



FROM  
**EAST** TO **WEST**

**Investing in African Mining Indaba**

Wednesday, 7 February 2018

**Niël Pretorius**

Chief Executive Officer

# CONTENTS



## EAST OUR ERGO FOOTPRINT



## WEST SIBANYE- STILLWATER WRTRP

### DISCLAIMER

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 sustained strengthening of the rand against the dollar, regulatory developments adverse to DRDGOLD or difficulties in maintaining necessary licenses 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 annual report for the fiscal year ended 30 June 2017, which we filed with the United States Securities and Exchange Commission on 31 October 2017 on Form 20-F. 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 to the occurrence of unanticipated events. Any forward-looking statements and financial information included in this presentation have not been reviewed and reported on by DRDGOLD's auditors.





# EAST

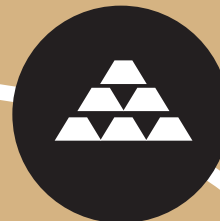
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*Ergo footprint: established, productive, profitable*



Final dividend declared

**5cps**



Increase in Mineral Reserves from **1.8Moz to 3.0Moz**



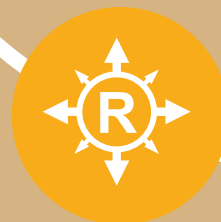
Operating profit decreased to **R256.8 million**



