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DOORNFONTEIN

A MEMBER OF THE GOLD FIELDS GROUP



DOORNFONTEIN

GOLD MINING COMPANY LIMITED

(Registration No. 05/24709/06)

(Incorporated in the Republic of South Africa)

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A N N U A L R E P O R T

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C O M P A N Y P R O F I L E

DOORNFONTEIN Gold Mining Company Limited was incorporated on 25 February 1947 in the Republic of South Africa and conducts gold mining operations on the West Wits Line near the town of Carletonville.

In March 1947 sinking of the first shaft, known as the Annan Shaft, commenced whilst work on the second shaft started in January of the following year. These shafts were commissioned in 1953 when the mine was brought to production. A second set of shafts, which provided access to the western extension of the reef horizon, was completed in the sixties. During the period 1956 to 1965 the mine also produced uranium.

In 1980 the lease area was extended to the south-east of its existing lease area. A third shaft complex, necessary for access to this area, was completed towards the end of the eighties. Stopping operations in this extension commenced in the first half of 1991.

Doomfontein is a member of the Gold Fields Group of companies. Gold Fields acts as administrative and technical advisers and as secretaries to the company. The company's shares are listed on the Stock Exchanges in Johannesburg and London.

Doornfontein is a member of the World Gold Council (WGC), which is set up by the worldwide gold mining industry to stimulate the demand for gold.

S A L I E N T F E A T U R E S

1993		1994
	OPERATIONS†	
5 529	Gold produced – kg	3 516
32 785	Revenue – R/kg	41 895
33 850	Average operating cost – R/kg	41 574
5 816	Capital recoupments – R/kg	2 763
	†Includes dump operation	
	FINANCIAL	
	R000	
(5 901)	Working profit/(loss)	1 130
(4 174)	Profit/(Loss) before tax	5 421
—	Tax	92
(4 174)	Profit/(Loss) after tax	5 329
32 156	Capital recoupments	9 717
	SHAREHOLDER INFORMATION	
40 000 000	Shares in issue	40 000 000
—	Dividends — cents per share	—
620	Share prices* — cents per share	
45	— highest	640
	— lowest	210
	*on The Johannesburg Stock Exchange	
	DISTRIBUTION OF WEALTH	
	R000	
%		%
51,4	Labour	62 416 41,1
50,9	Suppliers of stores and services	83 769 55,3
—	Tax	92 0,1
—	Shareholders	— —
(2,3)	Balance retained/(utilised)	5 329 3,5
100,0		151 606 100,0
182 983		
1 730		
	EMPLOYEES AT 30 JUNE	1 226

C H A I R M A N ' S R E V I E W

The year started in a promising way, but the final result, a working profit of just R1,1 million must be regarded as disappointing in the light of the much-improved gold price. The mine's efforts to establish itself as a continuous mining operation proved to be more difficult than anticipated a year ago. There were basically three reasons for this; firstly a second-half decline in stope production, caused by uncertainty ahead of the Labour Appeal Court hearing which was followed by the election period and the disruptions which they created. Secondly, machinery and equipment on the mine are now very old and their maintenance is costing more than expected. Lastly, there was a decline in stope face values in the fourth quarter.

PRODUCTION AND FINANCIAL RESULTS

Square metres broken during the first half of the year were satisfactory, although there were periodic disputes with the contractors regarding the quality of the work completed. Great uncertainty settled in after Christmas, lest the Labour Appeal Court uphold the order to reinstate former employees which would have placed everybody's employment in jeopardy (I deal with this issue later). This caused both the quality and the quantity of production to fall. The election then took its toll. After the inauguration, to the credit of all, production increased rapidly and has run at the required level since the year end. Consequently, I can say that the decision to use contract labour is finally achieving satisfactory results.

During the fourth quarter sampling of stope faces indicated declining values. The results for this quarter showed the loss that results from quite small decreases in values. Over many years, gold values have been declining very gradually with advancing depth. In addition, the mineralisation of the Carbon Leader appears to be changing currently and this seems to be the cause of the reef gold values becoming more erratic. Fortunately the latest sampling results indicate a great improvement in values, but this has not yet been translated into a higher mine grade.

Activities to recover gold-bearing material from the old areas were increased during the year. There is a cost associated with these activities, of course. In the quest for payable stope face, the mine has been compelled to open up the deepest

levels. At these depths ventilation, refrigeration and stope support have to be intensified, each adding to the cost of mining. The rate of development has been rebuilt to the level required to provide adequate replacement stope face and this also adds to the cost of mining. Equipment and machinery are now very old and under different financial circumstances much would have been replaced long ago. The cost of repairs and frequent refurbishment of the mine are becoming very expensive. To summarise, solid progress has been made towards establishing a continuous mining operation but this has entailed an unavoidable cost. As a consequence, the mine has not been able to improve its very marginal position, despite the change in the gold price.

The tonnage fed from the surface dump was increased substantially during the year. The grade has remained consistent.

Included under working expenditure in the income statement is the payment to the National Union of Mineworkers, on behalf of previously dismissed employees, which together with interest and legal fees, totalled R6,5 million. Most of the working profit earned during the year was absorbed by these obligations and only a small amount of R1,1 million remained. The increase in interest received indicates the improvement that has taken place in the company's financial position, largely as a result of the sales of capital equipment. Furthermore, sundry revenue (mainly rent from surplus houses) added appreciably to the profit before tax. Unexpectedly, sales of some fairly large items of capital equipment took place during the year.

GOLD MARKET

With investor support having contributed initially to the establishment of a higher level of prices, the US dollar gold price, at an average of \$379 per ounce, was 10 per cent higher than in the previous financial year. The recovery in the dollar price was complemented by the 15 per cent depreciation of the commercial rand to an average of R3,45 to the dollar, with the result that the average rand gold price rose appreciably from R33 300 to R42 000 per kilogram.

