HARMONY GOLD MINING CO LTD
Form 6-K
June 26, 2003

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the Month of June 2003

Harmony Gold Mining Company Limited

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Private Bag X1
Melrose Arch, 2076
South Africa
(Address of principal executive offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F _X_ Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes ___ No _X_

This Report on Form 6-K is incorporated by reference into the registration statement on Form F-3 (file no. 333-13516) for Harmony Gold Mining Company Limited, filed on December 23, 2002, and into the prospectus that forms a part of that registration statement.

CAUTIONARY NOTE REGARDING CERTAIN FINANCIAL MEASURES

Although Harmony s annual and interim financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Principles, or S.A. GAAP, as prescribed by law and based on International Accounting Standards, or IFRS, the following financial measures used by Harmony are not S.A. GAAP or IFRS measures (and are not U.S. GAAP measures):

- cash operating costs,
- cash costs per ounce, kilogram and tonne, and
- cash operating profits.

These measures should not be considered by investors in isolation or as an alternative to net income/(loss), income before tax, operating cash flows or any other measure of financial performance presented. Although the Gold Institute has provided a definition for the calculation of cash costs and cash costs per ounce used in these measures, the calculation of these measures may vary from company to company and may not be comparable to other similarly titled measures of other companies.

However, Harmony s management believes that cash operating costs, cash costs per ounce (and kilogram and tonne) and cash operating profits are useful performance indicators because they provide:

- an indication of profitability and efficiency,
- the trends in costs as operations mature,
- a measure of gross margin per ounce, by comparison of cash costs per ounce to the spot price of gold, and
- a benchmark of performance commonly used in the gold mining industry.

Harmony calculates cash operating costs by aggregating costs in the following categories, which are included in the Gold Institute s industry definition of cash costs:

- mine production, transport and refinery costs,
- general and administrative costs,
- movement in production inventories and ore stockpiles,
- transfers to and from deferred stripping, and
- royalties.

Harmony calculates cash costs per ounce, kilogram and tonne by dividing cash operating costs by the number of ounces of gold, kilograms of gold or tonnes of ore, as applicable, that Harmony produced in the period presented.

Harmony calculates cash operating profits by subtracting cash operating costs from revenues.

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

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was first adopted in 1996 and was revised in November 1999. Cash operating costs, cash costs per ounce, kilogram and tonne, and cash operating profits have been calculated on a consistent basis for all periods presented. Changes in cash operating costs, cash cost per ounce, kilogram and tonne, and cash operating profits are affected by operational performance, as well as changes in the currency exchange rate between the Rand and the U.S. Dollar.

Cash operating costs include mine production, transport and refinery costs, general and administrative costs, movement in inventories and ore stockpiles, transfers to and from deferred stripping and royalty payments. In the periods presented, Harmony s costs within these categories, analyzed by nature, consisted of the following:

	Three months ended			
	March 31, 2003	Dec 31, 2002	March 31, 2003	Dec 31 2002
	Rand (in millions)		U.S. Dollars (in millions)	
Mine production costs				
Labor costs, including contractors	831	823	99	86
Stores and materials	329	355	39	37
Water and electricity	156	150	19	16
Changes in inventory	(1)	(3)		
Other[1]	310	324	37	33
Cash operating costs	1,625	1,649	194	172

1. Includes transport and refinery costs, transfers to and from deferred stripping, general and administrative costs and royalties.

Harmony s management believes that cost of sales is the S.A. GAAP measure that is most directly comparable to cash operating costs. Under the method that Harmony uses to calculate cash operating costs, the resulting figure does not differ from the figure that would have been calculated under S.A. GAAP in the periods presented. This is the case for Harmony in the periods presented because all of the costs included in cost of sales under S.A. GAAP are also included with the Gold Institute s definition of cash operating costs, as applied by Harmony. Harmony expects this will continue to be the case in the future; however, if Harmony s operations were to include substantial operations other than gold mining and related activities, then cost of sales under S.A. GAAP would include costs from all operations, while cash operating costs for gold mining and related activities would include only those items that are within the Gold Institute s definition of cash operating costs.

