

ATTITUDE MAKES
THE DIFFERENCE

1

TEAMWORK AND
STRUCTURE

2

It's the difference.

3

REVIEW FOR THE QUARTER ENDED
31 March 2002

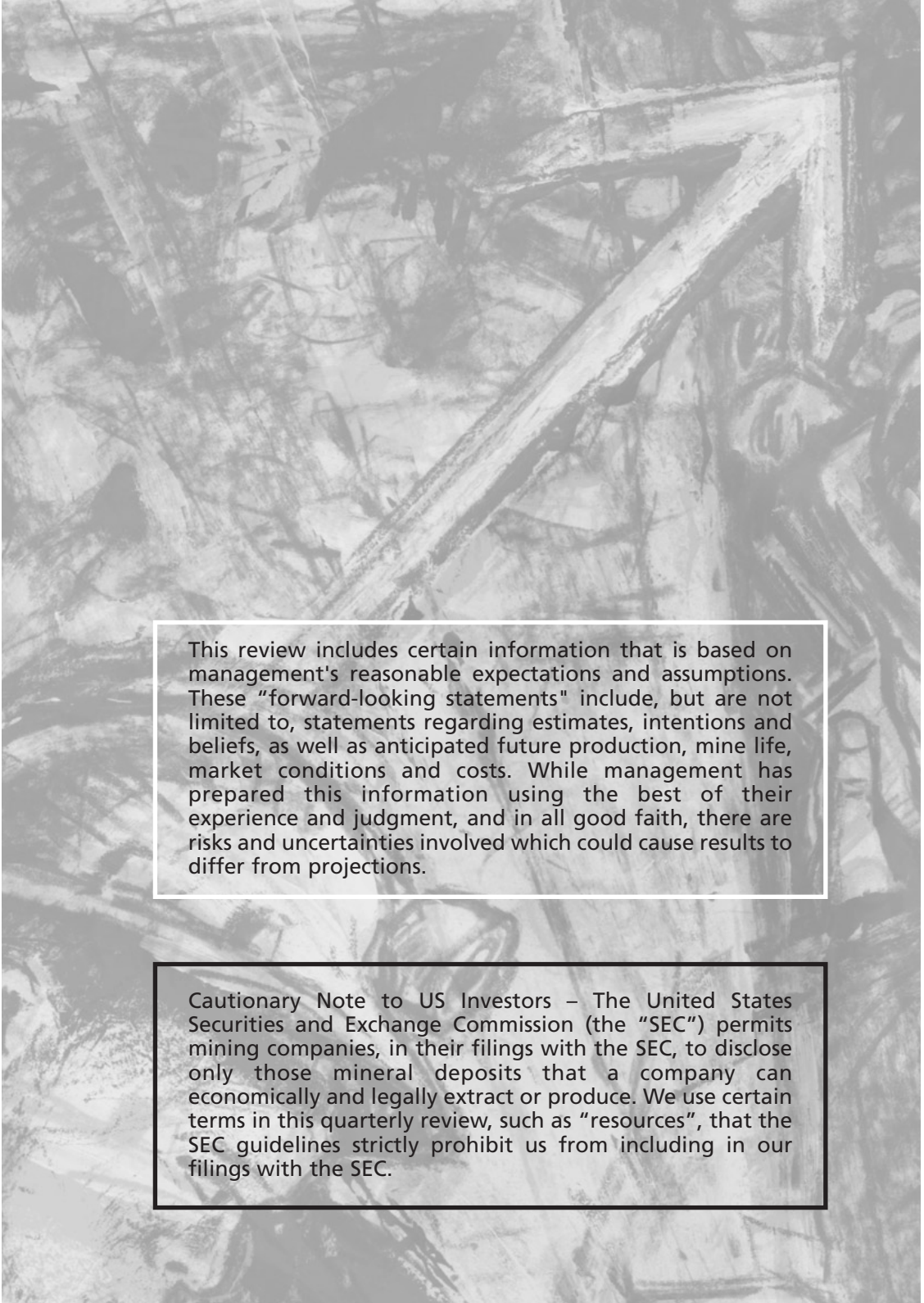
A BUSINESS
APPROACH TO
MINING

4

CREATING
STAKEHOLDER VALUE



HARMONY




This review includes certain information that is based on management's reasonable expectations and assumptions. These "forward-looking statements" include, but are not limited to, statements regarding estimates, intentions and beliefs, as well as anticipated future production, mine life, market conditions and costs. While management has prepared this information using the best of their experience and judgment, and in all good faith, there are risks and uncertainties involved which could cause results to differ from projections.

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

- record cash operating profit of **R851 million**
- 87% increase in e.p.s from 206 cents to 386 cents
- earnings per share financial year to date of 656 cents
- ✱ • cost focus results in R37,4 million or 3% reduction in total working costs
- company now operates with total cash cost of US\$176/oz, a cash operating profit margin of 38%
- closure of "inappropriate" hedge book of Randfontein at after tax cost of R125 million
- 5 key operations generating in excess of R100,0 million per quarter, i.e. Free State, Evander, Randfontein, Elandskraal and Free Gold JV

	31 March 2002	31 December 2001
Cash operating profit		
– Rand	851 million	455 million
– US\$	74 million	45 million
Earnings		
– Rand	615 million	308 million
– US\$	53 million	31 million
Earnings per share		
– SA cents per share	386	206
– US cents per share	33	20
	31 March 2002	31 December 2001
Gold produced		
– kg	20 936	18 484
– oz	673 106	594 272
Cash costs		
– R/kg	65 392	63 863
– \$/oz	176	198

2



"Gold remains everybody's alternative currency, but unfortunately nobody's responsibility. Even without any central bank support it has still been the second best performing major currency in the world, after the US Dollar, over the past 12 months."

BERNARD'S REVIEW

SAFETY REPORT

It is with regret that I have to report the loss of five employees, following five separate mine accidents, during the past quarter. Four of the five accidents were as the result of a fall of hanging wall in the work places. Regrettably, one of the fatalities occurred on Brand 5 mine which had already achieved the benchmark of 500 000 fatality free shifts. We offer our sincere condolences to the family, friends and colleagues of these employees.

