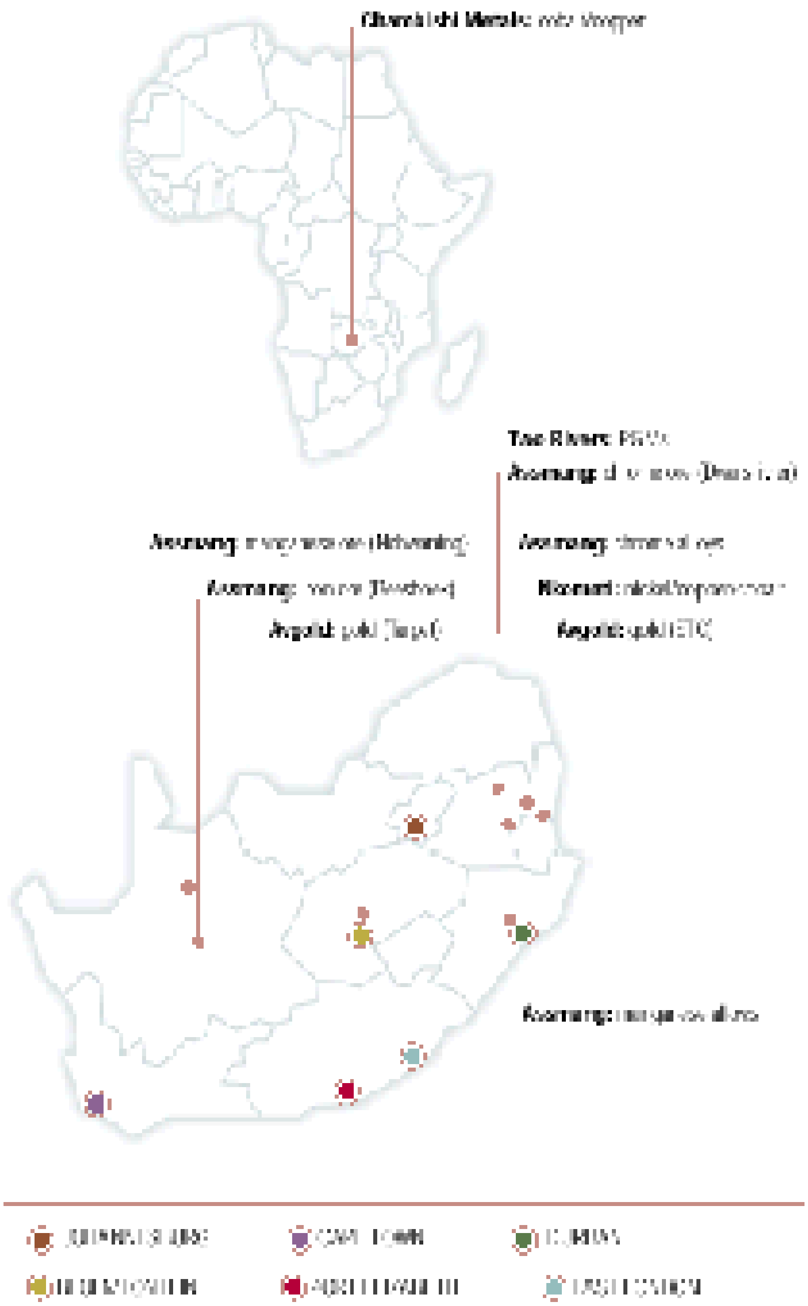
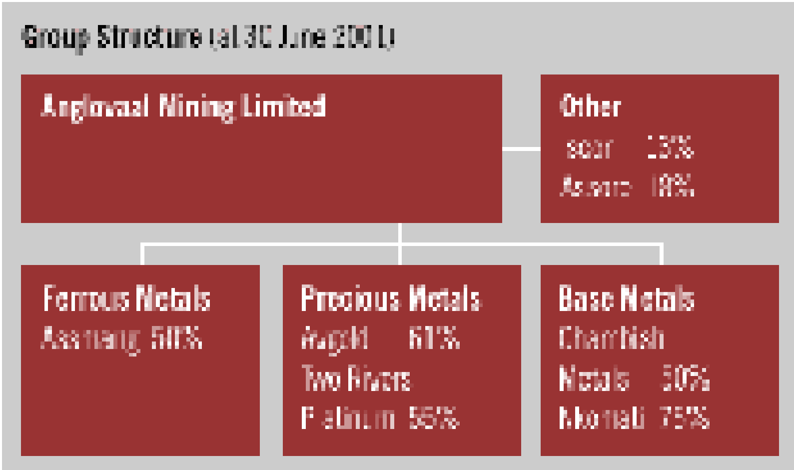
Profile and Structure

Anglovaal Mining Limited continues to enhance its position as one of the better developers and operators of medium-sized mineral assets in southern Africa in its chosen commodity range. This includes manganese ore and alloys, iron ore, chrome ore and alloys, gold, nickel, platinum group metals, cobalt and copper. The Group's overriding objective is to deliver superior returns to its shareholders by sustaining competitive advantages, while contributing economically and socially in all areas where the Group operates.

ASSET LOCATION




Group Structure (at 30 June 2001)
Anglovaal Mining Limited
Other
Ferrous Metals
Assmang 50%
Precious Metals
Avgold 61%
Two Rivers
Platinum 55%
Base Metals
Chambishi
Metals 90%
Nkomati 75%

Financial Summary and Statistics

	Group actual 2001 Rm	Group actual 2000 Rm	Group restated 1999 Rm	**Group actual 2001 US$m**	Group actual 2000 US$m	Group restated 1999 US$m
Income statement						
Revenue	**2 806**	2 934	2 489	**369**	463	411
Earnings	**281**	3 980	521	**37**	627	86
Headline earnings	**281**	486	289	**37**	77	48
Earnings per share (cents)	**259**	3 723	561	**34**	587	93
Headline earnings per share (cents)	**259**	455	311	**34**	72	51
Dividends per share (cents)	**–**	1 123	70	**–**	164	11
Balance sheet						
Total assets	**9 114**	9 437	4 960	**1 128**	1 388	823
Total interest bearing borrowings	**2 475**	1 082	730	**306**	159	121
Shareholders' equity	**5 491**	4 272	3 123	**680**	628	517
Cash flow						
Cash generated from operations	**526**	632	460	**69**	100	76
Cash generated from operations per share (cents)	**485**	591	495	**64**	93	82
Cash and cash equivalents	**439**	4 160	436	**54**	612	72
Number of employees	**5 263**	5 326	14 861	**5 263**	5 326	14 861
JSE Securities Exchange performance						
Ordinary shares (cents)						
– high	**4 200**	2 837	3 905	**527**	456	641
– low	**2 280**	1 779	1 236	**298**	291	196
– year end	**3 950**	2 500	3 900	**489**	368	647
Volume of shares traded (thousands)	**38 285**	91 856	46 426	**38 285**	91 856	46 426

Number of ordinary shares in issue (thousands)		**110 105**	107 610	106 200	**110 105**	107 610	106 200
Financial statistics	**Definition number**						
Effective taxation rate (per cent)	1	**29**	4	18	**29**	4	18
Interest cover (times)	2	**5,3**	10,9	5,6	**5,3**	10,9	5,6
Dividend cover (times)	3	**–**	–	4,5		–	4,5
Return on operational assets (per cent)	4	**13,5**	8,6	17,3	**13,5**	8,6	17,3
Return on capital employed (per cent)	5	**8,1**	11,8	16,1	**8,1**	11,8	16,1
Return on equity (percent)	6	**7,0**	15,8	14,5	**7,0**	15,8	14,5
Debt:equity ratio	7	**0,45**	0,25	0,23	**0,45**	0,25	0,23
Net asset value per share (cents)	8	**3 640**	2 865	1 875	**451**	421	311
Market capitalisation (R million)	9	**4 349**	2 690	4 142	**538**	396	687

Exchange rates used: Balance sheet – R8,08 = US$1,00 (2000: R6,80) (1999: R6,03)

Income statement and cash flow – R7,61 = US$1,00 (2000: R 6,34) (1999: R6,06)

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 and finance costs divided by finance costs.

3. Dividend cover (times)

Headline earnings per share divided by dividends per share for the year.

4. Return on operational assets (per cent)

Profit from operations divided by tangible non-current and current operating assets excluding capital work in progress.

5. Return on capital employed (per cent)

Profit before exceptional items and finance costs, divided by average capital employed.

Capital employed comprises non-current and current assets less trade and other payables and provisions.

6. Return on equity (per cent)

Headline earnings divided by ordinary shareholders' interest in capital and reserves.

7. Debt:equity ratio

Total debt divided by total equity. Total debt comprises long-term borrowings, overdrafts and short-term borrowings.

Total equity comprises total ordinary shareholders' interest.

8. Net asset value per share (cents)

Ordinary shareholders' interest in capital and reserves divided by number of shares in issue.

9. Market capitalisation (R million)

Number of ordinary shares in issue multiplied by market value of shares at 30 June.

***Note:**

The Group results for 1999 and 2000 include diamond royalties from the Venetia mine and gold revenue from Hartebeestfontein since disposed of on 12 June 2000

and 16 August 1999 respectively.

Avmin at a glance

Group

Activities

Developers and operators of managed investments in southern Africa in the ferrous, precious and base metals sectors.

Objectives

- Create superior returns for shareholders
- Ensure all capital projects are completed within budget and on time
- Manage the successful funding of new growth initiatives
- Ensure
  - retention of key skills throughout the Group;
  - competitive employee reward structures; and
  - continue to develop capacity through transformation, equity and diversity
- Continue to manage and implement stated policies and philosophies in terms of safety, health and the environment

Results (at 30 June 2001)

Revenue: R2 806 million Cost of sales: R2 083 million Profit before tax: R572 million Earnings: R281 million Employees: 5 263

Ferrous Metals

Activities

Listed company, Assmang Limited's manganese ore sales totalled nearly 980 000 tons, excluding deliveries to its manganese alloy plant, during the last year. It also sold 4,3 million tons of iron ore, over 190 000 tons of manganese alloys and 125 000 tons of chrome alloys during the year.

Assmang's chrome mine produced about 250 000 tons of ore, which was delivered to the chrome alloy plant.

Objectives

- Ensure the successful commissioning of a new chrome furnace and pelletising plant to increase chrome alloy capacity to over 300 000 tons a year.
- Complete a study to increase chrome ore production to over one million tons a year.
- Build-up to over five million tons of iron ore for the year
- Continue the development of a new shaft at the Nchwaning manganese mine for completion during late

calendar 2003 (currently on schedule)
- Obtain ISO 14001 accreditation at all operations

Results (at 30 June 2001)

Revenue: R1 926 million
Cost of sales: R1 402 million
Profit before tax: R350 million
Contribution to Avmin’s earnings: R153 million
Employees: 2 470

Precious Metals

Activities

Listed subsidiary, Avgold Limited, produced over 90 000 ounces of gold for the year, and is currently at an advanced stage of developing a new gold mining operation that will increase the annual production, at low cost, to over 450 000 ounces by the end of the 2003 financial year. Avmin’s recently-formed platinum group metals (PGMs) company, Two Rivers Platinum (Pty) Limited, also forms part of the precious metals division.

Objectives

- Ensure the successful commissioning of the Target gold mine within budget and on time and produce gold within the forecast cash cost of below US$150/oz at an annualised full production rate of 350 000 ounces a year
- Finalise a decision on the possible sale of the ETC gold mining complex
- Obtain sufficient information from the northern Free State gold exploration drilling programme to continue with a possible jointventure and/or alliance during the 2002/2003 financial year
- Advance a bankable feasibility study of the new Two Rivers PGM property to enable a decision on the 160-170 000 ounce a year PGM operation early in the 2002/2003 financial year
- Introduce strategic empowerment partners to Two Rivers Platinum

Results (at 30 June 2001)

Revenue: R218 million
Cost of sales: R181 million
Profit before tax: R39 million
Contribution to Avmin’s earnings: R39 million
Employees: 1 865

Base Metals

Activities

Chambishi Metals plc currently toll refines cobalt and copper concentrates for clients and is in the process of commissioning a significant plant expansion that will produce, together with continued toll refining, some 6 000 tons of cobalt a year.

Objectives

- Ensure the successful commissioning of the new smelter and downstream processes at Chambishi Metals thereby achieving a global position as one of the largest primary cobalt producers
- Pursue value-added opportunities in terms of high performance alloys and cobalt oxide production

Results (at 30 June 2001)

Revenue: R326 million
Cost of sales: R353 million
Loss before tax: R92 million
Contribution to Avmin's earnings: R64 million – loss
Employees: 620

Nickel

Activities

The Nkomati nickel mine produces over 4 000 tons of nickel a year and also produces copper, cobalt and PGMs as by-products.

Objectives

- The joint venture partners to decide on whether to proceed with a large expansion of the Nkomati mine to produce about 17 500 tons a year of nickel, nearly 9 000 tons of copper a year and over 80 000 ounces of PGMs from both open pit and underground operations

Results (at 30 June 2001)

Revenue: R327 million
Cost of sales: R140 million
Profit before tax: R187 million
Contribution to Avmin's earnings: R130 million
Employees: 72

Directors and Senior Management

1. Kennedy Maxwell, 62

Chairman

BSc Eng (Mech), MA, PMD

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 1988 and 1990. He currently serves on the board and the executive of the National Business Initiative.

2. Rick Menell, 46

Deputy chairman and chief executive officer

MA, MSc

Appointed to the board in 1994 and appointed CEO in 1999 Trained as a geologist, Rick has been a merchant banker in New York and Melbourne and worked in Australia as executive director: finance of 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. Appointed managing director of Avmin Limited in 1996 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.

3. David Murray, 56

President and chief operating officer

BA (Hons) (Econ), MBA

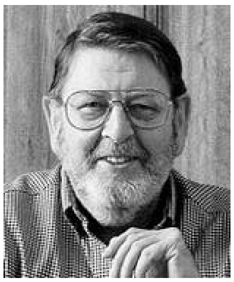
Appointed to the board in 2000 David was previously the president and chief operating officer of TVX Gold Inc. in Canada. Prior to this, he worked for RTZ plc as president and CEO of various subsidiary companies in Brazil and Portugal. He also served with this group in Spain, Germany, Wales, England, Namibia and Zimbabwe. He was awarded the OBE in 1993. David was appointed to his current position during February 2001.

4. Brian Frank, 48

BCom, LLB, LLM, H Dip (Tax Law),

H Dip (Company Law)

Appointed to the board in 2001 Brian is a practicing attorney, notary public and conveyancer, who is a founder and senior partner of Frank Tanner Attorneys, a specialist legalpractice. He has extensive experience in the fields of commercial litigation, property and company law as well as mining and mineral law. He is a member of the Incorporated Law Society of South Africa, the Johannesburg Attorneys Association and the South African Association of Mediators.



5. Donn Jowell, 60

BCom, LLB

Appointed to the board in 1999 Donn established his own law practice in 1968 and is currently the chairman of Jowell, Glyn & Marais Inc. He is a non-executive director of Investec Bank 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.

6. Dr Vincent Maphai, 49

BA (Hons), MA, BPhil

Appointed to the board in 1998 Vincent is the corporate affairs director, South African Breweries plc 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.

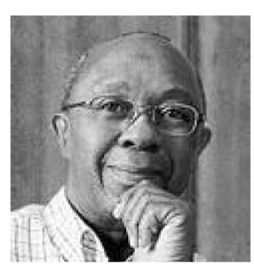
8. Brian Menell, 36

BA (Hons)

Appointed to the board in 1998 Brian was appointed executive director: corporate strategicdevelopment during the last year and also serves on the board of Avgold Limited. He has worked in the diamond mining and trading industries since 1988 and serves on the boards of various diamond mining, finance and trading companies in South Africa, Belgium and Canada.

9. Dr Morley Nkosi, 66

PhD (Economics), MBA, BS (Economics)



Appointed to the board in 1998 Apart from being an academic, economist and a businessman, Morley is the 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.

10. Roy Oron, 32

BA (Hons), MBA

Appointed to the board in 2000 Roy is currently the managing director of Norinter Financial Advisors (Proprietary) Limited, a financial advisory firm, and also serves as a director of Arctic Resources Limited. Previous experience includes corporate finance, mergers and acquisitions as well as macro economy and privatisation strategy. He has served on the boards of various companies in the following industries: telecommunications, real estate, information technology, environmental technology, luxury goods and investment banking. Roy has also completed a Masters in Statistics with majors in operational research and risk theory.

Nir Livnat, 38

BA, BSc

Appointed to the board in 2001Nir’s career has been primarily focused in the diamond industry. He is presently the managing director and chief executive officer of the Steinmetz group of companies, the world’s leading diamond ‘sight-holder’, and of its South African subsidiary, Ascot Diamonds (Proprietary) Limited. Nir is a past chairman of the Master Diamond Cutters Association and is currently vice chairman of the International Diamond Manufacturers Association. He is also a past member of the National Economic Forum of the African National Congress.

BOARD COMMITTEES

AUDIT COMMITTEE

Kennedy Maxwell (Chairman)

Donn Jowell

Rick Menell

Morley Nkosi

Roy Oron

REMUNERATION COMMITTEE

Kennedy Maxwell (Chairman)

Roy McAlpine

Rick Menell

Roy Oron

SAFETY, HEALTH AND

ENVIRONMENTAL COMMITTEE

Donn Jowell (Chairman)

Kennedy Maxwell

Brian Menell

Rick Menell

Morley Nkosi

SENIOR MANAGEMENT

Rick Menell
Chief executive officer

David Murray *
President and chief operating officer

Doug Campbell *
Senior vice president and chief financial officer

Dave de Beer
Senior vice president: corporate finance

Graham Emmett *
Vice president: human resources

Freddie Human *
Vice president (designate): safety, health and environment

Brian Menell
Executive director: corporate strategic development

Gerhard Potgieter *
Senior vice president: precious metals

Gerry Robbertze *
Senior vice president: cobalt/copper

Neville Roberts *
Vice president: safety, health and environment

Jan Steenkamp *
Senior vice president: ferrous metals

Thys Uys *
Vice president: technical services

** Members of the President's Committee*

Chairman and CEO' Report

1. Kennedy Maxwell, 62

Chairman

2. Rick Menell, 46

Deputy chairman and chief executive officer

During the year under review, considerable effort was directed at ensuring that Avmin is well positioned to achieve maximum value for its shareholders by bringing to fruition various capital growth projects and implementing the current strategy of being a mining company focused on ferrous, precious and base metals.

To our shareholders
This past year has seen continued progress towards the Company's longer-term strategy of capital growth. The portfolio is today significantly different from previous years. The investments in precious metals are through 61 per cent held Avgold Limited's (Avgold) Target and ETC gold mines and the new, 55 per cent owned, Two Rivers Platinum project. Base metals interests are through the Nkomati nickel mine, 75 per cent held by Avmin, while the cobalt/copper interests are via the 90 per cent held Chambishi Metals plc (Chambishi). The ferrous metals interests are in iron, manganese and chrome ores and are held in Assmang Limited (Assmang), owned 50 per cent by Avmin. Other major investments include interests in Iscor Limited (13 per cent) and Assore Limited (18 per cent), Avmin's partner in Assmang. In parallel with the Group's large and ongoing capital growth programme, there has been a three year disposal strategy during which Avmin sold off a variety of mining interests, which yielded some R4,5 billion. The disposals included the Hartebeestfontein gold mine and the interest in the Venetia diamond mine, held through The Saturn Partnership.

The year's results
The rand devaluation against the United States dollar during the financial year contributed significantly to the Company's profitability in rand terms. Headline earnings for the year amounted to R281 million (30 June 2000: R486 million). The previous year's headline earnings included a contribution to Avmin of R347 million by way of diamond royalty income and R28 million from the disposal of Hartebeestfontein gold mine. The Saturn Partnership was sold to De Beers Consolidated Mines Limited during the latter part of fiscal 2000. Excluding diamond royalty income, headline earnings rose by 102 per cent. The headline earnings per share equate to 259 cents (455 cents per share). Costs were well contained throughout all the Company's operating entities. Sales

revenues were higher in all sectors of the business with the exception of precious metals due to the inclusion, in the previous year, of gold sales from the Hartebeestfontein mine prior to its disposal on 16 August 1999. The last year has been a period of intensive capital investment and capacity building, and the bottom line result achieved is very pleasing. The only exception was Chambishi, where current refining operations were disappointing and the new furnace commissioning suffered a six month delay in terms of full production, which is now expected during the first half of calendar 2002. Avmin continued to perform strongly with a 71,7 per cent increase in the share price during the six months ended 30 June 2001 compared to an increase of 22,9 per cent for the mining holdings and houses index on the JSE Securities Exchange, South Africa. In early January 1999, Avmin's share price was R17,30 per share and the share price closed at R39,50 on 30 June 2001 – an increase of nearly 130 per cent.

