



INTEGRATED ANNUAL REPORT 2020

MINE. ENHANCE. SUSTAIN.





ROLLING BACK MINING'S ENVIRONMENTAL LEGACY

DRDGOLD has transitioned completely from deep level underground mining to the large scale retreatment of mine dumps and tailings dams. We have developed over time both the skillset and the system that enables us to do this profitably and sustainably. The removal of remnant mining residues not only restores the environment, but also frees up previously sterilised land for sustainable land use. In addition, the quality of life of those living in close proximity of these installations is enhanced because of the removal of sources of airborne dust and effluent.

The relationship with Sibanye-Stillwater holds promise for further expansion and similar unlocking of value in terms of non-core surface assets in their portfolio, including the possibility to expand into other minerals, such as PGMs.

Based on this, DRDGOLD has identified the following seven United Nations Sustainable Development Goals which are aligned to our core purpose as a business and our overall strategy:



2020 AT A GLANCE:

Performance highlights



Operating profit
R1 562.1m

Headline earnings per share
82.4cps

Cash operating cost/kg
R482 417

Free cash inflow
R926.4m

13 years
uninterrupted dividend
declaration



Gold production
5 424kg

Volume throughput
26.3Mt

Yield
0.206g/t

FWGR mills
commissioned

Advanced
Phase II planning



R54.4m
environmental spend

26.6ha
of land applications to the
NNR for clearance for
redevelopment

Dust exceedances
0.52%

2 659ML^{LA}
potable water consumption



R32.5 million^{LA}
Total social and economic
development spend

23%
women in
mining

25
communities
reached



ZERO^{LA}
fatalities

1.27^{LA}
LTIFR

0.96^{LA}
RIFR

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01 OVERVIEW

DRDGOLD is the only South African mining company focused solely on the retreatment of surface gold tailings. The Company's performance in FY2020 is testimony to the resilience of a business model that has been several years in the making.

FORWARD-LOOKING STATEMENTS

Some of the information in this report may contain projections or other forward-looking statements regarding future events or other financial performance, including information relating to our Group, that are based on the beliefs of our management, as well as assumptions made by and information currently available to our management. When used in this report, the words "estimate", "project", "believe", "anticipate", "intend", "expect" and similar expressions are intended to identify forward-looking statements. Such statements reflect our current views with respect to future events and are subject to risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, adverse changes or uncertainties in general economic conditions in the markets we serve, a drop in the gold price, a prolonged strengthening of the rand against the dollar, regulatory developments adverse to DRDGOLD or difficulties in maintaining necessary licences or other governmental approvals, changes in DRDGOLD's competitive position, changes in business strategy, any major disruption in production at key facilities or adverse changes in foreign exchange rates and various other factors.

These risks include, without limitation, those described in the section entitled "Risk Factors" included in our Form 20-F for the fiscal year ended 30 June 2020, which we filed with the United States Securities and Exchange Commission (SEC) on 29 October 2020. You should not place undue reliance on these forward-looking statements, which speak only as of the date thereof. We do not undertake any obligation to publicly update or revise these forward-looking statements to reflect events or circumstances after the date of this report or the occurrence of unanticipated events. Any forward-looking statement included in this report has not been reviewed or reported on by DRDGOLD's auditors.

ABOUT THIS REPORT

In this annual integrated report, we address the performance and sustainable value creation of Ergo Mining Proprietary Limited (Ergo) and Far West Gold Recoveries Proprietary Limited (FWGR), the reclamation operations owned and managed by DRDGOLD Limited (DRDGOLD), during the financial year from 1 July 2019 to 30 June 2020. FWGR made its maiden full year production contribution which had a material impact on our financial results presented.

REPORTING SCOPE AND BOUNDARY

The Integrated Report has been prepared to comply with the International Integrated Reporting Council (IIRC) Reporting Framework and the GRI Standards, guided by matters we believe are material to the value creation of the business. In FY2020 we performed an updated materiality exercise. The process followed and the material issues identified can be found on page 92 of the report. We also apply various standards, codes, principles and guidelines during our reporting processes including, the King IV Report on Corporate Governance for South Africa, 2016 (King IV), JSE Limited (JSE) Listings Requirements, and the Companies Act of South Africa (Act No. 71 of 2008). This year we also report on our contribution to the various United Nations Sustainability Development Goals (SDGs) as well as the World Gold Council Responsible Gold Mining Principles (WGC RGMPs) which are of strategic importance to us. Our Environment, Social and Governance (ESG) fact sheet can be found on the company's website: www.drdgold.com/investors-and-media/annual-reports/2020.

We communicate the sustainability of our business and compliance in terms of our listings on the Johannesburg Stock Exchange (JSE) and the New York Stock Exchange (NYSE) to our shareholders as our providers of capital. We also identify and report on our engagement with our other stakeholders. Our previous integrated report for the financial year from 1 July 2018 to 30 June 2019 can be found on the company's website: www.drdgold.com/investors-and-media/annual-reports/2019.

Our accompanying Annual Financial Statements (AFS) for the year ended 30 June 2020 and notice of annual general meeting (NOM) for the year ended 30 June 2020, which includes summary consolidated financial statements, can be found on the company's website: www.drdgold.com/investors-and-media/annual-reports/2020.

Selected sustainability key performance indicators, marked as LA in this report, have been assured by an independent assurance provider, KPMG Services Proprietary Limited.

RESPONSIBILITY AND APPROVAL

We, the DRDGOLD Board, including the Audit and Risk Committee, acknowledge our responsibility for the compilation of this report and ensuring the integrity and completeness of the information presented. The Board has reviewed this report and applied its collective mind throughout the preparation of this report.

We believe that the report is presented in line with the IIRC Reporting Framework and complies in all material respects with the relevant statutory requirements of the various regulations governing disclosure and reporting by DRDGOLD. The integrated report, our AFS and NOM were formally approved by the Board at a meeting on 29 October 2020.

Geoffrey Campbell

Chairman

29 October 2020

Queries should be addressed to:

Riaan Davel

Chief Financial Officer

Tel: +27 (0)11 470 2608

Email: riaan.davel@drdgold.com



Annual Integrated Report



Annual Financial Statements



Notice of Annual General Meeting



ESG Fact sheet



OUR MATERIAL ISSUES

We have spent time reviewing the application of materiality in our business relative to our value drivers, strategic imperatives, purpose, risks and opportunities.

DRDGOLD MATERIALITY APPROACH AND VALUE DRIVERS

This review has allowed us to focus on areas of our business that really matter from a value creation perspective in the short term (1 year), medium term (2 to 6 years) and long term (6 years onward). This report to our stakeholders reflects the same materiality lens applied by the Board and Management in terms of risk and opportunities, strategic focus areas, performance measurement, outcomes and outlook that are aligned to our most important value drivers.

These value drivers have been analysed in terms of what is important from a financial, operational and growth, environmental, social, and regulatory and governance point of view. We have also applied quantitative and qualitative materiality filters to the content of this report to ensure we have presented a complete, concise, and meaningful report that tells our value creation story in a compelling and objective manner.

The table below represents the outcomes of the 2020 materiality assessment:



- Gold price movements
- Gold produced
- Production cost
- Capital allocation
- Financing
- Dividend yield and regularity



- Creation of employment opportunities
- Gender equality and Historically Disadvantaged South Africans (HDSAs)
- An engaged, healthy and safe workforce
- Gross domestic product (GDP) contribution
- Broad-based Livelihoods Programme
- Youth education
- Community support



- Plant efficiency
- Volume throughput
- Business continuity
- Technology and innovation development
- Capital projects
- Mineral Resources and Mineral Reserves



- Compliance with the Mining Charter and Social and Labour Plan (SLP)
- Relevance and reputation score
- Stakeholder engagement



- Rehabilitated land
- Rehabilitation spend
- Tailings dam safety
- Potable water consumption and energy consumption
- Carbon footprint
- Dust monitoring and mitigation

CHAIRMAN'S LETTER

We will continue to be the pre-eminent surface re-treatment operator in South Africa. We have built a vast store of knowledge and we continue to develop our skills in moving huge tonnages of materials safely and efficiently and working to maximise recovery and minimise cost.



Geoffrey Campbell | Chairman

Five years ago, I wrote to the DRDGOLD board of directors questioning how it was that the company could be worth a mere \$50 million. This, for a company producing 150 000 ounces of gold at a profit margin of 18%, with operations that were running well and with a good track record of dividend payments. And the \$50 million included a cash balance of \$20 million, which meant all our operations were valued at just \$30 million.

Five years later, our production has increased to 174 000 ounces of gold at a profit margin of 37% and, as you will see in this report, the outlook for our future growth is excellent. Our operations are operating profitably despite the COVID-19 pandemic restrictions and the development of FWGR has been very successful, with potential for significant expansion.

As a result of a lot of hard work by our dedicated workforce and a focus on improving the productivity of our operations, combined with the successful acquisition of FWGR from Sibanye-Stillwater and a welcome

helping hand from the gold price, the market capitalisation is now around \$1 billion (which includes close to \$100 million in cash). This is a growth story to be proud of and, whilst the higher gold price has helped the South African gold mining industry in general, DRDGOLD has been a standout performer.

It has been a great journey these past five years and we must take what we have learnt from our past success and apply it to the future. We will continue to be the pre-eminent surface re-treatment operator in South Africa. We have built a vast store of knowledge and we continue to develop our skills in moving huge tonnages of materials safely and efficiently and working to maximise recovery and minimise cost.

The scale of our operations means that relatively small improvements in productivity translate into big profits. A new area of interest is the application of big data analysis. The complex systems that we manage across the Johannesburg area generate terabytes of data and big data analytics seeks to uncover information to help us make better informed

CHAIRMAN'S LETTER CONTINUED

business decisions. We also look to technology to help us better manage the electricity we use and as large-scale batteries become more efficient and affordable, they may have a significant impact on the way that we generate and consume electricity. The application of smart technology will provide us with the means to extract ever more efficiencies from our operations which will extend the mine life and result in more profits and a cleaner environment.

As we strive to extract maximum value from the mine dumps that we manage, we also work to support the local communities that are affected by our operations. In partnership with Impophomo and Umsizi, we launched an initiative to bring relief in the face of COVID-19 to local communities through the distribution of much needed food supplies. This activity builds on the work of our well-established Broad-based Livelihoods Programme which seeks to increase community resilience by means of empowering thousands of households. DRDGOLD is proud of the work that we have done to support impoverished communities and see them benefit from our activities.

It has been a year of extraordinary gold price volatility. Between May of last year and August of this year, the gold price in rand almost doubled. This is wonderful news if you are a gold producer and it is even better news if you, like DRDGOLD are an unhedged gold producer. With our strong cash position and high margin, it makes good sense to be unhedged and take full advantage of the upside, knowing that through our strong financial position and operation flexibility, we can survive the downside.

The political outlook in South African remains extremely challenging and the COVID-19 pandemic has exacerbated the situation. There remains considerable mineral wealth that can be extracted from mine dumps and not just for the benefit of shareholders, but also for the benefit of local communities, South Africa as a whole and for the environment. The sizable investment decisions that we will be considering in the future will need to be weighed up against the risk of political instability and expropriation of land without compensation.

Geoffrey Campbell
Chairman



CEO'S REVIEW

We will continue to invest in our existing operations, both in terms of optimising our reserve-base by extending our life of mine, and in terms of creating further resilience through better and more extensive use of technology and data.



Niël Pretorius | Chief Executive Officer

2020 will forever be remembered as a year that tested the quality of our decision making, our business strategy and our approach to risk. It was a year of unprecedented uncertainty on the one hand, but, for those who were suitably positioned, one of unmatched opportunity.

DRD GOLD takes full exposure to the spot price of gold, and we try as a matter of course to avoid hedging, other than in exceptional circumstances. This approach requires that we embed our operations with a measure of resilience in those areas where it is most vulnerable.

Our main operating sensitivities are volume throughput and extraction efficiency, and our key risks, other than gold price, are the things that affect these two dynamics the most. This includes disruptions in electricity supply, weather phenomena due to climate change, the complexities associated with the coordination of multiple reclamation sites, community unrest and crime, and metallurgical performance.

Gold price is a risk we accept because of the considerable potential upside associated with it, choosing instead to counter it with discipline in terms of costs, and a business design that allows for certain "chunks" of costs to be either avoided or deferred when the situation demands it.

Human intellect at the core

Volume throughput is driven through a combination of mechanisation and technology. Technology also features prominently in managing metallurgical efficiency. Key to the successful use of this system though, is the design of the interface between employee and technology. Our approach is that human intellect remains dominant in this relationship, that autonomy of machines is carefully managed, and that the role of smart technology is that of a tool in the hands of capable and well-trained humans. This approach has stood us in good stead to establish an embedded robustness in the face of severe rainstorms, drought, diminishing grade and floundering State-owned utilities, most notably Eskom.

A very fortunate, incidental consequence of this business model though, was its response to the COVID-19 pandemic and the protracted lockdown in force in South Africa. Firstly, the attitude of a mainly knowledge-based employee-force was a powerful dynamic in resuming work and in adopting and maintaining the requisite protocols to avoid infection, both at and away from work. Secondly, the business system allowed us to resume and achieve sustainable throughput rates straight off the bat. It placed us in a fortunate position to manipulate throughput off certain sites, while working to address risks associated with getting to and from work at other sites without exposing employees to public transport.

The effect was that we could build on the exceptional operating performance of the business of the first eight months of the reporting period, and take full advantage of the surge in the gold price, the lower volume throughput of the business notwithstanding, during the latter four months.

Now we will continue to invest in our existing operations, both in terms of optimising our reserve-base by extending our life of mine, and in terms



Commercial



Social



Environmental

BENEFITS

CEO'S REVIEW CONTINUED

of creating further resilience through better and more extensive use of technology and data.

Ongoing social development

In terms of social capital, over and above the ongoing development of our staff, we remain committed to our developmental goals of youth education and poverty alleviation. We think the time is ripe to look into ways of leveraging our data network to increase the reach and quality of our high school extra-education initiative. We also want to leverage the network that has been established through our Broad-based Livelihoods Programme to launch the next level of social development. This was, incidentally, key in alleviating hardship and countering famine during the lockdown in the areas where it has been adopted.

Our poverty alleviation approach is by and large a programme of self-empowerment through the provision of knowledge and training, and the opportunity to "earn-in" some very basic infrastructure. This same approach could, through the right information, also be applied to develop the informal economy, and to put to use the considerable amount of capital flowing into impoverished communities every month through the social grant system. Ultimately slums and informal settlements should, through the self-empowering efforts of its residents, become villages. We are partnering the research leg of a large tertiary institution to assist us in the design of this programme and will again partner with Umsizi in rolling it out.

Sustainable rehabilitation

In terms of environmental management, sustainable rehabilitation is increasingly becoming part of our brand identity. Rolling back the environmental legacy of mining while containing the impact of our operations on the environment are key concepts that inform our strategies in this regard. Ours is a vast footprint though, and while we are achieving good outcomes in the greater scheme of things, we appreciate that we will not have fully lived this value until such time as we have attended to all the areas under our control where the situation may not yet be entirely consistent with the standards we aim to achieve. Our focus this year will include looking with greater detail at some of the more remote loose ends in this regard.

Integrated approach to security

In recent times a darker side to the situation in which we operate has emerged. Crime, both organised and random, has become an ever-increasing threat to the safety of our staff and to our operating infrastructure. We will never overcome the loss of Bart Coetzee, who was murdered during an armed robbery at the Ergo plant. We are also increasingly challenged by random theft of cable and HDPE infrastructure, as well as the scourge of illegal dumping of building rubble and refuse in areas that have been cleared and rehabilitated. This inhibits sustainable land use and violates the quality of life of people in proximity of those sites. As a result, a more strategic, integrated approach to security is being developed in addition to the traditional role of asset protection.

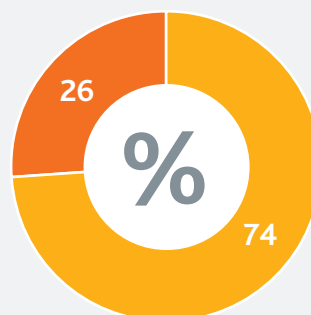
A legacy of adaptability

DRDGOLD is 126 years old. It has survived this far by adapting to an ever-changing environment, taking full advantage of its lucky breaks as and when they happen and maintaining a disciplined approach to the things it can control. Its capacity to treat mine waste, its recently established relationship with Sibanye-Stillwater and the enthusiasm and energy of its team, place it in a very strong position to continue to play a role in the future of mining in South Africa, and perhaps even internationally. Early adoption of sustainable development as the primary idea in shaping its thinking and informing the deployment of resources and capital, has meant that ESG requires not much more than a nuanced adaptation of its narrative. The work has been done and the foundation is there for it to continue on a path of sustainable, responsible mining.

OUR BUSINESS IN 2020

WE WILL CONTINUE TO INVEST IN OUR EXISTING OPERATIONS, IN TERMS OF OPTIMISING OUR RESERVE-BASE BY EXTENDING OUR LIFE OF MINE, AND CREATING FURTHER RESILIENCE THROUGH BETTER AND MORE EXTENSIVE USE OF TECHNOLOGY AND DATA.

Revenue generated by operations



■ Ergo R3.1bn
■ FWGR R1.1bn

Total R4.2bn



2 566
employees
and contractors



5 424kg
production

FINANCIAL PERFORMANCE AND CFO REVIEW

Our purpose to roll back the environmental legacy of mining in and around Johannesburg and the Far West Rand requires the strategic employment of financial capital in areas of the business to control costs, maximise margins and, ultimately, generate cash.



Riaan Davel | Chief Financial Officer

An intrinsic part of this financial strategy is to generate cash in an environmentally responsible manner and invest in the social upliftment of our communities within our areas of influence.

CFO review

Despite the challenges presented by the COVID-19 pandemic in the last quarter of the financial year, it has been an outstanding year from a financial perspective. Since reaching commercial production on 1 April 2019, FWGR operated solidly for the full financial year and Ergo continued to show resilience as a business, also in response to the COVID-19 pandemic. Gold production increased by 9% and all-in sustaining costs (AISC) per kilogram only increased by 3% in comparison to the prior year. Both operations benefited from the 33% increase in the average gold price received, enabling us to generate free cash flow of R926.4 million. After issuing shares to Sibanye-Stillwater in terms of the option agreement totalling R1.086 billion and paying cash dividends of R564.5 million, we ended the financial year with cash and cash equivalents of R1 715.1 million.

After declaring interim dividends during the financial year of 50 cents per share, we also declared a final dividend of 35 cents per share. This is the thirteenth consecutive financial year of the Company paying a

dividend. We are delighted that this financial year's dividend of 85 cents per share is more than four times the dividend declared for the financial year ended 30 June 2019, the issuance of an additional 168.2 million ordinary shares notwithstanding. Further, our market capitalisation has increased an astonishing 528% year-on-year, and we are therefore truly thrilled that our company's shareholders not only earned substantially increased cash returns, but also benefited from exceptional capital growth.

With cash in the bank, no bank debt and a favourable gold environment, we look forward to growing our business in a sustainable manner and to fulfil our mandate to all our stakeholders.

As set out in the Value Added Statement on page 26, total economic value distributed increased by 48% year-on-year and we were able to make an economic contribution to various stakeholders, including shareholders, suppliers, employees, communities and the fiscus. Consequently, as a business, we continue to add value to the South African economy.

In FY2021, we look forward to seeing both Ergo and FWGR continue to operate efficiently, managing costs and generating cash flows, further setting up the business for its exciting growth phase.

FINANCIAL PERFORMANCE AND CFO REVIEW

CONTINUED

Financial performance scorecard

		2020	2019 ¹
Gold produced	kg	5 424	4 826
	oz	174 385	155 159
Gold sold	kg	5 437	4 783
	oz	174 804	153 777
Cash operating costs	R per kg	482 417	499 749
All-in sustaining costs	R per kg	541 475	524 713
Average gold price received	R per kg	768 675	577 483
Operating profit	Rm	1 562.1	371.8
Operating margin	%	37.3	13.5
Capital expenditure	Rm	182.7	353.7
Free cash inflow/outflow	Rm	926.4	(14.7)
Borrowings	Rm	–	–
Dividend declared	Cps	85	20

¹ 2019 financial performance includes FWGR performance after the date of commercial production

Gold production

The Group's total gold production increased by 9% to 5 424kg, reflecting an 8% increase in total throughput to 26.3Mt and a 5% increase in average yield from 0.197g/t to 0.206g/t as FWGR achieved stable production and its first full 12-month contribution to the Group's results. Gold production at Ergo decreased by 11% from 4 493kg to 3 989kg mainly due to Ergo's volume throughput which decreased by 13% from 23.2Mt to 20.2Mt, a consequence of the COVID-19 lockdown, subsequent cautious ramp-up and interruptions in power supply from Eskom. The impact of this decrease was moderated by a 2% increase in average yield from 0.194g/t to 0.197g/t despite the Knights plant reaching the end of its current higher-grade mineral reserves.

Cash operating costs

Total cash operating costs were up 8% from R2 422.9 million in FY2019 to R2 626.0 million reflecting inflationary increases and the contribution of 12-month costs by FWGR of R352.0 million. Cash operating costs per kilogram decreased by 3% to R482 417/kg in FY2020 from R499 749/kg reflecting FWGR's substantially lower cash operating costs of R243 542/kg. Ergo's cash operating unit costs rose by 11% from R512 439/kg to R568 476/kg due to lower production.

All-in sustaining costs (AISC)

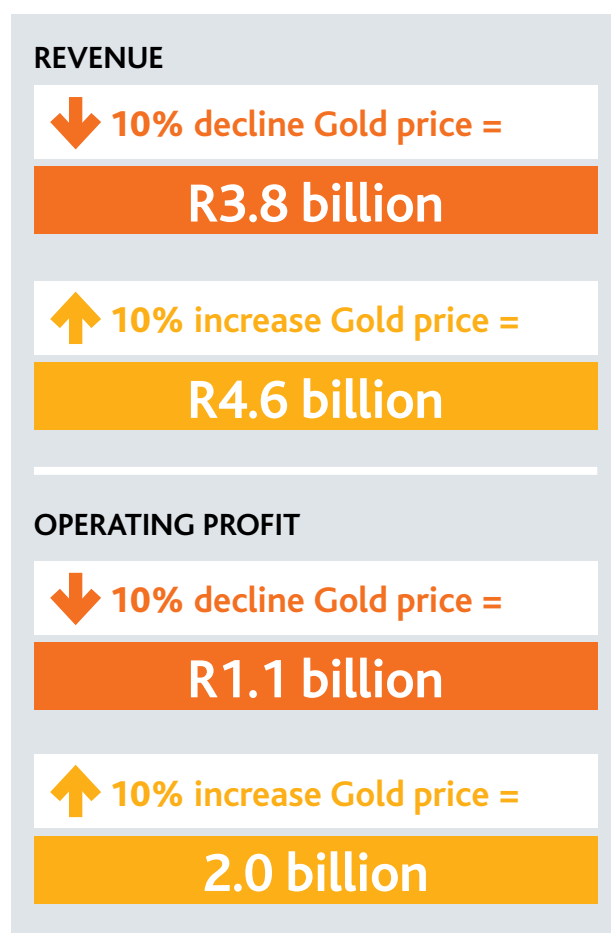
AISC increased by 3% to R541 475/kg, a consequence primarily of higher operating cash costs at Ergo and higher sustaining capital for the Group. FWGR's AISC of R299 792/kg contributed to a lower Group AISC.

Operating profit

Operating profit increased from R371.8 million to R1 562.1 million mainly as a result of a contribution of R770.0 million from FWGR and higher revenue earned. Operating margin increased from 13.5% to 37.3%.

Our profits are sensitive to fluctuations in the gold price as we are a price taker and do not enter into hedges or forward contracts, unless in response to a specific business risk, such as liquidity.

The diagram below illustrates the impact that a 10% increase or decrease in the average rand gold price would have had on our FY2020 results, keeping all other variables constant:



FINANCIAL PERFORMANCE AND CFO REVIEW

CONTINUED

The table below illustrates a five-year analysis of operating profit delivery at each level of the average gold price received.

	Average gold price received R per kg	Cash operating costs R per kg	Total operating profit Rm
2016	546 142	446 153	434.8
2017	548 268	489 549	256.8
2018	534 344	458 866	355.2
2019	577 483	499 749	371.8
2020	768 675	482 417	1 562.1*

* Comprised of Ergo and FWGR operating profit of R792.1 million and R770.0 million respectively

Dividend declared

We declared a dividend of 85cps in respect of FY2020 enabled by a substantial increase in cash and liquidity position, with no debt.

Summarised group statement of profit and loss

	2020 Rm	2019 Rm
Revenue	4 185.0	2 762.1
Cost of sales	(2 937.9)	(2 553.9)
Gross profit from operating activities	1 247.1	208.2
Administration expenses and other costs	(309.9)	(90.9)
Other income	0.7	7.9
Finance income/(expense) – net	41.0	(20.1)
Profit before tax	978.9	105.1
Income tax	(343.9)	(26.6)
Profit for the year	635.0	78.5

Revenue

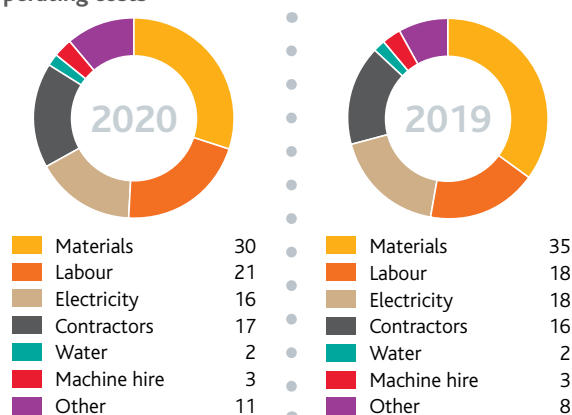
Revenue increased by 52% to R4 185.0 million, comprised of R3 064.3 million by Ergo and R1 120.7 million by FWGR.

Cost of sales

Cost of sales is mainly made up of materials, labour, electricity, contractors and depreciation and has increased to R2 937.9 million from R2 553.9 million in FY2019.



Operating costs



Administration expenses and other costs

Included in administration expenses and other costs is the long-term incentive expense of R224.1 million which increased from R21.4 million in FY2019. The increase is mainly due to the remeasurement of the cash settled Long-term incentive (LTI) liability over the vesting period and an increase in the seven-day VWAP volume weighted average price of the DRDGOLD share from R4.37 at 30 June 2019 to R25.14 at 30 June 2020. This liability is expected to be fully settled on 5 November 2020.

Also included is the expense for the new equity settled share-based payment. On 2 December 2019, the shareholders approved a new equity settled share-based payment LTI scheme to replace the cash settled LTI established in November 2015. Under the new LTI scheme, qualifying employees are awarded conditional shares on an annual basis, comprising performance shares (80% of the total conditional shares awarded) and retention shares (20% of the total conditional shares awarded). Except for the first grant, conditional shares will vest three years after the grant date and will be settled in the form of DRDGOLD shares at a zero-exercise price.

Finance income/(expense) – net

Finance income increased from R58.8 million to R109.8 million mainly as a result of the increase in cash and cash equivalents during the year. Finance expense decreased from R78.4 million to R68.8 million. Included in finance expense is the unwinding of provision for environmental rehabilitation of R52.0 million compared to R66.3 million in the prior year. This is as a result of a reduced environmental provision balance unwinding in the current year.

Income tax

Both Ergo and FWGR were in a tax paying position in the current year as a result of a depletion of redeemable capex and increased profitability driven by the higher gold price.

For deferred tax purposes, the Group applies a forecast weighted average tax rate considering the expected timing of the reversal of temporary differences. The forecast weighted average tax rate of Ergo increased from 22% to 25% as a result of an increase in forecast profitability of Ergo which was driven primarily by the increase in forecasted gold prices. Despite the increase in forecasted gold prices, the deferred tax rates for FWGR remained unchanged at 30% as FWGR was already at the maximum end of the gold tax formula due to its relatively lower cost base and higher yield.

FINANCIAL PERFORMANCE AND CFO REVIEW

CONTINUED

Summarised group statement of financial position

	2020 Rm	2019 Rm
Property, plant and equipment	2 621.1	2 775.3
Investments in rehabilitation obligation funds	626.0	587.5
Deferred tax asset	8.0	10.0
Other non-current assets	230.3 ¹	31.1
Inventories	323.4	304.6
Tax receivables	4.9	4.1
Trade and other receivables	146.4	67.9
Cash and cash equivalents	1 715.1	279.5
Total assets	5 675.2	4 060.0
Equity	4 040.2	2 688.6
Provision for environmental rehabilitation	568.9	682.6
Deferred tax liability	273.1	193.2
Post-retirement and other employee benefits	10.1	37.4
Lease liabilities (2019: Finance lease obligation)	37.0	–
Trade and other payables	478.8	419.2
Other current liabilities	267.1 ²	39.0
Total equity and liabilities	5 675.2	4 060.0

¹ Includes payments made under protest and investments in other entities of R35.0 million and R195.3 million respectively

² Includes lease liabilities of R10.1 million, current tax liabilities of R29.4 million and employee benefits of R227.6 million

Property, plant and equipment

Capital additions for the year were R182.7 million, and depreciation was R270.8 million. As a result of the adoption of IFRS 16, included in property, plant and equipment is a right of use asset of R44.9 million.

Investments in rehabilitation obligation funds

The use of these funds in the environmental rehabilitation trust and the cell captive is restricted and may only be used for environmental rehabilitation activities within the DRDGOLD group of companies. The increase in these investments is due to the interest earned of R38.4 million.

Other non-current assets

Included in non-current assets is equity investments at fair value through other comprehensive income of R195.3 million. This is comprised mainly of DRDGOLD's 11.3% interest in Rand Refinery. Using the income approach, a valuation was performed to estimate the fair value at 30 June 2020.

Trade and other receivables

The increase in trade and other receivables is a result of VAT refunds not yet received from SARS and trade receivables for gold sold before year end for which proceeds were not received at year end.

Cash and cash equivalents

Cash and cash equivalents increased by R1 435.6 million (FY2019: decreased by R22.6 million). This is as a result of

R1.086 billion received for the issue of ordinary shares to Sibanye-Stillwater. Cash and cash equivalents also increased as a result of an increase in cash generated from operating activities by R840.6 million (FY2019: increased by R54.5 million). This increase was offset by dividends paid for the year of R564.5 million and a net cash outflow of investing activities of R202.5 million.

Provision for environmental rehabilitation

The provision for environmental rehabilitation decreased by R113.7 million as a result of the following:

- Change in estimate recognised in profit or loss of R21.9 million mainly as a result of updated vegetation and machine hire rates to recent service level agreements and the actual rates incurred
- Change in estimate recognised in property, plant and equipment mainly as a result of a change in the current life of mine which influences the method of rehabilitation
- A further decrease as a result of a higher real rate used to discount cash flows which was higher as a result of higher long-term SA government bond rate and lower inflation rates
- Payments of R30.2 million made for rehabilitation work performed on the Brakpan/Withok Tailings Storage Facility and the Crown Complex

The above increases were offset by unwinding of R52.0 million recognised as a finance expense.

FINANCIAL PERFORMANCE AND CFO REVIEW

CONTINUED

The decommissioning and restoration liabilities are funded by a combination of funds that have been set aside in an environmental rehabilitation trust fund as well as environmental guarantees issued by Guardrisk Insurance Company Limited to the Department of Mineral Resources and Energy (DMRE) amounting to R427.3 million (FY2019: R427.3 million).

Summarised group statement of cash flows

	2020 Rm	2019 Rm
Net cash flows from operating activities	1 128.9	288.3
Net cash flows from investing activities	(202.5)	(303.0)
Net cash flows from financing activities	509.2	(7.9)
Net increase/(decrease) in cash and cash equivalents	1 435.6	(22.6)
Cash and cash equivalents at the beginning of the year	279.5	302.1
Cash and cash equivalents at the end of the year	1 715.1	279.5
Included in net cash flows from operating activities:		
Working capital changes	(92.0)	73.8
Change in trade and other receivables	(79.0)	22.5
Change in other non-current assets	(10.6)	(11.7)
Change in inventories	(26.4)	(24.8)
Change in trade and other payables and employee benefits	24.0	87.8

Net cash flows from operating activities

Free cash inflow¹ was R926.4 million in comparison with free cash outflow of R14.7 million in FY2019, mainly as a result of FWGR contributing for the full 12 months and the increase in gold price.

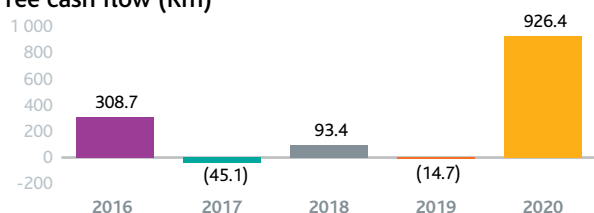
Free cash flow is a measure used as key performance indicator (KPI) in our short-term incentive scheme and is an indicator of the Company's ability to generate healthy cash flows from its operating activities to fund future expansions, declare dividends and maintain low gearing.

