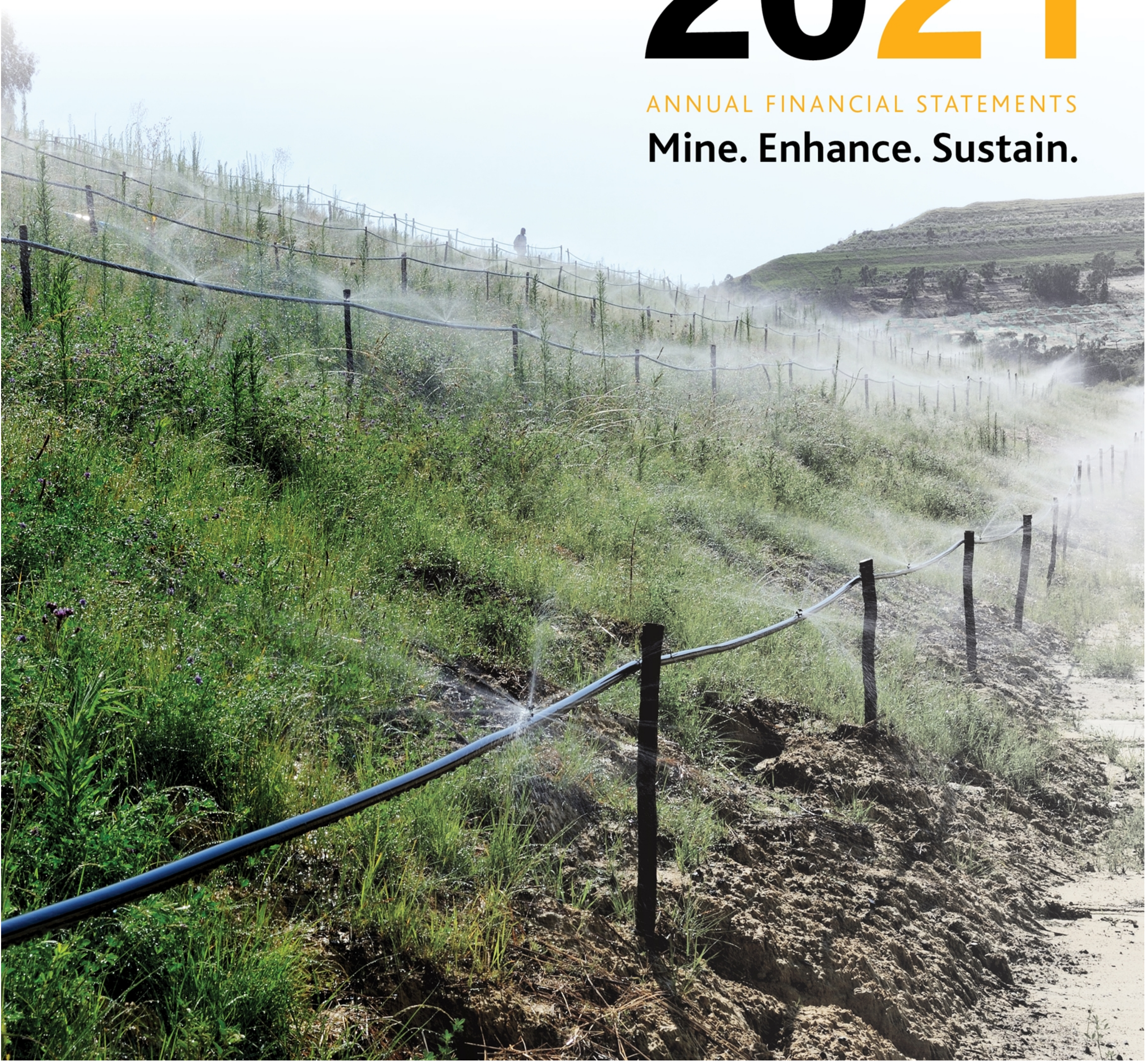
DRDGOLD LIMITED

2021

ANNUAL FINANCIAL STATEMENTS

Mine. Enhance. Sustain.



CONTENTS

ANNUAL FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

CONTENTS *continued*

COMPANY FINANCIAL STATEMENTS

OTHER INFORMATION

The preparation of the consolidated and company annual financial statements for the year ended 30 June 2021 were prepared under the supervision of the Group's Chief Financial Officer: Mr AJ Davel CA (SA). The financial statements have been audited in compliance with the applicable sections of the Companies Act of South Africa.

DIRECTORS' REPORT

The directors have pleasure in submitting this report and the consolidated annual financial statements of DRDGOLD Limited and its subsidiaries ("**DRDGOLD**" or the "**Company**" or the "**Group**") and the Company financial statements for the year ended 30 June 2021.

SIGNIFICANT EVENTS

Results of operating activities

Gold production for the Group as a whole rose by 6% to 5 723kg and gold sold by 5% to 5 734kg. The increase in production reflected an 11% increase in throughput to 29.1Mt. The average yield was down 4% to 0.197g/t. The Group also benefited from a substantial increase in the average gold price during the year. The average gold price received increased by 19% from R768 675/kg to R917 996/kg during the year. As a result, profit before tax for the year increased from R978.9 million for the 2020 financial year to R1 963.6 million for the 2021 financial year.

Impact of the COVID-19 pandemic

The pandemic continues, for now, to present uncertainties and risks, with a fourth wave predicted to impact South Africa towards the end of calendar year 2021. We have taken an effort to ensure that strict observance of all the key COVID-19 preventative measures continue to be applied in all our workplaces. Employees, contractors and visitors entering the premises continue to be monitored for symptoms of the virus. The spread of the delta virus caused the number of COVID-19 tests and positive cases to escalate at both operations, exceeding the total number of tests conducted during the first and second waves. Despite this, the Group has continued to contain the spread of the virus within its operations. Our vaccination drive was rolled out and training regarding the importance of getting vaccinated to help reduce the spread of the virus was provided to employees.

REVIEW OF OPERATIONS

The performance of our operations is reviewed in the financial performance section of the 2021 Integrated Report.

DIRECTORATE

Appointment and resignation of non-executive directors

Mr T J Cumming and Ms C D Flemming were appointed as non-executive director and independent non-executive director respectively with effect from 01 August 2020 and elected at the annual general meeting ("**AGM**") on 1 December 2020.

Rotation of directors

Mr G C Campbell, Mr A J Davel, Mr E A Jeneker and Ms P Lebina will retire at the forthcoming AGM in accordance with the provisions of the Company's Memorandum of Incorporation ("**MOI**"). Mr A J Davel, Mr E A Jeneker and Ms P Lebina are eligible and have offered themselves for re-election.

Mr G C Campbell, the independent non-executive chairman, advised the Company that he does not intend to make himself available for re-election as a member of the board of directors ("**Board**"). Mr T J Cumming, a non-executive director of the Company, will replace Mr Campbell as chairman of the Board and the nominations committee following the conclusion of the AGM. Mrs T B V N Mnyango an independent non-executive director, was appointed to the nominations committee with effect from 19 August 2021.

DIRECTORS' REPORT

Directors' and prescribed officers' conditional shares

The following directors and prescribed officers were granted and accepted conditional shares in terms of the DRDGOLD equity settled long-term incentive scheme on 20 October 2021 in terms of the equity settled share-based payment:

Conditional shares awarded	Number of conditional shares
Executive directors	
D J Pretorius	**549,986**
A J Davel	**292,796**
Prescribed officers	
W J Schoeman	**292,796**
E Beukes	**39,275**
	1 174,853

Directors' interest in shares

None of the directors' immediate families and associates held any direct or indirect shareholding in the Company's issued share capital. No director held, acquired or disposed of any shares in the Company as at 30 June 2021 or between the reporting date and the date of the approval of the financial statements other than as outlined below.

Beneficial direct interest	2021	2020
Executive directors		
D J Pretorius[1]	**475,255**	500,225
A J Davel	**200,000**	200,000
Non-executive directors		
G C Campbell[1]	**100,000**	200,000
	775,255	900,225

1 The decrease was due to shares disposed in the open market

COMPANY SECRETARY

Ms E Beukes

SHAREHOLDERS

DRDGOLD has a primary listing on the JSE Limited (JSE) and a secondary listing on the New York Stock Exchange Limited (NYSE). The Company's shares are also traded on the Regulated Unofficial Market on the Frankfurt Stock Exchange and the Berlin and Stuttgart OTC markets.

Information on shareholder spread, the range of shareholdings and public shareholders, as well as major shareholders, is presented in the shareholders' information section in the consolidated annual financial statements.

DIVIDENDS

DRDGOLD's dividend policy is to return excess cash over and above the predetermined cash buffer and cash that has been reserved for specific capital projects to its shareholders. Dividends are proposed by the Audit Committee and approved by the Board based on the quarterly management accounts presented to the Board.

A final cash dividend of 40 South African cents per share was declared on 25 August 2021 in respect of the year ended 30 June 2021. Details of the dividends declared by the Company appear in note 21.2 to the consolidated annual financial statements.

BORROWING POWERS

In terms of Clause 32 of the Company's MOI, the borrowing powers of the Company are unlimited and at the discretion of the directors.

The Group is subject to financial and other covenants and restrictions under its credit facilities from time to time. Such covenants may include restrictions on the Company incurring additional borrowings to maintain certain financial covenant ratios for as long as any amount is outstanding under such facilities.

As at 30 June 2021, the borrowings of the Company were Rnil (2020: Rnil).

GOING CONCERN

The directors believe that the Group has adequate resources to continue as a going concern for the foreseeable future.

DIRECTORS' RESPONSIBILITY STATEMENT AND APPROVAL

The directors are responsible for the preparation and fair presentation of the consolidated and company annual financial statements of DRDGOLD Limited, comprising the statements of financial position at 30 June 2021, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and the directors' report.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment on the ability of the Company and its subsidiaries to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the consolidated and company financial statements are fairly presented in accordance with the applicable financial reporting framework.

APPROVAL OF CONSOLIDATED AND COMPANY ANNUAL FINANCIAL STATEMENTS

The consolidated and company annual financial statements of DRDGOLD Limited, as identified in the first paragraph, were approved by the Board on 28 October 2021 and signed by:

J A Holtzhausen
Chairman: Audit Committee
Authorised director

A J Davel
Chief Financial Officer
Authorised director

CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER RESPONSIBILITY STATEMENT

In terms of paragraph 3.84(k) of the JSE Listings Requirements, the directors, whose names are stated below, hereby confirm after due careful and proper consideration that:

• the annual financial statements set out on pages 19 to 88, fairly present in all material respects the financial position, financial performance and cash flows of DRDGOLD in terms of International Financial Reporting Standards;

• no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;

• internal financial controls have been put in place to ensure that material information relating to DRDGOLD and its consolidated subsidiaries has been provided to effectively prepare the financial statements of the issuer; and

• the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Code. Where we are not satisfied, we have disclosed to the Audit Committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.

D J Pretorius	**A J Davel**
Chief Executive Officer	Chief Financial Officer

COMPANY SECRETARY'S STATEMENT

I certify, in accordance with Section 88(2)(e) of the Companies Act of South Africa, that to the best of my knowledge and belief, the Company has lodged with the Companies and Intellectual Property Commission for the financial year ended 30 June 2021, all such returns as are required of a public company in terms of the Companies Act, and that all such returns appear to be true, correct and up to date.

E Beukes
Company Secretary
28 October 2021

REPORT OF THE SOCIAL AND ETHICS COMMITTEE

Chairman: EA Jeneker

Other members: AJ Davel, TVBN Mnyango and C Flemming

Purpose of the committee:

The 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:

- 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; and
- 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;
- Maintain 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 Conduct;
- Review and recommend any corporate citizenship policies; and
- 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.

REPORT OF THE AUDIT COMMITTEE

The legal responsibilities of the Audit Committee (the "**Committee**") of the Group are set out in the Companies Act of South Africa. These responsibilities, together with the JSE Listings Requirements and compliance with appropriate governance and international best practice, are incorporated in the Committee's charter.

The members of the Committee responsible for audit related matters were formally appointed by the shareholders at the Annual General Meeting ("**AGM**") held on 01 December 2020.

The biographical details of the Committee's members are set out on page 84 of the 2021 Integrated Report and the members' fees are set out on page 101 of the same report.

DISCHARGE OF DUTIES FOR THE YEAR UNDER REVIEW

FINANCIAL STATEMENTS

The Committee has reviewed the Group's significant accounting matters which include:

- Valuation of IFRS 9 equity investments; and
- Taxation matters

The Committee also considered the key audit matters included in the external audit report on pages 12 to 18.

The Committee has reviewed the consolidated and separate annual financial statements, including the accounting policies, of the Group for the year ended 30 June 2021 and based on the information provided to the Committee, the Committee considers that the Group complies, in all material respects, with the requirements of the Companies Act, IFRS and the JSE Listings Requirements.

The Committee has recommended the annual financial statements to the board of directors ("**Board**") for approval. The Board has subsequently approved the annual financial statements which will be open for discussion at the forthcoming AGM.

CHIEF FINANCIAL OFFICER ("CFO") AND FINANCE FUNCTION

As required by paragraph 3.84(g)(i) of the JSE Listings Requirements, the Committee has satisfied itself that the CFO, AJ Davel, has the appropriate expertise and experience to fulfil the role and that he had performed appropriately during the year under review. The Committee is satisfied with the expertise and experience of the finance function and adequacy of its resources.

As required by paragraph 3.84(g)(ii) of the JSE Listings Requirements, the Committee has satisfied itself that the Company has established appropriate financial reporting procedures and that those procedures are operating. This included consideration of all entities included in the consolidated group IFRS financial statements, ensuring that management had access to all the financial information to allow the effective preparation and report on the consolidated financial statements.

EXTERNAL AUDITORS

The Committee considered the matters set out in the Companies Act and the JSE Listings Requirements, and:

- has obtained and considered sufficient information from the external auditors, KPMG Inc, to perform an assessment for their re-appointment and the designated auditor Mr Riegert Stoltz;
- is satisfied with the independence and objectivity of KPMG Inc and Mr Riegert Stoltz and is satisfied with the quality of their service;
- has ensured that the re-appointment of KPMG Inc, with Mr Riegert Stoltz as designated auditor, will be presented and included as a resolution at the forthcoming AGM;
- has approved the external auditor's fees and terms of engagement for the year ended 30 June 2020 and budgeted fees and terms of engagement for the financial year ended 30 June 2021; and
- has approved the non-audit related services performed by the external auditors in accordance with the policy established and approved by the Board.

The external auditors have unrestricted access to the Committee, the Committee Chairman and the Chairman of the Board, ensuring they are able to maintain their independence.

INTERNAL AUDITORS

The internal audit function is performed in-house, with the assistance of Pro-Optima Audit Services Proprietary Limited. Internal audits performed are aimed at reviewing, evaluating and improving the effectiveness of risk management, internal controls and corporate governance processes.

The Committee considered the effectiveness of the internal audit function, confirmed the audit plan for the 2021 financial year and reviewed the results of the internal audits conducted during the 2021 financial year.

The internal auditors have unrestricted access to the Committee, the Committee Chairman and the Chairman of the Board, ensuring they are able to maintain their independence.

INTERNAL CONTROLS

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management assesses the internal controls surrounding the financial reporting process as at the end of each financial year.

Separate meetings are held with management and external and internal audit representatives to discuss any challenges and other matters that they wish to discuss. The head of internal audit and risk and the external auditors have unlimited access to the chairman of the Committee.

To the best of the Committee's knowledge, and based on the information and explanations given by management and the Group internal audit function, the Committee is satisfied that the internal financial control environment continued to function effectively.

COMBINED ASSURANCE AND RISK MANAGEMENT

We use a combined assurance model to provide us with assurance obtained from management and from internal and external assurance providers. The Group's financial, operating, compliance and risk management controls are assessed by internal audit, overseen by the Committee.

The Committee considered combined assurance in responding to significant risks and material matters through the company's operation, internal auditors, external auditors and other inspections.

The Committee is satisfied that an effective control environment exists for management decision making and external reporting.