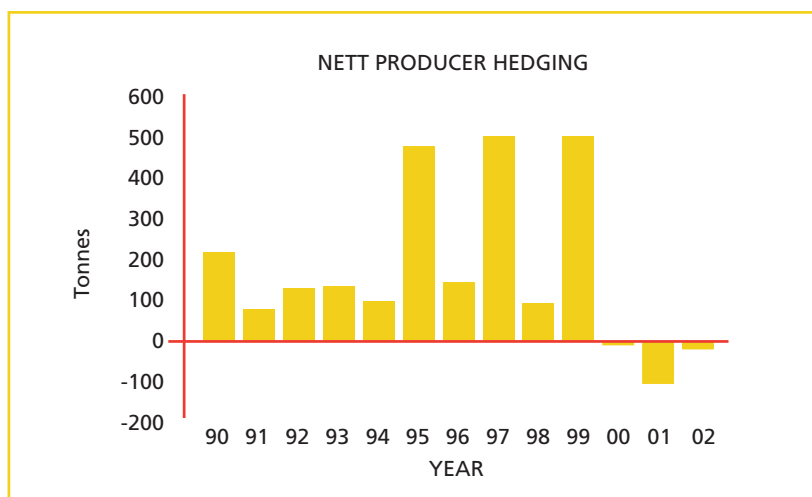
Notwithstanding the above mentioned unfortunate events, it is with pride that we can report that Cooke 3 mine achieved the milestone of one million fatality free shifts on 14 March 2002.

STRATEGIC OVERVIEW

The past quarter has seen significant changes in the operating environment in South Africa. Whilst the gold price has increased to levels of US\$300/oz, the South African Rand experienced further weakness. The depreciation of our local currency continued with the Rand averaging R11,53 to the US Dollar for the March 2002 quarter. This is an additional 14,7% when compared quarter on quarter.

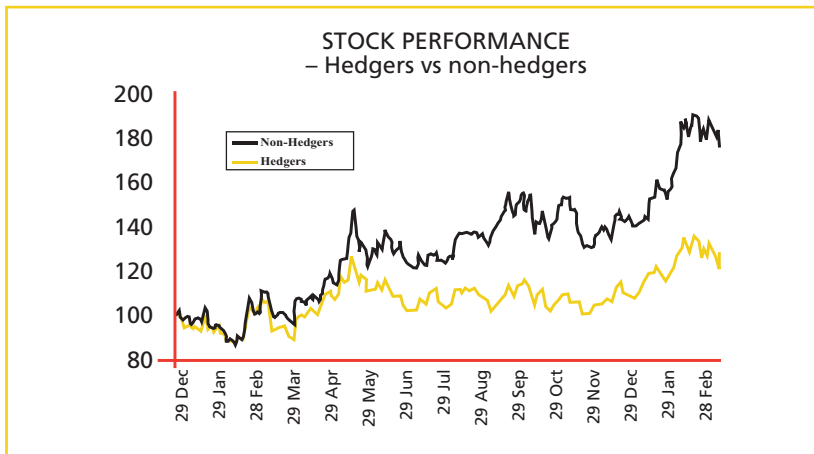
Events during the quarter which impacted positively on the gold price were the increased retail purchasing of physical gold by the Japanese market and the continued decrease in the supply of bullion which will reach the market following the reduction of producer production and nett hedging activities. Positive comments from large producers regarding reduced hedging substantiated the figures supplied by GFMS.

Gold equities were a top-performing sector in 2001, significantly outperforming the broader markets. Gold remains everybody's alternative currency, but unfortunately nobody's responsibility. Even without any central bank support it has still been the second best performing major currency in the world, after the US Dollar, over the past 12 months. This trend has continued in the past quarter with a higher level of portfolio diversification by investors being experienced.



Source: Gold Fields Mineral Services

Although analysts have indicated that gold stocks are currently discounting gold prices above US\$300/oz, the consolidation of the gold industry has resulted in fewer stocks being available. The outperformance of unhedged producers over hedged producers has increased significantly following the increase in the gold price. Harmony has and will continue to be unhedged by choice. Other producers may correctly claim to have made money out of hedging, but Harmony has demonstrated that being unhedged has been the smart choice when it came to creating shareholder value. No doubt others will continue to follow.

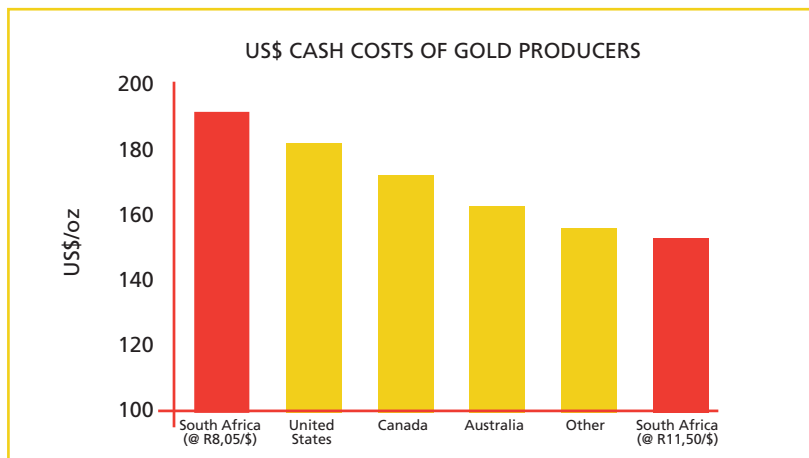


Source: Bloomberg

On 10 April 2002 the company announced that it had completely closed the Randfontein hedge book. This hedge book, which I described as "inappropriate" for a gold mining company at the time, came with the company in January 2000. A total of 490 000 ounces in respect of the remaining forward sales contracts and call options were closed. In addition, as a result of the higher gold price, the company closed a further 220 000 ounces of forward purchases.

The closure of the hedge book resulted in a net cost after tax of R125 million (US\$ 11 million), which has been financed from existing cash resources. The company will continue restructuring the inherited hedge books of New Hampton and Hill 50 as and when the market conditions allow.

The further 14,7% devaluation of the South African Rand over the past quarter has significantly impacted on the profitability of the South African producers. At R8,05 to the US Dollar, local producers were the most expensive producers when measured on a cash cost basis. At R11,50 to the US Dollar, the South African industry has become the lowest cost region. This has resulted in increased profit margins. Harmony now operates at a cash cost of US\$176/oz and a total cost of US\$207/oz. With a real profit margin of approximately US\$100/oz Harmony could rightfully claim to be one of the most profitable gold mines in the world, if not the most, and yet we have spectacular leverage remaining in the gold price, the Rand currency and the largest resource in the world.



Source: Company reports and Schroder Salomon Smith Barney

The company has decided not to pursue increased production at higher working costs with the potential of diluting profits, until we have re-established firm control over unit costs on our South African operations. The South African industry has in the past year seen profit erosion due to the pressure from higher working costs due to inflation and increased demands from various stakeholders. At Harmony we, some six months ago, embarked on a cost reduction campaign, known as "The Cost Marathon", and although it's early days yet, we saw a 3% or R37,4 million reduction in total working costs during the March 2002 quarter.