All-in sustaining costs margin decreased to **3.2%**



Headline earnings **0.2cps**



Free cash outflow **(R45.1 million)**



Gold production decreased by **4%**



Average gold price received **R548 268 per kg**

# PERFORMANCE SUMMARY FY2017



# RESERVE



**63%**  
**INCREASE**  
IN GOLD RESERVE



**3Moz**  
from 1.8Moz



**3yrs**  
ADDED LIFE

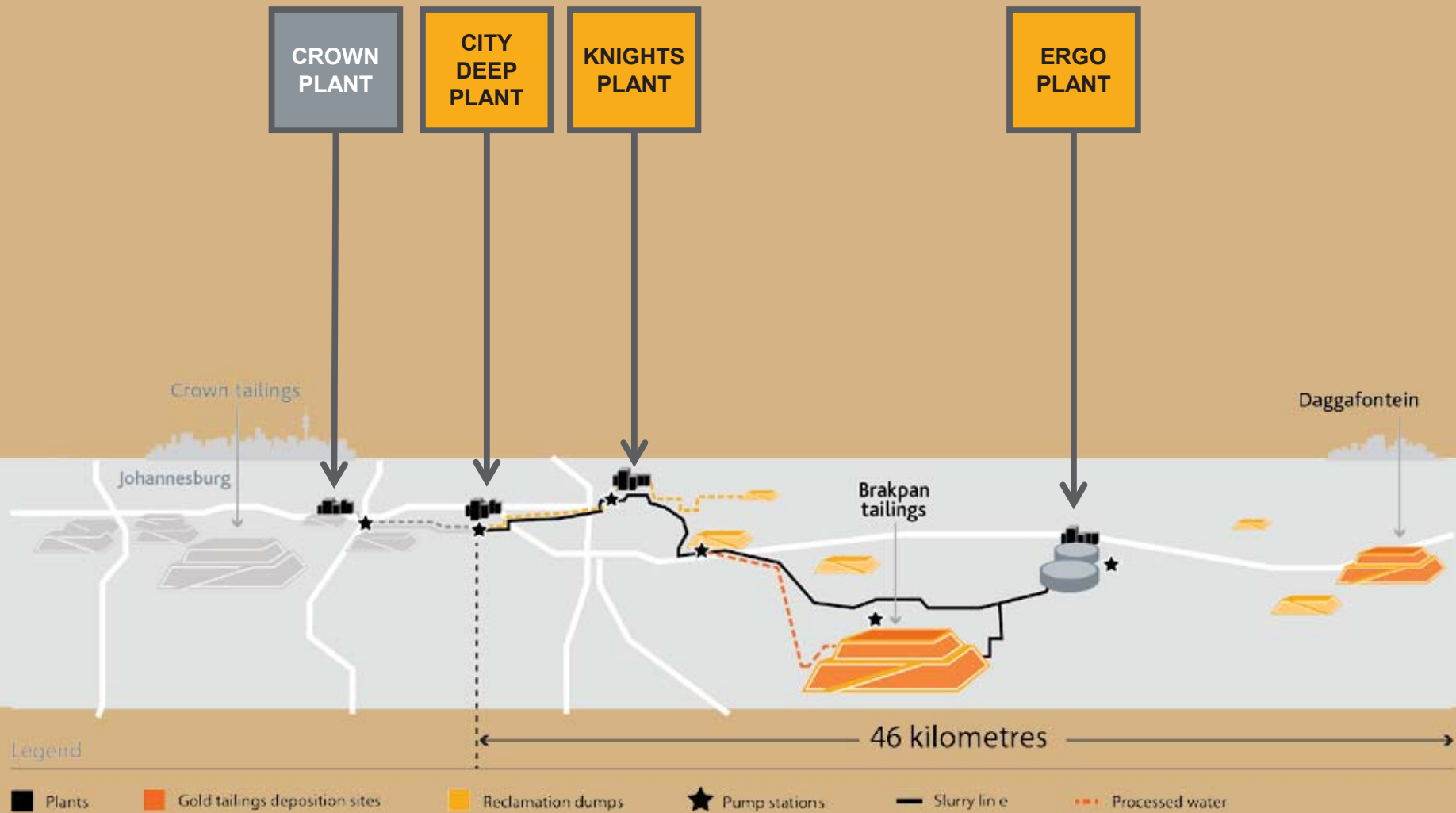




# SHIFT IN OPERATIONAL CENTRE OF GRAVITY

THE ERGO

# PIPELINE





# NEW RECLAMATION SITES

## THE ERGO

# PIPELINE

**4L2**  
10.9Mt  
0.298g/t

**Ezekiel**  
4L37  
7.8Mt  
0.281g/t

**Lycaste**  
4L23  
2.4Mt  
0.600g/t

**Elsburg No 4**  
4L50 by Dec 2017  
20.5Mt  
0.256g/t

Daggafontein

Brakpan  
tailings

Elsburg

46 kilometres

Legend

■ Plants

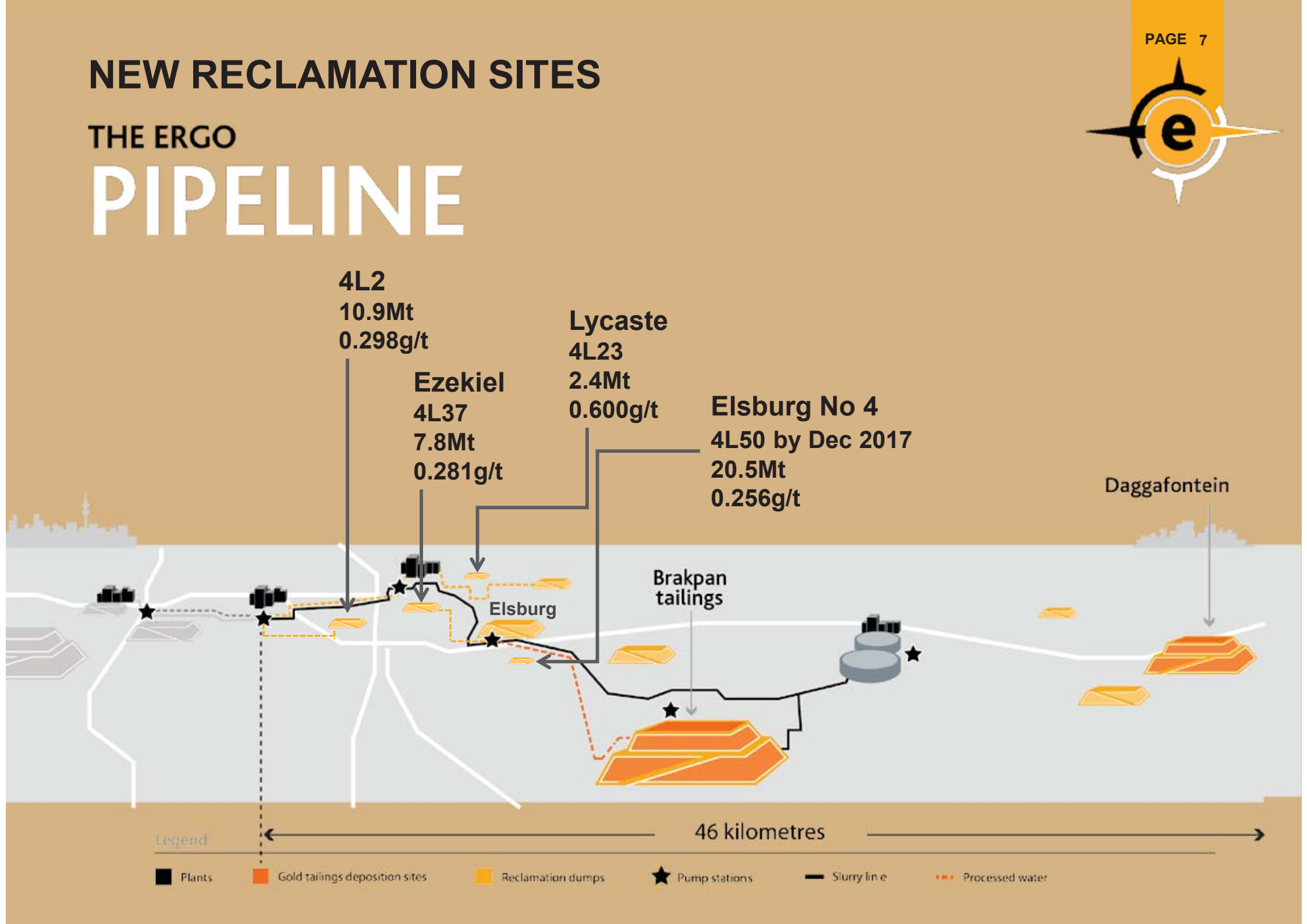
■ Gold tailings deposition sites

■ Reclamation dumps

★ Pump stations