The actions of investors, speculators and commodity funds have been an important determinant of gold price trends. Their combined

C H A I R M A N ' S R E V I E W

CONTINUED

purchases of gold supported the run-up in the bullion price to a peak of \$406,70 per ounce in August 1993. The failure of the gold price to sustain its uptrend in the first six months of 1994 resulted in some investors disposing of their gold holdings. This was offset, however, by reduced official section and forward sales which resulted in the gold price settling in a range of \$370 and \$390 per ounce.

The weakness of the US dollar against strong currencies, together with improved economic prospects outside the US, has softened the effect on demand of higher dollar gold prices. Although physical demand in developing countries was weaker than in the previous year, the perception that demand would strengthen at lower prices has supported gold. Recognising the importance of physical gold demand, this company pro-actively supports the World Gold Council. The aim of this organisation is to promote demand by acting as a publicist for gold jewellery and as an agent of change in lowering regulatory barriers to the gold trade while also providing its members with accurate and timeous information on gold demand trends.

The physical supply of gold has shown signs of moderating. Although mine supply continues to increase slowly and scrap recovery rates remain buoyant at higher price levels, outstanding forward sale positions have actually been reduced, as have net official sector sales.

Consequently, notwithstanding the sale of some of the gold taken up by investors in 1993, market fundamentals remain positive. Hence, the gold price is expected to remain firm.

INDUSTRIAL RELATIONS

The industrial relations climate remained generally peaceful before and after the national elections in April 1994. Unlike the situation at many other companies within the mining industry, Doornfontein did not experience increased levels of industrial action in the form of work stoppages, strikes and a rise in tendencies to challenge or disregard long-established practices and procedures and industry agreements. The National Union of Mineworkers was derecognised in March 1992. In line with trends throughout the industry, however, the

Union has been recruiting and membership levels have increased.

As I reported last year, an appeal was lodged against the Industrial Court's order that the company effect the phased reinstatement of 2 300 employees who were dismissed in December 1991 and pay compensation in the amount of R3 million. In March 1994, the Labour Appeal Court handed down its judgement wherein it overturned the order for the reinstatement of the dismissed members. The Appeal Court, however, did order the company to pay compensation in the amount of R6 million to the National Union of Mineworkers, on behalf of the dismissed members.

The annual wage negotiations between the Chamber of Mines and the Officials' Associations have been concluded. Negotiations with the Council of Mining Unions are continuing.

OUTLOOK

The Technical Adviser is correct when he states that it is imperative that, with current gold prices, the underground yield run at a level higher than 5 grams per ton. If this cannot be achieved and the price remains static, then the future is bleak. If we can achieve either the higher grade or the higher price, then the solid progress I mentioned earlier will enable the mine to keep going on a fairly sound basis. If we achieve both the higher grade and price, then the solid progress will act as a springboard towards some very good results.

Interest and sundry revenue are expected to continue at about the same level. Apart from some houses, it is doubtful whether there will be much capital equipment sold in the coming year.

ACKNOWLEDGEMENT

I wish to record my appreciation and that of the board, for the efforts of the consulting engineer, the manager and the staff of the mine, for what they have achieved in a challenging, but difficult year.

7 September 1994

M. R. Fuller-Good
Chairman

TECHNICAL ADVISERS' REPORT

YEAR ENDED 30 JUNE 1994

Higher gold prices enabled the mine to record a small operating profit for the year. Underground production by the contracting companies employed on stoping and development fell short of the planned milling rate of 50 000 tons per month. The reclaimed material milled from the surface rock dump was not sufficient to make up the deficit and total tons milled accordingly decreased to 1 242 000 for the year. Carbon Leader gold values below 35 Level became erratic in the second half of the year and this led to a decline in the yield. Increases in the cost of infrastructure refurbishment and maintenance were greater than expected and this, coupled with the lower yield, resulted in working losses being recorded towards the end of the financial year.

RESULTS OF OPERATIONS

1993		1994
	Tons milled after no waste sorting (1993: nil)	1 242 000
1 401 000		
5 528,7	Yield, kilograms fine gold	3 516,3
3,9	Yield, grams per ton milled	2,8
0,3	Residue, gram per ton milled	0,2

Tons milled from underground decreased to 547 000 (1993: 1 018 000) as a result of the planned scaling down of production and also some difficulties in properly establishing the contract stoping operation. Reclaimed tons milled from the surface rock dump increased to 695 000 (1993: 383 000).

SUMMARY OF PRODUCTION

1993		1994
232 039	Square metres mined	135 985
	tons	tons
729 624	Stoping	438 077
65 840	Development	28 166
282 081	Other sources	104 649
1 077 545	Total mined	570 892

WORKING EXPENDITURE

1993			1994	
Amount	Per ton mined		Per ton mined	Amount
R000	R		R	R000
52 047	48,30	Stoping	67,29	38 413
10 575	9,81	Development	5,48	3 127
3 740	3,47	Underground transport	3,67	2 098
8 659	8,04	Hoisting	10,43	5 955
4 042	3,75	Pumping	7,04	4 022
1 518	1,41	Ventilation	1,63	929
20 171	18,72	Processing	33,55	19 152
30 685	28,48	Electricity	44,96	25 670
13 843	12,85	Engineering services	20,46	11 678
10 838	10,06	Employee amenities	8,93	5 099
8 086	7,50	External services	12,52	7 149
22 953	21,30	Other expenses	40,10	22 893
187 157	173,69	Total	256,06	146 185
		<i>Represented by</i>		
94 038	87,27	Labour charges	109,33	62 416
31 402	29,14	Electricity and water	46,49	26 542
50 898	47,24	Stores	72,79	41 558
10 819	10,04	Sundries	27,45	15 669
187 157	173,69	Total	256,06	146 185
33 850		Rand per kilogram		41 574

Working expenditure for the operational activities of stoping, development, underground transport, hoisting, pumping, ventilation and processing excludes the costs for electricity, engineering services and other expenses. These amounts are reflected separately.