SOLVENCY AND LIQUIDITY

The Committee is satisfied that the Board has adequately performed solvency and liquidity tests in terms of Section 46 of the Companies Act, as and when required during the year under review.

For the period under review, the Committee is satisfied that it has regulated its affairs in compliance with its mandate, and has discharged its duties and responsibilities in terms of the JSE Listings Requirements, the Companies Act and the King IV Report on Corporate Governance for South Africa, 2016.

J A Holtzhausen
Chairman: Audit Committee
28 October 2021

INDEPENDENT AUDITOR'S REPORT

To the shareholders of DRDGOLD Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of DRDGOLD Limited (the Group and Company) set out on pages 19 to 88, which comprise the consolidated and company statements of financial position at 30 June 2021, and the consolidated and company statements of profit or loss and other comprehensive income, the consolidated and company statements of changes in equity and the consolidated and company statements of cash flows for the year then ended, and notes to the consolidated and company financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of DRDGOLD Limited at 30 June 2021, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report. We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><td colspan="2">Completeness and valuation of the provision for environmental rehabilitation (applicable to the consolidated financial statements)

Refer to note 11 to the consolidated financial statements</td></tr>
<tr><td>Key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>The provision for environmental rehabilitation costs is determined by management with the assistance of an independent expert, and is based on the following estimates and assumptions:

• The Group's environmental management plans which are developed in accordance with current regulatory requirements, the life-of-mine ("LOM") plan and the planned method of rehabilitation;

• Discount rates, inflation rates, discount periods and the projected timing of cash flows over the expected LOM used in the calculation of the net present value of the estimated rehabilitation costs.

Due to inherent uncertainty in estimating future environmental rehabilitation costs, the completeness and valuation of the provision for environmental rehabilitation was considered as key audit matter in our audit of the consolidated financial statements.</td><td>We evaluated the design and tested the implementation and operating effectiveness of certain internal controls relating to the Group's process to determine the environmental rehabilitation provision. This included controls related to:

• the estimates and assumptions applied that affect the Group's LOM assumptions;

• determining the method of rehabilitation and quantification of the undiscounted provision;

• the calculation of the discounted provision for environmental rehabilitation; and

• the completeness and accuracy of disclosures;

We involved environmental rehabilitation specialists who assisted us in evaluating the results of the Group's undiscounted estimated environmental costs detailed in the independent environmental expert's reports. This was performed by:

• evaluating the objectivity, knowledge, skills and ability of management's environmental expert by obtaining an understanding of their professional qualifications, experience and affiliations and scope of work;

• evaluating a selection of sites and performing inspections and challenging the planned method of rehabilitation that was determined in respect of each selected site. This was performed by comparing the planned method of rehabilitation to the estimated quantities of economically recoverable gold as indicated in the approved LOM plan, confirming that it is compliant with the environmental management plans as approved by the Department of Mineral Resources and Energy, where applicable, aligned with current industry practices, and comparing selected inputs to the Group's mineral reserves and resources report that was reviewed the Group's independent mineral resources expert;

We reviewed the mineral resources experts' reports by vouching a selection of the reported reclamation sites to environmental approvals or mining rights and evaluated the methodology and certain key assumptions used to measure the quantities of economically recoverable gold against industry norms and we evaluated the objectivity, knowledge, skills and ability of the Group's independent mineral resources expert, by considering their training and experience against industry norms;</td></tr>
</table>

<table>
<tr><td colspan="2">Completeness and valuation of the provision for environmental rehabilitation (applicable to the consolidated financial statements)

Refer to note 11 to the consolidated financial statements</td></tr>
<tr><td>Key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td></td><td>We assessed the accuracy of estimated cost of rehabilitation applied in determining the provision by selecting a sample of year on year movements in cost items and evaluating whether calculated movements are supported either by an appropriate change in method of rehabilitation or changes in the underlying quantities or third party contractors rates;

We evaluated the appropriateness of accounting for the change in estimates recognised in profit or loss or allocated to the related decommissioning asset; and

We assessed the appropriateness of the disclosures made as set out in note 11 against the requirements of IFRS.</td></tr>
</table>

<table>
<tr><td colspan="2">Valuation of equity investment in Rand Refinery Proprietary Limited (applicable to the consolidated and separate financial statements)

Refer to note 25 to the consolidated financial statements and note 18 to the Company financial statements</td></tr>
<tr><td>Key audit matter</td><td></td></tr>
<tr><td>The Group has an 11.3% unlisted equity investment in Rand Refinery Proprietary Limited (RR) of which 10% is owned by the Company. The fair value of the RR investment includes the valuation of the refining operations (excluding Prestige Bullion) using the free cash flow ("FCF") model and the valuation of RR's investment in Prestige Bullion (Prestige) using a finite-life dividend discount ("DD") model.

The IFRS 13 fair value determination of the equity investment in RR is inherently complex, specifically the forecasted average gold and silver prices, and discount rates including the weighted average cost of capital and cost of equity (which includes the marketability and minority discount rates) applied to calculate the overall total enterprise value for RR.

We identified the valuation of the investment in RR as a key audit matter due to the inherent complexity and uncertainties of the key assumptions to determine the fair values.</td><td>We evaluated the design and tested the operating effectiveness of certain internal controls related to the Group's process to determine the fair value of the investment in RR. This included controls related to:

• the determination of key inputs including the average gold and silver prices, weighted average cost of capital, cost of equity, marketability and minority discount rates; and

• the completeness and accuracy of the budgeted cash flow forecasts obtained from RR and applied in the valuation models;

We used a KPMG valuation specialist, who assisted in:

• evaluating the forecasted average gold and silver prices used in the FCF and DD models by comparing them to independent analysts' reports;

• evaluating the discount rates used by management in the FCF and DD valuation models by comparing them against the discount rate ranges that were independently developed using publicly available macroeconomic indicators and market data for comparable entities;

• developing an independent range of fair values, using the independently developed discount rates and the forecasted average gold and silver prices, and compared our range of fair values to the Group's calculated fair value for the investment in RR,</td></tr>
</table>

Valuation of equity investment in Rand Refinery Proprietary Limited (applicable to the consolidated and separate financial statements) Refer to note 25 to the consolidated financial statements and note 18 to the Company financial statements	
Key audit matter	
	• performing a sensitivity analyses to assess the impact on the calculated fair value of changes to the certain key inputs used in the FCF and DD models; and We evaluated the appropriateness of the disclosures made in respect of the equity investment in RR to the requirements of IFRS 13.

Valuation of deferred tax liabilities (applicable to the consolidated financial statements) Refer to note 18.2 to the consolidated financial statements	
Key audit matter	How the matter was addressed in our audit
Deferred tax liabilities related to the Ergo Mining (Pty) Ltd ("Ergo") and Far West Gold Recoveries (Pty) Ltd ("FWGR") operations are calculated by applying a forecast weighted average tax rate to the temporary differences. The calculation of the forecast weighted average tax rate requires the use of assumptions and estimates, including the Group's life-of-mine ("LOM") that is applied to calculate the expected future profitability, timing of the reversing temporary differences and the timing of when unredeemed capital expenditure can be utilised. Due to the inherent uncertainty in estimating future profitability, the valuation of the deferred tax liability was considered a key audit matter in our audit of the consolidated financial statements.	We evaluated the design and tested operating effectiveness of certain internal controls relating to the Group's process to develop the assumptions and estimates used in calculating the forecast weighted average tax rate. This included controls related to: • determining the life-of-mine ("LOM") plan that includes key assumptions to calculate the mineral reserves and resources; • the assessment of the forecasted rand gold price and forecasted production volumes that are applied in determining the expected future profitability and the expected timing for reversing of temporary differences; We evaluated the objectivity, knowledge, skills and ability of the Group's independent mineral resources experts, who reviewed management's mineral reserves and resources estimates, by comparing their professional qualifications, experience and affiliations against industry norms; We evaluated the mineral resources experts' reports by vouching a selection of the reported reclamation sites to environmental approvals or mining rights and evaluated the methodology and certain key assumptions used to measure the quantities of economically recoverable gold against industry norms; We challenged the assumptions and estimates used by the Group in the calculation of the expected future profitability by: • evaluating the reasonableness of the total estimated quantities of economically recoverable gold as indicated in the LOM plan by agreeing a selection of period to period movements to the current period actual recovered gold and increments or adjustments to the data in the

<table>
<tr><td colspan="2">Valuation of deferred tax liabilities (applicable to the consolidated financial statements)

Refer to note 18.2 to the consolidated financial statements</td></tr>
<tr><td>Key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td></td><td>expert's report;

• evaluating the forecasted rand gold price by comparing it to independent analyst reports;

• comparing the historical projections of the rand gold price and estimated quantities of economically recoverable gold to actual results;

We performed a sensitivity analysis to assess the impact that changes in the forecasted rand gold price and estimated quantities of economically recoverable gold, could have had on the expected future profitability and resultant calculated forecast weighted average tax rate;

We involved tax specialists who assisted in evaluating the estimated timing of the reversing temporary difference by comparing it to the timing as allowed in the currently enacted prescribed formula of the income tax act; and

We assessed the appropriateness of the disclosures made as set out in note 18.2 against the requirements of IFRS.</td></tr>
</table>

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "DRDGOLD Limited 2021 Annual Integrated Report" and in the document titled "DRDGOLD Limited Annual Financial Statements 30 June 2021", which includes the Directors' report, the Report of the Audit Committee and the Company Secretary's Statement as required by the Companies Act of South Africa, and the Director's responsibility statement and approval, the Report of the social and ethics committee and the Chief Executive Officer and Chief Financial Officer responsibility statements. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT *continued*

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that KPMG Inc has been the auditor of DRDGOLD Limited for 19 years.

KPMG Inc.
Registered Auditor

Per Riegert Stoltz
Chartered Accountant (SA)
Registered Auditor
Director
28 October 2021

KPMG Crescent,
85 Empire Road,
Parktown,
Johannesburg

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2021

Amounts in R million	Note	2021	2020
Revenue	4	**5,269.0**	4,185.0
Cost of sales	5.1	**(3,388.2)**	(2,937.9)
Gross profit from operating activities		**1,880.8**	1,247.1
Other income	5.2	**0.1**	0.7
Administration expenses and other costs	5.3	**(64.0)**	(309.9)
Results from operating activities		**1,816.9**	937.9
Finance income	6	**216.2**	109.8
Finance expense	7	**(69.5)**	(68.8)
Profit before tax		**1,963.6**	978.9
Income tax	18.1	**(523.7)**	(343.9)
Profit for the year		**1,439.9**	635.0
Other comprehensive income			
Items that will not be reclassified to profit or loss, net of tax			
Net fair value adjustment on equity investments at fair value through other comprehensive income		**(34.4)**	190.6
Fair value adjustment on equity investments at fair value through other comprehensive income	25	**(28.2)**	191.8
Deferred tax thereon	18.2	**(6.2)**	(1.2)
Total other comprehensive income for the year		**(34.4)**	190.6
Total comprehensive income for the year		**1,405.5**	825.6
Earnings per share			
Basic earnings per share (SA cents per share)	8	**168.4**	82.5
Diluted earnings per share (SA cents per share)	8	**167.2**	81.0

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2021

Amounts in R million	Note	2021	2020
ASSETS			
Non-current assets		**3,675.3**	3,485.4
Property, plant and equipment	9	**2,809.7**	2,621.1
Investments in rehabilitation obligation funds	12	**652.2**	626.0
Payments made under protest	24	**40.5**	35.0
Other investments	25	**167.1**	195.3
Deferred tax asset	18.2	**5.8**	8.0
Current assets		**2,672.7**	2,189.8
Inventories	17	**340.0**	323.4
Current tax receivable		**8.6**	4.9
Trade and other receivables	15	**144.1**	146.4
Cash and cash equivalents	13	**2,180.0**	1,715.1
TOTAL ASSETS		**6,348.0**	5,675.2
EQUITY AND LIABILITIES			
Equity		**4,820.4**	4,040.2
Stated share capital	21.1	**6,157.9**	6,157.9
Retained earnings		**(1,337.5)**	(2,117.7)
Non-current liabilities		**996.1**	889.1
Provision for environmental rehabilitation	11	**570.8**	568.9
Deferred tax liability	18.2	**377.1**	273.1
Liability for post-retirement medical benefits (2020: Employee benefits)		**10.3**	10.1
Lease liabilities	10.2	**37.9**	37.0
Current liabilities		**531.5**	745.9
Trade and other payables	16	**509.8**	478.8
Liability for cash-settled long-term incentive scheme (2020: Employee benefits)	19.1	**-**	227.6
Current portion of lease liabilities	10.2	**16.9**	10.1
Current tax liability		**4.8**	29.4
TOTAL LIABILITIES		**1,527.6**	1,635.0
TOTAL EQUITY AND LIABILITIES		**6,348.0**	5,675.2

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2021

Amounts in R million	Note	Stated share capital	Other reserves	Retained earnings	Total equity
Balance at 30 June 2019		**5,072.8**	**453.6**	**(2,837.8)**	**2,688.6**
Total comprehensive income					
Profit for the year				635.0	635.0
Other comprehensive income				190.6	190.6
Total comprehensive income		-	-	825.6	825.6
Transactions with the owners of the parent					
Contributions and distributions					
Issue of ordinary shares	21.1	1,085.6			1,085.6
Expenses incurred on issue of ordinary shares		(0.5)			(0.5)
Reallocation of the equity instruments on exercise of the Sibanye-Stillwater option	21.2	-	(453.6)	453.6	-
Dividend on ordinary shares	21.2			(565.1)	(565.1)
Equity-settled share-based payment	19.2			6.0	6.0
Total contributions and distributions		1,085.1	(453.6)	(105.5)	526.0
Balance at 30 June 2020		**6,157.9**	**-**	**(2,117.7)**	**4,040.2**
Total comprehensive income					
Profit for the year				1,439.9	1,439.9
Other comprehensive income				(34.4)	(34.4)
Total comprehensive income		-	-	1,405.5	1,405.5
Transactions with the owners of the parent					
Contributions and distributions					
Dividend on ordinary shares	21.2			(641.3)	(641.3)
Equity-settled share-based payment	19.2			16.0	16.0
Total contributions and distributions		-	-	(625.3)	(625.3)
Balance at 30 June 2021	**21.1**	**6,157.9**	**-**	**(1,337.5)**	**4,820.4**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2021

Amounts in R million	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	14	**1,851.0**	1,309.6
Finance income received		**105.9**	63.8
Dividends received		**76.1**	4.3
Finance expenses paid		**(7.5)**	(8.7)
Income tax paid		**(452.1)**	(240.1)
Net cash inflow from operating activities		**1,573.4**	1,128.9
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		**(395.7)**	(181.1)
Environmental rehabilitation payments to reduce decommissioning liabilities	11	**(51.0)**	(22.1)
Proceeds on disposal of property, plant and equipment	5.2	**0.1**	0.7
Net cash outflow from investing activities		**(446.6)**	(202.5)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of ordinary shares	21.1	**-**	1,085.6
Share issue expenses		**-**	(0.5)
Dividends paid on ordinary shares		**(640.9)**	(564.5)
Initial fees incurred on facility		**(1.0)**	-
Repayment of lease liabilities	10.2	**(11.6)**	(11.4)
Net cash (outflow)/inflow from financing activities		**(653.5)**	509.2
NET INCREASE IN CASH AND CASH EQUIVALENTS		**473.3**	1,435.6
Impact of fluctuations in exchange rate on cash held		**(8.4)**	-
Cash and cash equivalents at the beginning of the year		**1,715.1**	279.5
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	13	**2,180.0**	1,715.1

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

1 ABOUT THESE CONSOLIDATED FINANCIAL STATEMENTS

Reporting entity

DRDGOLD Limited ("**DRDGOLD**" or the "**Company**") and its subsidiaries are primarily involved in the retreatment of surface gold. The consolidated financial statements comprise DRDGOLD and its subsidiaries who are all wholly owned subsidiaries and solely operate in South Africa (collectively the "**Group**" and individually "**Group Companies**"). The Company is domiciled in South Africa with a registration number of 1895/000926/06. The registered address of the Company is Constantia Office Park, Cnr 14th Avenue and Hendrik Potgieter Road, Cycad House, Building 17, Ground Floor, Weltevreden Park, 1709.