The current higher gold price levels will be used to allow the company more flexibility in its planned mining programmes, thereby optimising operating profit margins and increasing profits. To date, the operations have not been starved of capital expenditure and no "catch-up" expenditure is required. At gold price levels of R105 000/kg, Harmony has probably the most prospective mining projects remaining in South Africa, i.e. Randfontein South Reef Project, the Rolspruit Extension and Poplar Project at Evander. These projects are being evaluated, but the company will only consider developing these assets when market conditions are such that long lead time high capital projects of this nature show better returns than acquisitions with turnaround potential.

With gold at levels of US\$300/oz, we believe that the consolidation of the industry will continue. Lower exploration expenditure and the high cost of replacing the ounces currently being produced are factors which will provide continued impetus for consolidation.

The company experienced a successful quarter on both a strategic and operational level. Harmony continued with its strategy of growth with the:

(i) Conclusion of the acquisition of Free Gold from AngloGold

Although the JV company, Free Gold (Pty) Limited, took operational control of the assets on 3 January 2002, the remaining conditions precedent to the acquisition were met on 10 April 2002. The acquisition was concluded with the payment of R900 million by Harmony and ARMgold respectively on 23 April 2002. The outstanding amount of R400 million will be paid by Free Gold on 1 January 2005. AngloGold has decided not to appeal a ruling from the South African Revenue Services regarding the tax relief sought in terms of Section 39, and an amount of approximately R500 million will be payable by Free Gold in March 2003. As reported previously the JV company will be able to claim a significant portion of the purchase price as a capital expenditure against taxable income. Under the current gold price conditions, this option enhanced the NPV of the project by some R200 million as compared to the original option for which the exemption was sought.

From an operational perspective the Free Gold assets generated improved cash operating profits of R402,8 million, significantly ahead of the conservative estimates used for acquisition and financing purposes.

A summary of the results follows:

(R'million)	Mar '02	Dec '01	Var (%)
Cash operating profit	402,8	261,5	54,0
Net interest charges*	35,4*		
Amortisation charges	26,8		
Profit before tax	340,6		
Due to ARMgold	170,3		
Due to Harmony	170,3		

* Interest was payable to AngloGold in lieu of the purchase price for 3 months.

The operational restructuring has been proceeding according to plan. Normally, during the first quarter following the acquisition of assets of this nature, the changeover in ownership impacts on employees and the overall performance of the operations. The fact that the Free Gold assets were acquired in a JV company had challenges of their own, but we are extremely satisfied with the level of co-operation that has been established between the two parties. This has made the task of the Steering Committee, who took control of implementing the broad strategies identified in the due diligence phase, easier.

Free Gold now operates at a profit margin of US\$136 or 47% per ounce at a gold price of US\$290/oz. Our strategy of acquiring these operations as part of consolidating the Free State goldfields has already delivered value to our shareholders.

Total mine results	Mar '02	Dec '01	Var (%)
Gold price US\$/oz	290	261	11,1
Cash cost US\$/oz	154	188	18,1
Profit margin US\$/oz	136	73	86,3
Exchange rate: Rand per US\$	11,53	10,30	(11,9)

All the shafts at Free Gold were profitable despite the impact of restructuring activities. Bambanani and Tshepong mines contributed R317,0 million or 79% of the operating profits of R402,8 million. We expect that the contribution from Matjhabeng and Joel mines and the surface operations will improve during the following year.

Free Gold has been successful in addressing the high overhead costs that impacted on the short-term profitability of these operations. When measured on the "Harmony Value Curve" these operations are on the steep upward performance stage delivering excellent cash operating profits. Our focus however will be on improving tonnages at slightly lower grades, but delivering optimal gold production and cash operating profits.

We generally inherit mature mines that are in the process of being highgraded. It is our intention to return to mining these operations at the average mining grade of the orebodies whilst increasing expenditure on working cost development.

(ii) Broadening our production base in Australia

Excellent progress was made with the take-over offer for Hill 50 announced on 10 December 2001. To date Harmony has received acceptances of approximately 99% of the shares and options. The process of the compulsory acquisition of the remaining shares and options has commenced in accordance with Australian law. In terms of the current timetable the process should be completed by June 2002. The acquisition was concluded with a final offer of A\$1,45 for each ordinary share and A\$0,75 per listed option in Hill 50 valuing the transaction at R1 411 million and Australian \$231 million.

The acquisition of Hill 50 has increased Harmony's Australian production base from approximately 220 000 oz/annum to a sizeable 500 000 oz/annum. The company now has a solid production base with a package of highly prospective exploration areas in West and eastern Australia. The company is in a stronger position in Australia to what it had been in South Africa in 1996, building a company from modest assets to the fifth largest producer in the world today.

Hill 50 has increased production over the past two years to the approximately 300 000 oz forecast for the 2001/2002 financial year.


Hill 50	2001/ 2002	2000/ 2001	1999/ 2000	1998/ 1999
Gold produced (oz)	290 000	202 000	150 000	150 000
Cash cost A\$/oz	322	330	358	310
Cash cost US\$/oz	169	176	224	194

These producing assets and our 9,8% holding in Aurion Gold valued at R663,0 million will ensure our participation in the continued consolidation of the Australian gold industry.

(iii) Delivery of value to Simane – Black Economic Empowerment on track

Harmony shareholders agreed, in a general meeting in May 2001, to issue 10,9 million Harmony ordinary shares for cash to the IDC and Simane, a black economic empowerment company. The IDC subscribed for 10,7 million ordinary shares on behalf of Simane and Simane themselves subscribed for 0,2 million ordinary shares. In addition, the IDC, on behalf of Simane, subscribed for 10,9 million redeemable convertible preference shares, each share granting the company the right to subscribe for a Harmony ordinary share at R41,50.

The preference shares were converted into ordinary shares and were placed in the market from 16 January 2002 to 4 February 2002, realising an average price of R85,46 per ordinary share. This has enabled Simane to take transfer of the ordinary shares after the repayment of their loans. Harmony's cash resources increased by R430 million as a result of this initiative.



Simane now hold 10,9 million unencumbered shares in Harmony, representing 7 per cent of Harmony's issued ordinary share capital, making it the company's largest shareholder.

(iv) Granting of option to Gold Fields Limited to acquire a stake in Aurion Gold and option by Harmony to negotiate for the acquisition of St Helena and Oryx mines

The options granted by the respective companies expired on 15 February 2002 without any agreements being reached. Value will however be created with the inclusion of St Helena in the continued consolidation of the Free State Goldfields. The possible acquisition of these assets will be revisited in future.

(v) Listing on Chicago Board Options Exchange

On 2 April 2002 the company was informed that it had been selected for listing on the Chicago Board Options Exchange. Trading in the option was set to start on 3 April 2002 and it is expected to impact on the tradability of Harmony stock on the various exchanges.

