**	2
Prior year tax underprovided	**3**	1	**-**	-
Subsidiaries acquired or sold	**-**	(6)	**-**	32
Current taxation as per income statements	**203**	97	**171**	1
Other provisions and movements	**-**	-	**(2)**	-
Balance at end of year	**(191)**	(53)	**(169)**	(28)
Taxation paid	**68**	143	**28**	7

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34. Proceeds from disposal of subsidiaries

	Orio Mining	Otterbea International	**Group 2000 Rm**	Group 1999 Rm
During the year the Company disposed of its interests in Otterbea International (Pty) Limited and Orion Mining and Prospecting Company (Pty) Limited, the holding company of Horizon Chrome Mines (Pty) Limited. The following assets and liabilities of the subsidiaries were disposed of:				
Fixed assets	-	4	**4**	218
Investments	-	-	**-**	19
Inventories	3	16	**19**	35
Trade and other receivables	3	93	**96**	55
Long-term borrowings	(28)	(2)	**(30)**	(96)
Deferred taxation	-	-	**-**	(14)
Long-term provisions	-	-	**-**	(3)
Trade and other payables and provisions	-	(54)	**(54)**	(43)
Taxation	-	(1)	**(1)**	(2)
Overdrafts and short-term borrowings	-	(59)	**(59)**	(100)
Cash and cash equivalents	-	4	**4**	4
Net assets (fairly valued)	(22)	1	**(21)**	73
Loans written off in holding company	24	44	**68**	166
Goodwill realised	-	2	**2**	-
Minority interest	-	-	**-**	(1)
Profit/(loss) on disposal of investment	19	(47)	**(28)**	137
	21	-	**21**	375
Less: Cash and cash equivalents (1999 includes proceeds in debtors)	-	(4)	**(4)**	(137)

Cash flow on disposal	21	(4)	**17**	238

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Report on subsidiaries

for the year ended 30 June 2000

	Company actual 2000 Rm	Company actual 1999 Rm
Investments		
Listed (market value R1 968 million - 1999: R1 519 million)	**1 234**	1 226
Unlisted	**451**	474
	1 685	1 700
Amounts owing by subsidiaries (refer note 13)	**40**	81
Amounts owing to subsidiaries (refer note 23)	**(285)**	(274)
	1 440	1 507
Income from subsidiaries		
Dividends	**15**	276
Interest	**46**	30
Fees	**41**	30
	102	336
Members' aggregate interest in profits and losses after taxation of subsidiaries		
Profits	**166**	292
Losses	**32**	28

Indebtedness to companies in the Group

The aggregate amount of indebtedness of subsidiaries to Anglovaal Mining Limited is:

- included in investments	**40**	81
- included in loans and long-term receivables	**3**	8
- included in receivables	**525**	105
	568	194

The aggregate amount of indebtedness of Anglovaal Mining Limited to its subsidiaries is:

- included in payables	**8**	13
- included in overdrafts and short-term borrowings	**285**	274
	293	287

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Principal subsidiary companies

Name and nature of business	Class	Issued permanent capital amount 2000 Rm	1999 Rm	Interest in capital: Direct 2000 %	1999 %	Indirect 2000 %	1999 %	Book value of Company' inte… Shares 2000 Rm	1999 Rm	Indel… by 200… Rm
Anglo-Transvaal Finance Corporation (Pty) Limited	Ord	**-**	-	**100**	100	-	-	-	-	
Anglovaal Air (Pty) Limited										
- air charter operator	Ord	**-**	-	**100**	100	-	-	**89**	89	**(213**
Anglovaal Namibia (Pty) Limited										
(Incorporated in Namibia)										
- exploration	Ord	**-**	-	**100**	100	-	-	-	-	
Anglovaal Trustees Limited										
(Incorporated in the UK)										
- London secretaries	Ord	**-**	-	**100**	100	-	-	-	-	
Atscot (Pty) Limited										
- investment	Ord	**1**	1	**100**	100	-	-	**10**	10	**(23**
Avgold Limited*										
- gold producer	Ord	**5**	5	**60**	60	-	-	**973**	967	
Avmin Limited										
- mining investment	Ord	**5**	5	**100**	100	-	-	-	-	**(17**
Avmin African Holdings B.V.										
(Incorporate in the Netherlands)										
- mining investment	Ord	**-**	-	**100**	100	-	-	-	-	
Avmin Computer Supplies (Pty) Limited										
- computer retail company	Ord	**-**	-	**100**	100	-	-	-	-	
Avmin (Zambia) Limited										