DRDGOLD is 50.1% held by Sibanye Gold Limited, which in turn is a wholly owned subsidiary of Sibanye Stillwater Limited ("**Sibanye-Stillwater**").

Basis of accounting

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and its interpretations issued by the International Accounting Standards Board ("**IASB**"), SAICA *Financial Reporting Guides* as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council ("**FRSC**") as well as the requirements of the Companies Act of South Africa. The consolidated financial statements were approved by the board of directors of the Company ("**Board**") for issuance on 28 October 2021.

Functional and presentation currency

The functional and presentation currency of DRDGOLD and its subsidiaries is South African rand ("**Rand**"). The amounts in these consolidated financial statements are rounded to the nearest million unless stated otherwise. Significant exchange rates during the year are set out in the table below:

South African rand / US dollar	2021	2020
Spot rate at year end	14.27	17.32
Average prevailing rate for the financial year	15.40	15.66

Basis of measurement

The consolidated financial statements are prepared on the historical cost basis, unless otherwise stated.

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances, transactions and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

2 USE OF ACCOUNTING ASSUMPTIONS, ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements requires management to make accounting assumptions, estimates and judgements that affect the application of the Group's accounting policies and reported amounts of assets and liabilities, income and expenses.

Accounting assumptions, estimates and judgements are reviewed on an ongoing basis. Revisions to reported amounts are recognised in the period in which the revision is made and in any future periods affected. Actual results may differ from these estimates.

Information about assumptions and estimates in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are included in the notes:

- NOTE 9 PROPERTY, PLANT AND EQUIPMENT
- NOTE 11 PROVISION FOR ENVIRONMENTAL REHABILITATION
- NOTE 18 INCOME TAX
- NOTE 24 PAYMENTS MADE UNDER PROTEST
- NOTE 25 OTHER INVESTMENTS

Information about significant judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are included in the notes:

- NOTE 24 PAYMENTS MADE UNDER PROTEST
- NOTE 25 OTHER INVESTMENTS
- NOTE 26 CONTINGENCIES

3 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

New standards, amendments to standards and interpretations effective for the year ended 30 June 2021
During the financial period, the following relevant new and revised accounting standards, amendments to standards and new interpretations were adopted by the Group:

Definition of Material (Effective July 1, 2020)
The amendment clarifies the definition of material to make it easier to understand and provides guidance on how the definition should be applied. The changes in the definition now ensures that the definition is consistent across all IFRS standards and the Conceptual Framework.

- old definition (IAS 1): Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements;
- new definition (IAS 1): Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The definition of material omissions or misstatements from IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* has been removed.

The amendments to IAS 1 and IAS 8 did not have a significant impact on the Group.

Amendments to References to Conceptual Framework in IFRS (Effective July 1, 2020)
The IASB decided to revise the Conceptual Framework because certain important issues were not covered and certain guidance was unclear or out of date. The revised Conceptual Framework, issued by the IASB in March 2018, includes:

- new concepts on measurement including factors to be considered when selecting the measurement basis;
- new concepts on presentation and disclosure, including when to classify income and expenses in other comprehensive income;
- new guidance on when assets and liabilities are removed from financial statements;
- updated definitions of an asset and liability;
- updated recognition criteria for including assets and liabilities in financial statements;
- clarified concepts of prudence, stewardship, measurement uncertainty and substance over form; and
- the IASB also updated references to the Conceptual Framework in IFRS by issuing Amendments to References to the Conceptual Framework in IFRS.

The amendments to the References to the Conceptual Framework did not have a significant impact on the Group:

New standards, amendments to standards and interpretations not yet effective
At the date of authorisation of these consolidated financial statements, the following relevant standards, amendments to standards and interpretations that may be applicable to the business of the Group were in issue but not yet effective and may therefore have an impact on future consolidated financial statements. These new standards, amendments to standards and interpretations will be adopted at their effective dates.

These new standards, amendments to standards and interpretations are not expected to have a significant impact on the Group unless stated otherwise.

Annual Improvements to IFRS Standards 2018-2020 (Effective July 1, 2022)
As part of its process to make non-urgent but necessary amendments to IFRS Standards, the IASB International Accounting Standards Board has issued the Annual Improvements to IFRS Standards 2018–2020.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) (Effective July 1, 2022)
The IASB has amended IAS 16 *Property, Plant and Equipment* to provide guidance on the accounting for such sale proceeds and the related production costs.

Under the amendments, proceeds from selling items before the related item of property, plant and equipment (PPE) is available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 *Inventories* should be applied in identifying and measuring these production costs.

The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the amendments are adopted. Management has begun performing evaluation of whether the amendment will have a significant impact on the Group. More detail will be disclosed in future financial statements.

Definition of Accounting Estimate (Amendments to IAS 8) (Effective July 1, 2023)
The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

3 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS *continued*

New standards, amendments to standards and interpretations not yet effective *(continued)*

Deferred Tax related to Assets and Liabilities arising from a single transaction – Amendments to IAS 12 Income Taxes (Effective July 1, 2023)

IAS 12 *Income Taxes* clarifies how companies should account for deferred tax on certain transactions – e.g. leases and decommissioning provisions. The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

Classification of liabilities as current or non-current (Amendments to IAS 1) (Effective July 1, 2023)

To promote consistency in application and clarify the requirements on determining if a liability is current or non-current, the IASB has amended IAS 1 as follows:

Right to defer settlement must have substance

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an *unconditional right* to defer settlement of the liability for at least twelve months after the end of the reporting period.

As part of its amendments, the IASB has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

Classification of debt may change

A company classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting period. The IASB has now clarified that a right to defer exists only if the company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date.

Disclosure of Accounting Policy (Amendments to IAS 1 and IFRS Practice Statement 2) (Effective July 1, 2023)

The Board has recently issued amendments to IAS 1 *Presentation of Financial Statements* and an update to IFRS Practice Statement 2 *Making Materiality Judgements* to help companies provide useful accounting policy disclosures.

The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The amendments are applied prospectively.

Management has commenced an evaluation of the impact of the amendment will have on the Group. More detail will be disclosed in future financial statements.

4 REVENUE

ACCOUNTING POLICIES

Revenue comprises the sale of gold bullion and silver bullion (produced as a by-product).

Revenue is measured based on the consideration specified in a contract with the customer, which is based on the London Bullion Market fixing price on the date when the Group transfers control over the goods to the customer.

The Group recognises revenue at a point in time when Rand Refinery Proprietary Limited (“**Rand Refinery**”), acting as an agent for the sale of all gold produced by the Group, delivers the Gold to the buyer and the sales price is fixed, as evidenced by the certificate of sale. It is at this point that the revenue can be measured reliably and the recovery of the consideration is probable. Rand Refinery is contractually obliged to make payment to the Group within two business days after the sale of the gold and silver and therefore no significant financing component exists.

Amounts in R million	2021	2020
Gold revenue	**5,263.8**	4,179.3
Silver revenue	**5.2**	5.7
Total revenue	**5,269.0**	4,185.0

A disaggregation of revenue by operating segment is presented in note 23 OPERATING SEGMENTS.

MARKET RISK

Commodity price sensitivity

The Group's profitability and the cash flows are significantly affected by changes in the market price of gold which is sold in US Dollars. The Group did not enter into forward sales of gold production, derivatives or other hedging arrangements to establish a commodity price in advance for the sale of future gold production during the year.

A change of 20% in the average US Dollar gold price received during the financial year would have increased/(decreased) equity and profit/(loss) by the amounts shown below. This analysis assumes that all other variables remain constant and specifically excludes the impact on income tax.

Amounts in R million	2021	2020
20% increase in the US Dollar gold price	**1,053.8**	837.0
20% decrease in the US Dollar gold price	**(1,053.8)**	(837.0)

Exchange rate sensitivity

The Group's profitability and the cash flows are significantly affected by changes in the Rand to the US Dollar exchange rate. The Group did not enter into forward sales of US Dollars, derivatives or other hedging arrangements to establish an exchange rate in advance for the sale of US Dollars to be received in the future.

A change of 20% in the average Rand to US Dollar exchange rate received during the financial year would have increased/(decreased) equity and profit/(loss) by the amounts shown below. This analysis assumes that all other variables remain constant and specifically excludes the impact on income tax.

Amounts in R million	2021	2020
20% increase in the Rand to US Dollar exchange rate	**1,053.8**	837.0
20% decrease in the Rand to US Dollar exchange rate	**(1,053.8)**	(837.0)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 30 June 2021

5 RESULTS FROM OPERATING ACTIVITIES

5.1 COST OF SALES

Amounts in R million	Note	2021	2020
Cost of sales		**(3,388.2)**	(2,937.9)
Operating costs (a)		**(3,122.5)**	(2,692.1)
Movement in gold in process and finished inventories - Gold Bullion		**(25.6)**	3.1
Depreciation	9	**(252.5)**	(270.8)
Change in estimate of environmental rehabilitation	11	**12.4**	21.9
(a) Operating costs			
The most significant components of operating costs include:			
Consumable stores		**(880.2)**	(801.0)
Labour including short term incentives		**(598.4)**	(573.0)
Electricity		**(488.2)**	(420.9)
Specialist service providers		**(510.7)**	(447.5)
Machine hire		**(127.4)**	(95.2)
Security expenses		**(122.8)**	(87.8)
Water		**(57.1)**	(47.0)
Pre-production costs capitalised		**-**	93.7

RELATED PARTY TRANSACTIONS

Far West Gold Recoveries Proprietary Limited ("**FWGR**") entered into an agreement with Sibanye-Stillwater effective 31 July 2018 for the pumping and supply of water and electricity to the FWGR operations for which FWGR is invoiced based on metered usage of water and electricity.

FWGR also entered into a smelting agreement with Sibanye-Stillwater effective 31 July 2018 to smelt and recover gold from gold loaded carbon produced at FWGR, and deliver the gold to Rand Refinery. As consideration for this service, Sibanye-Stillwater receives a fee based on the smelting costs plus 10% of the smelting costs.

Rand Refinery performs the final refinement and marketing of all gold and silver produced by the Group. As consideration for this service, Rand Refinery receives a variable refining fee plus fixed marketing and administration fees.

All transactions and outstanding balances with related parties are to be settled in cash within 30 days of the invoice date. None of the balances are secured. No expense has been recognised in the current year as a credit loss allowance in respect of amounts charged to related parties.

Amounts in R million	2021	2020
Services rendered by related parties and included in operating costs:		
Supply of water and electricity [1]	**68.1**	50.0
Gold smelting and related charges [1]	**21.1**	19.8
Other charges [1]	**0.7**	1.6
Charges to Sibanye-Stillwater [2]	**-**	(0.2)
Gold refining and related charges [3]	**6.8**	4.9
	96.7	76.1

[1] *Paid to Sibanye-Stillwater by FWGR*

[2] *2019 charges relate to material processed on behalf of Sibanye-Stillwater in terms of a toll treatment agreement and recovered the related costs from Sibanye-Stillwater. 2020 charges relate to miscellaneous items*

[3] *Paid to Rand Refinery*

5.2 OTHER INCOME

ACCOUNTING POLICIES

Other income is recognised where it is probable that the economic benefits associated with a transaction will flow to the Group and it can be reliably measured.

Other income is generally income earned from transactions outside the course of the Group's ordinary activities and may include gains on disposal of property, plant and equipment and gains on financial instruments at fair value through profit or loss.

Amounts in R million	2021	2020
Gain on disposal of property, plant and equipment	**0.1**	0.7
	0.1	0.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 30 June 2021

5 RESULTS FROM OPERATING ACTIVITIES *continued*

5.3 ADMINISTRATION EXPENSES AND OTHER COSTS

Amounts in R million	Note	2021	2020
Included in administration expenses and other costs are the following:			
Share based payment benefit/(expenses)		28.3	(224.1)
Cash settled Long-Term Incentive ("CLTI") scheme	19.1	44.3	(218.1)
Equity settled Long-Term Incentive ("ELTI") scheme	19.2	(16.0)	(6.0)

6 FINANCE INCOME

ACCOUNTING POLICY

Finance income includes interest received, growth in cash and cash equivalents in environmental rehabilitation trust funds, growth in the reimbursive right for environmental rehabilitation guarantees, dividends received and the unwinding of the payments made under protest.

Amounts in R million	Note	2021	2020
Interest on financial assets measured at amortised cost	13	108.7	63.1
Growth in cash and cash equivalents in environmental rehabilitation trust funds	12	22.5	33.3
Growth in reimbursive right for environmental rehabilitation guarantees	12	3.7	5.2
Dividends received	25	76.1	4.3
Unwinding of payments made under protest	24	4.8	3.9
Other finance income		0.4	-
		216.2	109.8

7 FINANCE EXPENSE

ACCOUNTING POLICY

Finance expenses comprise interest payable on financial instruments measured at amortised cost calculated using the effective interest method, unwinding of the provision for environmental rehabilitation, interest on lease liabilities, the discount recognised on payments made under protest and foreign exchange losses.

Amounts in R million	Note	2021	2020
Interest on financial liabilities measured at amortised cost		(2.3)	(2.0)
Unwinding of provision for environmental rehabilitation	11	(44.7)	(52.0)
Discount recognised on payments made under protest	24	(7.4)	(7.1)
Interest on lease liabilities	10.2	(4.5)	(5.1)
Unrealised foreign exchange loss		(8.4)	-
Other finance expenses		(2.2)	(2.6)
		(69.5)	(68.8)

8 EARNINGS PER SHARE

Amounts in R million	Note	2021	2020
The calculations of basic and diluted earnings per ordinary share are based on the following:			
Profit for the year		1,439.9	635.0
Headline earnings			
The basic earnings has been adjusted by the following to arrive at headline earnings:			
Gain on disposal of property, plant and equipment (after tax)		(0.1)	(0.5)
- Gain on disposal of property, plant and equipment	5	(0.1)	(0.7)
- Tax thereon		-	0.2
Headline earnings		**1,439.8**	**634.5**

8 EARNINGS PER SHARE continued

Reconciliation of weighted average number of ordinary shares to diluted weighted average number of ordinary shares	Note	2021	2020
Weighted average number of ordinary shares in issue		**855,113,791**	769,941,874
Effect of the exercise of the Sibanye-Stillwater option	21.1	**-**	9,464,684
Effect of equity-settled share-based payment	19.2	**5,935,215**	4,283,001
Diluted weighted average number of ordinary shares		**861,049,006**	783,689,559

SA cents per share	2021	2020
Basic earnings per share	**168.4**	82.5
Diluted earnings per share	**167.2**	81.0
Headline earnings per share	**168.4**	82.4
Diluted headline earnings per share	**167.2**	81.0

9 PROPERTY, PLANT AND EQUIPMENT

SIGNIFICANT ACCOUNTING ASSUMPTIONS AND ESTIMATES

Mineral reserves and resources estimates

The Group is required to determine and report mineral reserves and resources in accordance with The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (The SAMREC Code), 2016 Edition. In order to calculate mineral reserves and resources, estimates and assumptions are required about a range of geological, technical and economic factors, including but not limited to quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates. Estimating the quantity and/or grade of mineral reserves and resources requires the size, shape and depth of reclamation sites to be determined by analysing geological data such as the logging and assaying of drill samples. This process may require complex and difficult geological judgements and calculations to interpret the data. Because the assumptions used to estimate mineral reserves and resources change from period to period and because additional geological data is generated during the course of operations, estimates of mineral reserves and resources may change from period to period. Mineral reserves and resources estimates prepared by management are reviewed by an independent mineral resources expert.

Changes in reported mineral reserves and resources may affect the Group's life-of-mine plan, financial results and financial position in a number of ways including the following:
- asset carrying values may be affected due to changes in estimated future cash flows;
- depreciation charged to profit or loss may change where such charges are determined by the units-of-production method, or where the useful lives of assets change;
- decommissioning, site restoration and environmental provisions may change where changes in estimated mineral reserves and resources affect expectations about the timing or cost of these activities; and
- the carrying value of deferred tax assets and liabilities may change due to changes in estimates of the likely recovery of the tax benefits and charges.