Development of the new R517 million shaft complex at the Nchwaning manganese mine is proceeding on schedule

Controlling shareholding

It was announced on 12 October 2000 that the Menell family had achieved the reshaping of Avmin's control structure through the negotiation of a partnership. The partners have entered into agreements whereby their collective interests in Avmin are pooled in Arctic Resources Limited (Arctic). This controlling partnership consists of the Menell family and other financial investors. The substantial investment in Avmin by Arctic is a strong endorsement of its faith in the ability of Avmin to unlock maximum value for its shareholders. On 30 June 2001, the Menell family's historic high voting rights ceased when their unlisted preference shares were converted to ordinary shares, which is now the only class of share in issue.

Corporate development

David Murray was appointed president and chief operating officer in February 2001 and is responsible for the day-to-day operation of the Group and the execution of approved projects and strategies. The board is delighted that David is continuing to bring the same levels of discipline and rigorous management to the Group as he achieved, most effectively, as managing director of Avgold.

Brian Menell was appointed executive director: corporate strategic development to pursue corporate strategies for Avmin's longer-term growth initiatives. During the middle of the year Avmin acquired slightly more than 35 million shares in Iscor Limited (Iscor) for a cash consideration of R494 million. Part of this shareholding was subject to a call option that had been granted to a financial institution for 9,5 million Iscor shares at a net strike price of R25,00 per ordinary share. On 19 September 2001, 4,2 million of these options were exercised and the balance of 5,3 million options lapsed.

Avmin's investments in the economic potential of the Northern Cape Province, through its interests in Assmang and Iscor, place the Company in a favourable position to participate in the possible rationalisation of the mining sector in that area.

A Group strategic objective to enter the platinum group metals (PGMs) business was achieved when Avmin and Impala Platinum Holdings Limited together successfully bid for the PGM rights held by Assmang over the Dwars Rivier property at a cost of R551 million. Avmin has a 55 per cent stake in the venture and is responsible for mining through to the production of concentrates. Impala will apply its PGM processing and marketing knowledge and infrastructure making it the ideal partner for this venture. The transaction is presently subject to a Competition Commission review.

The high level of expenditure on current development projects constrains Avmin's ability to fund new exploration initiatives, which fall under the responsibility of the corporate strategic development team. The Group has therefore decided to downscale its programme for early stage exploration and will continue to fund only those programmes with the potential to provide above average returns in the short- to medium-term.

Economic and social factors

The entrenchment of sound economic policies and the South African government's rational approach to changes in legislation are providing an environment that favours the investment necessary for growth in South Africa. Avmin, through its numerous development projects, is playing its part in pursuing investment opportunities that will contribute to economic growth in South and southern Africa. The Group remains committed to the cause of nation building and continues its support of economic empowerment and social upliftment, not only as an expression of its confidence in the future of South Africa, but also as a result of its responsibility as a large employer.

Avmin is one of the founders of the Business Trust. The Trust was established to expand job opportunities in the tourism industry, build capacity in schools and technical colleges and address impediments to job creation. The Trust's beneficiaries include South African Tourism, the Tourism, Hospitality and Sport Education and Training Authority, READ, the Joint Education Trust and Business Against Crime.

Avmin has benefited and will continue to do so from the leading role that its chief executive officer has played – in his role as the president of the Chamber of Mines of South Africa over the past two years – in the new Minerals Development Bill debate and other key areas of policy formulation. Through this involvement, the Group has been in a position to make useful input in discussions with other senior South African executives who form the President's Big Business Working Group. The proposed Minerals Development Bill, published during December 2000, has been revised by the government's drafting team for further consideration by cabinet. This revision followed numerous submissions from interested parties, culminating in agreement reached between government and senior mining industry representatives on the manner in which key aspects should be addressed in a new mining and minerals law for South Africa. It is understood that, subject to approval by cabinet, the revised draft bill will be submitted later this year for consideration by Parliament.

The entrenchment of sound economic policies and the South African government's rational approach to changes in legislation are providing an environment that favours the investment necessary for growth in South Africa

HIV/AIDS

As the HIV/AIDs epidemic continues on its destructive path it looms as a major obstacle, both to the future social fabric of South Africa and to the economic well being of the country. The management of Avmin is concerned both about the issues that confront its employees and the growing impact on its operations. In order to develop meaningful and practical policies, Avmin is obtaining as much information as possible about the incidence level of HIV/AIDS among its employees and its rate of growth. To this end, Avmin is involved in a collaborative study with the Centre for International Health at the Boston University to determine, on an anonymous basis, the extent to which the disease has spread among employees. The results of this programme will be used to project the likely impact and cost of HIV/AIDS on the business. As this information is collated, policies are being formulated to address such issues as: the rights of individuals; confidentiality; protection against discrimination and unfair practice; the nature of the Group's care for those with HIV/AIDS and their dependents; and the affordability of these programmes. The Group will demonstrate respectful attitudes towards those who are HIV positive or who suffer from AIDS and offer appropriate care and treatment. As the results of the research are received, each operating company or unit is being tasked to develop and implement specific management plans to control and minimise, in a sensitive and humane manner, the identified impacts of the HIV/AIDS epidemic on its operations.

Social environment and employment equity

The Group remains committed to contributing to the economic and social development of the communities in which it operates and conducts its business in compliance with all applicable legal requirements. The diverse programme of community projects in which the Group is involved has, over the years, made significant progress towards improving prevailing socio-economic conditions through collaboration with relevant social partners on a national basis and at all operations. These programmes focus on education, life skills training, environmental projects and health care. Avmin is committed to ensuring that all employees enjoy the benefit of fair and equitable recruitment procedures, working conditions and health care and the Group promotes career development opportunities for all employees.

A more detailed report on these and other issues is included in the section starting on page 30.

Dividend policy

The current policy adopted by the board is to declare a dividend annually with at least four times earnings cover.

However, the Company is subject to bank covenants relating to the debt finance for Chambishi for the 2001 and 2002 financial years. This, together with the large capital projects being advanced during the coming years, will result in no cash dividends being declared during financial years 2001 and 2002.

The year ahead

The Company is expecting a year of weakness in the economies of Japan, Europe and the United States of America that will probably depress global economic growth. It is expected that prices received for most of the commodities that Avmin produces will remain under pressure. It is therefore anticipated that this year's financial results will not show an improvement over those for 2001.

Avmin will continue to incur significant development expenditure. The Target mine as well as the Chambishi smelter and refinery will build up to full production. The new platinum acquisition and the Nkomati mine expansion will be further evaluated. Within Assmang, the new chrome alloy smelter and pelletising plant will be fully commissioned and the Nchwaning shaft complex will be further developed.

Directorate

Following his appointment as president and chief operating officer in February this year, David Murray was appointed an executive director. Roy Oron joined the board in November 2000 and, since year-end, Brian Frank and Nir Livnat have been appointed non-executive directors.

The diverse members of the board are very conscious of the need for good governance and make significant contributions to the audit, remuneration and environmental committees, which strongly support the Group's business efforts. We wish to convey our gratitude to the members of the board for their continued guidance, patience and counsel during the year.

Appreciation

The board also expresses its thanks to the Company's valued shareholders for their strong support, which is essential for Avmin's continued growth. Thanks and appreciation are also directed towards all Group staff, which total 5 263 people, for their dedication and hard work during the year. It was a period that presented a number of challenges, most of which were overcome successfully.

Avmin is committed to ensuring that all employees enjoy the benefit of fair and equitable recruitment procedures, working conditions and health care and the Group promotes career development opportunities for all employees

Chief Operating Officer' Review

Pending a decision to be made during early 2002, the Nkomati nickel mine could be expanded significantly

David Murray, 56

President and chief operating officer

The restructured Company has been divided into four business units, each headed by a senior vice president, while the nickel unit forms part of the chief operating officer's responsibilities. These business units are discussed separately in the review of operations. The head office function areas include a chief financial officer and three vice presidents whose responsibilities cover technical services, safety, health and environmental issues and human resources.

Considerable effort has gone into ensuring that business units objectives are consistent with those for the Group, that business unit decision-making is further decentralised, that remuneration structures are both competitive and performance related, and that a satisfactory management succession plan is in place. These plans are important, not only to drive medium-term performance, but also to drive focused and shorter-term management and skills training, together with equity employment objectives.

Ferrous metals

The ferrous metals division performed well over the year, both in terms of operating results and project progress. The earnings attributable to Avmin increased by 80 per cent to R115 million, with particularly strong performances from the iron ore and manganese divisions. These results benefited from the weaker rand and well-controlled operating costs. Progress on major capital projects remained on or ahead of schedule and costs were within budget. The new Dwarsrivier chrome mine was brought into full production, the iron ore jig plant at the Beeshoek mine was commissioned, the chrome smelter expansion at Assmang's chrome alloys plant at Machadodorp will be commissioned this calendar year, and the new shaft complex at the Nchwaning manganese mine is on schedule for commissioning in 2003.

Precious metals

Major progress was made during the year with the implementation of a revised Target mine plan, the conclusion of equity and loan financing arrangements, clearer definition of the Target north/Paradise area potential, the turnaround of ETC, and lastly, the purchase of PGM mineral rights. A revitalised ETC achieved attributable earnings of R32 million (R13 million – loss). Consistent mining tonnages and an improved biological oxidation (Biox ®) plant performance produced 91 400 ounces (73 200 ounces) of gold. Cash operating costs by year-end had reduced to below US$220 an ounce. Progress at the Target mine continued to be ahead of schedule and within budget for mining to commence in the first quarter of calendar 2002. The production from Target during the latter part of this financial year will see the return of significant operating profits for Avgold. The formation of Two Rivers Platinum (Proprietary) Limited, following the acquisition of the platinum group metal (PGM) rights, marks Avmin's entry into the PGM market. Impala Platinum Holdings Limited is the ideal partner for Avmin in this venture, given its PGM expertise.

Cobalt/copper

Chambishi Metals plc's (Chambishi) net attributable loss to Avmin of R58 million (R19 million – loss) reflects an unsatisfactory year from both an operating and a project perspective. The existing cobalt tolling operation was adversely affected by the poor availability and quality of both concentrate feed and pyrite from contract suppliers. These problems were resolved by year-end. The new smelter, built to treat slag material from the company-owned dump at Nkana, was commissioned earlier this year. Initial commissioning was interrupted by a water leak from the copper coolers necessitating the re-bricking of the furnace refractory lining. Commissioning of the furnace resumed in the first quarter of the new financial year and full production is expected during this financial year.

Nickel

Attributable earnings from the Nkomati mine of R130 million (R108 million) were very pleasing. Mining and mill tonnages increased, costs were well controlled and favourable prices were achieved, particularly from the by-product PGMs. Pending a decision to be made early in 2002, the expansion of the Nkomati operation could result in an overall production rate, within three years, of 17 500 tons a year of nickel and over 80 000 PGM ounces. The expansion will comprise a continuation of the existing mining operation to exhaustion of the high grade (MSB) orebody, in addition to the mining of the lower grade (MMZ) orebody using open pit and underground mining methods. The expansion will include the construction of a concentrator and Activox metals plant to produce nickel and copper cathodes, cobalt carbonate and PGM concentrates.

Conclusion

Overall, improving fundamentals at most of the operations contributed to a satisfactory operating performance this past year. During the current financial year, an improvement in terms of operating parameters should materialise. Furthermore, Chambishi's cobalt/copper operations will be fully commissioned, Target will be in full production, Assmang's ferrochrome expansion will be operational, the expansion at Nkomati should be under way and work on the detailed design of Two Rivers Platinum well advanced.

Overall, improving fundamentals at most of the operations contributed to a satisfactory operating performance this year

Chief Operating Officer' Review

During the year, Avgold raised a R700 million medium-term loan facility to complete the Target mine development

Doug Campbell, 54

Senior vice president and chief financial officer

CA(SA)

Doug's early career was with Arthur Andersen. Various senior financial positions were held with Hunt Leuchars and Hepburn and Murray & Roberts Group, including the latter's Australian subsidiary as the group financial director. Doug initially joined the Group as financial director of Avgold in 1998 and was promoted to his current position during February 2001.

Avmin's major development programme, which was initiated during 1999, accelerated during the year under review and will continue as the Company contemplates considerable expansion over the next three years. The successful funding of these new projects is therefore a key issue over this period.

Funding

Attributable borrowings increased from R1 082 million at 30 June 2000 to R2 475 million. The increased long-term debt of R713 million has been applied to Avgold Limited (Avgold), R302 million, and Chambishi Metals plc (Chambishi), R411 million. Short-term borrowings increased by R680 million of which R437 million was utilised by Assmang Limited (Assmang), R107 million by Chambishi and R137 million by the Company. The interest payable on those borrowings applied to capital expenditure has been capitalised and R60 million (which equates to 39 cents on earnings per share) was charged to income. Two of the Company's subsidiaries, Avgold and Assmang, raised their funding requirements without recourse to Avmin. Avgold successfully concluded a R500 million rights offer during the current financial year with Avmin following its rights. In addition, Avgold raised a R700 million

medium-term facility to complete the Target mine development. The recent acquisition of PGM rights by Avmin (55 per cent) and Impala Platinum Holdings Limited (45 per cent) is currently under review by the Competition Commission. If approved, this acquisition will be concluded and the purchaseconsideration of R551 million will be paid when the properties are transferred in the latter part of this calendar year. The construction of the mine will involve an investment of between R500 million and R700 million and will be subject to a feasibility report. On receipt by Assmang of the R551 million from the above-mentioned sale, the funds will be applied to reducing its short-term borrowings. The feasibility report on the expansion of the Nkomati nickel mine is due early in calendar 2002. If the mine's partners (Avmin, 75 per cent and Anglo American plc, 25 per cent) agree to proceed with the expansion, construction will commence this financial year. Avmin's share of the funding for the expansion is expected to be approximately R1,0 billion over two years.
Various funding alternatives are being considered for these and other smaller developments, and initial discussions have commenced, including a review of current facilities. Details of the existing borrowings are shown in the notes to the financial statements.

Insurance
The international insurance market, particularly for mining and energy related risks, became extremely tight during the year as a result of a poor claimsrecord in the industry. This impacted negatively on the ability of mining companies to negotiate and obtain capacity for renewal programmes. Where insurance capacity was available, it was at considerably higher premiums than in previous years and with increased deductible structures. Avmin, through continuing good risk management and open and effective communication with its insurers, managed to renew its insurance cover at reasonable cost and with acceptable deductibles. Avmin continues to use its captive insurance companies to efficiently manage overall premium and risk costs.

Hedging
Avmin has adopted a formal hedging policy for the Group, which has as its primary focus the reduction of risk. Speculation is forbidden, as is the use of exotic hedging instruments. To the extent that the Group enters into hedging arrangements, these are aligned with planned monthly production figureswhich, in turn, are based on production plans approved by the board. Avgold has entered into gold hedges covering 58 per cent of its planned production over the next five years, to coincide with the drawdown and repayment of the R700 million loan raised to complete the development of the Target mine. Avmin has no other hedging arrangements in place at this time.

Two of the Company's subsidiaries, Avgold and Assmang, raised their funding requirements without recourse to Avmin

Review of Operations - Ferrous Metals

Following the installation of a new furnace and pelletising plant, **chrome alloy capacity will double to 300 000 tons a year.**

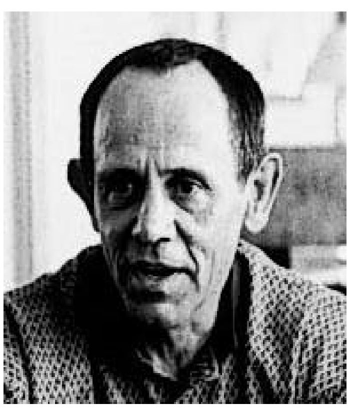
Jan Steenkamp, 47

Senior vice president: ferrous metals

Nat Dip Met Mining, Cert. Eng, ECSA, MDP

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

Assmang Limited (formerly The Associated Manganese Mines of South Africa Limited), owned 50,3 per cent by Avmin, operates in three divisions – manganese, iron ore and chrome. Its manganese ore and iron ore mining operations, Nchwaning and Beeshoek, are in the Northern Cape. Manganese alloys are produced at the smelting and refining facility in KwaZulu-Natal. Chrome ores are mined at the new Dwarsrivier mine in Mpumalanga, and chrome alloys are produced at the nearby Machadodorp works.

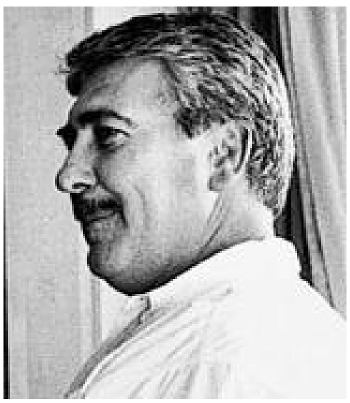


1. Bert Nel

Mine manager – manganese

2. Albie Hamman

Mine manager – chrome



3. Willem Grobbelaar

General mine manager –

manganese and iron ore

4. Clive Muir

General manager – manganese

alloys

5. Kevin Cookson

General manager – chrome alloys

Assmang Limited's headline earnings rose by 82 per cent to R231 million (R127 million). A stringent cost control programme, better efficiencies at all operations, and a favourable United States dollar/South African rand exchange rate, all contributed to these good results. Revenue rose to R1,9 billion (R1,6 billion) and cost of sales were well contained at R1,4 billion(R1,3 billion). Assmang's profit before tax was significantly higher at R350 million (R216 million).

Divisionalisation

Over the years Assmang's product range has developed in three distinct areas: manganese, iron ore and chrome. To reflect this, it was decided to form three distinct operating divisions along these commodity lines. In terms of the changing environment in which Assmang operates, these divisions will focus on achieving higher efficiencies through integration.The manganese division consists of the Nchwaning and Gloria mines and the works at Cato Ridge. The chrome division comprises the Dwarsrivier mine and the Machadodorp works. The iron ore division is made up of the Beeshoek mine and the iron ore resources around Postmasburg as well as on various properties adjacent to the Sishen mine. To facilitate this divisionalisation, Feralloys Limited, the structure that previously 'housed' the alloy operations, will be absorbed into Assmang.

Sales volumes maintained

Manganese sales, excluding deliveries to the manganese alloys plant, were higher at 979 000 tons (926 000 tons) and iron ore sales were 145 000 tons higher at 4,3 million tons. Themanganese alloy operations sold 193 000 tons (206 000 tons), inclusive of refined ferro-manganese, and despite weak market conditions chrome alloy sales were slightly higher at 125 000 tons (114 000 tons). The new Dwarsrivier opencast chrome mine and beneficiation plant were commissioned ahead of schedule and under budget and the supply of ore to the chrome alloys division has commenced. Chrome ore production totalled 254 000 tons, which was delivered to Assmang's chrome alloy operation.

Capital expenditure

Capital expenditure on Assmang's major projects, which include the iron ore jig plant at the Beeshoek mine, the chrome smelter expansion and pelletising plant at Assmang's chrome alloys facility and the new shaft complex at the Nchwaning manganese mine, rose to R626 million (R405 million). Cold commissioning is currently underway at the R375 million expansion of the chrome alloy plant. This comprises a 54 MVA furnace and a 350 000 tons a year pelletising plant that will improve furnace productivity. The chrome alloy capacity is on track to double by the middle of the current financial year to 300 000 tons a year. The R97 million jig plant at Beeshoek was commissioned within schedule towards the end of the 2001 financial year. This significantly improves product qualities resulting in a more saleable product, while enabling the build-up to over five million tons a year of iron ore from this mine in the current financial year. This is expected to increase to nearly six million tons by 2003. The new R517 million shaft complex at the Nchwaning manganese mine is proceeding according to schedule for commissioning in late 2003. Significant progress was made during the year and the sinking of the decline shaft is progressing satisfactorily to intersect the orebody. The shaft system will increase the operational life by over 20 years and the mechanised nature of the mining will result in a lower operating cost.

Assmang's headline earnings rose by 82 per cent to R231 million from the previous year's R127 million

PGM assets sold
Two Rivers Platinum (Proprietary) Limited, a company jointly owned by Avmin and Impala Platinum Holdings Limited, has acquired the rights to the platinum group metals (PGMs) on the farm Dwars Rivier in the Mpumalanga Province. Assmang mines chrome ore on the property and agreed to dispose of the underlying PGM assets, as these are not its core business. The transaction was concluded recently for a sale consideration of R551 million, which should be paid to Assmang in the first six months of the current financial year. Competition Commission and shareholder approvals to conclude this transactionare currently being obtained.

The R97 million jig plant at the Beeshoek iron ore mine was commissioned within schedule.

Anglovaal Mining Limited Annual Report 2001
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Mineral resources and reserves | Corporate sustainability | Corporate governance
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Notice of Annual General Meeting | Form of proxy
Review of operations
Ferrous metals | Precious metals | Base metals

Review of Operations - Precious Metals

The Target mine remains on schedule and budget to achieve full production during the first quarter of calandar 2002

Gerhard Potgieter, 41

Senior vice president: precious metals

BSc Mining Gerhard started his career with the Anglovaal Group in 1982. Trained as a mining engineer he worked and managed mining operations within the gold sector, the latest of which was the establishment of the Target gold mine. He was appointed to his present position in July 2001.