The Chicago Board Options Exchange is the world's largest options market.

(vi) Listing on Berlin Stock Exchange

To enable institutional and retail shareholders to acquire and trade Harmony stock in their domestic currency, the company was listed on the Berlin Stock Exchange. Trading started on 20 March 2002 under the symbol HAM1.

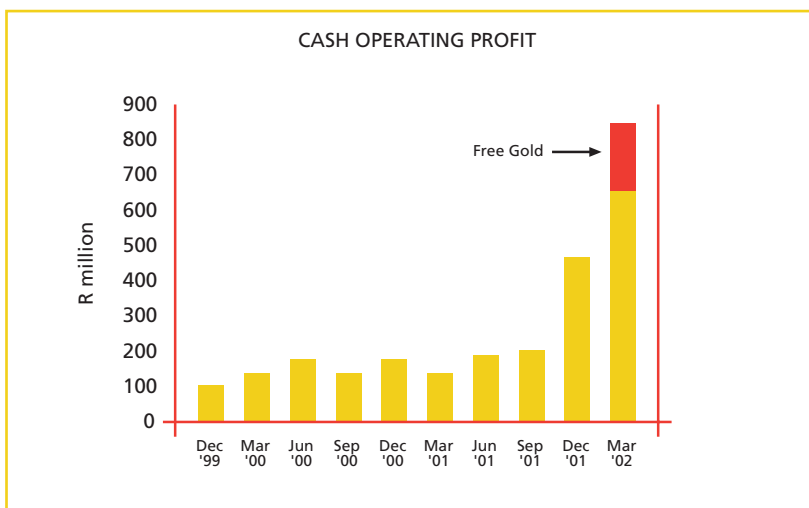
(vii) Kalplats Project

R3,0 million was spent on this project during the quarter. Exploration drilling has added 500 000 oz to the mineral resources which currently stands at 3,8 million oz at 1,5 g/t TPM (Total Precious Metals) in the indicated and inferred categories to 150m depth. Included in this resource is 1,5 million oz of higher grade reef at 3,7 g/t TPM.

The pre-feasibility drilling and metallurgical studies are continuing. A total of 41 infill boreholes representing 3 160m were drilled. Metallurgical work on representative drill samples is in progress to test provisional process flowsheets. The pre-feasibility study will be completed by June 2002.

QUARTERLY OPERATIONAL REVIEW

◀ The company reported improved operational profits of 87%, increasing from R455,2 million to a record R850,9 million. This was due to the inclusion of R201,4 million in respect of the Free Gold JV (50%) and the increase in gold price in R/kg terms following the continued depreciation of the Rand against other major currencies. Our focus on working costs is delivering excellent results with the operations reporting a 3% or R37,4 million reduction in working cost expenditure. Kilograms recovered from the operations were 13% higher at 20 936 kgs mainly due to increased production from New Hampton and the inclusion of Free Gold (50%). ▶



* Profit before tax increased by 106% from R412,4 million to R848,9 million. Taxation was R130 million higher at R233,8 million compared to the R104,7 million for the previous quarter.

Net profit after tax at R615,1 million was 100% more than the R307,7 million reported for the December quarter.

Earnings per share increased by 87% from 206 cents for the December 2001 quarter to 386 cents for the past quarter. Earnings for the nine months of the current financial year total 656 cents.

The performance of the operations are best highlighted in the following table:

		March 2002	December 2001	Variance %
Production	kg	20 936	18 484	13,3
	oz	673 106	594 272	13,3
Revenue	R/kg	106 037	88 491	19,8
Cash cost	R/kg	65 392	63 863	(2,4)
Cash cost	R/tonne	228	238	4,2
Revenue	US\$/oz	286	274	4,4
Cash cost	US\$/oz	176	198	11,1
Exchange rate	R/US\$	11,53	10,05	(14,7)

The company achieved a US\$110 or 38% cash operating profit margin with cash costs of US\$176/oz. Working costs in R/kg terms increased marginally by 2,4% due to lower gold production caused by the recovery grade being lower by 2%. Cash costs in US\$ terms decreased from US\$198/oz to US\$176/oz.

The company reverted back to a more logical work arrangement around the Christmas break. Although tonnages for January 2002 were still affected, there was a dramatic improvement compared to the results for January 2001.

A quarter on quarter cash operating profit analysis of the various operations is as follows:

TOTAL CASH OPERATING PROFIT (R'million)

Operations	March 2002	December 2001	Variance
Free State	145,4	87,5	57,9
Evander	169,3	111,4	57,9
Randfontein	198,0	150,3	47,7
Elandskraal	115,2	87,2	28,0
Kalgold	8,3	17,8	(9,5)
Australian Operations	13,3	1,0	12,3
Sub-total	649,5	455,2	194,3
Free Gold (50%)	201,4	–	201,4
Total	850,9	455,2	395,7

Free State Operations – continue to improve

The Free State Operations reported a 66% increase in cash operating profits from R87,4 million to R145,4 million. These operations, although affected by the Christmas holidays, milled 996 000 tonnes at

a recovery grade of 4,4 g/t compared to the 1 074 000 tonnes at a recovery grade of 4,6 g/t for the previous quarter. To utilise mill capacity during the break, 96 000 tonnes from surface sources were treated which contributed an additional 30 kgs to gold production.

Our focus on reducing working costs resulted in a decrease of R21,4 million or 6% quarter on quarter. This impacted on the cost/tonne decreasing from R319 to R294. In US Dollar terms these operations are producing an annualised 600 000 ounces at cash costs of US\$197/oz.

Harmony 4 Shaft, which has been in closure mode for the past 12 months, will close by June 2002. The shaft has had the benefit of an increased gold price which resulted in postponement of the closure on a quarterly basis. The excellent teams at this mine will be re-deployed to mainly the Masimong 4 Shaft complex from which additional production is planned.

The gold price has had a positive impact on the viability of the Saaiplaas 3 Shaft complex. This mine which was purchased from AngloGold for R87 million in 1998 was closed due to the decrease in the gold price at the time. Mining regions which were accessible from Masimong 4 Shaft were previously included in that shaft's mining plan.

A re-evaluation of the Shaft Pillar Extraction Project shows an NPV of R109,1 million at a discounted rate of 17%. This project which requires capital expenditure of only R27,5 million, will return cashflows of R152,8 million over a four year period. Work on the project will commence during the June 2002 quarter.

