HARMONY GOLD MINING CO LTD
Form 20-F/A
October 14, 2004

Table of Contents

As filed with the Securities and Exchange Commission on October 5, 2004
and the amendment subsequently filed on October 14, 2004

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 20-F/A

ANNUAL REPORT PURSUANT TO SECTION 13 OF THE
SECURITIES EXCHANGE ACT OF 1934,

for the fiscal year ended June 30, 2004

Commission File Number: 001-31545

Harmony Gold Mining Company Limited

(Exact name of registrant as specified in its charter)

Republic of South Africa

(Jurisdiction of incorporation or organization)

Suite No. 1
Private Bag X1
Melrose Arch, 2076
South Africa

(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act: None

Securities registered or to be registered pursuant to Section 12(g) of the Act:

Ordinary shares, with nominal value Rand 50 cents per share*

(Title of Class)

American Depository Shares (as evidenced by American Depository Receipts),
each representing one ordinary share

(Title of Class)

* Not for trading, but only in connection with the registration of American Depository Shares,
pursuant to the requirements of the Securities and Exchange Commission.

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

The number of outstanding shares of each of the issuer s classes of capital or common stock as of the close of the last full fiscal year covered by this Annual Report was:

320,819,739 ordinary shares, with nominal value of Rand 50 cents per share

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days:

Yes x	**No o**

Indicate by check mark which financial statement item the registrant has elected to follow:

Item 17	**Item 18**
o	**x**

Table of Contents

TABLE OF CONTENTS

Table of Contents

Table of Contents

Use of Terms and Conventions in this Annual Report

Harmony Gold Mining Company Limited is a corporation organized under the laws of the Republic of South Africa. As used in this Annual Report on Form 20-F, or this annual report, unless the context otherwise requires, the term Harmony refers to Harmony Gold Mining Company Limited; the term South Africa refers to the Republic of South Africa; the terms we, us and our refer to Harmony and, as applicable, its direct and indirect subsidiaries as a group; the terms South African Government and Government refer to the government of South Africa and, where the context requires, include the South African state.

In this annual report, references to R , Rand , and c , cents are to the South African Rand, the lawful currency of South Africa, A$ refers to Australian dollars, C$ refers to Canadian dollars, GBP refers to British Pounds Sterling and references to $ and U.S. dollars are to United States dollars.

This annual report contains information concerning the gold reserves of Harmony. While this annual report has been prepared in accordance with the definitions contained in Securities and Exchange Commission Guide 7, it is based on assumptions which may prove to be incorrect. See Item 3. Key Information Risk Factors Harmony s gold reserve figures may yield less gold under actual production conditions than Harmony currently estimates.

This annual report contains descriptions of gold mining and the gold mining industry, including descriptions of geological formations and mining processes. We have explained some of these terms in the glossary included in this annual report beginning on page 145. This glossary may assist you in understanding these terms.

Presentation of financial information

Harmony is a South African company and the majority of its operations are located there. Accordingly, its books of account are maintained in South African Rand and its annual and interim financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice, or S.A. GAAP, as prescribed by law and are based on International Financial Reporting Standards. Harmony also prepares annual financial statements in accordance with generally accepted accounting principles in the United States or U.S. GAAP, which are translated into U.S. dollars. The financial information included in this annual report has been prepared in accordance with U.S. GAAP and is presented in U.S. dollars. Unless otherwise stated, balance sheet item amounts are translated from Rand to U.S. dollars at the exchange rate prevailing on the last business day of the period (Rand 6.23 per $1.00 as at June 30, 2004), except for specific items included within shareholders equity that are converted at the exchange rate prevailing on the date the transaction was entered into, and income statement item amounts are translated from Rand to U.S. dollars at the average exchange rate for the period (Rand 6.89 per $1.00 for fiscal 2004).

For the convenience of the reader, certain information in this annual report presented in Rand, A$, C$ and has been translated into U.S. dollars. By including convenience currency translations in this annual report, we are not representing that the Rand, A$, C$ and amounts actually represent the U.S. or Australian dollar amounts, as the case may be, shown or that these amounts could be converted in U.S. or Australian dollars, as the case may be, at the rates indicated. Unless otherwise stated, the conversion rate for translations from Rand amounts into U.S. dollar amounts is Rand 6.23 per $1.00, which was the noon buying rate on June 30, 2004.