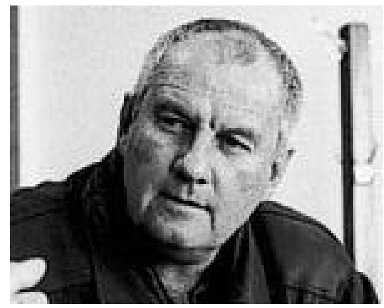
Avgold Limited, of which Avmin owns 60,7 per cent, currently operates the ETC gold mining complex near Barberton in the Mpumalanga Province and is at an advanced development stage of the significant new Target gold mine in the Free State. Avgold is conducting a surface exploration drilling programme on an extensive gold resource in the northern Free State. Also within the precious metals division is the recently acquired platinum group metals interests, held via the 55 per cent owned Two Rivers Platinum (Proprietary) Limited.

1. Graham Butler

General manager: Target

2. Jan de Witt

General manager: ETC



Avgold Limited's (Avgold) total gold sales for the year amounted to 2 842kg compared to the previous year' 4 621kg, which included 2 344kg contributed by Hartebeestfontein prior to the disposal of that mine. Cash costs were R58 698/kg, or US$241/oz, an average yield of 9,18g/t (4,62g/t). Inclusive of hedging activity, the average gold price received the year was R76 586/kg or US$315/oz (R61 730/kg or US$304/oz) against the average annual spot price of R65 643/kg, or US$270/oz. Revenue for the year was R218 million (R290 million) and after deducting operating expenses of R190 million (R332 million), the operating profit rose significantly to R28 million (R42 million – loss). After investment income, net earnings were R39 million (R11 million – loss – which was after a net profit after tax of R21 million on the disposal of Hartebeestfontein). At ETC the restructuring and rationalisation process implemented over the last few years has deliveredpleasing results. The mine generated R48 million cash during the year as a result of gold sales increasing, tight controls over cash costs and good hedging. The ongoing plan demonstrates that this performance is sustainable and is based on a high level of measured resources, which provides additional confidence. The Sheba, New Consort and Fairview mines milled 309 500 tonnes (233 300 tonnes) at an average yield of 9,18g/t (9,76g/t). ETC's gold sales rose to 2 842kg or 91 368oz (2 277kg or 73 211oz) at an average cash cost of R58 698/kg or US$241/oz (R58 140/kg or US$286/oz). By the end of the last quarter of the financial year, ETC had reduced its cash operating costs to US$217/oz, thus achieving an objective set by management at the beginning of the year.

Possible ETC sale

Avgold has entered into a process to assess the possible sale of ETC. Indicative bids have been received from prospective buyers and negotiations are continuing. It is anticipated that a decision on whether or not to sell the mine will be made by mid-October 2001. The main reason for considering this possibility is that the operations at ETC do not fit the company' mechanised, low cost profile.

Target remains on schedule and budget

The Target mine remains on schedule and within budget to reach full production during the first quarter of calendar 2002 and will average 350 000 ounces, or 11 000kg, a year over its 12 year life at cash costs of below US$150 an ounce. The commencement of full production from Target during the latter part of this financial year will see the return of significant operating profits for Avgold. It is planned that Target will be revenue accounted from 1 January 2002. Target started the year with a revised mine plan requiring a de-stress cut over the entire Elsburg reef formation. The mine has maintained its project development schedule for both underground and surface projects and continues to operate within budget parameters.

At ETC, the restructuring and rationalisation process implemented over the last few years has delivered pleasing results. The mine generated R48 million cash as a result of gold sales increasing, tight controls over costs and good hedging

Northern Free State exploration

Within the northern Free State area, exploration drilling from the end of the Target declines was conducted into the Paradise area, which is contiguous with the current Target operation. The drilling results received indicate a significant increase in the resources within the Elsburg reefs. This provided sufficient confidence for the Avgold board of directors to approve an eighteen month surface exploration drilling programme, which started during July 2001. Once the results from the new programme have been obtained, a decision could be made to proceed with a full feasibility study. Pending a positive outcome, Avgold may commence discussions with major gold producing companies to joint venture a possible new mine.

Avmin enters the PGM market

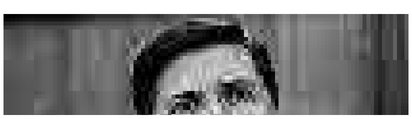
The PGM rights acquired on the farm Dwars Rivier are to be registered in the newly-formed Two Rivers Platinum (Proprietary) Limited (Two Rivers), of which Avmin owns 55 per cent and Impala Platinum Holdings Limited, 45 per cent. Avmin will develop, manage and operate the new mine. Following Competition Commission approval, an exploration drilling programme and detailed designs will be undertaken over the succeeding twelve months. This will culminate in a feasibility study being undertaken on which the decision to proceed with a new mine will be made. The mine will have a run-of-mine output of about 1,4 million tons producing between 160 000 and 170 000 ounces of PGMs a year and will be at full production within twelve months from the date of commencing mining operations. The mine will have a life of approximately 20 years. The estimated capital cost for the new mine will be between R500 and R700 million.

ETC is reclaiming its waste dump areas, enabling the extraction of gold and the rehabilitation of the area

Review of Operations - Base Metals

Full production of Chambishi Metals' expanded facility is now expected during the first quarter of the 2002 calendar year

Cobalt and copper Chambishi Metals plc is in the process of building up its production to become one of the world's largest primary cobalt producers. This will occur when the newly-built smelter and downstream processes ramp-up to full production during calendar 2002. Based in Zambia and owned 90 per cent by Avmin, Chambishi Metals also currently toll refines concentrates for various clients. It produces copper and sulphuric acid as by-products.



Gerry Robbertze, 58

Senior vice president: cobalt/copper

Pr Eng, ACSM

Gerry spent his early career on the Zambian Copperbelt and then worked for various mining companies in southern Africa as a mining engineer holding numerous management positions. He joined the Anglovaal Group in 1987.

Ed Munnik

Chambishi Metals' chief operating officer

Chambishi Metals plc (Chambishi) reported a loss of R64 million (R21 million – loss) for the year fromits existing toll refining operations. The existing plant refined 91 500 tons (64 000 tons) ofconcentrate for its clients, producing 2 700 tons (1 900 tons) of cobalt, of which 500 tons was for Chambishi's own account. The plant produced 10 000 tons (7 700 tons) of copper, of which 400 tons was for its own account.

Existing refinery
Chambishi continued its upgrade programme of the refinery and this refurbishment, together with the necessary training and development of staff, is now at a level that maximises plant efficiencies. The availability and quality of concentrates for tolling was problematic for most of the year and the cessation of production by one of the suppliers impacted on the year's results. In addition, poor pyrite availability and quality also had an impact on the operation during the year. The raw material supply issues are currently satisfactory.

New smelter
The new smelter, built to treat slag material from a resource 35 km from the plant, was commissioned during the third quarter of the financial year.However, during the heating-up process, the copper taphole block moved, causing a leak in a section of the copper cooling system and an opening of the seal between the copper sidewall block and the tapping block. Water ingress to the magnesite lining occurred resulting in hydration of the magnesite bricks. This necessitated re-bricking the furnace. Re-heating of the furnace commenced during July 2001. During this period extensive enhancements to the alloy atomising facility were undertaken. Theleach plant, the zinc solvent extraction and the cobalt tankhouse expansions have all been completed and are currently accepting material from the smelter. Full production in the expanded facility is now expected during the first quarter of the 2002 calendar year.

Business development
Avmin Zambia continues with exploration and project identification work within both Zambia and the Democratic Republic of Congo. This region has high potential for realising short- to medium-term results from this work, which is centred on base metal prospects. The Konkola North copper exploration and evaluation has been completed and a decision has been made to dispose of the property. Work has also continued on added value products such as cobalt oxides for the ceramics industry, superalloys and battery materials. These markets are an integral part of the current cobalt and future nickel marketing strategies.

Avmin Zambia continues with exploration and project identification work within both Zambia and the Democratic Republic of Congo

Nickel:

Avmin's 75 per cent held Nkomati mine, South Africa's only primary nickel producer, is located near Machadodorp in the Mpumalanga Province. The mine also produces copper, cobalt and platinum group metals (PGMs) as by-products.

Arné Lewis

General manager: Nkomati

The Nkomati mine had another good year. The mine milled 280 000 tons (239 000 tons) of ore, selling 42 000 tons (41 200 tons) of concentrate at an average nickel grade in concentrate of 10,47 per cent (10,66 per cent). While nickel head grades averaged 1,9 per cent for the year, Nkomati entered lower grade mining areas during the latter part of the year and this is expected to continue for the majority of the current financial year. Various factors contributed to the mine achieving significantly higher tonnages than planned. New underground equipment was acquired and improved efficiencies in the underground crusher and ore conveying systems as well as in the shaft winding system were achieved.

Sales tonnages

The metallurgical plant recoveries exceeded 80 per cent and the mine sold 4 000 tons (4 100 tons) of nickel. This operation also produces copper, cobalt and PGMs as by-products and 2 500 tons (2 300 tons) of copper and 54 tons (59 tons) of cobalt were sold. As a result of higher prices received during the year,PGMs contributed 51 per cent of total revenue, butthis is expected to reduce to about 43 per cent as a result of the expected lower platinum and palladium prices. The mine sold 32 600 ounces (25 400 ounces) of PGMs over the year and this was the primary reason that enabled the mine to produce nickel, netof by-products, at *minus* US$0,82/lb *(minus*US$0,01/lb). The mine's revenue for the year rose to R436 million(R352 million) and cost of sales, as a result of the higher tonnages mined, were R187 million (R141 million). This led to an operating profit of R243 million (R204 million) and after adding other income, mainly interest received, profit before tax rose to R249 million (R207 million).

Expansion

The feasibility study on a large expansion of the Nkomati mine will be completed in early 2002. This includes mining the existing high grade MSB orebody to the end of its life and the lower grade MMZ orebody through both underground and openpitmethods. Run-of-mine ore will be fed into a concentrator plant to produce a sulphide concentrate. This plant will be designed to mill approximately 325 000 tons a month of a blend of openpit and underground MMZ ore. The floatconcentrate will then be sent to an 'Activox' low-pressure leach plant where the base metals will be extracted. The leach liquor containing the base metals will then be sent to the base metals refinery to produce about 17 500 tons of nickel annually, nearly 9 000 tons a year of copper and 800 tons a year of cobalt contained in the carbonate. The leach residue will be sent to a flotation plant to recover the PGMs and thereafter be sent for tollsmelting and refining. Over 80 000 ounces of PGMs will be produced. The total capital cost of this expansion is expected to be in the region of R1,8 billion. A part of this requirement will be funded by the current MSB operation, but the majority of the funding will be contributed pro rata by the two joint venture partners, Avmin and Anglo American plc. Subject to the satisfactory conclusion of the feasibility report and to the joint venture partners' reviews, it is expected that construction will start in the 2002 financial year.

Mineral Resources and Reserves

Avmin's method in reporting of 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 dumpsare 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*20m 2 to 100*100m 2 . The thickness varies from 1m to 2,5m. Inverse distance is used in a few instances and withsimilar block sizes. The Sichel-t estimator is often applied in gold exploration projects.

Gold prices of US$300/oz and US$315/oz were utilised for Avgold Limited's Target and ETC mines respectively. The mineral resources of these properties are reported at cut-off grades ranging from 2,0g/t to 3,0g/t. For Nkomati a cut-off grade of 0,3% nickel or higher was applied. The mineral resources and reserves for the remaining commodities are reported at current contract grades or at guaranteed minimum grades, whichever is relevant.

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
M Burger, PrSciNat
F Chadwick, PrMs
R P le Roux, PrSciNat
R M Carey, PrSciNat
R Hornsey, PrSciNat
R van der Westhuizen, PrSciNat
P van der Merwe, PrSciNatA Pretorius, PrSciNat
J Vieler*, PrSciNat
J Woolfe, PrSciNat

Reserves

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

** Private consultant*

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: Most of the competent persons are members of either SACNASP, ECSA or 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 mineral 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 specificgeological 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 andreliability.

An **'indicated mineral resource'** is that part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineralcontent 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 subdivided 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
28 September 2001

ASSMANG

Nchwaning

MANGANESE	**Tons**	**Mn(%)**	**Fe(%)**
Proved mineral reserves	7 100 000	46,01	9,39
Measured mineral resources	77 800 000	44,75	9,10

Indicated mineral resources	14 500 000	47,74	11,73
Inferred mineral resources	30 000 000	41,34	8,79

ASSMANG
Gloria

MANGANESE			
Proved mineral reserves	4 400 000	39,11	4,66
Measured mineral resources	1 200 000	37,16	4,76
Indicated mineral resources	32 500 000	38,62	7,03
Inferred mineral resources	87 000 000	38,62	7,03
Total mineral reserves	11 500 000	43,37	7,58
Total mineral resources	243 000 000	41,46	8,18

ASSMANG
Beeshoek

IRON ORE	**Tons**	**Fe(%)**
Proved mineral reserves	392 200 000	64,91
Measured mineral resources	225 600 000	65,25
Indicated mineral resources	75 400 000	64,87
Inferred mineral resources	166 100 000	64,59
Total mineral reserves	392 200 000	64,91
Total mineral resources	467 100 000	64,95

ASSMANG
Dwarsrivier

CHROMITE	**Tons**	**Cr2O3(%)**	**FeO(%)**
Proved mineral reserves	5 331 000	39,75	23,32
Probable mineral reserves	386 000	39,84	23,23
Measured mineral resources	9 805 000	39,76	23,64
Indicated mineral resources	13 871 000	39,79	23,52
Inferred mineral resources	49 724 000	39,49	23,01
Total mineral reserves	5 717 000	39,75	23,31
Total mineral resources	73 400 000	39,58	23,19

Note: *Resources and reserves are quoted in metric tons.*
Mn – manganese
Fe – iron
Cr2O3 – chrome oxide
FeO – iron oxide

AVGOLD
ETC, Target and northern Free State

GOLD	**Tons**	**Au(g/t)**	**Au (Moz)**
Proved mineral reserves	6 273 000	9,26	1,87
Probable mineral reserves	7 940 000	3,60	0,92
Measured mineral resources	8 291 000	6,75	1,80

Indicated mineral resources	91 104 000	7,23	21,18
Inferred mineral resources	262 236 000	6,76	56,98
Total mineral reserves	14 213 000	6,09	2,79
Total mineral resources	361 631 000	6,88	79,96

AVMIN
Chambishi Metals

COBALT	**Tons**	**Co(%)**	**Cu(%)**
Proved mineral reserves	1 512 000	1,47	1,10
Probable mineral reserves	18 347 000	0,67	1,09
Indicated mineral resources	1 000 000	0,86	1,11
Total mineral reserves	19 859 000	0,73	1,09
Total mineral resources	1 000 000	0,86	1,11

AVMIN
Nkomati

NICKEL	**Tons**	**Ni(%)**	**Cu(%)**	**Co(%)**	**Pt(g/t)**	**Pd(g/t)**
Proved mineral reserves	574 000	2,37	1,12	0,12	1,58	3,64
Probable mineral reserves	862 000	1,77	1,14	0,08	1,75	4,44
Indicated mineral resources	121 200 000	0,48	0,19	0,03	0,27	0,72
Inferred mineral resources	410 000	1,35	0,45	0,07	0,23	0,58
Total mineral reserves	1 436 000	2,01	1,13	0,10	1,68	4,12
Total mineral resources	121 610 000	0,48	0,19	0,03	0,27	0,72

AVMIN
Nkomati

CHROMITE	**Tons**	**Cr2O3(%)**	**Ni(%)**
Indicated mineral resources	50 000 000	25,48	0,19

Note: *Resources and reserves are quoted in metric tons.*
Au – gold
Co – cobalt
Cu – copper
Ni – nickel
Pt – platinum
Pd – palladium
Cr 2O3 – chrome oxide

Corporate Responsibility

In order to prosper and grow, Avmin relies on both the human resources and mineral assets of the countries in which it operates. It is the Company's view that maintaining a high awareness of its responsibilities as a corporate citizen will foster the sustainable working environment needed to provide for employees, the impact the operations have on the communities in which the Group operates, and the obligation to the country as a whole.

THE WORKING ENVIRONMENT

Workplace responsibility

Avmin sees its workplace responsibility as including the development of its staff and their retention through the provision of an equitable, safe and a healthy work environment. The steps the Group takes to retain staff include providing competitive flexible remuneration packages that allow staff to have far more say in how they are remunerated and what their core benefits are. Avmin is currently introducing a managed performance scheme that will apply to all levels of staff. Employees 'remuneration will be linked to their own performance, the performance of their business unit and the overall performance of the Company.

Employment Equity

Avmin is committed to the implementation of a results-oriented employment equity (EE) programme and two fundamental values: an acceptance that diversity will be viewed in a positive light, and respect for all employees whatever his/her grade, race and gender. The following progress regarding the drive to implement EE effectively has been made:

• After consultation with employee representatives, EE reports were submitted on time to the Department of Labour, specifying amongst other things, the targets that have been set for five years;

• In line with legislative requirements to establish a body for consultation within the Company, all Avmin's operations have established democratically elected employment equity committees that report through their respective vice presidents. Avmin's head officestaff have also elected a committee, known as the Smart Workforum (SWF), whose members represent staff at all levels of the organisation. Apart from meeting regularly, the SWF have had three open meetings with staff on employment equity and skills development;

• The Company's EE policy has been re-drafted to help focus the Company more sharply on current challenges – this policy is currently under discussion by management and the SWF;

• Avmin's recruitment policy has been re-drafted to take cognisance of the following challenges: to have SWF participation in the recruitment and selection process, and to deal with the challenge of attracting and retainingdesignated staff; and

• The succession plans for the Company are currently being reviewed to identify positions earmarked for EE placements. Building greater representation of designated groupsremains a challenge in the light of the shortage of technical skills, continuous restructuring and downsizing. The following comparative employee statistics are reported as at 30 June 2001:

Avmin sees its workplace responsibility as including the development of its staff and their retention through the provision of an equitable, safe and a healthy work environment

1. Neville Roberts

Vice president: SHE

2. Freddie Human

Vice president (designate): SHE

3. Thys Uys

Vice president: technical services

4. Graham Emmett

Vice president: human resources

SA operations only:						
	Staff		**Junior and middle management**		**Senior and Executive Management**	
	2000	**2001**	2000	**2001**	2000	**2001**
African	2813	**3 146**	12	**11**	1	**0**
Coloured	183	**188**	4	**5**	4	**4**
Indian	48	**43**	5	**6**	0	**0**
White	804	**854**	225	**246**	64	**69**
	3 848	**4 231**	246	**268**	69	**73**

COMMUNICATION

The Group continues its drive towards more effective and open communication through a newsletter, an annual report to staff, corporate video presentations, face-to-face communication and a continually updated interactive intranet system. A highlight has been to agree, through a consultative process, on the following internal reputations for the

Company:
• honesty, openness and integrity;
• fairness and consultation;
• equal opportunities for all;
• respect, recognition and acceptance of the Group’s diverse peoples, their views and their opinions; and
• strong leadership with delegation.

SKILLS DEVELOPMENT

As mentioned above, Avmin has a policy in place for appointing and developing its own people. Trainingand development is seen as a core measure of EE and the Company endeavours to provide increased and accelerated access to training and development opportunities for designated employees. The following progress in terms of this issue has been made:

• The SWF not only deals with issues connected to the EE Act, but is also involved in the development and implementation of a Workplace Skills Plan (WSP) in Avmin, in accordance with skills development legislation;
• Following extensive training needs analysis, the Company has developed and implemented a comprehensive training and development strategy to guide the development of staff;
• The Company embarked on training and development for all employees based on learning potential and competency assessments that have been conducted;
• After consultation with the SWF, the WSP and the subsequent Annual Training Report were submitted to the Mining Qualifications Authority (MQA), with both having been approved by the MQA;
• In the last training year, Avmin spent considerably more financial resources on training and development than the required one per cent in the Skills Development Act;
• Of all employees targeted for training during the last year at head office, a 91,2 per cent success rate was achieved – of this 40,8 per cent were black and 38,4 per cent were women.

SAFETY, HEALTH AND THE ENVIRONMENT

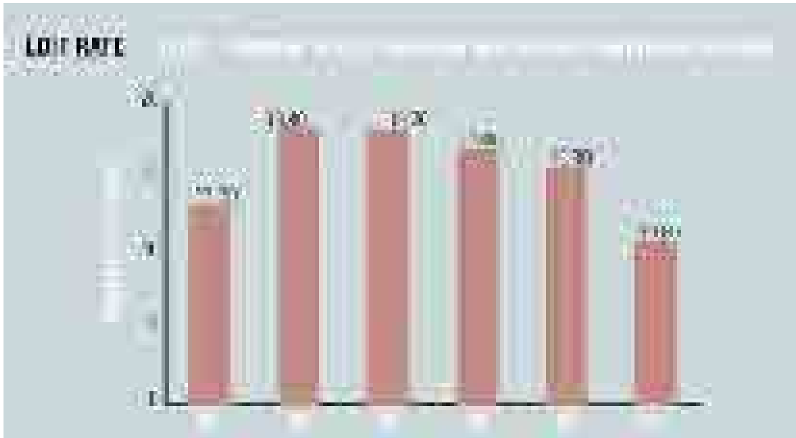
During the current financial year the Group appointed a vice president: safety, health and environment (SHE), who is responsible for ensuring that compliance is achieved throughout the Group in respect of these issues. As SHE activities are key considerations throughout Avmin, the achievement of high and ever-improving standards in these areas are an integral part of allplanning, construction and operational areas. To maintain high standards, Avmin regularly reviews legal compliance and international best practice. The Group’s approach to SHE is clearly defined by policy statements that have been communicated to all operations. The principles guiding the policy are that adequate training in the identification and minimisation of job-related safety, health and environment risks is given to all employees. If risks are identified, they are dealt with as they arise. SHE audits are undertaken regularly, systematically and with the appropriate representative participation. The Avmin SHE committee, which meets quarterly, is responsible for the development of policy frameworks and guidelines for safety, health and environment and management laws. It is also charged with the responsibility of monitoring Group compliance with the law.