Net cash flows from financing activities

The Group received R1 085.6 million for the issue of ordinary shares to Sibanye-Stillwater and paid cash dividends of R564.5 million. This year was the thirteenth consecutive financial year that the group has declared dividends.

Below is a five-year analysis of our ability to produce positive cash flows, after investing in projects to increase our manufactured resources and enhance natural capital. In FY2017, we completed work on the Central Water Distribution Facility and closed down the Crown plant. In FY2019, we invested in the construction of FWGR Phase I.

Free cash flow (Rm)



¹ Cash flow from operating activities less cash flow from investing activities

Trade and other payables

The current ratio has improved from 1.4:1 in FY2019 to 2.9:1 in FY2020.

Other current liabilities

Included in other current liabilities is R227.6 million related to the cash settled LTI which is expected to be fully settled on 5 November 2020.

Working capital changes

Working capital changes generated a cash outflow of R92.0 million in comparison with a cash inflow of R73.8 million in the previous year, mainly as a result of an increase in trade and other receivables.

	Capital spend Rm
2016	99.8
2017	110.6
2018	125.9
2019	347.4
2020	181.1

OUTLOOK

During FY2021, we are planning gold production of between 165 000oz and 185 000oz at cash operating costs of approximately R535 000/kg.

Our most significant trade-offs will be managing funding for capital expansion projects related to Phase II of FWGR, the expansion of deposition capacity at Ergo, containing costs and, as a result, increasing the life of our operations in our strategic pursuit to grow our business from the excellent platform that has been created.

THREE-YEAR REVIEW

		2020	2019	2018
GROUP OPERATING RESULTS				
Ore milled	'000t	26 280	25 230	24 281
Yield	g/t	0.206	0.197	0.193
Gold produced	kg	5 424	4 977	4 679
	oz	174 385	160 014	150 423
Gold sold	kg	5 437	4 934	4 653
	oz	174 804	158 632	149 604
Average price received	R/kg	768 675	577 483	534 344
	\$/oz	1 527	1 267	1 300
Cash operating costs	R/kg	482 417	499 749	458 866
	\$/oz	958	1 096	1 118
Sustaining capital expenditure	Rm	164.2	22.5	81.3
All-in sustaining costs	R/kg	541 475	524 713	505 622
	\$/oz	1075	1 151	1 258
GROUP PERFORMANCE INDICATORS				
Operating margin	%	37.3	13.5	14.3
All-in sustaining costs margin	%	29.7	9.1	5.5
Headline earnings per share	CPS	82.4	10.9	1.7
Return on equity	%	15.7	2.7	0.6
ASSET AND DEBT MANAGEMENT				
Free Cash Inflow (Outflow) ¹	Rm	926.4	(14.7)	93.4
Current ratio	times	2.9	1.4	2.0
Debt to equity ratio	to one	–	–	0.01
Interest cover ²	times	23.1	5.7	8.4
Net asset value per share	cents	467	386	294
MARKET VALUE AND SHAREHOLDER RETURNS				
Market price per share	cents	2 695	429	365
Ordinary shares in issue		864 588 711	696 429 767	431 429 767
Market capitalisation	Rm	23 300.7	2 987.7	1 574.7
Price earnings ratio	times	32.7	39.4	214.7
Market/book ratio	times	5.8	1.1	1.2
Dividend declared per share ³	cents	85	20	5
Dividend yield	%	3.2	4.7	1.4

¹ Cash flow from operating activities less cash flow investing activities

² The basis of calculation of the interest cover is consistent with that for the RCF of R300 million covenant calculation as net interest to adjusted EBITDA

³ Dividend of 35cps declared subsequent to year end, in respect of FY2020

THREE-YEAR REVIEW CONTINUED

		2020	2019	2018
GROUP SUSTAINABILITY INDICATORS				
Total economic value distributed	Rm	3 983	2 694 ^{LA}	2 333 ^{LA}
Value distributed to employees-salaries, wages and other benefits	Rm	573 ¹	477 ^{LA}	417 ^{LA}
Total socio-economic development spend	Rm	32.5 ^{LA}	26.5 ^{LA}	25.1 ^{LA}
Fatalities		0 ^{LA}	1	0 ^{LA}
Lost time injury frequency rate		1.27 ^{LA}	2.37	2.92 ^{LA}
Reportable injury frequency rate		0.96 ^{LA}	1.78	1.55 ^{LA}
Cyanide	tonnes	6 976 ^{LA}	8 645	8 566 ^{LA}
Scope 1 CO ₂ emissions	tonnes	6 923 ^{LA}	8 488	8 578 ^{LA}
Scope 2 CO ₂ emissions	tonnes	364 950 ^{LA}	407 687	363 993 ^{LA}
Total CO ₂ emissions	tonnes	372 025 ^{LA}	416 324	372 678 ^{LA}
Electricity consumption	MWh	350 914 ^{LA}	392 007	383 151 ^{LA}
Diesel consumption	litres	654 446 ^{LA}	1 138 347	1 053 196 ^{LA}
Natural gas consumption	Gj	92 077 ^{LA}	96 642	107 859 ^{LA}
Potable water sourced externally	ML	2 659 ^{LA}	2 732	3 377 ^{LA}
Total dust exceedances		8 ^{LA}	10	7 ^{LA}
Concurrent vegetation of tailings storage facilities	hectares	66	56	35
Land rehabilitated and clearance from National Nuclear Regulator ²	hectares	27	136	0
EXCHANGE RATES				
Average rate	R:US\$	15.66	14.18	12.85
Closing rate	R:US\$	17.32	14.07	13.72

¹ During the materiality process undertaken, a decision was made to no longer assure value distributed to employees – salaries, wages and other benefits. Refer to page 26 for further information

² In FY2018, 191ha of rehabilitated land had been lodged with the National Nuclear Regulator (NNR) for clearance for redevelopment. In FY2019, 136ha of land clearance certificates were received. In 2020, 27ha of rehabilitated land had been lodged with the NNR for clearance

^{LA} Limited assurance



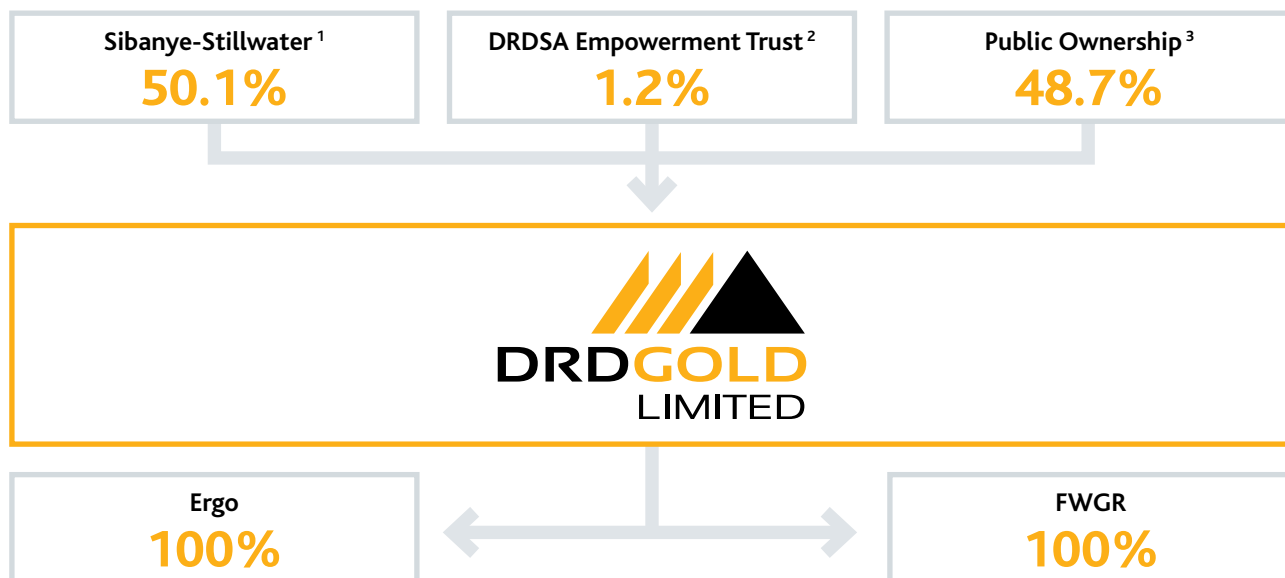
02

ABOUT

DRDGOLD

DRDGOLD is a world leader in gold production from tailings retreatment. We seek to mine our mineral resources profitably and sustainably while adding social and economic value and releasing previously sterilised land, through rehabilitation, back to the greater Johannesburg and Far West Rand for redevelopment.

WHO WE ARE



¹ Sibanye Gold Limited trading as Sibanye-Stillwater

² Ergo was previously owned by Ergo Mining Operations (Proprietary) Limited (EMO). EMO was 74% owned by DRDGOLD Limited and 26% by our Broad Based Black Economic Empowerment (BBBEE) partners – Khumo Gold SPV Proprietary Limited (Khumo) and the DRDSA Empowerment Trust. In FY2015, an agreement was entered into with our BBBEE partners entailing a roll-up of shareholding which included the substitution of their 26% shareholding in EMO for a 8.1% and 2.4% shareholding in DRDGOLD Limited respectively. At 30 June 2020, Khumo held nil shares in DRDGOLD

³ Includes shareholding by subsidiary-EMO of 1.1% and shareholding by directors of the Company of 0.08%. Such shareholding is classified as non-public

DRDGOLD is one of the oldest primary listings on the JSE. Our secondary listing is on the NYSE. It is the only company in South Africa focused solely on the retreatment of surface gold tailings.

KEY FEATURES

Revenue
R4.2 billion

Market Cap
R23.3 billion

Employees
951

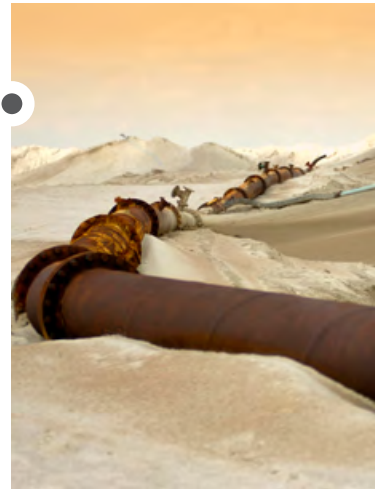
Specialist service providers
1 615

Mineral Resources and Mineral Reserves
10.39Moz

OUR HISTORY



**ERGO
(ANGLO)**
1977 – 2005



**Crown Mines
plant**
1981 – 2016



**City Deep
plant**
1987 – ongoing



**Knights
plant**
1988 – ongoing



**ERGO
(DRDGOLD)**
2008 – ongoing



**FWGR
Carletonville**
2018 – ongoing

OUR BUSINESS MODEL

Our business model is informed by the quality and character of our mineral resources, the value proposition we pursue, our desire to mine as much of our resource as we possibly can and the realities of our operating environment.

WHAT WE DO

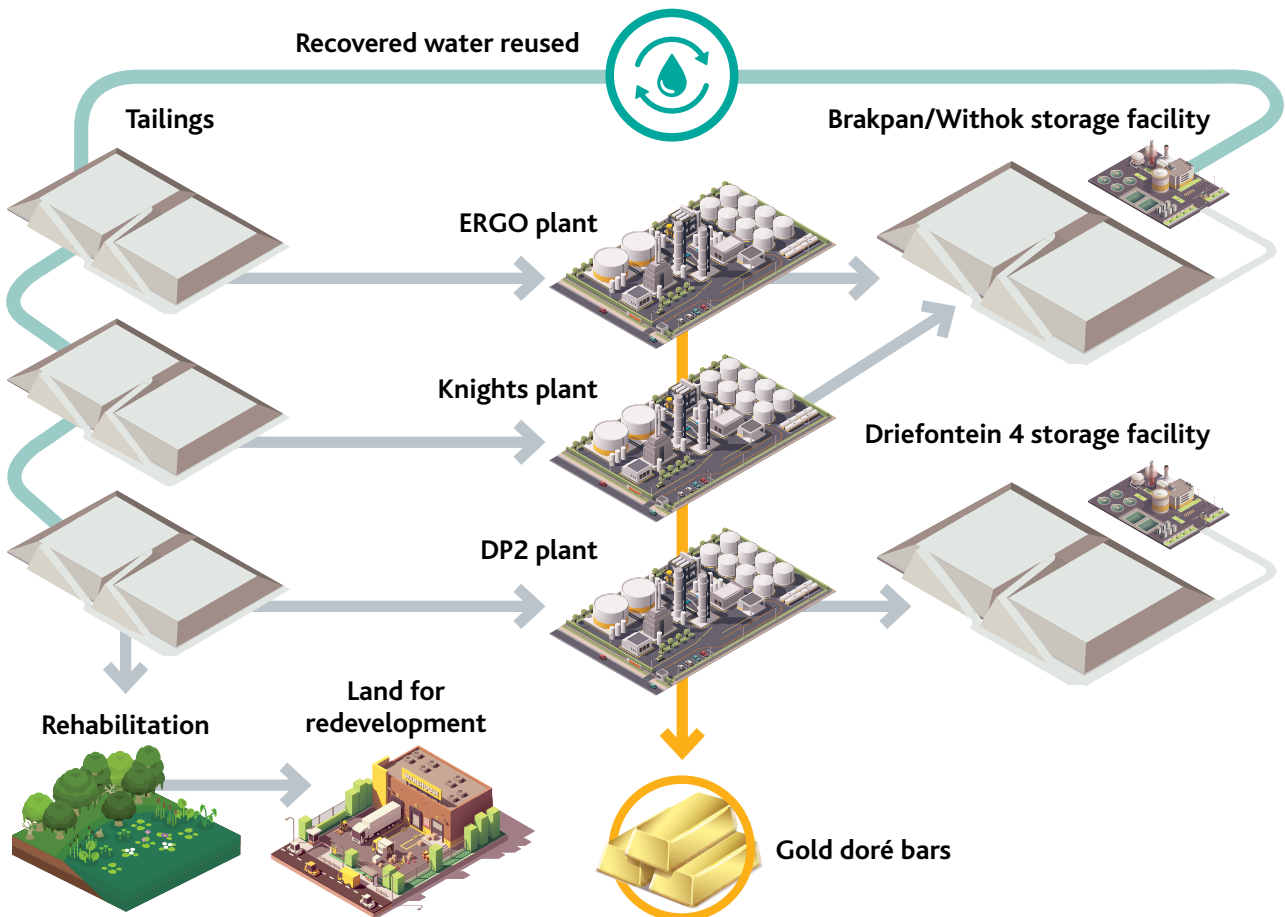
Ours is an on-surface, technology driven, mechanised process. The low grade of our resource demands economies of scale achievable only through mechanised mining and plant extraction efficiencies that require accurate analysis. We reclaim mine tailings mainly by way of high pressure hydromechanical mining. Reclaimed gold bearing materials are transported over tens of kilometres through a network of pipelines to our metallurgical plants and process water returned by way of a closed circuit to the reclamation sites.

After processing, the ensuing residue tail is disposed of on two distinct tailings storage facilities that are managed to a set of standards and parameters applicable to our facilities. A unique characteristic of our operations and part of our strategy is that we perform rehabilitation concurrently, to be in a position to release land for redevelopment.

HOW WE CREATE VALUE

What differentiates DRDGOLD from other mining operations is the fact that we do not mine underground and we are mechanised. We mine without interruption and by its very nature our mining results in the rehabilitation of sites formerly occupied by mine dumps. We also mine mostly within built-up areas, which requires a sensitivity to society that informs our standards of environmental containment and social value-add.

We seek to generate value in alignment with our sustainable development model. As far as possible, we endeavour to create an overlap of value, where value in one area enhances value in another, as explained more comprehensively on page 40.



OUR BUSINESS MODEL CONTINUED

OUR 5 CAPITALS



**FINANCIAL
CAPITAL**



**MANUFACTURED
AND INTELLECTUAL
CAPITAL**



**HUMAN
CAPITAL**



**NATURAL
CAPITAL**



**SOCIAL
CAPITAL**



Financial capital

Our primary objective is to generate a financial return to our shareholders. Our value proposition in this regard is two-fold:

- By maintaining healthy cash flows, we seek to return a dividend to shareholders. This focus on cash flow has enabled us to pay dividends for thirteen uninterrupted years, with FY2020 returning a fourfold increase compared to the total dividend of FY2019
- We mostly take full exposure to the gold price and our Company's stock is known for both responding sharply and at a multiple to the gold price, and for being liquid.

To maintain this value profile, we take a conservative position to debt exposure and capital management. We maintained zero debt levels throughout the year and hold R1.7 billion of cash compared to R279.5 million in FY2019. We received R1.1 billion from Sibanye-Stillwater when they exercised their option to increase their shareholding to 50.1% in January this year. In terms of capital management, an important measure for us in considering growth is to not dilute cash earnings per share. This year, notwithstanding the issuance of 168 million shares to Sibanye-Stillwater, our cash dividend showed a substantial increase over that of FY2019.



Manufactured and intellectual capital

We strive to match our resource with technology and infrastructure that:

- Achieves the desired economies of scale – total throughput per month through all three plants equals roughly 2.4Mt
- Achieves the requisite recovery efficiencies – we measure recoveries and residue values in grams/tonne to the third decimal
- Maintains the requisite cost profile and efficiencies required to optimise margin during up cycles and offers resilience during down cycles

In addition, due to a changing climate and certain domestic risk issues, we have developed and installed water management systems and electricity back-up technologies to minimise downtime associated with rainstorms and electricity supply interruptions.

The scale and sensitivity of our high-volume, low-grade recovery process, makes us extremely reliant on automation, based on information technology that monitors plant-performance through roughly 40 000 distinct data collection points per minute. We manage our plants pro-actively to achieve a distinct set of operating parameters that allow us to maintain a stable state. Our technology resonates in the financial capital value space, as this level of information management and monitoring enables us to follow an extremely precise dosing regime, which ensures that we control our costs extremely well.

OUR BUSINESS MODEL CONTINUED



Human capital

We employ 951 full time employees and 1 615 special service providers. Service providers are deployed mostly in security, reclamation and tailings deposition.

It is our desire to develop an engaged, knowledge-based workforce that increasingly represents the demography of South Africa and that provides fair opportunity for advancement to all. We aspire to create an environment where employees are safe and content and are provided with every opportunity to develop as individuals.

A three-tiered approach is taken to safety:

- Firstly, we take responsibility for creating a safe workplace and awareness of situations that are potentially hazardous
- Secondly, we provide employees with both the training and equipment required to perform every task safely
- Thirdly, we encourage and teach the appropriate attitude towards safety and safe conduct

In terms of employee wellbeing:

- A range of training courses is available to employees, from basic literacy all the way to sophisticated junior leadership. Training takes place in-house and at our accredited training academy, EBDA
- Our Best Life Programme offers private and confidential guidance and counselling to assist employees with emotional health and coping skills
- Employees have access to life skills training, also through EBDA, that addresses lifestyle choices, personal health and financial literacy

The key outputs for our safety record for the year include the following:

- During February 2020, the Ergo plant celebrated the milestone of 360 LTI free days for the first time ever, and went on to achieve a new record for the plant in April 2020 by achieving 443 LTI free days
- We had no fatalities reported
- Our lost time injury frequency rate (LTIFR), referring to the number of injuries causing a loss of shift(s) per million hours worked, was 1.27^{LA}, against an industry average of approximately 4.47. The industry average includes the South African gold operations of Harmony Gold, Pan African and Sibanye-Stillwater.

Other key outputs include:

R573m paid in salaries

R86m in income tax on those salaries

73% of employees in managerial and supervisory positions are Historically Disadvantaged South Africans (HDSAs)

23% of all employees are women – an increase from 21% in FY2019



OUR BUSINESS MODEL CONTINUED



Natural capital

Our targeted nature dividend is pursued through three distinct strategic objectives:

- The first involves measures to contain the impact that our operations have on the environment through the containment of dust and effluent
- The second is to minimise the burden our activities place on nature and natural resources
- The third is to restore areas that have been impacted by mining through rehabilitation

We mitigate dust nuisance mainly by vegetating Tailings Storage Facilities (TSFs) by way of concurrent and post-decommissioning rehabilitation. Dust fall-out is measured at 140 sites to track and monitor dust fall-out trends. We also use water and soil agents on reclamation sites and haul roads. This outcome is closely linked to our social value-add target of improving the quality of life of those communities living within the area of impact of our operations and facilities. Water is kept in a closed circuit and all water in and on storage sites is contained by way of return water dams and evaporation ponds to ensure that water from workings does not find its way into the natural environment.

We make extensive use of high density polyethylene (HDPE) liners, where possible, to minimise pipe frictional losses. At Ergo, approximately 70% of process water makeup is recirculated back from the Brakpan/Withok TSF. Treated acid mine drainage accounts for approximately 5% of water usage, approximately 1% from Rondebult wastewater treatment, and approximately 15% from Cinderella dam and Roscherville dam. The balance of water usage is potable water. At FWGR, we currently use all the water harvested from Driefontein 4 TSF. This amounts to approximately 40% of our process water requirements. The balance is made up from underground mine dewatering. Potable water consumption is limited to drinking and change houses and flocculant makeup for usage in the plant.

The reclamation of mine dumps for reprocessing is, by its very nature, rehabilitative of the land on which dumps are situated. Land capable of redevelopment and environmentally sensitive areas are both increasingly restored as a result of our activities.

Key outputs for the year were:

A decrease in dust emissions over the legal standard to only 0.52% of samples taken, from 0.65% in FY2019

We are awaiting approval from the NNR of **26.6ha of land for redevelopment**

The vegetation of **65.5ha** on our TSFs

A stable use of potable water at **2 659MI^{LA}** from consumption in the previous year of 2 732MI

^{LA}Limited assurance



Social capital

Our business model would not be complete, and perhaps not even worth pursuing, in the absence of social relevance. Large parts of our operations are situated in urban areas. In addition, most of the communities that live near our facilities are in the grip of poverty and socio-economic stress. Our social value add is therefore focused on the realities faced by these communities and aims to alleviate poverty and educate the youth.

Our programmes are therefore designed to achieve the desired social outcome and our business in this regard:

- Focuses on enabling communities to be self-sustainable by providing skills development in the area of entrepreneurship and business acumen
- Ensures that programmes bring about an improvement in the quality of life of communities neighbouring our facilities
- Strives for meaningful engagement with community groups to understand their struggles and concerns and respond in an appropriate way

We engage with various schools in our areas of influence to set up programmes aimed at upskilling our youth, to empower them to make an active contribution to our economy.

Our initiatives to contain the impact of our operations on the environment, in particular the removal of mine dumps and the containment of dust and effluent, clearly overlap with this objective. Poverty alleviation and self-empowerment takes place through our very successful alliance with Sustainable Social Solutions (Umsizi), which has assisted us in rolling out the Broad-based Livelihoods Programme in the Ekurhuleni, City of Johannesburg and Merapong communities. The programme has empowered around 3 331 participants with skills and infrastructure to produce healthy food, generate an income, grow a business and trade in the market.

DRDGOLD is also involved in presenting extra classes in mathematics, science and accountancy to high school pupils at seven schools within our area of influence. These schools are mostly under-resourced and many pupils have circumstances that are less than ideal. Over the years, thousands of pupils have taken advantage of this opportunity and this year, two former pupils who attended these classes have enrolled for BCom degrees at the University of Johannesburg and the University of the Free State respectively, as part of our bursary programme. We spent R20.4 million on various community projects and youth education programmes during the year.

Key outputs for the year were:

Total social-economic spend
R32.5 million^{LA}







^{LA}Limited assurance

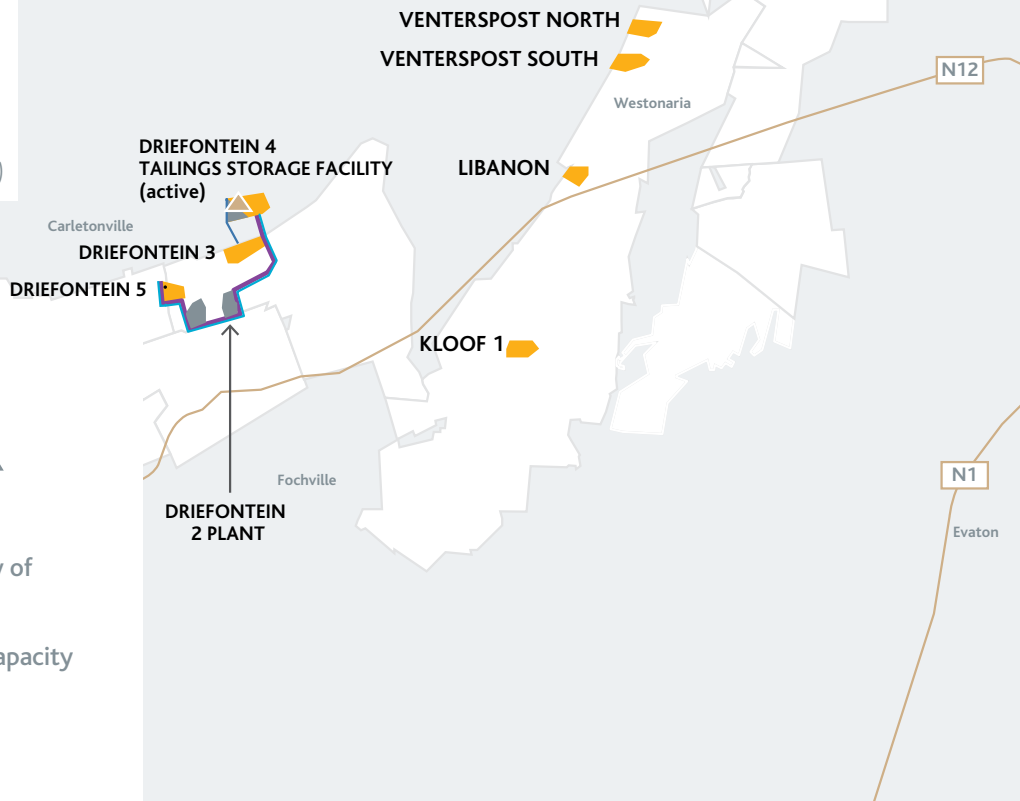
WHERE WE OPERATE

GAUTENG PROVINCE
SOUTH AFRICA



LEGEND

-  Slurry pipelines in use
-  Water pipelines
-  Reserves
-  Active mining site
-  Resources
-  Tailings Storage Facility (active and decommissioned)



FWGR

Mineral Reserves of 2.60Moz

1 processing plant with a capacity of 600 000tpm (Driefontein plant 2)

1 tailings storage facility with a capacity of 525 000tpm (Driefontein 4)

WHERE WE OPERATE CONTINUED



ERGO

Mineral Reserves of 3.13Moz

2 processing plants with combined capacity of 1.8Mtpm (Ergo and Knights plants)

1 milling plant (City)

1 tailings storage facility (Brakpan/Withok) with a capacity of 2.0Mtpm

THE VALUE WE CREATED AND DISTRIBUTED

When we discuss creating value for our stakeholders, we define this as long-term sustainable value.

CREATING VALUE FOR OUR STAKEHOLDERS

Building personal relationships with our stakeholders is not just good business, it is what we stand for. Operating in an urban setting, there are various economic, social, regulatory, community and environmental influences we need to navigate to ensure long-term sustainability.

Value added statement

	2020 Rm	2020 %	2019 Rm	2019 %
VALUE ADDED				
Sale of precious metals	4 185	98	2 762	98
Income from investments	67	2	55	2
Income from disposal of property, plant and equipment and financial instruments	1	–	8	–
Total value added	4 253	100	2 825	100
VALUE DISTRIBUTED				
Suppliers				
Paid to suppliers for materials and services	2 376	72	2 037	72
Employees				
Salaries, wages and other benefits ¹	573	17	477 ^{LA}	17
Community				
Total social economic development	33 ^{LA}	1	27 ^{LA}	1
Government				
Current taxation	263	–	1	–
Providers of capital				
Dividends to ordinary shareholders ²	728	5	137	5
Interest on borrowings	10	1	15	1
Total economic value distributed¹	3 983	96	2 694^{LA}	96
Re-invested in the Group	270	4	131	4

¹ During the materiality exercise, a decision was made to no longer assure value distributed to employees - salaries, wages and other benefits. This amount can be found directly in the 30 June 2020 Annual Financial Statements in note 5.1. Furthermore, the total economic value distributed will also no longer be assured

² Dividend declaration in respect of FY2020 includes a final dividend declared of 35cps in September 2020. Dividend declaration in respect of FY2019 includes a final dividend declared of 20cps in September 2019

^{LA} Limited assurance

**2020
Total value
added**

**2020
Total economic value
distributed**

**2020
Re-invested in
the Group**

R4 253m

R3 983m

270m

THE VALUE WE CREATED AND DISTRIBUTED CONTINUED

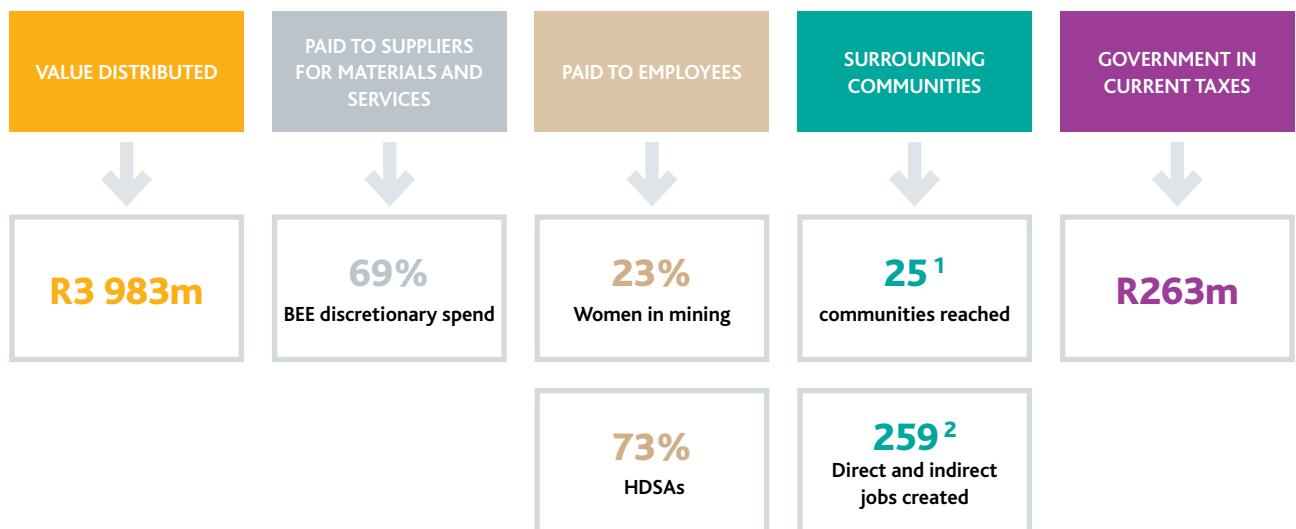
VALUE WE CREATED



Quality of stakeholder relationships

We set ourselves the task of pursuing and creating real value for our stakeholders along with defined parameters and outcomes. We continuously measure our performance against our strategic objectives to ensure that we remain on track and that our contribution in this regard remains relevant. Our stakeholder groups' key interests are linked to our business model and strategic objectives and inform the way we manage our business.

VALUE WE DISTRIBUTED



DIVIDENDS DECLARED TO SHAREHOLDERS

528%
Share price improvement

13-year
uninterrupted dividend declaration

¹ 5 communities in the Far West Rand, 9 communities in the Ekurhuleni area and 11 communities in the City of Johannesburg area

² refers to direct jobs created through the BBL Programme. The rest includes the number of families on record who are participating in the BBL Programme and have traded in the informal economy

STRATEGY AND OUTLOOK

The strategy of a mining company is by and large informed by the qualities of its ore body and the realities of its environment, as these are the key drivers that determine the deployment of resources and capital.

We are determined to **profitably and sustainably treat** as much of our resource as we possibly can. The reality is that our resources, **although vast, are low grade**. This is, after all, the waste product of a **previous generation of mines**. Our model is therefore one of mega-volume in excess of 2.4Mt/m, and almost nano-extraction – between 200 and 250 parts per billion to be exact.




To this end our strategy has been and remains to use our **technology**, systems and **skillset** to reclaim and treat material at a rate and a level of efficiency that **delivers a competitive return to our shareholders and offers them exposure to the gold price for as long as possible**, while also improving the condition of the environmental footprint where we operate and striving to be socially relevant.

In practice, this strategy has translated into an unwavering focus on profit and free cashflow, to which **13 years of uninterrupted dividend yield** bears testimony. This is while ensuring that the right investments are made at the right time, to not only maintain production run rate, but to also lower operational risk and drive sustainability.








The reclamation of dumps for profit has also had the intentional consequence of bringing about the **clean-up of several hundreds of hectares of land** in and around Johannesburg, freeing it up for rezoning. The vegetation programme we run on both current and decommissioned tailings is making a significant **impact on the quality of the lives of the hundreds of thousands of people** that have moved to within close proximity of these dumps, by preventing dust from polluting the immediate proximity of these installations.