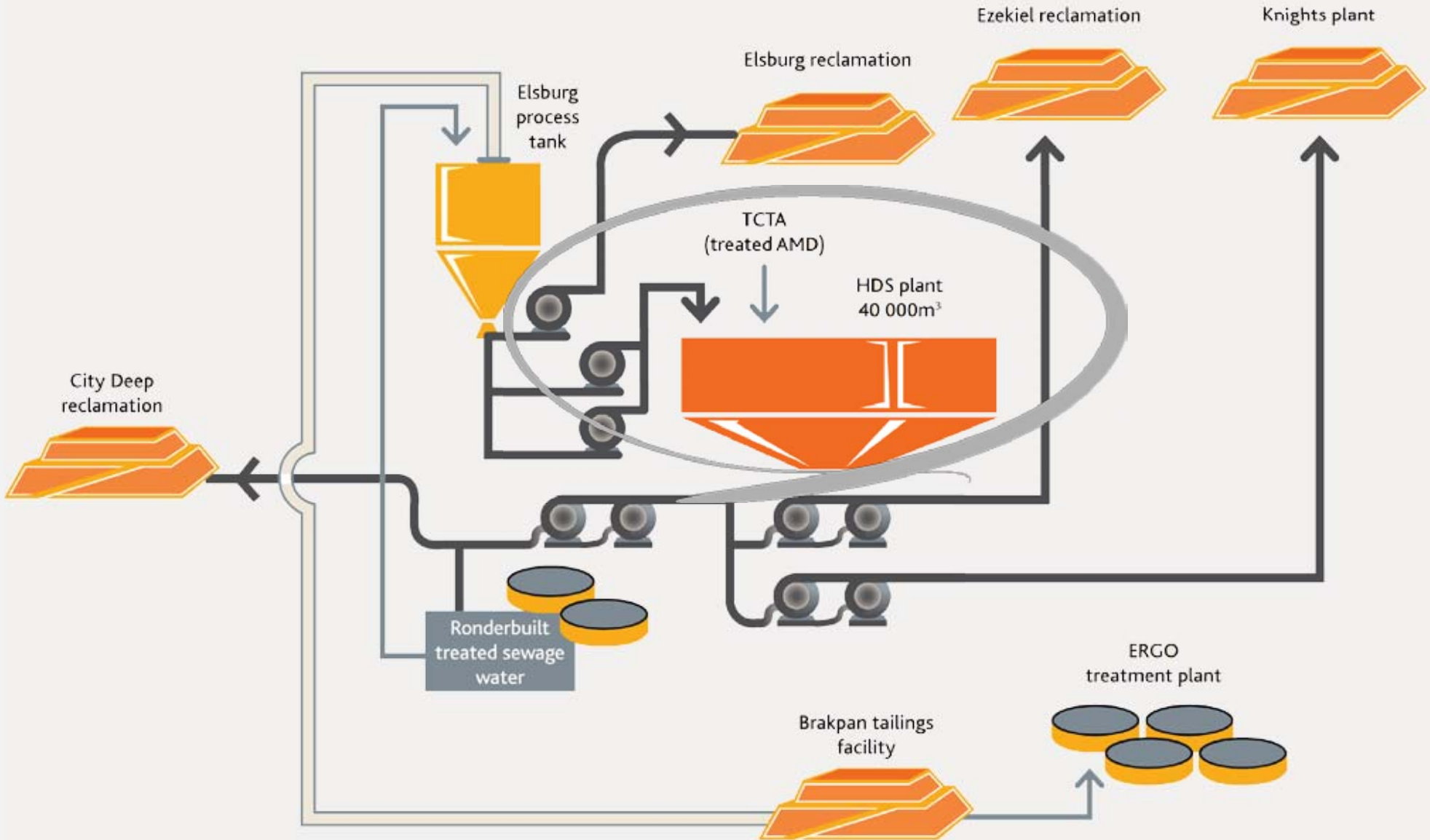
— Slurry line

--- Processed water





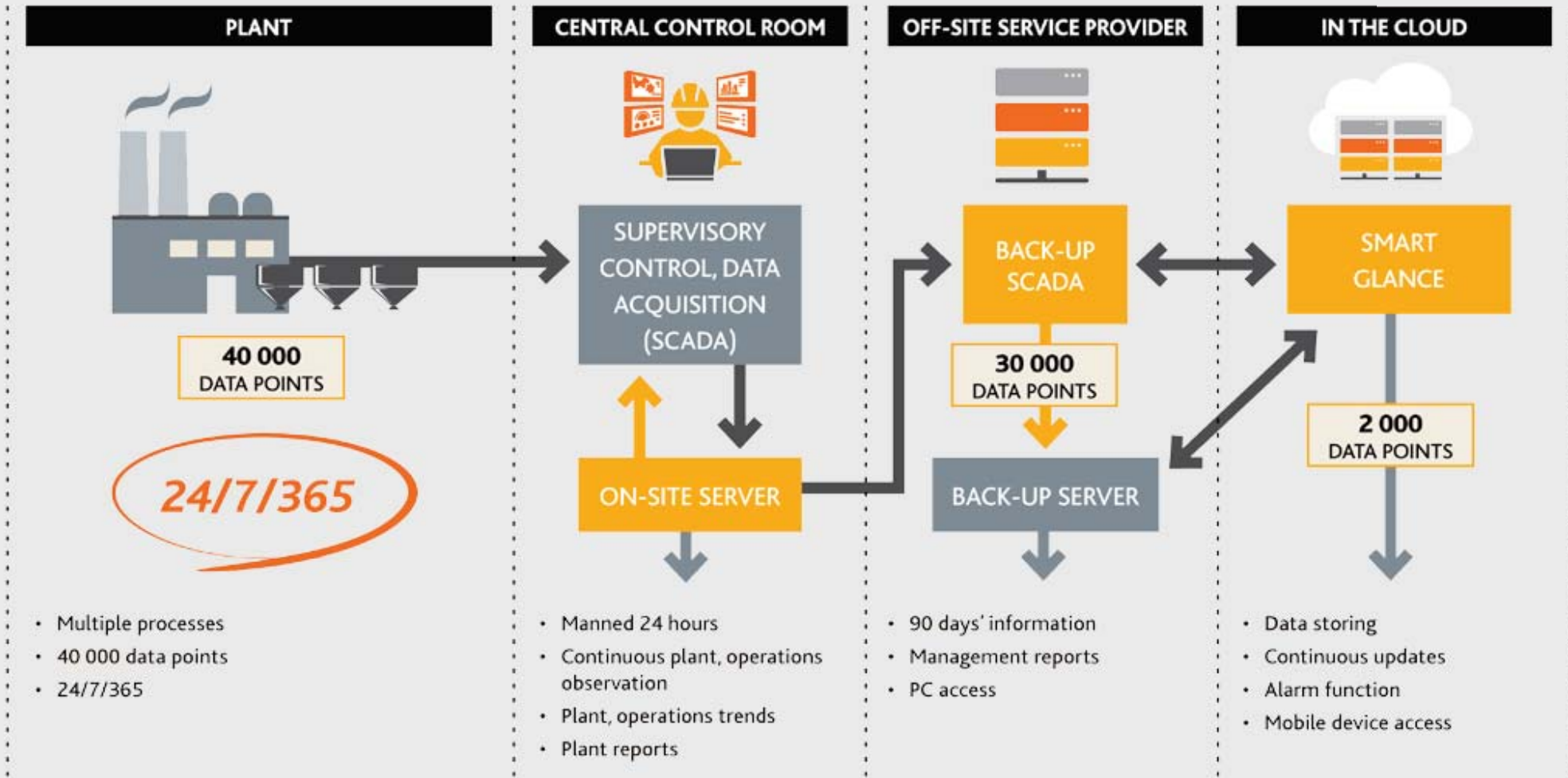
# CENTRAL WATER FACILITY DISTRIBUTION NETWORK







# INFORMATION MANAGEMENT SYSTEM ROLLOUT





# COST SAVINGS, CONTAINMENT

**R72m/pa**  
CROWN  
FOOTPRINT  
**ELIMINATION**

**R24m/pa**  
**WATER**

**R1.3m/pa**  
INFORMATION  
MANAGEMENT  
SYSTEM

**+2%**  
PROCUREMENT  
consumables





GREATER PLANT STABILITY  
with predictable performance



**LOWER  
RISK**

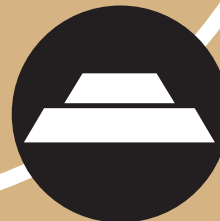
**2018  
AND BEYOND**



**Better  
WATER  
SUPPLY  
secured**



**LOWER  
COST**



**FIVE  
reclamation  
SITES**



## PRODUCTION UPDATE:

first six months of FY2018 v corresponding FY2017 period



**11%**  
**INCREASE**  
IN PRODUCTION



**4% decrease**  
in average  
gold price



**14.06-14.54cps**  
HEADLINE EARNINGS  
compared to headline  
loss of 2.4cps



### Production guidance FY2018

- Production of between 147 000oz and 153 000oz
  - cash operating costs of ~R475 000/kg



# WEST

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*Sibanye-Stillwater's WRTRP: early cashflow, huge growth potential*



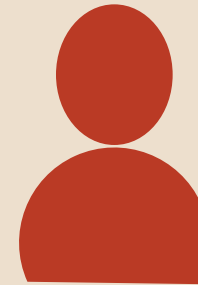
# TRANSACTION DETAILS



Sibanye-Stillwater to **exchange** selected surface assets for holding in DRDGOLD



Sibanye-Stillwater has option to **own** majority in DRDGOLD



Sibanye-Stillwater **representative** on DRDGOLD board



# KEY HIGHLIGHTS OF SIBANYE-STILLWATER TRANSACTION

**92%**

increase in gold reserves to **5.75Moz**



**Increased**  
production and  
revenue

**Extended**  
life of mine

**Competitive**  
advantage

Regional Tailings Storage facility (RTSF) large enough to receive most of West Rand tailings

