

Niël Pretorius, CEO  
5-6 December 2017

# THE NEXT CHAPTER



# 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.

# PERFORMANCE SUMMARY

FY2017



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 cashflow  
**(R45.1 million)**



Gold production  
decreased by  
**4%**



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



Final dividend declared  
of **5cps**

# THE GOOD

## RESERVE



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



**3Moz**  
**from 1.8Moz**



**3 YRS**  
ADDED LIFE



# THE GOOD

## COST SAVINGS, CONTAINMENT



Crown footprint elimination

R72m/pa



Water

R24m/pa



Information management system – eg. reagents

R1.3m/pm



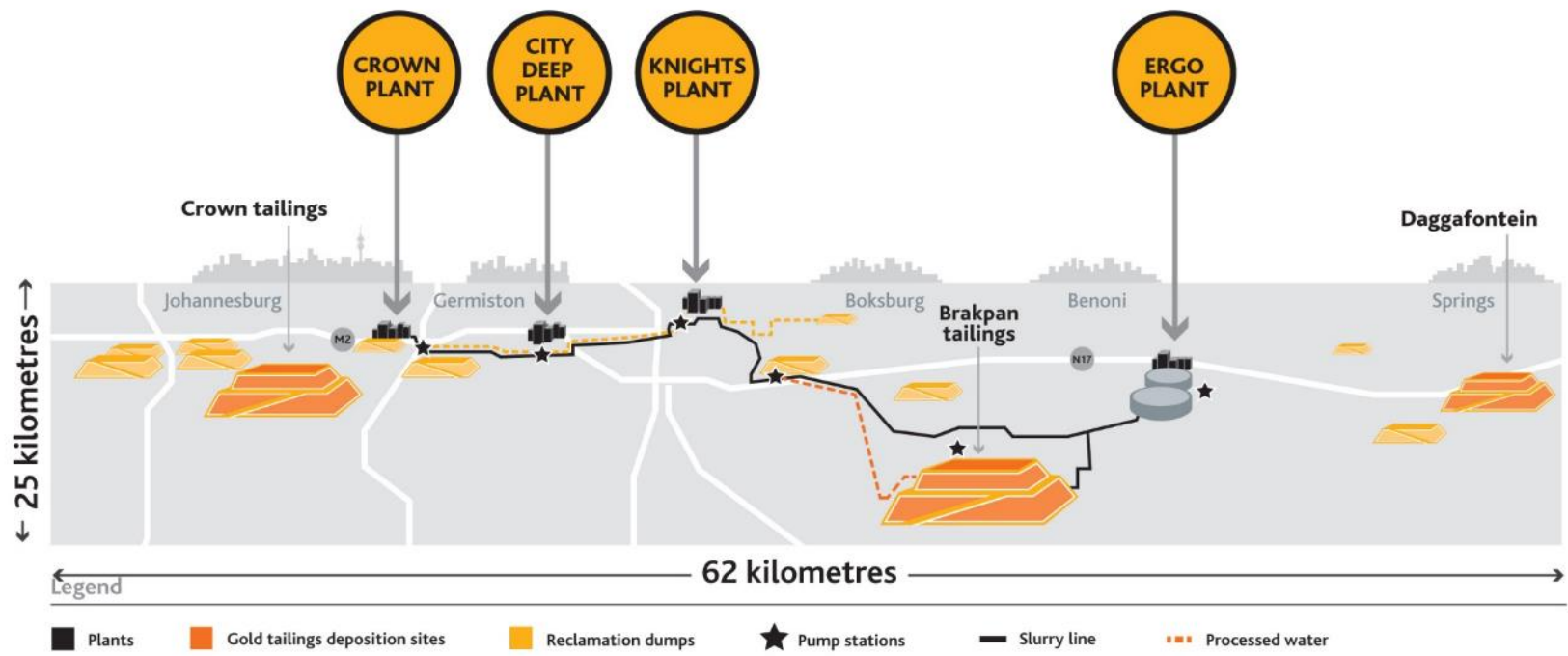
Procurement – consumables

+2%

# THE GOOD

SHIFT IN OPERATIONAL CENTRE OF GRAVITY

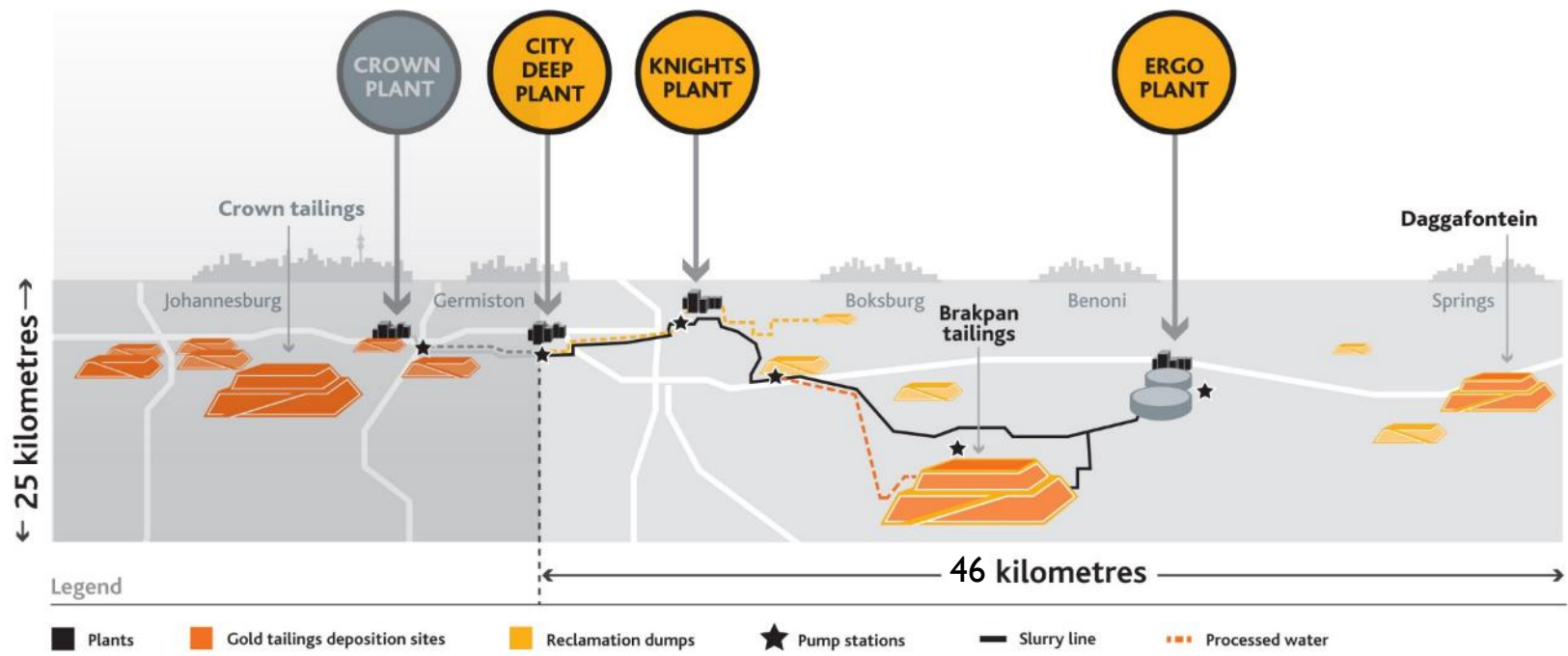
## THE ERGO PIPELINE



# THE GOOD

SHIFT IN OPERATIONAL CENTRE OF GRAVITY

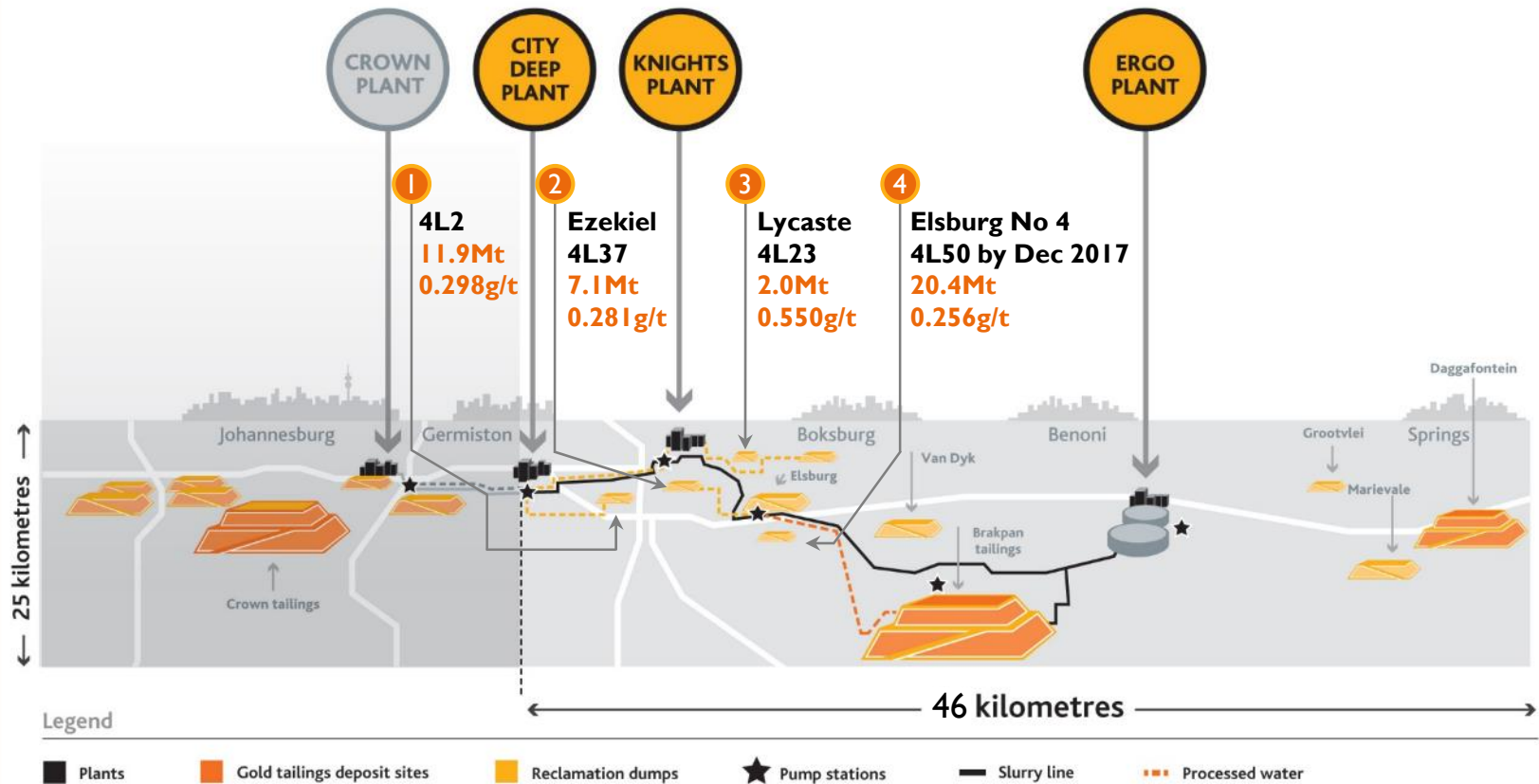
## THE ERGO PIPELINE



# THE GOOD

## NEW RECLAMATION SITES

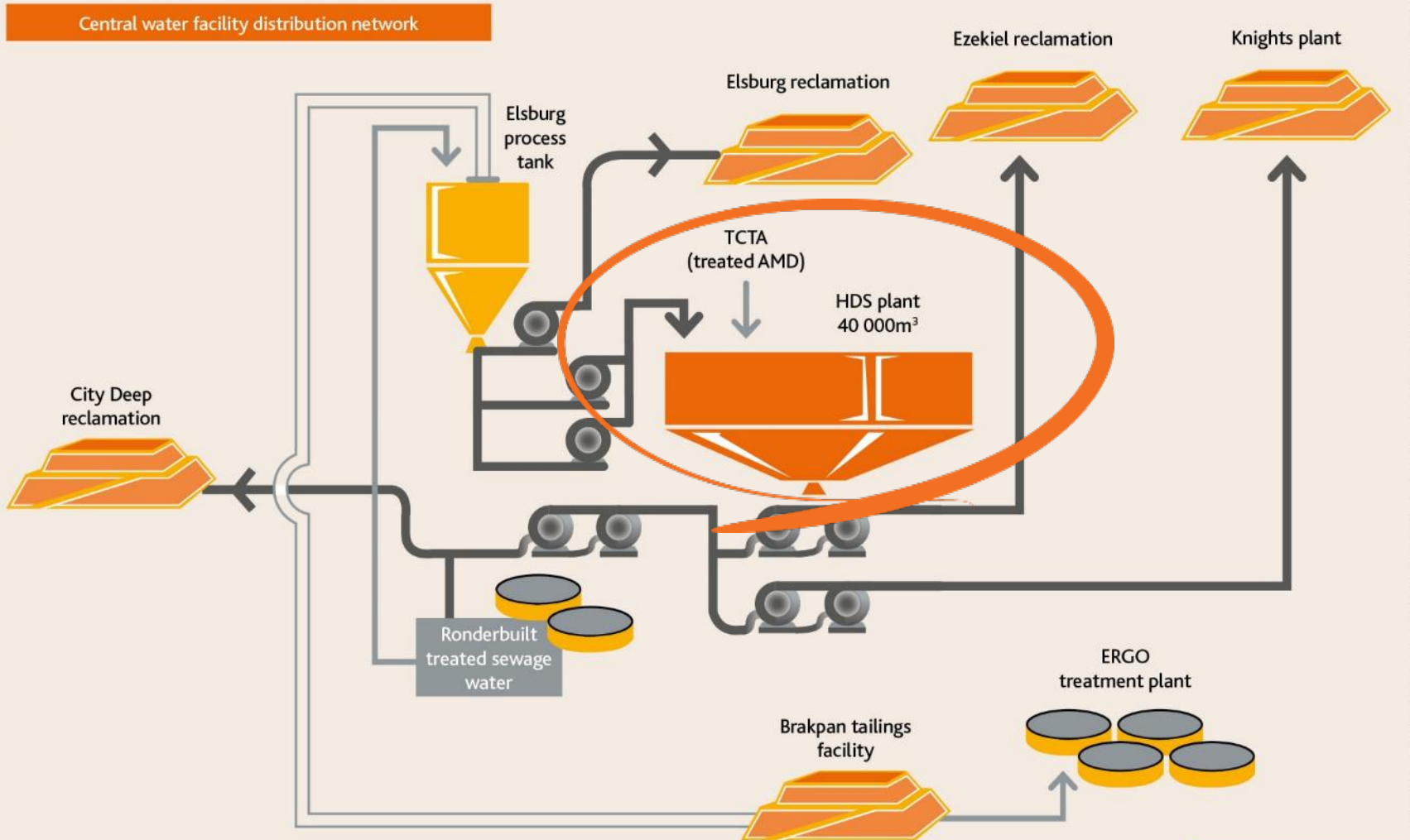
THE ERGO PIPELINE





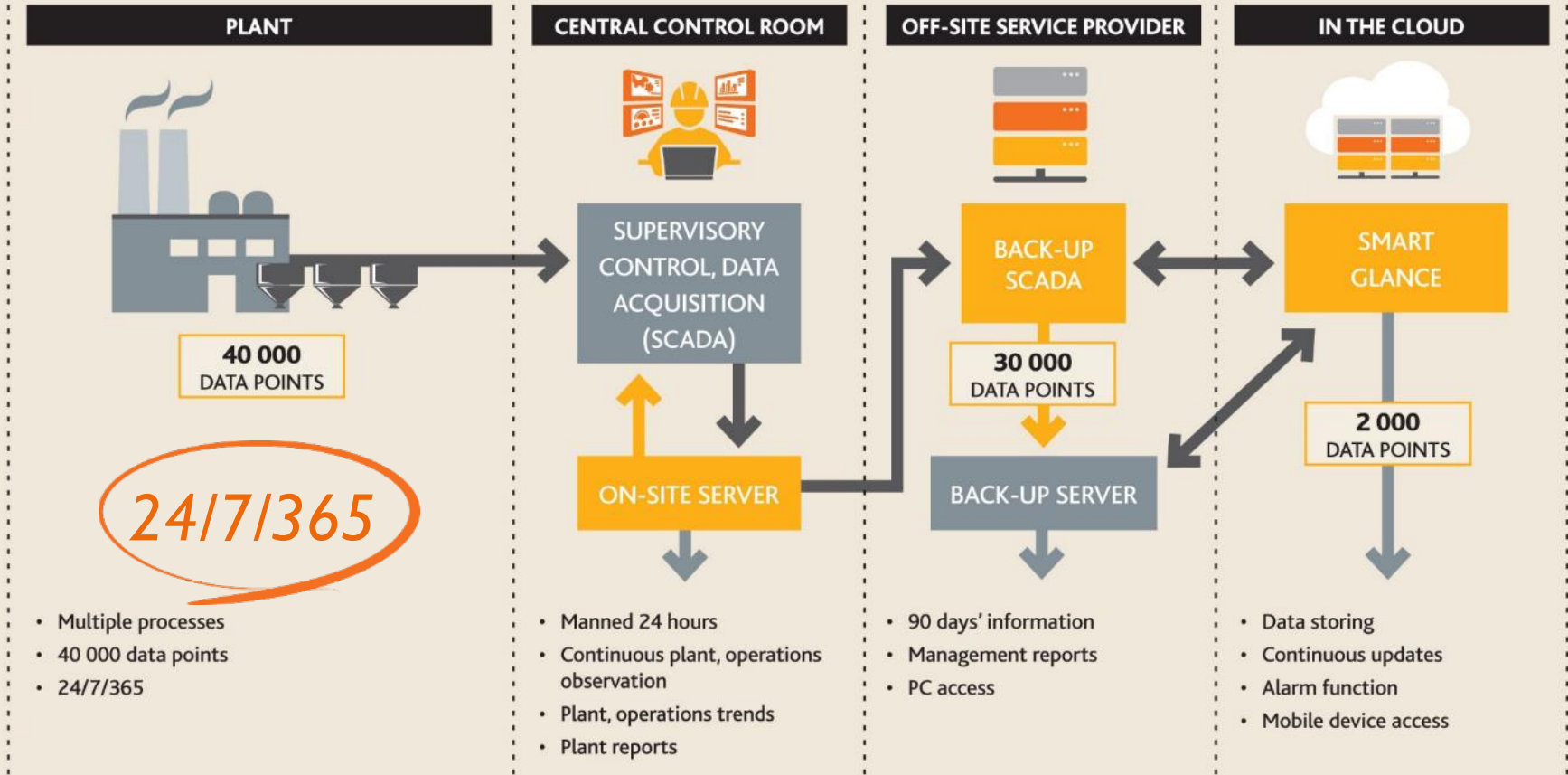
# THE GOOD

## WATER DISTRIBUTION: NEW NETWORK



# THE GOOD

## INFORMATION MANAGEMENT SYSTEM ROLLOUT



# THE BAD

## CHALLENGES IN CHANGING OPERATIONAL CENTRE OF GRAVITY

Gold price  
