nineteen ninety nine

'99

Annual Report

Avmin shares are listed on the Johannesburg Stock Exchange (share code: AIN) and the London Stock Exchange

Anglovaal Mining Limited, the name changed from Anglovaal Limited with effect from 2 December 1998, is incorporated in the Republic of South Africa. The Group explores, develops, operates and holds interests in the mining and minerals-related industry.

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Chairman Kennedy Maxwell highlights the changes that have happened in the last twelve months and comments on the potential benefits of the restructuring.

CEO Rick Menell discusses the past year and outlines the Group's growth initiatives.

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A review of the performances of the Group's four core business areas: diamonds, ferrous metals, base metals and gold.

Corporate Governance: Anglovaal Mining is committed to maintaining standards of integrity, accountability and openness.

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Change . . . & Challenge

Anglovaal Mining Limited is a company focused entirely on the business of developing above-average mining and mineral-related assets, and successfully exploiting mineral deposits by means of efficient, low-cost operations. A restructuring programme initiated during the year has resulted in an operating and growth focus based on three core areas: ferrous metals, base metals and gold. The company also holds a significant diamond interest.

Anglovaal Mining Limited is creating its future based on a disciplined strategy of discovery, mining, processing and the marketing of a focused portfolio of minerals. The overriding objective is to deliver superior returns to shareholders by sustaining a competitive advantage over both the short- and long-term while contributing economically and socially in all areas where the Group operates. To realise this objective various challenges have been identified and strategies are in place to achieve successful outcomes.

Major Group Interests

Production and sales

Based on the Company's holdings as at 30 June 1999

	Avmin % share	**1999 Total**	**1999 Avmin share**	1998 Total	1998 Avmin share
DIAMONDS (PRODUCTION)					
Venetia ('000 carats recovered)	43,8[1]	**4 495**	**1 969**	4 336	1 899
FERROUS METALS (SALES)					
Black Rock and Gloria	50,2				
Manganese ('000 tons)		**1 475**	**740**	1 501	754
Beeshoek	50,2				
Iron ore ('000 tons)		**3 981**	**1 998**	5 124	2 572
Feralloys	50,2				
Ferrochrome ('000 tons)		**112**	**56**	151	76
Ferromanganese[2] ('000 tons)		**176**	**88**	153	77
BASE METALS (PRODUCTION)					
Nkomati	75				
Nickel ('000 tons)		**3,7**	**2,8**	2,4	1,8
Copper ('000 tons)		**1,4**	**1,1**	1,0	0,8
Chambishi Metals[3]	90				
Cobalt ('000 tons)		**1,8**	–		
Copper ('000 tons)		**8,7**	–		
Sulphuric acid ('000 tons)		**46**	–		
GOLD[4] (SALES) ('000 ounces)	60,1	**637**	**383**	857	515

All tonnages shown are metric

1. Avmin' effective interest in the Venetia mine calculated for 1998 and 1999.

2. Includes high-carbon ferromanganese sales only.

3. These production figures relate to refining activities from which Chambishi Metals receives a treatment fee. Chambishi Metals was owned by the Company for ten months of the year to 30 June 1999.

4. Includes Harties and ETC gold sales and both 1998 and 1999 figures calculated at the 60,1% level. Harties has since been sold.

Financial summary and statistics

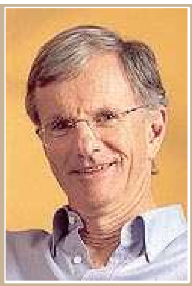
for the year ended 30 June 1999		Group 1999 Rm	Group 1999 US$m
INCOME STATEMENT			
Revenue		**2 489**	411
Earnings		**522**	86
Headline earnings		**290**	48
Earnings per share (cents)		**562**	93
Headline earnings per share (cents)		**312**	52
Dividends per share (cents)		**70**	11
BALANCE SHEET			
Total assets		**4 852**	805
Total liabilities and provisions		**1 727**	287
Shareholders' equity		**3 125**	518
CASH FLOW			
Cash generated from operations		**468**	77
Cash generated from operations per share (cents)		**504**	83
Cash and cash equivalents		**436**	72
JOHANNESBURG STOCK EXCHANGE PERFORMANCE			
Ordinary shares (cents)			
– high		**3 905**	641
– low		**1 236**	196
– year-end		**3 900**	647
Volume of shares traded (thousands)		**46 426**	46 426
Number of ordinary shares in issue (thousands)		**106 200**	106 200
FINANCIAL STATISTICS	**Definition**		
Effective taxation rate (per cent)	1	**19**	**19**
Interest cover (times)	2	**5,6**	**5,6**
Dividend cover (times)	3	**4,5**	**4,5**
Return on capital employed (per cent)	4	**16,4**	**16,4**
Return on equity (per cent)	5	**14,5**	**14,5**
Debt:equity ratio	6	**0,1**	**0,1**
Market capitalisation (R million)	7	**4 142**	**687**

Exchange rates used: Balance sheet – R6,03 = US$1,00
Income statement and cash flow – R6,06 = US$1,00

Definitions

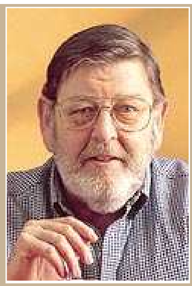
1. **Effective taxation rate (per cent)**
Taxation charge per income statement less secondary tax on companies divided by profit before taxation.
2. **Interest cover (times)**
Profit before exceptional items and finance costs divided by finance costs.
3. **Dividend cover (times)**
Headline earnings per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

Directors



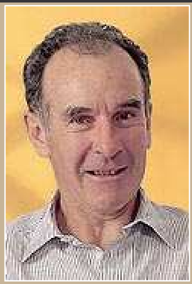
Kennedy Maxwell
Chairman
BSc Eng (Mech), MA, PMD, 60
Appointed to the Board in 1998 and appointed Chairman in 1999.
A former Executive Director of Johannesburg Consolidated Investments Company Limited, Ken served as President of the Chamber of Mines of South Africa between 1988 and 1990. He is a member of the Council of the University of the Witwatersrand and has worked as a consultant advising on various corporate issues. He currently serves on the Board and the executive of the National Business Initiative.

Rick Menell
Deputy Chairman and CEO
MA, MSc, 44
Appointed to the Board in 1994 and appointed CEO in 1999.
Trained as a geologist, Rick has spent time as a merchant banker in New York and worked in Australia as Executive Director: Finance for Delta Gold. He joined the Company in February 1992 as Assistant Financial Manager, Mines. He was later appointed Manager, Finance and Administration (Mines) and then General Manager, Corporate Services. Rick was appointed Managing Director of Avmin Limited in 1996.



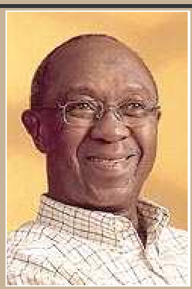
Don Jowell
BCom, LLB, 58
Appointed to the Board in 1999.
Donn established his own law practice in 1968. He is a non-executive director of Investec Bank Limited and Chairman of its audit committee. He also serves on the boards of a number of listed and unlisted companies with property and commercial interests.

Dr Vincent Maphai
BA (Hons), MA, BPhil, 47
Appointed to the Board in 1998.
Vincent is the Corporate Affairs Director, South African Breweries. He previously chaired the Political Science Department at the University of the Western Cape and is also past President of the South African Political Science Association and a council member of the University of South Africa. He is chairperson of the Presidential Review Commission and serves on various boards and community trusts.



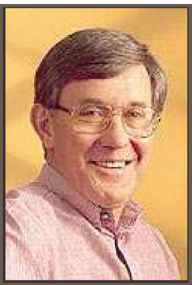
Roy McAlpine
BSc, CA, 58
Appointed to the Board in 1998.
Roy emigrated to South Africa from Scotland in 1965 and subsequently spent 29 years with Liberty Life, the last 18 as an executive director. He retired from Liberty Life in 1998 in order to diversify his interests. He is a former chairman of the Association of Unit Trusts of South Africa and currently serves on the boards of a number of listed companies.

Brian Menell
BA (Hons), 34
Appointed to the Board in 1998.
Currently Chairman and Chief Executive of Professional Diamond Resources (Pty) Limited. He has worked in the diamond mining and trading industries since 1988. He serves on the boards of various other diamond mining, finance and trading companies in South Africa, Belgium and Canada.



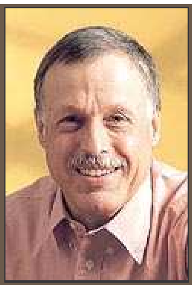
Dr Morley Nkosi
PhD (Economics), MBA, BS (Economics), 64
Appointed to the Board in 1998.
Apart from being an academic, economist and a businessman, Morley is currently Director General of NAFCOC, a partner in Nkosi, Mbeki and Associates and managing associate of Morley Nkosi Associates. He is also an executive chairperson of Impilo Yesizwe Investments (Pty) Ltd and chairperson of the National Institute of Economic Policy. He serves on the boards of various companies, including both Investec Group Limited and Investec Bank Limited.

Management Board



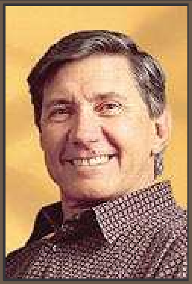
Dave de Beer
Director: Finance
CA(SA), 59

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



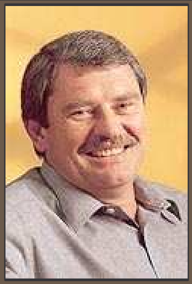
Jurie Geldenhuys
Director: Gold
Pr Eng, BSc Eng (Electrical) (Mining), MBA, 56

Jurie joined the Anglovaal Group in 1965 at Hartebeestfontein gold mine as a graduate trainee. In 1988, he was appointed General Manager Mines (Operations) and in 1996 was appointed Managing Director: Avgold. Served as the President of the Chamber of Mines of South Africa between 1993 and 1994. Appointed to the management board in 1999.



Gerry Robbertze
Director: Base Metals
Pr Eng, ACSM, 56

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



Jan Steenkamp
Director: Ferrous Metals, 45

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

Executive Committee

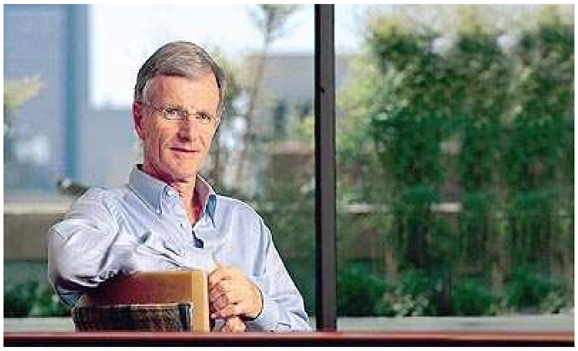
Rick Menell
CEO
Dave de Beer
Director: Finance
Graham Emmett
General Manager: Human Resources
Jurie Geldenhuys
Director: Gold
Julian Gwillim
General Manager: Investor Relations
Andy Kawa
General Manager: Strategy and Corporate Affairs
Jan Mostert
General Manager: Exploration and Geological Services
Gerry Robbertze
Director: Base Metals
Jan Steenkamp
Director: Ferrous Metals
Richard Wills
General Manager: Legal Services

Audit Committee

Kennedy Maxwell
Rick Menell
Donn Jowell
Morley Nkosi

Remuneration Committee

Kennedy Maxwell
Rick Menell
Roy McAlpine



Chairman: Kennedy Maxwell

"A strong platform has been created"

Dear Shareholder

The restructuring of our Company during the past year has contributed towards the refocusing of the Company's plans in order to provide superior returns to all shareholders. Anglovaal Holdings Limited, Anglovaal Limited's (Anglovaal) holding company, was unbundled in October 1998 and was followed immediately by Anglovaal unbundling Anglovaal Industries Limited. Avmin Limited was absorbed into Anglovaal, which then altered its name to Anglovaal Mining Limited. It is this Company that is now known colloquially as Avmin.

The major benefits resulting from this restructuring were the consolidation of Anglovaal's 21,9 per cent and Avmin Limited's 65,6 per cent interests in The Saturn Partnership and the availability of Anglovaal's financial resources to assist in funding Avmin's core asset development and exploration programmes. Equally important, and already noticeable, is the significant reduction of the share price discount that the market previously attributed to the Anglovaal Group's mining assets and also the pleasing increase in the tradeability of shares.

Realignment of control

In November 1998, the Hersov and the Menell families decided to realign their respective shareholdings in such a way that the Menell interests in Anglovaal Industrial Holdings Limited were exchanged for a like value of the Hersov interests in Anglovaal Mining Limited (Avmin). This means that the Menell family now holds the convertible preference shares in Avmin, that gives them voting control of the Company until mid-2001 when these shares automatically convert to ordinary shares. It also means that a remarkable 66-year partnership between the two families has now come to an end.

With the formation of Avmin, and in the interests of good governance, it was decided to constitute a Board primarily of non-executive directors. Rick Menell, the Company's Chief Executive Officer, is the only executive director on the Board. Non-executive directors serve on both the audit committee and the remuneration committee. A management board that reports to the main Board was created during the year consisting of the CEO and the executives of the finance, gold, ferrous metals and base metals divisions. This management board is mandated to assist in setting the strategic direction of the Company, implementing the strategy and managing day-to-day operations.

The Company decided to reduce its focus to four key areas: diamonds, gold, ferrous metals and base metals. As a consequence of this decision, the coal and industrial mineral interests were sold and negotiations are continuing for the sale of a chrome mining operation. While the contributions from the four key areas are out of sync at present, the intention is to bring about a balance over the next four years. This is discussed in more detail in the CEO's report. Suffice it for me to say that the earnings contribution of R263 million from the diamond interests remained the dominant source of income for the past year. The Board regards it as unsatisfactory to be so reliant on this source of income over which it has no control. We are addressing the issue, inter alia, through strong growth of assets within the three operating divisions. The earnings contribution of R150 million to the Group from the ferrous metals interests (primarily the 50,2 per cent interest in The Associated Manganese Mines of South Africa Limited) was very satisfactory. It was also pleasing, at this early stage, to have earned a contribution of R41 million from the base metals division, mainly Nkomati and Chambishi Metals. Avgold contributed R4 million after enduring a tough year of low prices for gold and various setbacks at its Hartebeestfontein mine.

An encouraging future

The prospects for the base metals interests over the next few

The prospects for the base metals interests over the next few years look most encouraging.

years look most encouraging and while the ferrous metals business is going through a lean period in respect of market prices, Assmang's future is showing signs of strength – particularly in view of that company's decision to invest over R1 billion in its chrome and manganese businesses during the next four years.

With the sale of Avgold's Hartebeestfontein mine in August this year, Avgold can now look forward to concentrating on developing its high-quality and potentially low-cost gold deposits. Avgold's Target mine has already started producing gold, but will require further finance to bring it to full production in early 2002.

Our Company's effective shareholding in Avgold was reduced to 45,2 per cent over the past year. The Board viewed this as an inadequate holding in one of its core assets and in June 1999, Avmin issued 6 147 908 shares and exchanged these with various international investors and institutions for 67 626 990 ordinary shares in Avgold, thereby increasing the stake to 60,1 per cent.

The past year's internal restructuring, principally the formation of the ferrous and base metals units and the assignment of all technical and project staff to these divisions (with the exception of Group exploration) has resulted in a much improved and more streamlined organisation with key resources available for the necessary effort. This has clarified management's responsibility and greatly improved its focus. We believe that this restructuring and the current core of professional expertise together with key skills at the centre will provide the wherewithal to add value not only to the operations of existing holdings, but also to the development of new ventures. In this way, shareholder value will be optimised.

Dividend policy

In order to facilitate the funding of new ventures and mindful of the fluctuations that occur in the minerals resource business during the course of any year, the Board decided to amend the dividend policy of the Company. A single dividend will be declared after the announcement of each year's annual results and will be covered four times by income generated from the Company's core businesses. The remainder of Group earnings will provide funding for the significant development projects that are currently under way.

Shareholders were advised on 27 August 1999 that the Company intends to award capitalisation shares or, should members so elect, a cash dividend of 70 cents per share in respect of last year's earnings. This proposal will only be finalised at the annual general meeting on 4 November 1999 depending on the outcome of resolutions relating to particular amendments to the Company's Articles of Association. These amendments are designed to enable the Company to eliminate the negative distributable reserve that arose due to the exceptional write-off in the income statement of the Company (as opposed to the Group) which in turn resulted in a negative distributable reserve as at 30 June 1999.

A tribute

Mr Hersov retired as Chairman of the Company at the end of February 1999 after having served the interests of the overall Anglovaal Group for fifty years. His contribution to the Group and the industry at large was enduring. On behalf of the Board, I would like to thank him and the previous Anglovaal directors that served the Group's interests so diligently.

Bringing about all of the changes in the Company that I have outlined causes anticipation and unease among staff, apart from all the additional work that is entailed in the execution of such changes. It is a tribute to your CEO and his outstanding team that so much has been achieved during the year and I would like on behalf of the Board to express our sincere appreciation for the support and dedication that all staff have offered. I am confident that we have much to look forward to as Avmin builds on the strong platform that was created during the past year.

It is the responsibility of the non-executive directors to ensure good governance of the Company. The calibre of the team of non-executive directors represented on the Board of Avmin gives me great comfort that this cause will continue and thereby support the growth and reputation of our Company in years to come. I am also grateful to the Board members for their wise council and energetic efforts.

Yours sincerely

Kennedy Maxwell
Chairman, Anglovaal Mining Limited

A much improved and more streamlined organisation with key resources available for the necessary effort.

It is fitting as the twentieth century draws to a close that the newly formed Anglovaal Mining Limited issues its first report to shareholders. Created out of a successful restructuring initiative that was first announced in mid-1998, the new focused and streamlined Avmin is today a company ready to meet the challenges of the twenty first century.

"The creators of value in this organisation will always be its people."

Deputy Chairman and CEO: Rick Menell

Avmin's total earnings for the year ended 30 June 1999 amounted to R522 million, relating to earnings per share of 562 cents. As a consequence of the restructuring, the results for the year ended 30 June 1999 are not easily comparable with those of the previous year. A pro forma comparative figure for the year ended 30 June 1998, would be a loss of R242 million. This year's earnings were favourably impacted by a weaker United States dollar/South African rand exchange rate, important contributions from the diamond investment and the ferrous metals division, and the curtailment of some exploration. On a headline basis, which excludes the surplus on the sale of assets and investments, earnings amounted to R290 million, which relates to headline earnings per share of 312 cents.

Successful outcomes were also achieved at all core operations in terms of improving efficiencies and reducing costs. Avgold reduced cash operating costs by five per cent to R49 586/kg; efficiencies were improved at all Assmang's operations resulting in higher earnings despite considerably weaker markets; and the base metals division delivered outstanding performances from the Nkomati mine and Chambishi Metals through process improvements and an overall reduction in costs. This all contributed to the Group's profit from operations totalling R646 million (30 June 1998: R531 million – pro forma).

A year of change

As the Chairman has already outlined, this has been a watershed year for the Company. In addition to the completion of the restructuring initiative, the Company rigorously and successfully pursued an objective of disposing of non-core assets and investments that were not in line with the current strategic focus of the overall Group. The investment holding portfolio of various listed shares was disposed of and the coal and industrial minerals businesses were sold, resulting in total receipts from these sales exceeding R600 million.

During the second half of the year, Avmin issued about 15 million new ordinary shares. Of these shares, slightly more than six million were exchanged with various international investors and institutions for Avgold shares, which resulted in an increase in the Avgold holding to 60,1 per cent. Furthermore, about nine million Avmin shares were issued for cash, which raised over R200 million, and the balance (some 48 000 shares) was issued to share incentive scheme members.

In other developments during the year, the Company acquired major new assets in its base and ferrous metals businesses. In September 1998, a significant cobalt and copper operation was acquired on the Zambian Copperbelt and Assmang purchased the high-quality Dwarsrivier chrome deposit. These investments, and the increased percentage holding in Avgold, form part of the Group's strategic intent to focus on larger, better quality opportunities in the three operating sectors: ferrous metals, base metals and gold.

Exceeding expectations

The increased focus on core businesses, the improvement in efficiencies and operating costs, as well as the successful objective of eliminating debt at the corporate centre, has exceeded expectations during a year of considerable and rapid change. These initiatives have provided a strong base from which to build the Company to achieve one of its longer-term objectives of becoming less reliant on the large cash flows from the diamond investment, and in so doing develop a more robust and balanced earnings base.

At Avmin, the business is today being looked at in a fundamentally different way. The previous structure did not allow senior management to focus exclusively on mining and mineral-related assets because of the diverse range of interests that were held by Anglovaal. Today a single strategic entity at the centre prevents the unnecessary duplication of skills and provides the Company's portfolio of businesses with cost-effective support services. Relevant key skills, which include financial, legal, commercial, purchasing and transactional skills, are also being developed across the operating divisions in order to promote the acceleration of growth, develop further strong competitive advantages and drive continual improvement of capital efficiency. The flexible structure allows the Company more easily to add or remove assets from its portfolio when favourable opportunities arise. This in turn supports the objective of continually focusing the business and ensuring an optimal structure to deliver superior growth in shareholder value.

The creators of value in this organisation will always be its people. It is therefore an essential part of the transformation of Avmin that its people adapt effectively to change. Various strategies are in place that are aimed at employees developing a clearer understanding of where and how best they add value. Four of the five core strategies within the Company's human resources plan are focused on ensuring that a more adaptable Company is developed. These include: the management of diversity and employee equity; the development of leadership; individual and team performance initiatives; and the attraction and retention of talent. Each one of these are broken down into achievable targets aimed at the availability and development of career opportunities, the sourcing of young and energetic new employees and the implementation of competitive remuneration structures linked closely to performance-based schemes. To support these initiatives, a communication process has been designed to provide the free flow of information throughout the organisation. Through these processes Avmin aims to ensure that employee interests are aligned directly with those of shareholders.

Corporate citizenship

Another of the Company's goals is to support and thereby improve the communities in which it operates. This does not refer to what has been labelled cheque-book participation; it goes beyond this towards an insistence that the Company's operations set themselves, and meet, high environmental, safety, health and community involvement standards. Avmin sees no conflict between its business goals and the social and environmental needs. For example, by lowering emissions and reducing waste at the Chambishi Metals operation in Zambia, the Company not only saves money, but also improves the lives of employees and those of the people residing in the surrounding communities and, of course, delivers benefits to clients and investors. Furthermore, at Assmang where the mining operations are located in a remote part of South Africa, the community investment philosophy and approach is designed to align community programmes to a series of human resources development initiatives, which, in turn, align these initiatives with that company's overall business strategy. Simply put: Avmin desires to be a responsible corporate citizen.

Encouraging signs

There have been encouraging signs, over the last few months, of improvement in most of the metal markets that the Company serves. Although July and August are typically months in which metal prices start weakening, the exact opposite has occurred. Economic recovery in the Far East may be driving this, as may stockpile build-ups in anticipation of the year 2000's related risks. All in all, the global economy appears to be in a reasonably positive position and the global forces driving this impact on every mining company, irrespective of size or commodity.

This change in commodity markets, the Company's altered structure, new investments and projects that have been brought from the conceptual stage to the development stage, have all added significantly to the value of Avmin over the last six months. A large discount to underlying asset values in the share price has been significantly narrowed and work continues to reduce this even further. The achievements over the past year, notably the commissioning of the South iron ore mine, the ramp-up of production at the refined ferromanganese producer Cato Ridge Alloys, and the Chambishi Metals upgrade to improve efficiencies at the existing refining facility, have strengthened Avmin's current operations.