- exploration and prospecting	Ord	-	-	**100**	100	-	-	-	-	
AV Rosebank (Pty) Limited										
- property owner	Ord	-	-	**100**	100	-	-	-	-	
Bitcon' Investments (Pty) Limited										
- investments	Ord	-	-	**100**	100	-	-	-	-	**(2**
Centenary Prospecting and Mining Company (Pty) Limited										
- prospecting	Ord	-	-	**100**	100	-	-	-	-	
Chambishi Metals Plc										
- cobalt and copper treatment	Ord	**339**	339	**90**	90	-	-	**305**	305	**2**
Corondale Prospecting and Mining Company (Pty) Limited										
- prospecting	Ord	-	-	**100**	100	-	-	-	-	
Duff Scott Hospital (Pty) Limited										
- hospital	Ord	-	-	-	-	-	60	-	-	
Highland Gold Mining (Pty) Limited										
- prospecting	Ord	-	-	**100**	100	-	-	-	-	
Horizon Chrome Mines (Pty) Limited										
- chrome mining	Ord	-	-	-	100	-	-	-	(2)	
Jesdene Limited										
- share dealer	Ord	-	-	**100**	100	-	-	-	-	
Kingfisher Insurance Company Limited										
- insurance	Ord	-	-	**100**	100	-	-	**5**	8	
Konnoco (Zambia) Limited										
(Incorporated in Zambia)										
- exploration	Ord	-	-	**100**	100	-	-	-	-	
Lavino (Pty) Limited										
- chromite ore producer	Ord	**1**	1	**100**	100	-	-	**3**	3	
Letaba Copper & Zinc Corporation Limited										
- prospecting	Ord	**1**	1	**94**	94	-	-	-	-	
Norcape Holdings (Pty) Limited										
- share dealing	Ord	-	-	**100**	100	-	-	-	-	**(2**
Oribi Prospecting and Mining Company (Pty) Limited										
- mining investment	Ord	-	-	**100**	100	-	-	-	-	

Otterbea International (Pty) Limited										
- international trader	Ord	-	-	-	100	-	-	-	16	
Prieska Copper Mines Limited										
- investment	Ord	-	-	**97**	97	-	-	**1**	1	
Rooderand Main Reef Mines Limited										
- mining finance and investment	Ord	-	-	**100**	100	-	-	**1**	1	**(1**
Saturn Mining, Prospecting & Development Company (Pty) Limited										
- mining investments	Ord	-	-	-	88	-	-	-	-	
Sheffield Minerals (Pty) Limited										
- prospecting	Ord	-	-	**100**	100	-	-	-	-	
South African Base Minerals Limited										
- investment	Ord	-	-	**100**	100	-	-	-	-	
Southern Registrars (Pty) Limited										
- share registrar	Ord	-	-	**100**	100	-	-	-	-	
Sun Prospecting and Mining Company (Pty) Limited										
- mining investment	Ord	-	-	**100**	100	-	-	-	-	
Tasrose Investments (Pty) Limited										
- mining investment	Pref	-	-	**100**	100	-	-	**24**	25	
- mining investment	Ord	-	-	**100**	100	-	-	-	-	**(24**
Taurus Mining and Prospecting Company (Pty) Limited										
- prospecting	Ord	-	-	**100**	100	-	-	-	-	
The Associated Manganese Mines of South Africa Limited*										
- manganese and iron ore mining Company and ferro-alloy producer	Ord	**2**	2	**50**	50	-	-	**261**	258	
Tramid Investments Limited										
- investments	Ord	-	-	**100**	100	-	-	-	-	
Transvaal Copper Mining & Exploration Company (Pty) Limited										
- prospecting	Ord	-	-	**100**	100	-	-	-	-	

