

# INCOME STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

	NOTES	GROUP		COMPANY	
		2000 R000	1999 R000	2000 R000	1999 R000
Revenue	2	2 043 634	1 071 058	67 023	115 991
Cost of sales		(2 076 222)	(1 047 824)	(118 876)	(139 961)
Cash costs		(1 904 925)	(968 553)	(63 659)	(104 228)
Depreciation		(123 752)	(86 815)	(26 977)	(30 530)
Retrenchment costs		(15 750)	(5 289)	(6 110)	(2 682)
Movement in provision for environmental rehabilitation		(20 710)	17 729	(22 130)	(2 521)
Movement in gold in process		(11 085)	(4 896)	–	–
Operating (loss)/profit from gold		(32 588)	23 234	(51 853)	(23 970)
Asset impairment and diminution in investments	3	(589 689)	–	(525 000)	–
Administration and general costs		(229 755)	(82 229)	(56 989)	(47 567)
Loss from operations	3	(852 032)	(58 995)	(633 842)	(71 537)
Investment income	5	3 779	29 363	62 115	22 053
Interest paid	6	(28 560)	(14 278)	(11 556)	(7 334)
Loss before taxation		(876 813)	(43 910)	(583 283)	(56 818)
Taxation benefit/(charge)	7	4 872	(2 088)	–	3 429
Loss after taxation		(871 941)	(45 998)	(583 283)	(53 389)
Minority interest		(483)	–	–	–
Loss attributable to ordinary shareholders		(872 424)	(45 998)	(583 283)	(53 389)
Headline loss per ordinary share (cents)	8	(255)	(89)	(56)	(104)
Basic loss per ordinary share (cents)	8	(837)	(79)	(560)	(91)
Diluted basic loss per share (cents)	8	(719)	(60)	(481)	(70)
Diluted headline loss per share (cents)	8	(219)	(68)	(48)	(79)

# BALANCE SHEETS

AT 30 JUNE 2000

	NOTES	GROUP		COMPANY	
		2000 R000	1999 R000	2000 R000	1999 R000
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Mining assets	9	968 949	815 685	128 582	255 140
Non-current investments and other assets	10	28 016	67 804	110 387	19 634
Investments in subsidiaries	11	–	–	1 586 167	924 235
		<b>996 965</b>	<b>883 489</b>	<b>1 825 136</b>	<b>1 199 009</b>
<b>CURRENT ASSETS</b>					
Inventories	12	82 668	43 726	1 936	2 559
Accounts receivable		139 397	61 766	15 468	20 841
Investments in listed companies	10	99 305	–	99 305	–
Cash and cash equivalents		102 107	82 633	11 598	49 874
		<b>423 477</b>	<b>188 125</b>	<b>128 307</b>	<b>73 274</b>
<b>TOTAL ASSETS</b>		<b>1 420 442</b>	<b>1 071 614</b>	<b>1 953 443</b>	<b>1 272 283</b>
<b>EQUITY AND LIABILITIES</b>					
<b>CAPITAL AND RESERVES</b>					
Shareholders' equity	13	442 042	701 125	820 036	773 148
Minority shareholders' interest		2 629	–	–	–
		<b>444 671</b>	<b>701 125</b>	<b>820 036</b>	<b>773 148</b>
<b>NON-CURRENT LIABILITIES</b>					
Provision for environmental rehabilitation	14	105 962	73 641	33 987	11 857
Deferred mining and income taxes	15	70 984	53 538	–	–
Long-term liabilities	16	105 847	35 685	–	–
		<b>282 793</b>	<b>162 864</b>	<b>33 987</b>	<b>11 857</b>
<b>CURRENT LIABILITIES</b>					
Accounts payable and accrued liabilities		460 649	178 188	10 479	14 871
Short-term liabilities	16	213 926	14 471	134 971	–
Amounts owing to subsidiaries	11	–	–	947 203	471 661
Taxation		4 420	4 217	–	–
Bank overdraft		13 983	10 749	6 767	746
		<b>692 978</b>	<b>207 625</b>	<b>1 099 420</b>	<b>487 278</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 420 442</b>	<b>1 071 614</b>	<b>1 953 443</b>	<b>1 272 283</b>