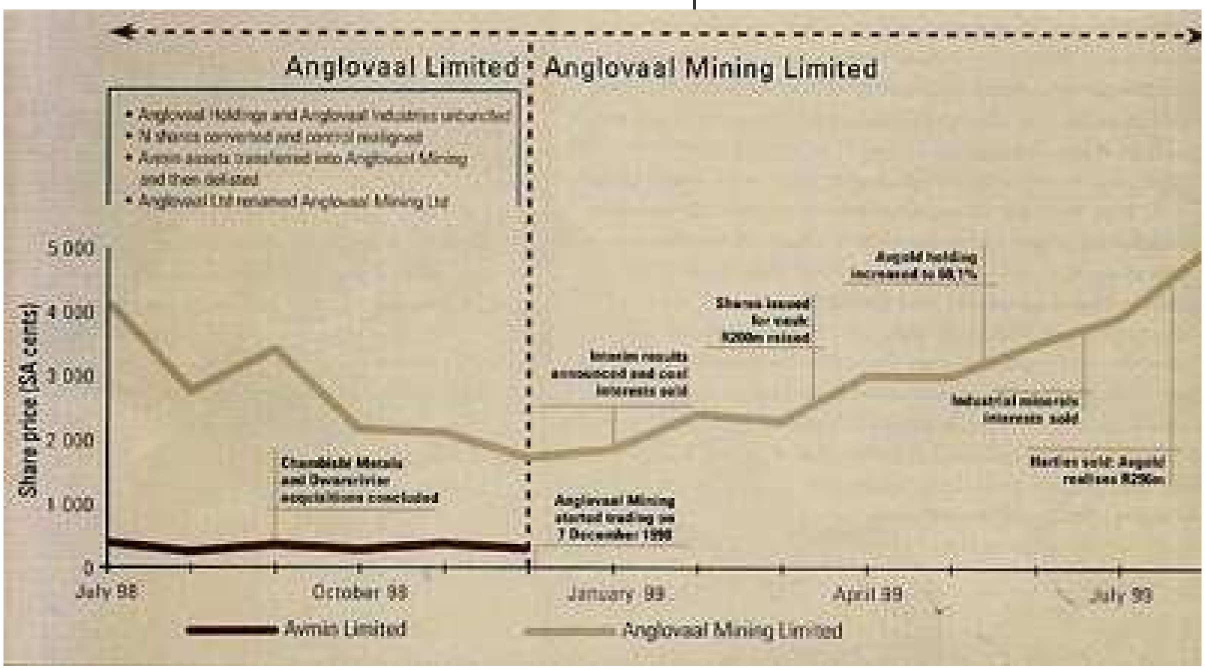
On the new developments, completed feasibility studies and approved project proposals include a new shaft to access manganese reserves at Assmang's Nchwaning mine, and the development of a new chrome mine on the Dwarsrivier property, which is linked to an expansion of Feralloys' ferrochrome plant. Dwarsrivier was purchased by Assmang towards the end of the first half of the year for R163 million. At the same time, Avgold has made good progress on its major projects: the development of the Target mine and the restructuring of its ETC gold mine to incorporate the new biological oxidation (BIOX®) metallurgical treatment facility, which was commissioned shortly after year-end.

Another important part of the Company's growth plan is the US$100 million expansion of the Chambishi Metals operation that will enable this company to start treating the 20 million ton Nkana slag dumps in Zambia. These high-grade cobalt dumps were acquired by Chambishi Metals from Zambia Consolidated Copper Mines Limited (ZCCM) in September 1998 together with the Chambishi cobalt refinery for US$50 million. Avmin holds a 90 per cent interest in Chambishi Metals, while ZCCM has retained the balance.

A concept that drives the growth strategy at Avmin is that of a mining company that must continually refresh its pipeline of internal growth, which ranges from the early exploration stage at the beginning of this pipeline to the end of the line where the focus is on continually improving efficiencies at the more mature operations. It is the Company's objective to ensure that the middle part of the pipeline where the new developments are emerging remains filled with high-quality projects that utilise fully the Company's technical and commercial skills, with every effort being made to ensure successful delivery of the new operations.

Potential new projects

The Group's next generation of projects, or the early part of the pipeline, include: a silica manganese smelter and an iron ore rationalisation and expansion programme at Assmang; a chrome pelletising plant and an additional furnace at Feralloys; and the possible expansion at Nkomati, which will allow access to the larger portion of the nickel, cobalt, copper and platinum group metals' orebody. In Zambia, the Konkola North exploration programme for copper has complied with the terms of the agreement with ZCCM and the base metals division is currently assessing the potential.



Exploration

As part of the broader restructuring, exploration has become sharply focused at Avmin. Exploration continues to be managed by the corporate centre, while the three divisions conduct only limited exploration surrounding current operations. At Avgold, for example, exploration efforts are directed at the properties to the north of the developing Target mine and the base metals division is continuing exploration programmes around the central African Copperbelt.

Given the number of projects currently under way in all divisions, the overall Group exploration strategy focuses on opportunities that will progress to the development phase within the next five years. This means a shift is currently under way from grass roots exploration to evaluating near or post-discovery opportunities. The search for new mineral ventures is concentrated on:

- Opportunities with the potential to be at the low end of the commodity cost curve and the ability to sustain excellent margins under the currently-predicted commodity price scenarios.
- Regions and countries with good infrastructure and acceptable levels of economic and political stability, while maintaining a watching brief on those areas with attractive mineral potential but insecure social and political environments.
- The identification of talented junior companies with whom alliances can be formed to facilitate entry into highly prospective regions in which Avmin has minimal exposure.

The exploration initiative, which is forecast to spend about R50 million, or nearly US$10 million, in the next financial y ear, is currently active in the following areas: Namibia (for base and precious metals), South Africa (base, precious and ferrous metals) and Zambia (base metals). Avgold has reviewed its growth strategy to ensure an unequivocal focus on developing the northern Free State area (where Target is located) and is thus winding down all non-South African exploration activities. Avmin may review its exploration strategy to pursue a significant precious metals component, but not at the scale previously undertaken by Avgold.

Safety, health and environmental commitment reinforced

Despite all the changes that occurred over the previous year, the safety performance drive and the environmental commitment has not faltered. An improved safety, health and environmental management system has been implemented to ensure that good corporate governance is adhered to and also to reflect a much clearer and more defined intention. As mentioned previously, at Avmin these issues are viewed as an essential part of the overall business plan and are reported on at each Board meeting. The Avmin framework within which all Group operations work, is discussed in more detail in the Review of operations section.

The year ahead

Both the external and internal restructuring initiatives have resulted in a greatly improved base from which to deliver superior returns. The focusing of the business into three operational divisions and the disposal of non-strategic and non-core assets have further clarified management responsibilities. An environment in which commodity prices seem to have levelled out and are showing the first signs of recovery, particularly in diamonds, copper, nickel and some of the ferrous metals commodities, should impact positively on future revenues. In addition, while finalising this report, the gold price achieved two-year highs on news that central banks would "cap" gold sales over a five-year period and restrict leasing activity. With supply/demand fundamentals still very positive for gold, market forces could remain in gold's favour. These positive trends, combined with expected improvements in contributions from the diamond and base metal sectors of the business, and the continuing impact of the drive to improve efficiencies and reduce costs, should result in an increase in earnings for the next financial year.

Sincere gratitude

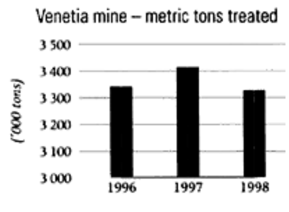
I would like to express my sincere gratitude to Kennedy Maxwell and our colleagues on the Board for their unstinting contributions over the past year. Also, my thanks to the management board and all the employees within the Anglovaal Mining Group, which total some 5 000 people, for the dedication and devotion displayed, as well as for ensuring that all the changes we implemented were successfully concluded. An exceptional platform has been created and I am proud of the team's results.

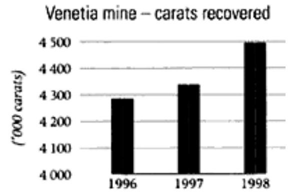
Rick Menell
Chief Executive Officer

SATURN INCOME RECEIVED FROM VENETIA
(R million)

	1999	1998	1997	1996	1995
February	**164,3**	177,8	183,5	107,9	18,8
August	**92,7***	136,1	307,5	231,1	58,4

**Received after year-end*





Management responsibility

Rick Menell
Chief Executive Officer
Avmin management board member

Dave de Beer
Director: Finance
Avmin management board member

Overview

The Company has an important diamond investment through The Saturn Partnership, in which it has an 87,5 per cent interest. This investment gives the Company an effective 43,8 per cent interest in the Northern province-located Venetia diamond mine, operated by De Beers Consolidated Mines Limited (De Beers). Saturn receives half the pre-tax profits from Venetia, which is paid by De Beers twice a year. The difficulties experienced in the international diamond market impacted on the payments received by Saturn during the year. Total royalty payments received by Saturn since 1992 when Venetia first started contributing, have exceeded R1 billion. The Company also has an effective eight per cent interest in the Finsch diamond mine, located in the Northern Cape and also operated by De Beers.

This arises by virtue of Finsch Diamonds (Pty) Limited receiving 40 per cent of the profits of the Finsch diamond mine in the form of a royalty.

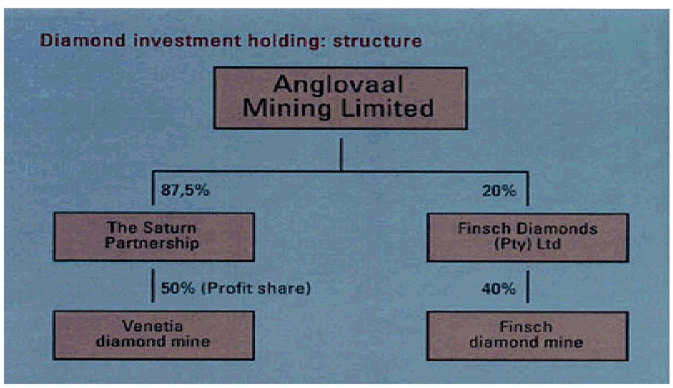
The Saturn Partnership

During the year under review, Saturn, which receives 50 per cent of the profits of the Venetia diamond mine, contributed R263 million (R276 million – pro forma) to the Company. The first payment was received in August 1998 and amounted to R144 million, while the year's second payment was received in February 1999 and totalled R119 million.

During its financial year ended 31 December 1998, Venetia, an open-cast mine that operates on a 24-hour basis and is De Beers' largest South African producer, treated 3 326 000 tons (3 414 000 tons). This recovered 4 495 489 carats (4 336 190 carats) at an average grade of 135,2 carats (127,0 carats) per 100 metric tons treated. This equates to nearly half of all De Beers' South African diamond production.

A pit redesign initiative at Venetia was completed during the year and has allowed reductions in waste stripping requirements in the short and medium term. Optimisation of mining activity will, in the longer term, also result in the deployment of a smaller earthmoving fleet than had been originally planned. Based on current mining models, Venetia will continue to be mined as an open-cast operation down to the 400 metre level until about 2020. The decision to start planning an underground operation is being reviewed.

Towards the end of June 1999, Avmin drew shareholders' attention to an announcement by De Beers published on 22 June 1999 regarding first-half sales by the Central Selling Organisation. This statement included a cautionary announcement that delays in the delivery of certain diamonds from De Beers' South African



Venetia's production equates to nearly half of all De Beers' South African production

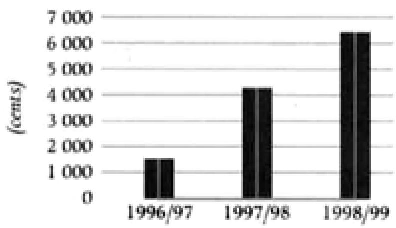
mines, following a dispute between De Beers and the South African Government diamond valuator (GDV) over valuation, would have a negative impact on the combined Diamond Account for the first half. As a result of the dispute, De Beers announced that diamonds sold by Venetia would be affected by these delays. De Beers informed the Company that the August royalty payment to Saturn in respect of the six-month royalty period ending on 30 June 1999, would be materially adversely affected. The Company's shareholders were accordingly advised that the earnings for the six-month period ending 31 December 1999 are likely to be affected. On 1 September 1999, it was announced that Saturn had received a total royalty of R93 million (the Company's share: R81 million). It is still expected that the shortfall in the royalty paid in the first half will be recouped in the second half of the year and earnings for the year ending 30 June 2000 may not be affected by this dispute.

Finsch Diamonds (Pty) Limited

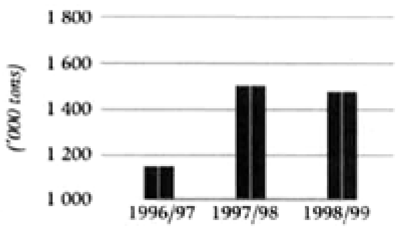
The dividend received by the Company in respect of the Finsch financial year ended 31 December 1998 amounted to R7 million (R11 million – pro forma). During its financial year, Finsch treated 3 969 000 tons (3 739 000 tons), recovering 2 165 060 carats (2 225 779 carats) at an average yield of 54,5 carats (59,5 carats) per 100 metric tons. The Finsch mine has implemented various processes to improve productivity and, following eventual depletion of its current mining blocks, the next planned block (number 4) is scheduled to reach full production in 2008, with an overall life extending beyond the mine's 20-year planning horizon.

Royalty payments received by Saturn since 1992 have exceeded R1 billion.

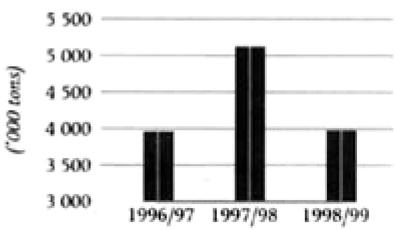
Assmang – headline earnings per share



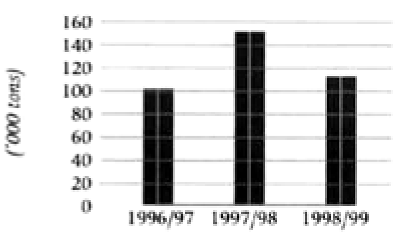
Assmang – manganese ore sales



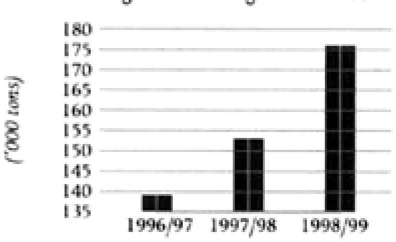
Assmang – iron ore sales



Assmang – ferrochrome sales



Assmang – ferromanganese sales



Ferrous metals division: management

Jan Steenkamp
Director: Ferrous metals
Avmin management board member

Byl Bezuidenhout
Manager: Engineering

Brian Broekman *(Assmang)*
General Manager: Feralloys

Graham Butler
Manager: Dwarsrivier Project

Colin Chapple
Manager: Engineering

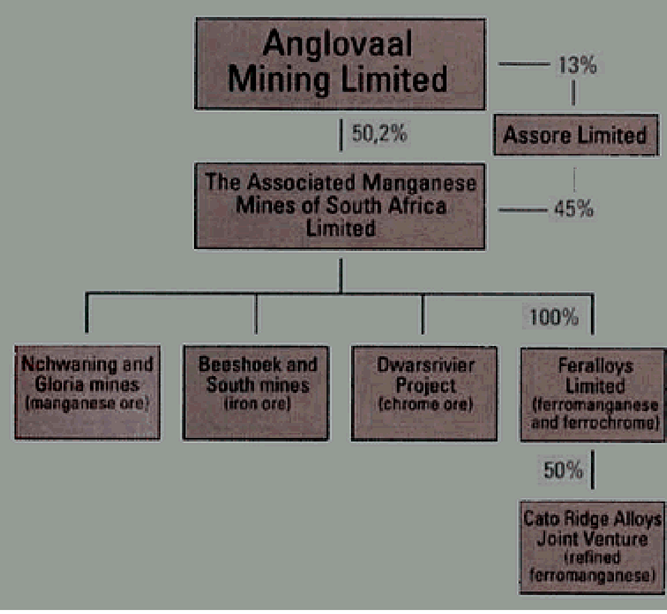
Bruce Funston
Manager: Finance

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

Johan Pretorius
Senior Mining Engineer

John Visser
Manager: Metallurgy

Ferrous metals division: structure



Initial work **has commenced** on the development of a **new shaft system** at the **Nchwaning manganese** mine.

Overview

The Associated Manganese Mines of South Africa Limited (Assmang), of which the Company owns 50,2 per cent, has manganese and iron ore mining operations in the Northern Cape province. Its wholly-owned subsidiary, Feralloys Limited, operates ferromanganese and ferrochrome smelting and refining facilities in the KwaZulu-Natal and Mpumalanga provinces, respectively.

As a result of stringent cost control programmes at both the mines and works and the benefit of a weaker South African rand, Assmang's earnings increased substantially for the year ended 30 June 1999. Assmang commissioned an extension to its Beeshoek iron ore mine during the year and also recently announced that it would proceed with various large projects within its chrome and manganese businesses. During the year under review, and following the restructuring that led to the formation of Anglovaal Mining Limited, the Company established an independent and focused management team with responsibility for the ferrous metals interests.

Salient statistics (Assmang group)

As at 30 June 1999	(Rm)
Turnover	1 601
Operating profit	383
Profit before taxation	349
Earnings	237
Capital expenditure	317

Assmang's earnings **increased substantially** *for the year ended 30 June 1999.*

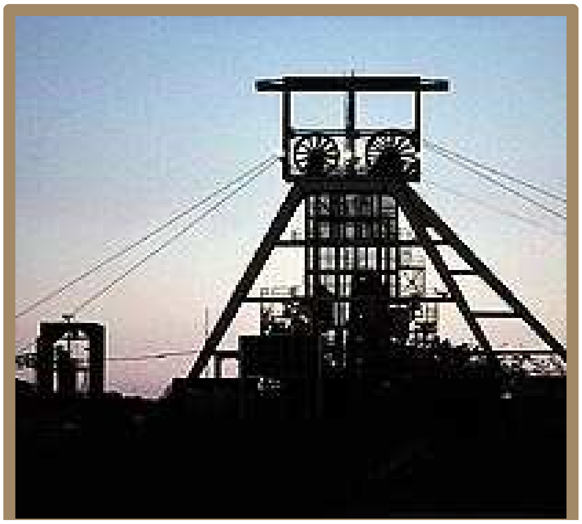
The Associated Manganese Mines of South Africa Limited

The contribution to the Group during the year from Assmang was exceptionally pleasing, despite the downturn in the international steel industry that was driven largely by economic difficulties in Asian countries in the early part of the year. Assmang group earnings rose 62 per cent to R237 million (R147 million – restated), which relates to attributable earnings per share of 6 669 cents (4 131 cents) per share.

Large new developments under way

Assmang has embarked on a programme of expansion with large projects within its chrome and manganese businesses. The projects, estimated at a capital cost of nearly R1 billion over a four-year period, to be self-funded by Assmang, include various developments to the existing ferrochrome business and an extension to its Nchwaning manganese mine.

The Beeshoek iron ore mine has been extended to include the new South mine



Initial work has commenced on the development of a new shaft system at the high-grade Nchwaning manganese mine

Work has commenced to establish an open-cast chrome mine and beneficiation plant on the Dwarsrivier property in Mpumalanga. Assmang purchased the Dwarsrivier property in September 1998 for R163 million and immediately began a programme of exploration drilling, which culminated in a comprehensive feasibility study. This proved viable for a mine to supply metallurgical grade ores to Assmang's wholly-owned subsidiary, Feralloys Limited. Linked to this is the upgrading of three furnaces that will increase capacity from 150 000 to 175 000 tons a year at Feralloys' ferrochrome facility at Machadodorp in Mpumalanga. It is expected that this will be completed by July 2000. A full feasibility study is also currently being undertaken into the introduction of a pelletising plant for fine ores and the construction of an additional furnace that could increase Feralloys' capacity to 275 000 tons a year by mid-2003. These developments will enable Feralloys to reduce operating costs to competitive levels.

The Dwarsrivier mine's capacity, including the possible establishment of an underground mine at a later stage, is estimated at one million tons per annum of run-of-mine ore. Production start-up of the open-cast operation is scheduled to meet Feralloys' requirements by October 2000. The total capital cost for the furnace upgrades, feasibility studies and the new mine is estimated at R190 million, excluding the pelletising plant and an additional furnace that could cost a further R200 million.

Initial work has also commenced on the development of a new shaft system at the Nchwaning manganese mine. Expenditure of approximately R500 million is being anticipated. The ore reserves at the existing Nchwaning shaft area will be depleted during the next four to six years due to a major fault structure that displaces the manganese deposit. Site establishment commenced during August 1999 and final commissioning is expected during the latter part of 2003. The existing plant at the Nchwaning mine has been upgraded and will process the manganese ore from the new shaft system via a conveyor system that will be located inside a 2,2 kilometre decline facility, one of the largest of its kind in South Africa.

The year's results

Turnover for Assmang's operating entities increased to R1,6 billion, which was almost entirely due to the sudden and significant weakening of the United States dollar/South African rand exchange rate in the middle of the first half of the year as sales volumes were generally lower and in line with the reduced demand for steel worldwide. Sales of manganese ore, including sales to Feralloys' Cato Ridge facility, remained almost constant at 1 475 000 tons (1 501 000 tons). However, sales of iron ore reduced significantly to 3 981 000 tons (5 124 000 tons) in line with lower Asian consumption.

The new southern extension of the Beeshoek iron ore mine was commissioned during the year to add to current Beeshoek production. The mine, commissioned at a cost of R118 million, will boost iron ore production to 5,5 million tons a year and is forecast to reduce operating costs substantially. Mining operations have been outsourced – resulting in a total employee complement of twelve people excluding contractors – to allow a greater focus on core operational issues and productivity linked and related projects.

Capital expenditure at Assmang during the year under review totalled R291 million (R77 million) and was spent mainly on the acquisition of the Dwarsrivier deposit, equipping the extended South iron ore mining area, underground development at the manganese ore mines and the upgrading and replacement of mining and metallurgical equipment. Expenditure during the next financial year is estimated at R275 million and will be incurred primarily on the development of the Dwarsrivier chrome ore deposit and the additional shaft system at the manganese operation.

Feralloys increased its profit after taxation by 133 per cent to R56 million (R24 million). Ferrochrome sales were lower at 112 000 tons (151 000 tons), but high carbon ferromanganese sales increased in line with a higher production level to 176 000 tons (153 000 tons). Lower US dollar prices were received for all Feralloys' products. The ferromanganese division achieved substantial cost reductions during the year and it has also initiated a re-engineering process aimed at further productivity improvements. Sales volumes for both ferrochrome and ferromanganese should show steady increases in the year to come and it is also anticipated that US dollar prices will strengthen.

The refined ferromanganese joint venture – between Feralloys Limited (50 per cent), Mizushima Ferroalloys Company Limited (40 per cent) and Sumitomo Corporation (10 per cent) – operated for its first full year, which has resulted in benefits to the division's overall operating costs. Planned production was exceeded, but market demand is currently in oversupply, resulting in lower than expected US dollar prices received during the year. It is not expected that this will change materially during the next financial year.