Sibanye-Stillwater exercised its option to obtain a 50.1% controlling interest in DRDGOLD, which adds an important new component to our strategy, that is, to **leverage our relationships to grow the business**. Sibanye-Stillwater is a global player that has built up a vast network in both gold and **platinum group metals**. Our ambition is to become their partner of choice to develop their surface resources. The Far West Project, which hit Phase I commercial production within eight months after acquisition, showed us that our technology and operating system are nimble and dynamic, and powerful enablers for **further expansion**.

In the table below, we illustrate how DRDGOLD is rolling back the environmental legacy of mining through its strategic focus points. These focus points are aligned to the United Nations (UN) Sustainable Development Goals (SDGs) which we influence directly, and the Responsible Gold Mining Principles (RGMPs) by the World Gold Council (WGC):

Focus points	Key differentiators	Strategic objectives	2020 priorities	What we achieved	2021 priorities
<p>Growing the business by replicating our business model, and looking at PGMs</p> <p>Applicable UN SDGs:</p>   <p>Strategically relevant WGC RGMP:</p> <ul style="list-style-type: none"> 9 - Biodiversity, land use and mine closure 	<ul style="list-style-type: none"> Proven technologies and tailings reclamation track record that can be replicated anywhere in the world where large-scale mining took place Strong anchor shareholder with clear synergies for economies of scale – look to unlock value in non-core surface assets of Sibanye-Stillwater Low gearing – possibility to introduce green/sustainability linked debt to leverage growth 	<ul style="list-style-type: none"> Acquisition of assets, including surface PGMs Expansion of Mineral Reserves and Tailings Storage Facilities 	<ul style="list-style-type: none"> FWGR Phase II development Commissioning at FWGR Secure authorisation to mine Marievale dumps Explore Brakpan/Withok TSF expansion 	<p>Progress on FWGR Phase II studies and planning</p> <p>Milling successfully commissioned at FWGR</p> <p>Marievale environmental authorisation submitted</p> <p>Brakpan/Withok Extension studies and planning progressed</p>	<ul style="list-style-type: none"> Ergo – advance planning for the extension of the Brakpan/Withok Tailings Storage Facility and resultant increase in reserves FWGR – advance the planning and permitting process for Phase II
<p>Profitably and sustainably mining our large surface gold resource</p> <p>Applicable UN SDGs:</p> 	<ul style="list-style-type: none"> Established pipeline and infrastructure Excellent track record of managing costs per tonne in large volume environment and generating cash Long history of paying dividends 	<ul style="list-style-type: none"> Meet cash operating cost budget Continue history of paying dividends 	<ul style="list-style-type: none"> Cash operating cost per kg of R490 000 Generate a positive free cash flow 	<p>Cash operating costs per kilogram of R482 417/kg</p> <p>Free cash flow of R926.4 million</p>	<p>Ergo and FWGR – continue focus on cash-generation, cost control and efficiency – extend the life of mine</p>

STRATEGY AND OUTLOOK CONTINUED

Focus points	Key differentiators	Strategic objectives	2020 priorities	What we achieved	2021 priorities
<p>Using technology and information to enhance operational performance and to minimise the impact on the environment</p> <hr/> <p>Applicable UN SDGs:</p>   <p>Strategically relevant WGC RGMPs:</p> <ul style="list-style-type: none"> 8 - Environmental stewardship 9 - Biodiversity, land use and mine closure 10 - Water, energy and climate change 	<ul style="list-style-type: none"> Well-established systems and processes that can be replicated in our growth story Substantial contribution to environmental needs through rehabilitation of land and sustainable land use 	<ul style="list-style-type: none"> Increase plant efficiencies Decrease Eskom reliance, increase electricity efficiency usage Ongoing initiatives to maintain potable water consumption to 10% or lower of total water 	<ul style="list-style-type: none"> Increase gold production Investigate alternative power sources 	<p>Gold production increased by 9%</p> <p>Progress on alternative power sources</p> <p>Potable water consumption decrease to 8% of total water consumption, mainly due to minimal consumption of potable water at FWGR. Ergo potable water consumption stable at 10%</p>	<p>Look to alternative power solutions to address quality, quantity and cost of power supply.</p>
<p>Renewed focus on employee safety, development, values and wellbeing</p> <hr/> <p>Applicable UN SDGs:</p>   <p>Strategically relevant WGC RGMP:</p> <ul style="list-style-type: none"> 4 - Safety and Health 	<ul style="list-style-type: none"> Low labour intensity and safety risks Low turnover of staff and support of talent management programmes Nimble culture and the right attitude towards safety 	<ul style="list-style-type: none"> Zero fatalities Reportable injury frequency rate (RIFR) and LTIFR below standard deviation of preceding five-year rolling average Fair remuneration 	<ul style="list-style-type: none"> Implement new wage agreement Implement long-term and short-term incentive scheme Continue focus on safety 	<p>Successfully implemented</p> <p>Approval of 99.7% at AGM</p> <p>Much improved safety record – refer to health and safety review on page 49</p>	<p>Ensure that employee safety, development, transformation and well-being take priority, underpinned by shared values.</p>
<p>Improving the quality of life of communities surrounding our operations</p> <hr/> <p>Applicable UN SDGs:</p>    <p>Strategically relevant WGC RGMP:</p> <ul style="list-style-type: none"> 7 - Working with communities 	<ul style="list-style-type: none"> Substantial contribution to the societal needs through rehabilitation, poverty alleviation and youth education programmes 	<ul style="list-style-type: none"> Dust exceedance below 1% Social economic development (SED) spend 1% of total working costs 	<ul style="list-style-type: none"> Continuous monitoring of potential dust exposures Fully implement SLP 	<p>Dust exceedances stable at 0.52%</p> <p>COVID-19 specific response, over and above SLP</p>	<p>Expand BBL efforts and further education initiatives. Respond also to technology-driven world.</p>

STRATEGY AND OUTLOOK CONTINUED

Strategic outlook - 2020

DRDGOLD aims to fully develop the potential of our existing asset base by harnessing our technology, systems and skillsets to deliver a competitive return to our shareholders and real benefits to other stakeholders, specifically local communities and the environment and to leverage both its relationships and its footprint to grow the business.

SHORT TERM 2020 TO 2021

- **Ergo and FWGR** – continue focus on cash-generation, cost control and efficiency, setting up the business for the next growth phase
- **Ergo** – advance planning for the extension of the Brakpan/Withok Tailings Storage Facility and resultant increase in reserves
- **FWGR** – advance the planning and permitting process for Phase II
- **Ergo and FWGR** – look to alternative power solutions to address quality and cost of power supply
- **Technology** – big data, next quantum steps in "cracking the code" and develop models in terms of integrated, sustainable tailings management solutions

MEDIUM TERM 2022 TO 2026































- **DRDGOLD** – as part of our growth phase, ensure that employee safety, development, transformation and well-being take priority, underpinned by shared values
- **DRDGOLD** – through acquisitions, be able to offer integrated, sustainable tailings management solutions with international reach and by doing this, expand our role in environmental clean-up in the interest of sustainable land use, reduced pollution and societal upliftment
- **Ergo** – consider optimal use/other opportunities for the Knights and Flotation Fine-Grind Plants in this integrated tailings management set-up
- **Ergo** – extend Brakpan/Withok Tailings Storage Facility and increase the Life of Mine
- **Ergo and FWGR** – look to "crack the code" by increasing overall yield/reducing overall residue and better use of technology and information
- **FWGR** – build Regional Tailings Storage Facility (RTSF) and related infrastructure, also considering regional consolidation in the Far West Rand, starting with opportunities that exist through our anchor shareholder
- **Platinum group metals** – consider opportunities through our anchor shareholder, locally and internationally

LONG TERM 2027 AND BEYOND

- **DRDGOLD** – consolidate all surface tailings in South Africa and look to international opportunities for surface mining
- **Ergo and FWGR** – unlock land value and sustainable land use in partnership with government (Corridor of Freedom), state agencies/public/private partnerships and emerging operators towards integrated rehabilitation eco-systems
- **Water technology** – Optimise our water reticulation systems, utilisation and re-use of grey or treated water in the form of AMD and treated sewerage, as part of protecting South Africa's water resources

STRATEGY AND OUTLOOK CONTINUED

The risks associated with our strategic focus areas are analysed below:

Strategic Focus Areas/Risks	Growing the Business by replicating business model, looking at PGMS	Profitably, sustainably mining large surface gold resource	Using technology, information to enhance operational performance, minimise impact on environment	Renewed focus on employee safety, development, values, wellbeing	Improving quality of life of communities surrounding operations
Eskom power supply	 Threat	 Threat	 Address		
Social unrest	 Threat	 Threat		 Address	 Address
Increased crime and gold theft	 Threat	 Threat			
Social licence to operate	 Threat	 Threat	 Address	 Address	 Address
Tailings storage capacity	 Address				
Availability of water	 Threat	 Threat	 Address		
High utility costs increase	 Threat	 Threat	 Address		
Extreme weather		 Threat			 Threat
Sustained lower commodity price and strengthening of the rand	 Threat/opportunity	 Threat/opportunity			
COVID-19 impacts	 Threat	 Threat	 Opportunity	 Address/Opportunity	 Address/Opportunity

RISKS AND MITIGATIONS

DRDGOLD is not a typical gold mining company as we focus exclusively on surface retreatment and not on underground mining. Our retreatment focus places our business in a different risk environment to companies engaged in conventional mining.

How we manage risk



DRDGOLD employs a formal, enterprise-wide risk management process (ERM) designed to identify risks which are updated by the Chief Risk Officer in a risk register and advise on threats that could prevent the Group from achieving its objectives. This formal process takes place annually and involves the application of frameworks and methodologies to increase the likelihood that unpredictable risks are anticipated. The board provides approval for the acceptable levels of tolerance and risk appetite and risks are managed within these parameters. Identified risks include those which emanate from the company's compliance with legal and regulatory provisions and the Code of Conduct.

The changing business footprint and strategic framework drive a strong integration of the different risk areas in the Group which include strategic, reputational, financial, human resources and day-to-day risks. In addition to the ERM, an independent risk management process assesses operational risks in three categories:

- **Baseline** – covers the risk profile of the entire operation in a systematic manner
- **Issues-based** – a specific assessment is performed prior to a new event, new capital infrastructure or activity
- **Continuous** – health, safety and environmental issues are assessed on an ongoing basis in the daily work programme

A risk management plan is widely disseminated throughout the company and integrated in the day-to-day activities of the company. Risk monitoring is executed continuously by Exco and management to ensure that risks remain relevant and mitigation actions remain appropriate.

COVID-19 pandemic response

The COVID-19 pandemic is no longer considered a risk, as it has materialised and created other risks, including employee infection risks and the potential impact that infections will have on the operation.

Despite the Disaster Management Act regulations permitting DRDGOLD to continue operating pursuant to the announcement of the national lockdown, DRDGOLD did not immediately recommence operations.

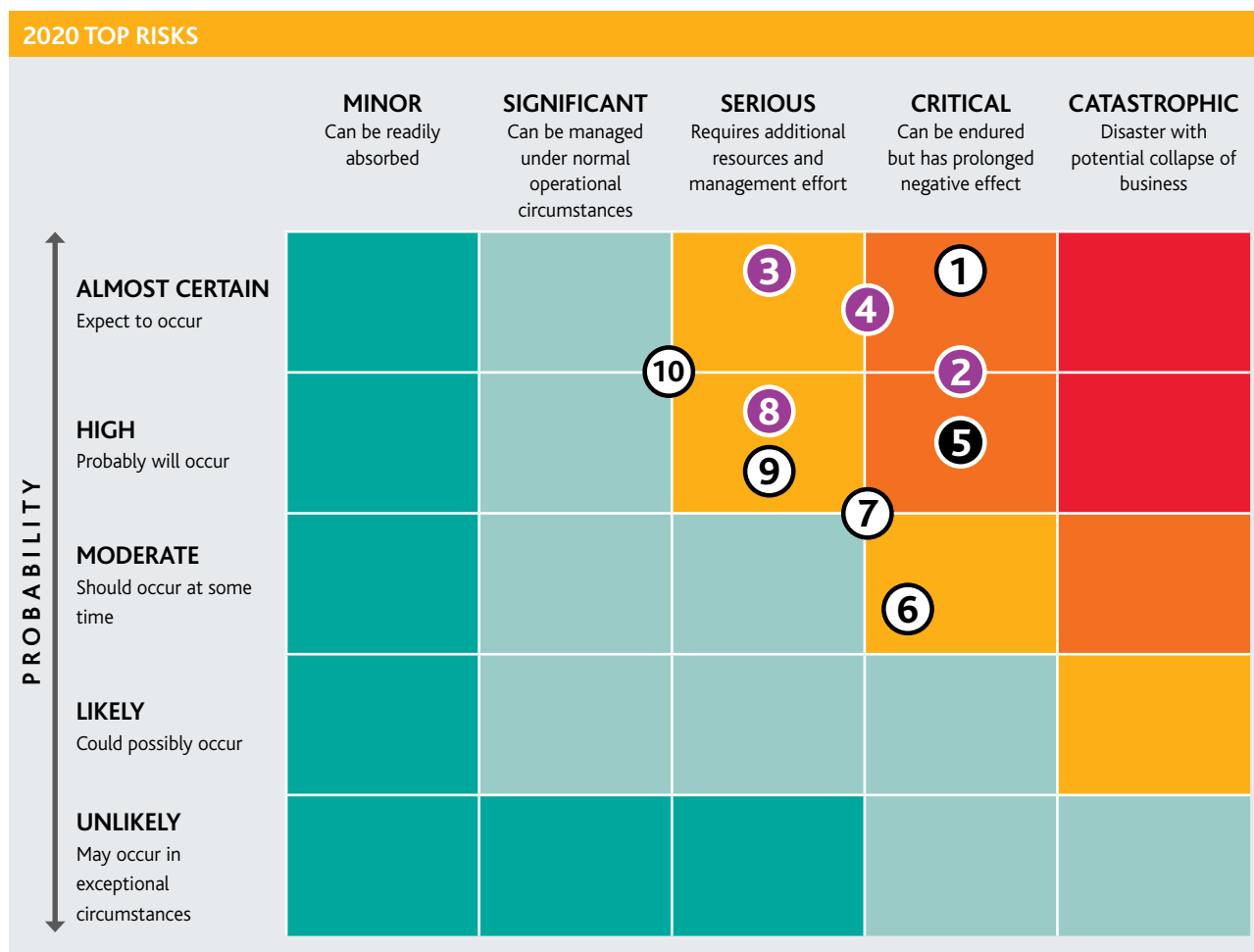
Instead, we considered various options to recommence limited operations to sustain infrastructure and soften the impact of the stoppage without exposing employees to unwarranted risk. A detailed process ensued, involving various guidelines and consultation with the Department of Mineral Resources and Energy and organised labour to safeguard employees from increased risk of infection. Various protocols were implemented, including new issued Codes of Practices and Safe Operating Procedure manuals allowing us to responsibly conduct limited production at our operations.

All key risks are assessed according to the ERM framework that applies a specific rating structure incorporating the probable impact, consequence and control effectiveness, as presented in the following top 10 risks and risk map.

Top 10 risk profile

1	Eskom power supply	STRATEGIC OPERATIONAL
2	Social unrest	SOCIAL
3	Increased crime and gold theft	SOCIAL
4	Social licence to operate	SOCIAL
5	Tailings storage capacities	OPERATIONAL
6	Availability of water	OPERATIONAL
7	High utility cost increases	FINANCIAL
8	Extreme weather	OPERATIONAL
9	Sustained lower commodity price and strengthening of the rand	FINANCIAL
10	COVID-19 Impacts	OPERATIONAL SOCIAL

RISKS AND MITIGATIONS CONTINUED



● Long-term ● Escalating

Top 5 Opportunities for the Group

1. Increase in reserves and resources base	From the very beginning of the relationship established with Sibanye-Stillwater, our approach was to develop it proactively and collaboratively, consolidating all surface tailings in South Africa to grow the value of our existing asset base, and to create opportunity for further growth in surface mining in South Africa and abroad.	Expected to occur
2. Diversification into PGMs		Should occur at some time
3. Mechanisation, automisation and automated data collection and reporting	Further integration of our system of information flow and data capturing will allow us to create a consolidated, sustainable tailings management solution. Key focus areas will continue to be the assurance of the integrity of data, protecting it from interference, maintaining the quality of information and managing its flow and use with the view to optimise our control and management systems.	Expected to occur
4. Increased focus on ESG objectives	ESG, good corporate citizenship and green mining are increasingly important, so our work could and should become the group standard in what we consider to be "evidence of our presence". We aim to unlock land value in partnership with the government, state agencies, public and private partnerships and emerging operators. This will become even more important in a post COVID-19 world.	Expected to occur
5. Water technology and alternative green power solutions	We have the opportunity to work with government and other stakeholders in solving water supply constraints in South Africa by optimising our closed water circuit and the re-use of AMD and treated sewerage. Excess power, generated through alternative green power solutions, may be "wheeled" onto the National grid or to other operations and alleviate power supply shortages in South Africa.	Expected to occur

OUR OPERATING ENVIRONMENT

In addition to normal operating dynamics, being a price taker and operating in the gold mining industry in South Africa, external dynamics expose us to conditions and risks which we may not necessarily have control over.

These conditions can influence decision making and the ability to execute on our strategy. At the same time, it also creates opportunities for us to pursue our unique business model. An analysis of these dynamics and the DRDGOLD response to them, is set out below:

Fluctuations in the rand gold price

We take full exposure to the US dollar spot price of gold and rand/dollar exchange rate. The higher the gold price, the higher our profit margin and vice versa. We benefited from a sustained upswing in gold price in quarter one, and in the fourth quarter, following the global response to the COVID-19 pandemic, the gold price surged further to all-time highs.

As has become the norm in times of crisis, investors globally turned to gold and gold stocks as a safe haven asset, leading to a surge in the average gold price from R781 261/kg in the quarter ended 31 March 2020 to R988 030/kg for the quarter ended 30 June 2020. The rand/dollar exchange rate remained volatile throughout the year mainly as a result of economic uncertainty and perceived political instability, global market slowdown sentiment, tensions between the USA and China, low economic growth, and a seemingly terminally distressed Eskom. Further volatility in the rand was fuelled by Moody's downgrade of South Africa's credit rating to sub-investment grade as a result of "continuing deterioration in fiscal strength and structurally very weak growth."

The average gold price DRDGOLD received in the current year increased by 33% from R577 483/kg to R768 675/kg. DRDGOLD's share price responded positively amidst these uncertainties and the surging gold price, increasing from R4.29 at 30 June 2019 to R26.95 at 30 June 2020.

DRDGOLD's response

DRDGOLD reaffirms its position as a price taker and takes full, unhedged downward and upward exposure to the rand denominated gold price.

Since the revenue pricing is determined by external factors, we manage this risk by being very focused on areas that we can influence, namely costs and operational efficiency. We are always looking at ways to slow the increase of costs and save costs by making ongoing improvements in process and efficiencies, with technology playing a pivotal role in this regard. For example, ongoing analysis of key drivers in our plant allows for precise dosing of chemicals and consumables, which contributes to keeping these costs as low as possible. HDPE lining in pipelines lowers friction and thus reduces power consumption. Maintaining a closed water circuit and using recycled water, in turn, reduces the costs of water consumption. These are just some of the initiatives implemented over the years.

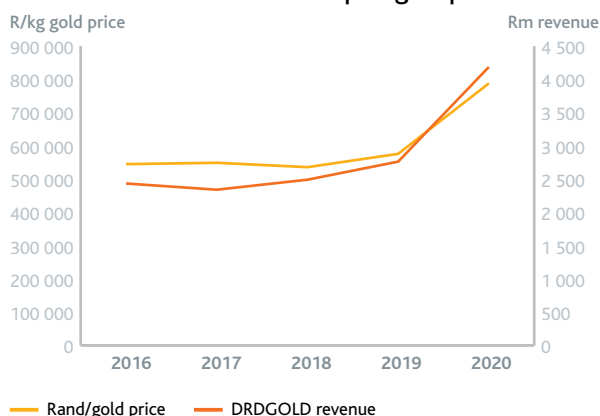
We limit our vulnerability to a drop in the price of gold in rand terms—the currency in which we incur our costs—by monitoring and controlling our costs carefully with the approach stated above. We also work hard to increase the value of each unit of gold-bearing material (typically expressed in tonnes) by seeking ways to improve recoveries. At the scale at which we process, marginal improvements, even in the third decimal have a profound impact on production outcome. Improvement in recoveries per tonne makes an impact at various levels:

- Not only does it mean more gold per production tonne, it also reduces our sensitivity to volume throughput
- Better recoveries improve our economies of scale, as well as reduce water and power consumption and consumables per gold unit produced
- It remains the least capital-intensive way to grow production

This position of full exposure to the gold price is illustrated in the graph on the left.

Our investment in FWGR Phase I, which made its maiden full 12-month contribution to our financial results after reaching commercial production on 1 April 2019, gave us full exposure to the increased gold price during the year.

DRDGOLD revenue relationship to gold price



OUR OPERATING ENVIRONMENT CONTINUED

Risk

- **Sustained lower commodity price and strengthening of the rand**

DRDGOLD's revenue and earnings are dependent on the prevailing gold price.

Historically, the gold price has fluctuated widely as a result of several factors over which the Company has no control.

DRDGOLD's profitability may be negatively affected if revenue from gold sales drops below the cost of production for an extended period of time. As most of the Group's operating costs are in rand while gold is generally priced in dollars, DRDGOLD's financial condition could be impacted in the future by an appreciation in the value of the rand.

Opportunity

- Use favourable gold price environment to create further resilience through business improvement and to grow and diversify operations to create more flexibility in downward cycles
- Consider diversification into PGMs to create exposure to different commodity cycles, not only gold

Strategy

- Profitably and sustainably mine our large surface gold resource
- Grow the business by replicating our business model, also looking at PGMs



Rising electricity prices and Eskom supply disruptions

The mining industry is a major consumer of electricity, consuming approximately 30% of the national electricity supply. Our metallurgical processing plants operate on a 24/7/365 basis and continuous electricity supply is paramount to achieving a stable plant with enhanced efficiencies. Electricity currently makes up approximately 16% of our total operating costs, which is still generally lower than that of an underground mining operation.

In the first six months of the financial year, bouts of load shedding impacted volume throughput as we complied with the load curtailment agreement we have with Eskom. Eskom has warned of increased load shedding for the foreseeable future as the company attempts to catch up with its maintenance programme that was neglected for many years. Eskom remains the biggest systematic risk to the sustainability of the South African economy, exacerbated by the impact of COVID-19. On 28 July 2020, a court judgment was given against NERSA has allowed for Eskom to increase its tariffs from the original 5.22% on 1 April 2021 to approximately 15%.

DRDGOLD's response

We take a two-staged approach to the risks associated with electricity supply. Firstly, we have installed extensive back-up systems to counteract the impact of unscheduled interruptions in power supply. While we are unable to maintain production during black-outs, back-up generator sets ensure that the plants remain in motion and that our circuits do not choke or become blocked by solids settling in the slurry. This means that production can resume virtually immediately once power is restored.

Secondly, at our Brakpan Tailings Storage Facility, our back-up capacity is sufficient to ensure that deposition can continue uninterrupted – this is the "exhaust" of the system and if it comes to a halt, the entire operation grinds to a halt. From a safety and governance perspective, it is also essential that we maintain a water balance on this facility to ensure that it remains within our stated factors of safety. The most likely near-term solutions in this regard are power storage and the pricing policy of Eskom whereby different rates are charged during peak and off-peak periods. Charging power storage units during these periods and then drawing them down during peak hours to avoid peak rates, may well provide a financially feasible model in the short term. It also provides "clean" power in that power-dips and surges are avoided. These power storage units can then be supplemented with solar power as a next step. Studies into solutions are ongoing at Ergo and at FWGR and while these projects will not eliminate our reliance on Eskom, they will soften the impact of price increases and assist to manage disruptions in electricity supply, which in turn will reduce our carbon footprint.

OUR OPERATING ENVIRONMENT CONTINUED

Risk

- High utility cost increases**
 The mining industry operates in a highly inflationary environment and is dependent on electrical power supplied by Eskom. Eskom has imposed higher than normal tariff increases, and this is expected to continue in the future.
- Eskom power supply**
 Eskom is currently experiencing financial difficulties which raises concerns for the power utility's long-term viability and status as a going concern. Interruptions, whether short term or long term will adversely affect the operation as the business is highly dependent on a reliable and stable electricity supply.

Opportunity

- In an investment-friendly regulatory environment, excess power generated through these alternative green power solutions may be "wheeled" into the national grid or to other operations to alleviate power supply shortages in South Africa

Strategy

- Profitably and sustainably mining our large surface gold resource



DRDGOLD's response

Our strategy to steer clear of underground mining and focus solely on surface operations has created a resilient business model and our performance is unparalleled in terms of how the trend is affecting other operations in the South African gold mining industry. The most capital-effective way to reverse a trend of production decline is to improve extraction efficiencies. Our focus going forward is to expand our footprint through the development of Phase II of FWGR, which encompasses the build of a Regional Tailings Storage Facility (TSF) large enough to permit future expansion in the Far West area. We are also planning expansion at the Brakpan/Withok TSF to accommodate higher grade resources in the Far East Rand area and extend Ergo's Life of Mine. The diagram below illustrates DRDGOLD's production in tonnes over the years in comparison to the gold mining industry.

Risk

- Tailings Storage Facility capacity**
 DRDGOLD is a volume-driven business. As a result, we need to ensure that there is sufficient capacity in our TSFs to deposit material after processing and extracting gold in the plant. Additional tailings storage capacity is required in the medium term to continue operating at current levels.

Opportunity

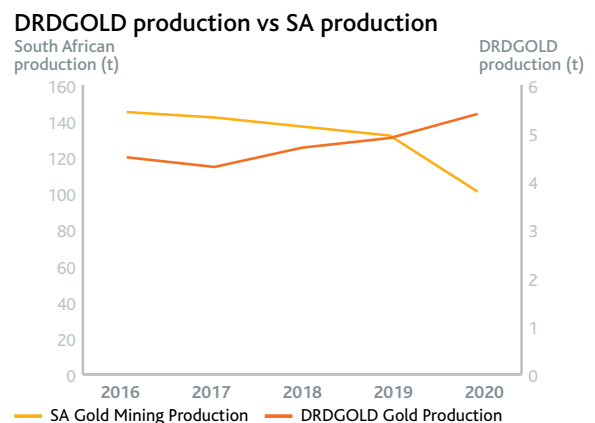
- Consolidate all surface tailings in South Africa and look to international opportunities for surface mining

Strategy

- Grow the business by replicating our business model, also looking at PGMs
- Profitably and sustainably mine our large surface gold resource

Decline in SA gold mining production

Despite South Africa having one of the highest gold reserves in the world, gold production has decreased by 60% from 252.6t in 2007 to approximately 101.3t in 2019. This can be attributed to multiple factors including divestments by local gold companies, illegal mining, crime and theft, lack of technological investments into safely mining resources which require deep extraction, lower grades, unfavourable regulatory practices, an uncertain regulatory environment, rapidly rising labour and electricity costs and labour disruption. This is in contrast with global gold production trends where gold production has increased by 41% from approximately 2497.8t in 2007 to 3533.7t in 2019.



OUR OPERATING ENVIRONMENT CONTINUED

South Africa's water challenge

Our surface retreatment operations are reliant on water to transport the slimes from reclaimed areas to the processing plant and to the tailings storage facilities. In the context of South Africa's economic challenges, the Department of Water and Sanitation has, in its national water master plan, tabled an estimated R900 billion to ensure the country's water security for the next ten years and beyond. This requires that DRDGOLD and the mining industry at large continues to find ways to recycle water and reduce the consumption of potable water.

We acknowledge that water is a limited natural resource and crucial for the sustainability of the planet. Although the earth has the natural ability to recycle water, the availability of clean and safe drinking water remains a key global concern and the scarcity thereof in the future is linked to the way grey/wastewater is managed.

DRDGOLD's response

Over the past few years, we have deliberately focused on investing in infrastructure and strategies to reduce our reliance on potable water and expand the use of other water sources. For example, a closed water balance system is in place to reuse water in the system and there are ongoing initiatives to make use of grey water from sewerage works or acid mine drainage (AMD). With FWGR being in full production for the full 12 months, our potable consumption remained stable at 2 659ML (FY2019: 2 732ML). We manage our water in such a way that process and grey water options are exhausted first before potable water options are explored, as illustrated in the graph below.



Risk

• High utility cost increases

The mining industry operates in a highly inflationary environment and is dependent on potable water supplied by Rand Water. The extent to which Rand Water increases rates is a factor outside our control.

• Availability of water

South Africa is a water scarce country and water shortages are predicted to worsen in the future. The business of surface retreatment is highly reliant on water as water is used to transport material over large distances and for processing. We rely on third party providers for any shortfall in water.

• Extreme weather

Climate change has an influence on weather patterns which could result in a severe weather event, for example a drought, which in turn could adversely impact operational output. Extreme weather events could also result in major property, infrastructure and/or environmental damage as well as loss of human life. It remains a priority to ensure that the impact on employees and surrounding communities and interruption of operational processes are limited.

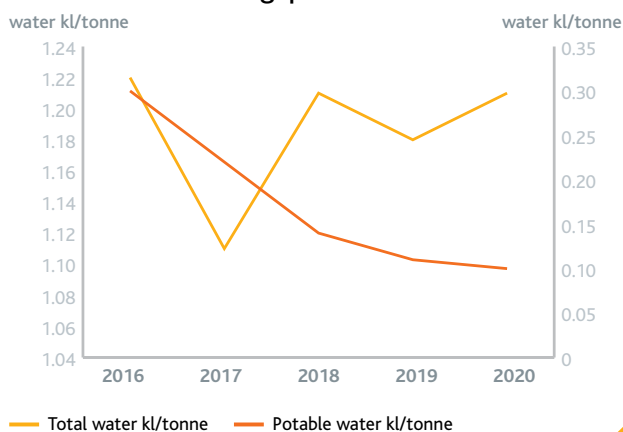
Opportunity

Water technology – Optimise our water reticulation systems, utilisation and re-use of grey or treated water in the form of AMD and treated sewerage, as part of protecting South Africa's water resources.

Strategy

- Use technology and information to enhance operational performance and to minimise the impact on the environment
- Improve the quality of life of communities surrounding our operations

DRDGOLD kl vs Throughput



OUR OPERATING ENVIRONMENT CONTINUED

Social licence to operate

Johannesburg has a unique history. If not for mining, there would be no city. The mines, however, did not come to the city, rather the city came to the mines. What resulted was poorly regulated urbanisation and hundreds of thousands of people living in close proximity to former mining infrastructure and mine dumps. Conventional environmental and closure standards are proving inadequate to contain the impacts of mining on surrounding communities. DRDGOLD's operating footprint spans this legacy in both Johannesburg and in the East Rand and Far West Rand. An integral part of our mining process is to remedy the negative aspects of that legacy both by rehabilitating through mining (the recycling of old mine dumps and slimes dams) and by vegetating those that have been a permanent feature of the surrounding landscape.

COVID-19 has further exacerbated South Africa's social vulnerability with families either losing all income or operating at a reduced income. This is expected to get worse over time. We view social development as a business imperative through which we help to build sustainable communities and thus prevent premature closure.

DRDGOLD's response

Our approach to environmental management and social development is informed by the ideas of sustainable development. It requires that rehabilitation takes place concurrently with mining, as part of day-to-day operations, and not delayed until mining comes to an end. Our business model presents a unique opportunity in this regard as the recycling of mine dumps and movement of mine tailings onto a large, modern deposition facility are by nature rehabilitative. Our commercial endeavours therefore bring about a reversal of the past environmental impact and legacy of mining, at the same time, improving the quality of life for members of the communities living in close proximity to historical mine dumps, in particular by addressing the presence of dust. Certain dumps, the ones containing gold, are removed, permanently ridding the neighbouring communities of dust. The dumps that are not removed are permanently vegetated with various indigenous species of grass and shrubs and initially irrigated to the point where virtually no dust is lifted from these areas by the wind.

We have developed partnerships with stakeholders to increase our community reach in areas of our influence to assist those in need particularly during these unprecedented times. For example:

We aim to leverage our Broad-based Livelihoods network to help grow the informal economy through the optimisation of the social grant system and expanding our teaching curricula to include those skills required to function within this economy.

We have launched a research project in collaboration with the University of Pretoria along the lines of how sustainable development principles can help establish a knowledge-based system that can function independently of our presence and stimulus. It is our view that slums should ultimately become villages through the efforts of their own inhabitants towards improving hygiene, sewerage and the upkeep of the road infrastructure.

Risk

• Social unrest

COVID-19 has increased the risk of social unrest that already existed due to a growing frustration within society at large with the slow reformative action being taken by all spheres of government. A particular source of frustration is the lack of effort in combating high unemployment amongst the country's youth.

This frustration tends to lead to social unrest manifesting in revolts and protests over lack of service delivery, mismanagement and corruption by the municipalities, people committing crimes, vandalising property and damaging infrastructure in and around our operations.

• Increased crime and gold theft

Within the area of our operations, the trend of mining operations being targeted by criminals increases not only the risk of theft of assets but also endangers the lives of our employees. Employees are at risk of being threatened, attacked or held hostage to gain access to the Company's properties.