# STATEMENTS OF SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 30 JUNE 2000

GROUP	Number of ordinary shares	Number of cumulative preference shares	Stated capital R000	Cumulative preference share capital R000	Non- distribu- table reserves R000	Accumu- lated loss R000	Total R000
Balance as at 30 June 1998	48 749 035	5 000 000	726 599	500	–	(159 115)	567 984
Acquisition of Crown Consolidated Gold Recoveries Limited	5 925 139		89 050				89 050
Issue of shares for cash	4 550 000		71 306				71 306
Staff options issued	2 392 056		23 538				23 538
Issue of shares for services rendered	44 882		675				675
Share issue expenses			(5 430)				(5 430)
Loss for the year						(45 998)	(45 998)
<b>Balance at 30 June 1999</b>	<b>61 661 112</b>	<b>5 000 000</b>	<b>905 738</b>	<b>500</b>	<b>–</b>	<b>(205 113)</b>	<b>701 125</b>
Acquisition of Hargraves Resources NL	12 702 835		115 594				115 594
Purchase of Emperor shares	3 020 077		42 443				42 443
Consideration for Rawas	8 282 056				122 574		122 574
Acquisition of Dome Resources NL	12 389 019		122 036				122 036
Purchase of "Harties"	1 000 000		12 580				12 580
Issue of shares for cash	21 252 761		206 921				206 921
Staff options issued	81 750		732				732
Issue of shares for services rendered	601 136		5 407				5 407
Share issue expenses			(7 011)				(7 011)
Foreign exchange losses on translation					(7 935)		(7 935)
Loss for the year						(872 424)	(872 424)
<b>Balance at 30 June 2000</b>	<b>120 990 746</b>	<b>5 000 000</b>	<b>1 404 440</b>	<b>500</b>	<b>114 639</b>	<b>(1 077 537)</b>	<b>442 042</b>

# STATEMENTS OF SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 30 JUNE 2000

COMPANY	Number of ordinary shares	Number of cumulative preference shares	Stated capital R000	Cumulative preference share capital R000	Non-distributable reserves R000	Accumulated loss R000	Total R000
Balance as at 30 June 1998	48 749 035	5 000 000	726 599	500	–	(79 701)	647 398
Acquisition of Crown Consolidated Gold Recoveries Limited			89 050				89 050
Issue of shares for cash	4 550 000		71 306				71 306
Staff options issued	2 392 056		23 538				23 538
Issue of shares for services rendered	44 882		675				675
Share issue expenses			(5 430)				(5 430)
Loss for the year						(53 389)	(53 389)
<b>Balance at 30 June 1999</b>	<b>61 661 112</b>	<b>5 000 000</b>	<b>905 738</b>	<b>500</b>	<b>–</b>	<b>(133 090)</b>	<b>773 148</b>
Acquisition of Hargraves Reserves NL	12 702 835		115 594				115 594
Purchase of Emperor shares	3 020 077		42 443				42 443
Consideration for Rawas	8 282 056				122 574		122 574
Acquisition of Dome Resources NL	12 389 019		122 036				122 036
Purchase of "Harties"	1 000 000		12 580				12 580
Issue of shares for cash	21 252 761		206 921				206 921
Staff options issued	81 750		732				732
Issue of shares for services rendered	601 136		5 407				5 407
Share issue expenses			(7 011)				(7 011)
Revaluation of forward purchase of shares in subsidiary					8 895		8 895
Loss for the year						(583 283)	(583 283)
<b>Balance at 30 June 2000</b>	<b>120 990 746</b>	<b>5 000 000</b>	<b>1 404 440</b>	<b>500</b>	<b>131 469</b>	<b>(716 373)</b>	<b>820 036</b>

# CASH FLOW STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

	NOTES	GROUP		COMPANY	
		2000 R000	1999 R000	2000 R000	1999 R000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash receipts from sales of precious metals		2 043 634	1 071 058	67 023	115 991
Cash paid to suppliers and employees		(2 016 716)	(1 091 152)	(127 484)	(175 175)
Cash generated by/(applied to) operations	A	26 918	(20 094)	(60 461)	(59 184)
Investment income		3 779	29 363	62 115	22 053
Interest paid		(28 560)	(14 278)	(11 556)	(7 334)
Taxation paid		–	(1 222)	–	(385)
Rehabilitation expenses paid		(1 240)	(1 322)	–	–
Net cash inflow/(outflow) from operating activities		897	(7 553)	(9 902)	(44 850)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investments		(213 181)	(61 797)	(212 788)	(13 259)
Proceeds on sale of investments		168 977	25 314	128 830	19 992
Expenditure on assets		(133 453)	(113 348)	(9 234)	(10 719)
Proceeds on disposal of mining assets		13 801	19 999	323	6 550
Decrease/(increase) in amounts owing to/from subsidiaries		–	–	13 170	(34 946)
Subsidiaries acquired	C	(204 153)	–	(200 841)	(1 266)
Forward purchase of shares in subsidiary		–	–	(94 875)	–
Payment in respect of restraint of trade		–	(8 399)	–	(8 399)
Net cash outflow from investing activities		(368 009)	(138 231)	(375 415)	(42 047)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from the issue of shares		213 060	94 844	213 060	94 844
Increase in loans		154 654	9 444	134 971	–
Share issue expenses		(7 011)	(5 430)	(7 011)	(5 430)
Net cash inflow from financing activities		360 703	98 858	341 020	89 414
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>					
Cash resulting from acquisition of subsidiaries		22 649	52 413	–	–
Cash and cash equivalents at the beginning of the year		71 884	66 397	49 128	46 611
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	B	88 124	71 884	4 831	49 128