Other expenses include the payment of compensation awarded to dismissed employees. This sum including interest and legal fees amounted to approximately R6,5 million.

The overall decrease in expenditure resulted from the reduced level of underground operations during the year. Unit costs have however increased significantly due to lower than expected production and to high expenditure on infrastructure refurbishment and maintenance.

The rand cost per kilogram of gold produced increased to R41 574 which is indicative of the very marginal nature of the operation at present.

TECHNICAL ADVISERS' REPORT

CONTINUED

CAPITAL EXPENDITURE

1993		1994
R000		R000
Cr. 9 125	Shaft infrastructure	Cr. 2 100
Cr. 15	Pumping equipment	—
Cr. 5 136	Underground equipment	Cr. 1 135
Cr. 2 678	Accommodation facilities	Cr. 2 490
Cr. 14 397	Other buildings and equipment	Cr. 3 740
—	Surface transport	147
Cr. 760	General	Cr. 24
<u>Cr. 32 111</u>		<u>Cr. 9 342</u>
<i>Expenditure was charged as follows</i>		
45	To working expenditure	375
Cr. 32 156	To capital account	Cr. 9 717
Cr. 5 816	Rand per kilogram	Cr. 2 763

NOTES ON CAPITAL EXPENDITURE

Various items of a capital nature were sold during the year but virtually no capital expenditure was incurred.

DEVELOPMENT

The total distance advanced for the year was 1 396 metres compared with 3 318 metres in 1993. It is planned that development be maintained at a level appropriate to the present production level of 50 000 tons per month milled.

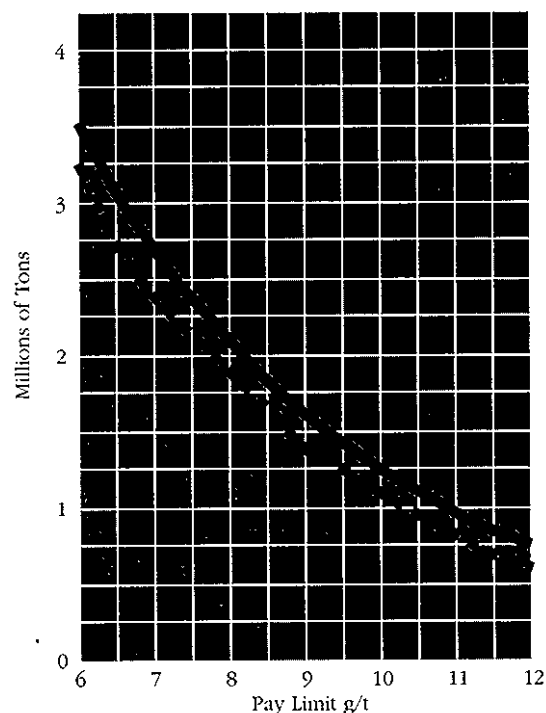
Gold values encountered, where development was carried out on the reef plane, are given below.

Classification	Year ended 30 June	metres	Total sampled		
			width (cm)	Stope value (g/t)	cm g/t
Carbon Leader	1994	186	120	20,6	2 472
	1993	254	118	11,7	1 381
Main Reef	1994	52	141	2,3	324
	1993	202	123	11,0	1 353
Combined Reefs	1994	238	125	16,2	2 013
	1993	456	120	11,4	1 368

On-reef development on the Carbon Leader Reef was done in the 13 line in the No. 3 Sub-Vertical Shaft area. On the Main Reef, development continued to be concentrated on the eastern side of the mine between 15 and 21 Levels.

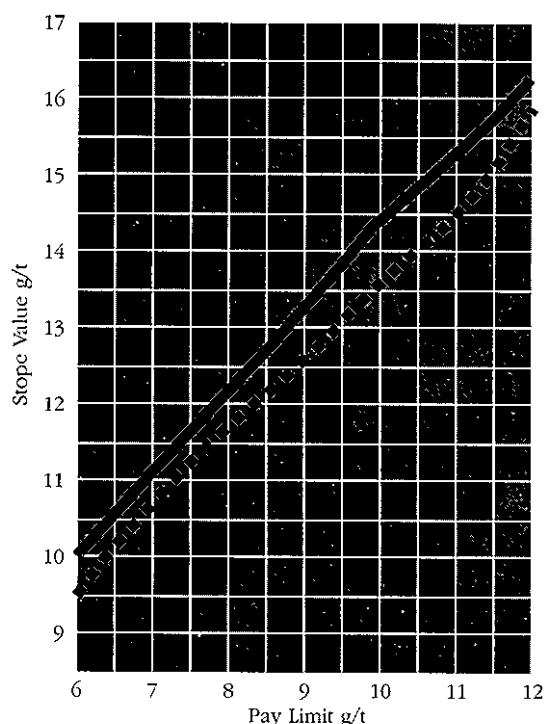
ORE RESERVES

The graphs below show the ore reserve tonnages and equivalent stope values at 30 June 1994 (solid line) and 30 June 1993 (broken line) for a range of pay limits. The major factors affecting the pay limit are the price of gold and the cost per ton milled, and both should be taken into account when interpreting the graphs.



TECHNICAL ADVISERS' REPORT

CONTINUED



The ore reserves summarised in the tabulation below are based on a pay limit of 9,2 grams per ton.

Classification	Tons	Stope		
		width	value	
		(cm)	(g/t)	cm g/t
Carbon Leader Reef	1 216 000	108	13,7	1 480
Main Reef	313 000	114	12,6	1 436
Combined Reefs	1 529 000	109	13,5	1 472

OUTLOOK

It is essential at current gold prices that the underground yield be higher than 5 grams per ton. If this can be achieved, then a milling rate of 50 000 tons per month from underground augmented by 60 000 tons per month from the rock dump is envisaged. The underground yield will depend heavily on achieving planned values from the erratic Carbon Leader Reef below 35 Level.