Syndicates are also increasingly targeting gold mining operations to access gold or gold concentrate due to its high inherent value. In response, we maintain close relationships with leaders in the communities surrounding the operations.

A large security service is also present to protect assets and employees and to prevent and limit incidents. Surveillance equipment also allows for continuous monitoring of properties by security personnel whilst smart technology is applied to construct algorithmic models of people movement, to proactively spot variances in behaviour.

OUR OPERATING ENVIRONMENT CONTINUED

Risk continued

• Social licence to operate

This risk is typically driven by the social and economic landscape and the COVID-19 crisis has exacerbated the social and economic issues in the country. A social licence to operate is based on the principle that a company needs not only official government permits and licences to conduct its business but also the support of those living and working in its operational jurisdictions. DRDGOLD may not always be able to control the circumstances that affect its social licence to operate but is determined to continue to play a role in improving life quality through rehabilitation and through programmes of poverty alleviation.

• COVID-19 impact

The COVID-19 pandemic is no longer an isolated health risk but has also manifested as a risk catalyst in terms of social stability and economic growth. While the programmes we have in place specific to the COVID-19 employee infection risk and the potential impact that infections will have on the operations are proving to be effective, there are a host of other consequences that require our response.

Opportunity

Unlock land value and sustainable land use in partnership with government (Corridor of Freedom), state agencies/public/private partnerships and emerging operators.

Strategy

- Improve the quality of life of communities surrounding our operations

Regulations and their effects on our business

The mining industry in South Africa is extensively regulated through legislation and regulations issued by government's administrative bodies. This includes directives with respect to health and safety, mining and exploration of minerals, and managing the impact of mining operations on the environment. In August 2020, the Department of Mineral Resources and Energy withdrew its appeal against a High Court ruling which supported the "once empowered always empowered" rule on existing mining rights holders seeking renewal stipulated in the 2017 Mining Charter.

The Minerals Council South Africa has also brought forward an application for a review of the 2018 Mining Charter's provision that the recognition of continued consequences of HDP ownership would not apply in cases of the renewal of existing rights and therefore a top-up to 30% is required. This matter is still pending in the High Court. Regulations around the governance and safety of TSFs are also increasing, specifically because of recent TSF failures around the world.

DRDGOLD's response

DRDGOLD, as a member of the Minerals Council South Africa, supports the decision by the Department, and recognises the contribution this gesture has made in signalling the commitment by the Minister of Mineral Resources and Energy to address regulatory challenges affecting the industry and bring about reform to South Africa at large. The Minerals Council South Africa noted that the Mining Charter is the product of substantial engagement between key stakeholders and is a compromise that reflects different difficult choices that have been made. This Mining Charter provides a better balance between the mutually reinforcing concepts of promoting competitiveness and transformation.

We are also committed to improving governance and transparency in the safety and management of TSFs, a commitment that so far has led us to implement the following:

- A Group wide policy on the management of TSFs at our operations is currently being reviewed to align it to best practice and expectations
- An Internal Tailings Performance Management System ("TPMS") for dedicated data collection, storage and processing to ensure the integrity of the data for day-to-day management and oversight purposes
- Quarterly drone surveillance
- Review of various technologies which could be employed to enhance TSF observation and monitoring
- The establishment of an Independent Tailings Review Board in 2018



Risk

• Regulatory compliance, governance and changes: mining and environmental

Mining companies in South Africa are subject to extensive mining legislation and regulations and must ensure compliance and keep abreast of the latest legislation, both locally and internationally. A change in regulatory or government policies could adversely affect our business, for example, changes in the taxation regime.

Opportunity

- **Technology** – big data, next quantum steps in "cracking the code" and trademark models in terms of integrated, sustainable tailings management solutions

Strategy

- Profitably and sustainably mine our large surface gold resource
- Review of various technologies at enhancing TSF observation and monitoring which could be employed. These include historical Interferometric Synthetic Aperture Radar ("InSAR") imagery for mapping ground deformation over large areas and satellite surveying, thermal imaging

03

VALUE CREATION, STRATEGY AND PERFORMANCE

DRDGOLD continues to add value to the South African economy, simultaneously releasing land back to the greater Johannesburg for redevelopment and enhancing the quality of life experienced by communities around our operations.



OUR STAKEHOLDER GROUPS

DRDGOLD's Board is committed to representing a fair and transparent review of the Group's position to stakeholders. We ensure timeous and efficient handling of our stakeholders' issues and prioritise maintaining a good, long-term relationship with our stakeholders. The Board ensures that communication on our performance is distributed to all stakeholders and the public through a broad range of channels.

The table below identifies our main stakeholder groups, their interests and how we communicate with them.

Stakeholder groups	Methods of communications	Key interests	Group response to interests
Providers of capital <ul style="list-style-type: none"> Shareholders Debt funders 	<ul style="list-style-type: none"> Investor road shows for small groups and one-on-one meetings Various investor conferences Financial and operating results presentations JSE's Stock Exchange News Services (SENS) 	<ul style="list-style-type: none"> Funding requirements for Phase II of FWGR project The Sibanye-Stillwater partnership Ability to contain costs – specifically labour and electricity Resilience to Eskom disruption Share price performance and dividends Stability within the mining industry Overall operational and financial performance Gold price trends 	<ul style="list-style-type: none"> Communicate results in a timely and unbiased manner External assurance on financial statements Operational and financial risk management Adherence to dividend policies Embark on continued expansion for the business Respond to investor concerns at forums such as results presentations and investor conferences Managing our relationship with Sibanye-Stillwater from a governance perspective
Employees 	<ul style="list-style-type: none"> Workplace meetings Formal workplace briefing procedures Independent, anonymous tip-off line to report fraud or crime Induction and refresher training Monthly "future forum" meetings with organised labour Short messaging service Notice boards 	<ul style="list-style-type: none"> Job security Fair remuneration Career development and training Health and safety Growth of the business Financial performance of the business Fair treatment 	<ul style="list-style-type: none"> Proactive wage agreement negotiations Provide ongoing training for skills acquisition and refresher initiatives Implement various health and safety awareness campaigns Maintain safe working conditions Specific COVID-19 health protocols Fair and transparent processes
Suppliers and specialist providers 	<ul style="list-style-type: none"> Numerous meetings held 	<ul style="list-style-type: none"> Sustainability of the local gold mining industry Local and preferential procurement Employment practices Support and quality control Financial performance and sustainability of the Group Business training 	<ul style="list-style-type: none"> Local procurement Employment practices Safety requirements Support and quality control Performance of service providers
Communities 	<ul style="list-style-type: none"> Community forums Formal meetings with representatives of Quarterly Dust Forum Stakeholder engagement during authorisation processes Individual stakeholder engagement of affected persons 	<ul style="list-style-type: none"> Local economic development (LED) Job creation Corporate social investment (CSI) Environmental impact Health, safety and security related issues 	<ul style="list-style-type: none"> Social and Labour Plan (SLP) concluded geared towards entrepreneurship and poverty alleviation Projects geared toward community development Involvement in local community activities Operate in a manner that does not harm the environment Review community engagements

OUR STAKEHOLDER GROUPS CONTINUED

Stakeholder groups	Methods of communications	Key interests	Group response to interests
Government and regulatory authorities 	<ul style="list-style-type: none"> • Engagement on draft regulations and bills • Formal engagement during authorisation processes • Provide formal approval of authorised activities • Written and verbal communications 	<ul style="list-style-type: none"> • Licence to operate including water use licenses, SLP execution, environmental management plan • BBBEE and employment equity compliance • Labour relations • Health and safety • Environmental impact 	<ul style="list-style-type: none"> • Adhere to various legislation and regulations • Availing parties to attend to compliance matters • Submit required statutory reports • Adhere to instructions and orders
Media 	<ul style="list-style-type: none"> • Interviews with the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) • Web alerts to analysts, media and investors • News releases on the Company's website 	<ul style="list-style-type: none"> • Financial results • Corporate activity • Environmental issues • Health and safety • Community-related topics 	<ul style="list-style-type: none"> • Publish financial and operating news and results



OPERATIONAL PERFORMANCE

Our operations are based on ultra-volume and almost nano-gold extraction. The volume of reclaimed material delivered has one of the most profound impacts on the gold output of the plant. The operations are supported by technology and infrastructure to recover gold from low-grade tailings material on a 24/7/365 basis.

Operational scorecard

	Ergo	FWGR	Group
Volume throughput ('000t)	20 228	6 052	26 280
Gold production (kg)	3 989	1 435	5 424
Yield (g/t)	0.197	0.237	0.206

COVID-19 impacts during the year

The Group temporarily halted its operations on 26 March 2020 pursuant to the announcement of the South African national lockdown. The Disaster Management Act regulations issued by the Department of Co-operative Governance and Traditional Affairs define gold mining and refining as an essential service and therefore exempt from restrictions imposed by the lockdown.

Despite these regulations, we made the decision to not immediately recommence, but rather look at what part of our operations would need to resume to strike a balance between limiting the impact of the stoppage on the Company, maintaining our infrastructure, and limiting the risk of COVID-19 to our employees. We followed a detailed process to go through various guidelines and a consultation process with the Department of Mineral Resources and organised labour to safeguard employees from increased risk of infection. Various protocols were duly implemented, including new issued Codes of Practice and Safe Operating procedure manuals to responsibly conduct limited production at our operations.

Due to its much smaller footprint, and employees living much closer to the operation, FWGR was able to recommence operations on 4 April and was able to ramp up to virtually full production in May and June respectively. ERGO recommenced operations on 9 April with limited sites and ramped up to virtually full production in June. ERGO's Knights plant only recommenced on 7 May and ramped up to virtually full production in June. During the temporary suspensions, the Group continued to pay full salaries and benefits to all employees, while employees were on 'standby at home'.

All employees continued to receive their full salaries and benefits during this period. The shifts were split into teams of production employees. This ensured there were always a specific number of teams at home on any given day. At FWGR, the milling section was bypassed which allowed for shifts to be de-densified.

Consequently, gold production came in at 5 424kg (174 385oz), which is at the lower end of our 2020 guidance of between 5 443kg (175 000oz) and 5 910kg (190 000oz).

Overview of Group operations

The Ergo plant currently treats around 1.7Mtpm of material. The material is delivered via two feeder lines from the Elsburg tailings complex, Van Dyk and the Ezekiel reclamation sites. A further 0.5Mtpm is delivered from the City Deep area (including 4L2, 3L42 and externally sourced material). The Ergo plant has a capacity of 1.8Mtpm based on a 92% availability.

The Knights plant has capacity of 250ktpm. Material treated is deposited onto the Brakpan/Withok TSF shared with the Ergo plant. With Knights' rapidly depleting reserves, opportunities are being evaluated to reclaim material from more challenging environments such as remnants left from historic mining activities and environmentally sensitive areas like wetlands, resulting in the rehabilitation of severely degraded areas.

At FWGR, the upgraded Driefontein 2 plant (DP2) currently treats around 0.5Mtpm of material from Driefontein 5 (dam 5). During the previous financial year, a decision was made to bypass the mill so that further improvements to the mill liner configuration could be made. These modifications were successfully completed, and the mill was recommissioned in September 2019.

Our metallurgical plants use carbon-in-leach (CIL) metallurgical processes to recover gold from slurry. Most of the Group's reclamation activities involve the reclamation of slime. Monitor guns, operated by trained individuals, direct high-pressure water jets at targeted areas. The slime is dislodged and mixed with water and the resulting slurry is pumped to the metallurgical treatment plant for processing.

Research and development

Partnership with Wits School of Chemical and Metallurgical Engineering

Our partnership with the Witwatersrand University (Wits) School of Chemical and Metallurgical Engineering, saw Ergo continue to fund R1.2 million towards appropriate research projects by post-graduate students with a view to improving Ergo's operating efficiencies and the evaluation of alternative process options. Over a period of five years, Ergo will contribute funding of R6.0 million to Wits.

In-house research capability

Ergo has embarked on the process of enhancing its internal research capabilities. Additional metallurgical resources have been recruited and a second metallurgical research facility was constructed and equipped during the year. The facility and additional research staff will continue to serve the rapidly growing interests of DRDGOLD on the Far West Rand.

South African Minerals to Metals Research Institute

DRDGOLD continues to support the South African Minerals to Metals Research Institute, an association of major players in the minerals

OPERATIONAL PERFORMANCE CONTINUED

industry, academia and government with the vision and strategy of promoting sustainable development of the South African minerals processing industry through the development of globally competitive, innovative technology driven by people with world-class skills.

Information and communication technology

Advanced information and communication technology is used in plant operations and to reduce power and water consumption. This occurs through the extensive use of digital platforms to monitor and control reclamation and process activities and our electronic monitoring system which provides management with continuous information on every facet of the plant's performance.

Ergo has embarked on the analysis of data (big data analysis) to identify the best possible operating envelope for its Ergo plant.

Ergo Operations

Production

Gold production at Ergo decreased by 11% from 4 493kg to 3 989kg mainly due to Ergo's volume throughput which decreased by 13% from 23.2Mt to 20.2Mt, a consequence of the COVID-19 lockdown, subsequent cautious ramp up and interruptions in power supply from Eskom and the City of Ekurhuleni. This decrease was moderated by a 2% increase in average yield from 0.194g/t to 0.197g/t despite the Knights plant reaching the end of its current higher-grade minable reserves. Reclamation of a significant remnant sand dump in legacy reclamation areas situated to the north of the Ergo Plant commenced in an area commonly referred to as the Benoni Cluster.

The ball mills make a relatively high-grade material contribution to the Ergo plant and allow for systematic reclamation and treatment of previously untreatable coarse sand material through the plant. The reclamation of these remnant sites makes a significant contribution to the rehabilitation efforts in the Benoni Cluster area and the project is expected to continue for at least six years.

Milling of sand was re-introduced at the City Deep plant. Remnant sand resources in the old Crown Mines and City Deep areas are targeted with a view of final land clearance and rehabilitation of a number of legacy reclamation areas. Currently, the 3A17 (Rob Deep) area is reclaimed at a rate of 50ktpm. In addition to the final clearance of the land, a significant contribution to the operational profitability of the City Deep section is realised.

Tailings storage facility

Ergo was successful in increasing its Mineral Reserves with the Marievale dumps during the year, comprising of 54.1Mt at 0.310g/t. As previously reported, we continue to evaluate options to increase the deposition capacity of the Brakpan/Withok TSF. A preliminary design for the reinstatement of the Withok compartment of the Brakpan/Withok TSF is well underway. The Daggafontein Tailings Storage Facility has been evaluated for its capacity to accept tailings and remains an option as an additional tailings storage facility.

Capital projects

Capital expenditure included sustaining capex for the Brakpan/Withok TSF, upgrade of CIL tanks and site establishment costs and authorisations for reclamation sites. Capex for FY2021 has been planned mainly for the site establishment of 4L3, 4L4 and Elsburg satellite 3 reclamation sites and the upgrade of the 4A8 pump station.



OPERATIONAL PERFORMANCE CONTINUED



FWGR Operations

Production

FWGR had its first full production year and we note that the design throughput of 500ktpm was achieved since July 2019, with an average of 504ktpm being achieved for the year.

- This indicates the infrastructure upgrade was successful and well implemented
- It is also testimony to the ability of management, employees and contractors—the main reclamation and deposition contractor being Intasol—to deliver on major capital projects
- A yield of 0.237g/t was achieved and as a result, 1 435kg of gold was produced

This is a fantastic achievement considering it was the first full production year of the upgraded infrastructure.

Tailings storage facility

The Driefontein 4 TSF was an upstream day-wall dam with a capacity of approximately 200Kt/m.

In order to increase the deposition capacity to 500kt per month, FY2019 saw the beginning of a conversion of this dam to cyclone deposition and completion of the lower compartment. The intention was to use the lower compartment until it caught up with the upper compartment. The upper compartment would then be converted to cyclone deposition and the entire dam would then rise as one dam with one compartment.

It is pleasing to note that the lower compartment has reached the elevation of the upper compartment and by end of June 2020 there was over 3m of freeboard around the dam.

The drains have been installed on the upper compartment and the ring-main pipe lift is planned for the first quarter FY2021, after which the upper compartment will be commissioned.

The conversion of the dam to cycloning has been successful and this allows a deposition capacity of 500ktpm until at least the end of 2024, after which it is planned to deposit onto the newly constructed Regional Tailings Storage Facility (RTSF). See below for details on progress on the Phase II project.

Capital projects

During the year, FWGR spent financial capital to mitigate certain risk areas identified such as equipping motor control centres (MCC) and electrical substations with fire suppression systems, covering electrical cables in the cable ducts with fire suppressant intumescent paint, installation of a spray mist fire suppressant system in subterranean cable ducts and the installing a fire fighting water ring main with hydrants around the plant. Additional Capex was spent on security at the Driefontein 4 TSF.

A further upgrade is being considered for FY2021 to convert the mill situated at DP2 to closed circuit from the current open circuit. This will improve the grind of the material and should liberate more gold. It requires additional thickening capacity in the plant as well as a change to the classification circuit.

Phase II project

FWGR has appointed DRA as the engineering consulting company to undertake the detail design and definitive feasibility study for the Phase II project. The project includes the construction of a new Central Processing Plant (CPP) with a capacity of between 1.2 to 2.4Mtpm and the equipping of the required reclamation sites and pipeline infrastructure to supply the relevant resources to the CPP.

Phase II also includes the construction of a new RTSF capable of accepting 3Mtpm to a capacity of approximately 800Mt.

Beric Robinson Tailings (BRT) has been appointed to lead the professional team designing the RTSF. The definitive feasibility studies are expected to be complete in the first half of FY2021.

OUTLOOK

We are cognisant that the COVID-19 risk will remain with us for some time, and its impact on business must be continually managed and reviewed. Good progress has been made in advancing Phase II of FWGR and we are well into the planning and permit application processes. In FY2021, we anticipate Group production of between 160 000 and 185 000 ounces at a cash operating cost of approximately 535 000/kg.

EMPLOYEE RELATIONS

DRDGOLD invests substantially in developing our people to provide them with market-related skills and to ensure that we run our business efficiently and cost-effectively with our stakeholders' interests in mind.

As an organisation, our primary strategic objectives are to take the personal goals of our employees seriously and align them to the strategic objectives of the Group, recognising every person's contribution to the success of DRDGOLD.

This we do through our five-faceted employee alignment focus areas:



Wellbeing



Employee development



Employee engagement



Recruitment



Remuneration

R573m

value distributed to employees – salaries, wages and other benefits (2019: R477m^{LA})

Employees at-a-glance

951

employees

1 615

specialist providers

23%

women in mining

73%

HDSAs

R11.7m

training spend



EMPLOYEE RELATIONS CONTINUED

Wellbeing

- We recognise that social and financial issues affect the ability of employees to perform optimally. Our Best Life Programme provides employees with the following:
 - 24-hour access to counsellors who assist with issues including, but not limited to:
 - financial counselling
 - trauma counselling
 - legal assistance
 - Access to financial clinics – providing assistance with wills and estate planning
 - Vehicle and home loan advisory assistance
 - Retirement planning
 - Budgeting

Gender-based violence

Approximately 20% of DRDGOLD's workforce is comprised of women, and it is therefore our duty and priority to ensure the physical and emotional safety of all women. Gender-based violence and abuse of women is a national crisis in South Africa. DRDGOLD strives to create a culture where women feel safe and empowered to perform their duties without fear or discrimination. This year we launched a gender-based violence programme to raise awareness and educate both male and female employees on the various causes and impacts of gender-based violence and the contribution everyone can make to creating an environment in which every employee within the organisation can thrive.

Housing

DRDGOLD does not provide traditional mine accommodation to employees. To improve the living conditions of employees and their families, we introduced the Ergo Home Loan Scheme, whereby qualifying employees are provided with assistance of R75 000 towards purchasing their first homes.

To facilitate this initiative, our financial clinics provide financial coaching to employees. These clinics advocate the importance of home ownership and provide assistance in applying for home loans.

To date, 13 employees have qualified under the scheme and purchased their own homes. Those employees whose applications are not successful due to affordability issues are referred to the Best Life financial coach.

A housing steering committee continues to engage with labour to attract applications from qualifying employees.

Employee development

Training

To us, employee development is investing in initiatives that assist our employees to reach their full potential at work as this increases their job satisfaction and productivity. We achieve this by providing training, learnerships and bursaries for our employees to gain formal qualifications or to be recognised for prior learning. We have also set aside R13 million for reskilling of employees for future downscaling and retrenchments in accordance with our SLP.

Future human resource development programmes

Our Junior Leadership Programme is a development programme aimed at building a pipeline of future junior and middle managers. The programme contains a theoretical and practical component, culminating in a business improvement project implemented by the participants. For those who are targeted for further development, the Management Development Programme would be the next step in their career journey with DRDGOLD. In FY2020, nine candidates completed the Junior Leadership Programme and two participated in the Management Development Programme. Both programmes are accredited and participants receive certificates of competence that are credit bearing. Various other technical and supervisory programmes are run to ensure that other employees are being capacitated to better perform their functions.

Talent management

We identify critical positions and appoint mentors and coaches to address the gaps in individual development plans. Quarterly performance discussions take place between protégés and mentors/coaches. It is important to retain employees in key positions, equip employees for future leadership roles, identify talent for new roles that will emerge in the future and ensure adequate succession planning for the Company. Employees can also identify a competency profile which they aspire to, and the Company facilitates realising this aspiration by providing the necessary training and leadership courses.

		2020	2019
Employee training	Rm	11.7	8.7
Training Days		3 320	3 222 ¹
Number of employee training sessions		1 310	1 884

¹ Training days incorrectly disclosed as 8 107 in the 30 June 2019 integrated annual report

Employee engagement

We aim to promote communication amongst employees from the bottom up and provide an environment conducive to multi-disciplinary

EMPLOYEE RELATIONS CONTINUED

problem solving and decision making. We have seen great success in initiatives such as the Baobab Programme at the Ergo plant, aimed at addressing the importance of teamwork, connectivity to core business, accountability, empowerment and productivity.

Recruitment

As part of our objective to align employees with the goals of the Group, our recruitment process ensures that the right person, with the right skillset is matched to the job requirements. The percentage of women in mining at DRDGOLD increased to 23% from 21% in FY2019. To improve on these results, our aim is to recruit in line with our transformational objectives and continuously develop our people.

		2020	2019
Permanent employees		951	1 019
Specialist service providers		1 615	1 591
Employee turnover	%	10	7
Human rights incidents		0	0
Women in mining			
Women in management	%	19	18
Total women in mining	%	23	21
HDSAs	%	73	72
Union affiliation (in the collective bargaining unit)			
NUM	%	60	58
AMCU	%	24	21
SOLIDARITY	%	*	–
UASA	%	7	8
Non-union	%	9	13

* Less than 1%. Discrepancies in the table may exist due to computational rounding

HDSAs as a percentage of total employees

	Male	Female	HDSA%
Board	6	2	38
Top management	2	0	50
Senior management	3	2	40
Middle management	38	11	47
Junior management	299	62	74

Two new non-executive directors were appointed on 1 August 2020 – Mr TJ Cumming and Ms C Flemming.

Remuneration

DRDGOLD offers competitive remuneration packages and incentives to our employees. The South African President introduced the National Minimum Wage Bill, at a minimum wage of R20.76 an hour or R3 633 per month (dependent on hours worked). The gross basic salary for entry level employees per month is R11 363 for Ergo and R10 696 for FWGR (FY2019 Ergo: R10 674, FWGR: R9 996).

The industrial relations climate remains stable. DRDGOLD has a decentralised bargaining model with each operation responsible for their own collective bargaining. As part of the transitional arrangements at FWGR, a three-year wage agreement is in place and will conclude in June 2021.

The table below illustrates our cost of labour relative to the gold mining industry:

	DRDGOLD	Industry ¹
Labour as a percentage of operating cost (%)	21	50
Production per employee per annum (kg produced/total employees and contractors)	2.1	1.13
Average pay per employee (excluding contractors) per annum (R'000)	603	291

¹ Based on information from gold mining companies for the year ended 31 December 2019 and 30 June 2020

OUTLOOK

We hope that our organisation continues to be an environment where our employees can grow and reach their full potential. We want to develop employees at the lowest level so we can ensure that we optimise our human resource by having a healthy pipeline of individuals who have the necessary skills and competencies to move up in the business.

We want to contribute to an improvement in the quality of life of our people by ensuring that they look after their health, wealth and families. The workplace must be a place of fulfilment, where people feel valued and actively participate in achieving the Company's objectives.

HEALTH AND SAFETY REVIEW

The Group temporarily halted its operations on 26 March 2020 pursuant to the announcement of the South African national lockdown.

Various new protocols were introduced and implemented at our operations to responsibly conduct limited production. This included but was not limited to new issued Codes of Practices and Safe Operating Procedure manuals, as well as a training and awareness programme that was rolled out to educate our employees and contractors.

These procedures address various matters, including:

- The identification of the virus and who is at risk
- How the virus is transmitted
- Symptoms, treatment, and how to prevent infection
- Risk assessment to identify, control and mitigate the risks
- The action plan taken by the company to ensure that the spread of the infection is controlled.

The Action Plan comprises, but is not limited to:

- Return to work assessment
- Installation of hand sanitisers across identified areas in the plant
- Minimising access to the plant and implementing a mandatory daily security routine of temperature testing and washing of hands
- Social distancing protocols
- Deep cleaning of the high-risk areas
- Guidelines to follow in case there is a suspected infection at work.

To date we have been able to contain infections at our operations.

Health and safety management

We realise the shortcomings of the public health care system in South Africa and the consequent negative effects on the wellbeing of our employees. All permanent employees are required to be members of a private medical aid scheme. The Group subsidises two-thirds of the total member contribution except FWGR, which contributes 60% for Category 4 to 8 employees and 50% for the rest of the employees. During FY2020, the Group contributed R41.1 million (FY2019: R37.8 million) to private medical aids on behalf of employees. In addition, we employ a part-time health practitioner, three permanent nurses and retain the services of a private medical emergency response team to ensure our people receive quality medical treatment at our operations.

Health and safety at-a-glance

Zero fatalities^{LA}

1.27^{LA}
LTIFR

0.96^{LA}
RIFR



^{LA}Limited assurance



HEALTH AND SAFETY REVIEW CONTINUED

We recognise the importance of treating injuries as part of our duty of care so several employees are trained in different levels of first aid. We also have an onsite clinic at Ergo where employees who have been injured are monitored frequently until they are declared fit for duty. FWGR makes use of the services of Fountain Private Hospital located approximately 2km from the operation and Africa Health Care private medical as an emergency response team.

	ERGO	FWGR	2020	ERGO	FWGR	2019
Number of fatalities	0 ^{LA}	0 ^{LA}	0 ^{LA}	1 ^{LA}	0	1
Reportable injuries	5	1	6	10	2	12
RIFR	0.90 ^{LA}	1.30 ^{LA}	0.96 ^{LA}	1.69 ^{LA}	2.37	1.78
LTI	7	1	8	14	2	16
LTIFR	1.25 ^{LA}	1.30 ^{LA}	1.27 ^{LA}	2.37 ^{LA}	2.37	2.37
Minor injuries	22	0	22	17	7	24
Part-time health and safety representatives	116	8	122	121	7	128
Ratio of part-time health and safety representatives to one employee	1.19	1.20	1.19	1.18	1.20	1.18
Section 54 notices	–	–	–	2	–	2
Section 55 notices	3	–	3	2	–	2

^{LA} Limited assurance

Health and safety activities

Our health and safety strategy aims to reduce and ultimately eliminate health and safety threats through regular monitoring of our permanent and contracted employees. All our operational sites are monitored monthly for hazards and risks, which are ranked in terms of severity, duration of exposure and probability of a negative outcome. All visitors to our sites are made aware of safety hazards and emergency procedures through our induction process. Community members, including illegal miners, are made aware of the hazards of accessing mine dumps by means of safety signs at all our reclamation and deposition sites.

As part of our risk assessments, we undertake weekly safety topics, weekly and monthly contractors' meetings, annual inductions to ensure communication and engage with our employees and contractors on site. A number of health and safety campaigns were also initiated during FY2020 including:

Integrated safety management solution initiative

As part of Ergo's goal of achieving zero harm, an integrated risk management solution has been introduced, which is underpinned by

international standards. This application consists of several integrated modules: a baseline risk assessment module, evaluation module, job safety analysis module, Planned Task Observation (PTO) module and investigation module. This new system will enable Ergo to further improve safety risk assessments (all risks) and management focus on risk reduction.

Training record solution initiative

A training record solution was implemented for both employees and contractors. Comprehensive matrices detailing mine wide occupations and the relevant required training is being formalised in preparation for the implementation.

Khumbul'ekhaya

Khumbul'ekhaya, which means to "remember home", is an initiative from the Minerals Council South Africa aimed at eliminating fatalities in the mining industry, emphasising the impact that work-related deaths have on families. This initiative was launched at the Ergo plant on 31 October 2019 and on 6 November 2019 at FWGR.



HEALTH AND SAFETY REVIEW CONTINUED

Review of our safety performance

During February 2020, the Ergo plant celebrated its first ever milestone of 360 LTI free days and in April 2020 went on to achieve a new record for the plant of 443 LTI free days. No fatalities were recorded for the year.



Review of our health performance

As part of our strategy to educate and empower employees with knowledge, several health-related topics were addressed in FY2020 through pamphlets and medical surveillance. The following topics were part of this ongoing initiative:

- How to keep your health up at the workplace
- Protect your site
- Breast cancer advancements
- Movember – changing the face of men’s health
- 16 days of activism
- COVID-19
- Protect yourself from flu

	2020 ¹	2019
Medical examinations performed	2 864	3 682
Employees tested for HIV	200	147
Employees counselled for HIV	321	257
NIHL cases reported	–	4
Number of TB cases reported	3	7
Cases of silicosis and asbestosis reported	1	–

¹ Information presented only for Ergo, no information has been presented for FWGR as figures are not released from the private hospital to the mine

Noise-induced hearing loss (NIHL)

NIHL is caused by repeated or prolonged exposure to sounds at or above 85 decibels (db(A)). At our operations, noise can reach 102db(A). Although there are 33 areas with noise levels above 85db(A), we do not operate equipment or machinery measuring more than 107db(A).

Any excessively noisy equipment is immediately reported to an engineer for corrective action. Hearing protection is issued to all employees and visitors to our plants. The use of protective equipment is covered during our induction programme and signage is displayed at demarcated noise zones and entrances to the plants, indicating where hearing protection must be worn.

All cases of NIHL are referred to Rand Mutual Assurance, a private insurance company, for occupational injuries.

Silicosis and dust

There was one case of silicosis reported in FY2020 for Ergo. In FY2019, there were no silicosis or asbestosis cases reported for Ergo.

Our silica reduction strategy is still enforced, with employees being continually reminded to damp down equipment before working on it and to water the roadways to prevent dust liberation. All silica over-exposures are investigated and additional measures are put in place where necessary.

	Number of cases	Cases concluded	Pending cases
Reported in FY2018	4	0	4
Reported in FY2019	4	1	3
Reported in FY2020	0	0	0

OUTLOOK

We are looking at how to more broadly apply our new integrated risk management application.

This integrated risk management application is underpinned by international standards and will enable our operations to further improve safety risk assessments and management focus on risk reduction.



SOCIAL VALUE-ADD

Sustainable development is a topic we never fail to emphasise due to its strategic importance and the extent to which it informs our thinking and the deployment of capital and resources.

Broad-based Livelihoods (BBL) Programme

We implemented the BBL initiative to leave with our host communities a long-term, sustainable solution beyond the life of our operations. It is focused on the communities of Tsakane, Geluksdal and Daveyton, adjacent to our Ergo Tailings Storage Facility and Merafong in Carletonville. The focus of the project is on empowering individuals, households, existing micro-farmers and co-operatives to produce vegetables and crops at their homes to firstly address food security challenges and secondly enable them to enter the economic mainstream by selling excess produce. The programme was expanded to provide entrepreneurial and various business skills that will empower generations to come.

The programme was initially intended to reach 250 people. By the end of FY2020, the programme had benefited 3 331 participants. Some 421 greenhouse tunnels were distributed and erected for those participants who could successfully demonstrate they had implemented the learnings from the programme and were on track towards being self-sustainable.

The national lockdown as a precaution against the spread of COVID-19 put the livelihoods of many of our communities in jeopardy. Fortunately, participants in the programme were not only able to sustain themselves and their families but could expand production and share produce with neighbours.

The MSE initiative, in partnership with Umsizi Sustainable Solutions and Impophomo Rushing Waters, provided food parcels to 5 422 families in the broader communities. The COVID-19 response also included a donation of 35 high-care beds in a programme launched by the South African Medical and Education (SAME) Foundation to provide additional beds for COVID-19 patients at the Chris Hani Baragwanath Hospital in Soweto, Johannesburg. The donation of R1.6 million to the nationwide Solidarity Fund was a further COVID-19 response, and a great tribute to the generosity of our staff.