Key indicators

Operations well geared for strong South African Rand

Strengthening of local currency has a R125 million adverse impact on cash operating profit

Impact of public holidays contributes R142 million to decline in profitability

Good cost control results in actual working costs decreasing for 2nd quarter in a row

Close out of 614 000 ounces of Australian hedging contracts

29 January - issue of 8 000 000 shares for cash raised US$124 million

Financial highlights

	31 March 2003	**31 December 2002**
Cash operating profit		
- Rand	**478 million**	763 million
- US$	**57 million**	79 million
Earnings		
- Rand	**235 million**	457 million
- US$	**28 million**	48 million
Earnings per share		
- SA cents per share	**130**	262
- US cents per share	**16**	27

	31 March 2003	**31 December 2002**
Gold produced		
- kg	**22,211**	24,078
- oz	**714,096**	774,121
Cash costs		
- R/kg	**73,150**	68,500
- $/oz	**272**	222

* Please see Cautionary note regarding certain financial measures .

Chief Executive s review March 2003

Whilst the current gold price environment is becoming more challenging with the unexpected strengthening of the South African currency, this is the environment which is similar to that in which Harmony grew substantially. It was during this time, with South African producers margins under pressure that the company grew its production base from 580 000 ounces per annum in 1995 to the plus 3,0 million ounces for the current financial year.

SAFETY REPORT

The previous quarter s safety performance indicates a delicate balance between ensuring good production practices and long holiday disruptions. To this effect, a risk assessment performed after the holiday season indicates a high correlation between long closure periods and the occurrence of incidents both naturally and behavioural.

Incidents

We regretfully report that during the past quarter, eight employees lost their lives.

The following tabulation reflects the quarter on quarter performance in terms of the key safety indicators:

Indicator/ Frequency rate	**Objective**	**Mar 2003**	**Dec 2002**	**% Change**
Total injury/accident frequency rate*		55.8	55.7	(0.01)
Lost time incidents*	20.0	25.4	23.5	(7.5)
Shifts lost*	340	401	406	1.1
Fall of ground incidents*	6.0	3.4	9.2	63.5
Fatalities*	0.0	0.4	0.3	(28.9)

** Measured in per million man hours worked.*

SOME HIGHLIGHTS:

Merriespruit 1 achieved 750 000 fatality free shifts on 6 January 2003.

Masimong mine achieved 250 000 fatality free shifts on 5 March 2003.

Mt Magnet Gold Mill, Admin and Geology departments achieved over 1 100 days LTI free during the quarter.

STRATEGIC OVERVIEW

The past quarter has been a challenging period with cash operating profit decreasing by 37% or R285 million from R762,6 million to R478,4 million. The company s performance was severely influenced by:

continued strengthening of the SA Rand, increasing from R9,61 to the US Dollar, to R8,37 per US Dollar for the past quarter. This 13% improvement contributed significantly (R125 million) to cash operating profit decreasing quarter on quarter. The SA Rand has subsequently strengthened to below R7,60 to the US Dollar, which, if it continues at these levels, will impact further on the profitability of the company in the June 2003 quarter,

the number of public holidays over the Christmas and New Year period. Although the operations managed to maintain recovery grades at similar levels as the previous quarter, the loss of six working days resulted in an 8% reduction in tonnages from underground. This translates into a direct loss of 1 500 kg from underground and an impact of R142 million on revenue. Although the current quarter also has a significant number of holidays, we anticipate the effect to be not so severe.

in US Dollar per ounce terms, the gold price was higher at US$352/oz compared to the US$324 for the December 2002 quarter. The strength of our local currency more than negated the benefits from a higher US Dollar gold price.