Current production is split between the No. 3 Sub-Vertical Shaft area (Carbon Leader Reef) and the No. 1A Sub-Vertical Shaft area (largely Main Reef) with a small contribution coming from the vamping operations at No. 1. Shaft. The balance will alter during the coming year in favour of the

better grade Carbon Leader Reef. A ratio of 70 per cent Carbon Leader Reef to 30 per cent Main Reef is being pursued to optimise the grade and allow payable tonnage in the Main Reef to be depleted more slowly.

GENERAL

The quantity of water pumped to surface amounted to 3 055 megalitres (1993: 4 282 megalitres).

The number of employees in service at 30 June 1994 was 1 226, a decrease of 504 compared to the corresponding number for the previous year. These employees were assisted to take up alternative employment opportunities on other Group mines.

By year end, the stoping and development contracting companies had 2 157 employees working on the mine. Furthermore, 384 contract employees were employed on vamping operations at year end.

The appeal against the Industrial Court judgement ordering the company to pay compensation and effect reinstatement of former employees who were dismissed in December 1991 was heard in March 1994. The Labour Appeal Court overturned the order to reinstate the employees and awarded the former employees compensation. The amount of this award including related costs and amounting to R6,5 million has been brought to account in the current year.

The industrial relations situation on the mine was good throughout the year.

The work required for the rehabilitation of the mine has been determined and an Environmental Management Program Report has been submitted to the Regional Director (PWV Region). The grassing of the No. 1 and No. 2 slimes dams has commenced.

We have pleasure in recording our appreciation of the services rendered by the management and the staff of the mine.

Gold Fields of South Africa Limited
Technical Advisers

per D. A. J. Ross-Watt, Pr. Eng., B.Sc. (Eng.) (Mining)
Consulting Engineer

12 August 1994

D I R E C T O R S ' R E P O R T

YEAR ENDED 30 JUNE 1994

NATURE OF BUSINESS

The company carries on gold mining operations in an area of approximately 4 548 hectares on the farms Doornfontein No. 118 I.Q. and Varkenslaagte No. 119 I.Q., held under lease from the Government of the Republic of South Africa, in respect of which a Mining Authorisation has been granted by the Department of Mineral and Energy Affairs in terms of the Minerals Act, 1991.

MINERAL RIGHTS

The company owns the rights to all minerals over areas aggregating approximately 186 hectares of the farm Varkenslaagte No. 119 I.Q. and the rights to precious metals only over areas aggregating approximately 15 hectares of the same farm.

FREEHOLD PROPERTY AND TOWNSHIP ERVEN

The company owns the freehold over approximately 765 hectares of the farm Varkenslaagte No. 119 I.Q.

The company owns 416 erven in Carletonville.

During the year under review 53 erven were sold and transferred out of the name of the company.

OPERATIONS

Particulars of the operations for the year are contained in the Technical Advisers' report which is attached hereto.

A small-scale plan showing the underground workings at 30 June 1994 and, on the reverse side, a transverse section through Annan and No. 3 Shafts, is attached.

INCOME STATEMENT

The profit earned for the year has been dealt with as shown in the attached income statement.

Industrial Court judgement

The appeal against the Industrial Court judgement ordering the company to pay compensation and effect reinstatement of former employees who were dismissed in December 1991 was heard in March 1994. The Labour Appeal Court overturned the order to reinstate the employees and awarded the former employees compensation. The amount of this award including related costs and amounting to R6,5 million has been brought to account in the current year.

Dividends

No dividends were declared during the year under review, nor during the previous financial year.

BALANCE SHEET

Share Capital

The authorised capital remains unaltered at R11 250 000 divided into 45 000 000 ordinary shares of 25 cents each, of which 40 000 000 have been issued and 5 000 000 are unissued.

At the forthcoming annual general meeting members will be asked to place the unissued shares under the control of the directors in terms of section 221(3) of the Companies Act, 1973.

DIRECTORATE

On 31 March 1994, Mr. C. T. Fenton resigned as a director of the company and was replaced by Mr. M. J. Tagg, with Mr. M. J. Adan as his alternate, with effect from 1 April 1994.

On 30 June 1994, Mr. A. Moolman resigned as a director of the company and was replaced by Mr. P. L. Pringle with effect from 1 July 1994.

The board of directors as constituted at present is reflected on page 18.

At the forthcoming annual general meeting members will be asked to consider resolutions providing for the election of Mrs. B. A. Day, Messrs. M. J. Tagg and P. L. Pringle, who retire in terms of the company's articles of association.

D I R E C T O R S ' R E P O R T

CONTINUED

DIRECTORS' INTERESTS

According to information available to the company after reasonable enquiry, the aggregate interests of the directors and their families at 30 June 1994, and up to the date of this report, all of which were non-beneficial, were as follows:

<i>1993</i>		<i>1994</i>
<i>1 200</i>	<i>Number of shares held</i>	<i>1 200</i>

No material change in the interests of directors has taken place between the financial year end and the date of this report.

DIRECTORS' REMUNERATION

In terms of the company's articles of association it is necessary to approve the directors' remuneration. Note 3 on page 13 reflects the directors' fees paid in respect of the year to 30 June 1994.

At the forthcoming annual general meeting members will be asked to consider the necessary resolution.

AUDIT COMMITTEE

During the year the Board of Directors decided to establish an Audit Committee for the company. This committee was constituted on 1 July 1994. The present members of the committee are as indicated on page 18.

SECRETARIES

The names and relevant addresses of the secretaries are reflected on page 18.