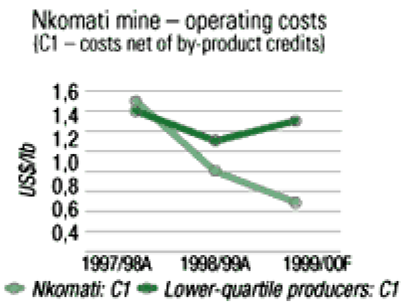
Capital expenditure at Feralloys amounted to R26 million (R82 million) which was mainly spent on replacement items. Capital expenditure during the forthcoming financial year, estimated at R112 million, will be incurred mainly on the furnace upgrades at the chrome division and on replacement items.

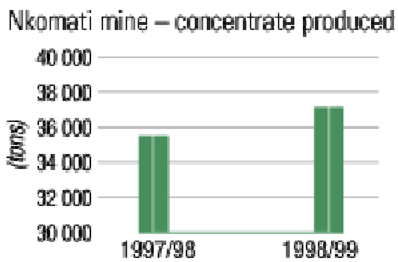
Lavino (Pty) Limited

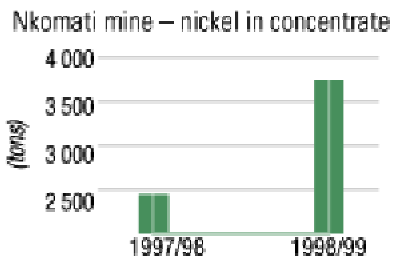
Since May 1995, Lavino has been in the Lannex Joint Venture with Samancor Limited, in terms of which the chrome ore mining operations of the Lavino mine – based near Steelpoort in the Northern province – were vested in Lannex. Lavino's 23 per cent share of production from Lannex increased to 74 569 tons (70 012 tons), although sales dropped, primarily as a result of depressed market conditions, and stocks therefore rose to about 76 000 tons. The year's after-tax loss amounted to R1 million (R2 million – profit).

Horizon Chrome Mines (Pty) Limited

The Horizon chrome mine, based in the North West province, was on a care and maintenance basis for part of the year, resulting in a loss of R2 million. A portion of the mine's stockpile, about 30 000 tons, was however sold. On 7 July 1999, shareholders' attention was drawn to an announcement published on 30 June 1999 by Southern Witwatersrand Exploration Company Limited (Sowits). Sowits announced that it had entered into an agreement, subject to the fulfilment of certain conditions precedent, to acquire from the Company the entire issued share capital of Orion Mining and Prospecting Company (Pty) Limited for R22 million. Orion is the beneficial owner of Horizon. As at the date of this report, the conditions precedent were in the process of being fulfilled.







Base metals division: management

Gerry Robbertze
Director: Base Metals
Avmin management board member

John Austin
General Manager: Financial Engineering

Peter Cutler
Financial controller

Freddie Human
General Manager: Metallurgy

Arne Lewis
Manager: Nkomati

Ed Munnik
Chief Operating Officer: Chambishi Metals

Dr Gerhard Overbeek
General Manager: Research and Development

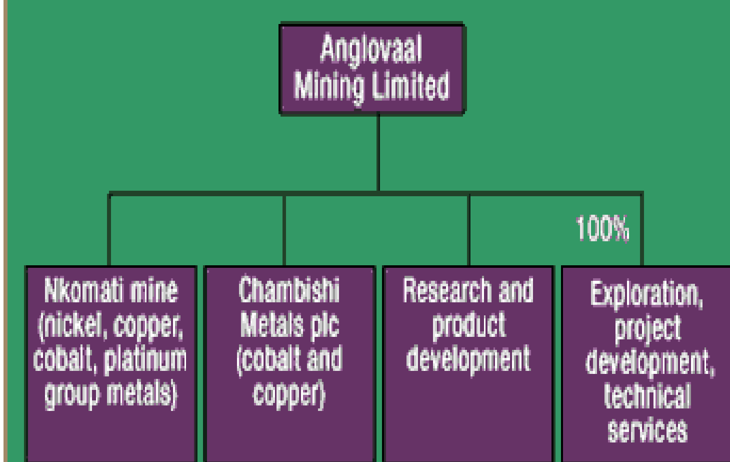
Neville Roberts
General Manager: Mining and Environment

Claus Schlegel
Chief Exploration Geologist: Central African Copperbelt

Thys Uys
General Manager: Engineering

Projects
Mark Bräsler
Lloyd Bradford

Base metals division: structure



The Nkomati mine is one of the world's **lowest cost** producers of nickel.
An **expansion of the existing** refinery and construction

Overview

The purchase by the Company of significant cobalt and copper assets in Zambia, combined with an existing South African-based nickel, copper, cobalt and platinum group metals operation, resulted in the Company forming a base metals division during the year with an independent and focused management team to develop and manage these interests. This division also incorporates the main nucleus of the Company's technical, research and project development employees.

The Company owns 75 per cent of the Nkomati mine in the Mpumalanga province, which is one of the world's lowest-cost producers of nickel and currently conducting a feasibility study to assess the viability of a major expansion.

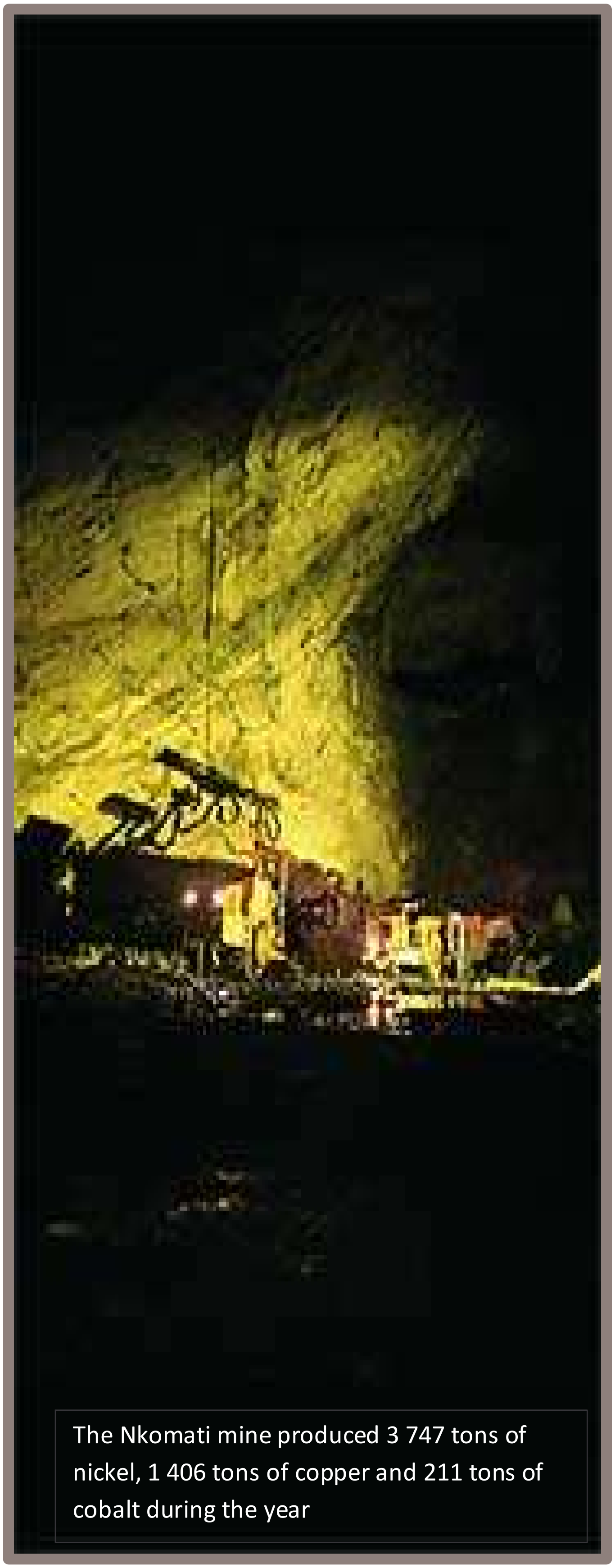
Avmin owns 90 per cent of Chambishi Metals plc, a Zambian-based company currently refining cobalt and copper concentrates for other Copperbelt operators.

An expansion of the refinery and construction of a new smelter are under way to allow Chambishi Metals to treat the 20 million ton, high-grade cobalt and copper surface deposit that was purchased together with the Chambishi Cobalt and Acid plants in September 1998.

Salient statistics

As at 30 June 1999	(Rm)
Turnover	303
Operating profit	76
Profit before taxation	78
Earnings	49
Capital expenditure	397

of a **new smelter** are under way to allow Chambishi Metals to treat its **20 million ton**, high-grade surface deposit.



The Nkomati mine produced 3 747 tons of nickel, 1 406 tons of copper and 211 tons of cobalt during the year

Nkomati mine

The Company's 75 per cent held Nkomati mine, the producer of nickel, cobalt, copper and platinum group metals (PGMs), had an exceptionally good year. Revenue rose to R142 million (R106 million) and operating profit increased substantially to R28 million (R12 million). The mine milled 188 698 tons (125 338 tons) of ore, producing 37 104 tons (35 517 tons) of concentrate with an average nickel grade that was 24 per cent higher than planned, at 10,10 per cent (8,17 per cent). The main metals produced for the year were as follows: 3 747 tons (2 437 tons) of nickel, 1 406 tons (924 tons) of copper and 211 tons (50 tons) of cobalt.

The year's results

Total cost of sales amounted to R106 million (R90 million), which was proportionally in line with the mine's milled tonnage increase. The mine remained at the lower-end of the cost quartile of international producers with a benchmark direct cost to produce nickel of US$0,84/lb (US$1,55/lb), net of by-product credits. During the year, the PGM credits remained an important contributor following strong metal prices received. The average nickel price received, US$4 500 a ton (US$5 798 a ton), reflected the downward trend in the international market. Capital expenditure for the year amounted to R13 million (R35 million) and it is expected that about R24 million, to be funded internally, will have been spent by the end of the next financial year on its expansion feasibility study and to allow the mine to increase run-of-mine production to an anticipated 192 000 tons a year.

Possible expansion

Avmin's base metal division is continuing with a detailed feasibility study to assess the potential of an expansion of mining operations to include portions of the large, lower-grade, reserve base. The possible expansion study includes an open-pit operation, an additional 150 000 tons a month mill/concentrator, ultra fine grinding of flotation concentrates followed by low pressure oxidation leaching of the milled product. The resulting liquours will pass through the solvent extraction and electro-winning stages for the recovery of copper and nickel cathodes and a cobalt carbonate precipitate. Laboratory and pilot plant testing of the process has been successfully undertaken with technical partners in Australia. The study is expected to be completed by mid-2000.

Chambishi Metals plc

During September 1998, the Company formed Chambishi Metals when it purchased the Chambishi Cobalt and Acid plants and the Nkana slag dumps, a high-grade on-surface cobalt and copper resource, from Zambia Consolidated Copper Mines Limited (ZCCM) for US$50 million. The existing cobalt and acid plants continued to refine material for other Copperbelt operators during the ten months of the year that the company owned these assets. The rehabilitation, modernisation and technological upgrading of the plant, which has cost US$7 million, has resulted in improved recoveries and product qualities. As a result of these improvements, an operating profit of R48 million was reported. The plant refined 1 844 tons of cobalt and 8 658 tons of copper during the year.

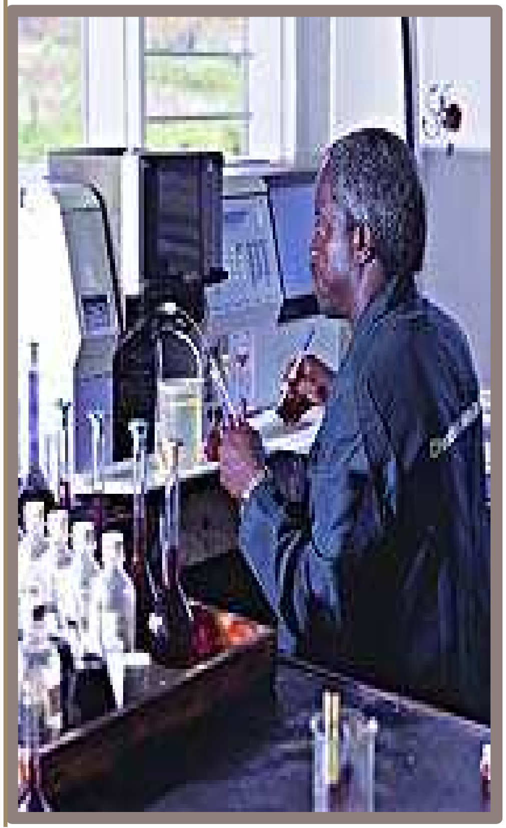
US$100 million expansion proceeding

Construction work has commenced to expand and further upgrade the plants, at an approximate cost of US$100 million, to allow Chambishi Metals to start treating the Nkana slag dumps.

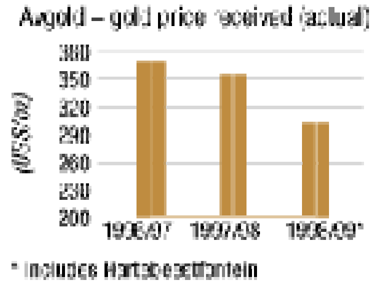
The Company has mandated Rand Merchant Bank to provide a seven-year US$70 million corporate/project finance facility to Chambishi Metals for this project. One of the agreements that the Company signed with the Government of the Republic of Zambia for the purchase of these assets was an expenditure commitment of not less than US$70 million. Final studies completed have determined the cost of the new plant to be US$100 million.

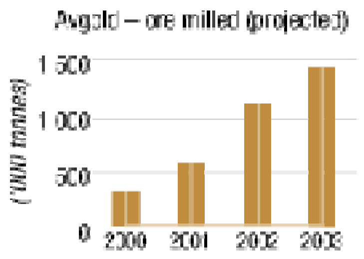
The surface dumps contain a resource of 20 million tons containing 0,76 per cent cobalt and 1,06 per cent copper. The following companies are in the process of developing the new facility:

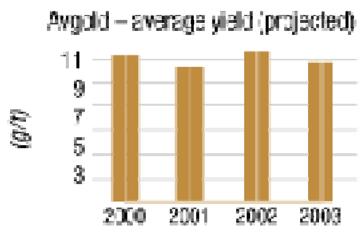
- Kvaerner Metals, which is the overall project manager together with Avmin's base metals division and is also responsible for the site utilities;
- Dowding, Reynard and Associates, material handling and feed preparation;
- Titaco Projects, furnace and ancillaries; and
- Hatch Africa, leach and hydrometallurgical processes.

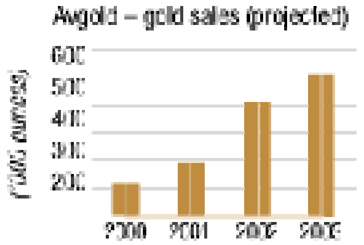


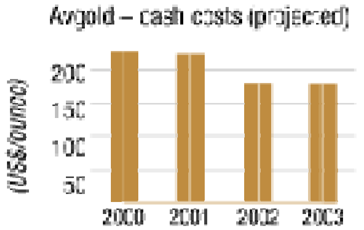
The upgrading of the Chambishi Metals refinery has resulted in improved recoveries and product qualities











Gold Division: management

AVGOLD LIMITED

Jurie Geldenhuys
Managing Director
Avmin management board member

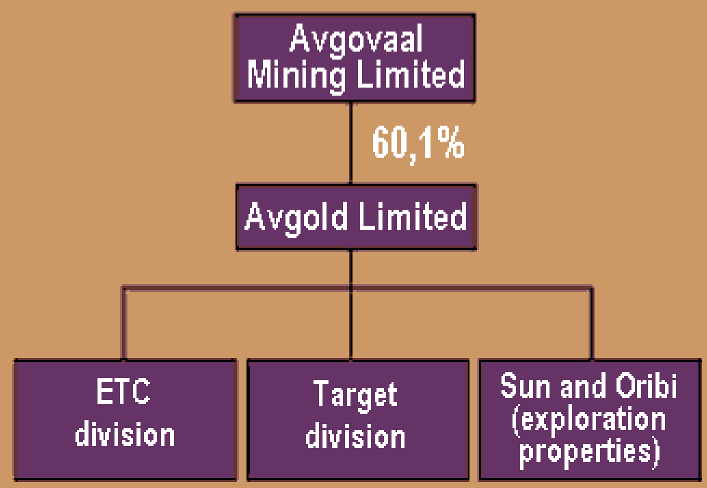
Doug Campbell
Financial Director

Roger Dixon
Executive General Manager: Projects

Tim Spindler
Operations Director

Mike van Aswegen
Executive General Manager: Exploration and Business Development

Gold division: structure



The sale of Harties has **realised R296** million for Avgold.

Avgold's **overall resource**

Review of Operations - Gold

Overview

Avgold Limited, of which the Company owns 60,1 per cent, has moved towards its objective of becoming a low-cost and high-quality gold producer. During the year, Avgold ceased operations at its high-cost Loraine mine and shortly after the end of the year, sold the Hartebeestfontein mine. This mature mine, which contributed 76 per cent of gold sales during the year, operated at margins that were not acceptable. Production will now be from the ETC mining complex, located in the Mpumalanga province and which comprises gold mines in South Africa's Barberton Greenstone Belt, and from the Target mine, located in the Free State province and which is in the production build-up phase. Thus, Avgold's remaining asset portfolio has high growth potential with an overall resource base that contains some 58 million ounces of gold and 2,8 million ounces of proved and probable reserves.

Salient statistics

As at 30 June 1999	(Rm)
Turnover	1 235
Operating loss	(1)
Profit before taxation	2
Earnings	9
Capital expenditure	406

base contains some **58 million** ounces of gold and **2,8 million ounces** of proved and probable reserves.

Avgold Limited

Avgold experienced a significant year moving towards its vision of becoming a high-quality and low-cost gold producer: the company turned a loss of R74 million last year into earnings of R9 million; its cash cost objective was achieved; the exciting new Target mine started producing its initial gold; and ETC commissioned its expanded biological oxidation (BIOX®) treatment facility. The most important development, however, occurred shortly after the end of the financial year when an unconditional agreement was signed with Durban Roodepoort Deep, Limited (DRD) for the sale of Avgold's Hartebeestfontein (Harties) mine as a going concern to Buffelsfontein Gold Mines Limited, a wholly-owned subsidiary of DRD.

The Harties divestment has realised R296 million for Avgold: R45 million cash and the balance received following the necessary close-out of the hedge book related to Harties' gold production. Avgold retained certain mining equipment and other assets, mainly refrigeration plants and winding equipment, with an estimated replacement value of R50 million.

Avgold will now be able to focus additional management and operational resources on the Target and ETC mines. Both Target and ETC meet the objectives of the company's overall strategy and any future development and operating decisions, specifically in the Target north, Sun south and Oribi areas, will be based on achieving these criteria.

Avgold also introduced a number of other initiatives during the year to achieve its low-cost strategy. Despite good progress, its non-South African exploration programmes have been curtailed to ensure unequivocal focus on the development of the Target mine. Prior to this decision, prospecting operations on properties already held and the search for quality exploration acquisitions in Africa were being pursued and Avgold is currently discussing various options to realise value for these assets.

The Johannesburg office employee complement has been reduced to a level that will result in savings of approximately R20 million a year and geological staff from Target's surface and underground exploration programmes and Avgold's African exploration ventures will be reduced as these activities wind down.

Funding

During the early part of the financial year, Avgold negotiated a funding facility with N M Rothschild and Sons for the future funding of the Target mine. Discussions were, however, terminated following the emerging market crisis of August 1998. Negotiations were then initiated, culminating in the signing of agreements in May 1999 for a four-year syndicated facility of US$100 million and R150 million with a consortium of financial institutions led by Warburg Dillon Read and Chase Manhattan Bank. This syndicate included most of the European banks traditionally linked to mining industry funding and was over-subscribed, which confirmed the Company's confidence in Target.

The subsequent decline in the gold price, however, led Avgold to initiate a complete review of its existing mine plans and to discuss with the facility providers the requirements regarding future hedging programmes. What resulted was a decision that the facility would not be in Avgold's best interest and the agreements were terminated. Shortly before this 41 197 429 new shares were issued for a consideration of 314 cents a share, which netted R127 million after costs and enabled the Target mine to complete its capital programme for the year.

The funding for Target over the next three years will, essentially, include the utilisation of that portion of the hedge book related to Harties' gold production, which has realised R251 million, and using the R45 million cash proceeds from the sale of Harties. Additional funding is being considered in conjunction with Avmin.

The year's results

Avgold's total ore milled (including Harties) declined to 6,1 million tonnes (6,8 million tonnes) and the average yield was lower at 3,26 g/t (3,86 g/t). Revenue for the year decreased from R1 642 million to R1 235 million as a result of gold sales reducing from 26 656 kg to 19 810 kg. Total gold sales for the year included 749 kg of gold from the plant clean-up at the Loraine mine, which has now ceased underground operations. Avgold's costs and expenses decreased to R1 236 million and, after adding a tax credit of R6 million to the income, net earnings totalled R9 million.

The average gold price received by Avgold rose to R59 055/kg (R56 649/kg), largely as a result of all gold being delivered against the hedge book during the year. The spot price of gold, which would have been received if Avgold had not hedged, averaged R55 664/kg. The average cash cost improved to R49 586/kg, or US$255/oz, from R52 370/kg, or US$328/oz.

Review of operations

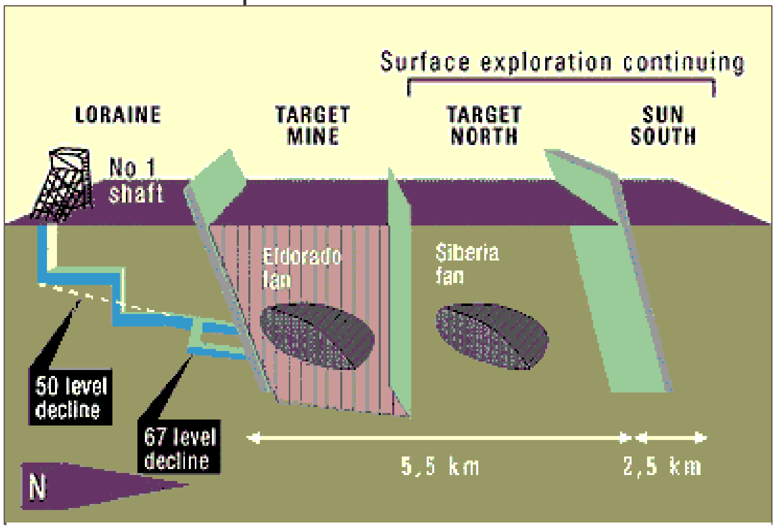
The majority of the underground exploration drilling at Target, and the subsequent interpretation and evaluation, has been completed. Proved and probable reserves at Target now total 2,2 million ounces, equivalent to seven years' of production at a planned milling rate of 90 000 tonnes a month. Total resources, that will sustain the mine's 14-year life, amount to 4,7 million ounces.

The detailed information from the drilling has also enabled the compilation of a comprehensive development and production plan. The mine remains on schedule to reach full production by January 2002 and expects to average 10 g/t over its life at a production rate of 330 000 ounces of gold a year at a projected average cost during its life of below US$150/oz of gold. The Target mine, which produced 84 kg, or 2 700 oz, of gold during the last year, will begin by exploiting the Eldorado fan in the southern portion of the Target area. Considerable potential exists beyond this fan in the northern part of the Target property as well as in the Sun south area, a contiguous property owned by Avgold. This area has been the focus of a surface exploration drilling programme started in 1997 and where about 19 000 metres of drilling have been completed to date.