Forward-looking statements

This annual report contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 with respect to Harmony s financial condition, results of operations, business strategies, operating efficiencies, competitive positions, growth opportunities for existing services, plans and objectives of management, markets for stock and other matters. In particular, among other statements, certain statements in Item 4.

Information on the Company, Item 5. Operating and Financial Review and Prospects and Item 11. Quantitative and Qualitative Disclosures About Market Risk are forward-looking in nature. Statements in this annual report that are not historical facts are forward-looking statements for the purpose of the safe harbor provided by Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended.

Table of Contents

These forward-looking statements, including, among others, those relating to the future business prospects, revenues and income of Harmony, wherever they may occur in this annual report and the exhibits to this annual report, are necessarily estimates reflecting the best judgment of the senior management of Harmony and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this annual report. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation:

- overall economic and business conditions in South Africa and elsewhere;
- the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions;
- decreases in the market price of gold;
- the occurrence of hazards associated with underground and surface gold mining;
- the occurrence of labor disruptions;
- availability, terms and deployment of capital;
- changes in government regulation, particularly mining rights and environmental regulation;
- fluctuations in exchange rates;
- currency devaluations and other macroeconomic monetary policies; and
- socio-economic instability in South Africa and regionally.

Harmony undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this annual report or to reflect the occurrence of unanticipated events.

Table of Contents

PART I

Item 1. *Identity of Directors, Senior Management and Advisers*

Not applicable.

Item 2. *Offer Statistics and Expected Timetable*

Not applicable.

Item 3. *Key Information*

SELECTED FINANCIAL DATA

The selected consolidated financial data below should be read in conjunction with, and are qualified in their entirety by reference to, our consolidated financial statements and the notes thereto and with Item 5.   Operating and Financial Review and Prospects , both included elsewhere in this annual report.

Selected Historical Consolidated Financial Data

The following selected historical consolidated financial data for the last five fiscal years has been extracted from the more detailed information and financial statements, including Harmony s audited consolidated financial statements for each of the years in the three years ended June 30, 2004 and at June 30, 2004 and 2003 and the related notes, which appear elsewhere in this annual report. The historical consolidated financial data at June 30, 2002, 2001 and 2000, and for each of the years in the two years ended June 30, 2000 and 2001, has been extracted from Harmony s audited consolidated financial statements not included in this annual report.

Table of Contents

The audited financial information included in this annual report has been prepared in accordance with U.S. GAAP.

	FISCAL YEAR ENDED JUNE 30,				
	2004	**2003**	**2002**	**2001**	**2000**
	(in $ thousands, except per share amounts)				
Income statement data					
Revenues	1,283,056	782,945	696,840	607,220	490,651
Operating income	71,975	182,046	206,375	88,424	72,971
Equity income of joint venture	7,918	52,843	13,176		
Equity income/(loss) of associate companies	2,020	(1,233)	(473)		1,401
Income before taxes and minority interests	(74,568)	97,515	103,659	29,804	73,489
Minority interests	1,281	(468)	(1,575)	(349)	(2,910)
Income/ (loss) before cumulative effect of change in accounting principles	(31,403)	71,792	87,716	14,830	57,030
Cumulative effect of change in accounting principles, net of tax[1]		14,770		(5,822)	
Net income	(31,403)	86,562	87,716	9,008	57,030
Basic earnings per share ($) before cumulative effect of change in accounting principles	(0.12)	0.40	0.57	0.15	0.68
Basic earnings per share ($)	(0.12)	0.49	0.57	0.09	0.68
Diluted earnings per share before cumulative effect of change in accounting principles	(0.12)	0.39	0.53	0.14	0.67
Diluted earnings per share	(0.12)	0.47	0.53	0.09	0.67
Weighted average number of shares used in the computation of basic earnings per share	254,240,500	177,954,245	153,509,862	102,156,205	83,593,424
Weighted average number of shares used in the computation of diluted earnings per share	254,240,500	182,721,629	165,217,088	105,504,328	85,590,876
	0.26	0.57	0.07	0.16	0.19