**Platform** for growth in new operating region

**Addresses**  
DRDGOLD's current single asset risk

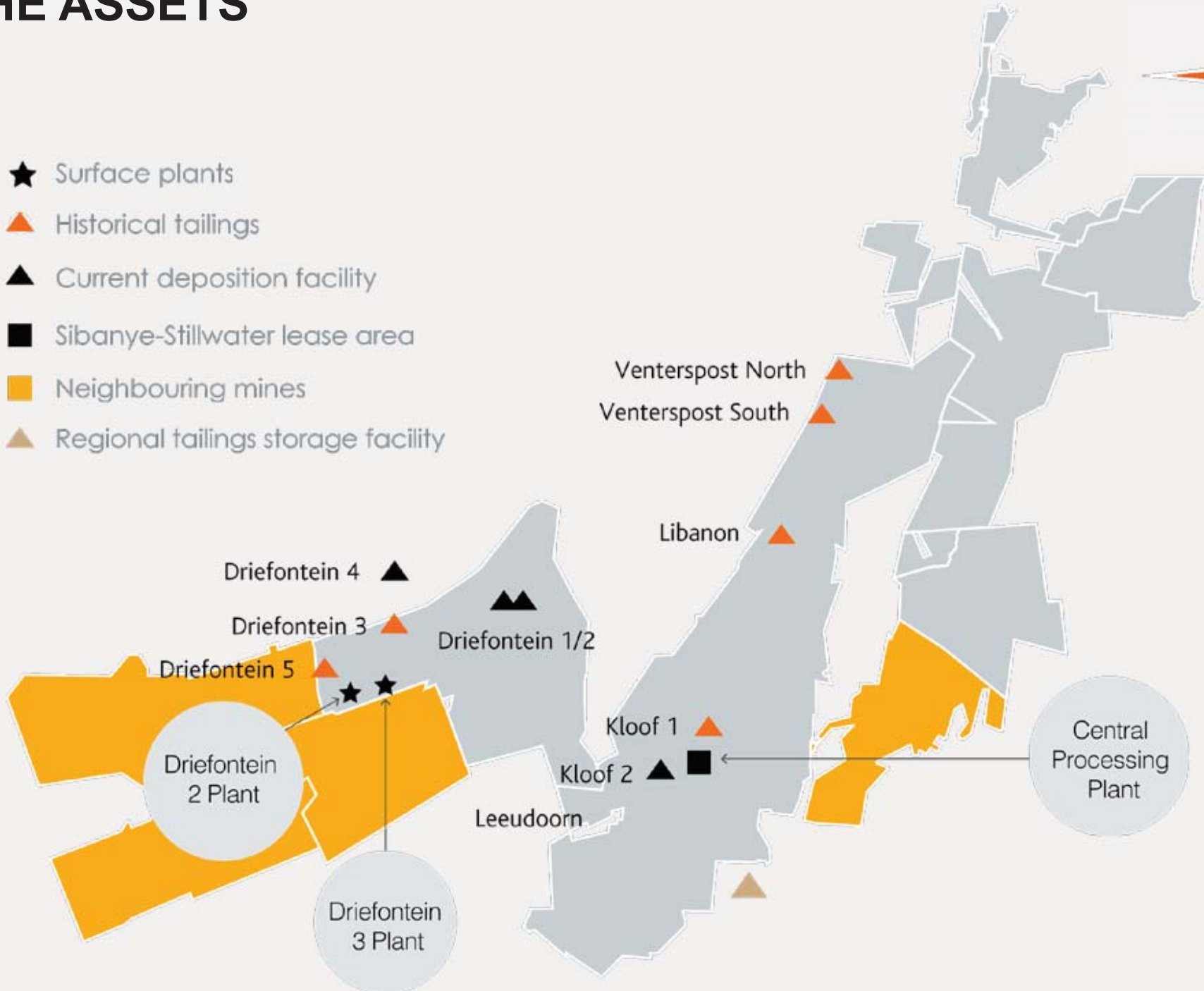
Introduction of a **substantial shareholder**

Sibanye-Stillwater has proven capacity and international footprint

# THE ASSETS



- ★ Surface plants
- ▲ Historical tailings
- ▲ Current deposition facility
- Sibanye-Stillwater lease area
- Neighbouring mines
- ▲ Regional tailings storage facility





# THE ASSETS

| Asset   | Mt   | g/t   | Moz   |
|---|------|-------|-------|
| <b>TSFs</b>   |      |       |       |
| Driefontein 3   | 50.5 | 0.470 | 0.763 |
| Driefontein 5   | 28.3 | 0.469 | 0.427 |
| Kloof 1   | 28.4 | 0.325 | 0.296 |
| Venterspost North   | 55.3 | 0.274 | 0.487 |
| Venterspost South   | 12.9 | 0.331 | 0.137 |
| Libanon   | 74.3 | 0.272 | 0.650 |
| <b>Active TSF</b>   |      |       |       |
| Driefontein 4   |      |       |       |
| <b>Active TSFs: to be transferred once decommissioned</b> |      |       |       |
| Driefontein 1   | 38.2 | 0.200 | 0.245 |
| Driefontein 2   | 48.0 | 0.229 | 0.354 |
| Kloof 2   | 61.0 | 0.235 | 0.462 |
| Leeudoorn   | 0.00 | 0.000 | 0.000 |