A significant result of the drilling has been the emergence of the Dreyerskuil reef as a major resource. Selected intercepts within this reef with grades above 10 g/t and true widths in excess of ten metres suggest that this reef can be exploited by trackless mechanised methods similar to those being used at Target. The emergence of the Dreyerskuil reef in the postulated Siberia fan area is confirmation that gold mineralisation is concentrated in progressively higher stratigraphic levels northwards, as opposed to the Eldorado fan in the south.

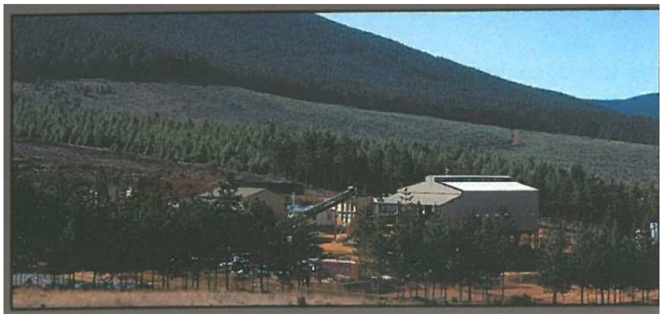
Harties' restructuring process, initiated at the end of the previous year, continued into 1999 and had largely been completed by the time the sale agreement with DRD had been signed. This restructuring succeeded in meeting gold production forecasts and the cash cost increase at the mine was contained to 4,5 per cent for the year.

At ETC, the restructuring and rationalisation initiated by the acquisition of Fairview in the previous year, advanced ahead of schedule. The New Consort-based roaster plant and the Agnes mine were closed earlier than planned and concentrates were stockpiled during the last quarter of the financial year while the expansion of a technologically advanced BIOX® metallurgical treatment facility was completed. The stockpile is currently being treated. Development of ETC's Sheba mine to access the deeper ore resources below 35 level using the Fairview infrastructure commenced during the year and is continuing to receive high priority. Various forms of mechanised mining, which have been successful at Sheba, are now also being introduced at the Fairview and New Consort mines. These activities, aided by increased ore reserves made available at the New Consort mine as a result of exploration in the previous year, will position ETC as a low-cost and high-quality gold producer in the medium term.



Schematic section of Avgold's northern Free State properties

Safety, health and environmental review



The Nkomati mine has been awarded a highly commended certificate by EPPIC

At Avmin, sustainability expresses the core of the Group's business philosophy and is seen as an essential part of the overall mining process. Sustainability in the context of this section of the report applies to all safety, health and environmental (SHE) matters for the exploration, development, operation and closure of mining and mineral-related entities in a manner that respects and responds to the social, environmental and economic needs. The needs of present generations, and anticipating those of future generations in the communities and areas where the Group works, are key factors in setting SHE objectives.

The slimes dams at ETC's Sheba mine where reclamation is under way for gold recovery and environmental control

Sound SHE policies are thus an essential part of the Avmin Group's core business and senior executives and line managers are committed to, and held accountable for, SHE issues. The Group's policies require operations to adhere to exceptional standards of safety and environmental compliance. These policies include:

- the education, training and motivation of employees and the promotion of environmental and safety awareness;
- conducting all activities in an environmentally responsible and safe manner;
- establishing environmental management systems at all operations, which include environmental auditing and monitoring;
- ensuring compliance with regulatory standards by environmental auditing; and
- developing and maintaining positive relationships with employees and all affected neighbours, Government departments and the public.
-

Forums

Sound corporate governance requires that companies adhere to and reflect a clear commitment and intent to manage SHE responsibilities. Avmin endorses this view and has implemented its responsibility in a way that SHE management becomes a line function with overall responsibility for the implementation of the policies at the management board, executive committee and Board level.

A SHE structure has been developed to give effective direction to managing SHE. The structure provides for a centralised base with quarterly reporting by all operations. It is this centralised committee that is empowered to make environmental policy decisions and to co-ordinate environmental management within the Group. New policies are in the process of being implemented at divisional level.

Guidelines

Guidelines for SHE are reviewed for each division and incorporated into a SHE policy. The SHE guidelines are based on quantifiable measures, which include performance indicators, developed to:

- provide independent and effective direction for each division within the Group;
- make divisions responsible for the implementation of the SHE policy;
- encourage divisions to promote the commitment to develop and harness processes of continuous operational performance; and
- enable divisions to review and monitor divisional SHE obligations.

Measures are in place to assess whether SHE management responsibilities are being met to ensure a safe and healthy environment throughout all operations. Efforts are concentrated on creating the co-operative environment necessary to achieve the Group's overall objectives.

Achievements for the year were significantly improved in terms of safety and environmental compliance:

1. Assmang's Nchwaning mine was awarded the Group's in-house safety award – the Santa Barbara trophy.
2. All Assmang's operations were again accredited with ISO 9002.
3. Avgold's Hartebeestfontein mine twice achieved one million fatality-free shifts during the year.
4. Avgold's Sheba mine, which forms part of ETC, recorded one million fatality-free surface shifts and its Target mine was awarded the Safety Achievement Flag by SIMRAC.
5. Nkomati, which had an exceptionally safe operating year, was awarded a highly commended certificate from the Environmental Planning Professions Interdisciplinary Committee (EPPIC) – one of South Africa's highest environmental accolades.
6. Since assuming ownership of Chambishi Metals in Zambia, the Company has embarked on a comprehensive safety and environmental process to upgrade the process and systems to ensure that these align with the Group's overall objectives.

Independent SHE audit

An independent audit has been conducted to enable the Board to assess whether environmental management responsibilities are being integrated into daily operations and whether objectives are being met. The audit found that there was:

- a high degree of SHE awareness;
- preparation that exceeded the Minerals Act environmental auditing requirement; and
- an overall improvement in environmental management performance.

The current environmental audits conducted by the independent consultant will allow for the development of better standards and guidelines for the Group.

Corporate citizenship – our role in the community

Avmin subscribes to the philosophy that to function as a responsible corporate citizen it needs to move beyond its basic business role of wealth creation and invest in projects and initiatives that do not, overtly, contribute to its immediate profitability.

The Group sees corporate responsibilities as encompassing all stakeholders: shareholders, customers, staff and the community as a whole. The responsibility to shareholders is to provide a return on an investment made. To customers the Group owes excellent service and the quality products they require. It is Avmin's responsibility to provide staff with equal opportunities, access to training, development, advancement and market-related rewards. Being a corporate partner to the community as a whole also means addressing deficits and priority needs across the social spectrum.

The mission of the Avmin Community Development Programme is to initiate, support and actively participate in programmes that seek to improve the quality of life of communities in South Africa, with a focus on community upliftment and education. The Group looks to achieve this through partnership with others in business, Government and the non-governmental sector. The main focus of both Avmin's programmes and the community development programmes of its subsidiaries is on people development and education.

The type of development programmes that receive support include:

- initiatives with a direct link to sustainable work or income generation opportunities for those unemployed in both urban and rural areas where the Group operates;
- youth development programmes that target the out of school and out of work, equipping them with the skills, resources and attitudes required to become constructive participants in the respective country's development;
- programmes that combat crime, promote sound provincial and national governance;
- initiatives that develop and recognise artistic talent; and
- activities that promote primary health care through education and home care programmes.

King Code of Corporate Practice and Conduct

The Board of Avmin is committed to maintaining the standards of integrity, accountability and openness advocated in the King Report on corporate governance. The directors endorse and, for the period under review, have applied the Code of Corporate Practice and Conduct set out in the King Report.

The companies that make up the Group recognise that organisations with high standards of corporate governance are more likely to gain the confidence of investors and other stakeholders.

The Board of directors

During the period 1 July 1998 to 30 June 1999, the directors met formally on eight occasions. The Anglovaal Mining Limited directorate is, at present, comprised of a non-executive Chairman, five non-executive directors and one executive director. The expertise and diverse skills of the directors are detailed on page 4 of this report to shareholders. Mr Kennedy Maxwell is Chairman and co-ordinates a range of activities that include: ensuring a strict policy is adhered to with regard to decisions reserved for the directors; promoting the overall effectiveness of corporate governance issues; approving annual budgets, as well as financial and strategic plans; maintaining results against budget; examining internal audit reports; reviewing Company control systems (including issues of safety, health and environmental impact); and ensuring that adequate measures are in place to assess major business risks. Mr Rick Menell, the Deputy Chairman and Chief Executive Officer, is responsible for day-to-day operations of the Company and chairs the management board and the Company's executive committee.

The management board

The management board is mandated to assist in setting the strategic direction of the Group, implementing strategy and maintaining effective management of the Group on a day-to-day basis.

The management board members, profiles of which can be found on pages 4 and 5 of this report, attend all meetings of the directors and form the nucleus of the Company's executive committee. In turn, the members of the executive committee, which meets weekly, contribute a diverse range of professional skills across the broad spectrum of the Company's activities.

With the exception of the Chairman, members of the main Board and management board do not have service contracts with the Company. All members have access to the advice of the Company Secretary and are entitled to seek independent professional advice about the affairs of the Company at the Company's expense.

Audit and remuneration committees

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

Audit committee

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

Internal audit

Avmin's internal audit department operates with full authority of the directors and management board.

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

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 the executive director and two non-executive directors, one of which is the Chairman of the Company. The General Manager: Human Resources, who attends all meetings, has direct access to all members of this committee.

Communication

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

Avmin is also currently in a process of distributing, throughout the organisation, its statements of business practice. Appropriately termed The Avmin Way, this process provides employees with a summary of its policies and procedures that are in place to ensure high standards of operating and related philosophies. These policies and procedures cover activities within the sectors of human resources, information technology, health, safety and environment, reputations and business integrity, human rights and accounting and finance. Employees can also access detailed versions and other information on an internal intranet site.

Diversity and employee participation

One of the aspects of the Company's initiatives in its repositioning strategies involves a process of accelerating the development of individuals within the Group through a process of effective diversity intervention and employee participation. The recognition of the diversity of the Company's employees and harnessing that diversity to improve performance and competitiveness represents a significant challenge. This is seen as a business imperative aided by the introduction of the Employment Equity Act. In terms of a policy outlined within the Company, operations have established equity committees to oversee the change process. In most instances, consultations with labour organisations and employees are at an advanced stage. Reporting on the Equity Plan and progress thereof is through the management board members and consolidated at Group level.

The Board has further approved an implementation programme with clearly defined time-frame objectives.

Safety, health and environmental practices

The Group subscribes to health, safety and environmental practices that exceed those required through legislation. Safety and health management comprises a three-way approach: the use of appropriate systems; the application of technology; and the involvement of all stakeholders in related matters. The Group's comprehensive approach to its environmental process is based on a programme that advances the broader goals of the social, economic and natural environment and to the integration of environmental management into all its activities. This is regarded as a key performance area for all operations.

Corporate citizenship

The Company has, for many years, operated various community trusts that administer contributions made by Avmin and its subsidiary companies. The emphasis continues to be on sustainable processes which aim to grow and develop people, rather than create infrastructure. The many supported projects are broadly defined in the areas of health, education and development. The contributions made by the Company exceed cheque-book participation, directed more towards an active involvement in sponsored projects. Senior management and representatives of the community investment unit are also involved on a regular basis with debate and research on development and corporate citizenship policies.

Risk factors

Forward looking statements

Certain statements included in this report may constitute "forward looking statements" that involve a number of risks, uncertainties and other factors that may in turn cause results to differ from those made in this report. Such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause the performance or achievements of the Group or the mining industry to be materially different from projected results, performances or achievements expressed or implied by those forward looking statements. The Group is subject to commodity price, exchange rate and interest rate variances and the risks involved in mining operations.

Mineral rights

The Group has taken cognisance of the White Paper on the Minerals and Mining Policy for South Africa released during 1998 by the South African Government. This demands, and has been receiving, detailed and careful consideration. Avmin endorses the policy's key objective that the State is, and must be, the custodian of the nation's mineral resources and that these resources are a national asset, and in this sense belong to all the people of South Africa.

The criteria against which the Group will seek to understand and evaluate the transitional arrangements are as follows:

- For the South African people to realise the optimal benefits which can flow from these mineral resources, the system of State regulation must ensure security of tenure.
- It cannot infringe on the property rights of private mineral rights holders.
- It must ensure the stability and continuity of current prospecting and mining operations. The Group is confident that in direct and constructive debate with Government officials, particularly the Department of Minerals and Energy, and other key stakeholders such as the industry's labour movement, a period of growth and prosperity for the South African mining industry will ensue.

Human resources issues

There are a number of important initiatives receiving special attention within the Company. These include:

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

Year 2000 Compliance

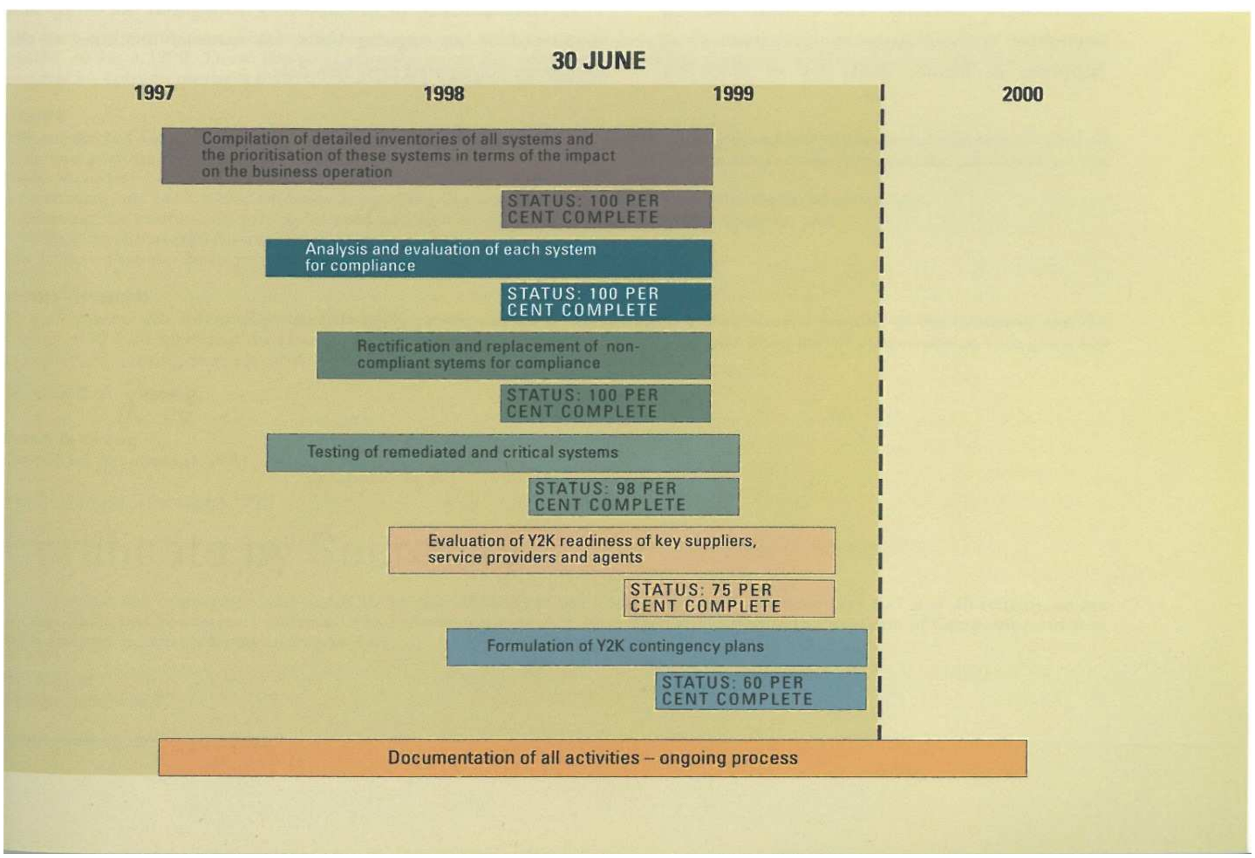
An issue affecting the Group and others is the inability of many computer systems and applications to process the year 2000 (Y2K) and beyond. To address this problem, the Group continued with its comprehensive programme to manage and co-ordinate the overall Y2K effort. A central steering committee continued to administer this function onto which members of senior management were co-opted.

State of readiness

All the objectives set in 1998 have been achieved and it is expected that all outstanding remediation efforts will be completed by October 1999. By June 1999, the operating entities within the Group had taken all reasonable steps to minimise the impact of Y2K-related problems. The following have been defined as the four distinct areas of risk for the Group's compliance efforts:

- immediate disaster (serious implication for the lives of and injuries to employees or possible causation of business failure);
- serious operational and financial difficulties (damaging profit or production decline over a few months);
- major operational or financial problem (profit or production problem over a few weeks); and
- minor operational or financial difficulty (no effect on the overall performance of the Group).

This risk matrix was used to identify a course of action for each activity within the four areas. Steering committees, based at the operating units, monitored the situation at operational level. The entire process was also monitored by the central steering committee. Almost all issues, resulting from the action plan, are now Y2K ready. A summary of the activities on which the Group has concentrated to remove possible risks is shown in the table below. The table also indicates the Group's timing to be Y2K ready by October 1999.



Y2K costs

It is estimated that the Group will spend about R5,0 million for its Y2K compliance initiative. This forecast amount will be incurred over a three-year period that commenced during 1997 and will end during 2000. To date, about R3 million has been spent, which represents about 16 per cent of the total information technology budget.

Y2K risks

The most likely worst-case scenario for the Group with respect to the Y2K problem is the failure of a supplier, including a power supplier, to be Y2K compliant to such an extent that the supply of needed products and services to any unit within the Group is temporarily interrupted. This could result in the Company or any one of its operating entities not being able to produce one or more of the commodities within the Group's portfolio. The central steering committee is monitoring the preparedness of suppliers to ensure plans are in place for uninterrupted service. In addition, various contingency plans are in place, some of which are indicated below, to counter the possible effects.

Y2K contingency plans

Contingency plans have been prepared for those areas that, should problems occur, may cause the operating entities to experience material difficulties. Key areas where in-house tests have been conducted are not included. The problems that may be encountered, even if remote, include the loss of:

- municipal and other electricity supplies;
- telephone and other communication links;
- the Group's wide area network – even though this has been tested, third-party equipment is outside of the Group's control;
- cash inflows and outflows as well as the malfunction of the employee payroll system; and
- the Group's commodity sales distribution network.

The contingency plan initiative will be completed by October 1999, communicated to all employees throughout the Group and monitored on an ongoing basis. No material liabilities of the Group are anticipated after this date.

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The annual financial statements and Group annual financial statements which appear on pages 34 to 81 were approved by the directors on 26 August 1999 and are signed on their behalf by:

K W Maxwell
Chairman

R P Menell
Chief Executive Officer

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 34 to 81 for the year ended 30 June 1999. 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 1999 and the results of their operations and cash flows for the year then ended in accordance with generally accepted accounting practice, and in the manner required by the Companies Act.

Ernst & Young

Ernst & Young
Chartered Accountants (SA)
Johannesburg, 26 August 1999

Certificate by Secretary

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

S E Sather
Company Secretary
Johannesburg, 26 August 1999

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. These interests include an important interest in a large diamond mine. The operational focus is concentrated in three areas: ferrous metals, base metals and gold. The Company also maintains a core central unit that provides a range of services and skills within the areas of finance, legal services, human resources and information technology. Strategic initiatives and commercial transactions are implemented and maintained by the central unit and the Company also participates directly in, and arranges finance for, mineral prospecting operations and mining development.

RESTRUCTURE OF THE GROUP

During the year shareholders approved restructuring programmes which resulted in the following:

- The unbundling of the ultimate holding company, Anglovaal Holdings Limited, whereby its entire holding in the Company was distributed to its shareholders by means of a dividend in specie and capital reduction.
- The conversion of the Company's N ordinary shares into ordinary shares thus consolidating the share capital in the Company into one class of listed share.
- The creation of a temporary control structure.
- The creation of a separate holding company for Anglovaal Industries Limited ("AVI").
- The sale of the Company's entire interest in AVI to Anglovaal Industrial Holdings Limited, a wholly-owned subsidiary of the Company, which in turn was unbundled by way of a dividend in specie.
- Avmin Limited became a wholly-owned subsidiary of the Company by way of a Scheme of Arrangement.
- The Company changed its name from Anglovaal Limited to Anglovaal Mining Limited.
- With effect from 1 January 1999, a rationalisation scheme was concluded, resulting in all Avmin's assets being transferred into the Company.

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 generally accepted accounting practice. They are based on appropriate accounting policies which have been consistently applied except for the changes noted below, and which are supported by reasonable and prudent judgements and estimates. The annual financial statements have been prepared on a going-concern basis and the directors have no reason to believe that the business of the Company will not be a going concern in the years ahead.

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

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

SHARE CAPITAL

During the year:

- A capitalisation award of N shares and the subsequent consolidation and conversion of all N shares into ordinary shares resulted in 46 212 575 N shares of 0,01 cent each being converted into 46 212 575 ordinary shares of 5 cents each;
- 646 380 compulsorily convertible preference shares were created and issued;
- 26 699 782 ordinary shares were issued in terms of the Scheme of Arrangement whereby the Avmin Limited shares not already held by the Company were acquired;
- 9 091 200 ordinary shares were issued for cash;
- 6 147 908 ordinary shares were issued as consideration for 67 626 990 Avgold Limited shares;
- 48 244 ordinary shares were issued to share incentive scheme members who exercised options held in terms of the Company's share incentive schemes. No shares were issued to directors.

Reference should be made to the following circulars to shareholders regarding the details of and reasons for changes made to the authorised share capital of the Company following the Group restructuring:

Circular dated 20 August 1998 – Paragraph 3.3 and Appendix 1, Paragraph 2 *and*
Circular dated 23 October 1998 – Paragraph 3.

Pursuant to the abovementioned changes and to the transfer from the share premium account to distributable reserves as proposed in this report under the heading "Capitalisation share award and dividend", the Company's share capital is as follows:

	Rm
Authorised	
196 668 737 ordinary shares of five cents each	9,8
646 380 compulsorily convertible preference shares of approximately 678 cents each	4,4
Total authorised capital	14,2
Issued	
106 199 709 ordinary shares of five cents each	5,3
646 380 compulsorily convertible preference shares of approximately 678 cents each	4,4
Share premium account	1 692,0
Total issued capital and share premium	1 701,7

REPORTING IN UNITED STATES DOLLARS

For the benefit of international investors the income statement, balance sheet and cash flow statement of the Group have been translated into United States dollars and are presented on pages 82 to 85.

FINANCIAL

Details concerning the activities and results of operations of the Group for the year are incorporated in the Chief Executive Officer's report and the income and supporting statements. The financial position of the Company and its subsidiaries is set out in the balance sheet which contain, *inter alia*, information regarding capital, reserves and provisions.

At 30 June 1999 the borrowing powers of the Company and its subsidiaries were limited to R4 002 million. Borrowings of the Group at that date amounted to R730 million of which R389 million were long-term and R341 million were short-term.

CHANGES IN ACCOUNTING POLICIES

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

- The policy in respect of accounting for goodwill has changed from immediate recognition against reserves to recognition as an asset and systematic amortisation to the income statement.
- The policy in respect of provisions made for overhauling of furnaces and ancillary equipment has changed. Provisions are no longer made for major furnace maintenance and expenditure in this regard and is now capitalised and amortised over the expected useful lives of the furnaces.