R32.5m^{LA}

total socio-economic spend (2019: R26.5m^{LA})

Social capital investment at a glance

68.8%

total discretionary spend with BBBEE companies

310

members of the community on learnerships

686

learners benefited from our maths, science and accountancy programmes

259

direct and indirect jobs created

25

communities reached



SOCIAL VALUE-ADD CONTINUED



Social licence to operate

Our SLP, submitted as part of our compliance with the Minerals and Petroleum Resources Development Act (MPRDA), commenced in January 2018. Our intent is to align our activities with real need, so the plan was developed after extensive consultation with stakeholders including the City of Johannesburg and City of Ekurhuleni (previously referred to as Ekurhuleni Metro Municipality). The projects we have committed to are intended to improve the lives of the members of our communities as well as our employees and have an over-arching theme of poverty alleviation and entrepreneurship. In early 2019, we submitted our transitional implementation plans according to Mining Charter III, to ensure compliance with the regulator's requirements.

All procurement of goods and services is in line with the national promotion of BBBEE companies and the Mining Charter. During FY2020, our total discretionary spend with BBBEE companies was 68.8%, compared to 84.7% in the previous year.

Crown Complex vegetation programme

A consortium was established in October 2017 comprising nine local companies that represent Langlaagte, Diepkloof, Meadowlands, Orlando West, Orlando East, Riverlea, Pennyville and Ormonde. The consortium currently employs community members from these areas to deliver projects. Their current project entails the establishment of new side slope vegetation on the Crown tailings dam and to irrigate until the vegetation is established and self-sustainable. Ergo currently supplies all the material for the vegetation establishment but it is expected that the consortium will supply the material in the future once it becomes a commercially viable business.

Our total socio-economic spend is broken down as follows:

Project	Outcome	Area	2020 R	2019 R
Vegetation rehabilitation	Local youth employment	Soweto and Geluksdal	2 837 901	2 688 825
Crown Complex Consortium	Local community development	Local communities around Crown Complex	3 956 612	3 695 070
Broad-based Livelihoods Programme	Local economic development	Tsakane, Soweto and Merafong	4 672 962	3 700 180
Metallurgical research at Wits University	Metallurgical research	Braamfontein, Johannesburg	1 200 000	1 200 000
Crown logistics	Economic Development	Soweto Ekurhuleni	1 313 803	400 026
Human and community resource development	Upskilling	Gauteng	9 830 063	8 117 766
Employee Home loans	Home Ownership	Gauteng	375 000	300 000
Youth education	Local Youth development	Local communities	4 918 208	6 151 188
Donations	CSI spend	Gauteng	3 401 965	266 612
Total SED spend			32 506 514^{LA}	26 519 667^{LA}

^{LA} Limited assurance

SOCIAL VALUE-ADD CONTINUED

Educating our communities

Maths, science and accountancy

Our maths, science and accounting teaching programmes have been welcomed unreservedly by principals, teachers and learners at supported schools. More and more learners are attempting to bridge any perceived gaps in their education, particularly in maths, science and accountancy, as these subjects are key to achieving university entrance and the success that should follow.

In the regular quarterly meetings with principals of the schools we support, they have expressed gratitude to DRDGOLD for the efforts of our teachers whose passion and drive are considered inspirational. Some of these teachers have even sacrificed weekends to assist learners who are unable to attend extracurricular sessions. Although the year-end results were still lower than we would have liked, our month-on-month reports reflect an increase in averages in our pre- and post-test results.

Bursaries

DRDGOLD is proud of the support we provide for the youth throughout their educational journey so that they can fulfil their potential and not only make a contribution to our organisation, but ultimately to the country and its economy.

A total of R547 628 was spent on bursaries during FY2020 (FY2019: R539 239).

Learnerships

In line with the national strategy to eliminate the shortage of skills, we provide artisan training for our youth and offer learnerships, which are structured learning programmes that lead to lifelong skills. During FY2020, 310 community members participated in learnerships (FY2019: 531).

We also assisted 217 community members to complete their trade tests and successfully obtain a national certificate (FY2019: 214).

Education and training spend	2020 R	2019 R
Maths, science and accountancy	1 242 307	1 187 482
Adult education and training	1 848 304	2 160 450
National diploma (N1 and N2 courses)	40 929	165 810
Artisan training	1 239 040	2 098 207
Bursaries	547 628	539 239
Total	4 918 208	6 151 188

Wits School of Chemical and Metallurgical Engineering partnership

To assist universities with research and the development of new technologies, in FY2017 DRDGOLD entered into a partnership with the Wits School of Chemical and Metallurgical Engineering and committed to funding of R1.2 million per year over a five-year period. The school will be assisting DRDGOLD with both short-term and long-term research projects which include improving gold recoveries and ways

to treat lower grade material in a profitable manner. Improved gold recoveries are a key enabler to growing our reserves and extending our LoM. While some of the work will be directed at our operations, most of the research will be on open projects and will be made available to the entire gold mining industry.

Corporate social investment (CSI)

DRDGOLD has focused its CSI programme on initiatives that consultation with legitimate stakeholders has shown to benefit the communities surrounding operations within the Johannesburg, Ekurhuleni and Merafong municipalities. Ideally, these initiatives will have a positive impact on the communities affected by the Group's operations and will leave a legacy. A total of R4 601 965 (FY2019: R1 466 612) was spent on the CSI programme during the year.

OUTLOOK

As the Broad-based Livelihoods Programme on the East Rand has proved to be so successful, in 2020 we upscaled this initiative to ensure more participants move from subsistence to small-scale commercial farming over the next five years.

We have partnered with the University of Pretoria to produce an academic paper on the efficacy of the BBL programme in creating our long-term vision of sustainable communities. This will allow us to improve the programme and potentially expand it further.



ENVIRONMENTAL VALUE-ADD

Rehabilitation is a key activity in our business model and inherent in what we do. We also undertake concurrent rehabilitation of all our tailings facilities to reduce, as far as possible, negative environmental impacts experienced by surrounding communities.

Overview

By performing concurrent rehabilitation on our TSFs and investing financial capital in the short and medium term, we decrease nuisance dust impacting those living within our areas of influence. Our surface reclamation process yields a natural dividend, as it removes potential pollution sources and opens up land for redevelopment. Environmental management is a key aspect during the project planning phase of a new reclamation site. Before we embark on new mining projects, we undertake an environmental authorisation process which is performed by external consulting specialists that conduct detailed specialist studies, an environmental impact assessment and environmental management programme (EMP) for the management of these projects. These reports are discussed and reviewed by our stakeholders through an open public participation process.

Through this process, we are able to identify, address and minimise the effects of our activities on the environment and identify and mitigate the potential impacts our activities may have on surrounding communities and the receiving environment.

Our environmental management systems and policies have been designed in compliance with South Africa's National Environmental Management Act 107 of 1998 and associated regulations. Internal and external audits are performed annually and recorded in a database to ensure compliance.

Our EMP encompasses all the activities of our operations and assesses the environmental impacts of mining at reclamation sites, plants and tailings storage facilities. It also outlines the closure process, including financial provisions. We have estimated that the total environmental financial provision for the Group as at 30 June 2020 is R568.9 million (gross financial provision: R752.5 million). We are, therefore, able to systematically audit and monitor our activities. Required audits are undertaken by independent consultants and submitted to the DMRE annually.

The Group actively manages and monitors the consumption of natural resources (including potable water and energy) at monthly and weekly meetings. This entails the analysis of trends to identify excess use and discuss various focus areas to ensure responsible natural resource usage.

Environmental value-add at a glance:

26.6ha

of land lodged with the NNR for approval for redevelopment

2 659Ml^{LA}

Potable water consumption

R54.4 million

spent on rehabilitation activities

65.5ha

TSFs vegetated



^{LA} Limited assurance

No fines of monetary value or directives for non-compliance with environmental laws and regulations were imposed on the Group in FY2020.



ENVIRONMENTAL VALUE-ADD CONTINUED

	2020 Rm	2019 Rm
Tailings complex (vegetation, dust suppression and cladding, among others)		
Crown Complex	17.4	15.2
Brakpan/Withok	22.0	16.8
Daggafontein	–	0.1
Reclamation sites (vegetation and dust suppression, among others)		
Crown sites	7.1	4.8
Rehabilitation insurance expense	5.7	5.9
Historic spillage clean-ups	2.2	2.8
Demolition of plant and infrastructure	–	0.2
Total	54.4	45.8

Our priorities

Water and wastewater management

We have invested heavily in the past in major projects to reduce reliance on potable water. Our strategy is to maximise the use of process water, and thereafter use surface water to the extent that our water use licences permit, and where unavoidable, potable water is consumed. We have decreased the amount of water drawn from the Rondebult waste treatment project operated by East Rand Water Care Company after they struggled to supply the required volumes due to infrastructural failure. Our potable water consumption has stabilised to 10% of total water consumption over the past three years. Potable water utilised for mining related activities has decreased to 2 659ML^{LA}. Total water used has decreased by 6% to 25 135ML^{LA} at our Ergo operation.

Ergo

	2020		2019	
	ML	%	ML	%
Potable water sourced externally	2 497 ^{LA}	10	2 656 ^{LA}	10
Rondebult wastewater	103	1	386	1
Surface water extracted	3 871	15	4 155	15
Water recycled in process	17 338	69	18 764	70
TCTA water (AMD)	1 326	5	964	4
Total water used	25 135^{LA}	100	26 925^{LA}	100

^{LA} Limited assurance



ENVIRONMENTAL VALUE-ADD CONTINUED

At FWGR, we currently use all the water harvested from Driefontein 4 TSF (Dam 4). This amounts to approximately 40% of our process water requirements. The balance is made up from underground mine dewatering. Potable water consumption is limited to drinking and change houses and flocculant makeup for usage in the plant. During FY2020, the return water pumping infrastructure was improved with new pumps, a new pipeline, and new power supply to allow 100% of the water requirement to be pumped back to the plant. This ensures that the return water dams will not overflow even in a 1 in 50-year storm event. This is a vast improvement on what was previously installed.

FWGR

	2020		2019	
	ML	%	ML	%
Potable water sourced externally	162 ^{LA}	2	76	3
Underground water extracted	3 004	45	1 529	53
Water recycled in the process	3 500	53	1 287	44
Total water used	6 666^{LA}	100	2 892	100

Total

		2020	2019
Potable water sourced externally	ML	2 659 ^{LA}	2 732
Total water used	ML	31 801 ^{LA}	29 817
Percentage	%	8	9

Refer to www.drdgold.com for details on our views of AMD and the agreement with TCTA

Total figures include only Ergo and FWGR operations. Figures for corporate have not been included as not deemed to be significant

^{LA} Limited assurance

Water consumption

Centralised water distribution system

The Central Water Distribution System stores and distributes water emanating from the Rondebult wastewater treatment works, treated AMD water from TCTA and recycled water from our Brakpan/Withok Tailings Storage Facility. The centrally located water facility allows us to distribute water more efficiently throughout the operations. Further improvements have been initiated and implemented to increase pumping capacity from the Brakpan/Withok Tailings Storage Facility so that more recycled water can be delivered to the Central Water Distribution System and better utilised from there. The Central Water Distribution System continues to perform as planned with significant reductions in potable water consumed.

TCTA processed acid mine drainage water

The TCTA pump station and plant extracts and treats AMD water to a non-potable standard before releasing it into the environment. DRDGOLD secured the right to use up to 30ML of treated AMD water a day from the TCTA facility for our operations, as a further strategy to source non-potable water for mining related activities. During FY2020, 1 326ML of treated AMD water from TCTA was utilised within the operation.

Dust monitoring

The impact of nuisance dust fallout on the surrounding environment and community is addressed through a comprehensive monitoring network including appropriate community involvement. The monitoring reports are sent to regulators, municipalities, and interested and affected parties. For a residential zoned monitoring bucket, an exceedance is defined as above the dust limit of 600mg/m²/day. For a non-residential zoned

monitoring bucket, an exceedance is defined as above the dust limit of 1200mg/m²/day.

Mitigation measures include environmentally friendly dust suppressants applied to high impact areas, active wetting of access roads by water bowsters, and a network of high velocity sprayers on our active TSFs. At FWGR for example, dust suppression piping and sprays have now been installed around the upper ring road of the Driefontein 4 TSF.



Dust fall-out has reduced steadily in recent years due to our rehabilitation programmes and mitigation measures.

An amount of R7.4 million (FY2019: R4.4 million) was spent on dust monitoring and suppression.

ENVIRONMENTAL VALUE-ADD CONTINUED

Ergo

	2020	2019
Total sites monitored	1 203	1 201
Total dust exceedances	3 ^{LA}	8 ^{LA}
Percentage	% 0.25	0.66

^{LA} Limited assurance

FWGR

	2020	2019
Total sites monitored	349	320
Total dust exceedances	5 ^{LA}	2
Percentage	% 1.49	0.63

^{LA} Limited assurance

Total

	2020	2019
Total sites monitored	1 552	1 521
Total dust exceedances	8 ^{LA}	10
Percentage	% 0.52	0.65

^{LA} Limited assurance



ENVIRONMENTAL VALUE-ADD CONTINUED

Rehabilitation

In accordance with South African mining legislation, all mining companies are required to rehabilitate the land on which they work to a determined standard for alternative use. DRDGOLD's business involves the reclamation of previously discarded material deposited, in many cases, by other companies, most of which are no longer in business. As a result, we deal with legacy environmental issues. Nevertheless, we take our environmental responsibilities seriously and are steadily rehabilitating land previously sterilised by mine residue.

DRDGOLD has spent more than R270 million on various rehabilitation activities (including controlling dust) in the five years preceding FY2020.

In FY2020, we vegetated a total of 20ha (FY2019: 24ha) at the Crown Complex. A community consortium is currently engaged to establish the side slope vegetation and irrigation until the vegetation is self-sustainable. In the FY2020, we spent R4 million on the vegetation programme undertaken by the consortium. We are on track to complete this programme by 2024 and it could be accelerated if additional water is secured.

Concurrent rehabilitation is ongoing on active tailings facilities with 45.5ha (FY2019: 31.5ha) of side slope cladding completed at the Brakpan/Withok Tailings Storage Facility. No rehabilitation was undertaken at the Daggafontein Tailings Storage Facility during FY2020 as the remaining side slopes are in a stable condition and therefore the cladding at Brakpan/Withok was accelerated.

At FWGR during the year, we cleaned up the historic spillage along the old residue pipelines between the plant and Driefontein 4 TSF. Infrastructure is currently being installed to start the vegetation of the upper benches of the Driefontein 4 TSF. The reclamation of Driefontein 5 has reached ground level on the North Eastern side and the area will be fully rehabilitated after reclamation. As reclamation progresses, the original soil is exposed, and the site concurrently rehabilitated.

This is checked for radiation, ripped and seeded. A berm wall lags the reclamation area to separate clean water from dirty water. At the Driefontein 4 TSF, newly constructed silt traps have performed very well, and the first cleaning is scheduled for FY2021.

Driefontein 5 dam before



Driefontein 5 dam after



A key feature of Ergo's 4L50 dump is that the top surface area had been extensively vegetated following its decommissioning as a TSF. Revised mining methods limit the extent of disturbed tailings surface area, leaving the vegetation intact and significantly reducing the emissions of wind-borne dust.

We are awaiting approval from the NNR to release this valuable land located close to the Benoni central business district, for development. We are continuing with the process of final rehabilitation and remediation on a further 220ha within the City of Johannesburg depending on whether areas of hot spots are found. At 30 June 2020, applications in respect of 26.6ha of land had been lodged with the NNR for approval.

Energy consumption

As Eskom generates electricity primarily from coal-fired power stations, our indirect emissions are significant although, as with our use of materials, we strive continuously to reduce consumption. Our electricity consumption reduced year-on-year as did our volume through-put due

to the national lockdown. We employ various initiatives to reduce our electrical consumption. The following have proven effective in this regard: sizing pumps for maximum efficiency, re-lining pipelines with HDPE liners to reduce friction, using variable speed drives, soft starts, and continuously monitoring consumption. A power factor correction equipment project was scheduled to be commissioned at the Brakpan/Withok tailings pump station in FY2020, however the project was delayed due to the lockdown. This equipment will not necessarily improve our consumption but will assist in stabilising the local power grid as well as provide additional usable power to further improve process water pumping capacity. We will also replace one of the electrical kilns (carbon activator) with one that uses natural gas. We are currently performing feasibility studies for the installation of high efficiency IE3 motors to reduce motor loss.

DRDGOLD is also investigating the possibility of producing our own power through alternative sources of energy, including solar power plants and battery storage. This is a long-term project and we are still in the early stages of research. If successful, this project will mitigate one of our major risks – sustainable and affordable power supply.

ENVIRONMENTAL VALUE-ADD CONTINUED

Energy consumption and emissions

		2020		
		Ergo	FWGR	Total
Electricity consumption	MWh	310 660 ^{LA}	40 254 ^{LA}	350 914 ^{LA}
Diesel consumption ¹	litres	626 379 ^{LA}	28 067 ^{LA}	654 446 ^{LA}
Natural gas consumption ²	Gj	92 077 ^{LA}	– ^{LA}	92 077 ^{LA}
CO ₂ e emissions ³				
Scope 1	tonnes CO ₂ e	6 859 ^{LA}	64 ^{LA}	6 923 ^{LA}
Scope 2	tonnes CO ₂ e	323 086 ^{LA}	41 864 ^{LA}	364 950 ^{LA}
Scope 3	tonnes CO ₂ e	140	12	152
Total	tonnes CO ₂ e	330 085 ^{LA}	41 940 ^{LA}	372 025 ^{LA}
Nitrogen oxides (NOx) emissions	tonnes	1 370	174	1 544
Sulphur oxides (SOx) emissions	tonnes	2 768	358	3 126
Volatile organic compounds emissions	tonnes	4	0	4
Carbon monoxide emissions	tonnes	9	0	9
Particulate emissions	tonnes	152	19	171

		2019		
		Ergo	FWGR	Total
Electricity consumption	MWh	368 377 ^{LA}	23 630	392 007
Diesel consumption ¹	litres	1 077 464 ^{LA}	60 883	1 138 347
Natural gas consumption ²	Gj	96 642 ^{LA}	–	96 642
CO ₂ e emissions ³				
Scope 1	tonnes CO ₂ e	8 325 ^{LA}	163	8 488
Scope 2	tonnes CO ₂ e	383 112 ^{LA}	24 575	407 687
Scope 3	tonnes CO ₂ e	132	17	149
Total	tonnes CO ₂ e	391 569 ^{LA}	24 755	416 324
Nitrogen oxides (NOx) emissions	tonnes	1 647	105	1 752
Sulphur oxides (SOx) emissions	tonnes	3 284	211	3 495
Volatile organic compounds emissions	tonnes	6	–	6
Carbon monoxide emissions	tonnes	16	1	17
Particulate emissions	tonnes	182	12	194

Total figures include only Ergo and FWGR operations. Figures for corporate have not been included as not deemed to be significant

¹ Diesel consumption is lower due to the South Africa national lockdown

² No natural gas consumption used at FWGR as elutions process performed at Sibanye-Stillwater's Driefontein 1 plant

³ The Greenhouse Gas (GHG) Protocol – a partnership between the World Resources Institute and the World Business Council for Sustainable Development to tackle climate change – distinguishes emissions in terms of direct (Scope 1: from owned or controlled sources) and indirect (Scope 2: consumption of purchased electricity, heat or steam) and (Scope 3: other emissions, including extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled, electricity-related activities not covered in Scope 2, such as transmission and distribution losses, outsourced activities and waste disposal, among others). The global warming potential of the GHG emissions is expressed as carbon dioxide equivalent (CO₂e)

^{LA} Limited assurance

Load curtailment

In terms of our load curtailment agreement with Eskom, we are alerted when the national grid is under pressure and load shedding is imminent. This allows the operations team to take certain non-essential equipment off-line and reduce consumption by 5% to 40%, as required to prevent a complete power outage (effectively a 5% voluntary reduction for every load stage level declared). In return, DRDGOLD's Ergo plant is not part of the area load shedding schedule and is, therefore, able to maintain uninterrupted tonnage to the plant.

ENVIRONMENTAL VALUE-ADD CONTINUED

Gold extraction efficiency may be marginally affected during load curtailment but there is a reduced risk of total plant shutdown, associated interruptions and potential damage to equipment and the process.

Primary reagents (tonnes)

	ERGO	FWGR	Total 2020	ERGO	FWGR	Total 2019
Cyanide consumption*	5 554 ^{LA}	1 422 ^{LA}	6 976 ^{LA}	8 045 ^{LA}	600	8 645
Steel (grinding)	3 950	837	4 787	5 366	531	5 897
Hydrochloric acid ¹	3 362	–	3 574	4 010	–	4 130
Caustic soda	2 382	–	376	2 051	–	2 051
Lime	42 924	16 190	59 133	46 448	2 246	58 530
Carbon	602	190	792	790	304	1 094

* Cyanide use is regulated in terms of Section 9 of the Mine Health and Safety Act, 1996 (Act No 29 of 1996), and DRDGOLD conducts regular internal and external compliance audits. Consumption decreased in FY2020 due to the FFG circuit being switched off from the first quarter of the year and the South African national lockdown

¹ FWGR does not use hydrochloric acid in their operations

^{LA} Limited assurance

OUTLOOK

In the coming year, we will continue our focus on ensuring that our operations have as little impact as possible on surrounding communities. We hope to achieve this by systematically removing pollution sources (the historic sand and slime dams we reclaim), through our TSF vegetation projects. The vegetation programme on the Driefontein 4 TSF is also scheduled to commence.

In the medium term, we plan to release more previously sterilised land which has been rehabilitated, for development and, in the long term, leave a self-sustaining, contained super-tailings storage facility. We are also aiming to reach an advanced stage of feasibility of alternative energy consumption projects in an effort to reduce our carbon footprint.



MINERAL RESOURCES AND MINERAL RESERVES

Our manufactured capital includes the volume of gold we recover by embracing innovation and technology. DRDGOLD's annual production target is 165 000oz to 185 000oz from a surface Mineral Reserve of 5.73Moz.

Group overview of Mineral Resources and Mineral Reserves

The statement of Mineral Resources and Mineral Reserves as at 30 June 2020 outlines the Mineral Resources and Mineral Reserves for our Ergo and FWGR operations. It is compared to the last full declaration which was made as at 30 June 2019 and therefore includes a full year's production depletion due to reclamation activities. In reclaiming these resources, DRDGOLD's business model is to minimise the impact on the environment. Refer to the environmental value-add section on page 55 of this report as well as the ESG factsheet, published on our website <https://www.drdgold.com/investors-and-media/annual-reports/2020>

DRDGOLD's Mineral Resources and Mineral Reserves are reported in accordance with the SAMREC Code, 2016, and are fully compliant in all material respects with the requirements of the SAMREC Code and Table 1 requirements. Reporting is also in accordance with Section 12 of the JSE Listings Requirements and takes cognisance of the Industry Guide 7 for reporting on the United States (US) Securities and Exchange Commission (SEC).

The Mineral Resources and Mineral Reserves are being reported on an aggregated attributable beneficial interest basis. A brief history of the operations is included on page 19 and on pages 42 and 45 in the operational performance section of this report.

Geological setting, mineralisation and deposit type

DRDGOLD's surface deposits are the waste products of the processing of gold and uranium ores of the gold bearing late Archaean (2.7Ga to 3.2Ga), Witwatersrand sedimentary basin. The Witwatersrand Basin is the largest gold bearing metallogenic province globally and is unconformably overlain by units of the Ventersdorp Supergroup (~2.7Ga), the Transvaal Supergroup (~2.6Ga), and the Karoo Supergroup (~280Ma) carried out since the 1890s.

The deposits consist of gold, uranium and sulphur-bearing sand dumps and slimes dams, and the composition reflects the major constituents of the Witwatersrand Basin: quartz (70%-80%), mica (10%), chlorite and chloritoid (9%-18%) and pyrite (1%-2%). Au, uranium, zirconium and chromium may be minor constituents averaging <100ppm each. Deposits possess structure determined by the geometry, material source and processing plants in which the original ores were processed.

Legal aspect and permitting

Mining Rights and Prospecting Rights held are listed under the Ergo Mining Proprietary Limited subsidiary. DRDGOLD has numerous Surface, Mining and Prospecting Rights and ownership of the surface rights and mine dumps vests in various legal entities.

The Mineral Resources and Mineral Reserves held by FWGR were acquired from Sibanye Gold Ltd, a subsidiary of Sibanye-Stillwater Ltd, in a transaction in which common law ownership was established over the various tailings dams containing the said Mineral Resources and Mineral Reserves, and control was established by Sibanye-Stillwater over DRDGOLD. FWGR conducts its activities *inter alia* in accordance with Environmental Approvals (EAs) and the provisions of the Mine Health and Safety regulations. A Use and Access Agreement with Sibanye Gold articulates the various rights, permits and licenses held by Sibanye Gold in terms which FWGR operates, pending the transfer to FWGR of those that are transferable.

DRDGOLD and its subsidiaries own the rights to some of the properties that have dumps. In other cases, agreements are in place with the landowners to mine the dump material and rehabilitate the land for other uses. The details of the related surface rights are not material for the purpose of this report. The necessary agreements are in place for all properties in the LoM plan.

Mineral Resources and Mineral Reserves at a glance:

6% increase

in Mineral Resources due to the inclusion of Ergo Marievale dumps

7.79Moz

Ergo Mineral Resources

3.13Moz

Ergo Mineral Reserves

2.60Moz

FWGR Mineral Resources and Mineral Reserves



MINERAL RESOURCES AND MINERAL RESERVES

CONTINUED

There are currently no legal actions/impediments that would prevent operations of any of the current mineral rights. Refer to the environmental value-add section on pages 55 to 61 in this report for details on environmental management and the financial performance and CFO review section on pages 12 to 14 for the funding thereof.

ERPM underground mining and prospecting rights

In December 2018, DRDGOLD concluded a revised disposal agreement, to dispose of mineral rights entitled GP150MR and ERPM GP151MR, as well as a prospecting right, as renewed and amended, entitled ERPM GP243PR, and all permits and licences relating thereto, to OroTree Limited (OroTree). OroTree did not exercise the option to purchase the mining infrastructure assets to access the deep underground ounces of ERPM. DRDGOLD therefore, retains ownership on the associated mining infrastructure. ERPM is not, therefore, being reported on.

DRDGOLD Group structure and associate licences



Group Mineral Resources reconciliation

	Tonnes Mt	Grade Au g/t	Au ounces Moz
Mineral Resources at 30 June 2019	1 097.53	0.28	9.81
Addition of Ergo Marievale dumps	54.11	0.31	0.54
Depletion of Mineral Resources – Ergo	(17.63)	0.33	(0.18)
Increase in Daggafontein tonnes	6.92	0.24	0.32
Depletion of Mineral Resources – FWGR	(6.05)	0.49	(0.10)
Survey adjustment – Ergo	0.28	0.30	0.003
Mineral Resources at 30 June 2020	1 135.16	0.28	10.39

Group Mineral Reserves reconciliation

	Tonnes Mt	Grade Au g/t	Au ounces Moz
Mineral Reserves at 30 June 2019	557.33	0.32	5.77
Addition of Ergo Marievale dumps	54.11	0.31	0.54
Removal of 6/L/16 (Grootvlei dump) from the LoM plan	(41.62)	0.26	(0.34)
Inclusion of 6/L/13 dump in LoM plan	2.87	0.48	0.04
Removal of Benoni slimes dam from LoM plan	(1.06)	0.264	(0.01)
Depletion of Mineral Reserves – Ergo	(17.63)	0.33	(0.18)
Depletion of Mineral Reserves – FWGR	(6.05)	0.49	(0.010)
Survey adjustments – Ergo	0.28	0.30	0.003
Mineral Reserves at 30 June 2020	548.25	0.33	5.73

The figures contained in the table are rounded, which may result in minor computational discrepancies which are not deemed to be significant

Group summary

DRDGOLD's Mineral Reserves marginally decreased by 1% from 5.77Moz (557.3Mt @0.32g/t) in FY2019 to 5.73Moz (548.2Mt @0.33g/t) in FY2020 despite the addition of the Marievale dumps. This is a result of the Grootvlei dump 6/L/16 being removed from the LoM plan as well as depletion during the year. There were no significant changes to FWGR.

MINERAL RESOURCES AND MINERAL RESERVES

CONTINUED

The current Mineral Reserves reflect an operating life of 13 years for the Ergo operation and 20 years for FWGR.

DRD GOLD's Surface Mineral Resources increased by 6% to 10.39Moz (1 135.16Mt @ 0.28g/t), in comparison to 9.81Moz (1 097.5Mt @ 0.28g/t) in FY2019. This was as a result of the addition of 0.5Moz of Marievale dumps (54.1Mt @ 0.31g/t) and additional 6.1Mt and improved head grade (0.199g/t in FY2019 to 0.240g/t in FY2020) at the Daggafontein TSF. The Daggafontein TSF was re-surveyed using a drone, and additional drilling work was performed.

Drilling programme

DRD GOLD began a drilling programme and pre-feasibility study (PFS) in September 2016, aimed at re-evaluating its surface gold tailings. There was no significant work performed on the drilling programme or pre-feasibility studies during the current financial year. Ergo has incurred to date more than R20 million on TSFs' evaluation or exploration (surveying, drilling, assaying, test-work, Mineral Resource and Mineral Reserve definition, and reporting).

Further work was performed on the Venterspost North dump showing better than expected recoveries than reported in FY2019. The Venterspost North dump has been reclassified from a Probable Mineral Reserve to a Proven Mineral Reserve.

Evaluation methodology

Different methodologies are used for evaluation of Mineral Resources and Mineral Reserves.

Mineral Resources

The assumption is that the current mining method is suitable for all dumps. No selective mining will take place, rather, the entire dump is processed (including Inferred Mineral Resources).

No selective mining is the result of three conditions inherent in the operations:

- There is nowhere on the mining sites to dump the below average grade material
- The mining method is not conducive to selection and
- The operation is a rehabilitation exercise and all material must be removed from site and it is therefore most efficient to process all material, even that of a low-grade

Mineral Resources and Mineral Reserves are determined by the average grade of the dump which must be above or equal to the plant feed cut-off grade.

The assumption is that the current extraction process is suitable. Assumptions on cut-off per Mineral Resource area include working costs, the average plant recovery, the expected residue grade per Mineral Resource area, the required yield based on working cost and gold price, and the required head grade minimum based on the required yield and residue grade.

Mineral Resources consist of sand dumps, slimes dams and silted 'vlei' areas and dams. Before dumps are included as Mineral Resources, they are evaluated by drilling and an engineering study is undertaken to determine infrastructure needs.

With respect to surface Mineral Resources and Mineral Reserves, drilling takes place on a predetermined grid to ascertain the average grade (grade model), density, moisture, mineral composition, expected extraction factors and ultimate financial viability before mining begins. Sample drilling is usually limited to a maximum depth of about 50m but where possible, into the underlying soil to sample the entire thickness of the TSFs. Reverse circulation drilling was undertaken on Ergo's bigger dumps to penetrate to the base of the dams. Drill holes were drilled on a nominal grid of 100m or 200m on all the TSFs.

Samples normally represent a 1.5m thickness. Borehole intersections are logged for contaminants such as rock, soil, ash or any other foreign material. Samples are packaged and sent to an analytical laboratory.

Estimation methods were standard statistical and geostatistical processes (ordinary kriging).

A block model is then generated and used to overlay the potential mining areas, which are then evaluated for inclusion into a mine plan. Classification is based on sampling density and confidence in the estimation.

As material is removed for retreatment, the Mineral Resources and Mineral Reserves for each operation are adjusted accordingly. Continuous checks of modifying factors and ongoing surveys are conducted to monitor the rate of depletion and the accuracy of factors used in conversion.

Verification of estimates is a routine part of the plant feed sampling programme. Plant feed grades are compared to the expected grades from the Mineral Resources and updated monthly. Surveys are undertaken monthly and reconciliation is reported yearly. Any adjustments for shortfall or overruns are made in the Mineral Resource statement for the following year. Gains or losses are largely related to volume adjustments on survey although adjustment may be made for other reasons such as unexpected deleterious materials in the dump.

Mineral Reserves

In addition to the Mineral Resource assumptions, infrastructure must be in place or planned to access dumps and dispose of residues. The LoM includes purchased sand material which has been excluded from the Mineral Reserves declared. This constitutes less than 5% of the tonnages included in the LoM.

Source area/plant	Recovery %	Mine call factor %	Opex R/t	Estimated cut-off grade g/t
Ergo	46	100	82.15	0.23
FWGR	53	100	60.53	0.22

The exclusion of purchased sand does not have a material effect on the Mineral Reserves.

MINERAL RESOURCES AND MINERAL RESERVES

CONTINUED

Modifying factors

Due to the nature of mining dumps (also known as tailings storage facilities), no mining loss or mining dilution is considered in the conversion of Mineral Resources to Mineral Reserves. The entire process is reviewed by independent consultants to ensure that the accepted industry and deposit-type norms and procedures have been followed.

Refer to pages 32 and 33 for risks and mitigations which could potentially impact Mineral Reserves and Mineral Resources, the three-year review on page 15 for production figures, and the environment management disclosure on page 55.

Independent review

The Group follows a process to independently review the Mineral Resources and Mineral Reserves at least every five years or as the need arises, such as significant change in operations or resources footprint.