**Note:**

- For the full Mineral Reserves and Resources statement please refer to: <https://www.sibanyestillwater.com/investors/financial-reporting/annual-reports/2016>
- All tonnes (t) are expressed as metric units
- Cut-off grades have been calculated in accordance with SEC Guidelines for mineral pricing and approximate the historic three-year average commodity prices
- Gold Mineral Reserves were determined at R490,000/kg



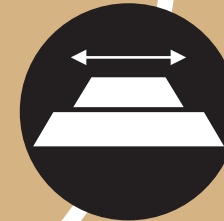


# OUR APPROACH TO SIBANYE-STILLWATER TRANSACTION

How **significant** is  
**EXECUTION**  
**RISK?**



**CAPITAL INVESTMENT**  
needed to mine entire resource



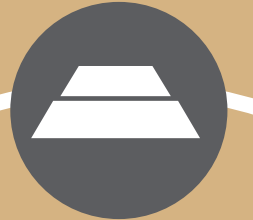
Is the project  
**SCALEABLE?**



# OUR APPROACH TO SIBANYE-STILLWATER TRANSACTION, CONT'D

## Phase 1

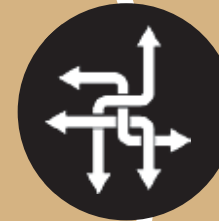
- expected to be cash generative within 12 months
- modest upfront capital investment



## Alternative options

depending on:

- market conditions
- results of definitive feasibility studies



**FLEXIBLE EXECUTION**  
options mitigate risk

## PHASED approach

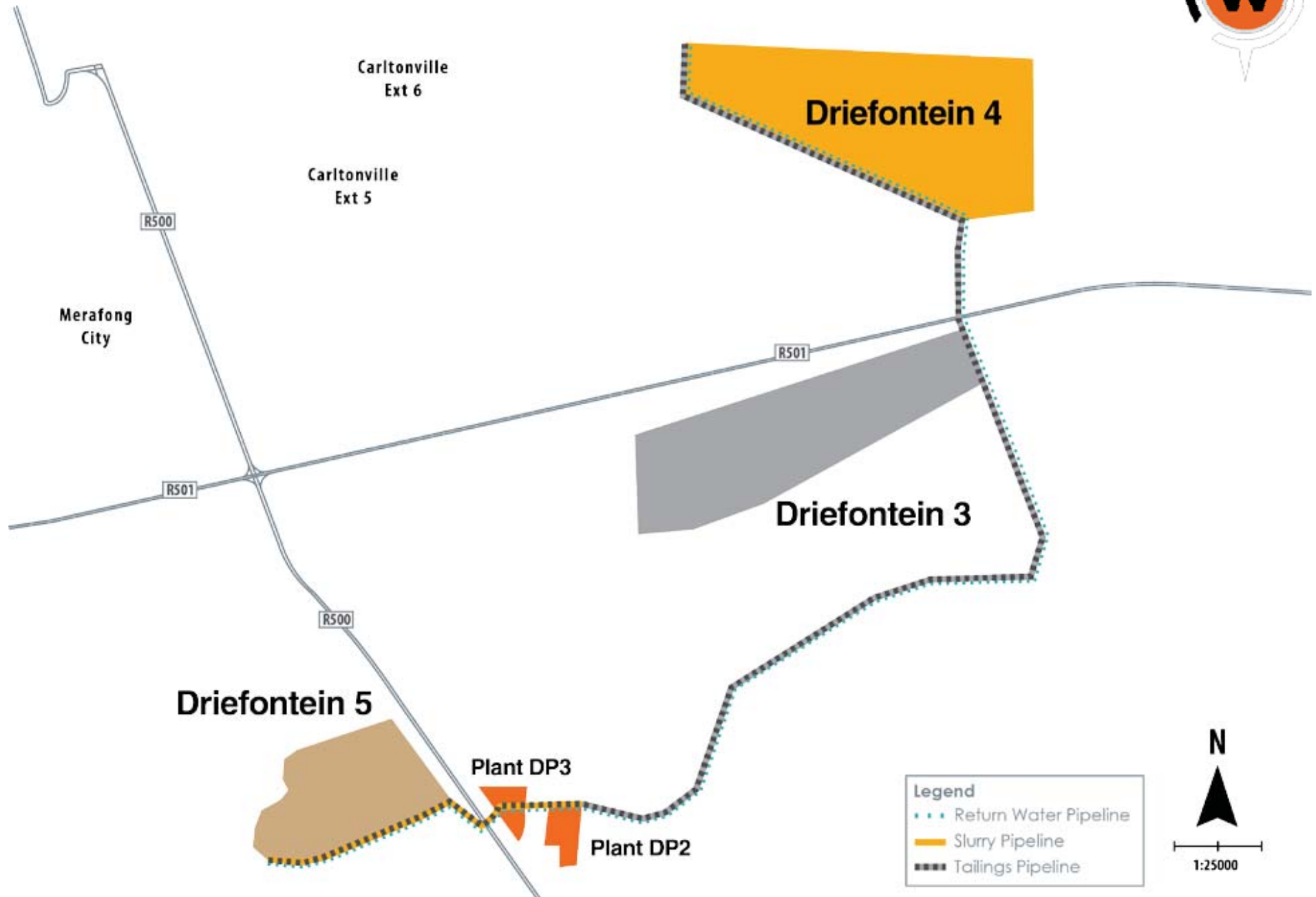


Sibanye-Stillwater agreed:  
include existing  
**infrastructure**



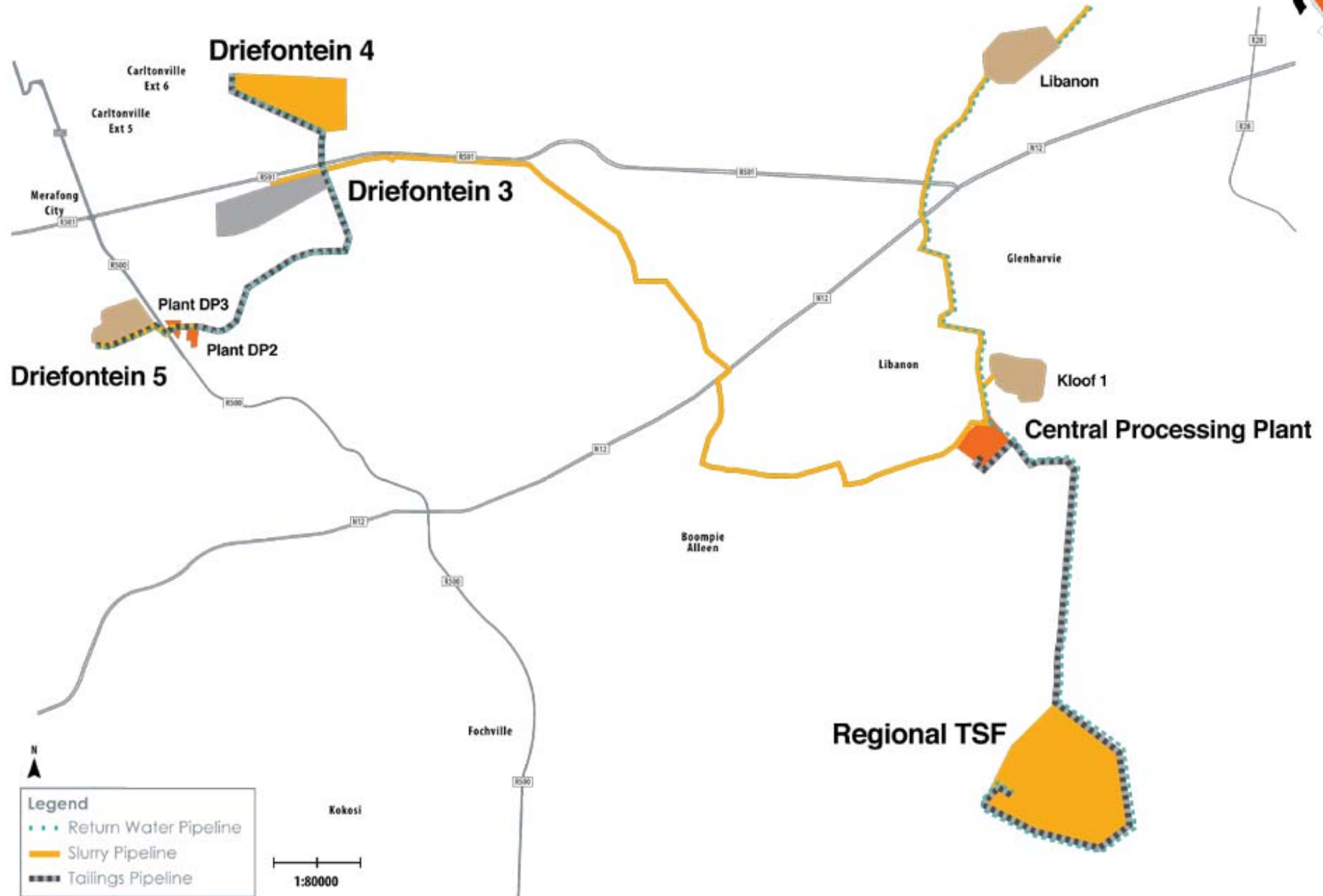
# PHASED APPROACH

## PHASE 1 (Driefontein 5 processed through DP2 and DP3)

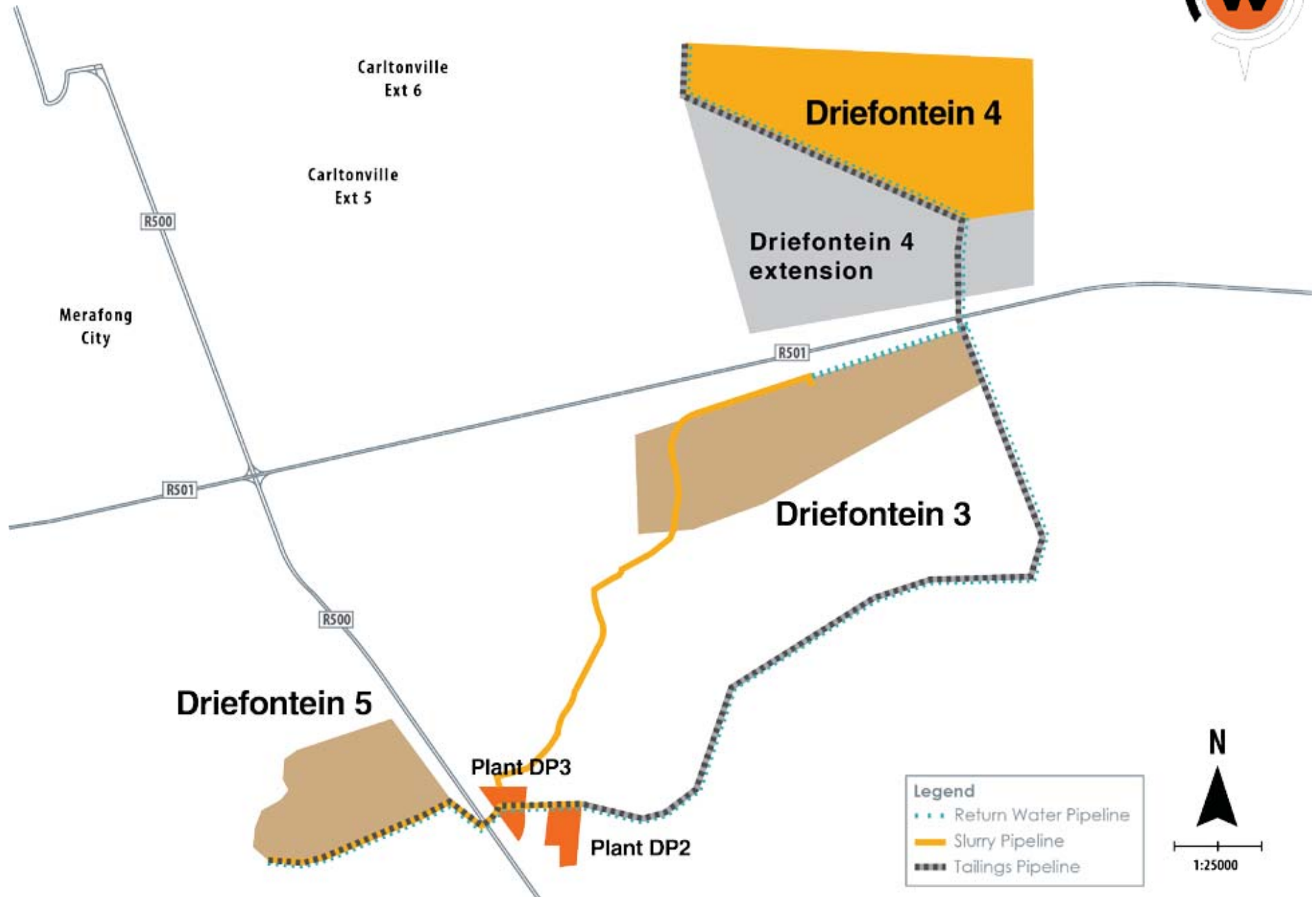


# PHASED APPROACH

## PHASE 2 (Driefontein 3, Libanon and Kloof 1)



# PHASED APPROACH ALTERNATIVE OPTION (Phase 1 extension)





**PRO FORMA AND FORECAST FINANCIAL INFORMATION:** announced on Tuesday, 6 February 2018  
(based on assumption of steady state)

**~1 790kg**

IN YEAR 1

**GOLD PRODUCED**

**~R390m**

GROSS PROFIT

**WRTRP**

valued at

**R2.1 billion**

Assumptions applied:

**R78/t**

COST

**R564 245/kg**

**GOLD PRICE**

**0.294g/t**

**AVERAGE**

**RECOVERED**

**GRADE**





# What the transaction means for DRDGOLD

Future growth



Increase in gold reserves from 2.99Moz to 5.75Moz



Inclusion of higher head-grade reserves and an extension of the life of mine

Second mega TSF through the construction of RTSF



Entry into far West Rand

Flexible execution options which reduce risk







**Sustainable growth** as Sibanye-Stillwater transaction demonstrates

# Why is it worth it?



**2 000** people in employment; with future growth opportunities



**R2.5 billion** injected into SA economy annually



Removing mining 'scar tissue' making land available for **redevelopment**



Extra maths and science classes **increasing pass rate** and providing route to viable careers



**700** 'gate' community residents **growing food** for personal use and to sell, with plans to extend scope of project