The effects of these changes in accounting policies are set out in note 1 of the notes to the financial statements.

DIVIDEND POLICY

The Company's dividend policy is that it will declare dividends that are covered at least four times by income generated from the Company's core businesses of diamonds, gold, ferrous metals and base metals. This is in light of requirements to fund significant development projects. A single dividend will be paid annually after the announcement of annual results.

CAPITALISATION SHARE AWARD AND DIVIDEND

The rationalisation of the Company and of Avmin Limited with effect from 1 January 1999 resulted in an exceptional write-off in the income statement of the Company (not on consolidation) which in turn resulted in a negative distributable reserve figure at 30 June 1999. In order to eliminate such negative balance and to provide at least sufficient distributable reserves in the Company to cover a proposed capitalisation share award/dividend and contingencies, the necessary resolutions to transfer the appropriate amount from the share premium account will be proposed at the forthcoming annual general meeting on 4 November 1999. Appropriate amendments to the Articles of Association will also be proposed. The required resolutions are included in the Notice to Members. Immediately following the annual general meeting the Board of directors intend to award capitalisation shares to members provided that members may instead elect to receive a cash dividend of 70 cents per share in respect of the financial year ended 30 June 1999 in respect of all or part of their shareholdings. Such dividend will be covered approximately four times by headline earnings.

The aforementioned proposals have been effected in the annual financial statements of the Company in respect of the year ended 30 June 1999.

INVESTMENTS

Details of the Company's direct and indirect interests in subsidiaries, joint ventures, partnerships and other investments are given in separate reports which form part of the annual financial statements.

In addition to the changes in the Company's portfolio of investments arising from the restructuring during the year which are reported elsewhere in this report (page 75), the Company disposed of its investments in Avmin Coal Holdings (Proprietary) Limited and East Rand Coal Holdings (Proprietary) Limited for a consideration of US$40 million. The principal assets of these companies included the Company's interests in the Forzando and Dorstfontein coal mines and the Eloff coal resources.

The interest of the Company in Avgold Limited increased to 60,1 per cent as a result of a share exchange whereby Company shares were issued in exchange for Avgold shares at an exchange ratio of eleven Avgold shares for one Company share.

Towards the end of the year the Company's interest in Rhino Minerals (Proprietary) Limited was disposed of for a consideration of R133 million. The principal assets of this company included the Company's interest in two andalusite mines in the Northern province.

SHARE INCENTIVE SCHEMES

At a general meeting held on 20 November 1998, the Company adopted a new share incentive scheme, The Anglovaal Mining Share Incentive Scheme ("the Scheme"), to replace The Anglovaal Limited 1990 Employee Share Incentive Scheme ("the 1990 Scheme") which, as a result of the restructuring, is now closed. The new Scheme includes employees of Avmin Limited whose share incentive scheme was cancelled when Avmin was delisted following the Company's acquisition of its minorities in December 1998.

In terms of the Scheme, a total of 4 600 000 ordinary shares are under the control of the directors for issue, either directly or through the grant of options, to eligible employees. During the year existing Avmin Limited options were replaced with 2 389 694 options in the Company. Of these, 4 036 options were forfeited, 45 944 options were exercised, and a further 87 776 options to acquire shares were granted.

At 30 June 1999, 2 427 490 options were held by Scheme members, leaving 2 172 510 shares available for future utilisation.

In terms of the 1990 Scheme a total of 510 000 ordinary shares remained under the control of the directors for issue, either directly or through the grant of options, to those employees eligible prior to the closure of this Scheme. During the year 2 300 options to acquire shares were exercised and 49 200 options to acquire shares were cancelled. Following the decision, as part of the restructuring of the Group, that certain functions of the Company's head office be discontinued, resulting in the early retirement or retrenchment of head office staff, the 1990 Scheme was amended to allow participants to exercise options in the Company at any time between their date of retirement or retrenchment and 30 June 2001. Further amendments were also made to the 1990 Scheme to accommodate the N share conversion and splitting of the Company's industrial and mining interests. At 30 June 1999, 455 463 options were held by Scheme members. No shares have been issued.

The 1984 Anglovaal Limited Employee Share Incentive Scheme is now closed. During the year the remaining 6 500 shares were released to Scheme members. The 1984 Scheme is being wound up.

LOANS FOR PURCHASE OF MINERAL RIGHTS AND MINE DEVELOPMENT COSTS

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

DIRECTORATE

On 24 February 1999, Mr B E Hersov resigned as Chairman and director of the Company. He had been on the Board for 50 years and the directors sincerely thank him for his many years of service. Mr K W Maxwell, who was appointed a director of the restructured Anglovaal Mining Limited on 7 December 1998, was elected Chairman with effect from 24 February 1999. Messrs D D Barber, J J Geldenhuys, J R Hersov, J C Robbertze, R B Savage, N S Segal, R T Swemmer and R A D Wilson also resigned as directors during the year. The directors also thank them for their loyal and dedicated service rendered. In addition to Mr K W

Maxwell, Drs T V Maphai and M Z Nkosi and Messrs J R McAlpine, D E Jowell and B M Menell were appointed directors during the year.

Mr R P Menell was appointed Deputy Chairman and Chief Executive Officer.

In terms of the Company's Articles of Association, Drs T V Maphai and M Z Nkosi and Messrs D E Jowell, K W Maxwell, J R McAlpine and B M Menell retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

INTERESTS OF DIRECTORS

Messrs B M Menell and R P Menell have equally between them an indirect interest in 646 380 compulsorily convertible preference shares and 9 601 297 ordinary shares representing 50,17 per cent of the votes in issue.

In addition, the direct and indirect beneficial and deemed beneficial interests of the directors of the Company (including after due enquiry in this regard, their family interests) in the issued share capital of the Company at 30 June 1999 were as follows:

	1999	**1998**
Direct		
Ordinary shares	**5 605**	15 010
Ordinary shares – options	**205 642**	–
N ordinary shares	**–**	141 820
N ordinary shares – options	**–**	385 396
Indirect deemed beneficial		
Ordinary shares	**34 527**	–

The Company has not been notified of any changes in these interests during the period 1 July 1999 to the date of this report.

SHAREHOLDER SPREAD

The percentage of shares held by non-public and public shareholders at 30 June 1999 were as follows:

	Ordinary shares %	Convertible preference shares %
Non-public shareholders		
– beneficial holders in excess of 10 percent of the capital of the company	51,6	–
– directors of the Company	9,1	100,0
	60,7	100,0
Public shareholders	39,3	–
	100,0	100,0

MAJOR SHAREHOLDERS

The following shareholders, insofar as it is known, are the registered holders of five per cent or more of the issued ordinary shares in the Company at 30 June 1999:

	Number of shares	%
De Beers Consolidated Mines Limited	21 300 000	20,06
First National Nominees (Proprietary) Limited	6 426 176	6,05
Investec Nominees (Proprietary) Limited	5 454 700	5,14
Nedcor Bank Nominees (Proprietary) Limited	5 763 780	5,43
Old Mutual Nominees (Proprietary) Limited	17 306 405	16,30
Standard Bank Nominees	16 231 875	15,28

TRANSFER SECRETARIES

The Company's transfer secretaries were changed – Rand Registrars Limited to Mercantile Registrars Limited – after the former became a wholly-owned subsidiary of the latter. The new transfer secretaries' addresses are reflected on page 90.

POST-BALANCE SHEET EVENTS

Since the end of the financial year the Company has sold its interest in Orion Mining & Prospecting Company (Proprietary) Limited, the holding company for the Company's interest in a chrome mining operation (Horizon) for an amount of R22 million. The sale is subject to certain conditions precedent being met and these are currently being attended to. During August 1999, the sale of Avgold Limited's Hartebeestfontein mine realised R296 million: R45 million cash and R251 million from the necessary close-out of the hedge book related to its gold production. Certain mining equipment and other assets were excluded from this divestment.

ACCOUNTING POLICIES

The accounting policies as set out below have been consistently applied except as stated in the Directors' report which appears on page 34 to 39 and note 1 to the financial statements.

The annual financial statements are prepared on the historical cost basis as adjusted for the revaluation of certain freehold land and buildings and are in accordance with South African statements of generally accepted accounting practice.

BASIS OF CONSOLIDATION AND GOODWILL

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

Goodwill represents the excess of the cost of the investment resulting from a business combination, over the fair value attributable to the net assets acquired and is amortised on the straight-line basis over the estimated useful life of the entity acquired up to a maximum of 20 years. This represents a change in accounting policy and is applied prospectively with effect from 1 July 1998 and therefore has no effect on prior year periods.

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

Investments in associated companies are accounted for on the equity method and investments in joint ventures are accounted for on the proportionate consolidation method, as detailed in the accounting policy on investments below.

BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or development of a fixed asset that requires a substantial period of time to prepare for its intended use are capitalised.

DEFERRED TAXATION

Deferred taxation is recognised using the comprehensive basis. A deferred tax asset is recognised only if there is assurance, beyond reasonable doubt, that the amount is recoverable against future taxable income. Where the net deferred tax position of a company results in a deferred tax asset as a result of recognition of a deferred tax asset on an assessed loss, the asset is not recognised on the balance sheet.

ENVIRONMENTAL REHABILITATION EXPENDITURE

The estimated cost of final rehabilitation is based on current legal requirements and existing technology and is reassessed annually. An appropriate portion of the estimated cost is charged to income, based on the units-of-production mined during the current year as a proportion of the estimated total units which will be produced over the life of the mine. Cost estimates are not reduced by the potential proceeds from the sale of assets. Annual payments are made to rehabilitation trust funds in accordance with statutory requirements.

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 fixed and intangible assets – mine development below. Where it is subsequently found that no potential exists to develop a mine, the capitalised costs are written off in full.

FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

FIXED AND INTANGIBLE ASSETS

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

Mine development

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, are capitalised. Development costs to maintain production are expensed as incurred.

Mine development costs are amortised using the units-of-production method based on estimated proven 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.

Plant and machinery

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

Land and buildings

Freehold land and buildings, other than mine properties, are reflected at valuation. Land is valued at open-market value, specialised buildings are valued at depreciated replacement value and non-specialised buildings at open-market value.

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

Land and non-specialised buildings are not depreciated. Specialised buildings on freehold land 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.

Mineral rights

Mineral rights which are being depleted are amortised over their estimated useful lives using the units-of-production method based on proven and probable ore reserves. Where the reserves are not determinable, due to their scattered nature, the straight-line method is applied. The maximum rate of depletion of any mineral right is 25 years. Mineral rights which are not being depleted are not amortised. Mineral rights which have no commercial value are written off in full.

The excess purchase price over the fair value paid for mineral rights is recognised as being an amount paid for the acquisition of ore reserves. This amount is capitalised and amortised over the period during which future economic benefits are expected to be obtained from these mineral rights, up to a maximum period of 25 years.

Intangible assets

Intangible assets are capitalised and amortised in accordance with the goodwill policy referred to in the Basis of consolidation and goodwill policy detailed above.

Other

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

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

FOREIGN CURRENCY TRANSLATIONS

Foreign entities

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

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

Foreign currency transactions and balances

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

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

Forward exchange contracts are valued at the balance sheet date using the forward rate available at the balance sheet date for the remaining maturity period of the forward contract. The difference between the value determined and the contracted forward rate is multiplied by the foreign currency amount and the subsequent gain or loss is recognised in the income statement. A corresponding forward exchange asset or liability is recognised.

On settlement of a forward exchange contract, the difference between the contract rate and spot rate at settlement date multiplied by the foreign currency amount is recognised as a gain or loss in the income statement.

INVENTORIES

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

- 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.
- Uranium is valued at the estimated variable cost associated with its production.

INVESTMENTS

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

Associated companies

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

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

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

If an associated company applies accounting policies that are recognised as being materially different to those adopted by the Group, appropriate adjustments are made to the financial statements of the company prior to equity accounting in order to obtain consistency of approach to profit recognition. Where associated companies do not have common accounting dates the most recent published information is used in the case of listed companies and the most recent audited financial statements are used in the case of unlisted companies. Adjustments are made in both cases for the effects of any significant events or transactions which take place between the reporting date of the associated company and that of the Group.

Joint ventures

Joint ventures are contractual agreements whereby the Group has joint control over the financial and operating policy decisions of the enterprise. The Group's attributable share of the assets, liabilities, income and expenses of such jointly controlled entities is incorporated on a line-by-line basis in the Group financial statements. Upon entering into a joint venture, goodwill is identified by comparing the cost of the investment with the attributable portion of the fair value of the joint venture. The goodwill is amortised to the income statement in accordance with the group policy.

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

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

LEASED ASSETS

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.

Other leases which merely confer the right to the use of an asset are treated as operating leases, with lease payments charged against operating profit.

PENSIONS AND OTHER POST-RETIREMENT BENEFITS

Current service costs in respect of defined contribution plans and defined benefit plans are expensed as incurred. Past service costs, experience adjustments and the effects of amendments to defined benefit plans are charged to income over the expected remaining working lives of current employees or are charged immediately, in the case of retired employees. The costs of providing defined benefits are actuarially determined using the projected unit method of valuation.

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:

- The Company has a present legal or constructive obligation to transfer economic benefits as a result of past events.
- A reasonable estimate of the obligation can be made.

A present obligation is considered to exist when the Company has 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 economic benefits associated with a transaction will flow to the Group and the amount of revenue can be measured reliably.

Dividends

Dividends are recognised at the time the right to receive the dividends have been established.

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 concentrates belonging to third parties. The revenue is based on the final metal recoveries from concentrates at the agreed contract rates.

DEFINITIONS

Cash and cash equivalents

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

Earnings per share

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

Headline earnings per share

Headline earnings comprise earnings, adjusted for profits, losses, non-cash flow items and items of a capital nature that do not form part of the ordinary activities of the Company and that do not therefore give an indication of the results from continuing operations of the Company.

These items are adjusted against earnings after taking into account attributable taxation and minority interests. The adjusted earnings figure is divided by the weighted average number of shares in issue to arrive at headline earnings per share.

Fully diluted earnings per share

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

Cash generated from operations per share

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

Income statement

for the year ended 30 June 1999

	Note	GROUP Actual 1999 Rm	GROUP Pro forma 1998 Rm	COMPANY Actual 1999 Rm
Revenue	2	**2 489**	2 539	**215**
Cost of sales		**1 673**	1 754	**38**
Gross profit		**816**	785	**177**
Other operating income		**126**	119	**72**
Other operating expenses		**296**	373	**110**
Profit from operations	3	**646**	531	**139**
Income from investments	4	**54**	132	**390**
Finance costs		**125**	117	**50**
Profit before exceptional items		**575**	546	**479**
Exceptional items	5	**208**	(462)	**(2 033)**
Profit before taxation		**783**	84	**(1 554)**
Taxation	7	**147**	200	**(9)**
Profit after taxation		**636**	(116)	**(1 545)**
Income from associates	8	**4**	(37)	–
Net profit		**640**	(153)	**(1 545)**
Minority interest		**118**	89	
Earnings		**522**	(242)	**(1 545)**
Headline earnings	10	**290**	228	**473**
Earnings per share (cents)	11	**562**		
Headline earnings per share (cents)	11	**312**		
Fully diluted earnings per share (cents)	11	**557**		
Dividends per share (cents)	9	**70**		
Number of ordinary shares in issue at end of year (thousands)		**106 200**		
Weighted average number of ordinary shares in issue (thousands)		**92 894**		
Weighted average number of ordinary shares used in calculating fully diluted earnings per share (thousands)	11	**93 796**		

Balance sheet

as at 30 June 1999

		GROUP	COMPANY	
		1999	**1999**	1998
	Note	**Rm**	**Rm**	Rm
ASSETS				
Non-current assets				
Fixed and intangible assets	12	**3 058**	**121**	23
Loans and long-term receivables		**–**	**8**	–
Investments	13	**16**	**1 803**	3 627
		3 074	**1 932**	3 650
Current assets				
Inventories	15	**672**	**13**	–
Trade and other receivables		**665**	**307**	543
Taxation		**5**	**–**	–
Cash and cash equivalents		**436**	**373**	857
		1 778	**693**	1 400
Total assets		**4 852**	**2 625**	5 050
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary share capital	16	**5**	**5**	1
Preference share capital	16	**4**	**4**	–
Share premium	16	**1 692**	**1 692**	1 180
Non-distributable reserves		**98**	**101**	38
Distributable reserves		**202**	**2**	2 073
Shareholders' interest in capital and reserves		**2 001**	**1 804**	3 292
Minority interest	17	**1 124**		
Total shareholders' interest		**3 125**	**1 804**	3 292
Non-current liabilities				
Long-term borrowings	18	**389**	**314**	–
Deferred taxation	19	**142**	**(6)**	–
Long-term provisions	20	**187**	**50**	–
		718	**358**	–
Current liabilities				
Trade and other payables	21	**592**	**123**	122
Taxation		**58**	**28**	2
Shareholders for dividends		**18**	**18**	101
Overdrafts and short-term borrowings	22	**341**	**294**	1 533
		1 009	**463**	1 758
Total equity and liabilities		**4 852**	**2 625**	5 050

Statement of changes in equity

for the year ended 30 June 1999

Group	Note	Share capital and premium Rm	Non-distributable reserves: Revaluation surplus Rm	Non-distributable reserves: Other Rm	Distributable reserves Rm	Total Rm
Balance at 30 June 1998		1 176	212	580	1 847	**3 815**
Change in accounting policies	1	–	–	–	9	**9**
Restated balance		1 176	212	580	1 856	**3 824**
Revaluation reversal		–	(13)	–	–	**(13)**
Foreign currency translation reserve		–	–	(2)	–	**(2)**
Net losses not recognised in the income statement		–	(13)	(2)	–	**(15)**
Earnings		–	–	–	522	**522**
Reallocation of reserves		–	–	10	(10)	–
Ordinary dividends		–	–	–	(74)	**(74)**
Dividend in specie	9	–	(193)	(510)	(2 322)	**(3 025)**
Reserves attributable to minorities of National Brands Limited		–	–	(66)	–	**(66)**
Share issues net of expenses		779	–	–	–	**779**
Associated company now subsidiary		–	–	28	(28)	–
Transfer of share premium	16	(254)	–	–	254	–
Share election reserve	9	–	–	56	–	**56**
Other movements		–	–	(4)	4	–
Balance at 30 June 1999		1 701	6	92	202	**2 001**
Company						
Balance at 30 June 1998		1 181	19	19	2 073	**3 292**
Revaluation reversal		–	(13)	–	–	**(13)**
Foreign currency translation reserve		–	–	3	–	**3**
Net gains and losses not recognised in the income statement		–	(13)	3	–	**(10)**
Earnings		–	–	–	(1 545)	**(1 545)**
Ordinary dividends		–	–	–	(74)	**(74)**
Dividend in specie	9	–	–	–	(716)	**(716)**
Share issues net of expenses		779	–	–	–	**779**
Elimination of cross-holdings		(5)	–	–	–	**(5)**
Transfer of share premium	16	(254)	–	–	254	–
Share election reserve	9	–	–	56	–	**56**
Prospecting loan realised on unbundling of Avmin Limited		–	–	17	–	**17**
Reserves of joint venture acquired		–	–	–	10	**10**
Balance at 30 June 1999		1 701	6	95	2	**1 804**

Cash flow statement

for the year ending 30 June 1999

	Note	GROUP 1999 Rm	COMPANY 1999 Rm
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from customers		2 430	535
Cash paid to suppliers and employees		1 962	174
Cash generated from operations	30	468	361
Utilised against provisions		(8)	(1)
Interest received		43	47
Interest paid		(125)	(50)
Dividends received		11	129
Dividends paid	31	(139)	(101)
Taxation paid	32	(143)	(7)
Net cash inflow from operating activities		107	378
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries, net of cash acquired	33	35	–
Proceeds from disposal of subsidiaries, net of cash acquired	34	238	–
Acquisition of business of subsidiary	35	–	7
Proceeds from sale of interest in joint venture		1	–
Additions to fixed assets to maintain operations		(175)	(5)
Additions to fixed assets to expand operations		(572)	–
Proceeds on disposal of fixed assets		18	2
Proceeds on disposal of investments		419	435
Other investments acquired		–	(32)
Net cash (out)/in-flow from investing activities		(36)	407
CASH FLOW FROM FINANCING ACTIVITIES			
Increase in shareholder funding		200	200
Long-term borrowings raised		317	–
Decrease in short-term borrowings		(309)	(1 484)
Decrease in loans and long-term receivables		90	15
Net cash in/(out)-flow from financing activities		298	(1 269)
Net increase/(decrease) in cash and cash equivalents		369	(484)
Cash and cash equivalents at beginning of year		1 207	857
Cash and cash equivalents not available due to unbundling of Anglovaal Industries Limited	36	(1 140)	–
Cash and cash equivalents at end of year		436	373
Cash generated from operations per share (cents)		504	389

Notes to the financial statements

for the year ended 30 June 1999

	GROUP Actual 1999 Rm	GROUP Pro forma 1998 Rm	COMPANY Actual 1999 Rm
1. CHANGE IN ACCOUNTING POLICIES			
During the year, the Group changed its accounting policy in respect of accounting for goodwill from immediate recognition in reserves to recognition as an asset and systematic amortisation to the income statement			
This change in accounting policy results in negative goodwill of R34 million being reflected as an intangible asset in the balance sheet, which would previously have been recognised as a non-distributable reserve.			
A further change relating to the policy in respect of provisions for the overhauling of furnaces and ancillary equipment resulted in a prior year adjustment in The Associated Manganese Mines of South Africa Group. This change had the following effect on opening retained profit:			
Effect on 1998 year			
Decrease in cost of sales	7		
Increase in deferred taxation	(13)		
Decrease in minority interest	3		
	(3)		
Effect on opening retained income	12		
Net effect	9		
Effect on 1999 year			
The effect of the change in accounting policy is to increase earnings for the current year as follows:			
Increase in net profit	5		
Increase in taxation	(1)		
Increase in minority interest	(2)		
Net effect	2		
2. REVENUE			
For financial and investment companies revenue comprises fees, dividends and interest received. For reporting purposes fees are included in other operating income, whilst dividends and interest received are included in investment income. For mining and related companies revenue comprises:			
-mining and related products	1 952	1 779	60
-by-products	20	-	-
-mining supplies and other commodities	161	335	-
-profit distributions from The Saturn Partnership	263	425	155
-toll treatment and other services	93	-	-
	2 489	2 539	215
Revenue between companies within the Group, including revenue at arm's length, is eliminated on consolidation.			