The performance of the operations is highlighted in the following table:*

	March 2003	Dec 2002	% Variance
Production - kg	22 211	24 078	(8)
Production - oz	714 096	774 121	(8)
Revenue - R/kg	94 687	100 171	(5)
Revenue - US$/oz	352	324	9
Cash cost - R/kg	73 150	68 500	(7)
Cash cost - US$/oz	272	222	(23)
Exchange rate R/US$	8,37	9,61	.13

* Please see Cautionary note regarding certain financial measures on page 1.

The company achieved a US$80/oz or 23% cash operating profit margin with cash costs of US$272/oz. A profit margin of US$102/oz or 32%, was achieved during the December 2002 quarter. Over the past 3 quarters, the gold price received in SA Rand terms decreased by 11% from R106 463/kg to R94 687/kg.

* Please see   Cautionary note regarding certain financial measures   on page 1.

In R/kg terms costs increased by 7% from R68 500/kg to R73 150/kg. This cost increase can directly be related to the decrease in tonnage from underground, as the overall recovery grade from the combined operations were slightly lower at 3,14g/t.

Actual working costs were a very pleasing 2% lower at R1 625 million compared to the R1 649 million reported previously. Despite the lower tonnage from underground, unit costs in Rand/tonne were lower at R230/tonne, compared to the R235/tonne for December 2002. This is the main short-term measure we have to counter the lower R/kg gold price.

When measured in R/kg terms, the gold price received was 5,5% lower at R94 687/kg to the R100 171/kg received previously.

After lower taxation in South Africa and the mark to market movement of the hedge positions in Australia, net earnings at R234,7 million was 49% lower than the R456,6 million reported previously. Earnings per share decreased from 262 SA cents to 130 SA cents. Earnings per share for the financial year to date totals 639 SA cents. This compares with the 646 SA cents per share for the same nine month period of the previous year.

The higher US Dollar gold price levels created an opportunity to further restructure the Australian hedge books. As at 31 December 2002, the company s total commitments within the Australian portfolio totalled 1 608 675 ounces. The outstanding commitments have decreased to 995 000 ounces as at 31 March 2003. The decrease of 613 675 ounces of hedge commitments was achieved with a combination of hedge close-outs and deliveries into existing positions.

Our growth strategy continues

Whilst the current gold price environment is becoming more challenging with the unexpected strengthening of the South African currency, this is the environment which is similar to that in which the company grew substantially. It was during this time, with South African producers margins under pressure that the company grew its production base from 580 000 ounces per annum in 1995 to the plus 3,0 million ounces for the current financial year.

Progress on optimising our returns on our company-building acquisitions to date are:

RETURN ON INVESTMENTS AS AT MARCH 2003

Project/Operation	Acquisition cost (R m)	Cash operating profit to date* (R m)	Payback Achieved
Evander June 98	R415	R1 235	10 quarters
Randfontein Jan 00	R750	R1 695	8 quarters
Elandskraal Mar 01	R988	R695	
Free Gold (50%) Dec 01	R1 350	R1 057	-/+ 8 quarters

* Please see Cautionary note regarding certain financial measures on page 1.

Our strategy of growth through acquisitions has left the company in an extremely robust situation, as we have a range of assets in our portfolio. The bulk of our production growth will come from our steady state and under construction assets. Production growth of 16% is anticipated from the 2,7 million ounces for the past financial year to 3,1 million ounces for the 2002/03 financial year.

> Even if we did not do any further acquisitions, the production profile from steady state and under construction assets will allow for further production growth, peaking at approximately 3,5 million ounces per annum in the 2005/06 financial year.

We are however confident that the projects currently in feasibility and exploration stages, will also allow for future growth in production. Preparation of feasibility studies on Joel and Phakisa Shaft (Tshepong South Shaft), both part of the 50/50 Free Gold Joint Venture, continues.

From a production perspective, Harmony remains a South African producer with the bulk of its production coming from this country thereby exposing investors to the volatility of the SA Rand. As much as we now experience the effect of a strengthening SA Rand, Investors in Harmony have leveraged exposure to a weakening Rand as well as a rising US Dollar gold price.