Vallum Investments (Pty) Limited										
- investment	Ord	-	-	**100**	100	-	-	**-**	-	(:
Venture Building Trust (Pty) Limited										
- property owner	Ord	-	-	**100**	100	-	**-**	**12**	12	1
Other sundry companies								**1**	7	
								1 685	1 700	**(245**

Notes

Unless otherwise stated, all companies are incorporated and carry on their principal operations in th Republic of South Africa- Interests are shown to the extent that this information is considered mate schedule with details of all other subsidiaries is available from the registered office or the London secretaries of the Company-

Investment written off as exploratory expenditure

* Listed companies

Report on other investments

	Group		Company		Group e
	Number of shares held		Number of shares held		Percentag
Name of company	**2000**	1999	**2000**	1999	**2000**
Investments in associated companies, joint ventures and partnerships					
Associated companies					
Unlisted					
Lucas Block Minerals Limited					
Ordinary shares of R2 each	**120**	120	**120**	120	**25**
Village Main Reef Gold Mining Company (1934) Limited					
Ordinary shares of 12,5 cents each	**2 292 500**	2 292 500	**2 292 500**	2 292 500	**38**
Joint ventures and partnerships					
Cato Ridge Alloys (Pty) Limited					**25**
Lannex Joint Venture					**23**
Nyala Minerals (Pty) Limited					**-**
Nkomati Joint Venture					**75**
The Saturn Partnership					**-**
Investments in other companies					
Listed					
Industrial & Commercial Holdings Limited	**18 000**	20 000	**18 000**	20 000	
Messina Limited	**-**	2 778	**-**	2 778	
Assore Limited	**5 108 600**	3 628 000	**5 108 600**	3 628 000	
Unlisted					
Africa South Entertainment & Investment Co (Pty) Limited	**10 000**	10 000	**10 000**	10 000	
Avmin African Holdings BV	**40 000**	40 000	**40 000**	40 000	
Chamber of Mines Building Company Limited	**49 812**	49 812	**-**	-	
Eureka Privaat Hospitaal Trustees (Eiendoms) Beperk	**100**	100	**-**	-	

Finsch Diamonds (Pty) Limited	**-**	180	**-**	180
Jeanette Gold Mining Company Limited	**21 136**	21 136	**21 136**	21 136
Kaya FM (Pty) Limited	**15 000**	15 000	**15 000**	15 000
Nuclear Fuels Corporation of South Africa (Pty) Limited	**-**	220 690	**-**	-
Otterbea International (Pty) Limited	**8**	-	**8**	-
Rand Refinery Limited	**16 907**	30 096	**-**	-
Small Business Development Corporation	**323 177**	323 177	**323 177**	323 177
The Employment Bureau of Africa Limited	**87 976**	95 817	**-**	-

Note

Interests are shown to the extent that this information is considered material. A schedule with deta other investments is available from the registered office or the London secretaries of the Company.

Introduction to US$ reporting

For the benefit of international investors, the income statements, balance sheets, statements of changes in equity and cash flow statements of the Group, presented in rands and set in the Cash Flow Statements and Notes to the Financial Statements sections, have been translated into United States dollars and are presented here.

The balance sheets are translated at the rate of exchange ruling at the close of business at 30 June 2000 and the income statements and cash flows are translated at the average exchange rates for the years reported.

The exchange rates were as follows:

	2000	1999
	R/US$	R/US$
Balance sheets	**R6,80**	R6,03
Income statements and cash flow statements	**R6,34**	R6,06

The dollar denominated income statements, balance sheets, statement of changes in equity and cash flow statements should be read in conjunction with the accounting policies of the Group and with the notes to the financial statements.