		GROUP Actual 1999 Rm	GROUP Pro forma 1998 Rm	COMPANY Actual 1999 Rm
3. PROFIT FROM OPERATIONS				
Profit from operations includes:				
Gains on extinguishment of debt		**6**	-	**-**
Surplus on disposal of fixed assets		**8**	10	**-**
Amortization and depreciation	-land and buildings	**2**	2	**-**
	-mine development and exploration	**17**	7	**7**
	-intangible assets	**-**	4	**-**
	-plant and machinery	**65**	37	**4**
	-other	**30**	24	**2**
Auditors' remuneration	-audit fees	**3**	4	**1**
Exploration expenditure		**50**	95	**8**
Foreign exchange losses	-realised	**1**	48	**1**
	-unrealised	**1**	5	**1**
Operating leases	-buildings	**-**	10	**-**
	-equipment and vehicles	**1**	4	**-**
Provisions-long term		**4**	9	**-**
Provisions-short term		**30**	88	**7**
Retirement benefit costs	-defined benefit pension	**26**		**-**
	-defined contribution pension	**15**		**3**
	-medical aid fund	**15**		**3**
Transfer, secretarial, financial, research and development expenditure		**3**	58	**1**
4. INCOME FROM INVESTMENTS				
Dividend income	-subsidiary companies – listed			**55**
	-subsidiary companies – unlisted			**221**
	-other – listed	**4**	4	**61**
	-other – unlisted	**7**	17	**6**
Interest received	-subsidiary companies			**30**
	-other	**43**	111	**17**
		54	132	**390**
5. EXCEPTIONAL ITEMS				
Consulting and professional fees		**-**	(27)	**-**
Investment in Avmin Limited written off due to restructuring		**0**	(59)	**(2 048)**
Impairment of assets		**(26)**	-	**-**
Option agreement cancellation		**-**	(1)	**-**
Premium on loan stock redemption		**-**	(339)	**-**
Provisions		**(77)**	-	**(73)**
Redundancy costs		**(10)**	(47)	**(7)**
Restructuring costs		**(8)**	-	**(8)**
Surplus on disposal of discontinued operations		**137**	-	**105**
Surplus/(loss) on disposal of other investments		**191**	14	**(2)**
Other		**1**	(3)	**-**
Exceptional items per income statement		**208**	(462)	**(2 033)**
Outside shareholders' interest		**-**	8	**-**
Net exceptional items		**208**	(470)	**(2 033)**

	GROUP Actual 1999 Rm	GROUP Pro forma 1998 Rm	COMPANY Actual 1999 Rm
6. DIRECTORS' EMOLUMENTS			
Paid by the company:			
Executive directors			
-salaries			5
-benefits			1
-compensation for loss of office			15
-fees			--
Non-executive directors			--
Past directors' pensions			--
Management Board			2
			23
Share options granted (units in thousands)			
-Directors			206
-Management Board			385
Value of options (R million)			
-Directors			4
-Management Board			8
			12
Option periods			
-Directors			August 2000 to August 2002
-Management Board			August 2000 to March 2005

Executive directors of the Company up to the formation of the restructured Anglovaal Mining Limited in December 1998 were Messrs B E Hersov, R P Menell, D D Barber, R B Savage and N S Segal. Non-executive directors of the Company prior to restructuring were Messrs J J Geldenhuys, J C Robbertze, R A D Wilson, J R Hersov and R T Swemmer. All directors with the exception of Messrs B E Hersov and R P Menell resigned in the course of the restricting. Mr B E Hersov retired as director in February 1999. Following restructuring in 1998, Messrs K W Maxwell, J R McAlpine, D E Jowell, T V Maphai, B M Menell and M Z Nkosi were appointed as non-executive directors of the Company.

	GROUP Actual 1999 Rm	GROUP Pro forma 1998 Rm	COMPANY Actual 1999 Rm
7. TAXATION			
South African normal taxation			
-current year	74	143	1
-prior year	1	(7)	–
State share of profits	20	11	–
Deferred taxation			
-timing differences	62	37	(10)
-adjustment for reduction in tax rate	(14)	--	--
Secondary tax on companies	3	16	--
Foreign taxes	1	--	--
	147	200	(9)

	GROUP Actual 1999 Rm	GROUP Pro forma 1998 Rm	COMPANY Actual 1999 Rm
7. TAXATION (continued)			
Reconciliation of rate of taxation:	%	%	%
Standard rate of company taxation	**30**	35	**30**
Adjusted for:			
Disallowed expenditure	**2**	279	**(41)**
Exempt income	**(10)**	(202)	**7**
Effect of state share of profit	**2**	14	**--**
Prior year adjustments	**–**	(10)	**--**
Reduction in tax rate	**(2)**	--	**--**
Secondary tax on companies	**–**	19	**--**
Tax losses not raised as deferred tax assets	**(2)**	155	**4**
Other	**(1)**	(52)	**--**
Effective rate of taxation	**19**	238	**--**
The estimated losses which are available for the reduction of future taxable income are	**167**	370	**144**
of which	**–**	70	**--**
has been taken into account in calculating deferred taxation.			
The ordinary shareholders' interest in the computed losses is estimated at	**163**	196	**144**
The estimated unredeemed capital expenditure available for reduction against future mining income is	**1 626**	204	**67**
The ordinary shareholders' interest in the unredeemed capital expenditure is estimated at	**1 061**	150	**67**
The Company had unused credits in respect of secondary tax on companies of R136 million at 30 June 1999 (1998: R140 million).			
8. INCOME FROM ASSOCIATES			
Equity accounted earnings of Avgold Limited	**4**	(37)	
The results of Avgold Limited have been equity accounted for the period to 30 June 1999 and consolidated with effect from that date. The investment in Avgold is thus carried as a subsidiary in the Company balance sheet and the corresponding assets and liabilities are carried in the Group.			
9. DIVIDENDS			
Ordinary dividends			
Interim dividend nil (1998: 57 cents per share)	**–**	36	**--**
Final dividend (1998: 157 cents per share)		101	
Proposed dividend of 70 centers per share -cash issue	**18**	--	**18**
-capitalisation award transferred to share election reserve	**56**	--	**56**
	74	137	**74**
Dividend in specie			
Net assets of Anglovaal Industries Limited distributed on unbundling (note 36)	**3 025**	--	**716**

	GROUP Actual 1999 Rm	GROUP Pro forma 1998 Rm	COMPANY Actual 1999 Rm
10. HEADLINE EARNINGS			
Earnings per income statement	522	(242)	(1 545)
-Consulting and professional fees	–	27	--
-Investment in Avmin Limited written off	–	59	2 048
-Impairment of assets	26	–	--
-Long-term debt extinguished	(6)	–	--
-Premium on loan stock redemption	–	339	--
-Provisions	73	–	73
-Redundancy costs	10	47	--
-Surplus on disposal of investments	(328)	(14)	(103)
-Surplus on disposal of fixed assets	(8)	–	--
-Other	1	4	--
-Attributable to outside shareholders	–	8	--
Headline earnings	290	228	473

11. EARNINGS PER SHARE

The calculation of earnings per share is based on earnings of R522 million and a weighted average of 92 893 930 shares in issue during the year.

The calculation of headline earnings per share is based on headline earnings of R290 million and a weighted average of 92 893 930 shares in issue during the year.

The calculation of fully diluted earnings per share is based on earnings of R522 million, there being no reconciling items to arrive at fully diluted earnings, and a weighted average of 93 796 438 shares calculated as follows:

	GROUP Actual 1999	GROUP Pro forma 1998	COMPANY Actual 1999
Weighted average number of shares used in calculating basic earnings per share (thousands)	92 894		
Compulsorily convertible preference shares (thousands)	646		
Potential ordinary shares due to share options granted (thousands)	256		
Weighted average number of shares used in calculating fully diluted earnings per share (thousands)	93 796		

	Mine development and exploration	Plant and machinery	Land and buildings	Mineral rights	Intangible assets	Other	Total
12. FIXED AND INTANGIBLE ASSETS							
Group – Rm							
Cost							
Balance at beginning of year	169	3 785	1 247	45	383	366	**5 995**
Change in accounting policy	--	21	--	--	--	--	**21**
Unbundling of Anglovaal Industries Limited	--	(3 186)	(1 055)	--	(383)	(157)	**(4 781)**
Additions	106	424	18	170	--	29	**747**
Impairments	(1)	(17)	(3)	(1)	--	(4)	**(26)**
Revaluations	--	--	(13)	--	--	--	**(13)**
Reclassifications	43	(29)	(18)	(2)	--	6	**--**
Realignment of currencies	--	(3)	(1)	--	--	--	**(4)**
Disposals	--	(5)	(4)	--	--	(7)	**(16)**
Subsidiaries acquired or sold	1 720	19	(25)	119	(34)	38	**1 837**
Unearned profit	--	--	--	(5)	--	--	**(5)**
Balance at end of year	2 037	1 009	146	326	(34)	271	**3 755**
Accumulated amortisation and depreciation							
Balance at beginning of year	31	1 619	90	8	1	210	**1 959**
Change in accounting policy	--	8	--	--	--	--	**8**
Unbundling of Anglovaal Industries Limited	--	(1 458)	(70)	--	(1)	(114)	**(1 643)**
Reclassifications	1	(3)	(2)	--	--	4	**--**
Realignment of currencies	--	(1)	(1)	--	--	--	**(2)**
Charge for the year	17	65	2	--	--	30	**114**
Disposals	--	(2)	--	--	--	(4)	**(6)**
Subsidiaries acquired or sold	260	7	--	(5)	--	5	**267**
Balance at end of year	309	235	19	3	--	131	**697**
Carrying value at 30 June 1999	**1 728**	**774**	**127**	**323**	**(34)**	**140**	**3 058**
Company – Rm							
Cost							
Balance at beginning of year	--	--	19	--	--	9	**28**
Additions	4	--	--	--	--	(1)	**5**
Disposals	--	--	--	--	--	(5)	**(5)**
Revaluations	--	--	(13)	--	--	--	**(13)**
Reclassifications	43	(13)	--	--	--	(30)	**--**
Balances acquired	33	56	11	--	--	47	**147**
Balance at end of year	80	43	17	--	--	22	**162**

	Mine development and exploration	Plant and machinery	Land and buildings	Mineral rights	Intangible assets	Other	Total
12. FIXED AND INTANGIBLE ASSETS (continued)							
Group – Rm							
Accumulated depreciation							
Balance at beginning of year	--	--	--	--	--	5	**5**
Charge for the year	7	4	--	--	--	2	**13**
Disposals	--	--	--	--	--	(3)	**(3)**
Reclassifications	1	(2)	--	--	--	1	**--**
Balances acquired	4	9	--	--	--	13	**26**
Balance at end of year	12	11	--	--	--	18	**41**
Carrying value at 30 June 1999	**68**	**32**	**17**	**--**	**--**	**4**	**121**

Group freehold land and buildings were acquired at cost.

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

	GROUP 1999 Rm	COMPANY 1999 Rm	COMPANY 1998 Rm
13. INVESTMENTS			
Associated companies			
Listed – book value	**--**	**--**	--
Unlisted – book value	**--**	**--**	1
Market value of listed investments	**--**	**--**	1 077
Directors' valuation of unlisted investments	**1**	**1**	36
Other investments			
Listed – subsidiary companies and other Book value	**6**	**1 241**	3 295
Unlisted – subsidiary companies and other Book value	**9**	**480**	332
Loans (refer page 75)	**--**	**81**	--
	9	**561**	332
Unlisted – partnerships and joint ventures	**1**	**1**	--
Total unlisted	**10**	**562**	332
Total carrying amount of investments	**16**	**1 803**	3 627
Market value of listed investments	**73**	**1 592**	1 454
Directors' valuation of unlisted investments -subsidiaries and other	**71**	**511**	688
-partnerships and joint ventures	**2 667**	**2 667**	--
	2 738	**3 178**	688

A report on investments appears on pages 75 to 81.

	GROUP	COMPANY	
	1999 Rm	1999 Rm	1998 Rm
14. JOINT VENTURES			
The proportionate share of the following joint venture has been incorporated into the Company results for six months:			
-a 75 per cent share in the Nkomati mine			
The proportionate shares of the following joint ventures have been incorporated into the group results for twelve months:			
-a 75 per cent share in the Nkomati mine			
-a 50 per cent share in Cato Ridge Alloys (Pty) Limited			
-a 23 per cent share in Lannex Chrome mine			
The aggregate amounts of joint ventures proportionately consolidated in the financial statements are:			
Income statements			
Revenue	160	60	--
Profit for the year after taxation	7	15	--
Balance sheets			
Non-current assets	135	98	--
Current assets	107	63	--
Non-current liabilities	122	122	--
Current liabilities	76	15	--
Cash flow statements			
Net cash (out)/in-flow from operating activities	(2)	17	--
Net cash (out)/in-flow from investing activities	(15)	3	--
Net cash inflow from financing activities	31	1	--
Loan to joint venture		113	--
Commitments and contingent liabilities			
Commitments	--	--	--
Contingent liabilities	--	--	--

	GROUP 1999 Rm	COMPANY 1999 Rm	COMPANY 1998 Rm
15. INVENTORIES			
Raw material	242	9	--
Consumable stores	52	--	--
Work-in-process	53	--	--
Uranium	71	--	--
Finished goods	254	4	--
	672	13	--
16. SHARE CAPITAL AND PREMIUM			
Share capital			
Authorised			
196 668 737 (1998: 18 000 000) ordinary shares of 5 cents each	10	10	1
Nil (1998: 60 000 000) N ordinary shares of 0,01 cents each	--	--	--
646 380 (1998: nil) compulsorily convertible preference shares of 678 cents each	4	4	--
	14	14	1
Issued			
106 199 709 (1998: 18 000 000) ordinary shares of 5 cents each	5	5	1
Nil (1998: 46 212 575) N ordinary shares of 0,01 cents each	--	--	--
646 380 (1998: nil) compulsorily convertible preference shares of 678 cents each	4	4	--
Share premium	1 692	1 692	1 180
Balance at beginning of the year	1 175	1 180	1 177
Elimination of cross-holdings with unbundling		(5)	--
Premium on shares issued	779	779	3
Capitalisation issue of preference shares with restructuring	(1)	(1)	--
Share issue expenses	(7)	(7)	--
Transfer to reserves (per ordinary resolution No 3)	(254)	(254)	--
Total issued share capital and premium	1 701	1 701	1 181
17. MINORITY INTEREST			
Balance at beginning of year	3 390		
Change in accounting policy	9		
Unbundling of Anglovaal Industries Limited	(2 668)		
Transfer from income statement	118		
Dividends paid to minorities	(13)		
Interest in subsidiaries acquired	684		
Interest in subsidiaries sold	(1)		
Increase of interest in existing subsidiaries	(4)		
Acquisition of minorities in Avmin Limited	(403)		
Other	12		
Balance at end of year	1 124		

	GROUP	COMPANY	
	1999 Rm	1999 Rm	1998 Rm
18. LONG-TERM BORROWINGS			
South African long-term borrowings			
Secured loans	4	--	--
Hire purchase agreements over machinery with a book value of R4 million (1998: nil), repayable in varying monthly installments over 60 months at interest rates which are linked to the prime overdraft rate.			
Unsecured loans	64	--	--
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 with a final installment on 11 June 2002.			
Other unsecured loans	5	--	--
Total borrowings	73	--	--
Less: Repayable within one year included in short-term borrowings	3	--	--
Total South African long-term borrowings	70	--	--
Foreign long-term borrowings			
Unsecured loans			
-Unsecured loans totaling US$52 million (1998: nil). The loans bear interest at rates between 5,15 per cent and 7,10 per cent and are repayable within three years.	314	314	--
-Unsecured loan of US$1,1 million (1998: US$1,5 million). The loan bears interest at 6,50 per cent and is repayable I equal installments of US$0,3 million over the next three years with a final installment of US$0,2 million during the year ended 30 June 2003.	7	--	--
Total borrowings	321	314	--
Less: Repayable within one year included in short-term borrowings	2	--	--
Total foreign long-term borrowings	319	314	--
Total South African and foreign borrowings at end of year	394	314	--
Less: Repayable within one year included in short-term borrowings	5	--	--
Total long-term borrowings at end of year	389	314	--
Made up as follows:			
-Anglovaal Mining Limited	314	314	--
-Associated Manganese Mines of South Africa Limited	5	--	--
-Anglovaal Air (Pty) Limited	64	--	--
-Avgold Limited	3	--	--
-Otterbea International (Pty) Limited	3	--	--
	389	314	

Group – Rm	Rate of interest %	Total borrowings 1999	Repayable during the year ending 30 June 2000	2001	2002	2003	2004
18. LONG-TERM BORROWINGS (continued)							
Interest payable and repayments							
Secured loans	19	4	1	1	1	1	--
Unsecured loans	5 – 16	390	4	17	340	3	26
		394	5	18	341	4	26

	GROUP 1999 Rm	COMPANY 1999 Rm	COMPANY 1998 Rm
19. DEFERRED TAXATION			
Balance at beginning of year	**251**	**--**	--
Change in accounting policy	**16**	**--**	--
Unbundling of Anglovaal Industries Limited	**(159)**	**--**	--
Subsidiaries acquired or sold	**(14)**	**4**	--
Reduction due to change in rate of taxation	**(15)**	**--**	--
Temporary difference from:			
-assessed losses	**20**	**--**	--
-capital allowances	**63**	**5**	--
-valuation of inventories	**(4)**	**--**	--
-provisions	**(1)**	**--**	--
-prepayments	**(6)**	**--**	--
-health care benefits	**(15)**	**(15)**	--
-state share of profit at 10,125 per cent	**1**	**--**	--
Other	**5**	**--**	--
Balance at end of year	**142**	**(6)**	--
Consisting of:			
Capital allowances	**158**	**9**	--
Provisions	**(25)**	**(15)**	--
Other	**9**	**--**	--
	142	**(6)**	--

	GROUP	COMPANY	
	1999 Rm	1999 Rm	1998 Rm
20. LONG-TERM PROVISIONS			
Environmental rehabilitation trust funds			
The funds in the trusts are as follows:			
Balance at beginning of year	18	--	
Subsidiaries acquired or sold	88	--	
Amounts received during the year	2	1	
Interest earned	3	--	
	111	1	--
Gross liability for environmental rehabilitation			
The gross liability is as follows:			
Gross liability to date	187		
Less: Amount in trust fund	111		
Amount in rehabilitation provision	76		
Environmental rehabilitation provision			
Balance at beginning of year	9	--	
Subsidiaries acquired or sold	63	--	
Provision for the year (net of interest earned in fund)	6	1	
Amount paid to Nature Conservation Trust Funds	(2)	(1)	
Balance at end of year	76	--	--
Post-retirement health care benefits			
Balance at beginning of year	28	--	
Subsidiaries acquired or sold	33	17	
Provision for the year	35	33	
Balance at end of year	96	50	--
Other long-term provisions			
Balance at beginning of year	85	--	
Subsidiaries acquired or sold	(70)	--	
Balance at end of year	15	--	--
Total long-term provisions at end of year	187	50	--

	GROUP 1999 Rm	COMPANY 1999 Rm	COMPANY 1998 Rm
21. TRADE AND OTHER PAYABLES			
Short-term provisions			
Balance at beginning of year	120	--	
Change in accounting policy	(24)	--	
Balances acquired or sold	(12)	5	
Provision for the year	70	47	
Payments made during the year	(6)	--	
Balance at end of year	148	52	--
Made up as follows:			
Closure costs	8	--	
Debt suretyship	40	--	
Leave pay and bonus provisions	71	12	
Long service awards	8	--	
Retrenchment	5	--	
Other provisions	16	40	
Total short-term provisions	148	52	--
Trade payables	364	34	16
Other payables	80	37	106
Trade and other payables at end of year	592	123	122
22. OVERDRAFTS AND SHORT-TERM BORROWINGS			
Overdrafts	41	4	--
Short-term borrowings	282	277	1
Treasury liabilities	13	13	1 532
Current portion of long-term borrowings	5	--	--
	341	294	1 533
Made up as follows:			
Anglovaal Mining Limited	7	7	1
Associated Manganese Mines of South Africa Limited	306	--	--
Avgold Limited	2	--	--
Loans from subsidiaries (refer page 75)		274	--
Otterbea International (Pty) Limited	13	--	--
Treasury liabilities	13	13	1 532
	341	294	1 533

	GROUP 1999 Rm	COMPANY 1999 Rm	1998 Rm
23. COMMITMENTS AND CONTINGENT LIABILITIES			
Commitments			
Commitments in respect of capital expenditure:			
Approved by directors			
-contracted for	263	--	279
-not contracted for	241	--	141
	504	--	420
It is anticipated that this expenditure will be financed from own resources and borrowing facilities.			
Other commitments:			
-Uranium oxide sales	163	--	--
-Outstanding orders	21	--	--
-Contracts entered into by subsidiaries	--	--	169
Total commitments	688	--	589
Contingent liabilities			
Housing collaterals and contingent liabilities relating to slimes dams	5	--	--
Sundry guarantees given and other contingencies	--	--	21
Total commitments and contingent liabilities	693	--	610

24. RETIREMENT BENEFIT PLANS

The Group has made provision for pension and provident plans covering substantially all employees. These plans comprise defined contribution and defined benefit plans, which are governed by the Pension Funds Act, 1956, and 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. Periodic valuations of the plans are carried out by independent actuaries at intervals not exceeding three years. Actuarial valuations of all funds were completed within the past two years. The latest valuations indicated that the plans are adequately funded in terms of the requirements of the Registrar of Pension Funds, and no changes to any contribution rates were recommended.

The benefits provided by the defined benefit plans are based on a formula taking into account years of membership and remuneration levels. The benefits provided by the defined contribution plans are determined by accumulated contributions and returns on investment.

The most recent valuations of the defined benefit plans were, consistent with previous valuations, performed using a projected unit method and confirmed that the assets in respect of the defined benefit structure of the plans exceeded the value of the actuarially determined liabilities. The fair value of plan assets which were separately funded at 30 June 1999 was R786 million. The most recent valuations were done in the year to June 1997, the next valuations will be done in the year to June 2000.

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.

25. POST-RETIREMENT HEALTH CARE BENEFITS

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

The liabilities are assessed periodically by an independent actuarial survey which uses assumptions consistent with those adopted in determining pension costs and, in addition, include long-term estimates of the increases in medical costs at appropriate discount rates.

The provisions raised in respect of post-retirement health care benefits amounted to R96 million (1998: R28 million) at the end of the year. Of this amount, R35 million was charged against income in the current year with the remainder being charged in prior years.

The liabilities raised, based on the present values of the post-retirement benefits, have been recognised in full.

26. RELATED PARTY TRANSACTIONS

Related party transactions can exist between subsidiaries and the holding company, fellow subsidiaries, associated companies, joint ventures and key management personnel. A report on investments in subsidiaries, associated companies and joint ventures, that indicate the relationship and degree of control exercised by the Company, appear on pages 75 to 81.

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

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

27. DISCONTINUED OPERATIONS

During the year, the Company disposed of its entire coal and industrial minerals segments. The dispositions are consistent with the Company's long-term strategy to focus on core activities and divest itself of unrelated activities.

Relevant financial information for the segments is as follows:

	Coal Rm	Industrial minerals Rm	**Total Rm**
Net carrying amount of total assets	143	188	**331**
Net carrying amount of total liabilities	(119)	(139)	**(258)**
Net assets	24	49	**73**
Revenue	68	106	**174**
Expenses	53	168	**221**
Taxation	6	(8)	**(2)**
Profit/(loss) after taxation of operations disposed of	9	(54)	**(45)**
Surplus/(loss) on disposal of operations	149	(12)	**137**

28. SEGMENTAL INFORMATION

Business segments

For management purposes, the Group is organized into four operating divisions. These are diamonds, gold, ferrous metals and base metals. The Group's products predominantly reflect the risks and determine the rewards of trading and therefore determine the primary reporting segments. Financial information about the primary segments is presented on the next page.