Cash dividends per share ($)					
Cash dividends per share (R)	0.70	5.50	0.75	1.20	1.20
Other financial data					
Cash dividends per share ($)[2]	0.05	0.20	0.41		
Cash dividends per share (R)[2]	0.30	1.50	4.25		
Cash cost per ounce of gold ($/oz)[3]	362	253	196	234	245

1 As discussed in the consolidated financial statements appearing elsewhere in this annual report, the company changed its method of accounting for mineral and surface use rights during the 2004 fiscal year, its accounting for environmental obligations during the 2003 fiscal year, and its method of accounting for share based compensation during the 2002 fiscal year.

2 Reflects dividends related to fiscal 2004, 2003 and 2002 that were declared on July 30, 2004, August 1, 2003 and August 2, 2002, respectively.

3 Harmony has calculated cash costs per ounce by dividing total cash costs, as determined using the Gold Institute industry standard, by gold ounces sold for all periods presented. The Gold Institute is a non-profit international association of miners, refiners, bullion suppliers and manufacturers of gold products that has developed a uniform format for reporting production costs on a per ounce basis. The standard was first adopted in 1996 and was revised in November 1999. Cash costs, as defined in the Gold Institute standard, include mine production costs, transport and refinery costs, general and administrative costs, costs associated with movements in production inventories and ore stockpiles, costs associated with transfers to deferred stripping and costs associated with royalties. Cash costs have been calculated on a consistent basis for all periods presented. Changes in cash costs per ounce are affected by operational performance, as well as changes in the currency exchange rate between the Rand and the U.S. dollar. Cash costs per ounce is not a U.S. GAAP measure. Cash costs per ounce should not be considered by investors in isolation or as an alternative to net income, income before tax, operating cash flows or any other measure of financial performance presented. While the Gold Institute has provided a definition for the calculation of cash costs per ounce, the calculation of cash costs per ounce may vary from company to company and may not be comparable to other similarly titled measures of other companies. However, Harmony believes that cash costs per ounce is a useful indicator to investors and management of a mining company s performance as it provides (1) an indication of a company s profitability and efficiency, (2) the trends in costs as the company s operations mature, (3) a measure of a company s gross margin per ounce, by comparison of cash costs per ounce to the spot price of gold and (4) an internal benchmark of performance to allow for comparison against other companies.

	AT JUNE 30,				
	2004	2003	2002	2001	2000
	(in $ thousands)				
Balance sheet data					
Cash and cash equivalents	217,022	189,040	90,223	144,096	77,942
Other current assets	223,370	146,709	109,397	136,794	59,582
Property, plant and equipment net	3,636,773	1,121,592	812,753	667,113	557,725
Goodwill	32,480				
Restricted cash	9,922				7,310
Investments in associates	19,908	63,782	42,791		
Investment in joint venture		272,754	102,578		
Other long-term assets	451,216	89,183	137,399	81,822	69,629
Total assets	4,590,691	1,883,060	1,295,141	1,029,825	772,188
Current liabilities	322,632	173,890	138,677	152,886	150,148
Provision for environmental rehabilitation	125,917	62,977	63,125	53,136	52,525
Provision of social plan	1,958				
Deferred income and mining taxes	558,812	209,628	99,789	47,050	48,686
Provision for post-retirement benefits	1,584	1,017	737	1,002	3,709
Deferred financial liability	91,513	37,228	87,226	49,374	40,174
Long-term loans	509,195	301,572	152,461	151,466	46,635
Preference shares				681	
Minority interest		18,408		331	
Shareholders equity	2,979,080	1,078,340	573,126	573,899	430,311
Total liabilities and shareholders equity	4,590,691	1,883,060	1,295,141	1,029,825	772,188

EXCHANGE RATES

Unless otherwise stated, balance sheet item amounts are translated from Rand to U.S. dollars at the exchange rate prevailing on the last business day of the period (Rand 6.23 per $1.00 as at June 30, 2004), except for specific items included within shareholders equity that are converted at the exchange rate prevailing on the date the transaction was entered into, and income statement item amounts are translated from Rand to U.S. dollars at the average exchange rate for the period (Rand 6.89 per $1.00 for fiscal 2004).