Bidding for Abelle Limited   increasing our Australasian production base

On 26 February 2003 Harmony announced that we had agreed to subscribe for new shares and intended to make a public takeover offer for Australian listed gold producer Abelle Limited. Harmony s offer of A$0,75 cents for the ordinary shares and A$0,45 cents per option, values the company at A$155 million or US$90 million on a fully diluted basis. 35 000 000 new shares are to be placed with Harmony at a price of A$75 cents per share. This placement, which is subject to Abelle shareholder approval, represents approximately 18% of the company s share capital. With the inclusion of the 19,95% acquired from the Guinness Peat Group, Harmony had a relevant Interest of 34% in Abelle s issued share capital on the date of announcement.

As at 24 April 2003, Harmony s total interest in Abelle was 115 915 732 (71,8%) ordinary shares and 33 014 410 (43,5%) listed options. The offer is now scheduled to close on 30 April 2003.

Harmony has, through this and other investments over the past few years, established access and exposure to world class deposits.

The acquisition of Abelle Limited is in line with our strategy of creating a significant gold production base in Australasia. In addition to our current producing assets, we now have significant interests in three high quality, prospective growth projects in Bendigo, Morobe and Wafi.

Morobe Project Area

A feasibility study completed by Lycopodium of Australia in October 2002, estimates a single open pit mine containing 2,8 million ounces of gold and 48 million ounces of silver. Morobe is capable of producing 300 000 ounces of gold and 4,5 million ounces of silver per annum from a 5 million tonne per annum processing plant for a period of approximately eight years.

The Morobe ore is free milling and cash operating costs are estimated at US$175/oz.*

Although the feasibility study indicated that capital expenditure of A$275 million would be required to complete the project, we are confident that by applying the Harmony Way this estimate will be adjusted downwards substantially.

Wafi Project Area

Abelle also owns the Wafi Project situated 60 km to the east of Morobe.

The project is in an advanced exploration stage, with a further phase of 5 000 m of diamond drilling underway.

Wafi consists of two large orebodies, approximately 1 km apart. One is a substantial porphyry copper-gold deposit. The other is a significant gold discovery open on strike and dip.

Papua New Guinea (PNG) has in the recent past been a challenging environment in which to operate. However this area of excellent geological endowment hosts some of the world s largest and most profitable operating mines such as Porgera (Placer Dome) and Lihir (Rio Tinto). We are enthusiastic about the fiscal and political developments in PNG and believe that the region will continue to hold its place as one of the world s most important gold mining regions.

* Please see Cautionary note regarding certain financial measures on page 1.

ROYALTY BILL

On 20 March 2003, the South African Government released the draft Mineral and Petroleum Royalty Bill.

The Royalty Bill proposes to impose a royalty charge of 3% on revenue to holders of gold mineral rights in South Africa. The purpose of the Bill being that the country is entitled to a consideration/royalty for the extraction of its non-renewable mineral resources. The Bill has been submitted for public comment until 30 April 2003, where after it will be referred back to parliament.

We are of the opinion that any royalty imposed will impact significantly on our financial results and the cost of mining in South Africa.

In our submission to the Treasury Department we have highlighted the following points:-

- the current proposed royalty is too high and it will significantly impact on Harmony s profitability,
- it unfairly penalises lower grade and lower margin operations (most of Harmony s operations fall into these categories),
- it will result in an increase in costs,
- it will have a negative impact on the pay limits and cut-offs, thus impacting on the mineable reserves resulting in the reduction of the life of the operations, which in turn will lead to the loss of jobs,
- it will dampen the drive in organic growth, greenfield and brownfield projects, and will have a significant impact on the viability of new projects. It will severely affect the cash flows, which will make a significant impact especially in the early stages of the project.
- it has a greater negative impact at lower gold prices (Rand/kilogram),
- the other great impact is that it will unfairly penalise the operations that decide to commence immediately with the conversion of mineral rights, from old order rights to new order rights, instead of waiting for 5 years to convert, and
- it will negatively impact on the financing of BEE participation in operations and/or projects

Although the royalty in isolation is already high compared to other gold producing countries in the world, any attempt to introduce a new cost without changing the tax regime of the industry will result in higher costs to companies. As a concerned custodian of our shareholders investment, we have submitted our comments to both the Treasury Department and the Department of Minerals and Energy.