Group – 1999 Rm	Diamonds	Gold	Ferrous metals	Base metals	Explor-ation	Corporate and other	Total
28. SEGMENTAL INFORMATION (continued)							
Primary segmental information (refer note below)							
Revenue							
External sales	263	1 235	1 607	268	--	351	3 724
Segment result	263	(1)	383	69	(52)	(27)	635
Reconciling items to segment result	--	--	39	(3)	--	(28)	8
Gain on extinguishment of debt	--	--	--	--	--	6	6
Operating profit	263	(1)	422	66	(52)	(49)	649
Income from investments	--	5	6	3	--	45	59
Finance cost	--	(1)	(41)	(1)	--	(83)	(126)
Taxation	(3)	6	(112)	(24)	--	(8)	(141)
Exceptional items	--	--	--	--	--	208	208
Minority interest	--	(5)	(118)	(3)	--	3	(123)
Income from associates	--	--	--	--	--	(4)	(4)
Contribution to earnings	260	4	157	41	(52)	112	522
Contribution to headline earnings	260	4	150	41	(52)	(113)	290
Other information							
Consolidated total operating assets	--	1 920	1 319	641	--	683	4 563
Goodwill and mineral rights	--	147	176	--	--	(34)	289
Consolidated total assets	--	2 067	1 495	641	--	649	4 852
Consolidated total liabilities	--	437	598	252	--	440	1 727
Capital expenditure	--	--	318	394	--	35	747
Depreciation	--	--	60	29	--	25	114

Note: Avgold Limited has been included in the segmental information disclosed above, although the results of Avgold have been equity accounted for the year.

	GROUP 1999 Total
Secondary segmental information	
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 base metals business segment.	
Assets and additions to property, plant and equipment, by geographical area in which the assets are located are as follows:	
-South Africa	**4 372**
-Zambia	**480**
	4 852

29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group is exposed to certain financial risks in the normal course of its operations. To manage these risks, a treasury risk management committee has been established that may enter into transactions involving on and off-balance sheet financial instruments from time to time as 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 and currency risk

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

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

Financial assets **United States dollar**	Converted at spot rate to Rm at year-end	Weighted average rate R/US$	Maturity date
Financial assets included in receivables	2	6,03	current account

Financial liabilities **United States dollar**	Converted at FEC rate to Rm at year-end	Weighted average rate R/US$	Maturity date
Forward exchange contracts included in payables	3	6,31	August 1999

Forward contracts **Activity:**	Volume hedged (kilograms)	Average price R/kg	Maturity date – year ending 30 June
Hedged gold sales	10 819	64 944	2000
All gold hedge commitments	15 000	74 172	2001
are denominated in rand	8 709	78 509	2002
	4 043	84 106	2003

	Principal at year-end US$m	Principal at year-end Rm	Maturity date
Hedged ferrous metals sales	19	122	1 July – 14 August 1999

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's hedging policy.

29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Interest rate risk

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

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

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

Financial assets	Foreign currency amount US$m	Book value at year-end Rm	Repricing date	Maturity date	Effective interest rate
Cash-financial institutions		336	30/06/1999	Overnight call deposit	13,20%
-coupon bearing call deposits		21	30/06/1999	18/09/1999	14,55%
		357			
Financial liabilities					
Foreign long-term borrowings					
-Standard Finance (Isle of Man) Limited	7	42	30/06/1999	30/06/1999	5,90%
-Investec Bank (Mauritius) Limited	10	60	30/06/1999	04/09/2001	5,22%
-Amalgamated Finance (Isle of Man) Limited	10	60	30/09/1999	30/09/1999	6,23%
-Nedcor Trade Securities (Mauritius) Limited	8	48	30/06/1999	09/07/1999	6,10%
-Nedcor Trade Securities (Mauritius) Limited	17	104	30/06/1999	09/07/1999	5,55%
-Other (refer note 18)	1	7	30/06/1999	30/06/2003	6,50%
	53	321			
Local long-and short-term borrowings					
-Financial institutions		323	30/06/1999	current	linked to over-night money market rates
-Hire purchase agreements		4	30/06/1999	30/06/2004	linked to prime overdraft rates
-Nedcor Bank Limited		64	30/06/1999	11/06/2002	15,79%
-Other		5			
Treasury liabilities		13	30/06/1999	Overnight call amount	13,00%
	53	730			

Credit risk

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

At year-end, the Group did not consider there to be any significant concentration of credit risk that had not been insured or adequately provided for.

29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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

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

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

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

	Group	
	Book value Rm	Fair value Rm
The estimated fair values of the Group's financial instruments as at 30 June 1999 are as follows:		
Financial assets (recognised on balance sheet)		
Included in trade receivables	645	645
-The terms and conditions relating to trade receivables vary between companies in the Group and are managed through interest rate and credit extension policies to limit credit risk.		
Current accounts	73	73
Cash	357	357
Accrued interest	6	6
Financial assets (not recognised on balance sheet)		
Forward sale agreements		509
-Hedge contracts are utilised to secure future revenue streams. Cash flows from forward sale agreements are recognised in revenue when the related production is delivered.		
Financial liabilities (recognized on balance sheet)		
Included in trade and other payables	482	482
-The terms and conditions relating to trade payables vary between companies in the Group and are managed to ensure optimum cash flows from net interest paid whilst maintaining excellent relations with suppliers		
Foreign long-term borrowings	321	321
Local long and short-term borrowings	396	396
Treasury liabilities	13	13
Financial liabilities (not recognised on balance sheet)		
Contingent liabilities	693	693

29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Equity instruments

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

	GROUP 1999 Rm	COMPANY 1999 Rm
30. RECONCILIATION OF NET PROFIT BEFORE TAX TO CASH GENERATED FROM OPERATIONS		
Net income before tax, finance cost and investment income	854	(1 894)
Adjusted for:	(76)	2 039
-Amortisation and depreciation of fixed assets	114	13
-Investment in Avmin Limited written off	–	2 048
-Long and short-term provisions	111	80
-Loss on impairment of fixed assets	26	–
-Surplus on disposal of fixed assets	(8)	–
-(Surplus)/loss on disposal of other investments	(137)	2
-Surplus on disposal of discontinued operations	(191)	(105)
-Unrealised foreign exchange loss	1	1
-Other non-cash flow items	8	–
Operating profit before working capital changes	778	145
Increase in inventories	(96)	(6)
(Increase)/decrease in receivables	(59)	319
Decrease in payables	(155)	(97)
Cash generated from operations	468	361
31. DIVIDENDS PAID		
Balance at beginning of year	101	101
Dividends as per income statement	74	74
Dividends accrued to minorities	38	
Transferred to share election reserve	(56)	(56)
Balance at end of year	(18)	(18)
Dividends paid	139	101
32. TAXATION PAID		
Balance at beginning of year (net)	104	2
Unbundling of Anglovaal Industries Limited	(20)	–
Adjustment to opening balance	20	
Prior year tax underprovided	1	–
Subsidiaries acquired or sold	(6)	32
Current taxation	97	1
Balance at end of year (net)	(53)	(28)
Taxation paid	143	7

33. ACQUISITION OF SUBSIDIARIES

	Avgold Limited	Chambishi Metals plc	GROUP 1999 Rm
During the year the Company acquired a controlling interest in the following companies. The assets and liabilities of the subsidiaries were as follows:			
Fixed assets	1 824	--	**1 824**
Investments	3	--	**3**
Inventories	140	--	**140**
Trade and other receivables	95	--	**95**
Long-term borrowings	(3)	--	**(3)**
Long-term provisions	(115)	--	**(115)**
Trade and other payables	(272)	--	**(272)**
Taxation	4	--	**4**
Overdrafts and short-term borrowings	(47)	--	**(47)**
Cash and cash equivalents	1	339	**340**
Net assets	1 630	339	**1 969**
Less: Percentage of assets held before acquisition	(750)	--	**(750)**
Less: Minority interest	(650)	(34)	**(684)**
	230	305	**535**
Goodwill at acquisition	(34)	--	**(34)**
Purchase price	196	305	**501**
Less: Cash and cash equivalents	(1)	(339)	**(340)**
Less: Shares issued as purchase consideration	(196)	--	**(196)**
Cash flow on acquisition	(1)	(34)	**(35)**

34. PROCEEDS FROM DISPOSAL OF SUBSIDIARIES

	Avmin Coal Holdings	East Rand Coal Holdings	Rhino Minerals	GROUP 1999 Rm
During the year the year the Company disposed of its interests in the following subsidiaries as detailed in note 27. The following assets and liabilities of the subsidiaries were disposed of:				
Fixed assets	116	--	102	**218**
Investments	--	4	15	**19**
Inventories	5	--	30	**35**
Trade and other receivables	16	--	39	**55**
Long-term borrowings	(79)	(4)	(13)	**(96)**
Deferred taxation	(14)	--	--	**(14)**
Long-term provisions	--	--	(3)	**(3)**
Trade and other payables	(22)	--	(21)	**(43)**
Taxation	--	--	(2)	**(2)**
Overdrafts and short-term borrowings	--	--	(100)	**(100)**
Cash and cash equivalents	2	--	2	**4**
Net assets	24	--	49	**73**
Loans written off in holding company	69	--	97	**166**
Less: Minority interest	--	--	(1)	**(1)**
Profit on sale of investment	149	--	(12)	**137**
	242	--	133	**375**
Less: Proceeds included in debtors	--	--	(133)	**(133)**
Less: Cash and cash equivalents	(2)	--	(2)	**(4)**
Cash flow on disposal	240	--	(2)	**238**

		COMPANY 1999 Rm
35.	**ACQUISITION OF BUSINESS OF SUBSIDIARY**	
	During the year the Company acquired the business of Avmin Limited, including a 75 per cent share in the Nkomati mine. The assets and liabilities acquired were as follows:	
	Fixed assets	121
	Loans and long-term receivables	23
	Investments	1 644
	Inventories	7
	Trade and other receivables	83
	Long-term borrowings	(430)
	Deferred taxation	(4)
	Long-term provisions	(17)
	Trade and other payables	(48)
	Taxation	(33)
	Overdrafts and short-term borrowings	(226)
	Cash and cash equivalents	7
		1 127
	Assets transferred at acquisition	(1 127)
	Purchase price	–
	Less: Cash and cash equivalents	(7)
	Cash flow on acquisition	(7)

		GROUP 1999 Rm	COMPANY 1999 Rm
36.	**UNBUNDLING OF ANGLOVAAL INDUSTRIES LIMITED**		
	During the year the following assets and liabilities were distributed as a dividend in specie:		
		3 138	
	Fixed assets		–
	Loans and long-term receivables	50	–
	Investments	632	716
	Inventories	1 752	–
	Trade and other receivables	1 804	–
	Long-term borrowings	(217)	–
	Deferred taxation	(159)	–
	Trade and other payables	(2 167)	–
	Overdrafts and short-term borrowings	(280)	–
	Cash and cash equivalents	1 140	–
		5 693	716
	Less: Minority interest	(2 668)	–
	Less: *Dividend in specie*	(3 025)	(716)
	Less: Cash and cash equivalents	(1 140)	–
		(1 140)	
	Cash flow on unbundling		–

37. COMPARATIVE FIGURES

A pro forma income statement has been prepared to take into account the effects of the change in Group structure with effect from1 July 1998. This income statement represents the results of Anglovaal Limited assuming the restructuring took place on 30 June 1997. The results of Anglovaal Limited for the year to June 1998 have thus been adjusted to exclude the results of Anglovaal Industries Limited and include the results of Avgold Limited for a full year as an associate. Certain amounts have been reclassified to bring reporting into line with the disclosure presented for the current year.

The results of Anglovaal Mining Limited are not considered to be comparable with those of Anglovaal Limited, which were published in respect of the previous year. Comparative income statements, balance sheets and cash flow statements, disregarding the effects of the change in Group structure, are as follows:

	GROUP		COMPANY	
COMPARATIVE INCOME STATEMENTS for the year ended 30 June 1999	**1999 Rm**	1998 Rm	**1999 Rm**	1998 Rm
Revenue	**2 489**	16 022	**215**	106
Cost of sales	**1 673**	12 433	**38**	--
Gross profit	**816**	3 589	**177**	106
Other operating income	**126**	--	**72**	28
Other operating expenses	**296**	2 491	**110**	118
Profit from operations	**646**	1 098	**139**	16
Income from investments	**54**	24	**390**	340
Finance costs	**125**	--	**50**	76
Profit before exceptional items	**575**	1 122	**479**	280
Exceptional items	**208**	(497)	**(2 033)**	(575)
Profit before taxation	**783**	625	**(1 554)**	(295)
Taxation	**147**	334	**(9)**	(1)
Profit after taxation	**636**	291	**(1 545)**	(294)
Income from associates	**4**	60	**--**	--
Net profit	**640**	351	**(1 545)**	(294)
Minority interest	**118**	410		
Earnings	**522**	(59)	**(1 545)**	(294)
Ordinary dividends	**74**	137	**74**	137
Dividends in specie	**3 025**	--	**716**	--
Net loss	**(2 577)**	(196)	**(2 355)**	(431)
Transfer from non-distributable reserves	**693**	(1)	**--**	--
Net loss transferred to distributable reserves	**(1 884)**	(197)	**(2 335)**	(431)
Headline earnings	**290**	424		
Earnings per share (cents)	**562**	(93)		
Headline earnings per share (cents)	**312**	668		
Dividends per share (cents)	**70**	214		
Number of ordinary shares in issue at end of year (thousands)	**106 200**	64 213		
Weighted average number of ordinary share in issue (thousands)	**92 894**	63 535		

COMPARATIVE BALANCE SHEETS as at 30 June 1999	GROUP 1999 Rm	GROUP 1998 Rm	COMPANY 1999 Rm	COMPANY 1998 Rm
37. COMPARATIVE FIGURES (continued)				
ASSETS				
Non-current assets				
Fixed and intangible assets	**3 058**	4 036	**121**	23
Loans and long-term receivables	**--**	145	**8**	--
Investments	**16**	1 657	**1 803**	3 627
	3 074	5 838	**1 932**	3 650
Current assets				
Inventories	**672**	2 232	**13**	--
Trade and other receivables	**665**	2 246	**307**	543
Taxation	**5**	--	**--**	--
Cash and cash equivalents	**436**	1 207	**373**	857
	1 778	5 685	**693**	1 400
Total assets	**4 852**	11 523	**2 625**	5 050
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary share capital	**5**	1	**5**	1
Preference share capital	**4**	--	**4**	--
Share premium	**1 692**	1 175	**1 692**	1 180
Non-distributable reserves	**98**	792	**101**	38
Distributable reserves	**202**	1 847	**2**	2 073
Shareholders' interest in capital and reserves	**2 001**	3 815	**1 804**	3 292
Minority interest	**1 124**	3 390		
Total shareholders' interest	**3 125**	7 205	**1 804**	3 292
Non-current liabilities				
Long-term borrowings	**389**	319	**314**	--
Deferred taxation	**142**	251	**(6)**	--
Long-term provisions	**187**	122	**50**	--
	718	692	**358**	--
Current liabilities				
Trade and other payables	**592**	2 466	**123**	122
Taxation	**58**	104	**28**	2
Shareholders for dividends	**18**	101	**18**	101
Overdrafts and short-term borrowings	**341**	955	**294**	1 533
	1 009	3 626	**463**	1 758
Total equity and liabilities	**4 852**	11 523	**2 625**	5 050

COMPARATIVE CASH FLOW STATEMENTS for the year ended 30 June 1999	GROUP 1999 Rm	GROUP 1998 Rm	COMPANY 1999 Rm	COMPANY 1998 Rm
37. COMPARATIVE FIGURES (continued)				
CASH FLOW FROM OPERATING ACTIVITIES				
Cash receipts from customers	**2 430**	15 912	**535**	457
Cash paid to suppliers and employees	**1 962**	14 434	**174**	141
Cash generated from operations	**468**	1 478	**361**	316
Utilized against provisions	**(8)**	--	**(1)**	--
Interest received	**43**	--	**47**	146
Interest paid	**(125)**	--	**(50)**	(76)
Dividends received	**11**	24	**129**	194
Dividends paid	**(139)**	(299)	**(101)**	(137)
Taxation paid	**(143)**	(365)	**(7)**	--
Net cash inflow from operating activities	**107**	838	**378**	443
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of subsidiaries, net of cash acquired	**35**	(307)	**--**	(53)
Proceeds from disposal of subsidiaries, net of cash acquired	**238**	--	**--**	--
Acquisition of business of subsidiary	**--**	--	**7**	--
Proceeds from sale of interest in joint venture	**1**	--	**--**	--
Additions to fixed assets to maintain operations	**(175)**	(748)	**(5)**	--
Additions to fixed assets to expand operations	**(572)**	(368)	**--**	--
Proceeds on disposal of fixed assets	**18**	125	**2**	2
Proceeds on disposal of investments	**419**	550	**435**	24
Other investments acquired	**--**	--	**(32)**	--
Net cash (out)/in-flow from investing activities	**(36)**	(748)	**407**	(27)
CASH FLOW FROM FINANCING ACTIVITIES				
Increase in shareholder funding	**200**	(615)	**200**	(548)
Long-term borrowings raised	**317**	38	**--**	--
Long-term borrowings repaid	**--**	(198)	**--**	(26)
(Decrease)/increase in short-term borrowings	**(309)**	954	**(1 484)**	95
Decrease/(increase) in loans and long-term receivables	**90**	(28)	**15**	--
Net cash in/(out)-flow from financing activities	**298**	151	**(1 269)**	(479)
Net increase/(decrease) in cash and cash equivalents	**369**	241	**(484)**	(63)
Cash and cash equivalents at beginning of year	**1 207**	966	**857**	920
Cash and cash equivalents not available due to unbundling	**(1 140)**	--	**--**	--
Cash and cash equivalents at end of year	**436**	1 207	**373**	857

Report on subsidiaries

as at 30 June 1999

	COMPANY 1999 Rm	1998 Rm
Investments		
Listed (market value R1 519 million – 1998: R2 517 million)	**1 226**	3 286
Unlisted	**474**	289
	1 700	3 575
Amounts owing by subsidiaries (refer note 13)	**81**	513
Amounts owing to subsidiaries (refer note 22)	**(274)**	(15)
	1 507	4 073
Treasury liabilities	**–**	(977)
	1 507	3 096
Income from subsidiaries		
Dividends	**276**	186
Interest	**30**	117
Fees	**30**	13
	336	316
Members' aggregate interest in profits and losses after taxation of subsidiaries		
Profits	**292**	383
Losses	**28**	54
Indebtedness to companies in the Group		
The aggregate amount of the indebtedness of subsidiaries to Anglovaal Mining Limited is:		
– included in investments	**81**	
– included in loans and long-term receivables	**8**	
– included in receivables	**105**	
	194	
The aggregate amount of the indebtedness of Anglovaal Mining Limited to subsidiaries is:		
– included in payables	**13**	
– included in overdrafts and short-term borrowings	**274**	
	287	

Principal subsidiary companies

as at 30 June 1999

Name and nature of business	Class	Issued permanent capital Amount 1999 Rm	1998 Rm	Interest in capital Direct 1999 %	1998 %	Indirect 1999 %	1998 %	Book value of the Company' interest Shares/debentures 1999 Rm	1998 Rm	Indebtedness by/(to) 1999 Rm	1998 Rm
MAJOR SUBSIDIARIES IN THE MINING GROUP											
Anglo-Transvaal Finance Corporation (Pty) Limited	Ord	–	–	**100**	–	–	–	–	–	–	–
Anglovaal Air (Pty) Limited – air charter operator	Ord	–	–	**100**	100	–	–	**89**	89	**(203)**	–
Anglovaal Namibia (Pty) Limited† (Incorporated in Namibia) – exploration	Ord	–	–	**100**	–	–	68	–	–	–	–
Anglovaal Trustees Limited (Incorporated in the UK) – London secretaries	Ord	–	–	**100**	100	–	–	–	–	–	–
Atair (Pty) Limited – air charter operator	Ord	–	–	–	–	–	–	–	–	–	2
Atscot (Pty) Limited – investment	Ord	**1**	1	**100**	82	–	–	**10**	6	**(22)**	–
Avgold Limited* – gold producer	Ord	**5**	–	**60**	–	–	–	**967**	–	–	–
Avmin Limited – mining investment	Ord	**5**	5	**100**	68	–	–	–	2 579	**(17)**	261
Avmin African Holdings B.V. (Incorporated in the Netherlands) – mining investment	Ord	–	–	**100**	–	–	68	–	–	–	–
Avmin Coal Holdings (Pty) Limited – coal mining investment	Ord	–	–	–	–	–	68	–	–	–	–
Avmin Computer Supplies (Pty) Limited – computer retail company	Ord	–	–	**100**	–	–	68	–	–	–	–
Avmin (Zambia) Limited† – exploration and prospecting	Ord	–	–	**100**	–	–	68	–	–	–	–
AV Rosebank (Pty) Limited – property owner	Ord	–	–	**100**	100	–	–	–	–	**30**	37
Bitcon' Investments (Pty) Limited – investment	Ord	–	–	**100**	100	–	–	–	2	**(2)**	(1)
Centenary Prospecting and Mining Company (Pty) Limited – prospecting	Ord	–	–	**100**	–	–	68	–	–	–	–
Chambishi Metals plc – cobalt and copper treatment	Ord	**339**	–	**90**	–	–	–	**305**	–	**12**	–
Corondale Prospecting and Mining Company (Pty) Limited – prospecting	Ord	–	–	**100**	–	–	68	–	–	–	–
Dorstfontein Coal Mines (Pty) Limited – coal mining	Ord	–	–	–	–	–	68	–	–	–	–
Carried forward								**1 371**	2 676	**(202)**	299