As of September 29, 2004 the noon buying rate per $1.00 was Rand 6.445.

The following table sets forth, for the past five fiscal years, the average and period end noon buying rates in New York City for cable transfers in Rand and, for the past six months, the high and low noon buying rates in New York City for cable transfers in Rand, in each case, as certified for customs purposes by the Federal Reserve Bank of New York for Rand expressed in Rand per $1.00.

Fiscal year ended June 30,	Average[1]	Period End
2000	6.35	6.79
2001	7.61	8.04
2002	10.20	10.39
2003	9.13	7.51
2004	6.89	6.23

Month of	High	Low
April 2004	6.94	6.27
May 2004	7.05	6.52
June 2004	6.64	6.17
July 2004	6.34	5.91
August 2004	6.74	6.09
September 2004 (through September 29, 2004)	6.68	6.40

Fluctuations in the exchange rate between Rand and the U.S. Dollar will affect the Dollar equivalent of the price of ordinary shares on the Johannesburg Stock Exchange, which may affect the market price of the ADSs on the New York Stock Exchange. These fluctuations will also affect the Dollar amounts received by owners of ADSs on the conversion of any dividends paid in Rand on ordinary shares.

1 The average of the noon buying rates on the last day of each full month during the relevant period.

Table of Contents

CAPITALIZATION AND INDEBTEDNESS

Not applicable.

REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

RISK FACTORS

In addition to the other information included in this annual report and the exhibits to this annual report, you should carefully consider the following factors related to an investment in Harmony s ordinary shares and ADSs. There may be additional risks that Harmony does not currently know of or that Harmony currently deems immaterial based on information currently available to it. Any of these risks could have a materially adverse affect on Harmony s business, financial condition or results of operations, resulting in a decline in the trading price of Harmony s ordinary shares (or ADSs).

Due to the fact that the majority of Harmony s production costs are incurred in Rand and that gold is sold in US Dollars, Harmony s results of operations could be materially harmed by an appreciation in the value of the Rand.

Gold is sold throughout the world in US Dollars, but the majority of Harmony s operating costs are incurred in Rand. As a result, any significant and sustained appreciation of Rand against the US Dollar will serve materially to reduce Harmony s Rand revenues and overall net income.

The Rand appreciated significantly against the U.S. dollar during 2003 and most of calendar 2004 following significant depreciation against the U.S. dollar since 1997. Harmony s operating environment has been severely influenced by the strong Rand particularly during fiscal 2004, which has impacted on the company s short-term profitability. See Item 5. Operating and Financial Review and Prospects.

The profitability of Harmony s operations, and the cash flows generated by those operations, are affected by changes in the market price for gold, which in the past has fluctuated widely.

Substantially all of Harmony s revenues come from the sale of gold. Historically, the market price for gold has fluctuated widely and has been affected by numerous factors over which Harmony has no control, including:

- the demand for gold industrial uses and for use in jewelry;
- international or regional political and economic trends;
- the strength of the U.S. dollar (the currency in which gold prices generally are quoted) and of other currencies;
- financial market expectations regarding the rate of inflation;
- interest rates;
- speculative activities;

actual or expected purchases and sales of gold bullion holdings by central banks or other large gold bullion holders or dealers;

forward sales by gold producers; and

the production and cost levels for gold in major gold-producing nations, such as South Africa.

Table of Contents

In addition, the current demand for and supply of gold affects the price of gold, but not necessarily in the same manner as current demand and supply affect the prices of other commodities. Historically, gold has tended to retain its value in relative terms against basic goods in times of inflation and monetary crisis. As a result, central banks, financial institutions and individuals hold large amounts of gold as a store of value and production in any given year constitutes a very small portion of the total potential supply of gold. Since the potential supply of gold is large relative to mine production in any given year, normal variations in current production will not necessarily have a significant effect on the supply of gold or its price.