Depreciation

The calculation of the units-of-production rate of depreciation could be affected if actual production in the future varies significantly from current forecast production. This would generally arise when there are significant changes in any of the factors or assumptions used in estimating mineral reserves and resources. These factors could include:
- changes in mineral reserves and resources;
- the grade of mineral reserves and resources may vary from time to time;
- differences between actual commodity prices and commodity price assumptions;
- unforeseen operational issues at mine sites including planned extraction efficiencies; and
- changes in capital, operating, mining processing and reclamation costs, discount rates and foreign exchange rates.

9 PROPERTY, PLANT AND EQUIPMENT continued

ACCOUNTING POLICIES

Recognition and measurement
Property, plant and equipment comprise mine plant facilities and equipment, mine property and development (including mineral rights) and exploration assets. These assets (excluding exploration assets) are initially measured at cost, whereafter they are measured at cost less accumulated depreciation and accumulated impairment losses. Exploration assets are initially measured at cost, whereafter they are measured at cost less accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition or construction of the asset, borrowing costs capitalised, as well as the costs of dismantling and removing an asset and restoring the site on which it is located. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Exploration and evaluation costs are capitalised as exploration assets on a project-by-project basis, pending determination of the technical feasibility and commercial viability of the project.

Exploration assets consists of costs of acquiring rights, activities associated with converting a mineral resource to a mineral reserve, the process thereof includes drilling, sampling and other processes necessary to evaluate the technical feasibility and commercial viability of a mineral resource to prove whether a mineral reserve exists. Exploration assets also include geological, geochemical and geophysical studies associated with prospective projects and tangible assets which comprise of property, plant and equipment used for exploratory activities. Costs are capitalised to the extent that they are a directly attributable exploration expenditure and classified as a separate class of assets on a project-by-project basis. Once a mineral reserve is determined, or the project ready for development, the asset attributable to the mineral reserve or project is tested for impairment and then reclassified to the appropriate class of assets. Depreciation commences when the assets are available for use.

Depreciation
Depreciation of mine plant facilities and equipment, as well as mining property and development (including mineral rights) are calculated using the units of production method which is based on the life-of-mine of each site. The life-of-mine is primarily based on proved and probable mineral reserves. It reflects the estimated quantities of economically recoverable gold that can be recovered from reclamation sites based on the estimated gold price. Changes in the life-of-mine will impact depreciation on a prospective basis. The life-of-mine is prepared using a methodology that takes account of current information to assess the economically recoverable gold from specific reclamation sites and includes the consideration of historical experience.

The depreciation method, estimated useful lives and residual values are reassessed annually and adjusted if appropriate. Changes to the useful lives may affect prospective depreciation rates. The current estimated useful lives are based on the life-of-mine of each site, currently between three (2020: four) and 13 years (2020: 13) years for mining assets of Ergo Mining Proprietary Limited ("**Ergo**") and between three (2020: four) and 18 years (2020: 20) years for FWGR mining assets.

9 PROPERTY, PLANT AND EQUIPMENT *continued*

ACCOUNTING POLICIES *continued*

Impairment

The carrying amounts of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). The key assets of a surface retreatment operation which constitutes a CGU are a reclamation site, a metallurgical plant and a tailings storage facility. These key assets operate interdependently to produce gold. The Ergo and FWGR operations each have separately managed and monitored reclamation sites, metallurgical plants and tailings storage facilities and are therefore separate CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. The recoverable amount was determined by estimating the value in use. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised in profit or loss if the carrying amount of an asset or CGU exceeds its recoverable amount.

Amounts in R million	Note	Mine plant facilities and equipment	Mine property and development	Exploration assets	Total
30 June 2021					
Cost		**2,604.3**	**2,154.0**	**110.5**	**4,868.8**
Balance at the beginning of the year		**2,203.5**	**2,147.0**	**266.3**	**4,616.8**
Additions - property, plant and equipment owned		**237.7**	**113.3**	**44.7**	**395.7**
Additions - right-of-use assets	10.1	**16.7**	**-**	**-**	**16.7**
Lease modifications	10.1	**-**	**2.3**	**-**	**2.3**
Lease derecognitions	10.1	**(1.0)**	**-**	**-**	**(1.0)**
Disposals and scrapping		**(54.7)**	**(133.4)**	**-**	**(188.1)**
Change in estimate of decommissioning asset	11	**14.9**	**14.2**	**(2.7)**	**26.4**
Transfers between classes of property, plant and equipment		**187.2**	**10.6**	**(197.8)**	**-**
Accumulated depreciation and impairment		**(1,074.0)**	**(975.4)**	**(9.7)**	**(2,059.1)**
Balance at the beginning of the year		**(1,017.5)**	**(968.5)**	**(9.7)**	**(1,995.7)**
Depreciation	5.1	**(112.2)**	**(140.3)**	**-**	**(252.5)**
Lease derecognitions		**1.0**	**-**	**-**	**1.0**
Disposals and scrapping		**54.7**	**133.4**	**-**	**188.1**
Carrying value at end of the year		**1,530.3**	**1,178.6**	**100.8**	**2,809.7**
Comprising:					
Property, plant and equipment owned		**1,509.7**	**1,150.1**	**100.8**	**2,760.6**
Right-of-use assets	10.1	**20.6**	**28.5**	**-**	**49.1**
Carrying value at end of the year		**1,530.3**	**1,178.6**	**100.8**	**2,809.7**
30 June 2020					
Cost		2,203.5	2,147.0	266.3	4,616.8
Balance at the beginning of the year		2,156.2	2,106.8	256.7	4,519.7
Impact of adopting IFRS 16 on 1 July 2019		7.5	23.4	-	30.9
Additions - property, plant and equipment owned		121.2	46.5	15.0	182.7
Additions - right-of-use assets		3.8	14.2	-	18.0
Lease modifications		-	7.5	-	7.5
Lease derecognitions		(26.7)	(0.1)	-	(26.8)
Disposals and scrapping		(1.6)	-	-	(1.6)
Change in estimate of decommissioning asset	11	(56.7)	(51.5)	(5.4)	(113.6)
Transfers between classes of property, plant and equipment		(0.2)	0.2	-	-
Accumulated depreciation and impairment		(1,017.5)	(968.5)	(9.7)	(1,995.7)
Balance at the beginning of the year		(909.9)	(824.8)	(9.7)	(1,744.4)
Depreciation	5.1	(127.1)	(143.7)	-	(270.8)
Lease derecognitions		17.9	-	-	17.9
Disposals and scrapping		1.6	-	-	1.6
Carrying value at end of the year		1,186.0	1,178.5	256.6	2,621.1
Comprising:					
Property, plant and equipment owned		1,177.8	1,141.8	256.6	2,576.2
Right-of-use assets	10.1	8.2	36.7	-	44.9
Carrying value at end of the year		1,186.0	1,178.5	256.6	2,621.1

9 PROPERTY, PLANT AND EQUIPMENT *continued*

CONTRACTUAL COMMITMENTS

Contractual commitments not provided for in the consolidated financial statements at 30 June 2021 amounted to R65.5 million (2020: R130.6 million).

Capital expenditure related to material growth projects are financed on a project-by-project basis which may include bank facilities and existing cash resources. Sustaining capital expenditure is financed from cash generated from operations and existing cash resources.

10 RIGHT OF USE ASSETS AND LEASES

ACCOUNTING JUDGEMENTS

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The contract must also be enforceable. To assess whether a contract conveys the right to control the use of an identified asset, requires judgement particularly on contracts with service contractors, which may contain embedded leases.

The Group assesses whether:
- the contract involves the use of an identified asset;
- the Group has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relevant stand-alone prices. However, for the lease of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease component as a single lease component.

Some property leases contain options to renew under the contract. Judgement is applied in whether the renewable option periods must be included in the lease term i.e. it is reasonably certain that the options to renew will be exercised. In applying judgement, the Group also considers whether the lease term is commensurate with estimated future mine plan requirements and environmental rehabilitation obligations associated with the property post reclamation.

ACCOUNTING POLICIES

Right of use asset
The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability and is adjusted by any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The Group recognises a right of use asset and lease liability at the lease commencement date.

The right of use asset is subsequently depreciated using the straightline method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The right of use asset carrying value is allocated to the CGU it belongs to and the CGU is reviewed at each reporting date to determine whether there is any indication of impairment. The carrying value is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liability
The lease liability is initially measured at the present value of the outstanding lease payments at commencement date over the lease term, discounted using the interest rate implicit in the lease or if that rate is undeterminable, the Group's incremental borrowing rate. The lease term includes the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods when the Group is reasonably certain to exercise an option to extend a lease.

Lease payments comprise fixed payments, variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date, and the exercise price under a purchase option that the Group is reasonably certain to exercise.

The lease liability is measured using the effective interest rate method The Group re-measures the lease liability when the lease contract is modified and this does not give rise to modification accounting, when the lease term has been changed or when the lease payments have changed as a result of a change in an index or rate or a change in the assessment of a purchase option. Upon remeasurement, a corresponding adjustment is made to the carrying amount of the right of use asset or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

Right of use assets are presented in "property, plant and equipment" and lease liabilities are separately disclosed in the statement of financial position.

Short term leases and leases of low value assets
The Group has elected not to recognise right of use assets and lease liabilities for short-term leases of machinery and equipment that have a lease term of 12 months or less and leases of low value assets which include IT equipment, security equipment and administration equipment.

for the year ended 30 June 2021

10 RIGHT OF USE ASSETS AND LEASES *continued*

10.1 RIGHT OF USE ASSETS

Included in property, plant and equipment are the following leased assets:

Amounts in R million	Note	Mine plant facilities and equipment	Mine property and development	Total
30 June 2021				
Cost		**26.8**	**47.3**	**74.1**
Opening balance		**11.1**	**45.0**	**56.1**
Additions		**16.7**	**-**	**16.7**
Lease modifications		**-**	**2.3**	**2.3**
Lease derecognitions		**(1.0)**	**-**	**(1.0)**
Accumulated depreciation		**(6.2)**	**(18.8)**	**(25.0)**
Opening balance		**(2.9)**	**(8.3)**	**(11.2)**
Depreciation		**(4.3)**	**(10.5)**	**(14.8)**
Lease derecognitions		**1.0**	**-**	**1.0**
Carrying value		**20.6**	**28.5**	**49.1**
30 June 2020				
Cost		11.1	45.0	56.1
Impact of adopting IFRS 16 on 1 July 2019				
Right-of-use assets recognised on 1 July 2019		7.5	23.4	30.9
Transfers and other movements [1]		26.5	-	26.5
Additions		3.8	14.2	18.0
Lease modifications		-	7.5	7.5
Lease derecognitions		(26.7)	(0.1)	(26.8)
Accumulated depreciation		(2.9)	(8.3)	(11.2)
Impact of adopting IFRS 16 on 1 July 2019				
Transfers and other movements [1]		(15.9)	-	(15.9)
Depreciation	5.1	(4.9)	(8.3)	(13.2)
Lease derecognitions		17.9	-	17.9
Carrying value		8.2	36.7	44.9

[1] Relates to contracts previously classified as leases under IAS 17 and presented as property, plant and equipment which the Group has reassessed as right-of-use assets upon adoption of IFRS 16 as of 1 July 2019

10.2 LEASE LIABILITIES

Amounts in R million	Note	2021	2020
Reconciliation of the lease liabilities balance:			
Balance at the beginning of the year		**47.1**	11.0
Impact of adopting IFRS 16 on 1 July 2019	9	**-**	30.9
New leases	9	**16.7**	18.0
Lease modifications		**2.3**	7.5
Leases derecognised		**-**	(8.9)
Interest charge on lease liabilities	7	**4.5**	5.1
Repayment of lease liabilities		**(11.6)**	(11.4)
Interest repaid		**(4.2)**	(5.1)
Balance at the end of the year		**54.8**	47.1
Current portion of lease liabilities		**(16.9)**	(10.1)
Non-current lease liabilities		**37.9**	37.0
Maturity analysis of undiscounted contractual cash flows:			
Less than a year		**20.5**	13.0
One to five years		**42.0**	37.0
More than 5 years		**1.3**	9.0
Total undiscounted lease liabilities at the end of the year		**63.8**	59.0
Lease payments not recognised as a liability but expensed during the year:			
Short-term leases		**(1.4)**	(2.4)
Leases of low value assets		**(7.7)**	(5.0)
Cash flows included in cash generated from operating activities		**(9.1)**	(7.4)

11 PROVISION FOR ENVIRONMENTAL REHABILITATION

SIGNIFICANT ACCOUNTING ASSUMPTIONS AND ESTIMATES

Estimates of future environmental rehabilitation costs are determined with the assistance of an independent expert and are based on the Group's environmental management plans which are developed in accordance with regulatory requirements as well as the life-of-mine plan (as discussed in note 9 to the consolidated financial statements) which influences the estimated timing of the rehabilitation cash outflows and the planned method of rehabilitation which in turn is influenced by developments in trends and technology.

An average discount rate ranging between 8.9% and 9.0% (2020: between 8.1% and 9.5%), average inflation rate of 5.2% (2020: 5.1%) and the discount periods as per the expected life-of-mine were used in the calculation of the estimated net present value of the rehabilitation liability.

ACCOUNTING POLICIES

The net present value of the estimated rehabilitation cost as at reporting date is provided for in full. These estimates are reviewed annually and are discounted using a pre-tax risk-free rate that is adjusted to reflect the current market assessments of the time value of money and the risks specific to the obligation.

Annual changes in the provision consist of financing expenses relating to the change in the present value of the provision and inflationary increases in the provision, as well as changes in estimates.

The present value of dismantling and removing the asset created (decommissioning liabilities) are capitalised to property, plant and equipment against an increase in the rehabilitation provision. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised in profit or loss. If the asset value is increased and there is an indication that the revised carrying value is not recoverable, an impairment test is performed in accordance with the accounting policy dealing with impairments of property, plant and equipment. Over time, the liability is increased to reflect an interest element, and the capitalised cost is depreciated over the life of the related asset. Cash costs incurred to rehabilitate these disturbances are charged to the provision and are presented as investing activities in the statement of cash flows.

The present value of environmental rehabilitation costs relating to the production of inventories and sites without related assets (restoration liabilities) as well as changes therein are expensed as incurred and presented as operating costs. Cash costs incurred to rehabilitate these disturbances are presented as operating activities in the statement of cash flows. The cost of ongoing rehabilitation is recognised in profit or loss as incurred.

Amounts in R million	Note	2021	2020
Opening balance		**568.9**	682.6
Unwinding of provision	7	**44.7**	52.0
Change in estimate of environmental rehabilitation recognised in profit or loss (a)	5.1	**(12.4)**	(21.9)
Change in estimate of environmental rehabilitation recognised to decommissioning asset (b)	9	**26.4**	(113.6)
Environmental rehabilitation payments (c)		**(56.8)**	(30.2)
To reduce decommissioning liabilities		**(51.0)**	(22.1)
To reduce restoration liabilities	14	**(5.8)**	(8.1)
Closing balance		**570.8**	568.9
Environmental rehabilitation payments to reduce the liability		**(56.8)**	(30.2)
Ongoing rehabilitation expenditure [1]	23	**(48.3)**	(24.3)
Total cash spent on environmental rehabilitation		**(105.1)**	(54.5)

[1] The Group also performs ongoing environmental rehabilitation arising from its current activities concurrently with production. These costs do not represent a reduction of the above liability and are expensed as operating costs.

(a) Change in estimate of environmental rehabilitation recognised in profit or loss
This is as a result of changes in the estimated timing of the vegetation of reclamation sites.

(b) Change in estimate of environmental rehabilitation recognised to decommissioning asset
Increase is as a result of an increase in contractor rates for the establishment of vegetation based on ongoing test work performed as well as inflationary increases on other contractor rates.