Principal subsidiaries companies continued

as at 30 June 1999

Name and nature of business	Class	Issued permanent capital Amount 1999 Rm	1998 Rm	Interest in capital Direct 1999 %	1998 %	Indirect 1999 %	1998 %	Book value of the Company' interest Shares/debentures 1999 Rm	1998 Rm	Indebtedness by/(to) 1999 Rm	1998 Rm
Brought forward								**1 371**	2 676	**(202)**	299
Duff Scott Hospital (Pty) Limited											
– hospital	Ord	–	–	–	–	**60**	–	–	–	–	–
East Rand Coal Holdings (Pty) Limited											
– mining investment	Ord	–	–	–	–	–	68	–	–	–	–
Forzando Coal Mines (Pty) Limited*											
– coal mining	Ord	–	–	–	–	–	68	–	–	–	–
Harmony Lands and Minerals Limited (Incorporated in the UK)											
– investment	Ord	–	–	–	49	–	51	–	–	–	–
Highland Gold Mining (Pty) Limited†											
– prospecting	Ord	–	–	**100**	–	–	68	–	–	–	–
Horizon Chrome Mines (Pty) Limited											
– chrome mining	Ord	–	–	**100**	–	–	68	**(2)**	–	**18**	–
Jesdene Limited											
– share dealer	Ord	–	–	**100**	100	–	–	–	–	**7**	19
Kingfisher Insurance Company Limited											
– insurance	Ord	–	–	**100**	100	–	–	**8**	8	–	–
Konnoco (Zambia) Limited† (Incorporated in Zambia)											
– exploration	Ord	–	–	**100**	–	–	68	–	–	–	–
Lavino (Pty) Limited											
– chromite ore producer	Ord	**1**	1	**100**	–	–	68	**3**	–	–	1
Letaba Copper & Zinc Corporation Limited											
– prospecting	Ord	**1**	1	**94**	–	–	64	–	–	–	–
Norcape Holdings (Pty) Limited											
– share dealing	Ord	–	–	**100**	–	–	68	–	–	**(2)**	–
Oribi Prospecting and Mining Company (Pty) Limited											
– mining investment	Ord	–	–	**100**	–	–	68	–	–	–	–
Otterbea International (Pty) Limited											
– international trader	Ord	–	–	**100**	95	–	–	**16**	16	–	2
Prieska Copper Mines Limited											
– investment	Ord	–	–	**97**	–	–	66	**1**	–	–	–
Carried forward								**1 397**	2 700	**(179)**	321

as at 30 June 1999

Name and nature of business	Class	Issued permanent capital Amount 1999 Rm	1998 Rm	Interest in capital Direct 1999 %	Direct 1998 %	Indirect 1999 %	Indirect 1998 %	Book value of the Company' interest Shares/debentures 1999 Rm	Shares/debentures 1998 Rm	Indebtedness by/(to) 1999 Rm	Indebtedness by/(to) 1998 Rm
Brought *forward*								**1 397**	2 700	**(179)**	321
Rhino Minerals (Pty) Limited											
– andalusite producer	Ord	–	–	–	–	–	68	–	–	–	78
Rooderand Main Reef Mines Limited											
– mining finance and investment	Ord	–	–	**100**	–	–	68	**1**	–	**(1)**	–
Saturn Mining, Prospecting & Development Company (Pty) Limited											
– mining investment	Ord	–	–	**88**	22	–	45	–	–	–	–
Sheffield Minerals (Pty) Limited											
– prospecting	Ord	–	–	**100**	–	–	68	–	–	**1**	–
South African Base Minerals Limited											
– investment	Ord	–	–	**100**	–	–	68	–	–	–	–
Southern Registrars (Pty) Limited											
– share registrar	Ord	–	–	**100**	100	–	–	–	–	–	–
Sun Prospecting and Mining Company (Pty) Limited											
– mining investment	Ord	–	–	**100**	–	–	68	–	–	–	–
Tasrose Investments (Pty) Limited											
– mining investment	Pref	–	–	**100**	100	–	–	**25**	25	–	–
– mining investment	Ord	–	–	**100**	–	–	–	–	–	**(24)**	–
Taurus Mining and Prospecting Company (Pty) Limited											
– prospecting	Ord	–	–	**100**	–	–	68	–	–	–	–
The Associated Manganese Mines of South Africa Limited*											
– manganese and iron ore mining company and ferro-alloy producer	Ord	**2**	2	**50**	–	–	34	**258**	–	–	2
Tramid Investments Limited											
– investment	Ord	–	–	**100**	–	–	68	–	–	–	–
Transvaal Copper Mining & Exploration Company (Pty) Limited											
– prospecting	Ord	–	–	**100**	–	–	68	–	–	–	–
Vallum Investments (Pty) Limited											
– investment	Ord	–	–	**100**	100	–	–	–	–	**(3)**	–
Venture Building Trust (Pty) Limited											
– property owner	Ord	–	–	**100**	–	–	68	**12**	–	**13**	–
Carried forward								**1 693**	2 725	**(193)**	401

Name and nature of business	Class	Issued permanent capital Amount 1999 Rm	1998 Rm	Interest in capital Direct 1999 %	1998 %	Indirect 1999 %	1998 %	Book value of the Company' interest Shares/ debentures 1999 Rm	1998 Rm	Indebtedness by/(to) 1999 Rm	1998 Rm
MAJOR SUBSIDIARIES IN THE INDUSTRIAL GROUP											
Brought forward								**1 693**	2 725	**(193)**	401
Anglovaal Industries Limited*	Ord	–	17	–	60	–	–	–	475	–	(401)
	5% con deb	–	388	–	60	–	–	–	232	–	–
Avtex Limited	Ord	–	47	–	–	–	60	–	–	–	1
Bearing Man Limited*	Ord	–	57	–	–	–	33	–	–	–	–
Consol Limited	Ord	–	3	–	–	–	49	–	–	–	(269)
Grinaker Construction Limited*	Ord	–	–	–	–	–	30	–	–	–	(54)
Irvin & Johnson Limited*	Ord	–	15	–	–	–	42	–	–	–	–
	6% con deb	–	98	–	–	–	41	–	–	–	–
National Brands Limited	Ord	–	4	–	–	16	–	50	–	141	–
Tristel Holdings (Pty) Limited	Ord	–	–	–	–	–	59	–	–	–	(131)
								1 693	3 573	**(193)**	(453)
Other sundry companies								**7**	2	–	(26)
								1 700	3 575	**(193)**	(479)

Notes

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.

† Investment written off as exploratory expenditure

** Listed companies*

Report on other investments

as at 30 June 1999

Name of company	GROUP Number of shares held 1999	1998	COMPANY Number of shares held 1999	1998	Group effective percentage holding 1999	1998
INVESTMENTS IN ASSOCIATED COMPANIES, JOINT VENTURES AND PARTNERSHIPS						
ASSOCIATED COMPANIES						
Listed						
Alpha Limited						
Ordinary shares of no par value	–	1 693 446	–	–	–	18
Avgold Limited (note 1)						
Ordinary shares of 1 cent each	–	204 757 362	–	–	–	34
Unlisted						
Altur Investments Limited						
Ordinary shares of R1 each	–	1 113 990	–	–	–	27
A ordinary shares of 1 cent each	–	5 569 950	–	–	–	27
Lucas Block Minerals Limited						
Ordinary shares of R2 each	**120**	100	**120**	–	**25**	17
Namascor (Pty) Limited						
Ordinary shares of R2 each	–	1 500 001	–	–	–	29
Village Main Reef Gold Mining Company (1934) Limited						
Ordinary shares of 12,5 cents each	**2 292 500**	2 292 500	**2 292 500**	2 292 500	–	38
JOINT VENTURES AND PARTNERSHIPS						
Cato Ridge Alloys (Pty) Limited					**25**	17
Forzando Coal Mine					–	34
Lannex Chrome Mine					**23**	16
Nyala Minerals (Pty) Limited					**50**	34
Nkomati Joint Venture					**75**	50
The Saturn Partnership					**88**	66
INVESTMENTS IN OTHER COMPANIES						
Listed						
Anglogold Limited	–	221 704	–	25 541		
Anglovaal Limited – ordinary	–	519 000	–	–		
Anglovaal Limited – N ordinary	–	16 350	–	–		
Barnato Exploration Limited	–	3 500	–	–		
Consolidated Metallurgical Limited	–	49 998	–	49 998		
Consolidated Murchison Limited	–	497 500	–	147 000		
Free State Development and Investment Corporation Limited	–	500 500	–	500		
Goldfields Limited	–	63 191	–	52 900		
Industrial & Commercial Holdings Limited	**20 000**	–	**20 000**	–		
Ingwe Coal Corporation Limited	–	956 260	–	2 160		
Messina Limited	**2 778**	–	**2 778**	–		
Samancor Limited	–	65 500	–	–		
Standard Bank Mining and Resources Fund – units	–	10 635 033	—			
The Associated Ore & Metal						

as at 30 June 1999

Name of company	GROUP Number of shares held 1999	1998	COMPANY Number of shares held 1999	1998	Group effective percentage holding 1999	1998
OTHER COMPANIES (continued)						
Corporation Limited	3 628 000	181 400	3 628 000	--		
The Western Areas Gold Mining Company Limited	–	976 791	–	164 552		
Trans-Natal Coal Corporation Limited	–	1 922 623	–	–		
Unlisted						
Africa South Entertainment & Investment Co (Pty) Limited	**10 000**	10 000	**10 000**	10 000		
Avmin African Holdings BV	**40 000**	–	**40 000**	–		
Eureka Privaat Hospitaal Trustees (Eiendoms) Beperk	**100**	–	–	–		
Finsch Diamonds (Pty) Limited	**180**	180	**180**	120		
Jeanette Gold Mining Company Limited	**21 136**	21 136	**21 136**	21 136		
Kaya FM (Pty) Limited	**15 000**	15 000	**15 000**	15 000		
Nuclear Fuels Corporation of South Africa (Pty) Limited	**220 690**	–	–	–		
Rainbow Chicken Limited - preference	–	500 000	–	–		
Rand Refinery Limited	**30 096**	–	–	–		
Small Business Development Corporation	**323 177**	323 177	**323 177**	323 177		
The Employment Bureau of Africa Limited	**95 817**	–	–	–		

Notes

1. On 30 June 1999 Avgold Limited was a subsidiary of Anglovaal Mining Limited.
2. 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.

US$ reporting

as at 30 June 1999

INTRODUCTION TO US$ REPORTING

For the benefit of international investors, the income statement, balance sheet, statement of changes in equity and cash flow statement of the Group, presented in rands and set out on pages 46 to 49, have been translated into United States dollars and are presented on this page and pages 83 to 85.

The balance sheet is translated at the rate of exchange ruling at the close of business at 30 June and the income statement and cash flow statement are translated at the average exchange rates for the years reported.

	1999 R/US$	1998 R/US$
Balance sheet	**R6,03**	R5,88
Income statement and cash flow statement	**R6,06**	R4,96

The dollar denominated income statement, balance sheet, statement of changes in equity and cash flow statement should be read in conjunction with the Group' accounting policies as set out on pages 40 to 45 and with the notes to the financial statements on pages 50 to 74.

US$ income statement

for the year ended 30 June 1999

		GROUP	
	Note	Actual 1999 US$m	Pro forma US$m
Revenue	2	**411**	512
Cost of sales		**276**	354
Gross profit		**135**	158
Other operating income		**21**	24
Other operating expenses		**49**	75
Profit from operations	3	**107**	107
Income from investments	4	**9**	27
Finance costs		**21**	24
Profit before exceptional items		**95**	110
Exceptional items	5	**34**	(93)
Profit before taxation		**129**	17
Taxation	7	**24**	40
Profit after taxation		**105**	(23)
Income from associates	8	**1**	(7)
Net profit		**106**	(30)
Minority interest		**20**	18
Earnings		**86**	(48)
Headline earnings	10	**48**	46
Earnings per share (cents)	11	**93**	
Headline earnings per share (cents)	11	**52**	
Fully diluted earnings per share (cents)	11	**92**	
Dividends per share (cents)	9	**11**	
Number of ordinary shares in issue at end of year (thousands)		**106 200**	
Weighted average number of ordinary shares in issue (thousands)		**92 894**	
Weighted average number of ordinary shares used in calculating fully diluted earnings per share (thousands)	11	**93 796**	

US$ balance sheet

as at 30 June 1999

	Note	GROUP 1999 US$m
ASSETS		
Non-current assets		
Fixed and intangible assets	12	**507**
Investments	13	**3**
		510
Current assets		
Inventories	15	**112**
Trade and other receivables		**110**
Taxation		**1**
Cash and cash equivalents		**72**
		295
Total assets		**805**
EQUITY AND LIABILITIES		
Capital and reserves		
Ordinary share capital	16	**1**
Preference share capital	16	**1**
Share premium	16	**281**
Non-distributable reserves		**16**
Distributable reserves		**33**
Shareholders' interest in capital and reserves		**332**
Minority interest	17	**186**
Total shareholders' interest		**518**
Non-current liabilities		
Long-term borrowings	18	**65**
Deferred taxation	19	**24**
Long-term provisions	20	**31**
		120
Current liabilities		
Trade and other payables	21	**98**
Taxation		**10**
Shareholders for dividends		**3**
Overdrafts and short-term borrowings	22	**56**
		167
Total equity and liabilities		**805**

US$ statement of changes in equity

for the year ended 30 June 1999

Group	Note	Share capital and premium USS$m	Non-distributable reserves: Revaluation surplus US$m	Non-distributable reserves: Other US$m	Distributable reserves US$m	**Total US$m**
Balance at 30 June 1998		200	36	99	314	**649**
Change in accounting policies	1	–	–	–	1	**1**
Restated balance		200	36	99	315	**650**
Revaluation reversal		–	(2)	–	–	**(2)**
Earnings		–	–	–	86	**86**
Reallocation of reserves		–	–	2	(2)	–
Ordinary dividends		–	–	–	(12)	**(12)**
Dividend in specie	9	–	(33)	(87)	(395)	**(515)**
Reserves attributable to minorities of National Brands Limited		–	–	(11)	–	**(11)**
Share issues net of expenses		129	–	–	–	**129**
Associated company now subsidiary		–	–	5	(5)	–
Transfer of share premium	16	(42)	–	–	42	–
Share election reserve	9	–	–	9	–	**9**
Translation adjustment		(4)	–	(1)	3	**(2)**
Other movements		–	–	(1)	1	–
Balance at 30 June 1999		283	1	15	33	**332**

US$ cash flow statement

for the year ended 30 June 1999

	Note	GROUP 1999 US$m
CASH FLOW FROM OPERATING ACTIVITIES		
Cash receipts from customers		401
Cash paid to suppliers and employees		324
Cash generated from operations	30	77
Translation adjustment		1
Utilised against provisions		(1)
Interest received		7
Interest paid		(21)
Dividends received		2
Dividends paid	31	(23)
Taxation paid	32	(24)
Net cash inflow from operating activities		18
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries, net of cash acquired	33	6
Proceeds from disposal of subsidiaries, net of cash acquired	34	39
Additions to fixed assets to maintain operations		(29)
Additions to fixed assets to expand operations		(94)
Proceeds on disposal of fixed assets		3
Proceeds on disposal of investments		69
Net cash outflow from investing activities		(6)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in shareholder funding		33
Long-term borrowings raised		52
Decrease in short-term borrowings		(51)
Decrease in loans and long-term receivables		15
Net cash inflow from financing activities		49
Net increase in cash and cash equivalents		61
Cash and cash equivalents at beginning of year		205
Cash and cash equivalents not available due to unbundling of Anglovaal Industries Limited	36	(194)
Cash and cash equivalents at end of year		72
Cash generated from operations per share (cents)		83

Shareholder information

as at 30 June 1999

		Number of shareholders	%	Number of shares	%
SHAREHOLDING ANALYSIS					
Holdings					
1 -	1 000	2 067	75.9	583 295	0.5
1 001 -	5 000	454	16.7	1 032 312	1.0
5 001 -	10 000	80	2.9	603 815	0.6
10 001 -	50 000	77	2.8	1 782 123	1.7
50 001 -	100 000	17	0.6	1 134 154	1.1
100 001 -	1 000 000	15	0.6	3 464 493	3.3
Over	1 000 000	12	0.5	97 599 517	91.8
		2 722	100.0	106 199 709	100.0
Analysis of holdings					
Individuals		2 381	87.5	9 677 475	9.1
Insurance companies		10	0.4	4 743 571	4.5
Pension funds		31	1.1	1 881 901	1.8
Nominee companies		106	3.9	61 375 403	57.8
Other corporate bodies		194	7.1	28 521 359	26.8
		2 722	100.0	106 199 709	100.0

Shareholders' Diary

Financial year-end		30 June
Annual general meeting		4 November 1999
Report and profit statements		**Published**
Half-yearly interim report published		February
Results and dividend announcement published		August
Annual financial statements published		September
Annual dividend	Declared November	Paid January 2000

Notice to members

Notice is hereby given that the sixty-sixth annual general meeting of members of Anglovaal Mining Limited will be held at 56 Main Street, Johannesburg on Thursday, 4 November 1999 at 10:00, for the following purposes:

1. To receive and consider the annual financial statements for the year ended 30 June 1999.
2. To elect directors in accordance with the provisions of the Company's Articles of Association.
3. To consider and, if deemed fit, to pass, with or without modification, the following ordinary and special resolutions:

Ordinary resolution No 1

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

Ordinary resolution No 2

"Resolved that, subject to:

2.1 the passing of ordinary resolution No 1 above; and

2.2 not less than 75 per cent of those shareholders of the Company present in person or by proxy and entitled to vote at the meeting at which this resolution is proposed voting in favour of this resolution;

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

The restriction placed by the Johannesburg Stock Exchange 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.

– 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 Listings Requirements.

– Issues in the aggregate in any one financial year will not exceed ten per cent of the number of shares of the Company's issued share capital and shall not in aggregate in any three-year period exceed fifteen per cent of the Company's issued share capital.

– A paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue representing, on a cumulative basis within a financial year, five per cent or more of the number of shares in issue prior to the issue.

– In determining the price at which the issue of shares will be made, the maximum discount permitted will be ten per cent of the average closing price of the shares as determined over the 30 days prior to either the date of the paid press announcement or, where no announcement is required and none has been made, the date of issue of such shares.

Special Resolution No 1

"Resolved that article 42 of the Articles of Association of the Company ("the Articles") be amended by substituting the current sub-section (f) with:

acquire its own shares and acquire shares in any holding company of the Company in accordance with the provisions of the Statutes."

The reason for Special Resolution No 1 is to amend the Articles in accordance with recent amendments to the Statutes to enable the Company to acquire its own shares and to acquire shares in any holding company of the Company. The effect of Special Resolution No 1 will be that the Company will be entitled to acquire its own shares and to acquire shares in any holding company of the Company.

Special Resolution No 2

"Resolved that the Articles be amended by inserting the following article as article 42A:

The Company shall be entitled to make payments to its shareholders in accordance with the provisions of the Statutes. Any unclaimed amounts due by the Company as a result of the acquisition of shares by the Company or otherwise may be invested or otherwise made use of by the directors for the benefit of the Company until claimed, provided that amounts unclaimed for a period of 12 years may be forfeited by the directors for the benefit of the Company."

The reason for Special Resolution No 2 is to enable the Company to make payments to its shareholders in accordance with recent amendments to the Statutes. The effect of Special Resolution No 2 will be that the Company will be authorised to make payments to its shareholders.

Special Resolution No 3

"Resolved that the Articles be amended by the insertion of the following article as article 42B:

The Company may from time to time, subject to such requirements which may be imposed by the Statutes, by ordinary resolution authorise the directors to reduce, dispose of, distribute or otherwise deal with in any manner whatsoever, the Company's share capital, stated capital, share premium account or any capital redemption reserve fund of the Company."

The reason for Special Resolution No 3 is to allow the Company to deal with the share capital, stated capital, share premium account or any capital redemption reserve fund of the Company in a manner not otherwise governed by the Statutes. The effect of the amendment is to permit the Company to so deal.

Special Resolution No 4

"Resolved that subject to the passing and registration of Special Resolution No 1, the Board of directors of the Company be authorised up to and including the date of the Company's next annual general meeting, to approve the purchase of its own shares by the Company and the purchase of shares by the Company in any holding company of the Company, subject to the provisions of the Statutes and the listing requirements of the Johannesburg Stock Exchange and any other exchange on which the shares of the Company may be listed from time to time."

The reason for Special Resolution No 4 is to permit the purchase by the Company of its own shares or the shares of any holding company subject to the restrictions of the Statutes and the Johannesburg Stock Exchange. The effect of Special Resolution No 4 will be that the Board of directors will, up to and including the date of the following annual general meeting, be entitled to approve the purchase by the Company of its own shares and the purchase of shares by the Company in any holding company.

Special Resolution No 5

"Resolved that the words AND ACQUISITION OF OWN SHARES be inserted after the heading appearing before article 42 of the Articles."

The reason for Special Resolution No 5 is to amend the heading appearing before article 42 of the Articles to reflect the changes proposed in special resolutions Nos 1, 2 and 3 above. The effect of Special Resolution No 5 will be that the heading appearing before article 42 will so reflect the proposed changes.

Special Resolution No 6

"Resolved that the words the last article in the first line of article 43 of the Articles be deleted and replaced with the words *"article 42."*

The reason for Special Resolution No 6 is to maintain the correct cross-reference in article 43 to article 42. The effect of Special Resolution No 6 will be to so maintain the correct cross-reference in article 43.

Ordinary Resolution No 3

"Resolved that subject to the passing and registration of special resolutions Nos 2 and 3, an amount of R254 million be transferred from the share premium account of the Company to the Company's distributable reserves, for the purpose of permitting the award of capitalisation shares to shareholders of the Company or, if shareholders so elect instead, the distribution of a cash dividend in respect of the financial year ended 30 June 1999, and for the purpose of increasing the distributable reserves for contingencies."

The transfer books and registers of members of the Company in Johannesburg and London will be closed from 29 October to 4 November 1999, both days inclusive.

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

By order of the Board

S E Sather
Company Secretary
Johannesburg, 30 September 1999

Administration

Company registration
Anglovaal Mining Limited
(formerly Anglovaal Limited)
Registration number 05/04580/06

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

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

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

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

Auditors
Ernst & Young

Bankers
FirstRand Bank Limited

CHANGE OF ADDRESS

Members are requested to notify any change of address to:

The Transfer Secretaries
Anglovaal Mining Limited
Mercantile Registrars Limited
PO Box 1053
Johannesburg, 2000
South Africa
or
The London Secretaries
Anglovaal Mining Limited
St James's Corporate Services Limited
6 St James's Place
London SW1A 1NP
Telephone (0171) 499-3916
Telefax (0171) 491-1989

SHAREHOLDER ENQUIRIES

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

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

London secretaries
Anglovaal Mining Limited
St James's Corporate Services Limited
6 St James's Place
London SW1A 1NP
Telephone (0171) 499-3916
Telefax (0171) 491-1989

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

Form of proxy

ANGLOVAAL MINING LIMITED
(formerly Anglovaal Limited)
(Registration number 05/04580/06)
("the Company")

Form of proxy for annual general meeting

I/We

(Name in block letters)

of

(Address)

Being the holder/s of ordinary shares

In the Company, hereby appoint (see note 1):

1.

of or failing him

2.

of or failing him

3. the chairman of the Company, or failing him, the chairman of the annual general meeting,

as my/our proxy to vote for me/us on my/our behalf at the annual general meeting of the Company to be held at 56 Main Street, Johannesburg on Thursday, 4 November 1999at 10:00, or at any adjournment thereof.

I/We desire to vote as follows (see note 2):

	For	Against	Abstain
Election of directors retiring by rotation			
Ordinary resolution No 1			
Ordinary Resolution No 2			
Special Resolution No 1			
Special Resolution No 2			
Special Resolution No 3			
Special Resolution No 4			
Special Resolution No 5			
Special Resolution No 6			
Ordinary Resolution No 3			

Signed at on 1999

Signature

Assisted by me (where applicable)

Please see notes overleaf

Notes to proxy

1. A member is entitled to appoint one or more proxies (none of whom need be a member of the Company) to attend, speak and vote in the place of that member at the annual general meeting. A member may therefore insert the name of a proxy or the names of two alternative proxies of the member's choice in the space provided, with or without deleting "the chairman of the Company, or failing him, the chairman of the annual general meeting". The person whose name stands first on the proxy form and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.

2. A member's instructions to the proxy must be indicated by the insertion of an "X" in the appropriate box provided. Failure to comply with the above will be deemed to authorise the chairman of the annual general meeting, if he is the authorised proxy, to vote in favour of the resolutions at the annual general meeting, or any other proxy to vote or abstain from voting at the annual general meeting as he deems fit, in respect of the member's total holding.

3. The completion and lodging of this form of proxy will not preclude the relevant member from attending the annual general 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.

4. Every member present in person or by proxy and entitled to vote shall, on a show of hands, have only one vote and, upon a poll, every member shall have one vote for every ordinary share held.

5. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders for which purpose seniority will be determined by the order in which the names stand in the register of members in respect of the joint holding.

6. Forms of proxy and the authority (if any) under which they are signed must be lodged at or posted to the registered office of the Company or the transfer secretaries, Anglovaal Mining Limited, or the Company's London secretaries, Anglovaal Mining Limited, St James's Corporate Services Limited, 6 St James's Place, London SW1A 1NP, to be received by not later than 10:00 on Tuesday, 2 November 1999.