**FLAT**



**harder** –  
mechanical lifting



**Crown  
legacy**  
site clean-up



**MORE  
COST**



**“KNOCK-ON  
EFFECT”**



# A BETTER 2018 AND BEYOND FOR ERGO

## Plants



will be more stable,  
more predictable performance



## Better –



water supply secured



## 5 reclamation sites



## LOWER COST



## LOWER RISK



# SIBANYE-STILLWATER

## TRANSACTION



This document contains statements relating to certain projections and business trends that are forward-looking, including statements with respect to expected financial results for 2017 as well as expected reserves, production, average gold price, free cash flow, expected costs savings, statements about the second mega TSF. Transactions with Sibanye-Stillwater including statements about the expected benefits, including expected increase in revenues, flexible operations, reductions in risk, higher grade reserves, reductions in costs. These statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about the business and our future financial results and readers should not place undue reliance on them. Forward-looking statements do not guarantee future performance and involve risks and uncertainties. These risks and uncertainties include, without limitation, economic conditions, the Sibanye-Stillwater transaction failing to close, incorrect assumptions, 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 other risks indicated in the risk factors included in DRDGOLD's Annual Report on Form 20-F and other filings with the US Securities and Exchange Commission. These forward-looking statements are made only as of the date of this document. We do not undertake to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

# TRANSACTION DETAILS



<p>Selected surface assets in exchange for holding in DRDGOLD</p>	<ul style="list-style-type: none"> <li>• Sibanye-Stillwater to exchange selected surface assets for 265 million newly issued shares (38% holding) in DRDGOLD with a current value of R1.3billion<sup>1</sup></li> </ul>
<p>Selected surface assets</p>	<ul style="list-style-type: none"> <li>• The selected surface assets comprise part of the WRTRP<sup>2</sup>, a large-scale, long-life project to reclaim gold and uranium from historical tailings deposits situated in the greater Carletonville/Randfontein area</li> <li>• The selected assets include the following:             <ul style="list-style-type: none"> <li>• operating surface gold processing plants (DP2, DP3 and WRTRP pilot plant)</li> <li>• an active tailings storage facility (TSF), Driefontein 4</li> <li>• land required for future development of WRTRP, Central Processing Plant (CPP) and Regional Tailings Storage Facility (RTSF)</li> <li>• TSFs as indicated on slide 17</li> </ul> </li> </ul>
<p>Conditions precedent</p>	<ul style="list-style-type: none"> <li>• DRDGOLD shareholders resolution, including a waiver for Sibanye-Stillwater to make a mandatory offer</li> <li>• All necessary approvals from the JSE and New York Stock Exchange to the extent required</li> <li>• Approval of the Transaction by the competition authorities of the Republic of South Africa</li> </ul>
<p>Sibanye-Stillwater option to own majority in DRDGOLD</p>	<ul style="list-style-type: none"> <li>• Sibanye-Stillwater has an option to subscribe for such number of shares in DRDGOLD to get to 50.1%, for 24 months post closing</li> <li>• Issued at a 10% discount to 30-day VWAP on the day prior to the date of exercise of the option</li> </ul>
<p>Board appointment</p>	<ul style="list-style-type: none"> <li>• DRDGOLD will support the nomination of a Sibanye-Stillwater representative, including an alternate, to the DRDGOLD Board</li> </ul>

<sup>1</sup> DRDGOLD's closing share price of R4.96 on 21 November 2017, multiplied by the 265 million shares to be issued to Sibanye-Stillwater