Ergo's statement of Mineral Resources and Mineral Reserves was last independently reviewed by Red Bush Geoservices Proprietary Limited (Red Bush) for compliance with the 2016 edition of the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code), and the SEC Industry Guide 7 in FY2019. There has not been a significant change in DRDGOLD's Mineral Resources and Mineral Reserves for FY2020.

Red Bush is an exploration, resource and mining consulting firm, which provides services and advice to the mineral industry internationally.

Competent Persons

The designated Competent Person for the Ergo Mineral Resources in terms of the SAMREC Code, is Mpariseni Mudau (BSc (Hons) – Geology, MSc (Mining Engineering)) Pr. Sci. Nat. 400305/12, a geologist with 14 years' experience in mineral exploration and Mineral Resource estimation of precious metals. The Competent Person is recognised by the South African Council for Natural Scientific Professions (SACNASP) located at Management Enterprise Building, Mark Shuttleworth Street, Innovation Hub, Pretoria, 0087, Gauteng, South Africa.

Mr Mudau is a director of the RVN Group Proprietary Limited.

The designated Competent Person, in terms of the SAMREC Code, responsible for compilation and reporting of Ergo's Mineral Reserves is

Professor Steven Rupprecht BSc (Mining Engineering); PhD (Mechanical Engineering). Professor Rupprecht is a registered fellow at The South African Institute of Mining and Metallurgy (FSAIMM Reg. no. 701013) located at the Mineral Council South Africa, 5 Hollard Street, Cnr Sauer and Marshall street, Johannesburg, South Africa. Professor Rupprecht has 22 years of experience in gold Mineral Reserve estimation in southern Africa.

The designated Competent Person, in terms of the SAMREC Code, responsible for compilation and reporting of FWGR's Mineral Resources and Mineral Reserves is Vaughn Duke, a partner of Sound Mining Solution Proprietary Limited located at 2A 5th Avenue, Rivonia, South Africa. He holds a BSc Mining Engineering (Hons). He is also registered with the Engineering Council of South Africa (ECSA) located at 1st Floor, Waterview Corner Building, 2 Ernst Oppenheimer Avenue, Bruma Lake Office Park, Bruma, Johannesburg, South Africa as a Professional Engineer with Reg. No. 940314. He is also a fellow of the Southern African Institute of Mining and Metallurgy (FSAIMM) located at the Minerals Council South Africa, 5 Hollard Street, Cnr Sauer and Marshall Street, Johannesburg, South Africa, and his membership number is 37179.

He has over 36 years of experience in the minerals industry, specialising in engineering studies, due diligence audits and valuations. The Competent Person is recognised by SAIMM located at the Minerals Council South Africa, 5th Floor, 5 Hollard Street, Cnr Sauer and Marshall Street, Johannesburg, South Africa.

DRDGOLD has written confirmation from the Competent Persons that the information disclosed in terms of this Report is compliant with the SAMREC Code and, where applicable, the relevant paragraph 12 of the JSE Listings Requirements and Table 1 requirements and has confirmed that this report may be published in the form and context in which it is presented. All Competent Persons are independent contractors of DRDGOLD and its subsidiaries.

Exploration

The Group did not incur any significant expenditure on activities for exploration properties during the year, other than the exploration activities related to the development of Phase II of FWGR. An engineering consulting company was appointed to undertake the detail design and definitive feasibility study. Exploration expenditure related to the Phase II project was R15.0 million during the year. The planning of these projects is expected to accelerate during FY2021.

Competent Persons	Title	Address	Qualifications	Years
Mpariseni Mudau Pr.Sci.Nat. 400305/12	Director of The RVN Group Proprietary Limited	Willowbrook Villas 21, Van Hoof St, Roodepoort, 1724	BSc (Hons) – Geology, MSc (Mining Engineering)	14
Professor Steven Rupprecht FSAIMM 701013	Associate Principal Mining Engineer of the RVN Group	Willowbrook Villas 21, Van Hoof St, Roodepoort, 1724	BSc. Mining Engineering PhD. Mechanical Engineering	22
Vaughn Duke Pr Eng FSAIMM 37179	Partner of Sound Mining Solution Proprietary Limited	Sound Mining House, 2A Fifth Avenue, Rivonia, 2128	BSc. Mining Engineering (Hons), MBA	36

MINERAL RESOURCES AND MINERAL RESERVES

CONTINUED

Declaration

The gold price used for determination of Mineral Resources and Mineral Reserves under SAMREC is R905 774/kg (US\$1 666/oz and R16.95/US\$).

For compliance with SEC, DRDGOLD's Form 20-F (to be filed with SEC) we also quote the Mineral Reserves using the three-year average gold price of R629 263/kg (US\$1 375/oz and R14.24/US\$).

All Mineral Resources declared in this report are inclusive of Mineral Reserves.

DRDGOLD also confirms that the Group has the legal entitlements to the minerals reported without any known impediments. The directors are not aware of any legal proceedings or other material conditions that may have an impact on the Group's ability to continue operations other than those discussed in this report.

Mineral Resources as at 30 June 2020

	MEASURED				INDICATED			
	Tonnes Mt	Grade g/t	Contents Au tonnes	Contents Moz	Tonnes Mt	Grade g/t	Contents Au tonnes	Contents Moz
Ergo	310.26	0.313	97.22	3.13	379.49	0.251	95.08	3.06
FWGR	237.98	0.339	80.74	2.60	–	–	–	–
Total Mineral Resources as at 30 June 2020	548.24	0.325	177.96	5.73	379.49	0.251	95.08	3.06
Total Mineral Resources as at 30 June 2019	557.33	0.322	179.63	5.77	339.69	0.253	85.85	2.76

	INFERRED				TOTAL			
	Tonnes Mt	Grade g/t	Contents Au tonnes	Contents Moz	Tonnes Mt	Grade g/t	Contents Au tonnes	Contents Moz
Ergo	207.43	0.240	49.83	1.60	897.18	0.270	242.13	7.79
FWGR	–	–	–	–	237.98	0.339	80.74	2.60
Total Mineral Resources as at 30 June 2020	207.43	0.240	49.83	1.60	1135.16	0.284	322.87	10.39
Total Mineral Resources as at 30 June 2019	200.51	0.199	39.94	1.28	1 097.53	0.278	305.42	9.81

MINERAL RESOURCES AND MINERAL RESERVES

CONTINUED

Mineral Reserves as at 30 June 2020

	PROVED Delivered to plant			
	Tonnes Mt	Grade g/t	Contents Au tonnes	Contents Moz
Ergo	45.37	0.300	13.61	0.44
FWGR	225.29	0.340	76.55	2.46
Total Mineral Reserves as at 30 June 2020	270.66	0.333	90.16	2.90
Total Mineral Reserves as at 30 June 2019¹	232.75	0.350	81.38	2.61

¹ Proved Mineral Reserves incorrectly disclosed as 2.61Moz (232.75Mt@ 0.352g/t) in the 30 June 2019 annual integrated report

	PROBABLE Delivered to plant			
	Tonnes Mt	Grade g/t	Contents Au tonnes	Contents Moz
Ergo	264.89	0.316	83.61	2.69
FWGR	12.70	0.330	4.19	0.14
Total Mineral Reserves as at 30 June 2020	277.59	0.316	87.80	2.83
Total Mineral Reserves as at 30 June 2019¹	324.58	0.303	98.26	3.16

¹ Probable Mineral Reserves incorrectly disclosed as 3.16Moz (324.58Mt@ 0.311g/t) in the 30 June 2019 annual integrated report

	TOTAL MINERAL RESERVES Delivered to plant			
	Tonnes Mt	Grade g/t	Contents Au tonnes	Contents Moz
Ergo	310.26	0.313	97.22	3.13
FWGR	237.99	0.339	80.74	2.60
Total Mineral Reserves as at 30 June 2020	548.25	0.325	177.96	5.73
Total Mineral Reserves as at 30 June 2019	557.33	0.322	179.63	5.77

The figures contained in the tables are rounded, which may result in minor computational discrepancies which are not deemed to be significant




04

GOVERNANCE

At DRDGOLD, we believe that integrity and good conduct are the foundation of our business and we are fully committed to conducting business ethically and legally.



DIRECTORS AND MANAGEMENT

 Hover the mouse cursor over the individual directors to see their photo and their CV

NON-EXECUTIVE DIRECTORS

<p>Timothy Cumming (62) BSc (Hons) (Civil Engineering), MA (Philosophy, Politics and Economics)</p> <p>NON-EXECUTIVE DIRECTOR</p> <p>Member: Audit and Risk Committee</p>	<p>Geoff Campbell (59) BSc (Geology)</p> <p>INDEPENDENT NON-EXECUTIVE CHAIRMAN</p> <p>Chairman: Nominations Committee</p> <p>Member: Remuneration and Nominations Committee</p>	<p>Johan Holtzhausen (74) BSc (Geology and Chemistry), BCompt (Hons), CA (SA)</p> <p>INDEPENDENT NON-EXECUTIVE DIRECTOR</p> <p>Chairman: Audit and Risk Committee</p> <p>Member: Remuneration and Nominations Committee</p>	<p>Edmund Jeneker (58) Chartered Director (SA), B Hons, IEDP, M.Inst.D., SAIPA</p> <p>LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR</p> <p>Chairman: Social and Ethics Committee</p> <p>Member: Remuneration and Nominations Committee</p>	<p>Charmel Flemming (37) BAcc (Hons) CA (SA)</p> <p>INDEPENDENT NON-EXECUTIVE DIRECTOR</p> <p>Member: Social and Ethics Committee</p> <p>Chairwoman: Remuneration Committee</p> <p>Member: Remuneration and Nominations Committee</p>	<p>Toko Mnyango (55) Dip Juris, BJuris</p> <p>INDEPENDENT NON-EXECUTIVE DIRECTOR</p> <p>Member: Social and Ethics Committee</p> <p>Chairwoman: Remuneration Committee</p> <p>Member: Remuneration and Nominations Committee</p>
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EXECUTIVE DIRECTORS


<p>Jean Nel (48) BAcc (Hons), CA (SA), CFA (AIMR)</p> <p>INDEPENDENT NON-EXECUTIVE DIRECTOR</p> <p>Member: Audit and Risk Committee</p>	<p>Prudence Lebina (39) BCom; Higher Diploma (Accounting), Certificate in Business Leadership, CA (SA)</p> <p>INDEPENDENT NON-EXECUTIVE DIRECTOR</p> <p>Member: Audit and Risk Committee</p> <p>Member: Remuneration and Nominations Committee</p>	<p>Niël Pretorius (53) BProc, LLB, LLM</p> <p>CHIEF EXECUTIVE OFFICER</p> <p>Member: Social and Ethics Committee</p>	<p>Riaan Davel (44) BCom (Hons), M Com, CA (SA)</p> <p>CHIEF FINANCIAL OFFICER</p>
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DIRECTORS AND MANAGEMENT CONTINUED

MANAGEMENT

<p>Reneiloe Masemene (39) LLB, LLM* <i>* Ceased to be Company Secretary on 30 September 2019</i></p>	<p>Jaco Schoeman (46) National Diploma (Analytical Chemistry), BTech (Analytical Chemistry)</p>	<p>Henry Gouws (51) National Higher Diploma (Extraction Metallurgy), MDP</p>	<p>Mark Burrell (58) BCom (Accounting), MDP</p>
<p>GROUP LEGAL COUNSEL AND COMPANY SECRETARY</p>	<p>OPERATIONS DIRECTOR: ERGO MINING OPERATIONS PROPRIETARY LIMITED</p>	<p>MANAGING DIRECTOR: ERGO MINING PROPRIETARY LIMITED</p>	<p>FINANCIAL DIRECTOR: ERGO MINING PROPRIETARY LIMITED</p>
<p>Kevin Kruger (52) BscEng (Mechanical Engineering), MDP, PMD, Government Certificate of Competency (Mines)</p>	<p>Henriette Hooijer (40) BCom (Hons), CA(SA)</p>	<p>Thulo Mogotsi-Moletsane (52) BA, LLB</p>	<p>Elise Beukes (43) BProc* <i>* Appointed Company Secretary on 1 October 2019</i></p>
<p>MANAGING DIRECTOR: FAR WEST GOLD RECOVERIES PROPRIETARY LIMITED</p>	<p>FINANCIAL DIRECTOR: FAR WEST GOLD RECOVERIES PROPRIETARY LIMITED</p>	<p>CHAIRMAN AND NON-EXECUTIVE DIRECTOR: ERGO MINING OPERATIONS PROPRIETARY LIMITED</p>	<p>COMPANY SECRETARY</p>

 Hover the mouse cursor over the individual directors to see their photo and their CV



CORPORATE GOVERNANCE

Our Board of Directors is committed to effective and ethical leadership and the highest standards of good corporate governance. Every director, officer or employee representing us should respect the maxim 'do unto others as you would have them do to you'.

Our ethical culture

At DRDGOLD, we believe that integrity and good conduct are the foundation of our business and we are committed to conducting business ethically and legally throughout our surface retreatment organisation. To this end, our people are the moral fibre of the organisation. They are always expected to uphold the highest ethical and business standards, even if maintaining such ethical standards results in a loss of business.

Code of conduct

We believe in disclosure and transparency and the moral principles that govern our behaviour in accordance with our Code of Conduct (Code), which outlines our values; how we aim to conduct our business; the way in which we behave and the rights our business partners can expect in our dealings with them.

The Code is based on DRDGOLD's values of unity, integrity, commitment and accountability and describes the following fundamental principles that should govern our everyday business conduct:

- Fair dealing and integrity in the conducting of our business
- Promoting a corporate culture that is open
- Socially and environmentally responsible behaviour

The Code of Conduct is available on the DRDGOLD website, distributed to all new employees and is included in the induction video, which all employees are required to watch annually.

Whistleblowing hotline

A whistleblowing mechanism is in place to assist with the identification of possible unethical behaviour. This is in the form of an anonymous hotline facilitated through Deloitte. The security department is also open to receiving information. In some instances, information leads to cases being opened with the police and employees being dismissed following a disciplinary hearing. Posters are also put up in the workplace to remind employees of the importance of ethical behaviour, the existence of the hotline and the procedures to follow should they witness unethical conduct.

Fines and incidences of corruption

An anti-corruption policy is in place and communicated to employees on a regular basis. DRDGOLD did not receive any fines of monetary value or non-monetary sanctions for non-compliance and was not involved in any incidences of corruption in FY2020.

Non-compliance with laws and regulations

There were no regulatory penalties, sanctions or fines for contraventions of, or non-compliance with any statutory obligations.

No adverse compliance inspections by environmental regulators took place during the period under review and no incidences of non-compliance with environmental laws were identified.

Key performance indicators



Compliance with applicable laws and adopted standards and codes of good practice



Set key performance measures and targets for value creation and execution of the approved strategy



Appropriate appointment and delegation to management



Stakeholder engagement and issues reports on the Company's activities and performance



Governance and oversight of risk management



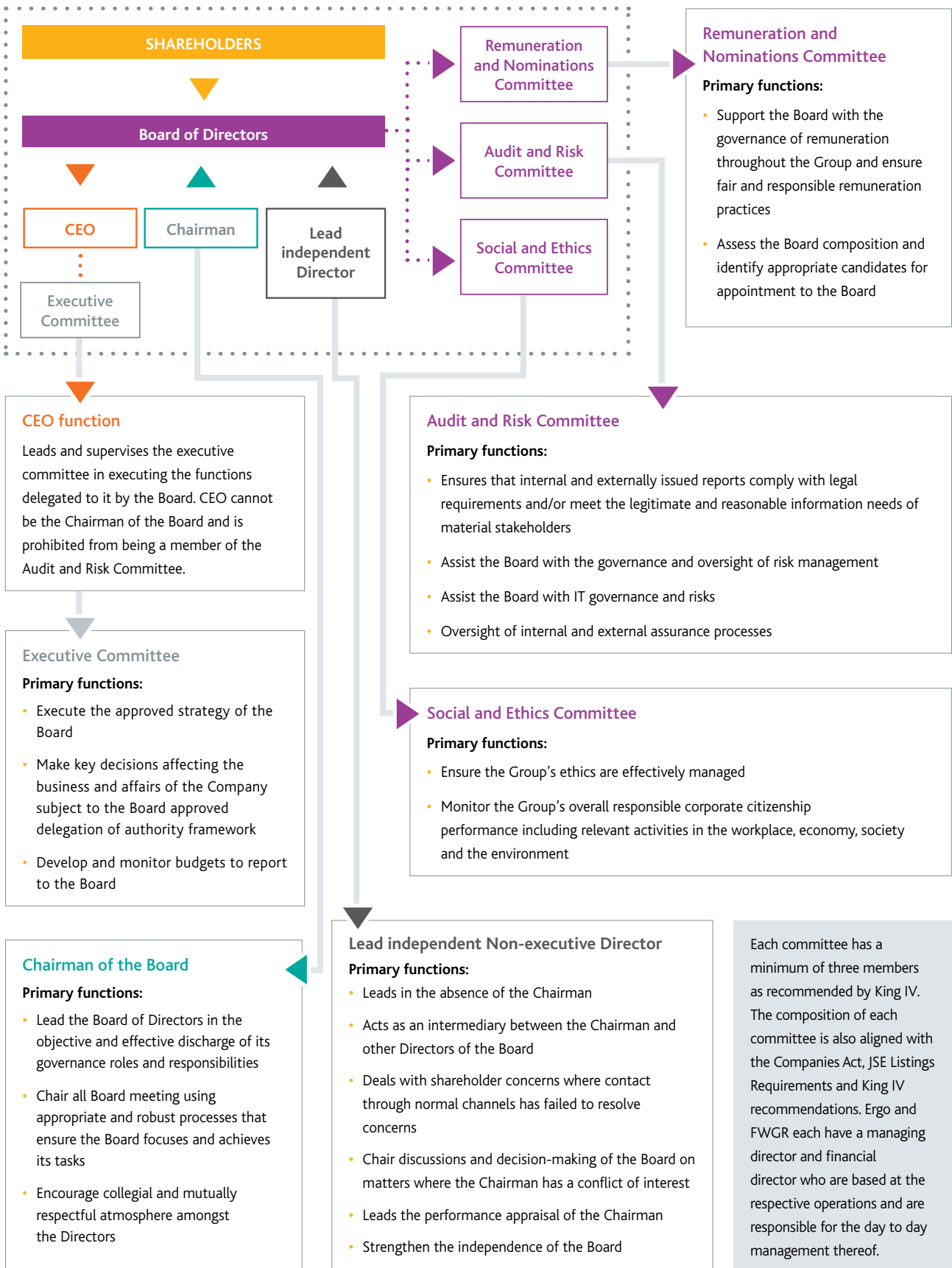
Technology and information governance



Governance of remuneration throughout the Company, to ensure fair and responsible remuneration practices

CORPORATE GOVERNANCE CONTINUED

Governance structure



CORPORATE GOVERNANCE CONTINUED

Board composition

With effect from 22 October 2020, pursuant to good corporate governance, the Board decided to restructure the Company's Audit and Risk Committee and Remuneration and Nominations Committee and has established four separate committees. For more information, refer to the SENS announcement dated 23 October 2020 on our website on <https://www.drdgold.com/investors-and-media/sens-news-view/2020/48f9bcc2-0350-4db5-919d-49e519332a81>.

The Nominations Committee continues to play an active role in assessing the Board composition and identifying appropriate candidates for appointment to the Board.



The Board is satisfied that it possesses the appropriate mix of knowledge, skills, experience, diversity and independence to enable it to execute its responsibilities toward the Group.

Race and gender diversity policy

DRDGOLD supports the principles and aims of race and gender diversity at Board level. In this regard, and as required by the JSE Listings Requirements, the Board has approved a Race and Gender Diversity Policy.

The composition of the Board has changed significantly over the years and is more diverse and reflective of transformation and the country's demographics.

The Board appointed Mr Tim Cumming as Non-executive Director and Mrs Charmel Flemming as independent Non-executive Director on 1 August 2020. Their particulars are included on page 69 of this report and on the website www.drdgold.com/about-us/directors-officers-and-executives.

The Board currently has an aggregate complement of ten directors, four of whom are black persons within the meaning ascribed thereto in terms

of the BEE Act. The Company had set itself a voluntary target of 30% in respect of both gender and race diversity, as contemplated in paragraphs 3.84(i) and (j) respectively of the JSE Listings Requirements.

Regarding the gender diversity component as envisaged in paragraph 3.84(i) of the JSE Listings Requirements, there are three women on the Board, all of whom are black, within the meaning ascribed thereto in the BEE Act. On this basis, DRDGOLD's percentage delivers full compliance against a target of 30% towards gender diversity.

In terms of the race diversity component as envisaged in paragraph 3.84(i) of the JSE Listings Requirements, there are four black people on the Board, within the meaning ascribed thereto in the BEE Act. On this basis, DRDGOLD's percentage delivers 40% against a target of 30% towards race diversity.

Although we are pleased to have met these voluntary targets, the Company will revise them to ensure that the membership of the Board reflects the diversity of our country.

Nomination, election and appointment of members to the governing body

In compliance with JSE and NYSE requirements, the policy for appointments to the Board is both formal and transparent. The Remuneration and Nominations Committee identifies and interviews, and then recommends shortlisted candidates to the Board. The Board duly deliberates and appoints the most suitable person(s) to ensure that a balance of knowledge, skills, experience and diversity is achieved. The shareholders confirm the appointment at the first annual general meeting (AGM) following the appointment.

In accordance with DRDGOLD's Memorandum of Incorporation (MOI), which was adopted at the 2012 AGM, all Directors are subject to retirement by rotation and to re-election by shareholders.

The names of the Directors submitted for re-election are accompanied by sufficient biographical details to enable shareholders to make an informed decision in respect of their re-election.

Independence

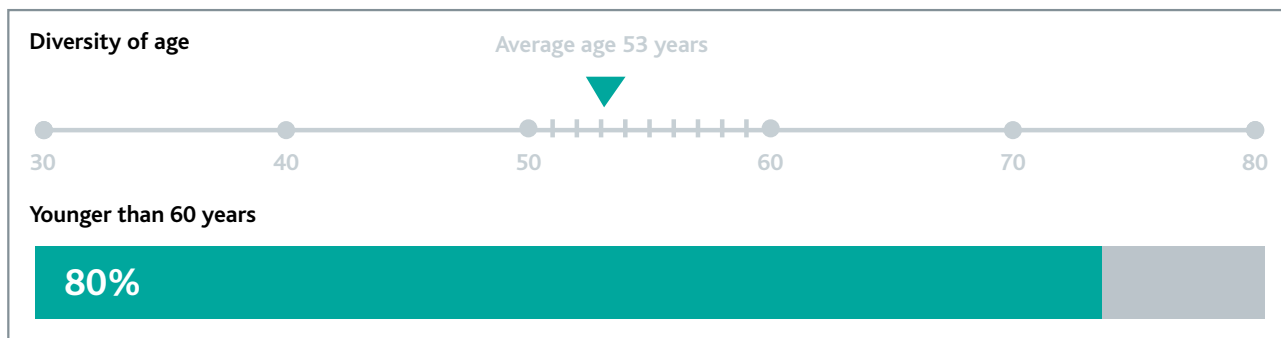
The Board comprises two Executive Directors and eight independent Non-executive Directors. For the fiscal year under review, two of the independent Non-executive Directors have served on the Board for longer than nine years. The Non-executive Chairman of the Board, Geoff Campbell, who is categorised as independent, has been on the Board since 2002 and fulfilled the role of Chairman since 2006. The Chairman does not serve on the Audit and Risk Committee. Edmund Jeneker has been a member of the Board since 2007. The Board is of the view that the extensive experience of each of these Directors far outweighs the potential downside of the length of their service.

The Board is comfortable that the current composition of the Board and the Board committees contributes to effective collaboration as well as a balanced distribution of power so that no individual has the ability to dominate decision making and no undue reliance is placed on any individual. Declarations of all interests and related parties are obtained prior to any Board meeting.

CORPORATE GOVERNANCE CONTINUED

Execution of the duties of the Board

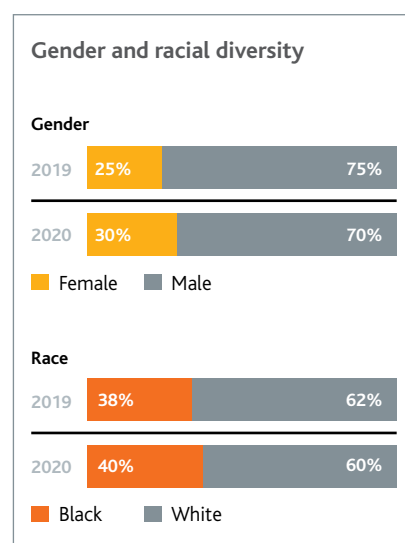
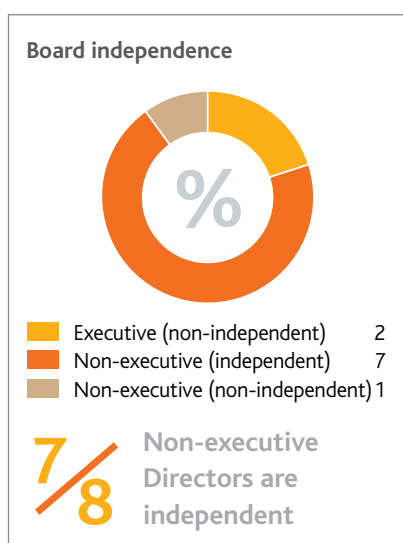
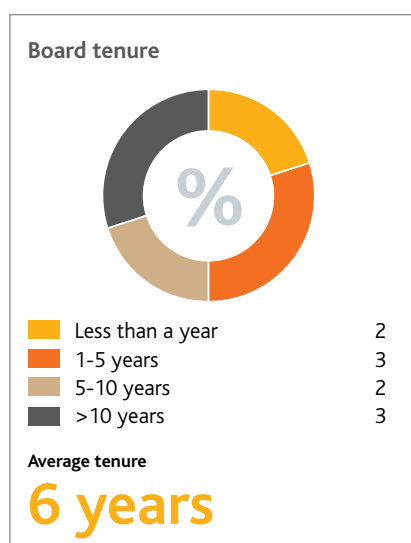
The Board fully appreciates that it is, first and foremost, accountable for the application of the corporate governance principles and practices at DRDGOLD. It also understands that its key functions are to set the strategic direction of the Group, to approve appropriate policies and plans to give effect to the approved strategy, to delegate implementation of the aforementioned to management and adequately monitor management's performance and to ensure accountability through reporting and the principle of transparency. The Board undertook a review of the governing bodies in light of the two new members, to achieve an appropriate balance of workload and to align with relevant qualifications and experience of the Board as a collective.



Attendance by Directors at Board meetings held during FY2020

Director	Designation	29 Aug 2019	24 Oct 2019	6 Feb 2020	13 May 2020
DJ Pretorius	Chief Executive Officer	✓	✓	✓	✓
AJ Davel	Chief Financial Officer	✓	✓	✓	✓
GC Campbell	Independent Non-executive Chairman	✓	✓	✓	✓
JA Holtzhausen	Independent Non-executive	✓	✓	✓	✓
EA Jeneker	Independent Non-executive	✓	✓	✓	✓
TVBN Mnyango	Independent Non-executive	✓	✓	✓	—
JJ Nel	Independent Non-executive	✓	✓	✓	✓
KP Lebina	Independent Non-executive	✓	✓	✓	✓

✓ Includes attendance through teleconference or video conference facilities



CORPORATE GOVERNANCE CONTINUED

Key performance indicators	Action points
 <p>Compliance with applicable laws, adopted standards and codes of good practice</p>	<ul style="list-style-type: none"> Group legal counsel, headed by the Chief Executive Officer, monitors changes and developments, through attendance of seminars and conferences and subscriptions to law journals Considers the recommendations of King IV and evaluates its application across the Group. Disclosure on the application thereof can be found on the Company's website www.drdgold.com/about-us/governance Discussions of the impact of new legislation at Board meetings Use of a comprehensive compliance checklist There were no material or repeated regulatory penalties, sanctions or fines No adverse compliance inspections by environmental regulators DRDGOLD is in compliance with all laws of establishment and its Memorandum of Incorporation
 <p>Set key performance measures and targets for value creation, as well as execute the approved strategy</p>	<ul style="list-style-type: none"> Continually evaluates the general viability of the business and its status as a going concern Reviewed the liquidity and solvency of the Company on a continuous basis Executed the approved strategy Set targets in respect of the Phase II development of FWGR and expansion of Brakpan/Withok TSF at ERGO Approved the FY2020 budget
 <p>Appropriate appointment and delegation to management</p>	<ul style="list-style-type: none"> Formal delegation captioned in an authority framework that is reviewed on a regular basis Appointment of CEO for the effective management and day-to-day running of the business Appointment of a Company Secretary on a permanent basis, with a wealth of experience and qualification Support and provide guidance at all times to the Board
 <p>Stakeholder engagement and issues reports on the Company's activities and performance</p>	<ul style="list-style-type: none"> Performed with the assistance from the Audit and Risk Committee Integrated and sustained stakeholder communication programme in place Internal finance team led by the CFO who is evaluated by the Audit and Risk Committee Integrity of reporting maintained with assistance from internal and external auditors External service provider and the Company Secretary in place to assist with adherence to JSE Listing Rules and other legal requirements
 <p>Governance and oversight of risk management</p>	<ul style="list-style-type: none"> Performed with assistance from the Audit and Risk Committee Approved the integrated risk management strategy Comprehensive risk management process in place Risk tolerance and appetite levels set and reviewed Internal audit assists management in evaluating the process for managing key operational, financial and compliance risk Internal risk officer in place to monitor and review the Group risk register and submits a risk report at each Audit and Risk Committee meeting
 <p>Technology and information governance</p>	<ul style="list-style-type: none"> IT governance charter in place to set out policies, procedures and performance metrics which work together with the IT governance framework IT governance framework in place to standardise business processes across the Group Annual update received on IT risks, including business continuity, back-ups and offsite storage and security of network and information, all risks presented were deemed to be within tolerance levels and not considered material IT integrated planning project commenced
 <p>Governance of remuneration throughout the Company to ensure fair and responsible remuneration practices</p>	<ul style="list-style-type: none"> Performed with the assistance from the Remuneration and Nominations Committee More information available in the remuneration report

CORPORATE GOVERNANCE CONTINUED

Evaluation of the Board

Every year, an external party conducts a Board evaluation process on the performance and effectiveness of the Board as a whole, the committees, the Chairman and the Company Secretary. The evaluation is based on responses to interviews and questionnaires completed by directors and management.

The 2020 review indicates that the Board is satisfied with the overall effectiveness and functioning of the procedures and processes in place to ensure that the Company is compliant and very effective in dealing with its legal and regulatory responsibilities. The Board is satisfied that it has carried out its responsibilities in accordance with the board charter.

Social and Ethics Committee

The Board is satisfied with the quality of and on-going refinements to integrated reporting on sustainability and the environment.

Audit and Risk Committee

The Risk Committee continues to function effectively with the Audit Committee. The Board remains satisfied that the combined committee provides independent guidance to the integrity of the Company's reporting.

Remuneration and Nominations Committee

The combined Remuneration and Nominations Committee continues to be effective.

Our Company Secretary

The role of the Company Secretary is key to ensuring that we comply with relevant laws, regulations and applicable codes of good practice and keep the Board informed and updated of their legal responsibilities. Her primary responsibilities include the following:



In August 2020, the Group appointed an independent facilitator to evaluate the performance of the Board and Company Secretary. Questionnaires were completed and interviews were conducted with each Director. The questionnaires included a section on the performance of the Company Secretary. The report states that the Company Secretary is effective in the

performance of her duties. The Board confirms that the Company Secretary is not a Director of DRDGOLD and that there is an arm's length relationship between her and the Board, which is based only on professionalism. The Board also confirms that they are satisfied with the competence, qualifications and experience of the Company Secretary.



CORPORATE GOVERNANCE CONTINUED

Detailed committee reports

Audit and Risk Committee

Chairman: JA Holtzhausen

Other members: P Lebina (Appointed 28 August 2019) and JJ Nel (Appointed 28 August 2019)

Purpose of the Audit and Risk Committee: To assist the Board in ensuring the integrity of financial and non-financial reporting and the internal control environment of the Company, monitor the risk management performance on behalf of the board and ensure that the Company implements its risk management framework

Roles and responsibilities:

- External auditors, audit process of the Audit and Risk Committee and financial reporting
- Internal audit
- Integrated reporting and assurance model
- Oversee the development and annual review of a policy and plan for risk management
- Ensure that risk management assessments are performed on a continuous basis
- Ensure that reporting on risk management assessment is complete, timely, accurate and accessible
- Ensure that frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks
- Ensure that continuous risk monitoring by management takes place

Key activities include:

- Meet each quarter with the external auditors, the Group's manager: Risk and Internal Audit and the CFO
- Review the audit plans of the internal auditors to ascertain the extent to which the scope of the audits can be relied upon to detect weaknesses in internal controls
- Review the annual and interim financial statements prior to their approval by the Board members
- Make recommendations to appoint, reappoint or remove the external auditor and the designated external audit partner, in terms of the JSE Listings Requirements, as well as determining their remuneration and terms of engagement
- Pre-approve all audit and non-audit services provided by the external auditors

The internal audit function is performed in-house with the assistance of Pro-Optima Audit Services Proprietary Limited. Internal audits are performed at all DRDGOLD operating units and aim to review, evaluate

and improve the effectiveness of risk management, internal controls and corporate governance processes.