Saaiplaas 3 shaft pillar extraction

Capital expenditure	R27,5 million
Tonnes milled	740 000
Total kg recovered	3 808
Total cost/tonne	R270,00
Life of project	4 years
Gold price	R100 000 kg
NPV@17%	R109,1 million

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

Evander Operations – strength to strength

Evander continues to deliver excellent results with a cash operating profit of R169,3 million. This is a 52% improvement on the R111,4 million reported for the December quarter.

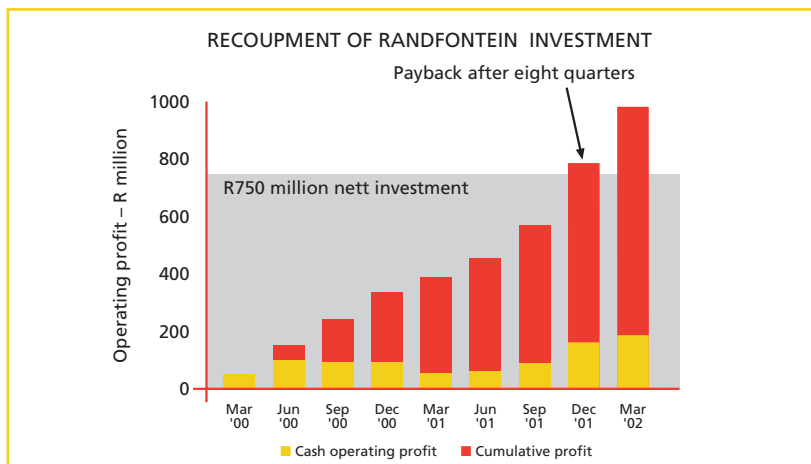
Costs in both R/tonne and R/kg decreased marginally due to a R7,1 million lower total working cost expenditure. More scope exists for further sustainable cost reductions. Total gold recovered was 3 230 kgs. In US\$/oz terms this operation reported the lowest cash costs in the company of US\$147/oz and was operating on a profit margin of US\$139/oz at a gold price of US\$286/oz.

Although the current R/kg gold price has had a favourable impact on the life of Evander 9 Shaft, the lack of availability of ore resources has finally resulted in its closure. This shaft, which has been in its closure phase with the final extraction of the shaft pillar, will cease operating at the end of June 2002. Employees at the shaft are in the process of being relocated to No. 2, 3 and 5 Shafts at Evander. These shafts which were re-opened earlier in the financial year are, following a period of investment in development programmes, contributing to cash operating profits. During the past quarter Evander 9 Shaft produced 36 000 tonnes at a grade of 3,8 g/t. The impact of the closure on the overall results from Evander will be negligible.

Randfontein Operations – excellent results

The Randfontein operations returned a 32% improvement in cash operating profits, increasing from R150,3 million to R198,0 million. This improvement was mainly due to the gold price as kilograms produced were lower due to the impact of the public holidays on underground production. These operations produced 816 000 tonnes from underground at a recovery grade of 4,99 g/t.

In March 2002 these operations milled 816 000 tonnes at a recovery grade of 4,99 g/t. This resulted in a lower gold recovery of 4 070 kgs compared with 4 485 kgs for the December 2001 quarter. Kilograms from surface operations were marginally lower at 184 kgs compared to the 186 kgs reported previously.



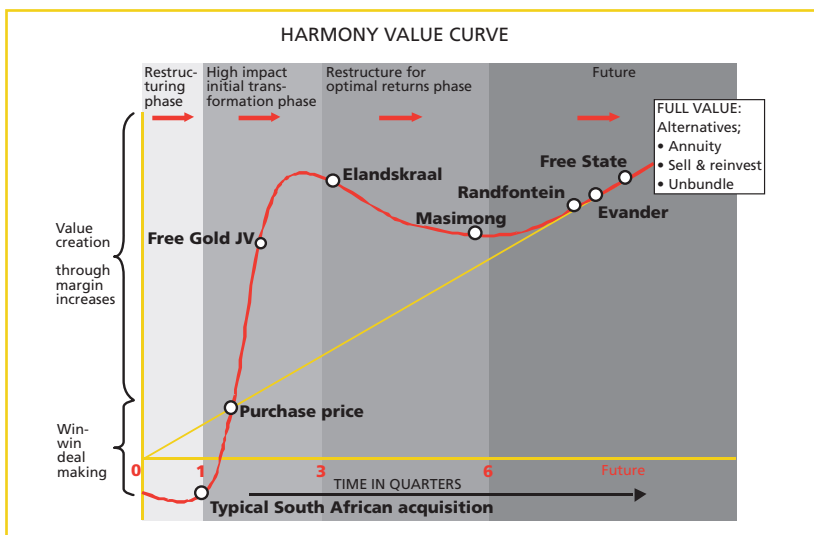
Randfontein reported a R14,0 million decrease in total working costs. In R/tonne terms cost decreased from R222/tonne to R205/tonne. These operations continue to contribute significantly to the company's cash flows with a US\$126 or 44% cash operating margin at a gold price of US\$286/oz.

Results at Randfontein will be affected by the expected decline in tonnage and grade at Cooke 1 Shaft by September 2002. Cooke 1 Shaft has over the past few quarters focussed on the extraction of the shaft pillar which has contributed 20 000 tonnes per month at a recovery grade of 4,7 g/t.

By December 2002 quarterly underground production at Randfontein is expected to decrease to 800 000 tonnes at a recovery grade of 5,0 g/t.

Elandskraal Operations – tough quarter

As was the case with the majority of our previous acquisitions, Elandskraal is now in its "restructuring for optimal returns" phase on our value curve. The high overhead costs have been addressed and the implementation of the "Harmony Way" is well underway. These operations however now require flexibility in underground operations. The development programmes at Elandsrand and Deelkraal which were embarked on a year ago will in 9 to 12 months allow more mining flexibility and recovery in grades.



These operations reported cash operating profits of R115,2 million, an increase of 32% over the R87,2 million reported previously. Tonnage decreased marginally from 551 000 tonnes to 541 000 tonnes. The expected lack of flexibility at Elandskraal resulted in the recovery

grade decreasing from 6,3 g/t to 5,7 g/t. This has resulted in gold recovery from underground being 347 kgs less at 3 105 kgs compared to the 3 452 kgs for the December 2001 quarter.

The decrease in kilograms impacted adversely as the R/kg working costs increased by R6 342/kg to R71 398/kg, but in R/tonne terms underground working costs remained constant at R410/tonne. This is significantly higher than what was believed to be achievable and the same effort that was put into cost reductions at the other operations will now be focused on Elandsdraal.

The Elandsdraal operations with cash costs of US\$191/oz operate at a cash operating profit margin of US\$95/oz or 33% at a gold price of US\$286/oz.