The impact of the proposed Royalty Bill on the previously announced mining projects is as follows:-

EFFECT OF 3% ROYALTY BILL

Project		Pre-royalty bill	Post-royalty bill
Doornkop South Reef	NPV	R876m	R802m
	IRR	48%	44%
	NPV	R765m	R716m
Tshepong Decline	IRR	51%	47%
	NPV	R120m	R100m
Nyala Shaft	IRR	46%	44%
Elandsrand Shaft	NPV	R1 406m	R1 304m
Deepening	IRR	33%	32%

Due to the robustness of the Net Present Values (NPV s) and Internal Rates of Return (IRR s), the future of none of the projects is threatened. The impact on the returns to our shareholders is however severe with a reduction of R245 million in NPV. This can be translated into 134 SA cents per share value reduction.

When adjudicating projects or acquisition opportunities, the company has always assured a conservative approach in the evaluation thereof. Using a real discount rate of between 7% and 10%, the projects will deliver returns way in excess of our WACC of approximately 16%.

A gold price of R95 000/kg was used in the evaluation of the above projects. We do not believe that we need to change the long-term gold price expectation to below R95 000/kg. Work on the projects will continue and ensure the future production growth of Harmony.

Both the Joel and Phakisa projects are severely impacted upon by the new royalties and a decision to proceed or not will be postponed until the Royalty Bill is finalised.

STRATEGIC INVESTMENTS

i. Bendigo

The 32% stake which Harmony acquired on 14 December 2001, at a cash cost of A$50 million, is currently valued at A$61 million.

The major activities over the 2002/2003 evaluation programme includes the development of a production size decline to access several ore bodies that had previously been defined by drilling, and to mine and process approximately 60 000 tonnes of ore. The objective being to establish orebody shapes, grades and to determine metallurgical processing parameters.

In a briefing on 25 February 2003, the management of Bendigo indicated that the Swan Decline had reached a depth of 770 m below surface, and had accessed the first four reefs. A further 5 reefs are to be evaluated in the next six months.

Management is refining a conceptual plan which indicates a three stage buildup to full production over four to five years. Subject to the successful establishment of reserves during the bulk sampling and evaluation programme, the plan envisages the following stages;

Stage 1 300 000 tonnes per annum to produce approximately 100 000 ounces per annum. Capital of A$30 to A$40 million is required to start-up the mine plan.

Stage 2 after a two to three year period, production is anticipated to increase to 250 000 ounces for two years.

Stage 3 production increasing to 500 000 ounce per annum.

Total funding requirement is estimated to be approximately A$100 million. At a production rate of 500 000 ounces per annum, and assuming confirmation of the grades in the conceptual plan, cash costs of approximately A$200/oz is planned. Maintenance operating capital costs are estimated at A$50/oz.*

ii. Highland Gold Limited

The company s investment of US$26,4 million for a 31% stake in Highland Gold is currently valued at US$112 million. For the 2002 financial year, Highland Gold produced 178 000 ounces at cash and total costs of US$145/oz and US$179/oz respectively. For the quarter ending March 2003, the company produced 41 000 ounces at cash and total costs of US$188/oz and US$218/oz respectively.*

Highland Gold is pursuing a strategy of acquiring new opportunities in Russia.

iii. High River Gold Mines Limited

The company s 21% interest acquired on 21 November 2002, at a cash cost of US$14,5 million, is currently valued at US$20,8 million.