# NOTES TO THE CASH FLOW STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

	GROUP		COMPANY	
	2000 R000	1999 R000	2000 R000	1999 R000
A RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED BY/(APPLIED TO) OPERATIONS				
Loss before taxation	(876 813)	(43 910)	(583 283)	(56 818)
<i>Adjusted for</i>				
Movement in provision for environmental rehabilitation	20 710	(17 729)	22 130	2 521
Depreciation	123 752	86 815	26 977	30 530
Amortisation of royalty	5 500	1 100	5 500	1 100
Assets impaired and diminution in investments	589 689	–	525 000	–
Provision for diminution of listed investment	–	1 342	–	1 342
Expenses paid through issue of shares	–	675	–	675
Unrealised foreign exchange losses on translation	(8 817)	–	–	–
Loss/(surplus) on sale of listed investments	18 933	(12 631)	(10 827)	(11 286)
Interest paid	28 560	14 278	11 556	7 334
Investment income	(3 779)	(29 363)	(62 115)	(22 053)
Movement in gold in process	11 085	4 896	–	–
Amortisation of restraint of trade payments	2 997	1 049	2 997	1 049
Operating (loss)/profit before working capital changes	(88 183)	6 522	(62 065)	(45 606)
Working capital changes	115 101	(26 616)	1 604	(13 578)
Accounts receivable	(22 796)	(32 224)	5 373	(14 604)
Inventories	31 220	(1 242)	623	(133)
Accounts payable and accrued liabilities	106 677	958	(4 392)	1 159
Short-term liabilities	–	5 892	–	–
Cash generated by/(applied to) operations	26 918	(20 094)	(60 461)	(59 184)

# NOTES TO THE CASH FLOW STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

	GROUP		COMPANY	
	2000 R000	1999 R000	2000 R000	1999 R000
<b>B CASH AND CASH EQUIVALENTS</b>				
Cash and cash equivalents consist of cash on hand and balances with banks, and metals on consignment. Cash equivalents included in the cash flow statement comprise the following balance sheet amounts:				
Cash and cash equivalents	<b>102 107</b>	82 633	<b>11 598</b>	49 874
Bank overdrafts	<b>(13 983)</b>	(10 749)	<b>(6 767)</b>	(746)
	<b>88 124</b>	71 884	<b>4 831</b>	49 128

## C SUBSIDIARIES ACQUIRED

During the year the Group acquired all the shares in Duff Scott Hospital (Pty) Limited (16 August 1999), Hargraves (Pty) Limited (31 December 1999) and Dome Resources NL (1 April 2000). The Group also acquired all the assets and liabilities of "Harties", a division of Avgold Limited. The effective date of the transaction was 16 August 1999.

During the previous year the Company acquired all the shares of Crown Consolidated Gold Recoveries Limited for a purchase consideration of R89 050 000. The cost of the Crown acquisition has increased by R5 600 000 and is reflected in this year's acquisition of subsidiaries. The effective date of acquisition was 14 September 1998.

The fair value of the assets acquired and liabilities assumed are set out below.

# NOTES TO THE CASH FLOW STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

	GROUP		COMPANY	
	2000 R000	1999 R000	2000 R000	1999 R000
<i>Acquisition of subsidiaries</i>				
Mining assets – net book value	254 761	118 504		
Mining assets – fair value adjustment	320 959	(15 906)		
Non-current investments	40 956			
Inventories	81 907	9 445		
Accounts receivable	54 835	4 773		
Cash and cash equivalents	22 649	52 413		
Provision for environmental rehabilitation	(11 890)	(2 455)		
Long-term liability	(114 963)	(31 062)		
Accounts payable	(177 520)	(46 662)		
Deferred taxation	(20 785)	–		
Minority shareholders' interest	(2 146)	–		
Total purchase consideration	448 763	89 050	620 885	90 316
Acquired through issue of ordinary shares	(250 210)	(89 050)	(402 647)	(89 050)
Increase in amounts owing to subsidiaries	–	–	(22 997)	–
Net cash flow	198 553	–	195 241	1 266
<i>Add: Increase in Crown consideration</i>	5 600	–	5 600	–
	204 153	–	200 841	1 266
<i>Settlement of expenses</i>				
Corporate expenses incurred	5 407	675	5 407	675
Settlement through issue of ordinary shares	(5 407)	(675)	(5 407)	(675)
Net cash flow	–	–	–	–