I N C O M E S T A T E M E N T

FOR THE YEAR ENDED 30 JUNE 1994

1993 R000	Note		Note	1994 R000
181 256	2	Working Revenue	2	147 315
187 157		Working Expenditure		146 185
<hr/> (5 901)		WORKING PROFIT/(LOSS)		<hr/> 1 130
363		Interest Received		2 556
826		Sundry Revenue — net		1 735
538		Recovery under Insurance Claim		—
<hr/> (4 174)	3	PROFIT/(LOSS) BEFORE TAX	3	<hr/> 5 421
—	4	Tax	4	92
<hr/> (4 174)		PROFIT/(LOSS) AFTER TAX		<hr/> 5 329
688		Unappropriated Profit brought forward		514
<hr/> (3 486)				<hr/> 5 843
(4 000)	5	Transfer to/(from) Non-distributable Reserve	5	5 000
<hr/> 514		Unappropriated Profit carried forward		<hr/> 843

B A L A N C E S H E E T

AT 30 JUNE 1994

1993 R000	Note		Note	1994 R000
439 407	6	Fixed Assets	6	429 622
(2 067)		Net Current Assets/(Liabilities)		13 047
13 211		Current Assets		31 664
2 599		Stores		3 238
4 979		Debtors and payments in advance		6 306
2 061		Bullion on hand and in transit		2 644
3 572		Cash and short-term funds		19 476
15 278		Current Liabilities		18 617
15 278		Creditors		18 525
—		Tax		92
437 340				442 669
<p style="text-align: center;">CERTIFIED TRUE COPY</p> <div style="border: 1px solid black; padding: 10px; text-align: center;"> <p>FOR AND ON BEHALF OF GOLD FIELDS CORPORATE SERVICES LIMITED LONDON SECRETARIES</p>  <p>SECRETARY</p> </div> <p style="text-align: center;"><i>Financed by</i></p>				
10 826	7	Share Capital	7	10 826
426 000		Non-distributable Reserve		431 000
514		Distributable Reserve		
		Unappropriated Profit		843
437 340		Capital Employed		442 669

C A S H F L O W S T A T E M E N T

FOR THE YEAR ENDED 30 JUNE 1994

1993 R000	Note		Note	1994 R000
		Cash Retained from/(Utilised in)		
(8 057)		Operating Activities		6 119
(4 174)		Profit/(Loss) before tax		5 421
(4 530)	8	Change in working capital	8	698
(8 704)		Cash generated by/(utilised in) operating activities		6 119
647	9	Tax refunded	9	—
32 302		Cash Generated by Investing Activities		9 785
		Net disposals of		
32 156		Property, development and equipment		9 717
146		Unlisted investments		68
24 245		Net Cash Generated by Operating and Investing Activities		15 904
(20 673)		Cash and Short-term Funds/(Bank Overdraft and Short-term borrowings) at 30 June 1993		3 572
3 572		Cash and Short-term Funds at 30 June 1994		19 476

F I N A N C I A L N O T E S

1. ACCOUNTING POLICIES

The financial statements are prepared on the historical cost basis, and incorporate the following accounting policies which have been applied on a basis consistent with those of the previous year.

1.1 In accordance with the accounting practice generally adopted by the gold mining industry in South Africa the following policies have been applied:

1.1.1 Mining assets

The company's mining assets are of a wasting nature and in order to recognise this aspect the company's policy is to appropriate from profits within the lifetime of the mine such amounts which, together with the issued share capital, will approximate the expenditure on fixed and other assets. Profits so appropriated are not, therefore, available for distribution to members. In pursuance of this policy, no account has been taken of:

Depletion of ore reserves

Depreciation of mining assets

Replacement, maintenance or renewals expenditure on mining assets is charged against revenue when incurred.

1.1.2 Gold in process of production

No account has been taken of the value of gold in the process of production.

1.2 Foreign currencies

Foreign currencies have been converted into South African currency at the rate of exchange ruling at the year end. Exchange differences are written off against income.

1.3 Stores

Stores consist of consumable and maintenance stores and are valued at average cost. Stores are written down in value with regard to their age, condition and utility.

1.4 Bullion on hand and in transit

This represents gold in bar form for which payment has not been received and is valued at a market-related price.

1993
R000

1994
R000

2. TURNOVER

181 256

Turnover for the year comprises revenue from mining operations

147 315

3. PROFIT/(LOSS) BEFORE TAX

In arriving at the profit/(loss) before tax the following were taken into account:

736	Profit on sale of unlisted investments	140
57	Audit fee	63
—	Costs related to industrial action (Refer directors' report)	6 478
149	Directors' fees	124
2 037	Interest paid	—
3 049	Technical, administration and secretarial fees	2 254

F I N A N C I A L N O T E S

C O N T I N U E D

1993 R000	4. TAX	1994 R000
	The tax charge comprises the following:	
—	State's share of profit	—
—	Mining tax	—
—	Non-mining tax	—
—	Transition levy	92
—		92

4.1 State's share of profit

4.1.1 In terms of the Minerals Act, 1991, State's share of profit is no longer payable with effect from 1 January 1994.

4.1.2 The formula for determining the State's share of profit was:

$$Y = 15 - \frac{120}{X}$$

where Y = the percentage of divisible profit payable to the State, and X = the ratio of mining profit (after the deduction of redeemable capital expenditure) to mining revenue expressed as a percentage.

The amount as determined by the above formula was subject to a surcharge of 1,25 per cent.

4.1.3 No provision has been made for State's share of profit at 31 December 1993 as the company had unredeemed capital expenditure estimated at R39 418 000 at that date.

4.2 Mining tax

4.2.1 The formula for determining mining tax is:

$$Y = 58 - \frac{290}{X}$$

where Y = the percentage rate of tax payable, and X = the ratio of mining profit (after the deduction of the State's share of profit and redeemable capital expenditure) to mining revenue expressed as a percentage.

4.2.2 No provision has been made for mining tax, as the company has unredeemed capital expenditure estimated at R24 689 000 (1993: R33 437 000) available to be set off against future mining profits.