Although being diluted through a placement of shares by High River Gold, we are evaluating areas of possible co-operation with the current management.

iv. Crystallising our stake in Placer Dome

On 30 January 2003 the company announced that we had disposed of our 1,9% shareholding or 7 586 424 shares in Placer Dome. This investment, which was classified as non-core, was sold at an average price of US$11,52 per share, realising some US$87 million.

The proceeds from the investment, originally made in Goldfields Limited of Australia, at a cost of R225 million, has been used to strengthen the company s balance sheet as we continue with our strategy of growth.

v. Kalplats (Kalahari Platinum) - positive pilot plant tests

The pilot plant testwork on the Kalplats bulk sample has been completed. The 500 tonne sample was collected at a depth of 40m below surface across the 20m width of the Main Reef in the Crater Deposit at a head grade of 3.0g/t PGM. Recoveries of 73-75% with concentrate grades above 100 g/t PGM were achieved with the two-stage mill float circuit.

* Please see Cautionary note regarding certain financial measures on page 1.

Of particular significance is that a 60% recovery was achieved from the primary mill-float. This is an exciting option for a lower risk phased start up with significantly reduced capital and operating costs. Kalplats has advanced to the full feasibility study stage which should be completed by the end of 2003. R4,0 million was spent on the project during the quarter.

SOCIAL PLAN

On 19 March 2003, Harmony and the National Union of Mineworkers (NUM) signed an agreement on the company s Social Plan Framework. We are the first South African mining company to sign an agreement of this nature. As soon as legislation is finalised the company will establish a Social Plan Fund with a contribution of R15 million, and an undertaking to contribute a further amount of R35 million over a 10 year period.

The agreement calls for the establishment of Future Forums at all our operations, which will liaise with both local and national government to formulate and implement integrated development plans for the communities surrounding our operations. Areas from which our labour is sourced will also be included in the Future Forums.

Harmony has also pledged its commitment to the development of its workforce and to the necessary skills transfer processes, as per the Social Plan Regulations. The company also actively participates in a management/labour partnership which incorporates strong community involvement.

COMPETITION COMMISSION COMPLAINT AGAINST ISCOR

The complaints against Iscor by mainly Harmony and other interested parties refer to excessive pricing of steel products in South Africa and are based on the argument that import parity amounts to excessive pricing.

The criteria for excessive pricing being that the company charging these prices needs to be in a dominant position as supplier. We believe that Iscor is dominant in South Africa and therefore is guilty of excessive pricing. They claim, however that they are not dominant internationally and therefore cannot be guilty of excessive pricing.

The whole pricing structure from Iscor and other steel suppliers is distorted by the widespread use of tariffs and subsidies. Comparable pricing is therefor difficult.

Import parity pricing is applicable where a company sells a product to a local consumer at the price at which it would cost to import that product, including all other expenses that would have been incurred, i.e. tariffs, transport costs, etc. The situation is that the consumer gets charged costs which not even the supplier has incurred which results in excessive pricing and in the case of the supplier, excessive profits.

Although the SA Rand has appreciated more than 40% over the past year, prices charged by Iscor have only been decreased by 0,8%.

We believe that the pricing structure is unfair and has resulted in unnecessary cost increases in various areas of our industry. Most administrative costs in South Africa are increasing at a rate significantly higher than the government s stated inflation target rate. Controlling working costs has always been our area of expertise and we will continue to focus and highlight anomalies such as these.

QUARTERLY OPERATIONAL REVIEW

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

TOTAL CASH OPERATING PROFIT (R MILLION)*

Operations	Mar 2003	Dec 2002	Variance (R million)
Free State	53	117	(64)
Evander	45	87	(43)
Randfontein	105	180	(75)
Elandskraal	44	70	(26)
Kalgold	21	17	4
Australian Operations	69	92	(23)
Sub-total	337	564	(227)
Free Gold (50%)	141	199	(58)
Total	478	763	(285)

* Please see Cautionary note regarding certain financial measures on page 1.

Free State Operations - steady operational performance