(c) Environmental rehabilitation payments
69ha of the Brakpan/Withok TSF, 20ha of the Daggafontein TSF, 6ha of the Crown Complex TSF, and 19ha of the Driefontein 4 TSF was vegetated during the year. 1ha of the Dam 5 tailings dam was concurrently vegetated.

GROSS COST TO REHABILITATE

The Group estimates that, based on current environmental and regulatory requirements, the total undiscounted rehabilitation cost is approximately R742.2 million (2020: R752.5 million).

12 INVESTMENTS IN REHABILITATION OBLIGATION FUNDS

ACCOUNTING POLICIES

Cash and cash equivalents in environmental rehabilitation trusts
Cash and cash equivalents included in environmental rehabilitation trusts comprise low-risk, interest-bearing cash and cash equivalents and are non-derivative financial assets categorised as financial assets measured at amortised cost.

Cash and cash equivalents are initially measured at fair value. Subsequent to initial recognition, cash and cash equivalents are measured at amortised cost, which is equivalent to their fair value.

The cash and cash equivalents in environmental rehabilitation trusts are for the sole use of material future environmental rehabilitation payments and are therefore included in non-current assets.

Reimbursive right for environmental rehabilitation guarantees
Funds held in the cell captive that secure the environmental rehabilitation guarantees issued are recognised as a right to receive a reimbursement and are measured at the lower of the amount of the consolidated environmental rehabilitation liability recognised and the consolidated fair value of the fund assets.

Changes in the carrying value of the fund assets, other than those resulting from contributions and payments, are recognised in finance income.
The funds held in the cell captive are for the sole use of material future environmental rehabilitation payments and are therefore included in non-current assets.

Funding of environmental rehabilitation activities (refer note 11)
Environmental rehabilitation payments to reduce the environmental rehabilitation obligations and ongoing rehabilitation expenditure are mostly funded by cash generated from operations.

Guardrisk Insurance Company Limited ("**Guardrisk**") has guarantees in issue amounting to R430.1 million (2020: R427.3 million) to the Department of Mineral Resources and Energy ("**DMRE**") on behalf of DRDGOLD related to the environmental obligations. The funds in the cell captive serve as collateral for these guarantees.

Amounts in R million	Note	2021	2020
Cash and cash equivalents in environmental rehabilitation trust funds		**564.7**	542.2
Opening balance		**542.2**	508.9
Growth	6	**22.5**	33.3
Reimbursive right for environmental rehabilitation guarantees		**87.5**	83.8
Opening balance		**83.8**	78.6
Growth	6	**3.7**	5.2
		652.2	626.0

CREDIT RISK
The Group is exposed to credit risk on the total carrying value of the investments held in the environmental rehabilitation trust funds.

The Group manages its exposure to credit risk by diversifying these investments across a number of major financial institutions, as well as investing funds in low-risk, interest-bearing cash and cash equivalents.

MARKET RISK

Interest rate risk
A change of 100 basis points (bp) in interest rates at the reporting date would have increased/(decreased) equity and profit/(loss) by the amounts shown below. This analysis assumes that all other variables, in particular the balance of the funds, remain constant. The analysis excludes income tax.

Amounts in R million	2021	2020
100bp increase	**5.6**	5.4
100bp (decrease)	**(5.6)**	(5.4)

FAIR VALUE OF FINANCIAL INSTRUMENTS
The fair value of the cash and cash equivalents in the environmental rehabilitation trust funds approximate their carrying value due to their short-term maturities.

13 CASH AND CASH EQUIVALENTS

ACCOUNTING POLICIES

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to cash without significant risk of changes in value and comprise cash on hand, demand deposits, and highly liquid investments which are readily convertible to known amounts of cash.

Cash and cash equivalents are non-derivative financial assets categorised as financial assets measured at amortised cost. Cash and cash equivalents are initially measured at fair value. Subsequent to initial recognition, cash and cash equivalents are measured at amortised cost, which is equivalent to their fair value.

Amounts in R million	Note	2021	2020
Cash on hand		**100.5**	63.5
Access deposits and income funds [1]		**2,069.2**	1,632.3
Restricted cash [2]		**10.3**	19.3
		2,180.0	1,715.1
Interest earned on cash and cash equivalents	6	**108.7**	63.1

[1]These consist of access deposit notes and conservatively managed income funds that are diversified across the major financial institutions in South Africa.
At reporting date all of these instruments had same day or next day liquidity and effective annualised yields of between 4.0% and 5.6%

[2]This consists of cash held on call as collateral for guarantees issued by the Standard Bank of South Africa Limited on behalf of the Group for environmental rehabilitation amounting to R5.2 million and various utilities amounting to R5.1 million

CREDIT RISK

The Group is exposed to credit risk on the total carrying value of its cash and cash equivalents. The Group manages its exposure to credit risk by investing cash and cash equivalents across several major financial institutions, considering the credit ratings of the respective financial institutions, funds and underlying instruments.

Impairment on cash and cash equivalents, if any, are measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

MARKET RISK

Interest rate risk
A change of 100 basis points (bp) in the interest rates would have increased/(decreased) equity and profit/(loss) by the amounts shown below. This analysis is performed on the average balance of cash and cash equivalents for the year and assumes that all other variables remain constant. The analysis excludes income tax.

Amounts in R million	2021	2020
100bp increase	**19.5**	10.0
100bp (decrease)	**(19.5)**	(10.0)

Foreign denominated cash is held in a foreign currency bank account accruing negligible interest and is usually converted to South African Rand on the day of receipt. Foreign cash is therefore not exposed to significant interest rate risk.

Foreign currency risk
US Dollars received on settlement of the trade receivables are exposed to fluctuations in the US Dollar/South African Rand exchange rate until it is converted to South African Rands.

US Dollars not converted to South African Rands at reporting date are as follows:

Figures in USD million	2021	2020
Foreign denominated cash at 30 June	**3.4**	-

A 10% strengthening of the Rand against the US Dollar at 30 June would have increased/(decreased) equity and profit/(loss) by the amounts shown below. This analysis assumes that all other variables remain constant.

Amounts in R million	2021	2020
Strengthening of the Rand against the US Dollar	**(4.9)**	-
Weakening of the Rand against the US Dollar	**4.9**	-

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of cash and cash equivalents approximates their carrying value due to their short-term maturities.

14 CASH GENERATED FROM OPERATIONS

Amounts in R million	Note	2021	2020
Profit for the year		**1,439.9**	635.0
Adjusted for			
Income tax	18	**523.7**	343.9
Depreciation	9	**252.5**	270.8
Movement in gold in process and finished inventories - Gold Bullion	5.1	**25.6**	(3.1)
Change in estimate of environmental rehabilitation	11	**(12.4)**	(21.9)
Environmental rehabilitation payments	11	**(5.8)**	(8.1)
Share-based payment (benefit)/expense	5.3	**(28.3)**	224.1
Gain on disposal of property, plant and equipment	5.2	**(0.1)**	(0.7)
Finance income	6	**(216.2)**	(109.8)
Finance expense	7	**69.5**	68.8
Other non-cash items		**(2.5)**	2.6
Operating cash flows before other changes		**2,045.9**	1,401.6
Changes in		**(194.9)**	(92.0)
Trade and other receivables		**6.9**	(79.0)
Consumable stores and stockpiles		**(44.7)**	(26.4)
Payments made under protest	24	**(8.1)**	(10.6)
Trade and other payables and employee benefits		**(149.0)** [1]	24.0 [1]
Cash generated from operations		**1,851.0**	1,309.6

[1] *Includes settlement of cash-settled long-term incentives of R183.3 million (2020: R41.5 million)*

15 TRADE AND OTHER RECEIVABLES

ACCOUNTING POLICIES

Recognition and measurement
Trade and other receivables, excluding Value Added Tax and prepayments, are non-derivative financial assets categorised as financial assets at amortised cost.

These assets are initially measured at fair value plus directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method less any expected credit losses using the Group's business model for managing its financial assets.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Impairment
The Group recognises loss allowances for trade and other receivables at an amount equal to expected credit losses ("ECLs"). The Group uses the simplified ECL approach. When determining whether the credit risk of a financial asset has increased since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on informed credit assessments and including forward-looking information. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). The Group assesses whether the financial asset is credit impaired at each reporting date. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred, including but not limited to financial difficulty or default of payment. The Group will write off a financial asset when there is no reasonable expectation of recovering it after considering whether all means to recover the asset have been exhausted, or the counterparty has been liquidated and the Group has assessed that no recovery is possible.

Any impairment losses are recognised in the statement of profit or loss.

Trade receivables relate to gold sold on the bullion market by Rand Refinery in its capacity as an agent. Settlement is usually received two working days from gold sold date.

15 TRADE AND OTHER RECEIVABLES *continued*

Amounts in R million	2021	2020
Trade receivables	**56.5**	23.1
Value Added Tax	**50.2**	83.5
Other receivables [1]	**21.2**	17.3
Prepayments	**17.4**	25.1
Allowance for impairment	**(1.2)**	(2.6)
	144.1	146.4

[1] *Other receivables consist of a number of individually insignificant amounts receivable*

CREDIT RISK

The Group is exposed to credit risk on the total carrying value of its trade receivables and other receivables excluding Value Added Tax and prepayments.

The Group manages its exposure to credit risk on trade receivables by maintaining a short term cycle to settlement of 2 working days. The Group manages its exposure to credit risk on other receivables by establishing a maximum payment period of 30 days, and ensuring that counterparties are of good credit standing and transacting on a secured or cash basis where considered necessary. The majority of other receivables comprises of balances with counterparties who have been transacting with the Group for over 5 years and in some of these cases, the counterparties are also suppliers of the Group. Receivables are regularly monitored and assessed for recoverability.

The balances of counterparties who have been assessed as being credit impaired at reporting date are as follows:

	2021		2020	
Amounts in R million	Non-credit impaired	Credit impaired	Non-credit impaired	Credit impaired
Trade receivables	**56.5**	**-**	23.1	-
Other receivables	**20.0**	**1.2**	14.7	2.6
	76.5	**1.2**	37.8	2.6
Loss allowance	**-**	**(1.2)**	-	(2.6)

Movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

Amounts in R million	2021	2020
Balance at the beginning of the year	**(2.6)**	(4.9)
Credit loss allowance/impairments recognised included in operating costs	**(0.2)**	(0.2)
Credit loss allowance/impairments reversed included in operating costs	**1.3**	0.4
Credit loss allowance written off against related receivable	**0.3**	2.1
Balance at the end of the year	**(1.2)**	(2.6)

MARKET RISK

Interest rate risk
Trade and other receivables do not earn interest and are therefore not subject to interest rate risk.

Foreign currency risk
Gold is sold at spot rates and is denominated in US Dollars. Gold sales are therefore exposed to fluctuations in the US Dollar/South African Rand exchange rate. All foreign currency transactions entered into during the year ended 30 June 2021 were at spot rates and no hedges were entered into. Rand Refinery, acting as an agent for the Group, sells the USD to be received from bullion sales on the same date as the respective bullion sale since November 2020. As a result, trade receivables are not exposed to fluctuations in the US Dollar/South African Rand exchange rate from this date.

Figures in USD million	2021	2020
Foreign denomination of trade receivables at 30 June	**-**	1.3

A 10% strengthening of the Rand against the US Dollar at 30 June would have increased/(decreased) equity and profit/(loss) by the amounts shown below. This analysis assumes that all other variables remain constant.

Amounts in R million	2021	2020
Strengthening of the Rand against the US Dollar	**-**	(2.3)
Weakening of the Rand against the US Dollar	**-**	2.3

FAIR VALUE OF FINANCIAL INSTRUMENTS
The fair value of trade and other receivables approximate their carrying value due to their short-term maturities.

16 TRADE AND OTHER PAYABLES

ACCOUNTING POLICIES

Trade and other payables, excluding Value Added Tax, payroll accruals, accrued leave pay and provision for performance-based incentives, are non-derivative financial liabilities categorised as financial liabilities measured at amortised cost.

These liabilities are initially measured at fair value plus directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method. The Group derecognises a financial liability when its contractual rights are discharged or cancelled or expire.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Amounts in R million	Note	2021	2020
Trade payables and accruals		**352.9**	348.0
Value Added Tax		**4.5**	-
Accrued leave pay		**53.2**	46.9
Provision for short term performance based incentives		**74.2**	50.5
Payroll accruals		**25.0**	33.4
		509.8	478.8
Interest relating to trade payables and accruals included in profit or loss		**(1.8)**	(1.9)
RELATED PARTY BALANCES			
Trade payables and accruals include the following amounts payable to related parties:			
Sibanye-Stillwater		**12.0**	14.0
Rand Refinery		**0.6**	0.2

LIQUIDITY RISK

Trade payables and accruals are all expected to be settled within 12 months from reporting date.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of trade payables and accruals approximate their carrying value due to their short-term maturities.

17 INVENTORIES

ACCOUNTING POLICIES

Gold in process is stated at the lower of cost and net realisable value. Costs are assigned to gold in process on a weighted average cost basis. Costs comprise all costs incurred to the stage immediately prior to smelting, including costs of extraction and processing as they are reliably measurable at that point. Gold Bullion is stated at the lower of cost and net realisable value. Selling and general administration costs are excluded from inventory valuation.

Consumable stores are stated at cost less allowances for obsolescence. Cost of consumable stores and stockpile material is based on the weighted average cost principle and includes expenditure incurred in acquiring inventories and bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

Amounts in R million	2021	2020
Consumable stores	**177.6**	165.6
Ore stockpile	**52.9**	9.0 [1]
Gold in process (a)	**59.6**	86.6 [1]
Finished inventories - Gold Bullion	**49.9**	62.2
Total inventories	**340.0**	323.4

[1] During 2021, the Group disaggregated "Gold in process" into "Gold in process" and "Ore stockpile" respectively to present material items

18 INCOME TAX

SIGNIFICANT ACCOUNTING ASSUMPTIONS AND ESTIMATES

Management periodically evaluates positions taken where tax regulations are subject to interpretation. This includes the treatment of both Ergo and FWGR as single mining operations respectively, pursuant to the relevant ring-fencing legislation.

The deferred tax liability is calculated by applying a forecast weighted average tax rate that is based on a prescribed formula. The calculation of the forecast weighted average tax rate requires the use of assumptions and estimates and are inherently uncertain and could change materially over time. These assumptions and estimates include expected future profitability and timing of the reversal of the temporary differences. Due to the forecast weighted average tax rate being based on a prescribed formula that increases the effective tax rate with an increase in forecast future profitability, and *vice versa*, the tax rate can vary significantly year on year and can move contrary to current period financial performance.

A 100 basis points increase in the effective tax rate will result in an increase in the net deferred tax liability at 30 June 2021 of approximately R14.2 million (2020: R10.3 million).

The assessment of the probability that future taxable profits will be available against which the tax losses and unredeemed capital expenditure can be utilised requires the use of assumptions and estimates and are inherently uncertain and could change materially over time.

Capital expenditure is assessed by the South African Revenue Service ("**SARS**") when it is redeemed against taxable mining income rather than when it is incurred. A different interpretation by SARS regarding the deductibility of these capital allowances may therefore become evident subsequent to the year of assessment when the capital expenditure is incurred.

ACCOUNTING POLICIES

Income tax expense comprises current and deferred tax. Each company is taxed as a separate entity and tax is not set-off between the companies.

Current tax
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment on tax payable or receivable in respect of the previous year. Amounts are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income. The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date.

Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred tax is not recognised on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit.

Deferred tax assets relating to unutilised tax losses and unutilised capital allowances are recognised to the extent that it is probable that future taxable profits will be available against which the unutilised tax losses and unutilised capital allowances can be utilised. The recoverability of these assets is reviewed at each reporting date and adjusted if recovery is no longer probable.

Deferred tax related to gold mining income is measured at a forecast weighted average tax rate that is expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date. The calculation of the forecast weighted average tax rate requires the use of assumptions and estimates, including the Group's life-of-mine plan (as discussed in note 9 to the consolidated financial statements) that is applied to calculate the expected future profitability.

Tax on gold mining income is determined based on a formula:

$$Y = 34 - 170/X$$

Where,

Y is the percentage rate of tax payable; and

X is the ratio of taxable income, net of any qualifying capital expenditure that bears to gold mining income derived, expressed as a percentage.