US$ Income Statements
US$ Balance Sheets
US$ Statements of changes
US$ Cash Flow Statements

US$ Income Statements

		Group	
		actual	restated
		2000	1999*
	Note	US$m	US$m
Revenue	2	**463**	411
Cost of sales		**334**	276
Gross profit		**129**	135
Other operating income		**12**	21
Other operating expenses		**46**	49
Profit from operations	3	**95**	107
Income from investments	4	**29**	9
Finance costs		11	**21**
Profit before exceptional items		**113**	95
Exceptional items	5	**575**	34
Profit before taxation		**688**	129
Taxation	7	**51**	24
Profit after taxation		**637**	105
Income from associates	8	**-**	1
Net profit		**637**	106
Minority interest		**10**	20
Earnings		**627**	86

Headline earnings	10	**77**	48
Earnings per share (cents)	11	**587**	93
Headline earnings per share (cents)	11	**72**	51
Fully diluted earnings per share (cents)	11	**566**	92
Fully diluted headline earnings per share (cents)	11	**69**	51
Dividends per share (cents)		**164**	11
Capital distribution per share (cents)		**232**	-
Number of shares in issue at end of year (thousands)		**107 610**	106 200
Weighted average number of shares in issue (thousands)		**106 889**	92 894
Weighted average number of shares used in calculating fully diluted earnings per share (thousands)	11	**110 805**	93 796

*Refer note 1 of the notes to the financial statements.

US$ Balance Sheets

		Group	
		actual	restated
		2000	1999*
	Note	**US$m**	US$m
Assets			
Non-current assets			
Tangible and intangible fixed assets	12	**576**	507
Loans and long-term receivables		**-**	-
Deferred tax assets	20	**3**	2
Environmental rehabilitation trust funds	14	**8**	16
Investments	13	**8**	3
		595	528
Current assets			
Inventories	16	**86**	112
Trade and other receivables		**95**	110
Taxation		**-**	1
Deposits and cash		**612**	72
		793	295
Total assets		**1 388**	823
Equity and liabilities			
Capital and reserves			
Ordinary share capital	17	**1**	1
Preference share capital	17	**1**	1
Share premium	17	**7**	281
Non-distributable reserves		**8**	15

Distributable reserves		**437**	33
Shareholders interest in capital and reserves		**454**	331
Minority interest	18	**174**	186
Total shareholders' interest		**628**	517
Non-current liabilities			
Long-term borrowings	19	**83**	65
Deferred tax liabilities	20	**43**	27
Long-term provisions	21	**30**	46
		156	138
Current liabilities			
Trade and other payables		**57**	74
Provisions	22	**15**	25
Taxation		**29**	10
Shareholders for dividends		**177**	3
Shareholders for distribution		**250**	-
Overdrafts and short-term borrowings	23	**76**	56
		604	168
Total equity and liabilities		**1 388**	823

* Refer note 1 of the notes to the financial statements.

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US$ Statements of Changes

Group	Note	Share capital and premium US$m	Foreign currency translation US$m	Revaluation surplus US$m	Retained profit US$m	Other US$m	**Total US$m**
Balance at 30 June 1999 restated		283	-	1	14	33	**331**
Foreign currency translation reserve		(34)	1	-	-	(46)	**(79)**
Earnings		-	-	-	-	627	**627**
Special dividend	9	-	-	-	-	(177)	**(177)**
Special distribution	17	(250)	-	-	-	-	**(250)**
Share issues net of expenses	17	1	-	-	-	-	**1**
Share election reserve							
- utilised	17	9	-	-	(8)	-	**1**
- encashed		-	-	-	(1)	-	**(1)**
Post-acquisition items realised		-		-	1	-	**1**
Balance at 30 June 2000		9	1	1	6	437	**454**
Balance at 30 June 1998 previously reported		200	-	36	99	314	**649**
Change in accounting policies	1	-	-	-	-	1	**1**
Restated balance		200	-	36	99	315	**650**
Foreign currency translation reserve		(4)	-	-	(3)	4	**(3)**
Revaluation reversal		-	-	(2)	-	-	**(2)**
Earnings		-	-	-	-	86	**86**
Reallocation of reserves		-	-	-	2	(2)	**-**
Ordinary dividends	9	-	-	-	-	(12)	**(12)**
Dividend in specie	9	-	-	(33)	(87)	(395)	**(515)**
Reserves attributable to National Brands Limited		-	-	-	(11)	-	**(11)**