Kalgold Operations – can do better

Cash operating profits decreased to R8,3 million compared to the R17,8 million in the December 2001 quarter. This was mainly caused by the previously reported mill breakdown which resulted in 26 days of production time being lost by one of the two mills. Tonnage was lower at 218 000 tonnes compared to 256 000 tonnes reported previously. At a lower recovery grade of 1,88 g/t gold recovery decreased by 29% to 409 kgs.

A change in the nature of the orebody resulted in a higher ratio of high-grade refractory ore reporting to the mill. This has impacted on the recovery grade of these operations as residual values are higher than normal. An evaluation into improving metallurgical recovery using a flotation process is underway.

AUSTRALIAN OPERATIONS – welcome improvement

This has been an extremely busy period for Harmony's Australian operations, with the highlights being:

- The successful acquisition of 99% of Hill 50 and a subsequent move to compulsory acquisition of the remaining minorities,
- Operating profits being reported at both operations,
- The successful completion of the redevelopment of the seismically affected lower portions of the Big Bell underground mine, with the first stoping production blasts taken, and
- The completion of the pre-stripping of the southern portion of the Trojan pit at Jubilee, giving us access to 8 months of higher grade material.

Big Bell

During the quarter, Big Bell milled a total of 709 000 tonnes to produce 31 058 ounces. The operations returned an operational profit of A\$1,0 million.

Big Bell continued with its good performance (albeit at marginal grades) from the open pits. Ore is being sourced from four different pits. Lower grade remnant mining in the upper levels of the Big Bell underground mine ceased as these ore resources were exhausted.

The redevelopment and rehabilitation (after the seismic event of late 2000) of the lower levels of the Big Bell underground mine progressed well and two levels of the mine are accessible for stoping. Production is planned to increase to 65,000tpm for this area in the June quarter.

Exploration success has resulted in two new open pits being planned at City of Chester (15,000 oz resource to date) and Try Again (in excess 30,000 oz resource) whilst new extensions were discovered at the Rheingold and Chieftain pits. In the year since the acquisition of New Hampton, Harmony has by exploration successfully replaced the open pit resources it has mined out.

Jubilee

During the quarter Jubilee milled 282 000 tonnes to produce 14 596oz for an operating profit of A\$1,2 million. Production from Jubilee was sourced in equal proportions from Trojan, the small Jubilee West pit and old stockpiles.

Although Jubilee has a lack of high-grade resources, these operations should produce steady profits from existing resources for at least 18 months and provide opportunities for exploration success.

The prestripping of the southern part of Trojan pit to expose the main part of the ore body was completed. At the end of March, and for the first time since Harmony's acquisition, a large block of reserves is available for mining.

Exploration drilling beneath the old Golden Ridge pit has demarcated the re-establishment of at least 35 000oz of production which has been scheduled for the March and June quarters of 2003.

Three separate grass roots exploration projects returned ore grade intersections at good widths during the quarter. Intensive follow up is in progress on all three projects. Whilst it is still too early to predict whether or not these discoveries will develop into sizeable reserves, these are the best exploration results Harmony has achieved to date in the Kalgoorlie area. This confirms the ongoing prospectivity of the Kalgoorlie region and bodes well for exciting exploration initiatives when we can combine the Harmony and Hill 50 land packages from April onwards.

The operations are expected to continue to show profits and positive cash flow after capital for the next 15 months if production targets are achieved. Upside opportunities will come from cost initiatives, certain synergies with Hill 50 and continuing to expose the company to the possibility of exploration success by judicious expenditure in this area.

Bendigo – excellent progress

The advance of the decline and lateral development for ventilation at Bendigo, of which Harmony now own 31%, has progressed well since start-up at the end of December 2001 and is ahead of budget.

Changes to the development strategy and anticipated productivity improvements have resulted in the proposal of a new plan that should enable Bendigo to access and take the first development blast in the first orebody to be tested in September 2002 instead of December 2002 as originally envisaged.

Plans for bulk sampling, grade validation and metallurgical testwork are progressing on schedule.

CAPITAL EXPENDITURE

Operations	March Quarter Actuals	June Quarter Forecast
Free State	28	28
Evander	26	24
Randfontein	3	2
Elandskraal	31	31
Free Gold (50%)	9	11
New Hampton	4	4
Kalgold	–	5
Total	101	105



Operating and financial results

(rand/metric)

		Free State U/g	Free State Surface	Evander U/g	Evander Surface	Kalgold Opencast	Randfontein U/g	Randfontein Surface	Elands-kraal U/g	Elands-kraal Surface	Free U/g	Free Gold (50%) Surface	Australian Operations	Total
Ore milled – t'000	Mar-02	996	96	538	60	218	816	416	541	275	464	581	991	5 992
	Dec-01	1 074	–	538	59	256	860	339	551	284	–	–	1 009	4 970
Gold produced – kg	Mar-02	4 370	30	3 203	27	409	4 070	184	3 105	146	3 564	408	1 420	20 936
	Dec-01	4 884	–	3 296	31	575	4 485	186	3 452	178	–	–	1 397	18 484
Yield – g/t	Mar-02	4.39	0.31	5.95	0.45	1.88	4.99	0.44	5.74	0.53	7.68	0.70	1.43	3.49
	Dec-01	4.55	–	6.13	0.53	2.25	5.22	0.55	6.26	0.63	–	–	1.38	3.72
Cash operating Costs – R/kg	Mar-02	73 182	47 600	54 080	85 444	86 597	58 326	81 495	71 398	57 692	57 874	48 390	90 404	65 392
	Dec-01	70 152	–	54 963	46 968	56 675	56 565	68 473	65 056	48 517	–	–	88 034	63 863
Cash operating costs – R/tonne	Mar-02	321	15	322	38	162	291	36	410	31	445	34	130	228
	Dec-01	319	–	337	25	127	295	38	408	30	–	–	122	238
Working revenue (R'000)	Mar-02	463 446	3 208	341 907	2 931	43 734	430 974	19 447	329 905	15 384	383 637	43 765	141 646	2 219 984
	Dec-01	430 075	–	291 084	2 946	50 342	399 847	16 927	304 032	16 429	–	–	123 979	1 635 661
Cash operating costs (R'000)	Mar-02	319 804	1 428	173 217	2 307	35 418	237 388	14 995	221 692	8 423	206 263	19 743	128 374	1 369 052
	Dec-01	342 620	–	181 159	1 456	32 588	253 692	12 736	224 575	8 636	–	–	122 983	1 180 445
Cash operating profit (R'000)	Mar-02	143 642	1 780	168 690	624	8 316	193 586	4 452	108 213	6 961	177 374	24 022	13 272	850 932
	Dec-01	87 455	–	109 925	1 490	17 754	146 155	4 191	79 457	7 793	–	–	996	455 216