<sup>2</sup> WRTRP: West Rand Tailings Retreatment Project

# THE RATIONALE

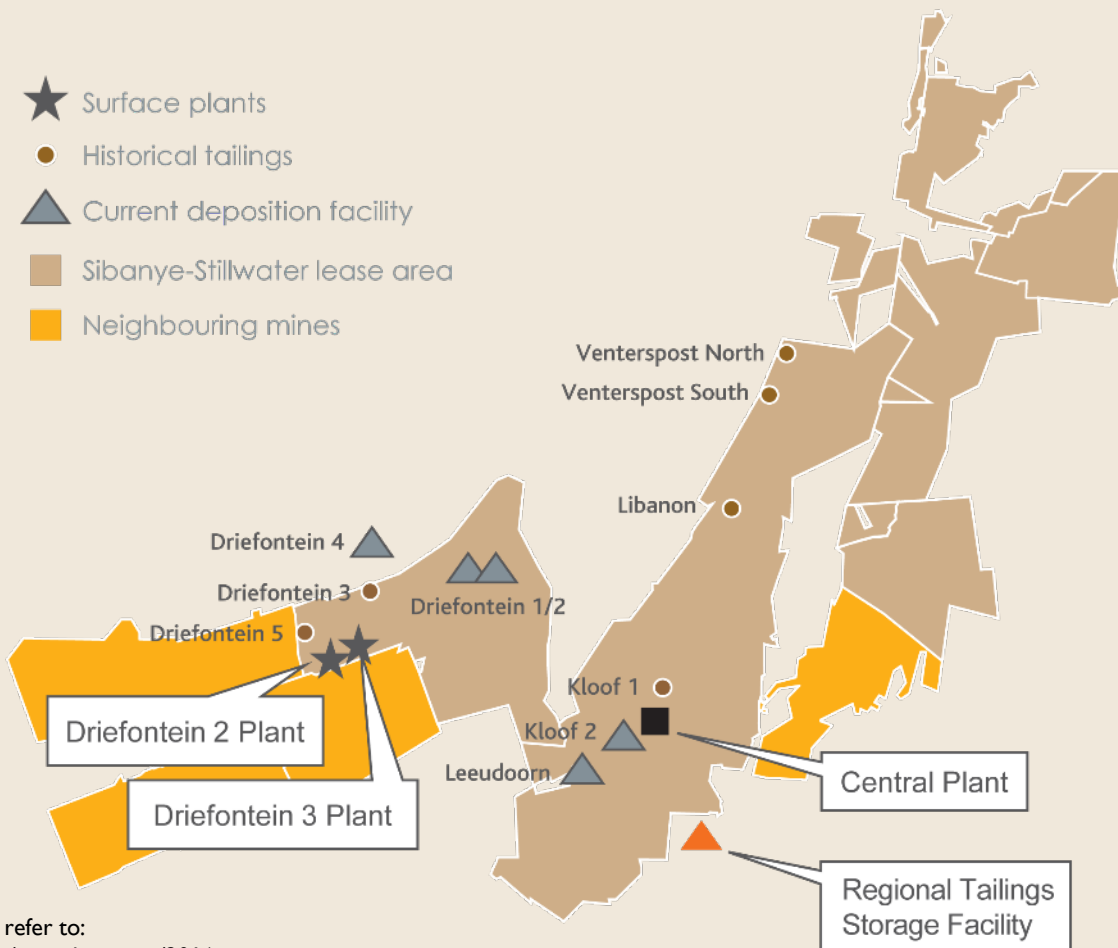


- Increase of about 92% in gold reserves
  - 2.99Moz to 5.75Moz (6.81Moz if currently active tailings storage facilities included)
- Acquisition of surface assets capable of providing cash flows in short term
  - low initial capital expenditure
  - to support future growth and development of the project
- Potential to increase production, revenue
- Increase DRDGOLD reserve base which extends life of mine
- Reduction in overhead unit costs through increased production
- RTSF large enough to receive most of Regional West Rand tailings
  - providing competitive advantage in region
- Securing significant long-term growth in a new operating region
- Strategically positions the company for further growth
- Opportunity to leverage proven experience to optimally develop the WRTRP
- Introduction of shareholder with proven transactional capacity and international footprint
  - enhances potential further corporate development and growth
- Addressing the Company's single asset risk