Non-mining income, which consists primarily of interest accrued, is taxed at a standard rate of 28% for all periods presented.

All mining capital expenditure is deducted in the year it is incurred to the extent that it does not result in an assessed loss. Capital expenditure not deducted from mining income is carried forward as unutilised capital allowances to be deducted from future mining income.

18 INCOME TAX continued

Amendment in the corporate income tax rate

On February 24, 2021 the Minister of Finance announced in his budget speech that the corporate income tax ("**CIT**") rate will be lowered from 28% to 27% for companies with years of assessment commencing on or after 1 April 2022. It was further announced that the lowering of the CIT rate will be implemented alongside additional amendments to broaden the CIT base by limiting interest deductions and assessed losses. These additional amendments have not been announced to date.

The lowering of the CIT rate is therefore inextricably linked to the additional amendments to the CIT laws that are not known at the date of the budget speech or at the date of publishing of these consolidated financial statements. As a result, the lowering of the CIT rate is not regarded as having been substantively enacted to date due to a significant degree of uncertainty that exists if the proposed lowering of the CIT rate from 28% to 27% as announced will be promulgated by the South African parliament in a substantially unchanged manner.

The mining operations of the Group accounts for income tax using the gold mining formula as opposed to the CIT rate. Only Group companies that do not conduct mining operations account for income tax by applying the CIT rate. These Group companies do not generate significant taxable income. As a result, the change in the CIT rate is not expected to have a material impact on the consolidated financial statements of the Group. A final assessment will be completed on the promulgation of the additional amendments to the CIT laws.

Amounts in R million	**2021**	**2020**
Current tax	**(423.7)**	(263.2)
Mining tax	**(423.7)**	(263.2)
Deferred tax	**(100.0)**	(80.7)
Deferred tax charge - Mining tax	**(104.0)**	(59.1)
Deferred tax charge - Non-mining, company and capital gains tax	**(19.1)**	(2.1)
Deferred tax rate adjustment	**-**	(20.7)
Recognition of previously unrecognised tax losses	**7.8**	-
(Derecognition)/recognition of previously unrecognised tax losses of a capital nature	**(1.2)**	1.2
Recognition of previously unrecognised deductible temporary differences	**16.5**	-
	(523.7)	(343.9)
Tax reconciliation		
Major items causing the Group's income tax expense to differ from the statutory rate		
Tax on net profit before tax at the South African corporate tax rate of 28%	**(549.9)**	(274.1)
Rate adjustment to reflect the actual realised company tax rates applying the gold mining formula	**3.7**	(0.9)
Deferred tax rate adjustment (a)	**-**	(20.7)
Depreciation of property, plant and equipment exempt from deferred tax on initial recognition (b)	**(21.2)**	(21.4)[1][1]
Non-deductible expenditure (c)	**(6.2)**	(7.9)[1][1]
Exempt income and other non-taxable income (d)	**22.8**	2.4
Recognition of previously unrecognised deductible temporary differences	**16.5**	-
(Derecognition)/recognition of previously unrecognised tax losses of a capital nature	**(1.2)**	1.2
Utilisation of tax losses for which deferred tax assets were previously unrecognised	**7.8**	-
Current year tax losses for which no deferred tax was recognised	**(0.1)**	(23.5)
Other items	**3.3**	0.4
Tax incentives	**0.8**	0.6
Income tax	**(523.7)**	(343.9)

[1] *During 2021, the Group disaggregated "Non-deductible expenditure" into "Non-deductible expenditure" and "Depreciation of property, plant and equipment exempt from deferred tax on initial recognition" respectively to present material items separately*

(a) Deferred tax rate adjustment

Ergo's forecast weighted average deferred tax rate remained unchanged at 25.0% (2020: increased from 22.0% to 25.0% due to the increase in forecast taxable income of Ergo).

FWGR's forecast weighted average deferred tax rate remained unchanged at 30.0% (2020: 30.0%).

(b) Depreciation of property, plant and equipment exempt from deferred tax on initial recognition

Depreciation of R68.7 million (2020: R73.2 million) on the fair value of FWGR's property, plant and equipment that was exempt from deferred tax on initial recognition in terms of IAS 12 *Income Taxes*.

(c) Non-deductible expenditure

The most significant non-deductible expenditure incurred by the Group during the year includes:

- R7.4 million discount recognised on payments made under protest (2020: R7.1 million);
- R17.0 million expenditure not incurred in generation of taxable income or capital in nature (2020: R2.7 million); and
- RNil net operating cost related to Ergo Business Development Academy Not for Profit Company that is not deductible as it is exempt from income tax (2020: R14.6 million).

18 INCOME TAX continued

(d) Exempt income and other non-taxable income

The most significant exempt income earned by the Group during the year includes:

- R76.1 million dividends received (2020: R4.3 million);
- R4.8 million unwinding recognised on payments made under protest (2020: R4.0 million); and
- R1.0 million net operating income related to Ergo Business Development Academy Not for Profit Company that is not taxable as it is exempt from income tax (2020: Ergo Business Development Academy Not for Profit Company incurred net operating cost that is not deductible as it is exempt from income tax – refer to (c) non-deductible expenditure).

18.2 DEFERRED TAX

Amounts in R million	2021	2020
Included in the statement of financial position as follows:		
Deferred tax assets	**5.8**	8.0
Deferred tax liabilities	**(377.1)**	(273.1)
Net deferred tax liabilities	**(371.3)**	(265.1)
Reconciliation of the deferred tax balance:		
Balance at the beginning of the year	**(265.1)**	(183.2)
Recognised in profit or loss	**(100.0)**	(80.7)
Recognised in other comprehensive income	**(6.2)**	(1.2)
Balance at the end of the year	**(371.3)**	(265.1)

The detailed components of the net deferred tax liabilities which result from the differences between the amounts of assets and liabilities recognised for financial reporting and tax purposes are:

Amounts in R million	2021	2020
Deferred tax liabilities		
Property, plant and equipment (excluding unredeemed capital allowances)	**(494.4)**	(422.4)
Environmental rehabilitation obligation funds	**(60.2)**	(51.4)
Other investments	**(7.4)**	(1.2)
Gross deferred tax liabilities	**(562.0)**	(475.0)
Deferred tax assets		
Environmental rehabilitation obligation	**124.5**	126.5
Other provisions	**46.7**	72.6
Other temporary differences [1]	**14.3**	8.5
Estimated tax losses	**4.1**	-
Estimated tax losses - Capital nature	**-**	1.2
Estimated unredeemed capital allowances	**1.1**	1.1
Gross deferred tax assets	**190.7**	209.9
Net deferred tax liabilities	**(371.3)**	(265.1)

[1] *Includes the temporary differences on the lease liability*

Deferred tax assets have not been recognised in respect of the following:

Amounts in R million	2021	2020
Provisions	**-**	20.3
Estimated tax losses	**16.7**	22.0
Estimated tax losses - Capital nature	**325.2**	324.0
Unredeemed capital expenditure	**253.3**	254.7

Deferred tax assets for tax losses, unredeemed capital expenditure and capital losses have not been recognised where future taxable profits against which these can be utilised are not anticipated. These do not have an expiry date.

19 EMPLOYEE BENEFITS

ACCOUNTING POLICIES

Cash-settled share-based payments ("outgoing long-term incentive" or "CLTI")
Cash-settled share-based payments are measured at fair value and remeasured at each reporting date to reflect the potential outflow of cash resources to settle the liability, with a corresponding adjustment in profit or loss. Vesting assumptions for non-market conditions are reviewed at each reporting date to ensure they reflect current expectations.

Equity settled share-based payments ("new long-term incentive" or "ELTI")
The grant date fair value of equity settled share-based payment arrangements is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at vesting date.

19.1 CASH SETTLED LONG-TERM INCENTIVE SCHEME ("outgoing LTI scheme" or "CLTI scheme")

Terms of the November 2015 grant made under the DRDGOLD Group's outgoing LTI scheme are:
- The scheme has a finite term of 5 years and thus no top-up awards are made when the shares vest;
- The phantom shares are issued at an exercise price of Rnil and will vest in 3 tranches: 20%, 30% and 50% on the 3rd, 4th and 5th anniversaries respectively, subject to individual service and performance conditions being met; and
- The phantom shares will be settled at the 7 day volume weighted average price ("**VWAP**") of the DRDGOLD share.

The last tranche of the November 2015 grant vested and was fully settled on 5 November 2020. The outgoing LTI scheme is replaced by a new equity settled long-term incentive scheme (refer note 19.2).

Amounts in R million	Note	2021	2020
Movements in the total liability for long-term incentive scheme is as follows:			
Opening balance		**227.6**	51.0
Share-based payment (benefit)/expense - CLTI scheme	5.3	**(44.3)**	218.1
Vested and paid		**(183.3)**	(41.5)
Liability for CLTI scheme at the end of the year		-	227.6
The total liability for long-term incentive scheme is expected to be settled as follows:		-	227.6
Within 12 months after reporting date		-	227.6

Reconciliation of outstanding phantom shares	2021 Shares Number	2021 Weighted average price R per share	2020 Shares Number	2020 Weighted average price R per share
Opening balance	9,845,638		16,157,058	
Vested and paid	(9,845,638)	18.62	(5,674,252)	7.31
Forfeited	-	-	(637,168)	7.08
Closing balance	-		9,845,638	

Fair value
The fair value of the liability for the long term incentive scheme is mostly influenced by the DRDGOLD share price. Other inputs influencing the fair value are the forward dividend yield and estimates of staff retention and performance conditions. The inputs most significantly influencing the measurement of the fair values are as follows:

	2021	2020	Grant date
7 day VWAP of the DRDGOLD share	-	25.14	2.26
Annualised forward dividend yield	-	1.0%	4.3%

19.2 EQUITY SETTLED LONG-TERM INCENTIVE SCHEME ("new LTI scheme" or "ELTI scheme")

Amounts in R million	2021	2020
Share based payment expense - ELTI scheme	**16.0**	6.0

On 2 December 2019, the shareholders approved a new equity settled long-term incentive scheme to replace the cash settled long-term incentive scheme 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). Conditional shares will vest 3 years after grant date and will be settled in the form of DRDGOLD shares at a zero-exercise price.

The key conditions of the grants made under the ELTI scheme are:

Retention shares:
100% of the retention shares will vest if the employee remains in the active employ of the Company at vesting date, is not under notice period and individual performance criteria are met.

Performance shares:
Total shareholder's return ("**TSR**") measured against a hurdle rate of 15% referencing DRDGOLD's Weighted Average Cost of Capital ("**WACC**"):

- 50% of the performance shares are linked to this condition; and
- all of these performance shares will vest if DRDGOLD's TSR exceeds the hurdle rate over the vesting period.

TSR measured against a peer group of 3 peers (Sibanye-Stillwater, Harmony Gold Mining Company Limited and Pan-African Resources Limited):

- 50% of the performance shares are linked to this condition; and
- The number of performance shares which vest is based on DRDGOLD's actual TSR performance in relation to percentiles of peer group's performance as follows:

Percentile of peers	% of performance shares vesting
< 25th percentile	**0%**
25th to < 50th percentile	**25%**
50th to < 75th percentile	**75%**
≥ 75th percentile	**100%**

Reconciliation of the number of conditional shares	2021	2020
Opening balance	5,860,760	-
Granted		
2 December 2019	-	5,860,760
22 October 2020	1,979,860	-
Closing balance	7,840,620	5,860,760
Vesting on	7,840,620	5,860,760
December 2, 2021	2,930,380	2,930,380
December 2, 2022	2,930,380	2,930,380
October 22, 2023	1,979,860	-

Fair value
The weighted average fair value of the performance and retention shares at grant date were determined using the Monte Carlo simulation pricing model applying the following key inputs:

Grant date	22 October 2020	2 December 2019	
Vesting date	**22 October 2023**	**2 December 2022**	**2 December 2021**
Weighted average fair value of 80% performance shares [1]	**10.49**	4.12	4.26
Weighted average fair value of 20% retention shares	**18.67**	5.49	5.69
Expected term (years)	**3**	3	2
Grant date share price of a DRDGOLD share	**19.43**	6.15	6.15
Expected dividend yield	**1.33%**	3.81%	3.86%
Expected volatility [2]	**63.07%**	53.80%	53.80%
Expected risk free rate	**3.82%**	6.80%	6.68%

[1] The performance conditions are included in the measurement of the grant date fair value as they are classified as market-based performance conditions

[2] Expected volatility has been based on an evaluation of the historical volatility of DRDGOLD's share price, commensurate with the expected term of the options

19.3 DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS

Emoluments

Amounts in R 000	Remuneration paid during the year	Short-Term Incentives related to this cycle	Discretionary Short-Term Incentives related to this cycle[1]	Long Term Incentives paid during this cycle	Total remuneration related to this cycle
2021					
Executive directors					
D J Pretorius	**7 253**	**6 927**	**1 732**	**21 627**	**37 539**
A J Davel	**4 089**	**3 891**	**973**	**12 150**	**21 103**
	11 342	**10 818**	**2 705**	**33 777**	**58 642**
Prescribed officers					
W J Schoeman	**3 877**	**3 891**	**973**	**12 150**	**20 891**
E Beukes	**1 357**	**1 292**	**-**	**-**	**2 649**
	5 234	**5 183**	**973**	**12 150**	**23 540**
Total remuneration related to this cycle	**16 576**	**16 001**	**3 678**	**45 927**	**82 182**
2020					
Executive directors					
D J Pretorius	6 904	6 597	-	5 094	18 595
A J Davel	3 890	3 706	-	2 862	10 458
	10 794	10 303	-	7 956	29 053
Prescribed officers					
W J Schoeman	3 689	3 706	-	2 862	10 257
R Masemene[2]	697	-	-	-	697
E Beukes[3]	976	930	-	-	1 906
	5 362	4 636	-	2 862	12 860
Total remuneration related to this cycle	**16 156**	**14 939**	**-**	**10 818**	**41 913**

[1] *Awarded after year end*

[2] *Resigned 30 September 2019*

[3] *Appointed 1 October 2019*

Amounts in R 000	2021	2020
Non-executive directors fees		
G C Campbell	**1 545**	1 573
E A Jeneker	**794**	861
J A Holtzhausen	**712**	714
T B V N Mnyango	**724**	728
J J Nel	**756**	685
P Lebina	**769**	705
T J Cumming	**681**	-
C D Flemming	**674**	-
Total remuneration related to this cycle	**6 655**	**5 266**

Non-executive directors are paid board fees comprising a base fee and committee fees. The Company's MOI makes provision for directors' fees to be determined at the Annual General Meeting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 30 June 2021

19. EMPLOYEE BENEFITS *continued*

19.2 DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS *continued*

Participation in cash-settled long-term incentive scheme

Directors / Prescribed Officers	Opening balance Number	Vested Number	Proceeds R	Average exercise price R/share	Forfeited Number	Closing balance Number
2021						
Executive directors						
D J Pretorius	1,161,504	(1,161,504)	21,627,204	18.62	-	-
A J Davel	652,516	(652,516)	12,149,848	18.62	-	-
	1,814,020	**(1,814,020)**	**33,777,052**		**-**	**-**
Prescribed officers						
W J Schoeman	652,516	(652,516)	12,149,848	18.62	-	-
R Masemene[1]	-	-	-	18.62	-	-
	652,516	**(652,516)**	**12,149,848**		**-**	**-**
Total	**2,466,536**	**(2,466,536)**	**45,926,900**		**-**	**-**
2020						
Executive directors						
D J Pretorius	1,858,407	(696,903)	5,094,361	7.31	-	1,161,504
A J 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						
W J Schoeman	1,044,026	(391,510)	2,861,938	7.31	-	652,516
R Masemene[1]	637,168	-	-	7.31	(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**

[1] *Resigned 30 September 2019*

Participation in equity-settled long-term incentive scheme

Directors / Prescribed Officers	Opening balance Number	Granted Number	Closing balance Number
2021			
Executive directors			
D J Pretorius	1,069,321	332,497	1,401,818
A J Davel	517,522	160,919	678,441
	1,586,843	**493,416**	**2,080,259**
Prescribed officers			
W J Schoeman	517,522	160,919	678,441
E Beukes[1]	76,362	23,744	100,106
	593,884	**184,663**	**778,547**
Total	**2,180,727**	**678,079**	**2,858,806**
2020			
Executive directors			
D J Pretorius	-	1,069,321	1,069,321
A J Davel	-	517,522	517,522
	-	**1,586,843**	**1,586,843**
Prescribed officers			
W J Schoeman	-	517,522	517,522
E Beukes[1]	-	76,362	76,362
	-	**593,884**	**593,884**
Total	**-**	**2,180,727**	**2,180,727**

[1] *Appointed 1 October 2019*

19 EMPLOYEE BENEFITS *continued*

19.3 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Interests in contracts

None of the directors, officers or major shareholders of DRDGOLD or, to the knowledge of DRDGOLD's management, their families, had any interest, direct or indirect, in any transaction entered into during the year ended 30 June 2021 or the preceding financial years, or in any proposed transaction which has affected or will materially affect DRDGOLD or its subsidiaries other than disclosed in these financial statements. None of the directors or officers of DRDGOLD or any associate of such director or officer is currently or has been at any time during the past financial year materially indebted to DRDGOLD.