The volatility of gold prices is illustrated in the following table, which shows the annual high, low and average of the afternoon London Bullion Market fixing price of gold in U.S. dollars for the past ten years:

	Price per Ounce		
Year	**High**	**Low**	**Average**
	($)	**($)**	**($)**
1995	396	372	384
1996	415	367	388
1997	367	283	331
1998	313	273	294
1999	326	253	279
2000	313	264	282
2001	293	256	271
2002	332	278	309
2003	412	322	361
2004	427	343	389

On June 30, 2004, the afternoon fixing price of gold on the London Bullion Market was $395.80 per ounce. On September 29, 2004, the afternoon fixing price of gold on the London Bullion Market was $412.95 per ounce.

While the aggregate effect of these factors is impossible for Harmony to predict, if gold prices should fall below Harmony s cost of production and remain at such levels for any sustained period, Harmony may experience losses and may be forced to curtail or suspend some or all of its operations. In addition, Harmony would also have to assess the economic impact of low gold prices on its ability to recover any losses it may incur during that period and on its ability to maintain adequate reserves. Harmony s average cash cost of production per ounce of gold sold was approximately $362 in fiscal 2004, $242 in fiscal 2003 and $196 in fiscal 2002.

Actual or expected sales of gold by central banks have had a significant impact on the price of gold.

Over the past several years, one of the most important factors influencing the gold price has been actual or expected sales of gold reserves by central banks. Since 1997, a number of central banks, including the central banks of Australia, Switzerland and the United Kingdom, have announced plans to sell significant gold reserves, and, more recently, the International Monetary Fund has discussed selling significant gold reserves to fund international debt relief. The gold price has declined following each such announcement and sale, culminating in a drop in the gold price to its lowest level in at least twenty years in July 1999, after the Bank of England completed the first part of its announced sale of more than half of its gold reserves. In September 1999, the central banks of fifteen European countries agreed to limit sales of gold reserves for the next five years to sales announced at that time and to limit gold lending and derivative operations for five years. The announcement of this agreement led to an immediate increase in the price of gold, although the gold price was subsequently subject to downward pressure, around the time of the periodic auctions held by the Bank of England. The agreement by the central banks is voluntary and there are a number of central banks with significant gold reserves that are not subject to the agreement. Any future sales or publicly announced proposed sales by central banks of their gold reserves are likely to result in a decrease in the price of gold.

Table of Contents

Because Harmony does not use commodity or derivative instruments to protect against low gold prices with respect to most of its production, Harmony is exposed to the impact of any significant drop in the gold price.

As a general rule Harmony sells its gold production at market prices. Since 2001, there have been two instances in which Harmony has made use of gold price hedges: Harmony s forward sale of a portion of the production at Bissett at a set gold price and put options relating to 1 million ounces of Harmony s production at Elandskraal. Both of these hedges were affected by Harmony in order to secure loan facilities and have since been closed out. A significant proportion of the production at Randfontein was already hedged when acquired by Harmony, and these hedges have since been closed out. In addition, a substantial proportion of the production at each of New Hampton and Hill 50 was also hedged when acquired by Harmony and remains hedged. During fiscal 2004 a significant portion, amounting to 500,000 ounces, of these inherited hedge agreements were closed out, at a cost of US$15 million. The outstanding agreements do not meet the criteria for hedge accounting and the mark-to-market movement will be reflected in the income statement. Harmony also inherited forward exchange contracts with the acquisition of Avgold in May 2004. Harmony generally does not enter into forward sales, derivatives or other hedging arrangements to establish a price in advance for the sale of its future gold production. See Item 4. Information on the Company Business Hedge Policy and Item 11. Quantitative and Qualitative Disclosures About Market Risk Commodity Price Sensitivity. In general, hedging in this manner reduces the risk of exposure to volatility in the gold price. Because Harmony does not generally establish a future price for hedged gold, Harmony can realize the positive impact of any increase in the gold price. However, this also means that Harmony is not protected against decreases in the gold price and if the gold price decreases significantly, Harmony runs the risk of reduced revenues in respect of gold production that is not hedged.

Harmony s gold reserve figures are estimated based on a number of assumptions, including assumptions as to mining and recovery factors, future production costs and the price of gold and may yield less gold under actual production conditions that currently estimated.