Safety

The Company deeply regrets that the Group had three fatalities during the year. Avgold Limited’s (Avgold) Target mine had two fatal accidents involving the employees of contractors and Chambishi Metals plc (Chambishi), Zambia, had one fatality. Other safety statistics in terms of injury showed dramatic improvement over the past year since better and more active participation of employees and employee representatives was achieved. This is supported by the lost day injury frequency rate (LDIFR) graph for the Group over the last six financial years. The achievements over the last year include:

• Avgold’s Fairview mine at ETC won the St Barbara trophy for achieving one million fatality free shifts;
• Chambishi’s expansion site recorded three million man-hours worked without a lost time injury on the 9 December 2000. However, an accident on 11 December 2000 reset the count to zero. This was an outstanding achievement considering the large number of contractors on site;
• Avgold’s Target mine achieved one million fatality free shifts in the first quarter and received the Mine, Health and Safety Council’s millionaire award and the Avmin Directors’ trophy. The mine also qualified for the Mine Health and Safety Council’s Thousand Fatality Free Production Shifts Award on 8 December 2000;
• Assmang Limited’s (Assmang) Nchwaning and Beeshoek mines were both winners of the Northern Cape Mine

Safety Competition for Underground and Opencast Mines, respectively. Beeshoek won the Mine Health and Safety Council Trophy for 1 000 fatality free production shifts. Furthermore, following an external audit concluded in September 2000, Beeshoek achieved a Five Star Honours Grading from the Chamber of Mines of South Africa. Nkomati achieved a LDIFR and severity ratio (SR) of zero for the quarter ended June 2001, while Dwarsrivier chrome mine had a LDIFR and SR of zero for the last six months of the year.



HIV/AIDS

The Group regards the HIV/AIDS pandemic as a growing threat and has identified it as a key risk area. The board of directors is committed to introducing measures to promote business sustainability in the face of the pandemic. To achieve this objective the board will:

• ensure that it understands the social and economic impact that HIV/AIDS will have on the Company’s business activities;

• adopt an appropriate HIV/AIDS strategy, plan and policies to address and manage the potential impact;

• regularly monitor and measure performance using established indicators; and

• report to stakeholders on a regular basis. In order to be able to develop meaningful and practical policies, it has been necessary to obtain as much information as possible about the incidence level of HIV/AIDS, and its rate of growth, amongst employees. In terms of policy formation, Avmin will address such issues as the rights of individuals, confidentiality, protection against discrimination and unfair practice, the nature of its care for those with HIV and AIDS, as well as their dependents, and the affordability of the strategic programmes. Avmin is presently determining the extent to which the disease has spread amongst its employees, and the associated projected costs. This "Economic Impact of AIDS Study – Phase One" has the full support of all operations. To this end, Avmin has commissioned a collaborative study with the Centre for International Health at the Boston University School of Public Health, and a local organisation, Aids Management and Support. This study is made up of two essential components:

• *Risk/prevalence analysis:* the magnitude, distribution and timing of the epidemic will be determined by an HIV risk analysis and an anonymous unlinked HIV prevalence survey.

• *Impact analysis:* the analysis will generate empirical estimates of the current direct and indirect costs of HIV/AIDS at each level of the workforce and will project potential costs to Avmin from new HIV infections acquired during the coming ten years. The analysis will be structured to reflect the availability of data and the specific concerns of the Company, as well as to generate research results. Knowledge, Attitude and Practice (KAP) surveys are also being undertaken with employees at certain operations. The survey investigates employees' HIV/AIDS related knowledge, attitudes and behavioural practices concerning the epidemic, basic facts, Company policy, sexual practices, condom use and other safer sexual practices, sexually transmitted disease (STD) care and attitude to others with HIV, etc. The KAP survey will also determine various employee needs relating to STD/HIV/AIDS/TB, education, counselling, care and support. This will improve the strategic information available to Avmin as it responds to the epidemic in the coming decade with:

• the *economic impact study* (planned for completion by December 2001); and

• the subsequent *Phase Two,* involving the determination of specific policies and programmes, including an HIV/AIDS and life threatening disease policy. The implementation of a stragegic HIV/AIDS plan is scheduled for completion by June 2002. To complement these initiatives a full "analysis of internal business areas of risk" is being undertaken throughout the Group, which essentially focuses on the following four broad areas of risk:

• productivity;

• direct medical including occupational health and safety;

• replacement employee costs; and

• staff benefits.

Health
Audiometric screen tests have been conducted throughout the Group to assess the status of hearing among employees resulting in 76 employees being referred for additional tests. These additional tests indicated that the hearing of 21 of these staff members had been impaired and they qualified for work-related loss of hearing compensation. A health and safety appraisal visit was carried out at Chambishi by a senior member of the Zambian Workers' Compensation Control Board who expressed satisfaction and appreciation for the occupational health, safety and environment pollution control programmes being undertaken. Malaria continues to be a concern for both the Group's geological services and Chambishi. The "Roll Back Malaria" programme, to which Chambishi is a contributor, was formally launched during the past year. Avgold referred 21 employee pulmonary tuberculosis cases to the Medical Bureau for certification and compensation. Thirteen cases of silicosis were also referred to the Bureau. Five cases of pneumoconiosis were diagnosed at Target mine while at ETC a pneumoconiosis case was referred for compensation.

Environment
Mining by its very nature impacts on the environment. The policy that Avmin has adopted to manage the impact of its activities on the environment is intended to ensure that it not only meets the legal requirements, but that these are exceeded. Delays are generally being experienced with permiting procedures. Implementation of the new Water Act and more rigorous Environmental Management Programme Report (EMPR) requirements are the main causes.

The policy that Avmin has adopted to manage the impact of its activities on the environment is intended to ensure that it not only meets the legal requirements, but that these are exceeded

Ferrous metals
The implementation of ISO 14000 accreditation in the ferrous metals division is well advanced. An investigation into potential Cr-6 pollution at the ferro-chrome smelter showed that there were no apparent problems. At Dwarsrivier, prevention of poaching and conservation of wildlife is included inall initial induction programmes and enforced by the mine. Indigenous trees have been planted alongside the provincial road to soften the visual impact of infrastructure, which is in close proximity. Invader tree species are being removed on an ongoing basis. The manganese division was presented with two NOSA SHE awards at its Cato Ridge operation and air-pollution registration certificates were obtained for the Cato Ridge standby gas cleaning plant and secondary de-dusting system. The manganese division spent R6,5 million during the year on the prevention of water pollution, atmospheric emissions and plant ergonomics. This included concreting of internal plant roads for dust allaying and "greening" of the plant surroundings. The Black Rock area rehabilitation plan, where manganese ore is mined, was completed and ISO 14001 accreditation has been applied for. At the iron ore mines, the old waste dump in the Mid-South mining area was remodelled to have slopes of less than 20 degrees.

Precious metals
The EMPRs for Avgold's ETC mines have been submitted for approval and are being amended to take cognisance of further requirements negotiated with the authorities. Avgold spent R2 million on environmental and rehabilitation projects for the year of which R0,9 million was funded by the Avgold Environmental Trust Fund. Target has fully implemented its Environmental Management System.

Cobalt and copper
Chambishi's effluent, storm water drainage and concentrate losses continue to be addressed and rehabilitation of the outside perimeter of the roaster, cobalt and acid plants was undertaken. The cobalt purification up-grade, and the significant expansion project for the treatment of slag dump material, has in particular addressed safety, health and environmental issues and compliance in the design and construction of the new facility. The new tailings disposal plant and dam was commissioned in the first half of 2001 and all solid tailings are being pumped to the new site on Chambishi's property. Return water from the new dam is being recycled and will result in reduced water off-take from the Kafue River. A landscaping project was started towards the end of September 2000 and is ongoing.

Nickel
At Nkomati the Environmental Management System was fully implemented in the first half of the year and all employees and contractors received environmental training. A Group environmental audit conducted at Nkomati during November 2000 revealed no major issues.

OUR INVESTMENTS IN THE COMMUNITY

The main aim of the Group's community investment activities is to empower people by providing them with the skills and business know-how that will allow them to build their own future and participate in the renaissance of Africa. The Company has also set aside funds to provide for those who are not in a position to help themselves, such as the elderly and the very young. Avmin annually commits one per cent of its before tax profit to its community investment programme. These funds are divided between all operations, focusing on their immediate communities, and the Group's national programmes. The challenge in Africa is to channel resources where they are urgently needed in education, workcreation, income generation and welfare while at the same time making a useful contribution to the many needs created by the scourge of HIV/AIDs. To meet this challenge, the Group supports initiatives that address as many of these needs as possible. Anexcellent example of such an initiative is Rainbow Village, a Sparrow Ministries project, built for people living with HIV/AIDS. In this village there are several income generating facilities, a home based care training centre, a baby centre, a day care facility which allows breadwinners to have their ill family members cared for during the day, a clinic andcomprehensive counselling and bereavement services. Patients are also trained to make and sell handicrafts. Various initiatives receive support from the Group. Among others, these include:

- the National Business Initiative facilitated Education Quality Improvement Programme (EQUIP);
- the Mathematics Centre for Professional Teachers;
- a technikon bursary scheme through the South African Institute of Race Relations;
- the Youth Leader of the Year project, a part of the Sowetan Nation Building programme; and
- Wolanani – Embrace, a work creation and care programme for women infected and affected by HIV/AIDS.

Lessons are provided for HIV positive children at the Rainbow Village, a Sparrow Ministries project

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 Avmin are ultimately accountable to shareholders for ensuring that a high standard of corporate governance is maintained.

King Code of Corporate Practice and Conduct
The board of Avmin is committed to maintaining the standards of integrity, accountability and openness advocating 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 Ken Maxwell' combined role as chairman of the Company and its audit committe is in Avmin' best interest.

Board of directors
During the year ended 30 June 2001, the board met on seven occasions. Avmin's directorate presently consists of a non-executive chairman, seven non-executive directors and three executive directors. The expertise and diverse skills of the directors are detailed on page 4. The 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. Rick Menell, the deputy chairman and chief executive officer, is responsible for the attainment of the strategic objectives as set by the board. In terms of the Company's articles of association, the maximum term of office for 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 on which the non-executive directors play an active role, particularly in the capacity of chairman of the committee concerned. Ken Maxwell and Brian Menell have consulting contracts with the Company. None of the members of the board have service contracts with the Company. All members have access to the advice of the Group company secretary and are entitled to seek independent professional advice about the affairs of the Company at the Company's expense.

President's committee
This committee is mandated to assist in setting the strategic direction of the Group, implementing strategy and maintaining effective management on a day-to-day basis. The senior vice presidents, whose names appear on page 5, form the nucleus of this committee and attend all meetings of directors. The committee meets weekly. The committee members contribute a diverse range of professional skills across the broad spectrum of the Company's activities.

Board committees
The directors of the Company appoint both executive and non-executive members to various committees as detailed below. A list of the participants in these committees can be found on page 5. Each committee meets at defined times each year and provides the directorate with an effective communication forum. The information provided to the board is derived fromexternal sources and internally from minutes, plans and reports of the activities of the respective committees.

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 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 audits of expenditure, major business risks undertaken by both internal and external auditors and examines their respective plans and reports to ensure effectiveness. The external and internal auditors have unrestricted access to the audit committee. The chairman, plus three other non-executives and one executive

director, comprise the committee. Three meetings were held during the financial year.

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 three non-executive directors, one of whom is the chairman of the Company. The vice president: human resources, attends all meetings and has direct access to all members of this committee. Three meetings were held during the year ended 30 June 2001.

Safety, health and environmental (SHE)committee
Safety and health matters are considered at every meeting of directors. A SHE committee was established during the latter part of the financial year. The chairman is a non-executive director and members comprise four other directors, two of whom are non-executive.

Two meetings have been held to date. The board's primary focus on these topics is:

Safety.
Supervision and direction in reducing workplace accidents, fatalities and occupational health and hygiene related incidents through the application of regular measurement against the minimum of legislated or regulatory requirements, reviews of accidents and current industry and international best practices.
Health.
Recognition of and prevention of health issues critical to the Company's success. Areas of concern are the HIV/AIDS pandemic, occupational lung diseases and noise induced hearing loss. **Environment.**
The prevention of occurring, continuing or re-occurring, and/or to minimise and rectify existing pollution or degradation of the environment in accordance with, at least, legislated requirements. The reader is referred to the safety, health and environmental review, starting on page 31.

Internal audit
The Group 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 Group's business. Through this process, significant business risks are highlighted and the systems of operating and financial controls are monitored. All issues are brought to the attention of the audit committee, the directors and members of the executive committee and external auditors. Issues that require corrective actions are discussed by senior management and acted upon with urgency under the auspices of the audit committee.

Hedge committee
The committee, under the chairmanship of the senior vice president: finance/chief financial officer, meets fortnightly (and more often as necessary) with Standard Risk and Treasury Management Services (Proprietary) Limited (SRTMS) to discuss market conditions, treasury operations and existing and future hedging strategies. The primary focus of the committee is the reduction of risk in commodities and currencies. SRTMS implements decisions taken. SRTMS does not perform an executive or decision-making role. Advice is also sought from other outsiders on a continuous basis. The committee operates within clearly defined parameters set by the board.

Risk management committee
The Group risk manager chairs the risk management committee. The members of the committee comprise senior representatives from the Group's operations. The committee reports to the audit committee of the board of directors. An independent formalised process of identifying, recording and reviewing the management of major risk exposures is being applied. Independent risk engineering consultants continue to grade each operation againstinternational risk standards for fire, security, engineering, commercial, crime, contingency planning and mining, and to monitor whether practices meet the set criteria. The committee is also responsible for ensuring that appropriate financial and insurance mechanisms comprehensively protect the Group against catastrophe risk.

Code of ethics
The Company is committed to the highest standards of integrity, behaviour and ethics in dealing with all its stakeholders. 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 this period directors, officers 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 before 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.

The Company is committed to the highest standards of integrity, behaviour and ethics in dealing with all its stakeholders

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 40 to 82 for the year ended 30 June 2001. 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 2001 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, International Accounting Standards and in the manner required by the Companies Act in South Africa.

Ernst & Young

Chartered Accountants (SA)

Registered Accountants and Auditors

Johannesburg, 28 September 2001

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 lodged with the Registrar of Companies and that such returns are true, correct and up to date.

R H Phillips

Group company secretary

Johannesburg, 28 September 2001

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Cash flow statement | Notes to the financial statements | Report on subsidiaries
Principal subsidiary companies | Report on other investments | US$ reporting

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 the following areas: ferrous, precious and base metals. The Company also maintains a core central unit that provides a range of services and skills within the areas of finance, legal services and human resources. 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 JSE Securities Exchange, South Africa and the London Stock Exchange.

Review of operations

The activities and results of operations of the Group for the year ended 30 June 2001 are incorporated in the chairman's and chief executive officer's report, the chief operating officer's report, the chief financial officer's report and review of operations.

Financial

The financial positions of the Company and its subsidiaries (Group) are reflected in the balance sheets, income and cash flow statements and supporting statements. In accordance with the Company's articles of association, the borrowing powers of the Company at 30 June 2001 were limited to R6,7 billion. Group borrowings at that date totalled R2,5 billion of which R0,9 billion were long-term and R1,6 billion short-term.

Share capital

The Company's *authorised share capital* was unchanged during the year and at 30 June 2001 was:

Ordinary 196 668 737 shares of 5 cents each	9,8 Rmillion
Preference 646 380 compulsorily convertible preference shares of 678 cents each	4,4 Rmillion
TOTAL	14,2 Rmillion

The principal movements of *issued* ***share*** *capital* which occurred during the year:

Ordinary

Shares in issue at 1 July 2000	107 609 995
Shares issued for options exercised by share incentive scheme participants	1 008 149
Shares issued on conversion of 646 380 compulsorily convertible preference shares in the ratio of 1: 2,3 ordinary shares on 30 June 2001	1 486 674
Shares in issue	110 104 818

at 30 June 2001

Compulsorily convertible preference shares	
Preference shares in issue at 1 July 2000	646 380
Preference shares converted into 1 486 674 ordinary shares on 30 June 2001	(646 380)
Preference shares in issue at 30 June 2001	–

Acquisitions and disposals

Details of the Company's direct and indirect interests in its principal subsidiary companies, joint ventures and partnerships and other investments are given in separate reports which form part of the annual financial statements. The most significant acquisition made during the year was the cash purchase of 35,3 million Iscor Limited ordinary shares for R494 million; funded from internal resources. A call option was sold on 9,5 million of these shares exercisable at R25,00 per share on or before 19 September 2001. On 19 September 2001, 4,2 million of these options were exercised and the balance of 5,3 million options have lapsed. Avgold Limited (Avgold), the Company's gold mining subsidiary, had a successful rights offer during October 2000 amounting to R500 million and the Company followed its entitlement. The Company's share holding in this subsidiary as at 30 June 2001 amounted to404,3 (2000: 273,8) million shares representing 61 (2000: 60) per cent of Avgold's equity. R317,2 million was expended in acquiring these additional shares. A successful bid was made, together with Impala Platinum Holdings Limited, to acquire the platinum group metal rights over the UG-2 and Merensky reefs situated on the farm Dwars Rivier in Mpumalanga Province, South Africa. The property was acquired from Assmang Limited for R551 million, the Company's portion of the consideration being R303 million. The new venture is to be known as Two Rivers Platinum (Proprietary) Limited; the Company has a 55 per cent equity interest and management of the project. On the attainment of the conditions precedent by Assmang the purchase consideration will be payable and it is expected that a mine could be brought into full production within two years thereafter. Since the date of the last directors' report no significant disposals have taken place, other than the disposal of 4,2 million Iscor options mentioned previously.

Loans for purchase of mineral rights and mine development costs

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

Changes in accounting policies

During the year the Group changed its accounting policy to account for financial instruments in terms of AC 133 – Financial Instruments – Recognition and Measurement. This change affected the revaluation of listed investments other than subsidiariesand the recognition and measurement of financial instruments at fair value. The change in accounting policy relating to investments resulted in the transfer of the excess of the fair value of investments over the original value being transferred to a revaluation reserve. The change, which has no material effect on earnings, was applied prospectively in accordance with AC 133 – Financial Instruments – Recognition and Measurement. Where necessary, opening balances have been adjusted to comply with this change. Comparative figures relating to the change in accounting policy have not been restated. Certain other comparative figures have been regrouped and restated where necessary. The effects of these changes in accounting policies are set out in the notes to the financial statements.

Taxation

The Company's 1998 return of income is presently being reassessed. The premium payable on the redemption of loan stock has been treated as being allowable by the Company; this is being contested by the Revenue Authorities. Legal advice received supports the Company's contention. In the event that the decision goes against the Company a taxation liability of R107 million plus interest would result.

Dividend policy

The current policy adopted by the directors is to declare a single dividend annually with at least four times earnings cover. The Company is subject to bank covenants relating to the debt financing of Chambishi Metals plc precluding the payment of cash dividends for the 2001 and 2002 financial years.

Dividends

No dividends were declared for the year ended 30 June 2001.

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 and International Accounting Standards. They are based on appropriate accounting policies, which have been consistently applied except for the changes noted above 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 asto 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.

Directorate

The names and details of the directors of the Company are reflected on page 4. During the year under review Messrs R Oron and D N Murray were appointed to the board on 8 November 2000 and 1 February 2001, as a non-executive director and chief operating officer, respectively. Subsequent to 30 June 2001, Messrs B Frank and N Livnat were appointed to the board on 17 August 2001. In terms of the articles of association their appointments lapse on termination of the forthcoming annual general meeting. Similarly Messrs K W Maxwell, R J McAlpine and B M Menell retire by rotation in terms of the articles of association at the forthcoming annual general meeting. All of the aforementioned directors being eligible, have offered themselves for election and re-election respectively. The only contracts between the Company and its directors are those for consulting with Messrs K W Maxwell and B M Menell.

Directors' emoluments

The emoluments detailed below were paid to directors during the period under review.