Key management personnel remuneration

Amounts in R million	Note	2021	2020
- Board fees paid		**7.6**	6.2
- Salaries paid		**75.5**	67.3
- Short term incentives relating to this cycle		**73.8**	63.6
- Long term incentives paid during the cycle	19.1	**183.3**	41.5
		340.2	178.6

20 CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to ensure that adequate capital is available to meet the requirements of the Group from time to time, including capital expenditure. The Group considers the appropriate capital management strategy for specific growth projects as and when required. Lease liabilities are not considered to be debt.

Liquidity management

At 30 June 2021 and 30 June 2020 the Group's facilities included an undrawn Revolving Credit Facility ("**RCF**") which was initially secured to finance the development of Phase 1 of FWGR as well as the general working capital requirements of the Group. In December 2018, R125 million of the RCF was committed to issue a guarantee to Ekurhuleni Local Municipality (refer note 24).

In September 2020, the initial R300 million RCF was amended to a R200 million RCF and extended for an additional term of 2 years with a final repayment date of September 14, 2022.

The initial and amended RCF permits a consolidated debt ratio (net debt to adjusted EBITDA (refer note 23)) of no more than 2:1 and a consolidated interest coverage ratio (net interest to adjusted EBITDA) of no less than 4:1 calculated on a twelve-month rolling basis, respectively. Management monitors the covenant ratio levels to ensure compliance with the covenants, as well as maintain sufficient facilities to ensure satisfactory liquidity for the Group. The covenant ratios were not breached as at or during the years ended 30 June 2021 or 30 June 2020.

The amendment included the reduction of the initial interest rate margin of 3.25% to 2.75%. A pledge and cession of DRDGOLD's shares in and shareholder claims against Ergo Mining Proprietary Limited and Far West Gold Recoveries Proprietary Limited remains in place as security for the RCF. The amended RCF does not include any commitment towards the guarantee to Ekurhuleni Local Municipality.

21 EQUITY

ACCOUNTING POLICIES

Stated share capital
Ordinary shares and the cumulative preference shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effect.

Repurchase and reissue of share capital (treasury shares)
When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from stated share capital.

Dividends
Dividends are recognised as a liability on the date on which they are declared which is the date when the shareholders' right to the dividends vests.

21.1 STATED SHARE CAPITAL

All ordinary shares rank equally regarding the Company's residual assets. Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

Amounts in R million	2021	2020
Authorised share capital		
1,500,000,000 (2020: 1,500,000,000) ordinary shares of no par value		
5,000,000 (2020: 5,000,000) cumulative preference shares of 10 cents each	**0.5**	0.5
Issued share capital		
864,588,711 (2020: 864,588,711) ordinary shares of no par value (a)	**6,208.4**	6,208.4
9,474,920 (2020: 9,474,920) treasury shares held within the Group (b)	**(51.0)**	(51.0)
5,000,000 (2020: 5,000,000) cumulative preference shares of 10 cents each	**0.5**	0.5
	6,157.9	6,157.9

RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(a) Ordinary shares issued
Sibanye-Stillwater and its subsidiaries and associates became related parties to the Group on 31 July 2018 when the acquisition of FWGR became unconditional and was implemented. DRDGOLD issued 265 million new ordinary shares (38.05% of its outstanding shares) and an option to subscribe for new ordinary shares up to a total of 50.1% of the total issued ordinary shares of DRDGOLD ("**Option**") as purchase consideration for these assets.

On 8 January 2020 Sibanye-Stillwater exercised the Option and on 22 January 2020 it subscribed for 168,158,944 Shares ("**Subscription Shares**") at an aggregate subscription price of R1,085.6 million. The Subscription Shares were allotted and issued at a price of R6.46 per share, being a 10% discount to the 30-day volume weighted average traded price of a DRDGOLD share on the day immediately prior to the date of exercise of the Option.

(b) Treasury shares
Shares in DRDGOLD are held in treasury by Ergo Mining Operations Proprietary Limited ("**EMO**"). No shares were acquired in the market during the year ended 30 June 2021 or the year ended 30 June 2020 (30 June 2019 113,849 shares were acquired at an average price of R2.68 per share).

21 EQUITY *continued*

21.2 DIVIDENDS

Amounts in R million	2021	2020
Dividends paid during the year net of treasury shares:		
Final dividend declared relating to prior year: 35 SA cents per share (2020: 20 SA cents per share)	**299.3**	137.5
First interim dividend: 40 SA cents per share (2020: 25 SA cents per share)	**342.0**	213.8
Second interim dividend nil SA cents per share (2020: 25 SA cents per share)	**-**	213.8
Total	**641.3**	565.1

After 30 June 2021, a dividend of 40 SA cents per qualifying share amounting to R342.0 million was approved by the directors as a final dividend for the year ended 30 June 2021. The dividend has not been provided for and does not have any tax impact on the Group.

22 INTEREST IN SUBSIDIARIES

ACCOUNTING POLICIES

Significant subsidiaries of the Group are those subsidiaries with the most significant contribution to the Group's profit or loss or assets.

Ergo Mining Proprietary Limited (Ergo) and Far West Gold Recoveries Proprietary Limited (FWGR) are the only significant subsidiaries of the Group. They are both wholly owned subsidiaries and are incorporated in South Africa, are primarily involved in the retreatment of surface gold and all their operations are based in South Africa.

A complete list of the Group's subsidiaries is included in the Company financial statements of DRDGOLD.

23 OPERATING SEGMENTS

ACCOUNTING POLICIES

Operating segments are reported in a manner consistent with internal reports that the Group's chief operating decision maker (CODM) reviews regularly in allocating resources and assessing performance of operating segments. The CODM has been identified as the Group's Executive Committee. The Group has one material revenue stream, the sale of gold. To identify operating segments, management reviewed various factors, including operational structure and mining infrastructure. It was determined that an operating segment consists of a single or multiple metallurgical plants and reclamation sites that, together with its tailings storage facility, is capable of operating independently.

When assessing profitability, the CODM considers, *inter alia*, the revenue and cash operating costs of each segment. The net of these amounts is the segment operating profit or loss. Therefore, segment operating profit has been disclosed in the segment report as the primary measure of profit or loss. The CODM also considers other costs that, in addition to the segment operating profit or loss, result in the segment working profit or loss (before and after property, plant and equipment additions).

Ergo is a surface gold retreatment operation which treats old slime dams and sand dumps to the south of Johannesburg's central business district as well as the East and Central Rand goldfields. The operation comprises three plants. The Ergo and Knights plants continue to operate as metallurgical plants. The City Deep plant continues to operate as a pump/milling station feeding the metallurgical plants.

FWGR is a surface gold retreatment operation and treats old slime dams in the West Rand goldfields. Phase 1, which entails the reconfiguration of the Driefontein 2 plant and relevant infrastructure to process tailings from the Driefontein 5 slimes dam and deposit residues on the Driefontein 4 Tailings Storage Facility, was commissioned on 1 April 2019.

Corporate office and other reconciling items (collectively referred to as **"Other reconciling items"**) are taken into consideration in the strategic decision-making process of the chief operating decision maker and are therefore included in the disclosure here, even though they do not earn revenue. This includes taking into consideration the Group's adjusted EBITDA for the purpose of the covenants imposed by the Company's borrowings that was initially entered into to finance the development of Phase 1 of FWGR and working capital requirements of the Group (refer note 20).

23 OPERATING SEGMENTS *continued*

2021 Amounts in R million	Ergo	FWGR	Other reconciling items	Total
Financial performance				
Revenue (External)	3,943.0	1,326.0	-	5,269.0
Cash operating costs	(2,666.5)	(406.2)	-	(3,072.7)
Movement in gold in process and finished inventories - Gold Bullion	(31.9)	6.3	-	(25.6)
Segment operating profit	1,244.6	926.1	-	2,170.7
Administration expenses and other costs	15.0	1.8	(80.8)	(64.0)
Interest income [1]	1.3	0.1	107.7	109.1
Dividends received	7.1	-	69.0	76.1
Interest expense [2]	(4.2)	(0.3)	(12.9)	(17.4)
Current tax	(196.1)	(227.6)	-	(423.7)
Working profit before additions to property, plant and equipment	1,067.7	700.1	83.0	1,850.8
Additions to property, plant and equipment	(250.9)	(143.3)	(1.5)	(395.7)
Working profit after additions to property, plant and equipment	816.8	556.8	81.5	1,455.1

[1] *Interest income excludes the unwinding of the payments made under protest*

[2] *Interest expense excludes the discount recognised on the initial recognition of the payments made under protest and unwinding of provision for environmental rehabilitation*

	Ergo	FWGR	Other reconciling items	Total
Reconciliation of cost of sales to cash operating costs				
Cost of sales	(2,871.0)	(517.2)	-	(3,388.2)
- Depreciation	135.6	115.6	1.3	252.5
- Change in estimate of environmental rehabilitation recognised in	-	-	-	-
profit or loss	(7.2)	-	(5.2)	(12.4)
- Ongoing rehabilitation expenditure	31.9	(6.3)	-	25.6
- Care and maintenance	46.6	1.7	-	48.3
- Other operating income/(costs)	(2.4)	-	-	(2.4)
Cash operating costs	(2,666.5)	(406.2)	-	(3,072.7)
Reconciliation of profit for the year to working profit before additions to property, plant and equipment				
Profit for the year	751.7	528.8	159.4	1,439.9
- Deferred tax	66.6	37.4	(4.1)	100.0
- Net other operating costs/(income)	45.4	24.2	(68.1)	1.5
- Ongoing rehabilitation expenditure	46.6	1.7	-	48.3
- Discount recognised on payments made under protest including subsequent unwinding	2.6	-	-	2.6
- Unwinding of provision for environmental rehabilitation	34.2	9.5	1.0	44.7
- Growth in investment in environmental obligation funds	(7.7)	(17.1)	(1.4)	(26.2)
- Other income	(0.1)	-	-	(0.1)
- Change in estimate of environmental rehabilitation recognised in profit or loss	(7.2)	-	(5.2)	(12.4)
- Depreciation	135.6	115.6	1.3	252.5
Working profit before additions to property, plant and equipment	1,067.7	700.1	82.9	1,850.8
Statement of cash flows				
Cash inflows from operating activities	842.2	649.7	81.5	1,573.4
Cash outflows from investing activities	(290.8)	(149.2)	(6.6)	(446.6)
Cash (outflows)/inflows from financing activities	(549.9)	(501.4)	397.8	(653.5)
Reconciliation of adjusted EBITDA				
Profit for the year				**1,439.9**
Income tax				523.7
Profit before tax				**1,963.6**
Finance expense				69.5
Finance income				(216.2)
Results from operating activities				**1,816.9**
Depreciation				252.5
Share-based payment benefit				(28.3)
Change in estimate of environmental rehabilitation recognised in profit or				(12.4)
Gain on disposal of property, plant and equipment				(0.1)
IFRS 16 lease payments [1]				(15.8)
Transaction costs				3.1
Adjusted EBITDA [2]				2,015.9

[1] *The amended RCF includes IFRS 16 lease payments in the calculation of the adjusted EBITDA*

[2] *Adjusted EBITDA (that was considered from the year ended 30 June 2019 following the initial RCF agreement) may not be comparable to similarly*

23 OPERATING SEGMENTS *continued*

2020 Amounts in R million	Ergo	FWGR	Other reconciling items	Total
Financial performance				
Revenue (External)	3,064.3	1,120.7	-	4,185.0
Cash operating costs	(2,274.0)	(352.0)	-	(2,626.0)
Movement in gold in process and finished inventories - Gold Bullion	1.8	1.3	-	3.1
Segment operating profit	792.1	770.0	-	1,562.1
Administration expenses and other costs	(131.6)	(20.7)	(157.6)	(309.9)
Interest income [1]	13.9	2.9	46.3 [3]	63.1 [3]
Dividends received	-	-	4.3 [3]	4.3 [3]
Interest expense [2]	(5.2)	-	(4.5)	(9.7)
Current tax	(145.8)	(117.4)	-	(263.2)
Working profit/(loss) before additions to property, plant and equipment	523.4	634.8	(111.5)	1,046.7
Additions to property, plant and equipment	(114.4)	(68.0)	(0.3)	(182.7)
Working profit/(loss) after additions to property, plant and equipment	409.0	566.8	(111.8)	864.0

[1] *Interest income excludes the unwinding of the payments made under protest*

[2] *Interest expense excludes the discount recognised on the initial recognition of the payments made under protest and unwinding of provision for environmental rehabilitation*

[3] *During 2021, the Group disaggregated "Interest income" into "Interest income" and "Dividends received" respectively to present material dividends received*

	Ergo	FWGR	Other reconciling items	Total
Reconciliation of cost of sales to cash operating costs				
Cost of sales	(2,453.5)	(473.3)	(11.2)	(2,937.9)
- Depreciation	150.4	119.6	0.8	270.8
- Change in estimate of environmental rehabilitation recognised in profit or loss	(19.1)	(2.1)	(0.7)	(21.9)
- Movement in gold in process and finished inventories - gold Bullion	(1.8)	(1.3)	-	(3.1)
- Ongoing rehabilitation expenditure	22.3	2.0	-	24.3
- Care and maintenance	-	-	11.1	11.1
- Other operating income/(costs)	27.6	3.1	-	30.7
Cash operating costs	(2,274.0)	(352.0)	-	(2,626.0)
Reconciliation of profit/(loss) for the year to working profit/(loss) before additions to property, plant and equipment				
Profit/(loss) for the year	297.1	424.9	(87.0)	635.0
- Deferred tax	(6.6)	86.5	0.8	80.7
- Net other operating costs/(income)	51.5	14.8	(24.5)	41.8
- Ongoing rehabilitation expenditure	22.3	2.0	-	24.3
- Discount recognised on payments made under protest including subsequent unwinding	3.2	-	-	3.2
- Unwinding of provision for environmental rehabilitation	36.5	14.3	1.2	52.0
- Growth in investment in environmental obligation funds	(11.2)	(25.2)	(2.1)	(38.5)
- Other income	(0.7)	-	-	(0.7)
- Change in estimate of environmental rehabilitation recognised in profit or loss	(19.1)	(2.1)	(0.7)	(21.9)
- Depreciation	150.4	119.6	0.8	270.8
Working profit/(loss) before additions to property, plant and equipment	523.4	634.8	(111.5)	1,046.7
Statement of cash flows				
Cash inflows from operating activities	546.1	563.1	19.7	1,128.9
Cash outflows from investing activities	(135.7)	(60.1)	(6.7)	(202.5)
Cash (outflows)/inflows from financing activities	(405.5)	(500.8)	1,415.5	509.2
Reconciliation of adjusted EBITDA				
Profit for the year				**635.0**
Income tax				343.9
Profit before tax				**978.9**
Finance expense				68.8
Finance income				(109.8)
Results from operating activities				**937.9**
Depreciation				270.8
Share-based payment expense				224.1
Change in estimate of environmental rehabilitation recognised in profit or loss				(21.9)
Gain on disposal of property, plant and equipment				(0.7)
Transaction costs				1.4
Adjusted EBITDA [1]				1,411.6

[1] *Adjusted EBITDA (that was considered from the year ended 30 June 2019 following the initial RCF agreement) may not be comparable to similarly*

24 PAYMENTS MADE UNDER PROTEST

SIGNIFICANT ACCOUNTING JUDGEMENTS

Payments made under protest

The determination of whether the payments made under protest give rise to an asset or a contingent asset or neither, required the use of significant judgement. The definition of an asset in the conceptual framework was applied as well as the considerations in the outcome of the IFRS Interpretations Committee ("**IFRIC**") agenda decision – Deposits relating to taxes other than income tax (IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*) ("**IFRIC Agenda Decision**") published in January 2019. The IFRIC Agenda Decision has a similar fact pattern to that of the payments made under protest. With the consideration of the facts and circumstances surrounding the payments made under protest in applying the definition of an asset and the IFRIC Agenda Decision management considered the following:

- payments were made under protest and without prejudice or admission of liability. Such payments were not made as a settlement of debt or recognition of expenditure;
- the Group therefore retains a right to recover the payments from the City of Ekurhuleni Metropolitan Municipality ("**Municipality**") if the Group is successful in the Main Application (as defined below);
- if the Group is not successful in the Main Application, the payments will be used to settle the resultant liability to the Municipality; and
- these two possible outcomes (i.e. success in the Main Application or not) therefore, will lead to economic benefits to the Group.