Financial results

total operations (rand/metric) (unaudited)

	Quarter ended 31 Mar 2002	Quarter ended 31 Dec 2001
Ore milled – t'000	5 992	4 970
Gold produced – kg	20 936	18 484
Gold price received – R / kg	106 037	88 491
Cash operating costs – R / kg	65 392	63 863
	R'000	R'000
Gold sales	2 219 984	1 635 661
Cash operating costs	1 369 052	1 180 445
Cash operating profit	850 932	455 216
Amortisation	(72 082)	(54 086)
Mark to market of financial instruments	–	11 141
Employment termination costs	(4 759)	(10 432)
Other income/(expenditure) – net	18 119	(8 690)
Interest paid	(62 143)	(40 437)
Corporate expenditure	(15 603)	(14 302)
Exploration and new business	(13 892)	(12 923)
Mark to market of listed investments	148 340	86 939
Profit before taxation	848 912	412 426
South African normal taxation		
– Current tax	(140 469)	(83 851)
– Deferred tax	(93 316)	(20 872)
Net earnings	615 127	307 703
Adjustments:		
– Profit on sale of property plant and equipment	4 532	6 985
Headline earnings	610 595	300 718
Earnings per share – cents		
– Earnings *	 386	206 
– Headline earnings *	383	202
– Fully diluted earnings **	374	198
Dividends per share – (cents)	–	75

* Calculated on number of shares in issue during the quarter: 159,5 million (December: 149,1 million)

** Calculated on average number of diluted shares in issue for the quarter: 164,7 million (December: 155,1 million). Diluted earnings per share is calculated on the listed warrants issued.

Abridged balance sheet *(rand) (unaudited)*

	**At 31 Mar 2002 R'000	At 31 Dec 2001 R'000
Employment of capital		
Mining assets after amortisation	6 873 819	5 868 014
Investments*	2 127 522	694 253
Net current assets/(liabilities) (excluding cash)	41 271	(447 079)
Short-term investments		
– Aurion Gold	663 106	488 647
Cash	1 466 015	1 213 343
	11 171 733	7 817 178
Capital employed		
Shareholders' equity	6 144 785	4 924 354
Free Gold loan	1 350 000	–
Loans	2 277 655	1 337 570
Preference shares	–	5 479
Long-term provisions	692 491	475 360
Unrealised hedging loss	557 292	663 830
Deferred tax	149 510	410 585
	11 171 733	7 817 178

Accounting Policies

The financial statements are prepared on the historical cost basis and in accordance with South African Statements of Generally Accepted Accounting Practice and International Accounting Standards. The accounting policies are, in all material respects, consistent with the annual financial statements for the year ended 30 June 2001.

Issued share capital: 159,6 million ordinary shares of 50 cents each.
(December 2001: 149,1)

* Includes Hill 50 investment, which will be consolidated in results for next quarter.

** Significant variances in balances caused by inclusion of Free Gold Joint Venture (50%).

Operating and financial results (US\$/imperial)

		Free State U/g	Free State Surface	Evander U/g	Evander Surface	Kalgold Opencast	Randfontein U/g	Randfontein Surface	Elands-kraal U/g	Elands-kraal Surface	Free Gold (50%) U/g	Free Surface	Australian Operations	Total
Ore milled – t'000	Mar-02	1 098	106	593	66	240	900	459	597	303	512	641	1 093	6 608
	Dec-01	1 184	–	593	65	282	948	374	608	313	–	–	1 113	5 480
Gold produced – oz	Mar-02	140 498	965	102 978	868	13 150	130 853	5 916	99 828	4 694	114 585	13 117	45 654	673 106
	Dec-01	157 024	–	105 968	997	18 487	144 195	5 980	110 984	5 723	–	–	44 914	594 272
Yield – oz/ton	Mar-02	0.128	0.009	0.174	0.013	0.055	0.145	0.013	0.167	0.015	0.224	0.020	0.042	0.102
	Dec-01	0.133	–	0.179	0.015	0.066	0.152	0.016	0.183	0.018	–	–	0.040	0.108
Cash operating costs – \$/oz	Mar-02	197	128	146	230	234	157	220	193	156	156	131	244	176
	Dec-01	217	–	170	145	175	175	212	201	150	–	–	272	198
Cash operating costs – \$/t	Mar-02	25	1	25	3	13	23	3	32	2	35	3	10	18
	Dec-01	29	–	30	2	12	27	3	37	3	–	–	11	21
Working revenue (\$'000)	Mar-02	40 195	278	29 654	254	3 793	37 378	1 687	28 613	1 334	33 273	3 796	12 285	192 540
	Dec-01	42 794	–	28 964	293	5 009	39 786	1 684	30 252	1 635	–	–	12 336	162 753
Cash operating costs (\$'000)	Mar-02	27 737	124	15 023	200	3 072	20 589	1 301	19 227	731	17 889	1 712	11 134	118 739
	Dec-01	34 092	–	18 026	145	3 243	25 243	1 267	22 346	859	–	–	12 237	117 458
Cash operating profit (\$'000)	Mar-02	12 458	154	14 631	54	721	16 789	386	9 386	603	15 384	2 084	1 151	73 801
	Dec-01	8 702	–	10 938	148	1 766	14 543	417	7 906	776	–	–	99	45 295

Prepared in accordance with International Accounting Standards.

Financial results

total operations *(US\$/imperial) (unaudited)*

	Quarter ended 31 Mar 2002	Quarter ended 31 Dec 2001
Ore milled – t'000	6 608	5 480
Gold produced – oz	673 106	594 272
Gold price received – \$ / oz	286	274
Cash operating costs – \$ / oz	176	198
	\$'000	\$'000
Gold sales	192 540	162 753
Cash operating costs	118 739	117 458
Cash operating profit	73 801	45 295
Amortisation	(6 252)	(5 382)
Mark to market of financial instruments	–	1 109
Employment termination costs	(413)	(1 038)
Other income/(expenditure) – net	1 571	(865)
Interest paid	(5 390)	(4 024)
Corporate expenditure	(1 353)	(1 423)
Exploration and new business	(1 205)	(1 286)
Mark to market of listed investments	12 866	8 651
Profit before taxation	73 625	41 037
South African normal taxation		
– Current tax	(12 183)	(8 343)
– Deferred tax	(8 093)	(2 077)
Net earnings	53 349	30 617
Adjustments:		
– Profit on sale of property, plant and equipment	393	695
Headline earnings	52 956	29 922
Earnings per share – cents		
– Earnings *	33	20
– Headline earnings *	33	20
– Fully diluted earnings **	32	20
Dividends per share – (cents)	–	7

Prepared in accordance with International Accounting Standards

Currency conversion rates: average for the quarter: March: US\$1 = R11,53
(December: US\$1 = R10,05)

* Calculated on number of shares in issue during the quarter: 159,5 million
(December: 149,1 million)

** Calculated on average number of diluted shares in issue for the quarter:
164,7 million (December: 155,1 million). Diluted earnings per share is
calculated on the listed warrants issued.