4.3 Non-mining tax

Non-mining revenue is subject to tax at a rate of 48 per cent. No provision has been made for non-mining tax as the company has a loss for tax purposes estimated at R5 362 000 (1993: R9 403 000).

4.4 Transition levy

Mining and non-mining taxable income, before the deduction of assessed losses brought forward and after the deduction of capital expenditure, is subject to a levy of 5%. In determining the amount subject to the levy, a deduction of R50 000 is allowed.

4.5 Secondary Tax on Companies

No provision has been made for Secondary Tax on Companies as the company is exempt.

5. NON-DISTRIBUTABLE RESERVE

The transfer to/(from) non-distributable reserve was made up as follows:
Appropriated for expenditure on fixed and other assets

(4 000)		5 000
---------	--	-------

F I N A N C I A L N O T E S

C O N T I N U E D

1993
R000

1994
R000

6. FIXED ASSETS

2 413
436 764
230

Mining lease and mineral rights – at cost
Property, development and equipment
Unlisted investments – co-operative concerns – at cost
Directors' valuation R1 361 937 (1993: R1 881 299)

2 413
427 047
162

439 407

429 622

Expenditure on property, development and equipment totalling R427 047 000 (1993: R436 764 000) represents expenditure since inception of the mine, less recouplements on these assets, including those no longer productively employed or of no realisable value.

7. SHARE CAPITAL

Authorised

11 250

45 000 000 ordinary shares of 25 cents each

11 250

Issued

10 000
826

40 000 000 ordinary shares of 25 cents each
Share premium

10 000
826

10 826

10 826

The unissued shares are under the control of the directors until the next annual general meeting.

8. CHANGE IN WORKING CAPITAL

6 286
(10 816)
(4 530)

Stores, debtors and bullion
Creditors

(2 549)
3 247
698

9. RECONCILIATION OF TAX REFUNDED

647

Amount refundable at 30 June 1993

—

—

Amount charged to income statement

92

—

Amount payable at 30 June 1994

(92)

647

—

10. RETIREMENT BENEFITS

The company participates in a number of retirement benefit plans for its eligible employees. These include defined contribution plans and defined benefit final pay plans which are governed by the Pension Funds Act of 1956. Periodic valuations of these plans are carried out by independent actuaries at intervals not exceeding three years, and any deficits are funded to ensure the ongoing financial soundness of the funds. Contributions both in respect of current service costs and deficits disclosed by the actuaries are regarded as an expense when due for payment.

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements for the year ended 30 June 1994, as set out on pages 8 to 15, have been approved by the board.

On behalf of the board

M. R. Fuller-Good
Director

A. H. Munro
Director

8 September 1994

REPORT OF THE INDEPENDENT AUDITORS

To the members of

Doornfontein Gold Mining Company Limited

We have audited the annual financial statements set out on pages 8 to 15. These financial statements are the responsibility of the company's directors. Our responsibility is to report on these financial statements.

We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance that, in all material respects, fair presentation is achieved in the financial statements.

An audit includes:

- an evaluation of the appropriateness of the accounting policies;

- an examination, on a test basis, of evidence supporting the amounts and disclosures included in the financial statements;
- an assessment of the reasonableness of significant estimates, and
- a consideration of the appropriateness of the overall financial statement presentation.

We consider that our audit procedures were appropriate in the circumstances to express our opinion presented below.

In our opinion these financial statements fairly present the financial position of the company at 30 June 1994 and the results of its operations and cash flow information for the year then ended in conformity with generally accepted accounting practice and in the manner required by the Companies Act.

Johannesburg
8 September 1994

Ernst & Young
Chartered Accountants (S.A.)

NOTICE OF ANNUAL GENERAL MEETING

Date: 11 October 1994

Time: 09:50

Place: 75 Fox Street
Johannesburg

The annual general meeting of members of the company will be held at 75 Fox Street, Johannesburg, on Tuesday, 11 October 1994 at 09:50 for the following purposes:

1. To present the annual financial statements for the year ended 30 June 1994.
2. To elect directors.
3. To place the unissued shares under the control of the directors.
4. To approve the directors' remuneration.

A member entitled to attend and vote at the above meeting may appoint one or more proxies

to attend, speak and vote instead of him. A proxy need not be a member of the company.

A form of proxy, to be effective, must be executed in terms of the articles of association and must be lodged with the secretaries or with the United Kingdom registrar not less than 24 hours before the meeting, or any adjournment thereof.

If required, forms of proxy are available from the registered and London offices of the company.

There are no service contracts between any of the directors or the alternate directors and the company.

12 September 1994

By order of the board

Gold Fields of South Africa Limited

Secretaries

per: V. D. MacDonald

S H A R E H O L D E R S ' D I A R Y

Financial year end	30 June 1995
Annual report issued	September 1995
Annual general meeting	October 1995
Quarterly reports published	October 1994
	January 1995
	April 1995
	July 1995
Dividends	
Interim — declared	December 1994
— paid	February 1995
Final — declared	June 1995
— paid	August 1995

D I R E C T O R A T E

Directors

M. R. Fuller-Good, *Chairman and Managing Director*
G. P. Alvey (British)*
I. S. Blackie
B. A. Day
A. H. Munro
B. K. Nattrass*
P. L. Pringle
M. J. Tagg*

Alternates

F. J. du Toit
—
—
—
A. B. Houghton
C. A. Wolfe-Coote
—
M. J. Adan

*Members of the Audit Committee.