KPMG Inc. was reappointed by shareholders at the 2019 AGM to perform DRDGOLD's external audit function.

Significant deficiencies, material weaknesses, instances of non-compliance, and exposure to high risk and development needs are brought to the attention of operational management for resolution. The committee members have access to all the records of the internal audit team.

DRDGOLD's internal and external auditors have unrestricted access to the Chairman of the Audit and Risk Committee and, where necessary, to the Chairman of the Board and the CFO. All significant findings arising from audit procedures are brought to the attention of the committee and, if necessary, to the Board.

Section 404 of Sarbanes-Oxley Act (SOX) stipulates that management is required to assess the effectiveness of the internal controls surrounding the financial reporting process. The results of this assessment are reported in the form of a management attestation report that has to be filed with the SEC as part of the Form 20-F. Additionally, DRDGOLD's external auditors are required to express an opinion on the operating effectiveness of internal controls over financial reporting, which is also contained in the Company's Form 20-F. In terms of the JSE Listings Requirements, the Audit and Risk Committee is satisfied that appropriate financial reporting procedures are in place and are operating.

An important aspect of risk management is the transfer of risk to third parties to protect the Group from disaster. DRDGOLD's major assets and potential business interruption and liability claims are therefore covered by the Group insurance policy, which encompasses all the operations. Most of these policies are held through insurance companies operating in the UK, Europe and South Africa. The various risk management initiatives undertaken within the Group, as well as the strategy to reduce costs without compromising cover, have been successful and resulted in substantial insurance cost savings for the Group.

Annual financial statements

The Directors are required by the Companies Act to maintain adequate accounting records. They are responsible for the preparation of the AFS, which fairly presents the state of affairs of the Group at the end of each financial year, in conformity with IFRS and the Companies Act. The AFS includes amounts based on judgments and estimates made by management.

The Directors are of the opinion that the Group financial statements fairly present the financial position as at 30 June 2020 and the financial performance and cash flows for the year then ended, and deal with all significant matters.

CORPORATE GOVERNANCE CONTINUED

The Directors have reviewed the Group's business plan and cash flow forecast for the year ending 30 June 2021. On the basis of this review, and in light of the current financial position and existing borrowing facilities, the directors are satisfied that the Group is a going concern and has adequate financial and capital resources to ensure its continued operational existence.

To comply with requirements for reporting by non-US companies registered with the SEC, DRDGOLD prepares its AFS on Form 20-F in accordance with IFRS. The Audit and Risk Committee has obtained and considered sufficient information from KPMG Inc. to perform an assessment of the suitability for re-appointment of KPMG Inc. and Mr Riegert Stoltz, the designated auditor and is satisfied that KPMG Inc. and Mr Riegert Stoltz are independent of DRDGOLD, and the Group is satisfied with the quality of service. The Audit and Risk Committee has ensured that the re-appointment of KPMG Inc. will be presented and included as a resolution at the next AGM.

Evaluation

For the year under review, the Audit and Risk Committee members were all satisfied with the overall functioning of the committee. The Board was also satisfied that the committee members, collectively, have the requisite academic qualifications and/or experience in, *inter alia*, economics, finance, accounting, law, corporate governance, commerce, industry and human resources management as required by Section 94(5) of the Companies Act read with Regulation 42 thereof.

In terms of the Companies Act and the JSE Listings Requirements, the Audit and Risk Committee considered and was satisfied with the adequacy of the expertise and experience of the CFO, Riaan Davel.

Attendance by members at the audit and risk committee meetings held during FY2019

Director	28 Aug 2019	23 Oct 2019	5 Feb 2020	12 May 2020
EA Jeneker ¹	✓	–	–	–
TVBN Mnyango ¹	–	–	–	–
JJ Nel ¹	✓	✓	✓	✓
P Lebina ¹	✓	✓	✓	✓
JA Holtzhausen	✓	✓	✓	✓

✓ Includes attendances through teleconference or video conference facilities

¹ EA Jeneker and TVBN Mnyango resigned from committee on 28 August 2019 and were replaced by P Lebina and JJ Nel on the grounds that their appointments would bode well for DRDGOLD, taking cognisance of their respective skills and expertise

Remuneration and Nominations Committee

Chairman (Nominations): GC Campbell

Chairman (Remuneration): TVBN Mnyango (Appointed 28 August 2019)
Previously EA Jeneker

Other members: EA Jeneker and P Lebina (Appointed 28 August 2019),
JA Holtzhausen (Resigned on 28 August 2019)

Purpose of the Remuneration Committee:

To assist the Board to ensure the Company remunerates directors and executives fairly and responsibly and the disclosure of directors and executive remuneration is accurate, complete and transparent.



CORPORATE GOVERNANCE CONTINUED

Purpose of the Nominations Committee:

To assist the Board to ensure that the Board has the appropriate composition to execute its duties effectively.

Roles and responsibilities of the Remunerations Committee:

- Determine and develop the Company's remuneration policy
- Determine the criteria necessary to measure the performance of executive directors
- Incentivise executive directors and senior management
- Oversee the general operation of the share option scheme or any other similar incentive schemes
- Apply the principles of good corporate governance and best practice in respect of remuneration matters
- The committee has an obligation to offer competitive packages that will attract and retain executives of the highest calibre and encourage and reward superior performance
- Industry surveys are provided for comparative purposes, and to assist the committee in the formulation of remuneration policies that are market related

Roles and responsibilities of the Nominations Committee:

- Ensure the establishment of a formal process for the appointment of directors
- Ensure that inexperienced directors are developed through a mentorship programme
- Ensure that directors receive regular briefings on changes in risks, laws and the appropriate contribution
- Drive an annual process to evaluate the Board, Board committees and individual directors
- Ensure that formal succession plans for the Board, Chief Executive Officer and senior management appointments are developed and implemented

Evaluation

For the year under review, the Remuneration and Nominations Committee members were all satisfied with the overall functioning of the committee.

Social and Ethics Committee

Chairman: EA Jeneke

Other members: DJ Pretorius and TVBN Mnyango

Purpose of the Social and Ethics Committee:

The Social and Ethics Committee is tasked with the day-to-day operational sustainability of the business, to ensure the Company conducts its business in an ethical, responsible and properly governed manner and to have oversight for reviewing and/or developing policies, governance structures and practices for sustainability.

Roles and responsibilities of the Social and Ethics Committee:

- Promote transformation within the Group and economic empowerment of previously disadvantaged communities, particularly within the areas where the Group conducts business
- Strive towards achieving equality at all levels of the Group, as required by the South African Constitution and other legislation, taking into account the demographics of the country
- Conduct business in a manner that is conducive to the attainment of internationally acceptable environmental and sustainability standards

Key activities include:

- To monitor the Group's activities with regard to the 10 principles set out in the United Nations Global Compact Principles and the Organisation for Economic Co-operation and Development recommendations regarding corruption, the Employment Equity Act 55 of 1998 and the Broad Based Black Economic Empowerment Act 53 of 2003
- Records of sponsorship, donations and charitable giving
- The environment, health and public safety, including the impact of the Group's activities and of its products or services
- Labour and employment
- Review and recommend the Group's Code of Ethics
- Review and recommend any corporate citizenship policies
- Review significant cases of employee conflicts of interests, misconduct or fraud, or any other unethical activity by employees of the Group

Evaluation

For the financial year under review, the Social and Ethics Committee members were all satisfied with the overall functioning of the committee.

Attendance by members at Social and Ethics Committee meetings held during FY2020

Director	28 Aug 2019	23 Oct 2019	5 Feb 2020	12 May 2020
EA Jeneke	✓	✓	✓	✓
DJ Pretorius	✓	✓	✓	✓
TVBN Mnyango	✓	✓	✓	–

REMUNERATION REPORT

The governing body should ensure that the organisation remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.



Toko Mnyango | Chairwoman: Remuneration Committee

Chairwoman's letter

It is with pleasure that I present the annual remuneration report for FY2020 on behalf of the Remuneration Committee and the Board of Directors.

This report focuses on two sections: Part A focuses on remuneration governance and policy and Part B focuses on remuneration of executive directors, prescribed officers, senior management, and fees paid to non-executive directors.

During these unprecedented times associated with the COVID-19 lockdown regulations, it was gratifying to note that the Company's Remuneration Policy continued to drive positive outcomes and guided the executive directors, prescribed officers and senior management in their efforts to achieve stellar results.

The Company continued to pay all employees in full during the various phases of lockdown and did not need to reduce the staff complement. These are remarkable achievements, given the difficulties that so many other employers in the economy faced at the time. The Company met most of its performance metrics during the year under review, emphasising the value of aligning remuneration strategy with both individual and Company performance.

Executives, non-executive directors and senior management voluntarily contributed generously to the Solidarity Fund, which the President

announced on 23 March 2020. The objective of this fund was to unite the nation in response to the COVID-19 crisis and focused on accelerating critical interventions in supporting the health care system, enabling resilience for the most vulnerable households and communities as well as mobilising citizens in a solidarity campaign. The amount of R1.6 million that our leadership group sacrificed from their salaries is truly impressive and speaks volumes about the nature of the people who lead our Company.

In my previous report, I mentioned that the Remuneration Committee was overseeing the implementation of the revised short-term and long-term incentive schemes for senior employees. I am pleased to advise that these revised schemes are now in place and have proved to be effective incentives that align the interests of the leadership team with the interests of our stakeholders by rewarding results in the form of cash generation and total shareholder returns. The long-term incentive scheme has been positively impacted by the realised value of the significant increase of the Company's share price on the back of the improved gold price and the value proposition of the Company.

The Remuneration Committee remains committed to upholding good corporate governance and remuneration best practice, in line with the guidelines provided by the King Commission.

Toko Mnyango

Chairwoman: Remuneration Committee
29 October 2020

REMUNERATION REPORT CONTINUED

PART A – REMUNERATION GOVERNANCE AND POLICY

Remuneration governance

The Remuneration and Nominations Committee consists of only independent Non-executive Directors and oversees DRDGOLD's Remuneration Policy, its implementation and ensuring remuneration best practice within the Group. The CEO and CFO are standing invitees to the meetings. They have no vote at the meetings and are not present when their remuneration or performance is discussed. There were no deviations from the remuneration policy during the financial year. The short-term and long-term incentive schemes were revised and implemented to drive the short- and long-term strategies, align participants' interests with those of shareholders, incentivise and motivate participants, to attract and retain skills and to reward superior performance by the Company and the participants.

The Remuneration and Nominations Committee held four meetings during the financial year ended 30 June 2020 with attendance as follows:

Committee members	Meetings attended
Toko Mnyango (Chairwoman)	2/4
Geoffrey Campbell	4/4
Edmund Jeneker ¹	4/4
Prudence Lebina ²	3/4
Johan Holtzhausen ³	1/4

Meetings attended while in office.

¹ Edmund Jeneker resigned as Chairman of the committee on 28 August 2019 and was replaced by Toko Mnyango

² Prudence Lebina joined as committee member on 28 August 2019

³ Johan Holtzhausen resigned as a committee member on 28 August 2019

Remuneration policy

Our remuneration policy is aligned with strategy

DRDGOLD is committed to maintaining a Remuneration Policy that is aligned to the company's business strategy and performance objectives to create opportunities for employees to develop their careers resulting in rewards aligned with the attraction and retention of human capital and value creation. Our remuneration policy and practices are aligned with stakeholder interests. The Remuneration Committee is satisfied that the policy has achieved its objectives.

The core principles of our policy are as follows:

- Fair and responsible compensation**

DRDGOLD is committed to non-discriminatory employment practices. Remuneration is therefore fairly and equitably distributed within occupational levels and should there be any discrepancies in occupational job levels, these are justified according to the level of responsibility, the complexity of the position, length of service and qualifications.
- Promote an ethical culture within the group and responsible corporate citizenship**

It is important that our policy complements our Group's core values whilst supporting the achievement of our performance objectives. Employees are not remunerated solely on a set of rigid financial performance objectives but rather they are developed in their trades and professions and evaluated based on their commitment to ethical values, and ultimately, for creating a sustainable business.
- Attract and retain competent employees**

In an increasingly competitive labour market, it is important to motivate individual and team performance to create a high-performance culture. This will ensure that the company's safety standards are maintained and value is created for the business and stakeholders, to manage the total cost of employment as well as to achieve the most effective returns for the company's investment in its people.
- Competitive reward strategy**

The company's reward strategy will include guaranteed pay, variable pay, performance-based reward, learning and development and the creation of a high-performance culture and a safe working environment.
- A healthy and safe environment**

Our company has developed various internal procedures guided by legislation to prevent injuries and fatalities. This cannot be achieved without the commitment of employees to adhere to these various safety protocols. Our remuneration strategy should therefore facilitate an environment where all employees feel safe.

REMUNERATION REPORT CONTINUED

Key elements of the remuneration policy

There are three main elements that make up DRDGOLD's reward approach:

Reward element 1 – Guaranteed pay

Objective and operation

The guaranteed package is determined by the need to attract and retain the skills and competencies required in the organisation. Job grades, reflecting the level of responsibility and conceptual complexity of job roles, are established through the application of the Paterson methodology, which is used throughout the South African mining sector. To apply this, benchmarking is conducted to compare the fairness and market competitiveness of guaranteed packages at the different job levels. This is done annually for employees graded 18 "Paterson DL" and above. All other employees are remunerated based on a negotiated and approved wage agreement. Benchmarking is based on South African national and mining industry companies. We believe these organisations are our competitors for sought-after skills, and therefore deemed to be a reasonable, relevant and defensible selection from which key skills could be gained or to whom key skills could be lost.

Within a range applicable to the job level, individual remuneration is decided with reference to compensable factors, which are neither arbitrary nor discriminatory in terms of the Employment Equity Regulations and the Employment Equity Act.

Performance measures

On a bi-annual basis, individuals agree on their performance objectives for the period and the KPIs which will be used to measure their performance against these objectives. An individual's attributes are weighted and development plans agreed. Evaluation takes place bi-annually/quarterly on a rating scale of 0 to 5.

Reward element 2 – Short-term Incentives

Objective and operation

The intent of the STI scheme remains to reward excellence and to incentivise behaviours and outcomes that drive the Company's broader sustainability goals, production and financial targets and which serve the interest of shareholders. The scheme is dynamic and is constantly being scrutinised by the Remuneration Committee and Board.

We have adopted a pool-based incentive scheme, based on modified free cash flow, which drives a strong culture of teamwork with all participants, who thus work towards a single goal of maximising free cash flow, which is an easy measure to understand. A consistent increase in free cash flow should translate into an increasing share price and dividends, thereby aligning participant and shareholder interests.

Participants are the executives, prescribed officers, senior management graded 19 and above "Paterson DU," and corporate employees graded 18 "Paterson DL" who do not participate in the operations' profit share schemes. All other employees in the Group graded "Paterson DL" and below participate in a profit share scheme aligned to the performance of the respective operations.

On 28 August 2019, the Remuneration Committee approved certain amendments to the STI scheme effective from 1 July 2019 for the financial year ending 30 June 2020. These amendments were as follows:

- The CEO and CFO will now participate in the short-term incentive scheme for senior management. This is to create consistency and a more integrated team-based approach to the short-term incentives of the management team
- The STI pool was increased from 10% to 15% of free cash flow.
- The discretionary element available to the executive committee which provides the ability to recognise exceptional discretionary effort was reintroduced
- The production modifier was enhanced to maximise production, over which Group exercises strong control. The STI pool can be modified upwards as well as downwards, based on gold produced, measured against budget
- An important addition to the STI modifiers, which already include a safety modifier, is a fatality modifier. This was introduced to support the Company's strong commitment to its strategy of a renewed focus on employee safety, development, values and wellbeing
- The individual performance moderator model has been expanded to include employee performance ratings between 2 and 3 to participants in the STI scheme on a broader sliding scale

Performance measures

The STI is funded out of a pool created from the Free Cash Flow ("FCF") generated by DRDGOLD in the financial year:

- Free Cash Flow is defined as cash generated from operations, less capital expenditure ("Capex"), and tax. In the budgeting process, if the Group believes that any Capex, Investment or other items should be excluded or amortised or treated in any different way for determining FCF at the end of the year, they may make representations to the Remuneration Committee on the treatment of such item/s for the purposes of calculating FCF for the STI pool. The Remuneration Committee has absolute discretion in approving the treatment of such items
- An STI Pool of up to 15% of FCF is created
- The STI Pool is modified as per the Tables below

Modifiers of the incentive pool

To drive strategic initiatives, the short-term incentive pool is modified by up to 20% for isolated non-achievements of targets and up to 50% for systemic or repetitive non-compliance. The modifiers are approved by the Remuneration Committee. These strategic initiatives and their measures are assessed at the beginning of each financial year to ensure that current strategies are driven in that year. These strategic modifiers and their weightings are communicated to participants at the beginning of each financial year to ensure understanding and compliance.

REMUNERATION REPORT CONTINUED

The Group performance measures set out by the Remuneration Committee and the weightings for FY2020 are as follows:

Strategic Initiatives Modifiers

- Environmental: 4%
- Safety: 4%
- Social development: 4%
- Labour development: 4%
- Transformation: 4%

Fatality Modifier

- Up to 25% per fatality, depending on the degree of culpability of the company, as assessed by the Remuneration Committee
- If the fatality is as a result of a breakdown in or disregard for a safety culture, the STI Pool can be modified by up to 100% at the Remuneration Committee's discretion

Production Modifier

The calculated STI Pool may be modified, upwards or downwards, based upon gold (kg) produced measured against budget, as follows:

STI Pool Production Modifier

Gold (kg) produced: % of budget	STI Pool adjustment
< 93%	-10%
93% to < 97%	-5%
97% to < 103%	0%
103% to < 107%	+5%
≥ 107%	+10%

Distribution of the Incentive pool

The STI pool, after any moderation, will be distributed as follows:

- 90% formulaically, pro-rata to each individual's "% of STI Pool", as determined below and possibly moderated for individual performance as follows:

Table 4: Individual Performance Moderator

Individual Performance Rating	Modifier %
< 2	-100%
2 to < 2.25	-80%
2.25 to < 2.5	-60%
2.5 to < 2.75	-40%
2.75 to < 3	-20%
≥ 3	0%

- 10% on a discretionary basis
- Each participant's "% of STI Pool" will be determined, taking *inter alia* the following factors into account:

- A. All-inclusive package of the individual for the financial year;
- B. Market-related STI quanta applicable to the category; and
- C. The level of accountability and responsibility of the role of the individual.

Because there is likely to be a portion of the 90% formulaic pool distribution unallocated, due to some individuals with performance ratings of less than 3, this unallocated portion plus the 10% discretionary pool will be allocated by the Executive Committee after recommendations from line management. The Remuneration Committee will approve any allocations from the 10% discretionary pool to Executive Committee members.

Individual allocations under the 90% formulaic allocation are capped as follows:

- Category 18 "Paterson DL" and below – 15% of the individual's all-inclusive package for the year
- Category 19 "Paterson DU" and above - 100% of the individual's all-inclusive package for the year

To be able to reward exceptional individual performance appropriately, the formulaic plus discretionary allocations may exceed this amount, but these instances, if any, would be subject to the Executive Committee's and ultimately the Remuneration Committee's approval.

Further considerations for the CEO and CFO

For the CEO and CFO ("executive directors") the formulaically calculated STI amounts will be reviewed by the Remuneration Committee, which has absolute discretion to further modify the STI amounts, upwards or downwards:

- If compelling, exceptional and objective circumstances warrant such application of discretion; and
- To ensure that the STI amounts awarded are balanced and equitable

Executive directors' STI amounts may be settled in a combination of cash and DRDGOLD shares (deferred bonus shares), with the Remuneration Committee having discretion to make up to 40% of the award in deferred bonus shares.

Deferred Bonus Shares will vest/be released to the executive directors as follows:

- 50% after 9 months; and
- 50% after 18 months

REMUNERATION REPORT CONTINUED

The following provisions apply to the deferred bonus shares:

- A. The executive director needs to be in active service and not under notice of resignation on the vesting dates to be eligible to receive the deferred bonus shares and any dividends accrued thereon; and
- B. The deferred bonus shares carry voting and dividend rights; however, the dividends will accrue and will only be paid out upon the vesting/release of the shares to which the dividends relate.

Termination rules

The following describes participation rules in the event of terminations:

- **Death** – Estate benefits on a pro-rata basis
- **Normal retirement at age 65/permanent disability, early retirement after age 55, retrenchment (including voluntary retrenchment)** – Pro-rata basis
- **Dismissal** – Forfeiture
- **Resignation** – Need to be in active service and not under resignation at payment date to be eligible to receive payment

Reward element 3 – Long-term incentive scheme

Objectives and operation

Executive directors, prescribed officers and senior management participate in the Long-term incentive scheme

Long-term incentives are designed to retain key staff and allow for an opportunity to earn rewards determined with reference to the share price performance of the Group. It is indirectly the shareholders' reward of key executive directors, prescribed officers and senior management staff through the value that the market places on DRDGOLD's shares.

The November 2015 Phantom Share Scheme had a finite term of 5 years, the final 50% vesting expected to occur on 5 November 2020. Upon vesting these awards are paid using the seven day volume weighted average price (VWAP) of the DRDGOLD share price on the JSE for the seven days preceding the date of vesting. The vesting is measured over three, four and five years, subject to individual performance and service conditions. The individual needs to have attained an average individual performance rating of at least 2.5 out of a rating of a maximum rating of 5. Furthermore, the individual is required to be in active service and not under notice of resignation at the settlement payment date.

A revised long-term incentive scheme was implemented and approved by shareholders on 2 December 2019. It is designed to follow contemporary trends in executive remuneration and the rules of good governance. Its terms were decided following a benchmarking exercise by PwC and after further consultation with 21st Century. This scheme has replaced the old Phantom Share long term incentive scheme which is expected to be settled in full on 5 November 2020.

Participants in the scheme are incentivised by way of DRDGOLD equity in the form of Full Value Conditional shares.

Annual awards of Conditional Shares are made in two forms:

- 80% of the award will be in Performance Shares; and
- 20% of the award will be in Retention Shares

The target award value will be referenced to a market-related quantity of shares per level, and will be adjusted based upon individual performance as follows:

Individual rating	% of target value awarded
< 2.75	0
2.75 to < 3.00	50
3.0 to < 3.75	100
3.75 to < 4.5	133.33
4.5 to < 5.0	166.67
5.0	200

An allocation of 5 860 760 conditional shares was awarded to all qualifying employees on 2 December 2019.

Performance measures

The Conditional Shares will vest three years after the award date.

The scheme also makes provision for 50% of the awards granted on 2 December 2019 to vest in calendar year 2021 (being 2 years after the award date) and the remaining 50% to vest in 2022 (being 3 years after the award date). This is a once-off vesting measure to ensure uninterrupted annual vesting and retention of skills as the final vesting of awards under the outgoing scheme will be in calendar year 2020. These have the same vesting conditions explained below except a vesting period of 2 years and 3 years respectively.

Performance Shares (80%) will vest subject to service and performance conditions as follows:

- DRDGOLD's Total Shareholder Return (TSR) over the three-year vesting period exceeding DRDGOLD's Weighted Average Cost of Capital – if achieved, 40% of the Conditional Shares awarded will vest

DRDGOLD's TSR over the three-year vesting period compared to a comparator peer group, as follows:

Percentile of peers	% of Conditional Shares vesting
< 25th percentile	0
25th to < 50th percentile	10
50th to < 75th percentile	30
≥ 75th percentile	40

Retention Shares (20%) will vest subject to:

- Attaining a threshold individual performance rating over the three-year vesting period; and

REMUNERATION REPORT CONTINUED

- The participant being in active service and not under notice of resignation at the settlement date

Termination rules

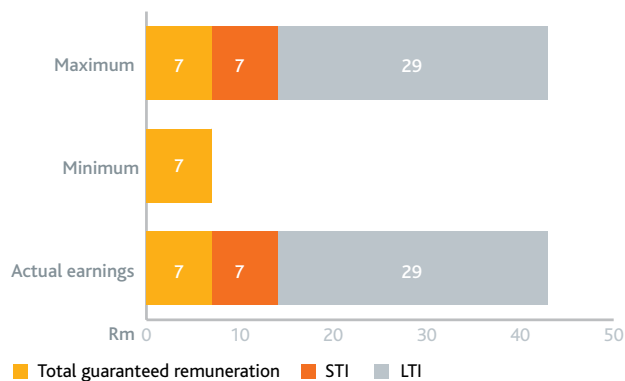
The following describes participation rules in the event of terminations:

- **Death** – The Remuneration Committee has discretion to allow vesting to the estate of the deceased that would vest in the 12 months following the date of death
- **Normal retirement at age 65/permanent disability/early retirement after age 55 and retrenchment (including voluntary retrenchment)** – The Remuneration Committee has discretion to allow vesting of the awards that would vest in the 12 months following the last day of service
- **Dismissal** – Forfeiture of all unvested awards
- **Resignation** – Vesting of awards is subject to the participant being in active service and not under notice of resignation at settlement date
- **Disciplinary actions** – Vesting suspended pending outcome of any disciplinary action. If dismissal then forfeiture of all unvested awards. If not dismissed, vesting occurs in accordance with the rules and participation continues

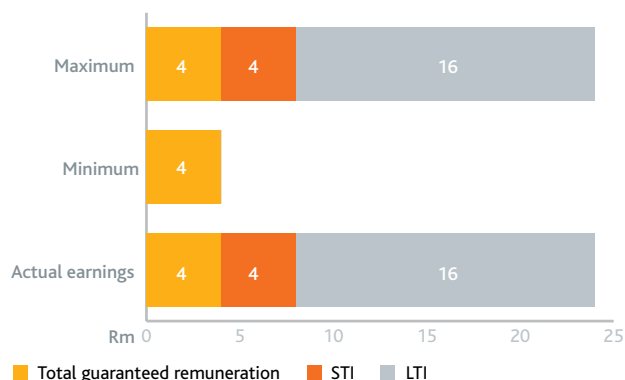
Governance and administration of reward elements

The Remuneration Committee has the authority to amend, in part or in its entirety, or withdraw the short-term and long-term incentive schemes, at any time and will review the incentive schemes each year to ensure that the correct strategies of DRDGOLD are being driven by the incentive scheme. Short-term incentive payments are made after DRDGOLD's provisional results have been signed off by the external auditors.

CEO remuneration based on total single figure remuneration



CFO remuneration based on total single figure remuneration



REMUNERATION REPORT CONTINUED

Remuneration consultants

The Remuneration Committee engages independent consultants to assist in fulfilling its remuneration mandates.

During the FY2020, the committee engaged PwC to perform a benchmarking exercise on the remuneration of all jobs graded "Category 18" and above "Paterson DL".

21st Century was engaged to revise the short-term and long-term incentive schemes detailed above.

The board is satisfied that 21st Century and PWC are independent and objective service providers.

Non-executive directors' remuneration policy

The objective of the non-executive directors' remuneration policy is to compensate them fairly for their roles in steering the Group toward the achievement of its strategic objectives and applying good corporate governance principles.

Their remuneration is based on the following principles:

- They do not participate in the short- or the long-term incentive schemes as participation could be seen to compromise their independence and the impartiality of their oversight role
- Fees are benchmarked against South African national and mining industry companies and non-South African industry companies to ensure that they remain competitive. In addition, the complexity, scale and locality of the Group's operations and the governance environment in which it functions are taken into account in order to ensure that candidates of the required experience and skill are sourced and retained for service on the board
- Receive fixed retainers made up of a base fee and committee fee as outlined in clause 30 of the MOI as well as section 66(8) and (9) of the Companies Act, 2008

- Reimbursed for travel expenses on official business where necessary, as well as other direct business-related expenses
- Fees are reviewed annually. A 5% increase is proposed for approval at the 2020 AGM. The last increase proposed and approval at the AGM was in November 2017

Non-executive directors' fees during FY2020:

Non-executive Director's role	Annual retainer Rand fee
Chairperson of the Board ¹	1 388 518
Lead independent director ¹	640 261
Board member ¹	617 119
Audit and Risk Committee Chairperson ²	30 856
Audit and Risk Committee member	30 856
Remuneration and Nominations Chairperson ²	23 142
Remuneration and Nominations member	23 142
Social and Ethics Chairperson ²	23 142
Social and Ethics member	23 142
Ad-hoc work rates	Rand fees
Daily fee	23 142
Hourly rate	3 086
Half-day fee for participating by telephone in special board meetings	11 571

¹ The chairman of the Board, lead independent director and other non-executive directors receive committee fees

² The chairman of the sub-committees received fees as both chairman and member

NON-BINDING ADVISORY VOTES ON THE REMUNERATION POLICY

DRDGOLD welcomes feedback from shareholders and the remuneration policy and implementation report will be tabled for separate non-binding advisory votes by shareholders at the upcoming AGM, as recommended by King IV. In the event that either or both are voted against by 25% or more of the voting rights entitled to be exercised by shareholders at the AGM, we would seek to engage with shareholders and would invite shareholders to forward their reasons or concerns in writing. DRDGOLD will then arrange for further engagement in this regard.

The remuneration policy, implementation report, long-term incentive scheme and non-executive directors fees were tabled for non-binding advisory votes at the Annual General Meeting (AGM) held on 2 December 2019.