Allfigures in Rands	**Board and committee fees**	**Consultancy fees**	**Salary**	**Bonuses and performance related payments**	**Pension scheme contributions**	**Total**
Executive directors						
R P Menell (chief executive officer)	81 500		1 964 038	323 866	205 063	**2 57**
D N Murray (chief operating officer from 1 February 2001)	30 000		663 541	63 602	65 625	**82**

B M Menell	64 500	840 000				**90**
	176 000	840 000	2 627 579	387 468	270 688	**4 30**
Non-executive directors						
K W Maxwell (chairman)	143 350	270 000				**41**
D E Jowell	64 300					**6**
Dr T V Maphai	55 000					**5**
J R McAlpine	68 500					**6**
Dr M Z Nkosi	70 500					**7**
R Oron	43 500					**4**
	445 150	270 000				**71**
Total	621 150	1 110 000	2 627 579	387 468	270 688	**5 01**

Aggregate emoluments of directors who served during the year

Board and committee fees	**62**
Consulting fees	**1 11**
Salaries	**2 62**
Bonuses and performance related payments	**38**
Pension scheme contributions	**27**
Total	**5 01**

Options

Options to subscribe for ordinary shares of five cents each in the Company granted during the year to 30 June 2001 are shown in the table below.

	Executive director R P Menell
Granted as at 1 July 2000	
Number	**251 026**
Average exercise price per share	**R0,05***
Granted during the year	
Number	**147 732**
Average exercise price per share	**R22,66**
Held as at 30 June 2001	
Number	**398 758**
Average exercise price per share	**R8,43**
Latest expiry date	**13 June 2008**

** The average exercise price per share inclusive of options granted to option holders to compensate for the reduction in share price following the special distribution in July 2000 of R27,00 per share; refer page 45, below the Options Outstanding at 30 June 2001 table.*

On 4 September 2001, 162 227 options of the balance held at 30 June 2001 were exercised and a like number of ordinary shares were issued on that date and sold at an average price of R38,40 per share to Arctic Resources Limited.

Interests of directors
The direct and indirect beneficial and deemed beneficial interests of the directors of the Company and of their families interests in the issued share capital of the Company at 30 June 2001 were as follows:

Ordinary Shares	**30-Jun-01**		30-Jun-00	
	Beneficial	**Non-beneficial**	Beneficial	Non-beneficial
Direct Interests				
Executive Directors	**-**	**-**	-	-
Non-Executive Directors				
D E Jowell	**-**	**-**	34 527	-
Dr T V Maphai	**1 000**	**-**	507	-
K W Maxwell	**5 355**	**-**	6 278	-
	6 355	**-**	41 312	-
Indirect interests				
Executive directors				
R P and B M Menell	**783 061**	**-**	-	-
Non-executive directors	-	-	-	-
	783 061	**-**	-	-
Total	**789 416**	**-**	41 312	-
Compulsorily convertible preference shares				
Indirect interests				
R P and B M Menell		**-**	161 594	-

A register detailing directors' and officers' interests in contracts is available for inspection at the Company's registered office.

Subsequent to 1 July 2001, to the date of this report, the Company has been advised of the following transaction: 250 000 ordinary shares, indirectly held by two Menell family trusts, had been sold as part of a regular exercise of re-balancing the family portfolio.

Secretary
The company secretary is Mr R H Phillips.

Shareholder spread
According to the directors the following are the only shareholders beneficially holding, directly or indirectly, in excess of five per
cent of the ordinary shares of the Company as at 30 June 2001:

	Registered shareholder		**Beneficial shareholder**	
	Shares held	% Issued equity	Shares held	% Issued eq
Major shareholders				

Ferbros Nominees (Proprietary) Limited	46 216 196	42,0	45 072 621	4
Standard Bank Nominees (Transvaal) (Proprietary) Limited	19 151 534	17,4		
Old Mutual Nominees (Proprietary) Limited	14 844 692	13,5	14 535 064	1
Nedcor Bank Nominees Limited	14 870 575	13,5		
Directors	789 416	0,7	789 416	
	95 872 413	87,1	60 397 101	5
Minorities	14 232 405	12,9	49 707 717	4
	110 104 818	**100,0**	**110 104 818**	**10**

Share incentive schemes

The Company has an employee share incentive scheme, namely The Anglovaal Mining Share Incentive Scheme (the Scheme). The Anglovaal Limited 1990 Employee Share Incentive Scheme ceased to exist as at 30 June 2001. Total options outstanding under the Scheme shall not exceed 10 per cent of the total issued share capital of the Company from time to time. At the forthcoming annual general meeting it will be proposed as an ordinary resolution that the Scheme's rule 5.3 be amended by the deletion of "0,5%" and the substitution therefor of "1,0%". The effect of the amendment will be to permit any one participant to hold a total of unvested and vested scheme shares and/or options to an aggregate equal to one per cent of the issued share capital of the Company. Options exercised by executive directors are included in 'directors' emoluments'. The following are summaries of particulars required in terms of the Scheme and JSE Securities Exchange, South Africa Listings Requirements for the two option schemes mentioned:

	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 2000	107 609 995	2 826 858	165 100	
Movements during the year:				
Options – granted – exercised – forfeited		2 378 886 (829 722) (11 758)	14 927* (178 427) (1 600)	Varying between R0,05 and R35,55
At 30 June 2001	110 104 818	4 364 264	-	

Movements subsequent to year end:

The Anglovaal Limited 1990

	Ordinary shares in issue	The Anglovaal Mining Share Incentive Scheme	Employee Share Incentive Scheme	Strike price per share
– Granted		1 444 821		Varying between R33,50 and R37,00
– Exercised		(652 776)	–	
At 28 September 2001	110 757 594	5 156 309	–	

	28 Sept 01	30 Jun 01	30 Jun 00
Options granted to participants during the period	1 444 821	2 378 886	662 430
Number of **shares available** for purposes of the Trust Options outstanding at 30 June 2001 are as follows:	5 919 450	6 646 218	7 769 042

Options outstanding at 30 June 2001 are as follows:

Expiry date	Number of options	Weighted average strike price (rand)
Year to 30 June 2005	1 635	69,25
Year to 30 June 2006	228 127	3,49
Year to 30 June 2007	1 800 605	0,05*
Year to 30 June 2008	628 075	17,33
Year to 30 June 2009	1 705 822	33,97
	4 364 264	

* The impact on option holders of the special distribution to shareholders in July 2000 of R27,00 per share was compensated as follows: – The strike price was reduced by R27,00 per option to a minimum of R0,05 per share, being the nominal value of ordinary shares; and – In the case of options at a strike price of less than R27,00 additional options were issued at a strike price of R0,05 each in respect of the value lost between R27,00 and the original strike price.

Special resolutions

Special resolutions were passed by the Company during the period 1 July 2000 to the date of this report, the substance of which are:

– authorising the Company by way of a general approval granted by its shareholders to acquire its own shares in terms of section 85 of the Companies Act and the JSE Securities Exchange, South Africa Listing Requirements;

– deleting the provisions contained in the Company's articles of association relating to "N" ordinary shares.

STRATE (Share Transactions Totally Electronic)

Shareholders are reminded that the Company's shares are to be dematerialised on 5 November 2001, that electronic trading commences on 26 November 2001 with the first electronic settlement on 3 December 2001. Should you wish to trade your Avmin shares on the JSE Securities Exchange, South Africa (JSE) thereafter you are urged to deposit them with a Central Securities Depository Participant (CSDP) or qualifying stockbroker as soon as possible. With effect from the latter date trading in the Company's shares on the JSE will only be possible if they exist in electronic format in the STRATE environment. A circular on this topic was sent to members on or about 29 August 2001. Should you have any queries, please contact the Company's transfer secretaries, Mercantile Registrars Limited.

Reporting in United States dollars

To assist international investors a translation of convenience into United States dollars is provided for the Group balance sheets, income statements, changes in equity statements, and cash flow statements. These translations are based on average rates of exchange for income statement and cash flow statement items and at those ruling at year end for the balance sheet items.

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Accounting Policies and Definitions

Accounting policies

The consolidated financial statements are prepared in accordance with and comply with South African Statements of Generally Accepted Accounting Practice and International Accounting Standards. The consolidated financial statements are prepared under the historical cost convention as modified by the revaluation of certain freehold land, buildings and investments.
The principal accounting policies as set out below have been consistently applied except as stated on the directors' report, and note 1 to the financial statements.

Basis of consolidation and goodwill

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 are included in the Group financial statements using the equity accounting method.

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 proportionately consolidated on a line-by-line basis in the Group's financial statements.
The post-acquisition results of joint ventures are adjusted where necessary to take account of the effects of fair value, unrealised profits and goodwill.

Subsidiary companies

Investments in subsidiaries are accounted for at cost less impairments.
The results of subsidiaries are consolidated from the dates of effective control up to the dates effective control ceases. The post-acquisition results of subsidiaries are adjusted for the effects of fair value adjustments at acquisition, unrealised profits and goodwill adjustments.

Goodwill

Goodwill represents the excess of the cost of the investment over the fair value attributable to the net assets acquired. Goodwill is included in the total amount of intangible assets and is amortised on the straight-line basis over estimated useful life up to a maximum of 20 years.
Any excess of the value attributable to the net assets acquired over the cost of the investment acquired is treated as negative goodwill. Where negative goodwill is considered to represent future losses and expenses it 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 the income statement immediately.

Inter-company transactions and balances

Consolidation principles relating to the elimination of inter-company transactions and balances and adjustments for unrealised inter-company profits are applied in all inter-group dealings, whether it be transactions with subsidiaries, associated companies or joint ventures.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or development of a qualifying asset that requires a substantial period of time to be prepared 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 in respect of temporary differences between the book value and tax base of balance sheet items, including items with a tax base but no book value. The resulting net deferred tax assets or net deferred tax liabilities are recognised on the balance sheet. Deferred tax is not recognised when the transaction involves the initial recognition of an asset or liability that 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 that is expected to apply to the period when the asset is realised or the liability is settled.

Environmental rehabilitation obligation

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. Cost estimates are not reduced by the potential proceeds from the sale of assets.

Decommissioning

The present value of estimated future decommissioning obligations at the end of the operating life of a mine is included in long-term provisions. The unwinding of the obligation is included in the income statement. The related decommissioning asset is recognised in fixed assets when the decommissioning event gives rise to future economic benefits.

Restoration

The present value of the estimated cost of restoration is included in long-term provisions. This estimate is revised annually and any movement is charged against income.
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.* 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, foreign exchange contracts and borrowings. Initial recognition is at cost. Subsequent recognition is at fair value or at amortised cost. The recognition methods adopted are disclosed in the individual policy statements associated with each item.

Derivative instruments

Derivatives are initially measured at cost, and associated transaction costs are charged to the income statement when incurred. Subsequently these instruments are measured as set out below.

All forward and option contracts are marked to market at financial reporting intervals and any changes in their fair values are included in profit from operations. Gains and losses arising on contracts not spanning a reporting interval are recognised and included in the income statement at the time that the contract expires.
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.

Forward exchange contracts
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.

Investments
Investments other than investments in subsidiaries, associates and joint ventures, are reflected at fair value.
Increases and decreases in fair values of available for sale investments are reflected in the revaluation reserve.
On disposal of an investment, the balance in the revaluation reserve is recognised in the income statement.
Where regulated markets exist, fair values are determined with reference to the stock exchange quoted selling prices at the close of business on the balance sheet date. Where no regulated markets exist, investments are carried at cost.

Set-off
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
Impairment of assets
The carrying value of assets is reviewed at each balance sheet date to assess whether there is any indication of impairment. If any such indication exists, the recoverable amounts of the assets are estimated. Where the carrying value exceeds the estimated recoverable amount such assets are written down to their recoverable amount. If the circumstances leading to the impairment no longer exist, the appropriate portion of the impairment loss previously recognised is written back.

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.

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, are stated at cost less accumulated depreciation.

Land and buildings
Land and buildings, other than mine properties, are valued at market value. 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 recognised in equity in a revaluation reserve. Any subsequent impairment is adjusted against the revaluation surplus to the extent of the 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.

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 proved and probable ore reserves. Proved 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.

Mineral rights
Mineral rights that are being depleted are amortised over their estimated useful lives using the units-of-production method based on proved 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 that are not being depleted are not amortised. Mineral rights that 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.

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 proved 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 maximumlife of any single item is 25 years.

Other
Mine properties (including houses, schools and administration blocks), motor vehicles and furniture and equipment are depreciated 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 South African rand 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 South African rand 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.

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:

• 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.

• Work-in-process is valued at weighted average cost.
• Raw materials are valued at weighted average cost.
• By-products are valued at the estimated variable cost associated with its production.

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

Post-retirement benefits

Costs related to defined contribution plans are expensed as incurred. 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 is no realistic alternative 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 risks and rewards of ownership have been transferred and 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. Overdrafts are excluded from cash and cash equivalents.

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

Headline earnings per share
Headline earnings comprise earnings for the year, adjusted for profits, losses and capital items of such a nature and size that separate disclosure is required in accordance with the requirements of AC 306. Adjustments against earnings take account of 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. The 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. Fully diluted headline earnings per share is calculated on the same basis as 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.

Balance Sheets

as at 30 June 2001

	Note	**Group 2001 Rm**	Group 2000 Rm	**Company 2001 Rm**	Company 2000 Rm
ASSETS					
Non-current assets					
Tangible assets	2	**5 987**	3 924	**113**	116
Intangible assets	2	**9**	(8)	**-**	-
Loans and long-term receivables		**-**	2	**830**	5
Deferred tax assets	10	**47**	22	**-**	-
Environmental rehabilitation trust funds	3	**59**	51	**7**	7
Investments	4	**1186**	57	**3231**	1791
		7288	4048	**4181**	1919
Current assets					
Inventories	6	**722**	586	**14**	16
Trade and other receivables		**664**	640	**110**	722
Taxation		**1**	3	**-**	-
Deposits and cash		**439**	4160	**340**	4133
		1826	5389	**464**	4871
Total assets		**9114**	9437	**4645**	6790
EQUITY AND LIABILITIES					
Capital and reserves					

Ordinary share capital	7	**6**	5	**6**	5
Preference share capital	7	**-**	4	**-**	4
Share premium	7	**56**	51	**56**	51
Non-distributable reserves		**679**	56	**577**	6
Distributable reserves		**3267**	2971	**2882**	2697
Shareholders' interest in capital and reserves		**4008**	3087	**3521**	2763
Minority interest	8	**1483**	1185	**-**	-
Total shareholders' interest		**5491**	4272	**3521**	2763
Non-current liabilities					
Long-term borrowings	9	**921**	208	**-**	-
Deferred tax liabilities	10	**360**	289	**64**	57
Long-term provisions	11	**196**	202	**70**	62
		1477	699	**134**	119
Current liabilities					
Trade and other payables	12	**387**	388	**64**	95
Provisions	13	**116**	105	**82**	67
Taxation		**78**	194	**48**	169
Shareholders for dividends		**-**	1208	**-**	1208
Shareholders for distribution		**-**	1697	**-**	1697
Derivative instruments		**11**	-	**-**	-
Overdrafts and short-term borrowings	14	**1554**	874	**796**	672
		2146	4466	**990**	3908
Total equity and liabilities		**9114**	9437	**4645**	6790

Income Statements

for the year ended 30 June 2001

	Note	**Group 2001 Rm**	Group 2000 Rm	**Company 2001 Rm**	Company 2000 Rm
Revenue	15	**2806**	2934	**327**	603
Cost of sales		**2083**	2119	**140**	106
Gross profit		**723**	815	**187**	497
Other operating income		**211**	76	**260**	112
Other operating expenses		**338**	289	**279**	223
Profit from operations	16	**596**	602	**168**	386
Income from investments	17	**108**	183	**153**	203
Finance costs		**132**	72	**62**	53
Profit before taxation and exceptional items		**572**	713	**259**	536
Exceptional items	18	**-**	3648	**-**	3600
Profit before taxation		**572**	4361	**259**	4136
Taxation	20	**167**	324	**74**	233
Profit from ordinary activities		**405**	4037	**185**	3903
Minority interest		**124**	57		
Earnings		**281**	3980	**185**	3903
Headline earnings	21	**281**	486	**185**	436
Earnings per share (cents)	22	**259**	3723		
Headline earnings per share (cents)	22	**259**	455		
Fully diluted earnings per share (cents)	22	**251**	3592		
Fully diluted headline earnings per share (cents)	22	**251**	439		
Dividends per share (cents)	23	**-**	1123		
Capital distribution per share (cents)		**-**	1577		
Number of shares in issue at end of					

year (thousands)		**110105**	107610
Weighted average number of shares in issue (thousands)		**108379**	106889
Weighted average number of shares used in calculating fully diluted earnings per share (thousands)	22	**112073**	110805

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Statements of Changes in Equity

for the year ended 30 June 2001

Group	Note	Share Capital and premium Rm	Foreign currency translation Rm	Re-valuation surplus Rm	Other Rm	Retained Earnings Rm	**Total Rm**
Balance at 30 June 1999 restated		1701	(2)	3	94	199	**1995**
Foreign currency translation reserve		-	8	-	-	-	**8**
Earnings		-	-	-	-	3980	**3980**
Special distribution		(1697)	-	-	-	(1208)	**(2905)**
Share issues net of expenses		9	-	-	-	-	**9**
Share election reserve							
– utilised	7	47	-	-	(47)	-	**-**
– encashed		-	-	-	(9)	-	**(9)**
Post acquisition item realised		-	-	-	9	-	**9**
Balance at 30 June 2000 as reported		60	6	3	47	2971	**3087**
Earnings		-	-	-	-	281	**281**
Revaluation of listed investments	4	-	-	635	-	-	**635**
Share options exercised		2	-	-	-	-	**2**
Reallocation of reserves		-	-	-	(12)	12	**-**

Other		-	-	-	-	3	**3**
Balance at 30 June 2001		62	6	638	35	3267	**4008**
Company							
Balance at 30 June 1999		1701	3	6	92	2	**1804**
Foreign currency translation reserve		-	(38)	-	-	-	**(38)**
Earnings		-	-	-	-	3903	**3903**
Special distribution		(1697)	-	-	-	(1208)	**(2905)**
Share issues net of expenses		9	-	-	-	-	**9**
Share election reserve							
– utilised	7	47	-	-	(47)	-	**-**
– encashed		-	-	-	(9)	-	**(9)**
Other movements		-	-	-	(1)	-	**(1)**
Balance at 30 June 2000		60	(35)	6	35	2697	**2763**
Foreign currency translation reserve		-	(64)	-	-	-	**(64)**
Earnings		-	-	-	-	185	**185**
Revaluation of listed investments	4	-	-	635	-	-	**635**
Share options exercised		2	-	-	-	-	**2**
Balance at 30 June 2001		62	(99)	641	35	2882	**3521**

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Cash Flow Statements

for the year ended 30 June 2001

	Note	**Group 2001 Rm**	Group 2000 Rm	**Company 2001 Rm**	Company 2000 Rm
CASH FLOW FROM OPERATING ACTIVITIES					
Cash receipts from customers		2967	2878	881	227
Cash paid to suppliers and employees		2441	2246	392	274
Cash generated from/(utilised by) operations	24	526	632	489	(47)
Interest received		106	172	137	177
Interest paid		(132)	(72)	(62)	(53)
Dividends received		2	11	15	25
Dividends paid	25	(1222)	(41)	(1208)	(27)
Capital distribution		(1697)	-	(1697)	-
Taxation paid	26	(237)	(68)	(187)	(28)
Net cash (outflow)/inflow from operating activities		(2654)	634	(2513)	47
CASH FLOW FROM INVESTING ACTIVITIES					
Proceeds from sale of Hartebeestfontein					

mine		-	304	-	-
Proceeds from sale of joint venture and subsidiaries	27	6	17	-	-
Additions to fixed assets to maintain operations		(291)	(312)	(14)	(17)
Additions to fixed assets to expand operations		(1793)	(973)	(9)	-
Proceeds on disposal of fixed assets		2	43	-	1
Proceeds on disposal of investments		12	3617	6	3636
Decrease/(increase) in investment loans and receivables		4	117	(503)	119
Other investments acquired		(497)	(63)	(814)	(63)
Net cash (outflow)/inflow from investing activities		(2557)	2750	(1334)	3676
CASH FLOW FROM FINANCING ACTIVITIES					
Increase in shareholder funding		-	9	-	9
Funding received from minority shareholders		182	14	-	-
Long-term borrowings raised		726	160	-	-
Long-term borrowings repaid		(4)	(6)	-	-
Increase in short-term borrowings		599	163	67	28
Decrease in treasury liabilities		(13)	-	(13)	-
Net cash inflow from financing activities		1490	340	54	37
Net (decrease)/increase in cash and cash equivalents		(3721)	3724	(3793)	3760
Cash and cash equivalents at beginning of year		4160	436	4133	373

Cash and cash equivalents at end of year	439	4160	340	4133
Cash generated from operations per share (cents)	485	591	451	(44)

Notes 1-9 to the Financial Statements

for the year ended 30 June 2001

1. CHANGE IN ACCOUNTING POLICY

During the year the Group changed its accounting policy to account for financial instruments in terms of AC 133 – Financial Instruments – Recognition and Measurement. This change affected the revaluation of listed investments other than subsidiaries and the recognition and measurement of financial instruments at fair value. The change in accounting policy relating to investments resulted in the transfer of the excess of the fair value of investments over the original value being transferred to a revaluation reserve.