Share issues net of expenses		129	-	-	-	-	**129**
Associated company now subsidiary		-	-	-	5	(5)	**-**
Transfer of share premium	17	(42)	-	-	-	42	**-**
Share election reserve		-	-	-	9	-	**9**
Balance at 30 June 1999 restated		283	-	1	14	33	**331**

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US$ Cash Flow Statements

		Group	
		actual	**restated**
		2000	**1999***
	Note	**US$m**	**US$m**
Cash flow from operating activities			
Cash receipts from customers		**418**	401
Cash paid to suppliers and employees		**318**	325
Cash generated from operations	31	**100**	76
Translation adjustment		**(48)**	1
Interest received		**27**	7
Interest paid		**(11)**	(21)
Dividends received		**2**	2
Dividends paid	32	**(6)**	(23)
Taxation paid	33	**(11)**	(24)
Net cash inflow from operating activities		**53**	18
Cash flow from investing activities			
Acquisition of subsidiaries, net of cash acquired		**-**	6
Proceeds from disposal of subsidiaries, net of cash disposed	34	**3**	39
Proceeds from sale of Hartebeestfontein mine		**48**	-
Additions to fixed assets to maintain operations		**(49)**	(29)
Additions to fixed assets to expand operations		**(153)**	(94)
Proceeds on disposal of fixed assets		**7**	3
Proceeds on disposal of investments		**589**	69
Other investments acquired		**(12)**	-
Net cash in/(out)flow from investing activities		**433**	(6)
Cash flow financing activities			
Increase in shareholder funding		**1**	33
Funding received from minority shareholders		**3**	-

Long-term borrowings raised	**25**	61
Long-term borrowings repaid	**(1)**	(9)
Increase/(decrease) in short-term borrowings	**26**	(51)
Decrease in loans and long-term receivables	**-**	15
Net cash inflow from financing activities	**54**	49
Net increase in cash and cash equivalents	**540**	61
Cash and cash equivalents at beginning of year	**72**	205
Cash and cash equivalents not available due to unbundling	**-**	(194)
Cash and cash equivalents at end of year	**612**	72
Cash generated from operations per share (cents)	**93**	82

* Refer note 1 of the notes to the financial statements.

Shareholder Information

	Number of shareholders	%	Number of shares	%
Shareholder analysis				
Holding				
1 - 1 000	1 713	77,0	449 539	0,4
1 001 - 5 000	365	16,4	788 866	0,7
5 001 - 10 000	50	2,2	369 328	0,4
10 001 - 50 000	57	2,6	1 189 065	1,1
50 001 - 100 000	9	0,4	701 122	0,7
100 001 - 1 000 000	21	0,9	5 938 769	5,5
Over 1 000 000	10	0,5	98 173 306	91,2
	2 225	100,0	107 609 995	100,0
Analysis of holdings				
Individuals	1 951	87,7	10 665 140	9,9
Insurance companies	21	1,0	22 893 563	21,3
Pension funds and unit trusts	83	3,7	13 588 528	12,6
Nominee companies	38	1,7	15 853 661	14,7
Other corporate bodies	132	5,9	44 609 103	41,5
	2 225	100,0	107 609 995	100,0

Shareholders' Diary

Financial year-end	30 June
Annual general meeting	2 November 2000
Report and profit statements	Published
Half-yearly interim report	February 2001
Results and dividend announcement	August 2001
Annual financial statements	September 2001
Annual dividend (refer to page 39 of Directors' report) Declared nil	Paid nil

Notice to members

Notice is hereby given that the sixty-seventh annual general meeting of members of Anglovaal Mining Limited will be held at 56 Main Street, Johannesburg on Thursday, 2 November 2000 at 10:00, for the following purposes:

1. To receive and consider the annual financial statements for the year ended 30 June 2000.
2. To elect directors in accordance with the provisions of the Company's Articles of Association.
3. To consider and, if deemed fit, to pass, with or without modification, the following ordinary and special resolutions:

Ordinary Resolution No 1

"Resolved that all the authorised but unissued ordinary shares in the capital of the Company be and are hereby placed under the control of the directors of the Company as a general authority to them to allot or issue the same at their discretion in terms of and subject to the provisions of section 221 of the Companies Act and the Johannesburg Stock Exchange ("JSE") Listings Requirements."

Ordinary Resolution No 2

"Resolved that, subject to:
2.1 the passing of ordinary resolution No 1 above; and
2.2 not less than 75 per cent of those shareholders of the Company present in person or by proxy and entitled to vote at the meeting at which this resolution is proposed voting in favour of this resolution;

The directors of the Company be and are hereby authorised and empowered, by way of a general authority, to allot and issue for cash, without restriction, all or any of the authorised but unissued ordinary shares in the capital of the Company placed under their control as they in their discretion may deem fit, subject to the provisions of the JSE Listings Requirements."

The restrictions placed by the JSE on such general authority for allotments and issues for cash are as follows:

- The authority is valid until the next annual general meeting of the Company and shall not extend beyond 15 (fifteen) months from the date of the resolution.
- Any such issue must be of a class of share already in issue and can only be made to public shareholders as defined in the JSE Listings Requirements and not to related parties.
- The number of shares issued for cash shall not in the aggregate in any one financial year exceed 15 per cent of the Company's issued share capital. The number of shares which may be issued will be aggregated with securities that are compulsorily convertible into ordinary shares, and, in the case of the issue of compulsorily convertible securities, aggregated with ordinary shares. The number of shares which may be issued shall be based on the number of shares in issue at the date of such application less any shares issued during the current

financial year or current and preceding two financial years (as applicable) provided that any shares issued pursuant to a rights issue (announced and irrevocable and underwritten) or acquisition (concluded up to the date of application) may be included as though they were shares in issue at the date of application.

- The maximum discount at which shares may be issued is 10 per cent of the weighted average traded price of those shares over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors of the Company.
- A 75 per cent majority is required of votes cast by the shareholders present or represented by proxy at the general meeting to approve the resolution.
- A paid press anouncement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue representing, on a cumulative basis within a financial year, 5 per cent or more of the number of shares in issue prior to the issue.

Ordinary Resolution No 3

"Resolved that, the additional amounts of R3,0 million paid out of the Company's share premium account in terms of article 42B of the Company's Articles of Association and R2,0 million paid out of its distributable reserves on 7 July 2000 to ordinary shareholders registered as such in the books of the Company on 30 June 2000, be and they are hereby approved and ratified."

Special Resolution No 1

"Resolved that, the Company may, subject to the provisions of the statutes and JSE Listings Requirements and any other stock exchange on which the shares of the Company may be listed from time to time, purchase shares issued by the Company and/or purchase shares in any holding company of the Company, as a general authority, provided that this authority shall be valid only until the next annual general meeting of the Company and may be varied by special resolution at any general meeting of the Company at any time prior to the next annual general meeting."

Pursuant to the above, the following additional information, required in terms of the JSE Listings Requirements is submitted:

It is recorded that the Company may only make a general repurchase of securities if:

1. the repurchase of securities is implemented on the JSE ("open market");
2. the Company is authorised thereto by its Articles of Association;
3. the Company is authorised by its shareholders in terms of a special resolution of the Company in general meeting which authorisation shall be valid only until the next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of the resolution;
4. the general repurchase is limited to a maximum of 20 per cent of the Company's issued share capital of that class in any one financial year;
5. repurchases must not be made at a price more than 10 per cent above the weighted average of the market value for the shares for the 5 business days immediately preceding the date on which the transaction was agreed;
6. the repurchase may not be made at a bid price greater than the current trading price of the share; and
7. a paid press announcement containing full details of such acquisition is published as soon as the Company has cumulatively repurchased 3 per cent of the initial number of shares in issue prior to the acquisition and for each 3 per cent in aggregate of the initial number of shares purchased thereafter.