# 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

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



**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



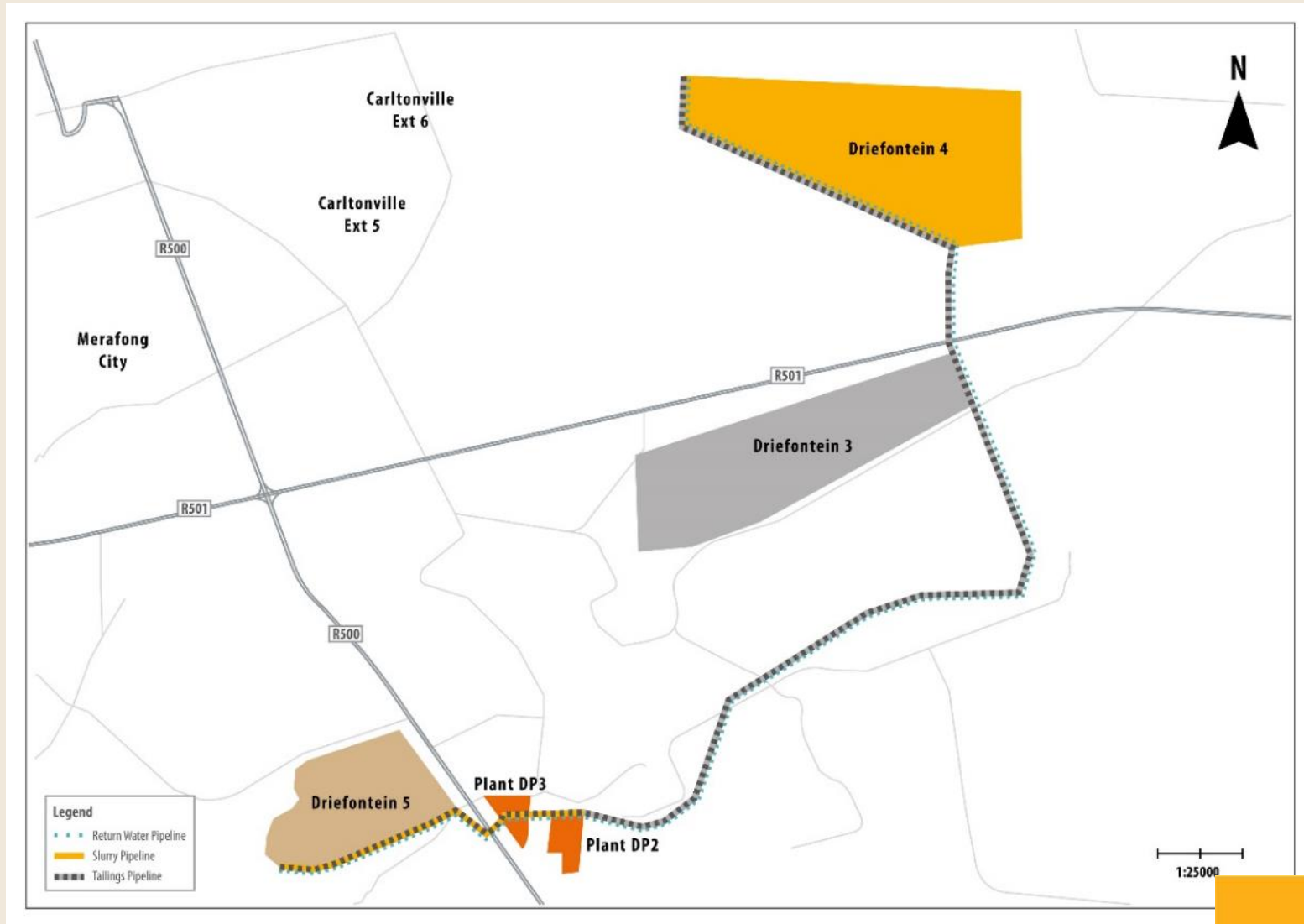
# OUR APPROACH TO SIBANYE-STILLWATER TRANSACTION



- How significant is execution risk?
- To mine the entire resource, significant capital investment is required – is this within our capacity?
- Is the project scaleable?
- Are there execution options which mitigate this risk and that independently justify the acquisition?
  
- Execution options
  - Sibanye-Stillwater agreed to include existing infrastructure in the transaction that reduces execution risk
  - the phases provide us with flexible execution options which reduce risk

# PHASED APPROACH

PHASE 1 (Driefontein 5 processed through DP2 and DP3)