The ore reserve estimates contained in this annual report are estimates of the mill delivered quantity and grade of gold in Harmony s deposits and stockpiles. They represent the amount of gold which Harmony believes can be mined, processed and sold at prices sufficient to recover its estimated future total costs of production, remaining investment and anticipated additional capital expenditures. Harmony ore reserves are estimated based upon a number of factors, which have been stated in accordance with SEC Industry Guide 7. See Item 4. Information on the Company Business Reserves .

As Harmony s ore reserve estimates are calculated based on estimates of future production costs, future gold prices and, because of the fact that Harmony s gold sales are primarily in US Dollar and Harmony incurs most of its production costs in Rand, the exchange rate between the Rand and the US Dollar and, in the case of Harmony s Australian operations, the Australian Dollar. As a result, the reserve estimates contained in this annual report should not be interpreted as assurances of the economic life of Harmony s gold deposits or the profitability of its future operations.

Since ore reserves are only estimates that Harmony makes based on the above factors, Harmony may in future need to revise these estimates. In particular, if Harmony s production costs increase (whether in Rand terms, in Australian Dollar terms, or in relative terms due to appreciation of the Rand or the Australian Dollar against the US Dollar) or the gold price decreases, a portion of Harmony s ore reserves may become uneconomical to recover. This will force Harmony to lower its estimated reserves.

Harmony s strategy depends on its ability to make additional acquisitions.

In order to increase Harmony s gold production and to acquire additional reserves, Harmony continuously explores opportunities to expand its production base by acquiring selected gold producers and mining operations. However, Harmony cannot guarantee that:

- it will be able to identify appropriate acquisition candidates or negotiate acquisitions on favorable terms;
- it will be able to obtain the financing necessary to complete future acquisitions; or
- the issuance of Harmony s ordinary shares or other securities in connection with any future acquisition will not result in a substantial dilution in ownership interests of holders of Harmony s ordinary shares.

Table of Contents

As at June 30, 2004, Harmony s mining operations reported total proven and probable reserves of 62,3 million ounces. If Harmony is unable to acquire additional gold producers or generate additional proven and probable reserves at Harmony s existing operations or through its exploration activities, Harmony cannot be certain that it will be able to expand or replace its current production with new reserves in an amount sufficient to its mining operations beyond the current life of its reserves.

To maintain gold production beyond the expected lives of Harmony s existing mines or to increase production materially above projected levels, Harmony will need to access additional reserves through development or discovery.

Harmony s operations have limited proven and probable reserves and exploration and discovery is necessary to maintain current gold production levels at these operations. Exploration for gold and other precious metals is speculative in nature, is frequently unsuccessful and involves many risks, including risks related to:

- locating ore bodies;
- identifying the metallurgical properties of ore bodies;
- estimating the economic feasibility of mining ore bodies;
- developing appropriate metallurgical processes;
- obtaining necessary governmental permits; and
- constructing mining and processing facilities at any site chosen for mining.

Harmony s exploration efforts might not result in the discovery of mineralization and any mineralization discovered might not result in an increase in Harmony s proven and probable reserves. To access additional reserves in South Africa, Harmony will need to successfully complete development projects, including extending existing mines and, possibly, developing new mines. Development projects would also be necessary to access any mineralization discovered through exploration in Australia, Papua New Guinea, Peru or elsewhere. Harmony typically uses feasibility studies to determine whether or not to undertake significant development projects. Feasibility studies include estimates of expected or anticipated economic returns, which are based on assumptions about:

- future gold and other metal prices;
- anticipated tonnage, grades and metallurgical characteristics of ore to be mined and processed;
- anticipated recovery rates of gold and other metals from the ore, and
- anticipated total costs of the project, including capital expenditure and cash operating costs.

Actual costs, production and economic returns may differ significantly from those anticipated by Harmony s feasibility studies. Moreover, it can take a number of years from the initial feasibility studies until development is completed and during that time, the economic feasibility of production may change. In addition, there are a number of uncertainties inherent in the development and construction of an extension to an existing mine or any new mine, including:

- the availability and timing of necessary environmental and governmental permits;
- the timing and cost necessary to construct mining and processing facilities, which can be considerable;

the availability and cost of skilled labor, power, water and other materials;

the accessibility of transportation and other infrastructure, particularly in remote locations;

the availability and cost of smelting and refining arrangements; and

the availability of fund