The results of the meeting were as follows:

- Endorsement of the Remuneration Policy: Votes in favour - 99.69%
- Endorsement of the Implementation Report: Votes in favour - 99.77%
- Adoption of the DRDGOLD Management Long-term incentive scheme: Votes in favour - 99.67%
- Approval of non-executive directors' remuneration: Votes in favour - 95.82%

REMUNERATION REPORT CONTINUED

PART B: IMPLEMENTATION REPORT OF REMUNERATION POLICY FOR FY2020

Total guaranteed pay outcomes

Executive Directors and Prescribed Officers

	Movement ¹ %	2020 R'000	2019 R'000
CEO	5.0	6 596	6 223
CFO	5.0	3 706	3 496
Operations director	5.0	3 706	3 496
Company Secretary ²	N/A	1 209	–

¹ The executive directors and prescribed directors received a 5% increase in FY2020. Percentage movement is impacted by roundings to the nearest R'000

² Elise Beukes was appointed as Company secretary on 1 October 2019, replacing Reneiloe Masemene (Group Legal Counsel and Company Secretary) who resigned on 30 September 2019

Average salary increases

	2020 %	2019 %
Prescribed officers (July each year)	5	6
Senior management (January each year)	5	6
Middle and junior management (July each year)	5.5	5.5 ²
Unionised and non-unionised (July each year) – ERGO	5.5	5.5 ²
Unionised and non-unionised (July each year) – FWGR	7.8	7.3 ²
Consumer Price Index ¹	4.1	4.7

¹ Annual average consumer price index for calendar year 2020 and 2019 respectively

² Average salary increases incorrectly disclosed as 8.2% for each category in the 30 June 2019 integrated annual report

Total remuneration

Directors' and prescribed officers' remuneration

The tables below illustrate the total single figure of remuneration and the total cash equivalent received reconciliation in R'000 for directors and executive management for FY2020. Executive management includes the executive directors and prescribed officers, who are also referred to as the executive committee of the group. This is the first time that these have been presented in this format for further alignment with the recommendations of the King IV code:

Total single figure remuneration

Name	2020				2019			
	Total guaranteed remuneration ¹	Remuneration earned during the period but not yet settled		Total single figure remuneration	Total guaranteed remuneration	Remuneration earned during the period but not yet settled		Total single figure remuneration
		Short-term Incentives related to this cycle	Unvested cash settled LTI ²			Short-term Incentives related to this cycle	Unvested cash settled LTI	
Executive directors								
D J Pretorius	6 904	6 597	28 910	42 411	6 481	4 668	7 552	18 701
A J Davel	3 890	3 706	16 241	23 837	3 669	2 622	4 243	10 534
Prescribed officers								
W J Schoeman	3 689	3 706	16 241	23 636	3 479	2 565	4 243	287
R Masemene ³	697	–	–	697	2 478	1 186	2 589	6 253
E Beukes ¹	976	930	–	1 906	–	–	–	–
	16 156	14 939	61 392	92 487	16 107	11 041	18 627	45 975
Non-executive directors								
GC Campbell	1 573	–	–	1 573	1 514	–	–	1 514
J Turk	–	–	–	–	280	–	–	280
EA Jeneker	861	–	–	861	916	–	–	916
J Holtzhausen	714	–	–	714	702	–	–	702
TVBN Mnyango	728	–	–	728	690	–	–	690
JJ Nel	685	–	–	685	377	–	–	377
KP Lebina	705	–	–	705	104	–	–	104
	5 266	–	–	5 266	4 583	–	–	4 583
Grand Total	21 422	14 939	61 392	97 753	20 690	11 041	18 627	50 358

¹ Includes contributions made by the company to the Sanlam Group Life plan

² Unvested cash settled LTI refers to the old November 2015 scheme which is expected to be fully settled on 5 November 2020

³ R Masemene resigned on 30 September 2019. E Beukes appointed on 1 October 2019

REMUNERATION REPORT CONTINUED

Total cash equivalent received reconciliation

Name	2020								2019							
	Remuneration earned during the period but not yet settled				Long-term Incentives Paid during the period				Remuneration earned during the period but not yet settled				Long-term Incentives Paid during the period			
	Total single remuneration figure	Short-term Incentives earned during the period but not yet paid	Unvested cash settled LTI	Short term incentives related to previous cycle paid during the period	Grant date fair value @ R2.26	Market movement since grant date	Vesting fair value @ R7.31	Total cash equivalent received	Total single remuneration figure	Short-term Incentives earned during the period but not yet paid	Unvested cash settled LTI	Short term incentives related to previous cycle paid during the period	Grant date fair value @ R2.26	Market movement since grant date	Vesting fair value @ R3.82	Total cash equivalent received
Executive directors																
D J Pretorius	42 411	(4 948)	(28 910)	4 668	1 574	3 520	5 094	18 315	18 991	(4 668)	(7 552)	4 697	1 050	727	1 777	13 245
A J Davel	23 837	(2 779)	(16 241)	2 622	885	1 977	2 862	10 301	10 697	(2 622)	(4 243)	2 639	590	408	998	7 469
Prescribed officers																
W J Schoeman	23 636	(2 780)	(16 241)	2 565	885	1 977	2 862	10 042	10 450	(2 565)	(4 243)	2 013	590	408	998	6 653
R Masemene	697	-	-	1 186	-	-	-	1 883	6 353	(1 186)	(2 589)	808	342	267	609	3 995
E Beukes	1 906	(697)	-	-	-	-	-	1 209	-	-	-	-	-	-	-	-
	92 487	(11 204)	(61 393)	11 041	3 344	7 474	10 818	41 750	46 491	(11 041)	(18 627)	10 157			4 382	31 362
Non-executive directors																
GC Campbell	1 573							1 573	1 514							1 514
J Turk	-							-	280							280
EA Jeneker	861							861	916							916
J Holtzhausen	714							714	702							702
TVBN Mnyango	728							728	690							690
JJ Nel	685							685	377							377
KP Lebina	705							705	104							104
	5 266							5 266	4 583							4 583
Grand total	97 986	(14 939)	(61 393)					43 513	51 074	(11 041)	(18 627)					35 945

REMUNERATION REPORT CONTINUED

DRDGOLD phantom share scheme

Directors/prescribed officers	2020						
	Opening balance Number	Granted Number	Vested Number	Proceeds R	Average exercise price R/share	Forfeited/lapsed Number	Closing balance Number
Executive directors							
DJ Pretorius	1 858 407	–	(696 903)	5 094 361	7.31	–	1 161 504
AJ Davel	1 044 026	–	(391 510)	2 861 938	7.31	–	652 516
	2 902 433	–	(1 088 413)	7 956 299		–	1 814 020
Prescribed officers							
WJ Schoeman	1 044 026	–	(391 510)	2 861 938	7.31	–	652 516
R Masemene	637 168	–	–	–	–	(637 168)	–
	1 681 194	–	(391 510)	2 861 938		(637 168)	652 516
Total	4 583 627	–	(1 479 923)	10 818 237		(637 168)	2 466 536

The fair value of unvested phantom shares at 30 June was R24.89. The fair value at grant date of these awards was R2.26

DRDGOLD new equity settled share scheme

Directors/prescribed officers	Granted number	Fair Value at grant date (R'000) ¹	Fair Value of unvested awards as at 30 June 2020 (R'000) ¹
Executive directors			
DJ Pretorius	1 069 321	4 780	27 171
AJ Davel	517 522	2 313	13 150
	1 586 843	7 093	40 321
Prescribed officers			
WJ Schoeman	517 522	2 313	13 150
E Beukes	76 362	341	1 940
	593 884	2 654	15 090
Total	2 180 727	9 747	55 411

¹ Fair value per share at grant date is R4.47. Fair value per share at 30 June 2020 is R25.41 per share

The performance of the CEO and CFO was measured as follows:

Short-term goals

Key performance indicator	Description	Measure	
		FY2020	FY2019
Net free cash flow	Free cash inflow of R926.4 million compared to free cash outflow of R14.7 million (after investment of R330.7 million in FWGR)	Achieved	Achieved
Production	9% increase in gold produced compared to a 6% increase in gold produced in FY2019	Achieved	Achieved
Costs	Cash operating costs increased as a result of FWGR maiden full 12-month production in FY2020. All-in sustaining costs per kilogram increased, but contained in line with overall production	Achieved	Achieved
Share price	Outperformed the index of gold stocks in FY2020, underperformed in FY2019	Achieved	Not achieved
Internal controls over financial reporting	No material non-compliance	Achieved	Achieved
Safety	No fatalities (one fatality in FY2019)	Achieved	Not achieved

REMUNERATION REPORT CONTINUED

Long-term goals

Key performance indicator	Description	Measure	
		FY2020	FY2019
Resource optimisation	Addition of Marievale mineral reserves at Ergo (FY2019 82% increase as a result of FWGR acquisition)	Achieved	Achieved
Growth and strategic development	Advance planning in Phase II project of FWGR and extension of Brakpan/Withok TSF	Achieved	Achieved
Sustainability	Stable consumption of potable water at 8%	Achieved	Achieved
Environmental practice	Dust emissions stable at 0.52% of all samples taken through continuous vegetation and dust suppression (0.65% in FY2019)		
Social value	Poverty alleviation: BBL Programme reached over 3 000 participants		
	Youth education: more than 681 learners at eight schools participating in mathematics, science and accountancy programmes		
	Implementation of MSE COVID 19 response initiative	Achieved	Achieved

STI Scheme

During the current year, the cash pool was modified for safety (1%) and for production (10%). After these modifications, the remaining pool was still above the ceiling which the STI scheme permitted.

Directors' service contracts

Service contracts have been concluded with executive directors as well as the non-executive directors.

Executive directors have minimum term employment contracts with DRDGOLD. Following expiry, such minimum period service agreements may be terminated upon notice of up to three months, provided that such termination is otherwise substantively and procedurally fair. Other than accumulated retrenchment entitlements, there are no lump sum payments on termination, loss of office awards, or automatic entitlement to short- and long-term incentives other than in terms of the Group's approved incentive plans.

Non-executive directors have fixed-term contracts (they expire unless expressly renewed). Details of the service contracts are set out in the following table.

The directors had no conflicting interests during the year under review and up to the date of issue of the AFS.

Director	Title	Year first appointed	Unexpired term of service contract as at 30 June 2020
DJ Pretorius ¹	Chief Executive Officer	2008	24 months
AJ Davel ¹	Chief Financial Officer	2015	24 months
GC Campbell	Non-executive Chairman	2002	16 months
J Holtzhausen	Non-executive Director	2014	21 months
EA Jeneke	Non-executive Director	2007	16 months
KP Lebina	Non-executive Director	2019	10 months
TVBN Mnyango	Non-executive Director	2016	5 months
J Nel	Non-executive Director	2018	5 months

¹ DJ Pretorius and AJ Davel contracts renewed for a further minimum three years with effect from 1 July 2019

05

OTHER

INFORMATION

DRDGOLD is a world leader in gold production from tailings retreatment. We seek to mine our mineral resources profitably and sustainably while adding social and economic value and releasing previously sterilised land, through rehabilitation, back to the greater Johannesburg and Far West Rand for redevelopment.



REPORTING IN LINE WITH GRI STANDARDS

The GRI's Sustainability Reporting Standards (core compliance) and their Mining Sector Supplement were adopted as the basis for DRDGOLD's Annual Integrated Report 2019.

KPMG Services (Pty) Ltd has provided limited assurance (LA) on selected information – see the Independent assurance statement on pages 99-100.

GRI standard	Disclosure number	Disclosure title	Section and page
GENERAL DISCLOSURES			
Organisational profile	102-1	Name of the organisation	Throughout the report
	102-2	Activities, brands, products, and services	Our business model: 20
	102-3	Location of headquarters	Administration and contact details: 104
	102-4	Location of operations	Where we operate: 24-25
	102-5	Ownership and legal form	Who we are: 18
	102-6	Markets served	Our business model: 20
	102-7	Scale of the organisation	Who we are: 18 Where we operate: 24-25 Financial performance: 10-14
	102-8	Information on employees and other workers	Employee relations: 46
	102-9	Supply chain	Social value-add: 52 Human relations: 46
	102-10	Significant changes to the organisation and its supply chain	Strategy and outlook: 28-31
	102-11	Precautionary Principle or approach	Environmental value-add: 55-61
	102-12	External initiatives	About this report: 4 Our operating environment: 34-39
	102-13	Membership of associations	Our operating environment: 34-39
Strategy	102-14	Statement from senior decision-maker	CEO's review: 8-9
	102-15	Key impacts, risks, and opportunities	Risks and mitigations: 32-33
Ethics and integrity	102-16	Values, principles, standards, and norms of behaviour	Corporate governance: 71
	102-17	Mechanisms for advice and concerns about ethics	Corporate governance: 71
Governance	102-18	Governance structure	Corporate governance: 72
	102-19	Delegating authority	Corporate governance: 72
	102-20	Executive-level responsibility for economic, environmental, and social topics	Corporate governance: 72
	102-21	Consulting stakeholders on economic, environmental, and social topics	Our stakeholder groups: 41-42
	102-22	Composition of the highest governance body and its committees	Board composition: 73-74
	102-23	Chair of the highest governance body	Corporate governance: 69
	102-24	Nominating and selecting the highest governance body	Board composition: 73-74

REPORTING IN LINE WITH GRI STANDARDS CONTINUED

GRI standard	Disclosure number	Disclosure title	Section and page
	102-25	Conflicts of interest	Board composition: 73-74
	102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate governance: 71-76
	102-27	Collective knowledge of highest governance body	Directors and management: 69-70
	102-28	Evaluating the highest governance body's performance	Corporate governance: 76-79
	102-29	Identifying and managing economic, environmental, and social impacts	Social and ethics committee: 79
	102-30	Effectiveness of risk management processes	Risks and mitigations: 32-33
	102-31	Review of economic, environmental, and social topics	Social and ethics committee: 79
	102-32	Highest governance body's role in sustainability reporting	Social and ethics committee: 79
	102-33	Communicating critical concerns	Our stakeholder groups: 41-42
	102-34	Nature and total number of critical concerns	Our stakeholder groups: 41-42
	102-35	Remuneration policies	Remuneration report: 80-90
	102-36	Process for determining remuneration	Remuneration report: 80-86
	102-37	Stakeholders' involvement in remuneration	Remuneration report: 80-90
	102-38	Annual total compensation ratio	None
	102-39	Percentage increase in annual total compensation ratio	Remuneration report: 87
Stakeholder engagement	102-40	List of stakeholder groups	Our stakeholder groups: 41-42
	102-41	Collective bargaining agreements	Employee relations: 46-48
	102-42	Identifying and selecting stakeholders	About this report: 4 Our stakeholder groups: 41-42
	102-43	Approach to stakeholder engagement	Our stakeholder groups: 41-42
	102-44	Key topics and concerns raised	Our stakeholder groups: 41-42
Reporting practice	102-45	Entities included in the consolidated financial statements	About this report: 4
	102-46	Defining report content and topic boundaries	About this report: 4
	102-47	List of material topics	About this report: 4 Our material issues: 5
	102-48	Restatements of information	Employee relations: 47 Mineral Resources and Mineral Reserves: 67 Remuneration report: 87
	102-49	Changes in reporting	About this report: 4
	102-50	Reporting period	About this report: 4
	102-51	Date of most recent report	About this report: 4
	102-52	Reporting cycle	About this report: 4
	102-53	Contact point for questions regarding the report	About this report: 4
	102-54	Claims of reporting in accordance with the GRI Standards	About this report: 4
	102-55	GRI content index	Reporting in line with GRI Standards: 92-98
	102-56	External assurance	Independent assurance statement: 99-100

REPORTING IN LINE WITH GRI STANDARDS CONTINUED

GRI standard	Disclosure number	Disclosure title	Section and page
MANAGEMENT APPROACH			
	103-1	Explanation of the material topic and its boundary	Our material issues: 5 Our stakeholder groups: 41-42 Throughout this report
	103-2	The management approach and its components	Our stakeholder groups: 41-42 Throughout this report
	103-3	Evaluation of the management approach	Our stakeholder groups: 41-42 Throughout this report Remuneration report: 80-90
ECONOMIC PERFORMANCE			
Economic performance	201-1	Direct economic value generated and distributed	The value we created and distributed: 26-27
	201-2	Climate change	Our operating environment: 37 Risks and mitigations: 32 Environmental value-add: 59-60
	201-3	Defined benefit plan obligations and other retirement plans	Remuneration report: 80-90
	201-4	Financial assistance received from government	None
Market presence	202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	Remuneration: 48 Remuneration policy: 81-82
	202-2	Proportion of senior management hired from the local community	None
Indirect economic impacts	203-1	Infrastructure investments and services supported	Our business model: 23 Social value-add: 52
	203-2	Significant indirect economic impacts	Social value-add: 52
Procurement practices	204-1	Proportion of spending on local suppliers	Value added statement: 26 Social licence to operate: 53
Anti-corruption	205-1	Operations assessed for risks related to corruption	None
	205-2	Communication and training about anti-corruption policies and procedures	Corporate governance: 71
	205-3	Confirmed incidents of corruption and actions taken	Corporate governance: 71
Anti-competitive behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Corporate governance: 71

REPORTING IN LINE WITH GRI STANDARDS CONTINUED

GRI standard	Disclosure number	Disclosure title	Section and page
ENVIRONMENTAL PERFORMANCE			
Materials	301-1	Materials used by weight or volume	Primary reagents: 61
	301-2	Recycled input materials used	Environmental value-add: 55-57
	301-3	Reclaimed products and their packaging materials	Operational performance: 43-45
Energy	302-1	Energy consumption within the organisation	Energy consumption: 59-60
	302-2	Energy consumption outside of the organisation	None
	302-3	Energy intensity	Energy consumption: 59-60
	302-4	Reduction of energy consumption	Energy consumption: 59-60
	302-5	Reductions in energy requirements of products and services	Energy consumption: 59-60
Water	303-1	Water withdrawal by source	Environmental value-add: 56-57
	303-2	Water sources significantly affected by withdrawal of water	Environmental value-add: 56-57
	303-3	Water recycled and reused	Environmental value-add: 56-57
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environmental value-add: 56-57
	304-2	Significant impacts of activities, products, and services on biodiversity	Environmental value-add: 56-57
	304-3	Habitats protected or restored	None
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	None
	MM1	Amount of land (owned or leased and managed for production activities or extractive use) disturbed or rehabilitated	Rehabilitation: 56-57, 59
	MM2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place	Rehabilitation: 55-57
Emissions	305-1	Direct (Scope 1) GHG emissions	Energy consumption: 59-60
	305-2	Energy indirect (Scope 2) GHG emissions	Energy consumption: 59-60
	305-3	Other indirect (Scope 3) GHG emissions	Energy consumption: 59-60
	305-4	GHG emissions intensity	Energy consumption: 59-60
	305-5	Reduction of GHG emissions	Energy consumption: 59-60
	305-6	Emissions of ozone-depleting substances (ODS)	None
	305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Energy consumption: 59-60

REPORTING IN LINE WITH GRI STANDARDS CONTINUED

GRI standard	Disclosure number	Disclosure title	Section and page
Effluents and waste	306-1	Water discharge by quality and destination	Our operating environment: 37-38 Environmental value-add: 56-57
	306-2	Waste by type and disposal method	Operational performance: 44-45
	306-3	Significant spills	None Corporate governance: 71
	306-4	Transport of hazardous waste	Operational performance: 44-45
	306-5	Water bodies affected by water discharges and/or runoff	Environmental value-add: 56-57
	MM3	Total amounts of overburden, rock, tailings and sludges, and their associated risks	Our operating environment: 37-39 Environmental value-add: 56-57
Environmental compliance	307-1	Non-compliance with environmental laws and regulations	Corporate governance: 71 None
	MM10	Number and percentage of operations with closure plans	Rehabilitation: 55-57
Supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria	None
	308-2	Negative environmental impacts in the supply chain and actions taken	Corporate governance: 71 None
SOCIAL PERFORMANCE			
Employment	401-1	New employee hires and employee turnover	Recruitment: 48
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Remuneration: 48 Remuneration policy: 81-82
Labour/management relations	402-1	Minimum notice periods regarding operational changes	Employee engagement: 47-48
	MM4	Number of strikes and lockouts exceeding one week's duration by country	Remuneration: 48 None
Occupational health and safety	403-1	Workers representation in formal joint management-worker health and safety committees	Health and safety review: 50-51
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Health and safety review: 50-51
	403-3	Workers with high incidence or high risk of diseases related to their occupation	Health and safety review: 51
	403-4	Health and safety topics covered in formal agreements with trade unions	Our stakeholder groups: 41-42

REPORTING IN LINE WITH GRI STANDARDS CONTINUED

GRI standard	Disclosure number	Disclosure title	Section and page
Training and education	404-1	Average hours of training per year per employee	Employee relations: 47
	404-2	Programmes for upgrading employee skills and transition assistance programmes	Employee relations: 47
	404-3	Percentage of employees receiving regular performance and career development reviews	Employee relations: 47
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	Board composition: 73-74 Employee relations: 48
	405-2	Ratio of basic salary and remuneration of women to men	None
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	None
Freedom of association and collective bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	None
Child labour	408-1	Operations and suppliers at significant risk for incidents of child labour	None
Forced or compulsory labour	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	None
Security practices	410-1	Security personnel trained in human rights policies or procedures	None
Rights of indigenous peoples	411-1	Incidents of violations involving rights of indigenous peoples	None
Human rights assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	None Employee relations: 48
	412-2	Employee training on human rights policies or procedures	Employee relations: 47
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	None

REPORTING IN LINE WITH GRI STANDARDS CONTINUED

GRI standard	Disclosure number	Disclosure title	Section and page
Local communities	413-1	Operations with local community engagement, impact assessments, and development programmes	Social value-add: 52-54
	413-2	Operations with significant actual and potential negative impacts on local communities	Environmental value-add: 55-61 Throughout the report
	MM5	Total number of operations taking place in or adjacent to indigenous peoples' territories, and number and percentage of operations or sites where there are formal agreements with indigenous peoples' communities	None
Supplier social assessment	414-1	New suppliers that were screened using social criteria	None
	414-2	Negative social impacts in the supply chain and actions taken	None
Public policy	415-1	Political contributions	None
Customer health and safety	416-1	Assessment of the health and safety impacts of product and service categories	Not material
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	None
Marketing and labelling	417-1	Requirements for product and service information and labelling	Not material
	417-2	Incidents of non-compliance concerning product and service information and labelling	None
	417-3	Incidents of non-compliance concerning marketing communications	None
Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	None
Socio-economic compliance	419-1	Non-compliance with laws and regulations in the social and economic area	None Corporate governance: 71

INDEPENDENT ASSURANCE PROVIDER'S LIMITED ASSURANCE REPORT ON SELECTED SUSTAINABILITY KEY PERFORMANCE INDICATORS

To the Directors of DRDGOLD Limited

We have undertaken a limited assurance engagement on selected sustainability key performance indicators ("KPIs"), as described below, and presented in the 2020 Annual Integrated Report of DRDGOLD Limited ("DRDGOLD") for the year ended 30 June 2020 ("the Report"). This engagement was conducted by a multidisciplinary team including social, environmental, carbon and assurance specialists with relevant experience in sustainability reporting.

Subject Matter

We have been engaged to provide a limited assurance conclusion in our report on the selected KPIs set out in Table 1 below, which are marked with a 'LA' on the relevant pages in the Report. The selected sustainability KPIs described below have been prepared in accordance with the GRI Standards, supported by DRDGOLD's internally developed guidelines (collectively referred to as "DRDGOLD's reporting criteria").

Table 1: Scope of the KPIs prepared for the 2020 reporting period

Category	Selected Sustainability KPIs	Coverage/Reporting Boundary
Natural Capital	Total water used	Ergo Mining Proprietary Limited (Ergo), Far West Gold Recoveries Proprietary Limited (FWGR) and DRDGOLD Limited
	Potable water sourced externally	
	Electricity consumption	
	Diesel consumption	
	Natural gas consumption	
	Scope 1 CO ₂ e emissions	
	Scope 2 CO ₂ e emissions	
	Total CO ₂ e emissions	
	Total dust exceedances	
Cyanide consumption		
Human Capital	Fatalities	DRDGOLD Limited
	Lost Time Injury Frequency Rate (LTIFR)	
	Reportable Injury Frequency Rate (RIFR)	
Social Capital	Total socio-economic development spend	DRDGOLD Limited

Directors' Responsibilities

The Directors are responsible for the selection, preparation and presentation of the selected sustainability KPIs in accordance with DRDGOLD's reporting criteria. This responsibility includes the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance and design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected sustainability KPIs and for ensuring that those criteria are publicly available to the Report users.

Inherent Limitations

Greenhouse gas emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Control

We have complied with the independence and all other ethical requirements of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. KPMG Services Proprietary Limited applies the International Standard on Quality Control 1, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the selected sustainability KPIs based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, and the carbon emission assurance portion of our engagement in accordance with the International Standard on Assurance Engagements 3410, *Assurance Engagements on Greenhouse Gas Statements* ("ISAE 3410"),

INDEPENDENT ASSURANCE PROVIDER'S LIMITED ASSURANCE REPORT ON SELECTED SUSTAINABILITY KEY PERFORMANCE INDICATORS CONTINUED

issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform our engagement to obtain limited assurance about whether the selected sustainability KPIs are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) and ISAE 3410 involves assessing the suitability in the circumstances of DRDGOLD's use of its reporting criteria as the basis of preparation for the selected sustainability KPIs, assessing the risks of material misstatement of the selected sustainability KPIs whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected sustainability KPIs.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgment and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interviewed management to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- Inspected documentation to corroborate the statements of management in our interviews;
- Conducted interviews with relevant key personnel and data owners to understand data collection and report preparation processes, as well as the associated key controls;
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;
- Evaluated the reasonableness and appropriateness of significant estimates and judgements made by the directors in the preparation of the selected sustainability KPIs;
- Undertook site visits to Ergo and FWGR to corroborate selected information to complete the above-mentioned procedures; and
- Evaluated whether the selected sustainability KPIs presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at DRDGOLD.

The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether DRDGOLD's selected sustainability KPIs have been prepared, in all material respects, in accordance with DRDGOLD's reporting criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and evidence we have obtained and subject to the inherent limitations outlined elsewhere in this report, nothing has come to our attention that causes us to believe that the selected sustainability KPIs, as set out in the subject matter paragraph above for the year ended 30 June 2020 are not prepared, in all material respects, in accordance with DRDGOLD's reporting criteria.

Other Matter

The maintenance and integrity of the DRDGOLD website is the responsibility of DRDGOLD's management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the Report or our independent limited assurance report that may have occurred since the initial date of presentation on the DRDGOLD website.

Restriction of Liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected sustainability KPIs to the Directors of DRDGOLD in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than DRDGOLD, for our work, for this report, or for the conclusion we have reached.

KPMG Services Proprietary Limited

Per P Lalla

Chartered Accountant (SA)
Registered Auditor
Director
29 October 2020

KPMG Crescent

85 Empire Road
Parktown
Johannesburg
2193

GLOSSARY OF TERMS AND ABBREVIATIONS

Term / Abbreviation	Description
AFS	Annual Financial Statements
AGM	Annual general meeting
AISC	All-in sustaining costs
AMCU	Association of Mineworkers and Construction Union, a labour union
AMD	Acid mine drainage
BBBEE	Broad-Based Black Economic Empowerment
BEE Act	Broad-Based Economic Empowerment Act
CEO/CFO	Chief Executive Officer/Chief Financial Officer
CIL	Carbon in leach: a process for extracting gold from slurry material
Competent Person	The SAMREC Code defines a competent person as a person who is registered with any one of the following: South African Council for Natural Scientific Professions, Engineering Council of South Africa, The South African Council for Professional Land Surveyors and Technical Surveys or any other statutory South African or international body recognised by SAMREC. A competent person should have a minimum of five years' experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which that person is undertaking
cps	Cents per share
CSI	Corporate social investment
Db(A)	Decibel
DMRE	Department of Mineral Resources and Energy
DRDGOLD	DRDGOLD Limited
DP2	Driefontein plant 2
DWS	Department of Water and Sanitation
EBDA	Ergo Business Development Academy NPC
EBITDA	Earnings before interest, taxes, depreciation and amortisation
ECSA	Engineering Council of South Africa
EMO	Ergo Mining Operations Proprietary Limited (subsidiary of DRDGOLD)
EMP	Environmental management plan
Ergo	Ergo Mining Proprietary Limited, an operating company owned by DRDGOLD, which includes the City Deep, Knights and Brakpan sites from 3 July 2012
ERPM	East Rand Proprietary Mines Limited, wholly-owned by DRDGOLD and the subject of a sale of its underground mineral and prospecting rights
ERM	Enterprise-wide risk management
ESG	Environment, Social and Governance
FWGR	Far West Gold Recoveries Proprietary Limited, an operating company owned by DRDGOLD acquired on 31 July 2018. Includes sites in the Carletonville area of Gauteng
GDP	Gross Domestic Product
GHG	Greenhouse gas emissions
GRI	Global Reporting Initiative
HDP	Historically disadvantaged people
HDSA	Historically disadvantaged South African

GLOSSARY OF TERMS AND ABBREVIATIONS CONTINUED

Term / Abbreviation	Description
Human rights incident	Includes violation of human rights. These include but are not limited to the right to life, freedom from slavery and torture, freedom of opinion and expression, the right to work and education
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
InSAR	Historical Interferometric Synthetic Aperture Radar
JSE	Johannesburg Stock Exchange Limited
KPI	Key performance indicator
KPMG Inc	External auditors for DRDGOLD
KPMG Services Proprietary Limited	Independent Assurance provider for selected sustainability key performance indicators in this report
LA	Limited assurance
LoM	Life-of-mine. Number of years that the operation is planning to mine and treat gold bearing material, taken from the current mine plan
LED	Local economic development
LTI	Long-term incentive
LTIFR	Lost time injury frequency rate. The number of lost time injuries (1-13 days) occurring per 1 million man hours worked
Metallurgical plant	Processing plant used to treat gold bearing material and extract the contained metals
Mineral Reserve	A mineral reserve is the economically mineable material derived from a measured and/or indicated mineral resource. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified. Mineral reserves are subdivided in order of increasing confidence into probable mineral reserves and proved mineral reserves
Mineral Resource	A mineral resource is a concentration (or occurrence) of material of economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a mineral resource are known, estimated from specific geological evidence and knowledge, or interpreted from a well-constrained and portrayed geological model. Mineral resources are subdivided, in order of increasing confidence in respect of geoscientific evidence, into inferred, indicated and measured categories
Mining Charter	The Broad-based Socio-economic Empowerment Charter for the South African Mining Industry developed in terms of Section 100 of the Mineral and Petroleum Resources Development Act of 2002, to set the framework, targets and timetable for effecting the entry of HDSAs into the mining industry
MOI	Memorandum of Incorporation
Moz	Million ounces
MPRDA	Mining and Petroleum Resources Development Act 28 of 2002
NEMA	National Environmental Management Act

GLOSSARY OF TERMS AND ABBREVIATIONS CONTINUED

Term / Abbreviation	Description
NNR	National Nuclear Regulator
NIHL	Noise-induced hearing loss
NOM	Notice of meeting
NOx	Nitrogen oxides
NUM	National Union of Mineworkers, a labour union
NYSE	New York Stock Exchange
OroTree	OroTree Limited
Ounce/oz	One troy ounce which equals 32.1507 grams
PFS	Pre-feasibility study
Rand Refinery	Rand Refinery Proprietary Limited
RCF	Revolving Credit Facility secured with ABSA Bank Limited (Acting through its corporate and Investment Banking division)
Rehabilitation	The process of restoring mined land to allow appropriate post-mining usage. Rehabilitation standards are determined and audited by the Department of Mineral Resources and address ground and surface water, topsoil, final slope gradients, waste handling and revegetation issues
RIFR	Reportable injury frequency rate. The number of reportable injuries requiring medical treatment per 1 million man hours worked
RTSF	Regional Tailings Storage Facility
PwC	PricewaterhouseCoopers
SACNASP	South African Council for Natural Scientific Professions
SAIMM	Southern African Institute of Mining and Metallurgy
SAMREC Code	The South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves, including the guidelines contained therein
SEC	United States Securities and Exchange Commission
SED	Social economic development
SENS	Stock Exchange News Service
SLP	Social and labour plan
SOX	Sarbanes-Oxley Act of 2002
SOx	Sulphur oxides
STI	Short-term Incentives
TCTA	Trans-Caledon Tunnel Authority
Tailings	Finely ground rock from which valuable minerals have been extracted, may still include mineral particles
TSF	Tailings storage facility
TSR	Total Shareholder Return
Tailings dam	Dams or dumps created from residue after the economically recoverable metal has been extracted from tailings material, also known as tailings deposition sites/facilities
TCTA	Trans-Caledon Tunnel Authority
UASA	UASA – The Union, formerly the United Association of South Africa, a labour union

ADMINISTRATION AND CONTACT DETAILS

OFFICES

Registered and corporate

Constantia Office Park
Cnr 14th Avenue and Hendrik
Potgieter Road
Cycad House, Building 17,
Ground Floor
Weltevreden Park
1709,
Johannesburg, South Africa

PO Box 390, Maraisburg, 1700
South Africa

Tel: +27 (0) 11 470 2600
Fax: +27 (0) 86 524 3061

OPERATIONS

Ergo Mining Proprietary Limited

PO Box 12442
Selcourt 1567
Springs, South Africa
Tel: +27 (0) 11 742 1003
Fax: +27 (0) 11 743 1544

Far West Gold Recoveries Proprietary Limited

PO Box 390
Maraisburg, 1700
South Africa
Tel: +27 (0) 10 822 8440
Fax: +27 (0) 86 524 3061

DIRECTORS

Geoff Campbell*

Independent Non-executive
Chairman^{#,2}

Niël Pretorius

Chief Executive Officer³

Riaan Davel

Chief Financial Officer

Johan Holtzhausen

Independent Non-executive
Director^{#,1}

Edmund Jeneker

Independent Non-executive
Director^{#,2,3}

Jean Nel

Independent Non-executive
Director¹

Prudence Lebina

Independent Non-executive
Director^{1,2}

Toko Mnyango

Independent Non-executive
Director^{#,2,3}

Timothy Cumming

Non-executive Director

Charmel Flemming

Independent Non-executive
Director

COMPANY SECRETARY

Elise Beukes

* *British*

Committee memberships during FY2020

Denotes committee Chairman

¹ *Member of the Audit and Risk Committee*

² *Member of the Remuneration and Nominations Committee*

³ *Member of the Social and Ethics Committee*

INVESTOR AND MEDIA RELATIONS

South Africa

James Duncan

R&A Strategic Communications
Tel: +27 (0) 11 880 3924
Fax: +27 (0) 11 880 3788
Mobile: +27 (0) 79 336 4010
E-mail: james@rasc.co.za

United Kingdom/Europe

Phil Dexter

St James's Corporate Services Limited
Suite 31, Second Floor
107 Cheapside
London EC2V 6DN
United Kingdom
Tel: +44 (0) 20 7796 8644
Fax: +44 (0) 20 7796 8645
Mobile: +44 (0) 7798 634 398
E-mail: phil.dexter@corpserv.co.uk

STOCK EXCHANGE LISTINGS

JSE

Ordinary shares
Share Code: DRD
ISIN: ZAE000058723

NYSE

ADRs
Trading Symbol: DRD
CUSIP: 26152H301

DRDGOLD's ordinary shares are listed on the JSE and on the NYSE, in the form of ADRs. The Company's shares are also traded on the Regulated Unofficial Market on the Frankfurt Stock Exchange, and the Berlin and Stuttgart OTC markets.

SHARE TRANSFER SECRETARIES

South Africa

Link Market Service South Africa Proprietary Limited
13th Floor, Rennie House
19 Ameshoff Street
Braamfontein, 2001
Johannesburg, South Africa
Tel: +27 (0) 11 713 0800
Fax: +27 (0) 86 674 2450

United Kingdom

(and bearer office)
Link Market Asset Service
The Registry PXS,
34 Beckenham Road
Beckenham BR3 4TU
United Kingdom
Tel: +44 (0) 20 8639 3399
Fax: +44 (0) 20 8639 2487

Australia

Computershare Investor Service Proprietary Limited
Level 2
45 St George's Terrace
Perth, WA 6000
Australia
Tel: +61 8 9323 2000
Tel: 1300 55 2949 (in Australia)
Fax: +61 8 9323 2033

ADR depository

The Bank of New York Mellon
101 Barclay Street
New York 10286
United States of America
Tel: +1 212 815 8223
Fax: +1 212 571 3050

GENERAL

JSE sponsor

One Capital

Auditor

KPMG Inc.

Attorneys

ENSafrica Inc.
Malan Scholes
Mendelow Jacobs
Skadden, Arps, Slate, Meagher and Flom (UK) LLP

Bankers

ABSA Capital
Standard Bank of South Africa Limited

Website

www.drdgold.com



WWW.DRDGOLD.COM