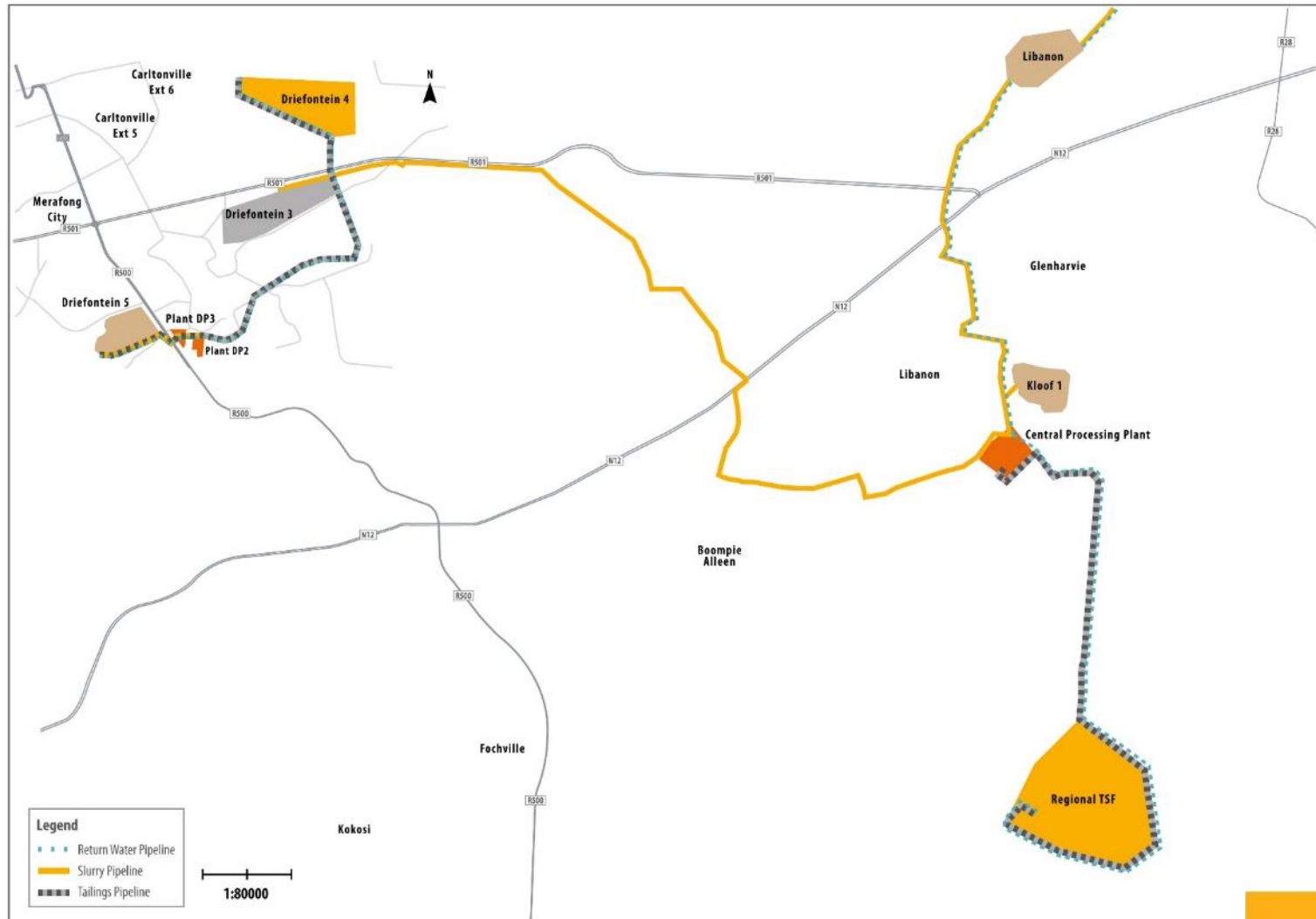


# PHASED APPROACH

- **PHASE 1** (commissioned within 12 months of closing)
    - 28.3Mt reserve (Driefontein 5 dam)
    - Processing through DP2 and DP3 plants
    - Residue deposition on Driefontein 4 TSF
    - Construction/upgrade of process water pump station and slurry pipeline
    - Refurbishment of conventional CIL treatment plants (DP2 & DP3)
      - to treat 400 000 to 600 000tpm
      - material from single source
    - Potential upgrading and conversion of the Driefontein 4 tailings dam
    - Further evaluation of TSFs through pilot plant within 24 months. The evaluation of each resource will include:
      - bulk samples trucked to DP3 plant for evaluation
      - CIL, milling, flotation and concentrate leaching
      - blending of various resources to determine the optimal combination and ratio
- **Low-volume, self-sustaining “design and planning phase”**

# PHASED APPROACH

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



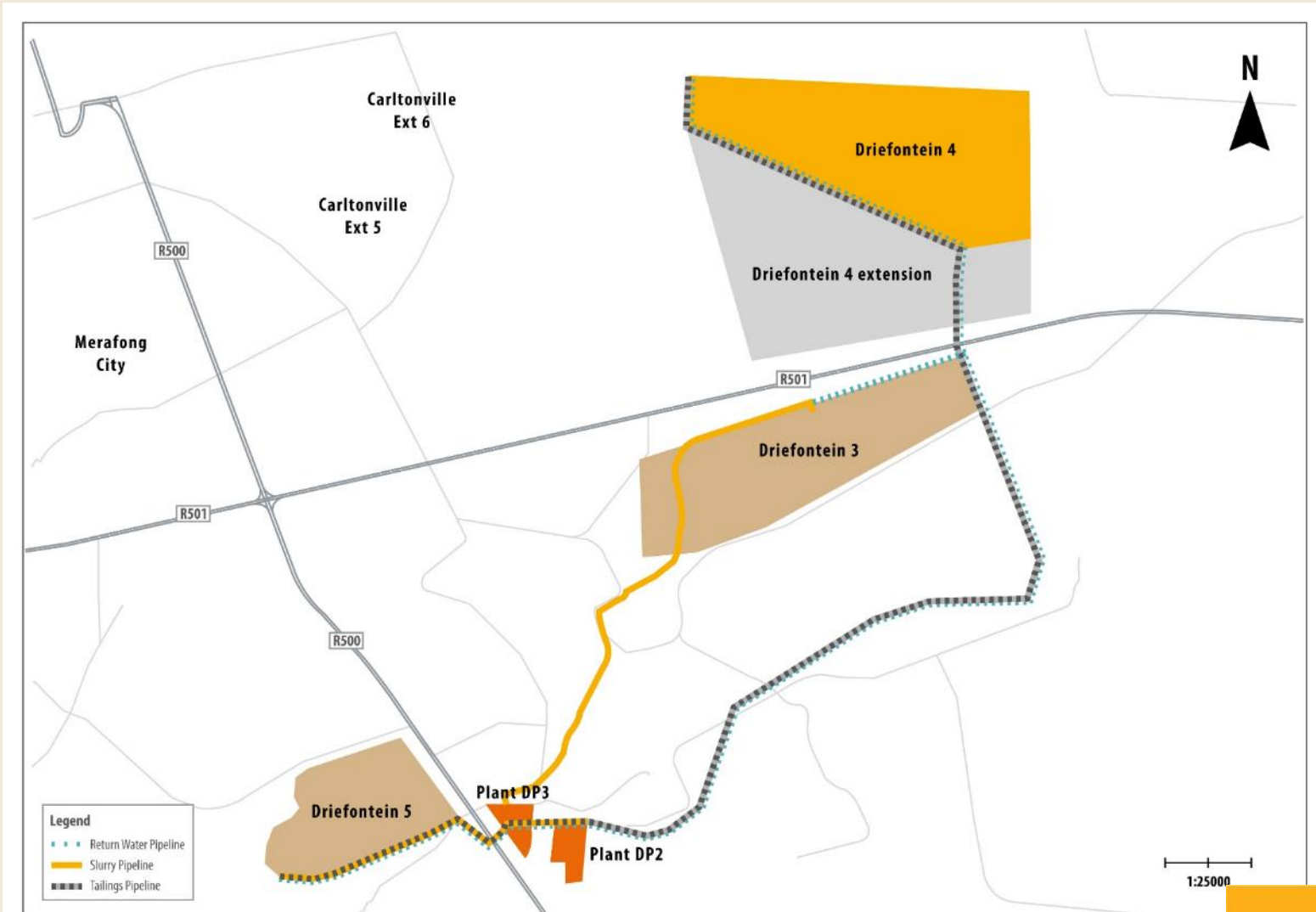
# PHASED APPROACH

- **PHASE 2**
  - Development of central, high-volume processing facility and new deposition site
    - capable of processing >1Mtpm
    - blend material from combination of sources including Driefontein 3, Libanon and Kloof 1
  - ±153Mt reserve (Driefontein 3, Libanon and Kloof 1)
  - Extension of Phase 2
    - Venterspost North and South add an additional 68.2Mt reserve



# PHASED APPROACH

## ALTERNATIVE OPTION (Phase 1 extension)



# PHASED APPROACH

- **ALTERNATIVE OPTION** (Phase 1 extension)
  - 78.8Mt reserve (blend of Driefontein 3 and 5 material)
  - Alternative option could be blended into Phases 1 and 2
  - Depending on gold price and capital availability either:
    - stand-alone; or
    - cashflow generator for Phase 2