This change, which had no material effect on earnings, was applied prospectively in accordance with AC 133 – Financial Instruments – Recognition and Measurement. Where necessary, opening balances have been adjusted to comply with this change. Comparative figures relating to the change in accounting policy have not been restated. Certain other comparative figures have been regrouped and restated where necessary.

The annual financial statements are prepared on the historical cost basis as adjusted for the revaluation of certain freehold land and buildings, and the fair value revaluation of derivatives, trading and available for sale investment securities and are in accordance with South African Statements of Generally Accepted Accounting Practice and International Accounting Standards.

	Mine develop-ment & exploration	Decom-missioning assets	Plant and machinery	Land and buildings	Mineral right	Intangible assets	Other	**To**
Group-Rm **Cost**								
Balance at 30 June 1999	2037	4	1009	146	326	(34)	271	**37**
Additions	606	34	616	16	2	3	46	**13**
Reclassifications	(33)	2	8	(6)	-	7	22	
Impairments	-	-	(5)	-	-	-	(1)	
Disposals	(23)	-	(5)	(32)	(5)	-	(5)	**(7**
Subsidiaries acquired or	-	-	(2)	-	-	-	(6)	

sold								
Realignment of currencies	-	-	48	1	-	-	1	
Sale of Hartebeestfontein mine	(460)	-	(70)	-	-	-	(53)	**(58**
Balance at 30 June 2000	2127	40	1599	125	323	(24)	275	**44**
Additions	781	-	1224	16	-	1	62	**20**
Reclassifications	-	2	(8)	4	-	2	-	
Disposals	-	-	(14)	-	-	-	(3)	**(1**
Disposal of joint venture	(2)	-	(10)	-	(1)	**-**	**-**	**(1**
Realignment of currencies	-	6	152	-	-	**-**	**-**	**1**
Sale of Hartebeestfontein mine	5	-	-	-	5	**-**	**-**	
Decommissioning asset estimate adjustment	-	(13)	-	-	-	-	-	**(1**
Balance at 30 June 2001	2911	35	2943	145	327	(21)	334	**66**
Accumulated amortisation and depreciation								
Balance at 30 June 1999	309	3	235	20	3	-	131	**7**
Reclassification	4	-	1	-	-	-	(4)	
Charge for the year	45	3	70	3	1	(16)	30	**1**
Disposals	(23)	-	(5)	-	-	-	(4)	**(3**
Subsidiaries acquired or sold	-	-	(2)	-	-	-	(3)	
Realignment of currencies	-	-	2	-	-	-	-	
Sale of Hartebeestfontein mine	(214)	-	(32)	-	-	-	(8)	**(25**
Balance at 30 June 2000	121	6	269	23	4	(16)	142	**5**
Reclassification	-	-	2	-	-	-	(2)	
Charge for the year	49	3	78	3	1	(14)	31	**1**
Disposals	-	-	(13)	-	-	-	(4)	**(1**
Disposal of joint venture	(3)	-	(9)	-	(1)	-	-	**(1**

Realignment of currencies	-	-	8	-	-	-	-	
Balance at 30 June 2001	167	9	335	26	4	(30)	167	**6**
Carrying value at 30 June 2000	2006	34	1330	102	319	(8)	133	**39**
Carrying value at 30 June 2001	2744	26	2608	119	323	9	167	**59**

2. TANGIBLE AND INTANGIBLE ASSETS (continued)

Borrowing costs
Borrowing costs amounting to R94 million were capitalised in respect of the year to 30 June 2001 (2000: R38 million). Specific US$ denominated borrowings are capitalised at varying rates between 6,25% and 7,25% and rand denominated borrowings are capitalised at a rate based on JIBAR plus 2,25%.

Capital work in progress
Included in the above assets is R3 393 million (2000: R2 303 million) relating to projects in progress from which no revenue is currently derived.

Leased assets
Additions include R1 million (2000: R5 million) assets leased under finance leases.
Included in plant and machinery is leased assets with a book value of R5 million (2000: R4 million).

	Mine Develp-ment & exploration	Decom-missioning assets	Plant & Machinery	Land and Buildings	Other	Total
Company – Rm **Cost**						
Balance at 30 June 1999	80	-	43	17	22	162
Additions	10	1	1	-	5	17
Additions	-	-	-	-	(3)	(3)
Balance at 30 June 2000	90	1	44	17	24	176
Additions	10	-	4	-	10	24
Disposals	-	-	-	-	(2)	(2)
Balance at 30 June 2001	100	1	48	17	32	198
Accumulated amortisation and depreciation						
Balance at 30 June 1999	12	-	11	-	18	41

Charge for the year	10	-	7	-	5	22
Disposals	-	-	-	-	(3)	(3)
Balance at 30 June 2000	22	-	18	-	20	60
Charge for the year	19	-	-	-	6	25
Balance at 30 June 2001	41	-	18	-	26	85
Carrying value at 30 June 2000	68	1	26	17	4	116
Carrying value at 30 June 2001	59	1	30	17	6	113

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

	Group 2001 Rm	Group 2000 Rm	**Company 2001 Rm**	Company 2000 Rm
3. ENVIRONMENTAL REHABILITATION TRUST FUNDS				
Total environmental rehabilitation obligation (note 11)	**115**	109	**8**	8
Less: Trust funds	**59**	51	**7**	7
Net liability	**56**	58	**1**	1
Movement in trusts' funds				
Balance at beginning of year	**51**	94	**7**	-
Amounts received during the year	**2**	4	**-**	1
Less: Work completed	**-**	(1)	**-**	-
Interest earned	**4**	4	**-**	1
Transfer of Hartebeestfontein mine entitlement	**-**	(57)	**-**	-
Other	**2**	7	**-**	5
	59	51	**7**	7
4. INVESTMENTS				
Associated companies Unlisted				
Book value	**-**	-	**-**	-
Directors' valuation of unlisted	**1**	1	**1**	1

investments

Listed – subsidiary companies				
Book value			**1552**	1235
Listed – other investments				
Original cost	**546**	52	**555**	61
Revaluation surplus	**635**	-	**635**	-
Closing carrying amount	**1181**	52	**1190**	61
Total – listed investments	**1181**	52	**2742**	1296
Market value of listed investments	**1181**	131	**4162**	2099
Unlisted – subsidiary companies				
Book value			**451**	451
Loans			**34**	40
			485	491
Unlisted – other	**5**	5	**4**	4
Total unlisted	**5**	5	**489**	495
Total carrying amount of investments	**1186**	57	**3231**	1791
Directors' valuation of unlisted investments				
– subsidiaries and other	**8**	12	**490**	456
– partnerships and joint ventures	**-**	-	**150**	150
	8	12	**640**	606

The accounting policy for the revaluation of investments was changed during the year to comply with AC 133 – Financial Instruments – Recognition and Measurement.

Included in investments was a call option on 9,5 million Iscor shares at a net exercise price of R25,00 per share with a financial institution. On 19 September 2001, 4,2 million of these options were exercised and the balance of 5,3 million options have lapsed.

5. JOINT VENTURES

The proportionate share of the following joint venture has been included in the Company's results:
– a 75 per cent share in the Nkomati mine.
The proportionate shares of the following joint ventures have been included in the Group's results:
– a 75 per cent share in the Nkomati mine;
– a 50 per cent share in Cato Ridge Alloys (Proprietary) Limited; and
– a 23 per cent share in Lannex (sold effective 1 July 2001).

The aggregate amounts of joint ventures proportionately consolidated in the financial statements are:

	Group 2001 Rm	Group 2000 Rm	Company 2001 Rm	Company 2000 Rm
Income statements				
Revenue	**377**	345	**327**	264
Profit for the year after taxation	**132**	97	**130**	108
Balance sheets				
Non-current assets	**125**	129	**92**	94
Current assets	**174**	216	**112**	167
Non-current liabilities	**29**	29	**29**	29
Current liabilities	**104**	117	**28**	101
Cash flow statements				
Net cash inflow from operating activities	**50**	104	**36**	102
Net cash outflow from investing activities	**(22)**	(17)	**(21)**	(16)
Net cash outflow from financing activities	**(51)**	(73)	**(44)**	(72)
Loan to joint venture	**-**	-	**-**	44
Commitments and contingent liabilities				
Commitments	**3**	-	**-**	-
6. INVENTORIES				
Consumable stores	**105**	68	**1**	-
Raw materials	**321**	277	**13**	16
Work in progress	**35**	30	**-**	-
Finished goods	**261**	211	**-**	-
	722	586	**14**	16

7. SHARE CAPITAL AND PREMIUM

Share capital
Authorised

196 668 737 (2000: 196 668 737) ordinary shares of 5 cents each	**10**	10	**10**	10
646 380 (2000: 646 380) compulsorily convertible preference shares of 678 cents each	**4**	4	**4**	4
	14	14	**14**	14
Issued				
110 104 818 (2000: 107 609 995) ordinary shares of 5 cents each	**6**	5	**6**	5
Nil (2000: 646 380) compulsory convertible preference shares of 678 cents each	**-**	4	**-**	4
Share premium	**56**	51	**56**	51
– Balance at beginning of the year	**51**	1692	**51**	1692
– Share issue net of expenses	**-**	9	**-**	9
– Special distribution	**-**	(1697)	**-**	(1697)
– Shares issued in lieu of dividends	**-**	47	**-**	47
– Premium on shares issued	**5**	-	**5**	-
Total issued share capital and premium	**62**	60	**62**	60

	Group 2001 Rm	Group 2000 Rm	Company 2001 Rm	**Company 2000 Rm**
8. MINORITY INTEREST				
Balance at beginning of year				
Transfer from income statement	**1185**	1128		
Dividends paid to minorities	**124**	57		
Funding received from subsidiary rights issue	**(13)**	(13)		
Other	**5**	3		
Balance at year end	**1483**	1185		

9. LONG-TERM BORROWINGS

SA rand long-term borrowings

Secured loans

Secured by bonds, pledges and charges over certain immovable property, certain movable corporeal assets, rights, hedging receivables and certain bank accounts. Interest is calculated at 2,25% above JIBAR rate.				
The loan is to be repaid in twelve equal quarterly instalments commencing on 31 March 2003.	**150**	-	-	**-**
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 installments of R14 million commencing on 11 December 1997 with a final installment on 11 June 2002.	**23**	45	-	**-**
Other unsecured loans	**2**	11	-	**11**
Total borrowings	**175**	56	-	**11**
Less: Repayable within one year included in short-term borrowings	**23**	11	-	**11**
Total SA rand long-term borrowings	**152**	45	-	**-**

9. LONG-TERM BORROWINGS (continued)
US dollar long-term borrowings
Secured loans

– Loans of US$67 million (2000: US$20 million) 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 draw down. The loan is secured with a pledge of shares and cash and a guarantee from Avmin. This loan is repayable in ten bi-annual instalments, commencing in March 2002.	**540**	160	-	-
– Loan of US$20 million (2000: Nil) at a fixed interest rate of 2% above LIBOR. This loan is secured by a guarantee from Avmin. This loan is repayable in ten bi-annual instalments commencing September 2001 and ending September 2006.	**162**	-	-	-
– Loan of US$19 million (2000: Nil). Secured by bonds, pledges and charges over certain immovable property,				

certain movable corporeal assets, rights, hedging receivables and certain bank accounts. Interest is calculated at 2,25% above LIBOR. The loan is repayable in twelve equal quarterly instalments commencing on 31 March 2003.	**152**	-	-	-
Unsecured loans				
– Unsecured loan of US$0,5 million (2000: US$0,8 million). The loan bears interest at 6,50% and is repayable in two instalments of US$0,3 million and US$0,2 million during the years ended 30 June 2002 and 30 June 2003 respectively.	**4**	5	-	-
Total borrowings	**858**	165	-	-
Less: Repayable within one year included in short-term borrowings	**89**	2	-	-
Total US dollar long-term borrowings	**672**	163	-	-
Total borrowings at end of the year	**1033**	221	-	11
Less: Repayable within one year included in short-term borrowings	**112**	13	-	11
Total borrowings at end of the year	**921**	208	-	-
Made up as follows:				
– Assmang Limited	**3**	3	-	-
– Anglovaal Air (Proprietary) Limited	**-**	45	-	-
– Avgold Limited	**302**	-	-	-
– Chambishi Metals plc	**616**	160	-	-
	921	208	-	

9. LONG-TERM BORROWINGS (continued)
Interest payable and repayments

Group – Rm	Rate of interest % p.a.	**Total borrowings 2001**	2002	2003	2004	2005	2006 onwards
Secured Loans	6 - 10%	**702**	86	140	140	140	196
	6 - 10%	**152**	-	25	51	51	25
	13%	**150**	-	25	50	50	25

		1004	86	190	241	241	246
Finance lease	0 - 5%	**1**	-	1	-	-	-
Unsecured Loans	6 - 10%	**5**	3	2	-	-	-
	16%	**23**	23	-	-	-	-
		28	26	2	-	-	-
Total Long Term loans		**1033**	112	193	241	241	246

Notes 10-19 to the Financial Statements

for the year ended 30 June 2001

	Group 2001 Rm	Group 2000 Rm	**Company 2001 Rm**	Company 2000 Rm
10. DEFERRED TAXATION				
Deferred tax asset				
Capital allowances utilised	**(215)**	-	**-**	-
Valuation of inventories	**1**	1	**-**	-
Provisions made	**10**	4	**-**	-
Product development costs deducted in earlier years	**-**	6	**-**	-
Assessed loss	**249**	9	**-**	-
State share of profits	**1**	1	**-**	-
Liabilities for health care benefits	**1**	1	**-**	-
Net deferred tax asset	**47**	22	**-**	-
Deferred tax liability				
Capital allowances utilised	**283**	228	**28**	26
Provisions made	**(3)**	(1)	**(2)**	(1)
State share of profits	**29**	20	**-**	-
Liabilities for health care benefits	**(19)**	(16)	**(19)**	(16)
Other	**70**	58	**57**	48
Net deferred tax liability	**360**	289	**64**	57

10. DEFERRED TAXATION (continued)
Reconciliation of opening and closing balance

Opening deferred tax liability	**289**	157	**57**	9
Opening deferred tax asset	**(22)**	(15)	**-**	(15)
Net deferred tax liability/ (asset) – opening balance	**267**	142	**57**	(6)
Change in accounting policy	**-**	7	**-**	-
Restated opening balance	**267**	149	**57**	(6)
Temporary differences from:	**46**	118	**7**	63
– Assessed loss	**(240)**	(7)	**-**	-
– Capital allowances utilised	**270**	71	**5**	21
– Valuation of inventories	**-**	(1)	**-**	-
– Provisions made	**(2)**	4	**-**	(1)
– Development costs	**6**	(6)	**-**	-
– Health care benefits	**(3)**	(1)	**-**	(1)
– State share of profit	**9**	8	**-**	-
– Revaluation net of depreciation	**(6)**	-	**-**	-
– Other	**12**	50	**2**	44
– Deferred tax liability	**360**	289	**64**	57
– Deferred tax asset	**(47)**	(22)	**-**	-
Net deferred tax liability – closing balance	**313**	267	**64**	57

Deferred tax balances are shown net of deferred tax assets and deferred tax liabilities where a legal right to offset at settlement exists.

11. LONG-TERM PROVISIONS

Environmental rehabilitation obligation Provision for decommissioning

Balance at beginning of year				
Provision for the year	**71**	103	**1**	-
Realignment of currencies	**4**	36	**-**	1
Revision in estimate	**6**	-	**-**	-
Reversal on sale of Hartebeestfontein mine	**(13)**	-	**-**	
	-	(68)	**-**	-
Balance at end of year	**68**	71	**1**	1
Provision for restoration				
Balance at beginning of year	**38**	60	**7**	-
Payments made	**(1)**	-	**-**	
Provision for the year	**8**	2	**-**	1
Reversal on sale of Hartebeestfontein mine	**-**	(32)	**-**	-
Additional obligation recognised	**2**	8	**-**	6
Balance at end of year	**47**	38	**7**	7
Total environmental rehabilitation obligation	**115**	109	**8**	8

11. LONG-TERM PROVISIONS (continued)
Post-retirement health care benefits

Balance at beginning of year	**71**	96	**54**	50
Provision for the year	**10**	4	**8**	4
Reversal on sale of Hartebeestfontein mine liability	**-**	(29)	**-**	-
Balance at end of the year	**81**	71	**62**	54
Other long-term provisions				
Balance at beginning of year	**22**	16	**-**	-
Payments made	**(6)**	-	**-**	-
Provision for the year	**-**	15	**-**	-
Realignment of currencies	**2**	-	**-**	-

Transfer to payables	**(15)**	-	**-**	-
Transfer to short-term provisions	**(1)**	(9)	**-**	-
Other	**(2)**	-	**-**	-
Balance at end of the year	**-**	22	**-**	-
Total long-term provisions at end of the year	**196**	202	**70**	62

12. TRADE AND OTHER PAYABLES

Trade payables	**314**	303	**34**	72
Other payables	**73**	85	**30**	23
Total trade and other payables	**387**	388	**64**	95

13. SHORT-TERM PROVISIONS

Balance at beginning of year	**105**	148	**67**	52
Subsidiaries sold	**-**	(3)	**-**	-
Provision for the year	**40**	21	**29**	21
Payments made during the year	**(24)**	(33)	**(14)**	(7)
Transfers from long-term provisions	**1**	9	**-**	-
Reversal on sale of Hartebeestfontein mine	**-**	(35)	**-**	-
Transfers to payables	**(6)**	(2)		1
Balance at end of the year	**116**	105	**82**	67
Made up as follows:				
Closure costs	**-**	9	**-**	-
Debt suretyship	**58**	48	**58**	48
Leave-pay and bonus provisions	**56**	46	**24**	19
Long service awards	**2**	2	**-**	-
Total short-term provisions	**116**	105	**82**	67

14. OVERDRAFTS AND

SHORT-TERM BORROWINGS				
Overdrafts	**235**	49	**-**	-
Short-term borrowings				
– Foreign	**598**	466	**501**	354
– Local	**609**	333	**295**	294
Treasury liabilities	**-**	13	**-**	13
Current portion of long-term borrowings	**112**	13	**-**	11
	1554	874	**796**	672
Overdrafts and short-term borrowings are made up as follows:				
– Anglovaal Air (Proprietary) Limited	**23**	-	**-**	-
– Anglovaal Mining Limited	**501**	374	**501**	374
– Assmang Limited	**910**	473	**-**	-
– Avgold Limited	**5**	6	**-**	-
– Chambishi Metals plc	**115**	8	**-**	-
– Loans from subsidiaries	**-**	-	**295**	285
– Treasury liabilities	**-**	13	**-**	13
	1554	874	**796**	672
15. REVENUE				
Revenue comprises:				
– Mining and related products	**2615**	2222	**327**	264
– Mining and related products	**24**	29	**-**	-
– Mining supplies and other commodities	**-**	212	**-**	-
– Profit distributions from The Saturn Partnership	**-**	339	**-**	339
– Toll treatment and other services	**167**	132	**-**	-
Mining and related revenue	**2806**	2934	**327**	603
Revenue and other income	**3125**	3193	**740**	918

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's length, is eliminated on consolidation.