The directors of the Company intend to utilise the general authority sought to repurchase shares in the open market as and when the need arises and dependent upon market conditions prevailing at the time or any other circumstances which may be in the best interest of the Company and its shareholders. The directors of the Company are of the opinion that, if the Company were to repurchase 20 per cent of its issued share capital:

- it would be able in the ordinary course of business to repay its debts for a period of 12 months after the date of the notice of annual general meeting;
- the consolidated assets of the Company, fairly valued in accordance with generally accepted accounting practice, would be in excess of the Company’s consolidated liabilities; and
- its ordinary capital reserves and working capital would be adequate for a period of 12 months after the date of the notice of annual general meeting.

In terms of the JSE Listings Requirements, the maximum number of shares that can be repurchased amounts to 21 539 879 shares (20 per cent of the 107 699 398 shares currently in issue). This authority shall extend from the date of this annual general meeting to the following annual general meeting.

The reason for Special Resolution No 1 is to enable the Company, by way of a general authority from shareholders, to purchase shares issued by the Company and/or purchase shares in any holding company of the Company. The effect of Special Resolution No 1 will be to permit the Company up to and including the date of the following annual general meeting, to purchase its own shares and the purchase of shares by the Company in any holding company of the Company, in terms of the Companies Act.

Special Resolution No 2

“Resolved that, article 63(ii) of the Company’s Articles of Association be and it is hereby deleted.”

The reason for special resolution No 2 is to delete the article as the Company no longer has any N ordinary shares. The effect of special resolution No 2 will be to delete the article as it is no longer applicable.

The transfer books and registers of members of the Company in Johannesburg and London will be closed from 27 October to 2 November 2000, both days inclusive.

Any member entitled to attend and vote is entitled to appoint a proxy or proxies to attend, speak and to vote thereat in his stead. The proxy so appointed need not also be a member. Proxy forms should be forwarded to reach the registered office of the Company or the transfer secretaries or the London secretaries at least 48 hours, excluding Saturdays, Sundays and public holidays, before the time of holding the meeting.

By order of the Board

S E Sather
Company Secretary

Johannesburg, 29 September 2000

Administration

Company registration
Anglovaal Mining Limited
Registration number 1933/004580/06

Company Secretary’s address and registered office
56 Main Street
Johannesburg, 2001
South Africa

Postal address
PO Box 62379
Marshalltown, 2107
South Africa
Telephone (+27 11) 634-9111
Telefax (+27 11) 634-0038

Additional corporate information can be obtained from Julian Gwillim in the public relations and communications department at the postal address or telephone number shown above.

Alternatively, at the Company’s website:
http://www.avmin.co.za

Auditors
Ernst & Young

Bankers
FirstRand Bank Limited

CHANGE OF ADDRESS

Members are requested to notify any change of address to:

The Transfer Secretaries
Mercantile Registrars Limited
PO Box 1053
Johannesburg, 2000
South Africa

or

The London Secretaries
St James’s Corporate Services Limited
6 St James’s Place

London SW1A 1NP
Telephone (020) 7499-3916
Telefax (020) 7491-1989

Shareholder enquiries

Transfer secretaries
Mercantile Registrars Limited
11 Diagonal Street
Johannesburg, 2001
South Africa

Postal address
PO Box 1053
Johannesburg, 2000
South Africa
Telephone (+27 11) 370-5000
Telefax (+27 11) 370-5271/2

London secretaries
Anglovaal Mining Limited
St James's Corporate Services Limited
6 St James's Place
London SW1A 1NP
Telephone (020) 7499-3916
Telefax (020) 7491-1989

United Kingdom share registrars
Capita IRG Plc
Balfour House
390/398 High Road
Ilford, Essex IGI 1NQ
United Kingdom