Abridged balance sheet

(US\$) (unaudited)

	**At 31 Mar 2002 US\$'000	At 31 Dec 2001 US\$'000
Employment of Capital		
Mining assets after amortisation	604 026	471 326
Investments*	186 953	55 763
Net current assets/(liabilities) (excluding cash)	3 627	(35 909)
Short-term investments		
– Aurion Gold	58 269	39 249
Cash	128 824	97 457
	981 699	627 886
Capital Employed		
Shareholders' equity	539 964	395 530
Free Gold loan	118 629	–
Loans	200 145	107 435
Preference shares	–	440
Long-term provisions	60 852	38 182
Unrealised hedging loss	48 971	53 320
Deferred tax	13 138	32 979
	981 699	627 886

Prepared in accordance with International Accounting Standards.

Issued share capital: 159,6 million ordinary shares of 50 cents each.
(December 2001: 149,1 million)

Currency converted at closing rate: March 2002: US\$1 = R11,38
(December 2001: R12,45)

* Includes Hill 50 investment, which will be consolidated in results for next quarter.

** Significant variances in balances caused by inclusion of Free Gold Joint Venture (50%).

Condensed statement of changes in shareholders' equity

(unaudited)

	At 31 Mar 2002 R'000	At 31 Mar 2001 R'000	At 31 Mar 2002 US\$'000	At 31 Mar 2001 US\$'000
Balance as at the beginning of the financial year	4 593 699	2 874 718	403 664	358 220
Currency translation adjustment and other	56 965	6 877	5 006	857
Issue of share capital	589 696	192 936	51 819	24 042
Net earnings	904 425	192 139	79 475	23 943
Balance as at the end of March	6 144 785	3 266 670	539 964	407 062

Prepared in accordance with International Accounting Standards.

Commodity contracts

as at 31 March 2002

	F 2002	F 2003	F 2004	Total
Randfontein				
Forward purchases	130,000	–	–	130,000
\$ / ounce	329	–	–	329

Note: All Forwards and Calls were closed in early April 2002

	F 2002	F 2003	F 2004	Total
New Hampton				
Forward Sales				
Ounces	34,871	190,000	9,000	233,871
A\$ / ounce	414	515	539	501
Calls Sold				
Ounces	10,000	90,425	175,500	275,925
A\$ / ounce	505	521	526	523
Total	44,871	280,425	184,500	509,796
Currency				
Forward Sales				
Dollar amount (million)	45	90	–	135
Avg Rand / Dollar rate				11.20

The mark-to-market value of all currency and commodity contracts in the above Randfontein and New Hampton tables was a negative R388 million (US\$34 million) as at 31 March 2002. The value was based on a gold price of \$303.15 per ounce, exchange rates of R/\$11.44 and \$/A\$ 0.53 and the prevailing market interest rates and volatilities at the time.

	F 2002	F 2003	F 2004	F 2005	F 2006	F 2007	F 2008	F 2009	Total
Hill 50									
Forward Sales									
Ounces	68,250	210,500	220,000	167,500	150,000	125,000	100,000	100,000	1,141,250
A\$ / ounce	508	512	521	515	511	514	518	518	515
Calls Sold									
Ounces	12,750	55,000	20,000	50,000	–	–	–	–	137,750
A\$ / ounce	524	549	518	448	–	–	–	–	505
Convertible Puts									
Ounces	–	–	–	37,500	37,500	–	–	–	75,000
A\$ / ounce	–	–	–	560	567	–	–	–	564
Total	81,000	265,500	240,000	255,000	187,500	125,000	100,000	100,000	1,354,000

The mark-to-market value of all commodity contracts in the above Hill 50 table was negative R880 million (US\$77 million) as at 31 March 2002. The value was based on a gold price of \$303.15 (A\$569.62) per ounce, exchange rates of R/\$11.44 and \$/A\$ 0.53 and the prevailing market interest rates and volatilities at the time.

Development

results – (Metric)

	Reef Meters	Sampled Meters	Channel Width (Cm's)	Channel Value (g/t)	Gold (Cmg/t)
RANDFONTEIN					
VCR REEF	522	390	94	16.87	1 586
UE1A	3 400	3 137	92	12.22	1 124
E8 REEF	204	154	107	8.51	911
KIMBERLEY REEF	705	705	242	4.55	1 101
ALL REEFS	4 831	4 386	117	9.88	1 154
FREE STATE					
BASAL	1 818	1 563	91	8.47	771
LEADER	850	780	155	8.81	1 366
A REEF	418	384	234	2.53	592
MIDDLE	460	414	192	6.78	1 301
B REEF	474	462	50	24.66	1 233
ALL REEFS	4 020	3 603	126	7.92	1 001
EVANDER					
KIMBERLEY REEF	2 350	2 430	67	15.84	1 061
ELANDSKRAAL					
VCR REEF	867	738	104	5.80	603

Development

results – (imperial)

	Reef Feet	Sampled Feet	Channel Width (inches)	Channel Value (oz/t)	Gold (in.ozt)
RANDFONTEIN					
VCR REEF	1 713	1 280	37	0.492	18
UE1A	11 155	10 292	36	0.361	13
E8 REEF	669	505	42	0.238	10
KIMBERLEY REEF	2 313	2 313	95	0.137	13
ALL REEFS	15 850	14 390	46	0.283	13

FREE STATE

BASAL	5 965	5 128	36	0.246	9
LEADER	2 789	2 559	61	0.257	16
A REEF	1 371	1 260	92	0.074	7
MIDDLE	1 509	1 358	76	0.197	15
B REEF	1 555	1 516	20	0.708	14
ALL REEFS	13 189	11 821	50	0.230	11

EVANDER

KIMBERLEY REEF	7 710	7 972	26	0.468	12
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ELANDSKRAAL

VCR REEF	2 844	2 421	41	0.169	7
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Z B Swanepoel
Chief Executive

26 April 2002

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T S A Grobicki, T A Mokhobo*,
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Clifton KCMG*†,
J G Smithies*

**Non executive directors †British*

Trading Symbols

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Nasdaq	:	HGMCY
London Stock Exchange	:	HRM
Euronext Paris	:	HG
Euronext Brussels	:	HM1
Berlin Stock Exchange	:	HAM1

Warrants

JSE Securities Exchange	:	HARW
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