16. PROFIT FROM OPERATIONS

Profit from operations includes:				
Foreign exchange gains				
– realised	**58**	6	**58**	3
– unrealised	**57**	14	**52**	8
Remuneration for management advisory services	**1**	1	**54**	45
Remuneration for technical advisory services	**31**	11	**31**	11
Surplus on disposal of tangible assets	**1**	5	**-**	-
Surplus on disposal of other investments	**9**	-	**3**	-
Amortisation and depreciation				
– land and buildings	**3**	3	**-**	-
– mine development, exploration and decommissioning	**52**	48	**19**	10
– mineral rights	**1**	1	**-**	-
– intangible assets	**(14)**	(16)	**-**	-
– plant and machinery	**78**	70	**-**	7
– other	**31**	30	**6**	5
Auditors' remuneration				
– audit fees	**3**	4	**1**	1
Exploration expenditure	**64**	52	**61**	34
Foreign exchange losses				
– realised	**34**	15	**5**	-
– unrealised	**18**	2	**5**	-
Inventory write down	**7**	6	**-**	-
Movement in provisions				
– long-term	**22**	57	**8**	6
– short-term	**40**	21	**29**	21

Share transfer, secretarial and financial services	**7**	18	**7**	2
Staff costs				
– salaries and wages	**475**	476	**113**	94
– defined contribution plans (pension)	**27**	17	**6**	9
– heath care	**15**	9	**-**	
– defined benefit pension	**-**	3	**-**	

17. INCOME FROM INVESTMENTS

Dividend income				
– subsidiary companies – listed	**-**	-	**13**	13
– subsidiary companies – unlisted	**-**	-	**-**	2
– other – listed	**2**	1	**2**	2
– other – unlisted	**-**	10	**-**	8
Interest received				
– subsidiary companies	**-**	-	**51**	46
– other	**106**	172	**87**	132
	108	183	**153**	203

18. EXCEPTIONAL ITEMS

Impairment of assets	**-**	(6)	**-**	-
Inventory written down	**-**	(6)	**-**	-
Investments written down	**-**	(7)	**-**	(7)
Restructuring costs – insurance commissions, net of provision reversed	**-**	(1)	**-**	-
Loss on disposal of subsidiaries	**-**	(28)	**-**	(61)
Surplus on disposal of Hartebeestfontein mine	**-**	28	**-**	-
Surplus on disposal of other investments	**-**	3668	**-**	3668
Exceptional items per income statement	**-**	3648	**-**	3600
Taxation	**-**	140	**-**	133
Minority interest	**-**	9		

Net exceptional items	**-**	3499	**-**	3467

19. DIRECTORS' EMOLUMENTS

Paid by the Company		
Executive directors		
– Salaries	**3**	**1**
– Bonuses	**-**	**1**
– Consultancy fees	**1**	**-**
	4	**2**
Share options granted (units in thousands)		
– Director	**399**	**351**
Value of options (R million)		
– Director	**3**	**6**
Option period		
– Director		

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for the year ended 30 June 2001

	Group 2001 Rm	Group 2000 Rm	**Company 2001 Rm**	Company 2000 Rm
20. TAXATION				
South African normal taxation				
– current year	**104**	60	**67**	38
– prior year	**2**	3	**-**	-
State share of profits	**1**	7	**-**	-
Deferred taxation				
– temporary differences	**46**	118	**7**	62
Secondary tax on companies	**3**	136	**-**	133
	167	324	**74**	233
Dealt with as follows:				
Attributable to profit before exceptional items	**167**	184	**74**	100
Attributable to exceptional items (note 18)	**-**	140	**-**	133
	167	324	**74**	233
Reconciliation of rate of taxation:	**%**	**%**	**%**	**%**
Standard rate of company taxation	**30**	30	**30**	30
Adjusted for:				
– Disallowed expenditure	**4**	-	**8**	-
– Exempt income	**(2)**	(24)	**(5)**	(25)

– Effect of state share of profit	**3**	-	**-**	-
– Secondary tax on companies	**-**	3	**-**	3
– Tax losses not raised as deferred tax assets	**(2)**	(2)	**-**	(2)
– Revaluation reserve	**(4)**	-	**(4)**	-
Effective rate of taxation	**29**	7	**29**	**6**
The estimated losses which are available for the reduction of future taxable income are	**719**	60	**-**	**-**
The ordinary shareholders' interest in the assessed losses is estimated at	**629**	33	**-**	**-**
The estimated unredeemed capital expenditure available for reduction against future mining income is	**2572**	2062	**-**	**-**
The ordinary shareholders' interest in the unredeemedcapital expenditure is estimated at	**1549**	1320	**-**	**-**

The Group had unused credits in respect of secondary tax on companies of R24 million at 30 June 2001 (2000: Nil).

The latest tax assessment for the Company relates to the year ended June 2000 and is dated 19 July 2001.

The assessment for 1999 has not yet been received and the 1998 return of income is presently being reassessed.

21. HEADLINE EARNINGS

Earnings per income statement	**281**	3980	**185**	3903
– Impairment of assets	**-**	6	**-**	-
– Inventory written down	**-**	6	**-**	-
– Investments written down	**-**	7	**-**	7

– Restructuring costs – insurance commissions	**-**	6	**-**	-
– Surplus on disposal of investments	**-**	(3668)	**-**	(3607)
	281	337	**185**	303
– Taxation	**-**	140	**-**	133
– Minority interest	**-**	9	**-**	-
Headline earnings	**281**	486	**185**	436

22. EARNINGS PER SHARE

The calculation of *earnings* per share is based on earnings of R281 million (2000: R3 980 million), and a weighted average of 108 379 (2000: 106 889) thousand shares in issue during the year.

The calculation of *headline earnings* per share is based on headline earnings of R281 million (2000: R486 million), and a weighted average of 108 379 (2000: 106 889) thousand shares in issue during the year.

The calculation of *fully diluted earnings* per share is based on earnings of R281 million (2000: R3 980 million), there being no reconciling items to arrive at fully diluted earnings, and a weighted average of 112 073 thousand (2000: 110 805 thousand) shares in issue during the year, calculated as follows:

– Weighted average number of shares used in calculating basic earnings per share (thousands)	**108379**	106889
– Compulsorily convertible preference shares (thousands)	**-**	1486
– Potential ordinary shares due to share options granted	**3694**	2430

– Weighted average number of shares used in calculating fully diluted earnings per share (thousands)	**112073**	110805		

The calculation of *fully diluted headline earnings* per share is based on earnings of R281 million (2000: R486 million).

23. DIVIDENDS

Ordinary dividends

– final dividend of Nil (2000 – special dividend: R11,23) per share	**-**	1208	**-**	1208

24. RECONCILIATION OF NET PROFIT BEFORE TAX TO CASH GENERATED FROM OPERATIONS

Net income before tax, finance cost and investment income	**596**	4250	**168**	3986
Adjusted for:	**84**	(3467)	**48**	(3575)
– Amortisation and depreciation of fixed assets	**151**	136	**25**	22
– Long- and short-term provisions	**62**	78	**37**	27
– Impairment of fixed assets	**-**	6	**-**	-
– Surplus on disposal of tangible assets	**(1)**	(5)	**-**	-
– Loss on disposal of investments	**(9)**	(3668)	**(3)**	(3607)
– Unrealised foreign exchange gain (net)	**(39)**	(12)	**(47)**	(8)
– Inventory write down to net realisable value	**7**	6	**-**	-
– Payment to trust funds	**(2)**	(4)	**-**	(1)
– Other non-cash flow items	**(85)**	(4)	**36**	(8)
Operating profit before working capital changes	**680**	783	**216**	411
(Increase)/decrease in inventories	**(122)**	(54)	2	(3)

Decrease/(increase) in receivables	**34**	(147)	**300**	(471)
(Decrease)/increase in payables	**(66)**	50	**(29)**	16
Cash generated from operations	**526**	632	**489**	(47)

25. DIVIDENDS PAID

Balance at beginning of year	**1208**	18	**1208**	18
Dividends accrued to ordinary shareholders	**-**	1208	**-**	1208
Dividends to minorities	**13**	13	**-**	-
Transferred from share election reserve	**-**	9	**-**	9
Other movements	**1**	1	**-**	-
Balance at end of year	**-**	(1208)	**-**	(1208)
Dividends paid	**1222**	41	**1208**	27

26. TAXATION PAID

Balance at beginning of year (net)	**191**	53	**169**	28
Prior year tax under provided	**2**	3	**-**	-
Current taxation payable as per income statements	**119**	203	**67**	171
Other movements	**2**	-	**(1)**	(2)
Balance at end of year	**(77)**	(191)	**(48)**	(169)
Taxation paid	**237**	68	**187**	28

27. PROCEEDS FROM DISPOSAL OF JOINT

VENTURE AND SUBSIDIARIES
During the year Lavino (Proprietary) Limited disposed of its holding in the Lannex Joint Venture (2000: Otterbea International (Proprietary) Limited and Orion Mining and Prospecting Company (Proprietary) Limited were disposed of by the Company).

	Group 2001 Rm	Group 2000 Rm
The following assets and liabilities were disposed of:		

Fixed assets	**2**	4
Inventories	**-**	19
Trade and other receivables	**1**	96
Trade and other receivables Long-term borrowings	**-**	(30)
Trade and other payables and provisions	**(2)**	(54)
Taxation	**-**	(1)
Overdrafts and short-term borrowings	**-**	(59)
Cash and cash equivalents	**-**	4
Net assets (fairly valued)	**1**	(21)
Loans written off in holding company	**-**	68
Goodwill realised	**-**	2
Profit /(loss) on disposal	**5**	(28)
	6	21
Less: cash and cash equivalents	**-**	(4)
Cashflow on disposal	**6**	17

28. SEGMENTAL INFORMATION
Primary segmental information
Year to 30 June 2001

Rm	Precious metals	Cobalt/ copper	Nickel	Ferrous metals	Diamonds	Corporate and other	**Tota**
Revenue							
External revenue	218	326	327	1926	-	9	**280**
Cost of sales	(181)	(353)	(140)	(1402)	-	(7)	**(2083**
Other operating income	9	-	6	2	-	194	**21**
Other operating expenses	7	(54)	(10)	(112)	-	(169)	**(338**
Reallocated corporate expenditure	-	(8)	-	39	-	(31)	
Segment result	53	(89)	183	453	-	(4)	**59**
Income from investments	1	2	4	2	-	99	**10**
Finance cost	-	(12)	-	(68)	-	(52)	**(132**
Taxation	-	29	(57)	(119)	-	(20)	**(167**

Minority interest	(15)	6	-	(115)	-	-	**(124**
Contribution to earnings	39	(64)	130	153	-	23	**28**
Contribution to headline earnings	39	(64)	130	153	-	23	**28**

28. SEGMENTAL INFORMATION (continued)
Year to 30 June 2001
Other information

Consolidated total operating assets	2545	2080	206	2405	-	1546	**878**
Intangibles and mineral rights	143	-	-	184	-	5	**33**
Consolidated total assets	2688	2080	206	2589	-	1551	**911**
Consolidated total liabilities	517	1704	58	1400	-	(56)	**362**
Capital expenditure	600	834	21	626	-	3	**208**
Depreciation	4	31	22	90	-	4	**15**

Primary segmental information

Year to 30 June 2000

Revenue

External revenue	290	232	264	1592	339	217	**293**
Cost of sales	(303)	(226)	(106)	(1289)	-	(195)	**(2119**
Other operating income	-	-	4	6	-	66	**7**
Other operating expenses	(12)	(33)	(9)	(58)	-	(177)	**(28**
Reallocated corporate expenditure	-	(14)	(17)	34	8	(11)	
Segment result	(25)	(41)	136	285	347	(100)	**60**
Income from investments	6	5	2	2	-	165	**18**
Finance cost	-	(5)	-	(37)	-	(30)	**(72**
Exceptional items	28	-	-	-	-	3620	**364**
Taxation	(7)	6	(47)	(89)	-	(187)	**(324**
Minority interest	4	2	-	(63)	-	-	**(57**
Contribution to earnings	9	(33)	91	98	347	3468	**398**
Contribution to headline earnings	(3)	(33)	91	98	347	(14)	**48**

Other information

Consolidated total operating assets	1907	1000	262	1693	-	4265	**912**
Intangibles and mineral rights	125	-	-	185	-	-	**31**
Consolidated total assets	2032	1000	262	1878	-	4265	**943**
Consolidated total liabilities	415	606	130	890	-	3124	**516**
Capital expenditure	469	426	15	407	-	6	**132**
Depreciation	17	25	19	70	-	5	**13**

28. SEGMENTAL INFORMATION (continued)

Business segments
For management purposes, the Company is organised into four major operating divisions. These are precious metals, cobalt/copper, nickel and ferrous metals. The Company' products predominantly reflect the risks and rewards of trading and the operating divisions are categorised accordingly. The Company' diamond interests were disposed of during the year ended June 2000. The segmental result for 2000 was restated to effect changes in the underlying operating divisions as well as changes in reallocated corporate expenditure.

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 in the cobalt/copper business segment.

	Group actual	
Assets by geographical area in which the assets are located are as follows:	**2001 Rm**	2000 Rm
– South Africa	**6821**	8257
– Zambia	**2080**	1000
– Europe	**95**	36
– USA	**118**	91
– Other	**-**	53
	9114	9437
Capital expenditure		
– South Africa	**1250**	897
– Zambia	**834**	426
	2084	1323

Revenue by geographical area

– South Africa	**659**	885
– Zambia	**221**	150
– Europe	**611**	592
– Japan and China	**841**	582
– USA	**333**	352
– South America	**-**	159
– Other	**141**	214
	2806	2934

Notes 29-33 to the Financial Statements

for the year ended 30 June 2001

29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group is exposed to certain financial risks in the normal course of its operations. To manage and reduce 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 below:

Commodity price 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:

	Foreign currency amount US$m	Year end rate R:US$
Financial assets United States dollar		
Foreign currency denominated items included in receivables 30 June 2001	57	8,08
Foreign currency denominated items included in receivables 30 June 2000	70	6,80
Financial liabilities United States dollar		

Foreign currency denominated items included in payables 30 June 2001	10	8,08
Foreign currency denominated items included in payables 30 June 2000	8	6,80

Liquidity risk management
The Group regularly reviews long- and mid-term plans as well as short-term forecasts of cash flow.
Funding requirements are met by arranging banking facilities and/or structuring finance as applicable. All funding and related structures are approved by the board of directors.

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 creditworthiness 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, Bindura Nickel Corporation Limited, situated in Zimbabwe, owed the Group R70 million. Due to the shortage of foreign currency, the payment of this amount is overdue. Other significant concentration of debt is Konkola Copper Mines (Zambia) with total current debt of R45 million. The directors believe that these monies are fully recoverable.

Treasury risk management
The treasury operation co-ordinates the Group's short-term cash requirements and makes its bulk finance benefits available to all Group companies at, or better than, market related rates.

The treasury function is outsourced to Standard Risk and Treasury Management Services (Proprietary) Limited (SRTMS), a specialist in the management of third party treasury operations.

A treasury committee, consisting of senior managers in the Company and representatives from SRTMS, meets regularly to analyse currency and interest rate exposures as well as future funding requirements within the Group. The committee reviews the treasury operation' dealings to ensure compliance with Group policies and exposure limits as directed by the board of directors and audit committee.

Equity instruments
Equity instruments include ordinary and preference shares. The compulsorily convertible preference shareholders elected to convert their entire holdings into ordinary shares as of 30 June 2001.

	Principal at year end US$m	Principal at year end Rm	Average rate R:US$	Maturity date
29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)				
Forward contracts (recognised on balance sheet)				
Activity:				

Forward exchange contracts for ferrous metal debtors at 30 June 2001 (2000: Nil)	20	151	7,55	10 Jul 2001 to 20 Aug 2001
Forward contracts not recognised on balance sheet)				
Activity:				
Forward exchange contracts for ferrous metal debtors at 30 June 2001	–	–	–	
Forward exchange contracts for ferrous metal debtors at 30 June 2000	76	529	6,96	1 Jul 2000 to 21 Dec 2000

	Quantity sold (ounces)	Quantity sold (kilograms)	Average price US$/oz	Maturity date year ending
Activity:				
Year ended 30 June 2001				
Gold hedging	16 632	517 1 579	333	30 June 2002
Dollar forward sale contracts	50 769	1 601	313	30 June 2003
	51 481	1 601	298	30 June 2004
	46 885	1 458	284	30 June 2005
	21 620	672	290	30 June 2006

	Quantity sold (ounces)	Quantity sold (kilograms)	Average price R/kg	Maturity date year ending
Activity:				
Year ended 30 June 2001				
Gold hedging	222 175	6 910	83 495	30 June 2002
Rand forward sale contracts	295 097	9 179	83 013	30 June 2003
	251 733	7 830	85 135	30 June 2004
	246 876	7 679	94 009	30 June 2005
	119 923	3 730	100 985	30 June 2006

The Group enters into forward sales contracts to sell specified amounts of gold and related currency (United States dollar) in the future at predetermined rates. These hedge contracts are entered into to secure future revenue streams . The Group does not use derivative instruments for speculative purposes.
Forward sale agreements are not recognised on the balance sheet as financial assets and liabilities. The revenue is recognised when the related production is delivered.
The mark-to-market of hedge book contracts at 30 June 2001 was R121 million based on market rates and accepted valuation methodologies. The value in the current hedge book is exposed to the transaction risk of value changing due to movements in market rates (interest rates, exchange rates or gold prices).
A limited number of counterparties are involved in the hedge transactions. These have good credit ratings, thus minimising any credit risk.
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.

29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Interest rate risk

Fluctuations in interest rates give rise to related 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 the Anglovaal treasury operations serving the Group in managing cash flow needs.

Significant exposures to interest rate risk were as follows:

	Foreign currency amount US$m	Book value at year end Rm	Repricing date	Maturity date	Effective interest rate
Financial assets					
Year ended 30 June 2001					
Cash		**419**		overnight call deposit	9,35%
Fixed term		**20**		25/06/2001	8,75%
		439			
Year ended 30 June 2000					
Cash		**576**	30/06/2000	overnight call deposit	10,04%
Coupon bearing call deposits		**30**	30/06/2000	14/07/2000	10,10%
Fixed term		**3 545**	4 to 11/07/2000		10,09%
		4151			
Financial liabilities					
Year ended 30 June 2001					
Foreign financial liabilities					
Long-term financial liabilities					
– Rand Merchant Bank	**67**	**540**	fixed to maturity	31/03/2007	6,75%
– Industrial Development Corporation of SA Ltd	**20**	**162**	fixed to maturity	30/09/2006	LIBOR + 2%
– Syndicated loan	**19**	**152**	fixed to maturity	31/03/2006	LIBOR + 2,25%
– Other	**1**	**4**			
	107	**858**			
Short-term financial liabilities					

– ABSA (Isle of Man) Limited	**10**	**81**	31/08/2001	31/10/2001	4,80%
– Investec Bank (Mauritius) Limited	**10**	**81**	05/09/2001	30/09/2001	4,95%
– First National Bank Limited	**7**	**57**	28/09/2001	29/06/2002	4,71%
– Nedcor Trade Securities (Mauritius) Limited	**25**	**201**	31/07/2001	31/07/2001	6,43%
– Nedcor Trade Securities (Mauritius) Limited	**10**	**81**	25/10/2001	25/10/2001	5,33%
– Financial institutions	**9**	**75**	30/06/2001	current	linked to LIBOR
– Other	**3**	**22**	30/06/2001	31/07/2001	5,76%
	74	**598**			
Total foreign financial liabilities	**181**	**1456**			
Total foreign financial liabilities brought forward	**181**	**1456**			
Local financial liabilities					
Long-term financial liabilities					
– Syndicated loan	**-**	**150**	17/08/2001	31/03/2006	JIBAR +2,25%
– Financial institutions	**-**	**23**	30/06/2000	30/06/2002	15,96%
– Various	**-**	**2**			
	-	**175**			
Short-term financial liabilities					
– Financial institutions	**-**	**844**	30/06/2001	30/06/2001	linked to money market
Total local financial liabilities	**-**	**1019**			
Total financial liabilities – 30 June 2001	**181**	**2475**			
Financial liabilities					
Year ended 30 June 2000					
Foreign financial liabilities					
Long-term financial liabilities					
– Rand Merchant Bank	**20**	**160**	fixed to maturity	11/09/2006	6,75%
– Other	**1**	**5**	30/06/2000	30/06/2003	6,50%
	21	**165**			
Short-term financial					

liabilities					
– ABSA (Isle of Man) Limited	**10**	**68**	30/06/2000	31/01/2001	7,27%
– Investec Bank (Mauritius) Limited	**10**	**68**	05/09/2000	30/09/2000	6,34%
– First National Bank Limited	**7**	**48**	28/09/2000	30/09/2000	6,87%
– Nedcor Trade Securities (Mauritius) Limited	**25**	**170**	31/07/2000	31/07/2000	7,10%
– Financial institutions	**9**	**61**	30/06/2000	current	linked to LIBOR
– Other	**8**	**51**	03/06/2000	29/09/2000	7,88%
	69	**466**			
Total foreign financial liabilities	**90**	**631**			
Local financial liabilities					
Long-term financial liabilities					linked to money market rates
– Nedcor Bank	**-**	**45**	30/06/2000	11/06/02	15,79%
Short-term financial liabilities					
– Financial institutions	**-**	**419**	30/06/2000	current	linked to money market
	-	**464**			
– Shareholders for dividends	**-**	**1208**			
– Shareholders for distribution	**-**	**1697**			
Total local financial liabilities	**-**	**3369**			
Total financial liabilities – 30 June 2000	**90**	**4000**			

	Group 2001 Rm	Group 2001 Rm	**Company 2001 Rm**	Company 2000 Rm
30. COMMITMENTS AND CONTINGENT LIABILITIES				
Commitments				
Commitments in respect of capital expenditure:				
Approved by directors				
– contracted for	**272**	637	**7**	-
– not contracted for	**988**	1279	**9**	-

	1260	1916	**16**	-
Total commitments				
Contingent liabilities				
Back-to-back guarantees	**180**	180	**-**	-
Housing collaterals and contingent liabilities relating to slimes dams	**2**	2	**-**	-
Guarantee of subsidiary loan (note 9)	**540**	160	**540**	160
Total commitments and contingent liabilities	**1982**	2258	**566**	160

The Company has a contingent liability for tax relating to the Anglovaal Limited loan stock redemption premium that the South African Revenue Service disallowed in 1998. The potential liability for tax is R107 million plus interest.

The back-to-back guarantee is a guarantee to Assore Limited (Assore) in respect of guarantees issued to bankers by Assore to secure a short-term export finance agreement facility of R180 million (2000: R180 million). Short-term export finance loans negotiated in terms of the above facility in the ordinary course of business at year end were R75 million (2000: R61 million).