A D M I N I S T R A T I O N

Administrative and Technical Advisers and Secretaries

Gold Fields of South Africa Limited
75 Fox Street P.O. Box 61525
Johannesburg Marshalltown
2001 2107

London Secretaries

Gold Fields Corporate Services Limited
Greencoat House
Francis Street
London SW1P 1DH

Registered and Head Office

75 Fox Street
Johannesburg
2001

United Kingdom Registrar

Barclays Registrars
Bourne House
34 Beckenham Road
Beckenham, Kent BR3 4TU

Mine Officials

N. G. S. Marvin, *Manager*
D. Geyser, *Financial Accountant*
C. C. Turner, *Plant Superintendent*

S U M M A R Y O F R E S U L T S

SINCE COMMENCEMENT OF MILLING OPERATIONS

Period	Tons milled	Gold declared			Working revenue	Working expenditure		Working profit/(loss)	Dividends				
		Kilo-grams	Grams per ton milled	Price per kilo-gram R	Total	Total	Per kilo-gram R	Total	Profit/(loss) before tax R000	Tax R000	Transfer to/(from) reserves R000	Amount R000	† Per share cents
					R000	R000	R	R000	R000	R000	R000	R000	R000
Nov. 1954 to 30 June 1984	38 915 000	493 786,5	12,7	—	1 419 233	765 683	1 551	653 550	710 367*	273 369	251 000	186 768	—
1985	1 464 000	9 655,4	6,6	19 217	185 903	116 820	12 099	69 083	82 361	15 681	44 000	22 000	55
1986	1 464 000	9 050,4	6,2	24 438	221 530	141 430	15 627	80 100	94 425	20 653	49 000	25 500	63,75
1987	1 464 000	8 454,8	5,8	29 174	247 034	174 513	20 641	72 521	82 143	7 136	49 000	25 500	63,75
1988	1 461 600	7 759,7	5,3	30 555	237 432	206 081	26 558	31 351	38 241	1 621	18 000	18 000	45
1989	1 512 000	7 574,3	5,0	32 358	245 450	227 087	29 981	18 363	25 928	3 941	16 000	6 000	15
1990	1 560 000	8 083,0	5,2	32 552	263 450	252 749	31 269	10 701	17 152	2 822	15 000	—	—
1991	1 445 000	7 491,5	5,2	31 478	235 817	251 519	33 574	(15 702)	4 733	5 346	2 000	—	—
1992	1 341 000	5 798,8	4,3	32 530	188 635	206 481	35 608	(17 846)	(13 913)	(184)	(14 000)	—	—
1993	1 401 000	5 528,7	3,9	32 785	181 256	187 157	33 850	(5 901)	(4 174)	—	(4 000)	—	—
1994	1 242 000	3 516,3	2,8	41 895	147 315	146 185	41 574	1 130	5 421	92	5 000	—	—
Totals and averages	53 269 600	566 699,4	10,6	—	3 573 055	2 675 705	4 722	897 350	1 042 684	330 477	431 000	283 768	—

*Includes uranium profit of R3 369 000.

†Adjusted for the subdivision with effect from 9 November 1987 of each ordinary share of R1 into four ordinary shares of 25 cents each.

CHANGE OF ADDRESS

Members should notify any change of address to:

The Transfer Secretaries

75 Fox Street *or*

Johannesburg

2001

Republic of South Africa

P.O. Box 61525

Marshalltown

2107

The United Kingdom Registrar

Barclays Registrars

Bourne House

34 Beckenham Road

Beckenham, Kent BR3 4TU



DOORFONTEIN GOLD MINING COMPANY LIMITED

UNDERGROUND PLAN—ONDERGRONDSE PLAN

30-6-1994

HECTARES 4 548,3166 HEKTAAR

SCALE 1 : 30 000 SKAAL

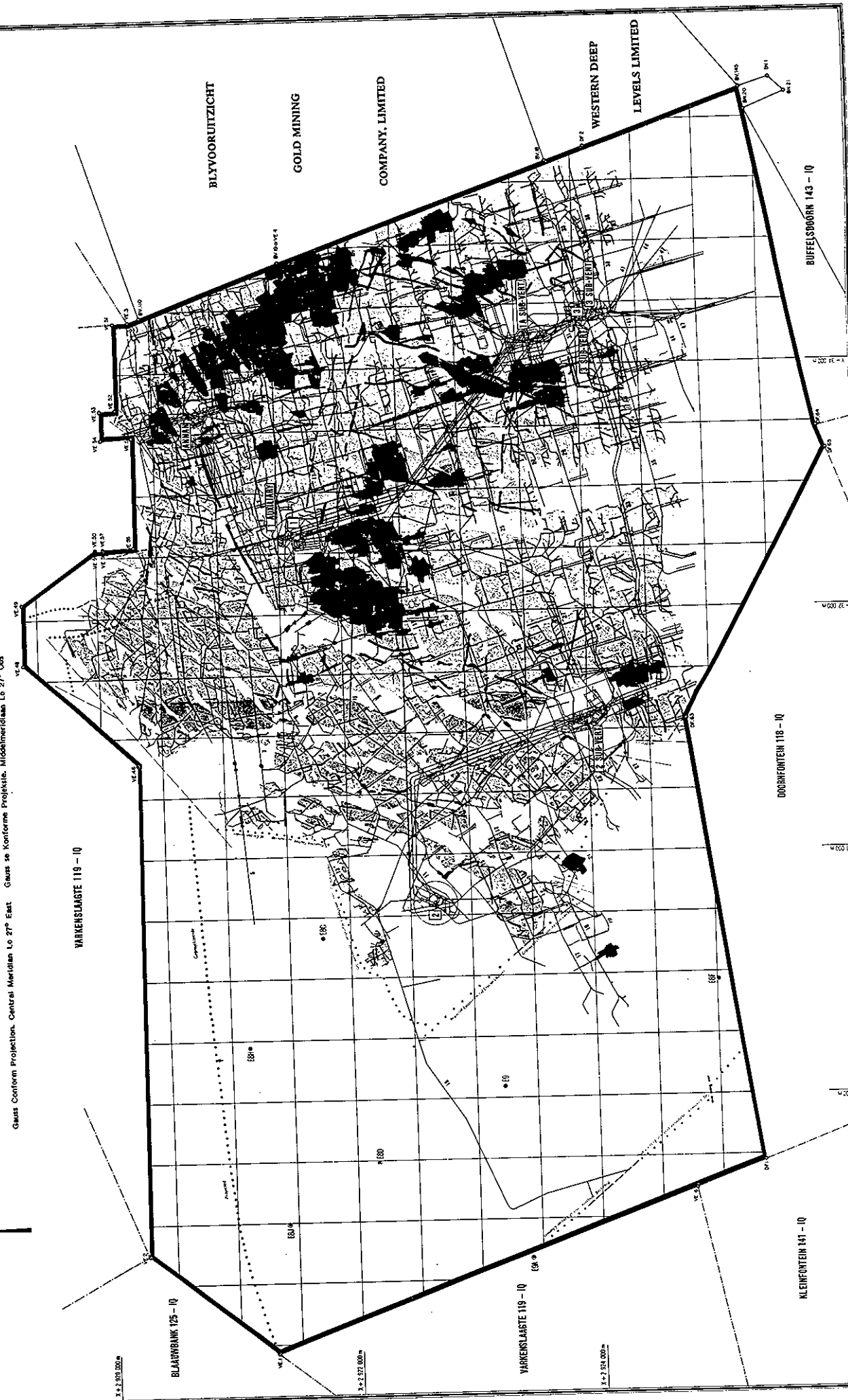


Gauss Conform Projection, Central Meridian 1.0 27° East

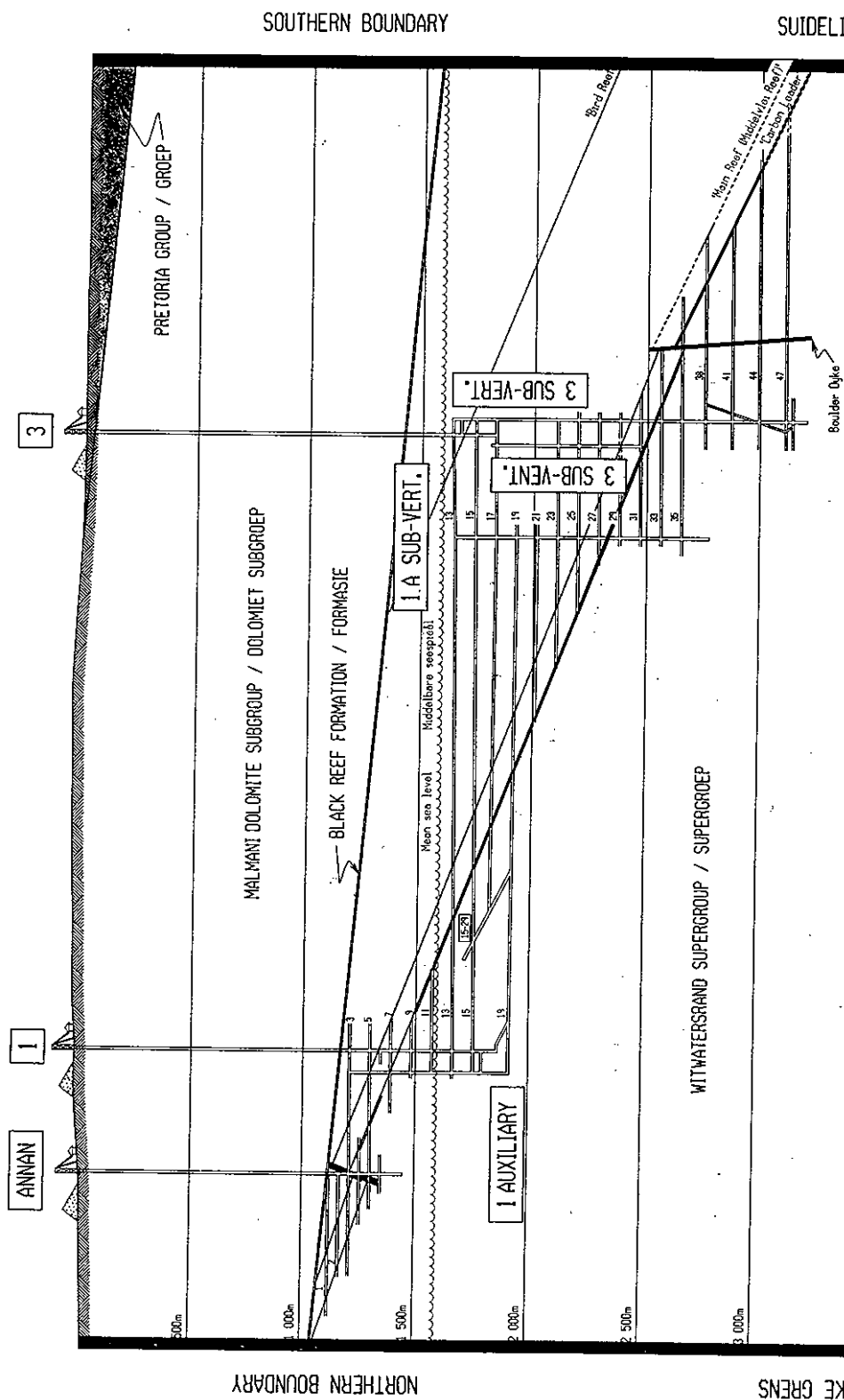
REFERENCE

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VERWYSING



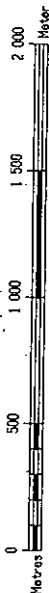
DOORNFONTEIN GOLD MINING COMPANY LIMITED



TRANSVERSE SECTION THROUGH ANNAN SHAFT AND No. 3 SHAFT LOOKING EAST
DWARSSNIT DEUR ANNAN SKAG EN No. 3 SKAG OOSTELIKE AANSIG

30-6-1994

SCALE SKAAL



Shafte ... 3 ... Skagte