# PHASED APPROACH

## IMPORTANT TO NOTE

- Phases depicted separately but overlap intended
  - Flexible execution options which reduce risk
  - Driefontein 3 higher grades important to achieve smooth, flat head grade over entire resource
- An attractive asset, unlockable at low cost by leveraging existing infrastructure while testing scenarios to best exploit entire orebody and build strategic advantage





# WHAT THE TRANSACTION

## MEANS FOR DRDGOLD



Increase in Gold Reserves from **2.99Moz to 5.75Moz**



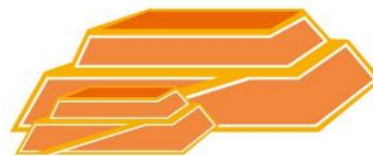
Inclusion of **higher head-grade reserves** and an extension of **the life of mine**



Entry into far **West Rand**



Flexible execution options **which reduce risk**



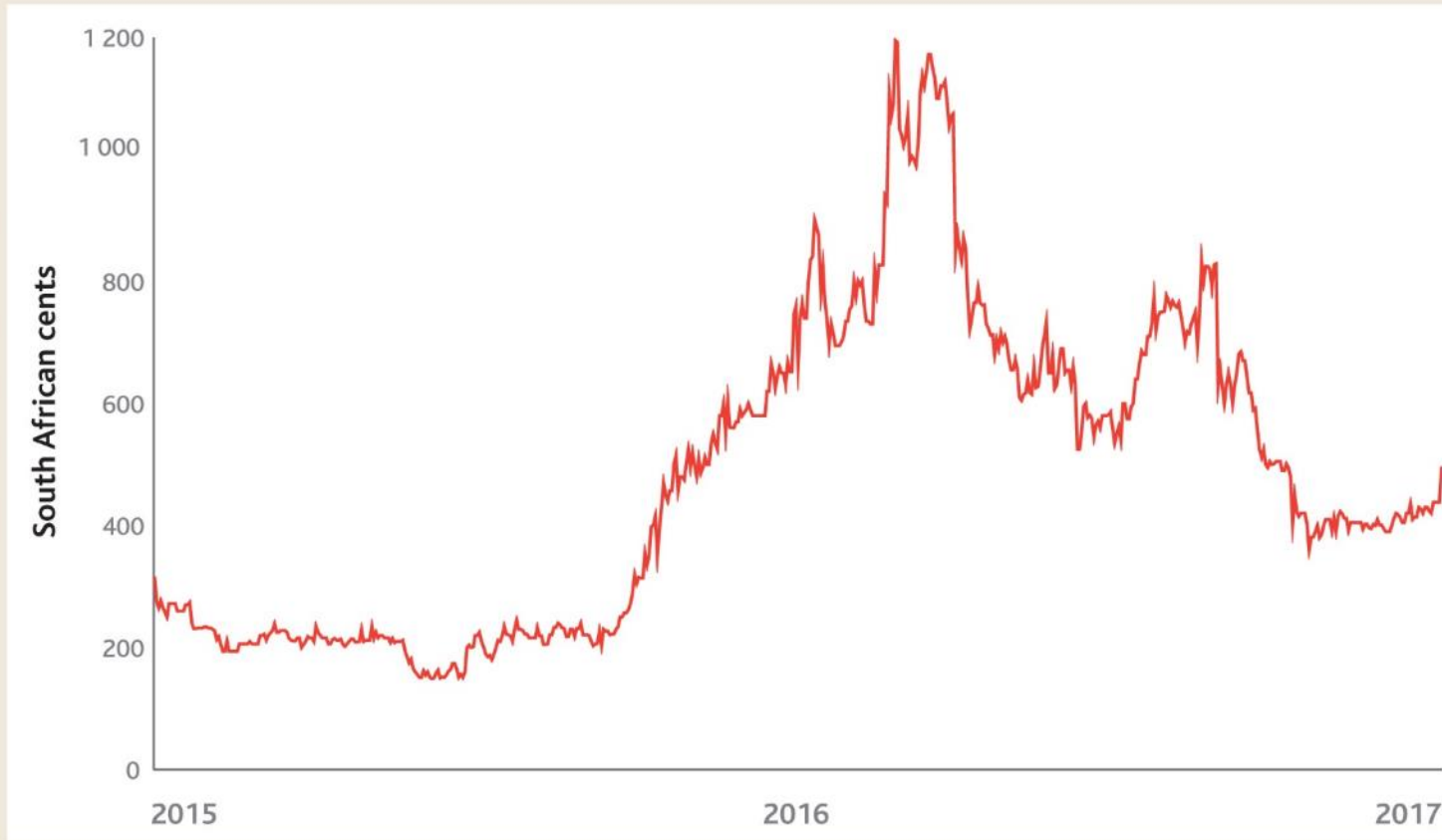
Second mega TSF through the construction of RTSF



Future **growth**

# OUR BUSINESS

## THREE-YEAR DRDGOLD SHARE PRICE (JSE)



*Share price volatility*

*astute investors leverage the ups and downs*

# OUR BUSINESS

## WHY IT'S WORTH IT



Removing mining 'scar tissue'  
making land available for  
redevelopment



R2.5 billion injected into  
SA economy annually



2 000 people in employment



Senior school pupils passing  
maths and science through  
extra classes

- vital stepping stone to  
viable careers



700 'gate' community residents  
growing food for themselves,  
with surplus to sell



Sustainable growth as the  
Sibanye-Stillwater transaction  
demonstrates

# CONTACT DETAILS



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## Shareholder data

(Incorporated in the Republic of South Africa)

Registration No.1895/000926/06

JSE share code: DRD

ISIN: ZAE 000058723

NYSE share code: DRD