It is anticipated that capital commitments will be funded from existing borrowings, cash generated from operations and from investing activities.

31. RETIREMENT BENEFIT PLANS

The Group has made provision for pension plans and provident funds substantially covering all employees. These are composed of defined contribution pension plans, which are governed by the Pension Fund Act, 1956, and defined contribution provident funds administered by employee organisations within the industries in which members are employed. The contributions paid by Group companies 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. No account is taken of surpluses which may arise in the pension funds as the Company does not consider itself entitled to the benefits of such surpluses.

Reviews of the plans are carried out by independent actuaries at regular intervals.

Members contribute between 5,0% and 7,5% and employers between 5,0% and 18,02% of pensionable salaries to the funds.

32. POST-RETIREMENT HEALTH CARE BENEFITS

The Group has obligations to fund a portion of certain pensioners' and retiring employees' medical aid contributions based on the cost of benefits. The anticipated liabilities arising from these obligations have been actuarially determined using the project unit credit method, and a corresponding liability has been raised.

The liability is assessed periodically by an independent actuarial survey. This survey uses the following principal actuarial assumptions:

– a discount rate of 12%, based on high quality corporate bonds;
– an increase in health care costs at a rate of 8,74%.

The provisions raised in respect of post-retirement health care benefits amounted to R81 million (2000: R71 million) at the end of the year. Of this amount, R10 million (2000: R4 million) was charged against income in the current year (refer to note 11).

The liabilities raised are based on the present values of the post-retirement benefits and have been recognised in full. The actuarial valuation was conducted at 31 July 2001. The liability for post-retirement health care benefits is not funded.

33. 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,indicates the relationship and degree of control exercised by the Company.

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. Transactions with directors relate to fees and share options and are disclosed in note 19.

Fees relating to specific capital projects are not eliminated as the underlying costs are capitalised to capital work-in-progress. These transactions are concluded at arm' 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.

The following related party transactions occurred:

	Group 2001 Rm	Group 2001 Rm	**Company 2001 Rm**	Company 2000 Rm
Assmang Limited				
– Provision of services	**14**	6	**47**	36
– Dividends			**13**	15
Chambishi Metals plc				
– Provision of services	**16**	4	**31**	14
– Interest			**38**	12
Nkomati Joint Venture				
– Provision of services	**1**	1	**6**	5

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Report on Subsidiary Companies

for the year ended 30 June 2001

	Company	
	actual 2001 Rm	actual 2000 Rm
INVESTMENTS		
Listed: market value R2 972 million (2000: R1 968 million)	**1 552**	1 235
Unlisted	**451**	451
	2 003	1 686
Amounts owing by subsidiaries (refer note 4)	**34**	40
Amounts owing to subsidiaries (refer note 14)	**(295)**	(285)
	1 742	1 441
INCOME FROM SUBSIDIARIES		
Dividends	**13**	15
Interest	**51**	46
Fees – management advisory services	**53**	44
Fees – technical advisory services	**31**	11
	148	116
MEMBERS' AGGREGATE INTEREST IN PROFITS AND LOSSES AFTER		
TAXATION OF SUBSIDIARIES		
Profits	**149**	166
Losses	**58**	32
INDEBTEDNESS TO COMPANIES IN THE GROUP		
The aggregate amount of indebtedness of subsidiaries to Anglovaal Mining Limited is:		
– included in investments	**34**	40

– included in loans and long-term receivables	**830**	3
– included in receivables	**9**	525
	873	568
The aggregate amount of indebtedness of Anglovaal Mining Limited to its subsidiaries is:		
– included in payables	**2**	8
– included in overdrafts and short-term borrowings	**295**	285
	297	293

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Principal Subsidiary Companies

as at 30 June 2001

Name and nature of business	Class	Issued capital amount 2001 Rm	Issued capital amount 2000 Rm	Direct interest in capital 2001 %	Direct interest in capital 2000 %	Book value of the Company's interest: Shares 2001 Rm	Shares 2000 Rm	Indebtedness by/(to) 2001 Rm	Indebtedness by/(to) 2000 Rm
Anglovaal Air (Proprietary) Limited									
– air charter operator	Ord	**-**	-	**100**	100	**89**	89	**(213)**	(213)
Assmang Limited*									
– manganese and iron ore mining company and ferro-alloy producer	Ord	**2**	2	**50**	50	**261**	261	**-**	-
Atscot (Proprietary) Limited									
– investment	Ord	**1**	1	**100**	100	**10**	10	**(23)**	(23)
Avgold Limited*									
– gold producer	Ord	**7**	5	**61**	60	**1291**	973	**1**	1
Avmin Limited									
– mining investment	Ord	**5**	5	**100**	100	**-**	-	**(17)**	(17)
Bitcon's Investment (Proprietary) Limited									
– investments	Ord	**-**	-	**100**	100	**-**	-	**(2)**	(2)
Chambishi Metals plc†									
– cobalt and copper treatment	Ord	**339**	339	**90**	90	**305**	305	**16**	21

Jesdene Limited									
– share dealer	Ord	**-**	-	**100**	100	**-**	-	**6**	6
Kingfisher Insurance Company Limited									
– insurance	Ord	**-**	-	**100**	100	**5**	5	**-**	-
Lavino (Proprietary) Limited									
– investment	Ord	**1**	1	**100**	100	**3**	3	**(11)**	-
Letaba Copper & Zinc Corporation Limited									
– prospecting	Ord	**1**	1	**94**	94	**-**	-	**-**	-
Prieska Copper Mines Limited									
– investment	Ord	**-**	-	**97**	97	**-**	1	**-**	-
South African Base Minerals Limited									
– investment	Ord	**-**	-	**100**	100	**-**	-	**-**	-
Tasrose Investment (Proprietary) Limited	Pref	**-**	-	**100**	100	**24**	24	**-**	-
– mining investment	Ord	**-**	-	**100**	100	**-**	-	**(24)**	(24)
Vallum Investments (Proprietary) Limited									
– investment	Ord	**-**	-	**100**	100	**-**	-	**(3)**	(3)
Venetia Diamond Mines (Proprietary) Limited									
– share dealings	Ord	**-**	-	**100**	100	**-**	-	**(2)**	(2)
Venture Building Trust (Proprietary) Limited									
– property owner	Ord	**-**	-	**100**	100	**12**	12	**12**	13
Other sundry companies						**3**	2	**(1)**	(1)
						2003	(1685)	**(261)**	(245)

Unless otherwise stated, all companies are incorporated and carry on their principal operations in the Republic of South Africa. Interests are shown to the extent that this information is considered material. A schedule with details of all other subsidiaries is available from the registered office or the London secretaries of the Company.
**Listed companies*
† Incorporated in Zambia

Report on other investments

as at 30 June 2001

	Group Number of shares held		**Company** Number of shares held		Group effective percentage holding	
Name of Company	**2001**	2000	**2001**	2000	**2001**	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**	25
Listed						
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**	38
JOINT VENTURES AND PARTNERSHIPS						
Cato Ridge Alloys (Proprietary) Limited					**25**	25
Lannex Joint Venture					**-**	23
Nkomati Joint Venture					**75**	75
INVESTMENTS IN OTHER COMPANIES						
Listed						
Assore Limited	**5 108 600**	5 108 600	**5 108 600**	5 108 600		
Iscor Limited	**35 293 300**	–	**35 293 300**	–		
Unlisted						
Kaya FM (Proprietary)						

Limited	**–**	15 000	**–**	15 000
Sub-Sahara Resources Limited*	**6 265 664**	–	**6 265 664**	-
Otterbea International (Proprietary) Limited	**8**	8	**8**	8
Small Business Development Corporation	**323 177**	323 177	**323 177**	323 177
TEBA Limited	**5 687**	87 976	**–**	–

Notes
Interests are shown to the extent that this information is considered material. A schedule with details of all other investments is available from the registered office or the London secretaries of the Company.
** Incorporated in Australia*

US$ Reporting

For the benefit of international investors the balance sheet, income statement, statement of changes in equity and the cash flow statement of the Group, presented in South African rand, have been translated into United States dollars. These schedules do not form part of the audited financial statements.

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

The exchange rates were as follows:

	2001 **R:US$**	2000 R:US$
Balance sheet	**R8,08**	R6,80
Income statement and cash flow statement	**R7,61**	R6,34

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

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US$ Balance Sheet

at 30 June 2001

	Note	**Group 2001 US$m**	Group 2000 US$m
ASSETS			
Non-current assets			
Tangible assets	2	**741**	577
Intangible assets	2	**1**	(1)
Deferred tax assets	10	**6**	3
Environmental rehabilitation trust funds	3	**7**	8
Investments	4	**147**	8
		902	595
Current assets			
Inventories	6	**89**	86
Trade and other receivables		**83**	96
Deposits and cash		**54**	612
		226	793
Total assets		**1128**	1388
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary share capital	7	**1**	1
Preference share capital	7	**-**	1
Share premium	7	**7**	7
Non-distributable reserves		**84**	8
Distributable reserves		**405**	437
Shareholders' interest in capital and reserves		**497**	454
Minority interest	8	**183**	174

Total shareholders' interest		**680**	628
Non-current liabilities			
Long-term borrowings	9	**114**	31
Deferred tax liabilities	10	**45**	43
Long-term provisions	11	**24**	30
		183	104
Current liabilities			
Trade and other payables	12	**48**	57
Provisions	13	**14**	15
Taxation		**10**	29
Shareholders for dividends		**-**	177
Shareholders for distribution		**-**	250
Derivative insturments		**1**	-
Overdrafts and short-term borrowings	14	**192**	128
		265	656
Total equity and liabilities		**1128**	1388

US$ Income Statement

for the year ended 30 June 2001

	Note	**Group 2001 US$m**	Group 2000 US$m
Revenue	15	**369**	463
Cost of sales		**274**	334
Gross profit		**95**	129
Other operating income		**27**	12
Other operating expenses		**44**	46
Profit from operations	16	**78**	95
Income from investments	17	**14**	29
Finance costs		**17**	11
Profit before taxation and exceptional items		**75**	113
Exceptional items	18	**–**	575
Profit before taxation		**75**	688
Taxation	20	**22**	51
Profit from ordinary activities		**53**	637
Minority interest		**16**	10
Earnings		**37**	627
Headline earnings	21	**37**	77
Earnings per share (cents)	22	**34**	587
Headline earnings per share (cents)	22	**34**	72
Fully diluted earnings per share (cents)	22	**33**	566
Fully diluted headline earnings per share (cents)	22	**33**	69
Dividends per share (cents)	23	**–**	164
Capital distribution per share		**–**	232

Number of shares in issue at end of year (thousands)		**110 105**	107 610
Weighted average number of shares in issue (thousands)		**108 379**	106 889
Weighted average number of shares used in calculating fully diluted earnings per share (thousands)	22	**112 073**	110 805

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US$ Statement of Changes in Equity

for the year ended 30 June 2001

Group	Note	Share capital and premium US$m	Foreign currency translation US$m	Revaluation surplus US$m	Other US$m	Retained profit 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 distribution		(250)	–	–	–	(177)	**(427)**
Share issue net of expenses		1	–	–	–	–	**1**
Share election reserve							
– utilised	7	9	–	–	(8)	–	**1**
– encashed		–	–	–	(1)	–	**(1)**
Post acquisition items realised		–	–	–	1	–	**1**
Balance at 30 June 2000 as reported		9	1	1	6	437	**454**
Foreign currency translation reserve		(1)	–	–	(1)	(71)	**(73)**
Earnings		-	–	–	–	37	**37**
Revaluation of listed investments	4	-	–	79	–	–	**79**
Reallocation of reserves		-	–	–	(2)	2	**–**
Balance at 30 June 2001		8	1	80	3	405	**497**

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US$ Cash Flow Statement

for the year ended 30 June 2001

Group	Note	**Group 2001 US$m**	Group 2000 US$m
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from customers		**390**	418
Cash paid to suppliers and employees		**321**	318
Cash generated from operations	24	**69**	100
Translation adjustment		**(69)**	(48)
Interest received		**14**	27
Interest paid		**(17)**	(11)
Dividends received		**–**	2
Dividends paid	25	**(161)**	(6)
Capital distribution		**(223)**	–
Taxation paid		**(31)**	(11)
Net cash (outflow)/inflow from operating activities		**(418)**	53
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of Hartebeestfontein mine		**–**	48
Proceeds from sale of joint venture and subsidiaries	27	**1**	3
Additions to fixed assets to maintain operations		**(38)**	(49)
Additions to fixed assets to expand operations		**(236)**	(153)
Proceeds on disposal of fixed assets		**–**	7
Proceeds on disposal of investments		**2**	571
Decrease/(increase) in investment loans and receivables		**1**	18
Other investments acquired		**(65)**	(12)
Net cash (outflow)/inflow from investing		**(335)**	433

activities		
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in shareholder funding	**–**	1
Funding received from minority shareholders	**24**	3
Long-term borrowings raised	**95**	25
Long-term borrowings repaid	**(1)**	(1)
Increase in short-term borrowings	**79**	26
Decrease in treasury liabilities	**(2)**	–
Net cash inflow from financing activities	**195**	54
Net (decrease)/increase in cash and cash equivalents	**(558)**	540
Cash and cash equivalents at beginning of year	**612**	72
Cash and cash equivalents at end of year	**54**	612
Cash generated from operations per share (cents)	**64**	93

Shareholders' Information

Holdings	Number of shareholders	%	Number of shares	%
1 – 1 000	1 325	80,0	323 456	0,3
1 001 – 5 000	237	14,3	508 619	0,4
5 001 – 10 000	24	1,4	176 613	0,2
10 001 – 50 000	43	2,6	862 207	0,8
50 001 – 100 000	10	0,6	801 388	0,7
100 001 – 1 000 000	11	0,7	3 090 733	2,8
Over 1 000 000	6	0,4	104 341 802	94,8
	1 656	100,0	110 104 818	100,0

Analysis of holdings	Number of holders	%	Number of shares	%
Individuals	1 465	88,5	1 177 491	1,1
Trusts	17	1,0	162 381	0,1
Nominee companies	80	4,8	107 574 154	97,7
Pension and provident funds	3	0,2	31 048	0,0
Insurance company	1	0,1	11 953	0,0
Investment companies, unit trusts	7	0,4	85 346	0,1
Corporate bodies	75	4,5	309 636	0,3
Other	8	0,5	752 809	0,7
	1 656	100,0	110 104 818	100,0

Shareholders' Diary

Financial year end		30 June
Annual general meeting		1 November 2001
Report and profit statements		**Published**
Half-yearly interim report		March 2002
Results and dividend announcement		August 2002
Annual financial statements		September 2002
Annual dividend	Declared nil	Paid nil

Administration

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

Company secretary's and registered office's address
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 SW1A1NP
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
St James's Corporate Services Limited
6 St James's Place
London SW1A1NP
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

Notice of Annual General Meeting

Notice is hereby given that the sixty-eighth annual general meeting of members of Anglovaal Mining Limited will be held at 56 Main Street, Johannesburg on Thursday, 1 November 2001 at 10:00, for the following purposes:

1. To receive and consider the annual financial statements for the year ended 30 June 2001;
2. To elect directors in place of those retiring in accordance with the provisions of the Company's articles of association, Messrs K W Maxwell, R J McAlpine and B M Menell;
3. To elect those directors who were appointed as such since the last annual general meeting. The directors who were so appointed are: Messrs B Frank, N Livnat , D N Murray and R Oron; and
4. To consider and, if deemed fit, to pass, with or without modification, the following ordinary resolutions:

Ordinary resolution number 1
"Resolved that all the authorised but unissued ordinary shares in the capital of the Company (other than ordinary shares previously placed under the control of the directors of the Company for the specific purpose of the Company's share incentive scheme) 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 JSE Securities Exchange, South Africa ("JSE") Listings Requirements."

Ordinary resolution number 2
"Resolved that, subject to:
2.1 the passing of ordinary resolution number 1; and
2.2 the approval of a 75 per cent majority of the votes cast by shareholders of the Company present in person or by proxy and entitled to vote at the meeting at which this resolution is proposed, 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 (provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this 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.
Such issues in the aggregate in any one financial year may not exceed 15 per cent of the number of shares of that class in the Company's issued share capital. 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, 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 any such issues may be made is 10 per cent of the weighted average traded price on the JSE of those shares over the 30 (thirty) 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.
An announcement giving full details, including the impact on net asset value and earnings per share, shall be published at the time of any issue representing, on a cumulative basis within a financial year, 5 (five) per cent or more of the number of shares of that class in issue prior to the issue.

Ordinary resolution number 3
"Resolved that rule 5.3 of The Anglovaal Mining Share Incentive Scheme be and is hereby amended by the deletion of the figure "0,5%" and the insertion of the figure "1,0%" in place thereof.

Voting and Proxies
Any member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy or proxies to attend, speak and vote thereat in his stead. The proxy so appointed need not also be a member. Forms of proxy should reach the registered office of the Company, 56 Main Street, Johannesburg (P O Box 62379, Marshalltown, 2107) or either of the transfer secretaries: Mercantile Registrars Limited, 11 Diagonal Street, Johannesburg (P O Box 1053, Johannesburg, 2000) or Capita IRG plc, Balfour House, 390 – 398 High Road, Ilford, Essex, England IGI INQ at least 48 hours, excluding Saturdays, Sundays and public holidays, before the time appointed for holding the annual general meeting or any adjourned meeting.
On a show of hands, every member present in person or by proxy and entitled to vote shall have one vote and, upon a poll, every member present in person or by proxy and entitled to vote shall have five votes for every share held.

By order of the board

R H Phillips

Group company secretary

Johannesburg

28 September 2001<

FORM OF PROXY

If you are unable to attend the sixty eighth annual general meeting of shareholders of Anglovaal Mining Limited convened for Thursday, 1 November 2001 at 10:00, you should complete and return this form of proxy as soon as possible, but in any event to be received by not later than 10:00 on Tuesday, 30 October 2001.

I/We (name in block letters)

of (address)

being a member/members of Anglovaal Mining Limited (registration number: 1933/004580/06) (The Company)

and entitled to vote at the abovementioned meeting, hereby appoint

or failing him,

or failing him, the chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the annual general meeting of members of the Company to be held on Thursday, 1 November 2001 at 10:00 and at any adjournment thereof and in particular in respect of the following resolutions:

*Indicate with an X in the spaces below how votes are to be cast

Resolutions	For	Against	Abstain
1. To re-elect the following directors, who retire by rotation: K W Maxwell			
R J McAlpine			
B M Menell			
2. To confirm the appointments of the following directors made during the year: B Frank			
N Livnat			
D N Murray			
R Oron			
3. Ordinary resolution number 1			
Ordinary resolution number 2 To place the unissued shares under the control of the directors.			
4. Ordinary resolution number 3: To amend rule 5.3 of the Anglovaal Mining Share Incentive Scheme			

Number of shares

Unless this section is completed for a lesser number, the Company is authorised to insert in the said section the total number of shares registered in my/our name(s) one business day before the meeting.

Date

Signature

N O T E S

INSTRUCTIONS ON SIGNING AND LODGING THE PROXY

Please read the notes below:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote in their stead. A proxy need not be a member of the company.
2. You may insert the name of any person(s) whom you wish to appoint as your proxy in the blank space(s) provided for that purpose. The person whose name appears first on the form of proxy and who is present at this meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. A deletion of any printed matter and the completion of any blank spaces need not be signed or initialled. Any alteration must be signed, not initialled.
4. When there are joint holders of shares, the vote of the senior joint holder who tenders a vote, as determined by the order in which the names stand in the register of members, will be accepted. All joint holders, where applicable, must sign form(s) of proxy.
5. The completion and lodging of this form will not preclude the member who grants this proxy from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such member wish to do so.
6. If the form of proxy is signed under the authority of a power of attorney or on behalf of a company or any other juristic person, then it must be accompanied by such power of attorney or a certified copy of the relevant enabling resolution or other authority of such company or other juristic person, unless proof of the authority of the juristic person(s) signing has been recorded by the Company.
7. If the signatory does not indicate in the appropriate place on the face hereof how he or she wishes to vote in respect of the resolution, his or her proxy shall be entitled to vote as he or she deems fit in respect of that resolution.
8. Every member present in person or represented by proxy and entitled to vote shall, on a show of hands, have only one vote and upon a poll every member shall have five votes for every ordinary share held.
9. The chairman of the meeting may, in his absolute discretion, reject any proxy form which is completed other than in accordance with these instructions.
10. Forms of proxy, powers of attorney or any other authority appointing a proxy shall be deposited at the registered office, 56 Main Street, Johannesburg (or posted to PO Box 62379, Marshalltown, 2107), or at either of the transfer secretaries: Mercantile Registrars Limited, 11 Diagonal Street, Johannesburg (or to be posted to PO Box 1053, Johannesburg, 2000), or Capita IRG plc, Balfour House, 390 – 398 High Road, Ilford, Essex, England IGI INQ, so as to be received not later than 10:00 on Tuesday, 30 October 2001 (in respect of the meeting) or 48 hours, excluding Saturdays, Sundays and public holidays, before the time appointed for holding of any adjourned meeting.