Therefore, the right to recover the payments made under protest is not a contingent asset because it meets the definition and recognition criteria of an asset.

No specific guidance exists in developing an accounting policy for such asset. Therefore, management applied judgement in developing an accounting policy that would lead to information that is relevant to the users of these financial statements and information that can be relied upon.

Contingent liabilities

The assessment of whether an obligating event results in a liability or a contingent liability requires the exercise of significant judgement of the outcome of future events that are not wholly within the control of the Group.

Litigation and other judicial proceedings inherently entail complex legal issues that are subject to uncertainties and complexities and are subject to interpretation.

SIGNIFICANT ACCOUNTING ASSUMPTIONS AND ESTIMATES

The discounted amount of the payments made under protest is determined using assumptions about the future that are inherently uncertain and can change materially over time and includes the discount rate and discount period.

These assumptions about the future include estimating the timing of concluding on the Main Application, i.e. the discount period, the ultimate settlement terms, the discount rate applied and the assessment of recoverability.

ACCOUNTING POLICIES

Payments made under protest

Recognition and measurement

The payment made under protest asset that arises from the Municipality Electricity Tariff Dispute is initially measured at a discounted amount, and any difference between the face value of payments made under protest and the discounted amount on initial recognition is recognised in profit or loss as a finance expense. Subsequent to initial recognition, the payments made under protest is measured using the effective interest method to unwind the discounted amount to the original face value less any write downs for recovery. Unwinding of the carrying value and changes in the discount period are recognised in profit or loss.

Assessment of recoverability

The discounted amount of the payments under protest is assessed at each reporting date to determine whether there is any objective evidence that the full amount is no longer expected to be recovered. The Group considers the reasonable and supportable information related to the creditworthiness of the Municipality and events surrounding the outcome of the Main Application. Any write down is recognised in profit or loss.

Contingent liabilities

A contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent liability may also be a present obligation arising from past events but is not recognised on the basis that an outflow of economic resources to settle the obligation is not viewed as probable, or the amount of the obligation cannot be reliably measured. When the Group has a present obligation, an outflow of economic resources is assessed as probable and the Group can reliably measure the obligation, a provision is recognised.

24 PAYMENTS MADE UNDER PROTEST *continued*

Amounts in R million	Note	2021	2020
Balance at the beginning of the year		**35.0**	27.6
Payments made under protest		**8.1**	10.6
Discount on initial payment made under protest	7	**(7.4)**	(7.1)
Unwinding	6	**4.8**	3.9
Balance at the end of the year		**40.5**	35.0

Ekurhuleni Metropolitan Municipality ("Municipality") Electricity Tariff Dispute

There are primarily 3 (three) legal proceedings for which relief has been sought in the appropriate legal fora and all of which fall within the jurisdiction of the High Court of South Africa, Gauteng Local Division, Johannesburg. These comprise of an application brought by Ergo and actions brought under two summonses by the Municipality.

In order to operate the Ergo Plant and conduct its business operations, Ergo requires a reliable and steady feed of electricity which it draws from the Ergo Central Substation.

Over the past several years the Municipality has charged Ergo for such electricity, at the Megaflex tariff at which ESKOM Holdings SOC Limited (“**ESKOM**”) charges its large power users plus an additional surcharge, as it still does; and Ergo paid therefor.

Pursuant to its own investigations, and after having sought legal advice on the matter, Ergo determined that only ESKOM may legitimately charge it for the electricity so drawn and consumed at the Ergo Plant, specifically from the Ergo Central Substation. Despite this, ESKOM refused to either accept payment from Ergo in respect of such electricity consumption or to conclude a consumer agreement with it.

In December 2014, Ergo instituted legal proceedings by way of an application (“**Main Application**”) against the Municipality and ESKOM as well as the National Energy Regulator of South Africa (“**NERSA**”), the Minister of Energy, the Minister of Co-operative Governance & Traditional Affairs and the South African Local Government Association, the latter 4 (four) respondents against whom Ergo does not seek any relief.

Ergo seeks the undermentioned relief:
- declaring that the Municipality does not supply electricity to it at the Ergo Plant;
- declaring that the Municipality is in breach of its temporary Distribution License (issued by NERSA) by purporting to supply electricity to Ergo at the Ergo Plant;
- declaring that neither the Municipality nor ESKOM may lawfully insist that only the Municipality may supply electricity to Ergo at the Ergo Plant;
- declaring that ESKOM presently supplies electricity to Ergo at the Ergo Plant; and
- directing ESKOM to conclude a consumer agreement with Ergo for the supply of electricity at the Ergo Plant at its Megaflex tariff.

The Municipality has since issued two summonses (“**Summonses**”) for the recovery of arrears it alleges it is owed amounting to R74.0 million and R31.6 million, respectively.

In the interest of the proper administration of justice, the Main Application was postponed by agreement between the parties and a case manager was appointed to determine a collaborative process to facilitate the effective and efficient court scheduling and coordination of both the Main Application and the Summonses.

In order to secure uninterrupted supply of electricity, Ergo has made payment and continues to pay for consumption at the amended and lower “J-Tariff”, albeit under protest and without prejudice and/or admission of liability. Whilst still deemed to be disproportionate, the J-Tarif is significantly lower than the previously imposed “D-Tariff”. The Group recognised an asset for these payments that are made “under protest”.

Ergo has also brought an application for the consolidation of both the Main Application and the actions brought under the Summonses, which is still ongoing.

The Group supported by the external legal team is confident that there is a high probability that Ergo will be successful in the Main Application and defending the Summonses. Therefore, there is no present obligation as a result of a past event to pay the amounts claimed by the Municipality.

The balance at the end of the year was based on the following assumptions:
- discount rate: 11.68% (2020: 11.68%) representing the Municipality maximum cost of borrowing on bank loans as disclosed in their 30 June 2020 annual report; and
- discount period: 30 June 2024 (2020: 30 June 2022) representing management’s best estimate of the date of conclusion of the Main Application and is supported by external legal counsel.

25 OTHER INVESTMENTS

ACCOUNTING JUDGEMENTS

The Group has one (1) director representative on the Rand Refinery board. Therefore, judgement had to be applied to ascertain whether significant influence exists, and if the investment should be accounted for as an associate under IAS 28 Investments in Associates and Joint Ventures. The director representation is not considered significant influence, as it does not constitute meaningful representation. It represents 11.11% of the entire board and is proportional to the 11.3% shareholding that the Group has.

SIGNIFICANT ACCOUNTING ASSUMPTIONS AND ESTIMATES

The fair value of the listed equity instrument is determined based on quoted prices on an active market. Equity instruments which are not listed on an active market are measured using other applicable valuation techniques depending on the extent to which the technique maximises the use of relevant observable inputs and minimizes the use of unobservable inputs. Where discounted cash flows are used, the estimated cash flows are based on management's best estimate based on readily available information at measurement date. The discounted cash flows contain assumptions about the future that are inherently uncertain and can change materially over time.

ACCOUNTING POLICIES

On initial recognition of an equity investment that is not held for trading, the Group may make an irrevocable election to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition they are measured at fair value and changes therein are recognised in other comprehensive income ("**OCI**"), and are never reclassified to profit or loss, with dividends recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

The Group's listed and unlisted investments in equity securities are classified as equity instruments at fair value through OCI.

Amounts in R million	Shares held [1]	% held [1]	2021	2020
Listed investments (Fair value hierarchy Level 1):				
West Wits Mining Limited ("**WWM**")	47,812,500	3.5%	**43.5**	12.0
Total listed investments			**43.5**	12.0
Unlisted investments (Fair value hierarchy Level 3):				
Rand Refinery Proprietary Limited ("**Rand Refinery**")	44,438	11.3%	**119.3**	178.4
Rand Mutual Assurance Company Limited B Share Business Fund ("**RMA**") [2]	12,659 [2]	1.3% [2]	**4.1**	4.7
Guardrisk Insurance Company Limited (Cell Captive A170) [3]	20 [3]	100% [3]	**0.1**	0.1
Chamber of Mines Building Company Proprietary Limited	42,292	4.5%	**0.1**	0.1
Total unlisted investments			**123.6**	183.3
Balance at the end of the year			**167.1**	195.3
Fair value adjustment on equity instruments at fair value through OCI			**(28.2)**	191.8
Dividends received on equity instruments at fair value through OCI			**(76.1)**	(4.3)
Rand Refinery			**(72.3)**	-
RMA			**(3.8)**	(4.3)

[1]The number and percentage of shares held remained unchanged from the prior year with the exception of WWM that issued new shares thereby diluting DRDGOLD's effective shareholding from 5.1% to 3.5%

[2]The "B Share Business Fund" shares relate to all the businesses of the RMA Group that do not relate to the Compensation for Occupational Injuries and Diseases Act

[3]The shares held entitle the holder to 100% of the residual net equity of Cell Captive A 170 after settlement of the reimbursive right

MARKET RISK

Other market price risk
Equity price risk arises from changes in quoted market prices of listed investments as well as changes in the fair value of unlisted investments due to changes in the underlying net asset values.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Listed investments
The fair values of listed investments are determined by reference to published price quotations from recognised securities exchanges and constitute level 1 instruments in the fair value hierarchy.

Unlisted investments
The fair values of unlisted investments are determined through valuation techniques that include inputs that are not based on observable market data and constitute level 3 instruments in the fair value hierarchy.

for the year ended 30 June 2021

25 OTHER INVESTMENTS *continued*

25.1 RAND REFINERY

Amounts in R million	2021	2020
Balance at the beginning of the year	**178.4**	-
Fair value adjustment on equity investments at fair value through other comprehensive income	**(59.1)**	178.4
Balance at the end of the year	**119.3**	178.4

In accordance with IFRS 13 *Fair Value Measurement*, the income approach has been established to be the most appropriate basis to estimate the fair value of the investment in Rand Refinery. This method relies on the future budgeted cash flows as estimated by Rand Refinery. Management used a model developed by an external expert to perform the valuation.

Rand Refinery's refining operations (excluding Prestige Bullion) were valued using the Free Cash Flow model, whereby an enterprise value using a Gordon Growth formula for the terminal value was estimated. The forecasted dividend income to be received from Prestige Bullion was valued using a finite-life dividend discount model as Rand Refinery's shareholding will be reduced to nil in 2032. These valuations revealed that the fair value of the investment in Rand Refinery consist mainly of Rand Refinery's cash on hand and the forecasted dividend income to be received from Prestige Bullion.

The enterprise value of Rand Refinery's refining operations decreased mainly due to a decrease in forecast gold prices, a decrease in budgeted production volumes, and an increase in budgeted operating costs. The value of the forecasted dividends for Prestige Bullion decreased mainly due to a decrease in the demand in Krugerrands and an increase in the discount rate applied to the forecasted dividends of Prestige Bullion. The discount rate increased due to an increase in the risk premium to account for increased volatility in demand for Krugerrands in the medium- to long-term.

The fair value measurement uses significant unobservable inputs and relates to a fair value hierarchy level 3 financial instrument. Marketability and minority discounts (both unobservable inputs) of 16.5% and 17.0% (2020: 16.5% and 17.0%), respectively, were applied. The latest budgeted cash flow forecasts provided by Rand Refinery as at June 30, 2021 was used, and therefore classified as an unobservable input into the models. Key observable/unobservable inputs into the model include:

Amounts in R million	Observable/unobservable input	Unit	2021	2020
Rand Refinery operations				
Forecast average gold price	Observable input	R/kg	847,317	852,098
Forecast average silver price	Observable input	R/kg	11,751	9,453
Average South African CPI	Observable input	%	4.4	4.8
South African long-term government bond	Observable input	%	9.5	9.5
Terminal growth rate	Unobservable input	%	4.4	5.0
Weighted average cost of capital	Unobservable input	%	15.1	15.1
Investment in Prestige Bullion				
Discount period	Unobservable input	years	12	13
Cost of equity	Unobservable input	%	16.5	13.2

Sensitivity analysis

The fair value measurement is most sensitive to the Rand denominated gold price and volumes. The higher the gold price and volumes, the higher the fair value of the Rand Refinery investment. The fair value measurement is also sensitive to the discount rate and minority and marketability discounts applied. The below table indicates the extent of sensitivity of the Rand Refinery equity value to the inputs:

		Input		Change in OCI, net of tax	
Amounts in R million		**% Increase**	**% Decrease**	**% Increase**	**% Decrease**
Rand Refinery operations					
Rand US Dollar exchange rate	Observable inputs	1	(1)	3.8	(3.8)
Commodity prices (Gold and silver)	Observable inputs	1	(1)	3.0	(3.0)
Volumes	Unobservable inputs	1	(1)	2.6	(2.6)
Weighted average cost of capital	Unobservable inputs	1	(1)	(0.3)	0.3
Minority discount	Unobservable inputs	1	(1)	(1.2)	1.2
Marketability discount	Unobservable inputs	1	(1)	(1.2)	1.2
Investment in Prestige Bullion					
Cost of equity	Unobservable inputs	1	(1)	(1.5)	1.5
Prestige Bullion dividend forecast	Unobservable inputs	1	(1)	0.4	(0.4)

Impact of the COVID-19 pandemic

The COVID-19 pandemic had an impact on the gold market and the operations of Rand Refinery as a result of the South African national lockdown and the assumptions as disclosed were adjusted with relevant information at the reporting date.

26 CONTINGENCIES

SIGNIFICANT ACCOUNTING JUDGEMENTS

The assessment of whether an obligating event results in a liability or a contingent liability requires the exercise of significant judgement of the outcome of future events that are not wholly within the control of the Group.

Litigation and other judicial proceedings inherently entail complex legal issues that are subject to uncertainties and complexities and are subject to interpretation.

ACCOUNTING POLICIES

Contingent liabilities
A contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent liability may also be a present obligation arising from past events but is not recognised on the basis that an outflow of economic resources to settle the obligation is not viewed as probable, or the amount of the obligation cannot be reliably measured. When the Group has a present obligation, an outflow of economic resources is assessed as probable and the Group can reliably measure the obligation, a provision is recognised.

Contingent assets
Contingent assets are possible assets whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events that are not wholly within the control of the entity. Contingent assets are not recognised, but they are disclosed when it is more likely than not that an inflow of benefits will occur. However, when the inflow of benefits is virtually certain an asset is recognised in the statement of financial position, because that asset is no longer considered to be contingent

26.1 CONTINGENT LIABILITY FOR OCCUPATIONAL LUNG DISEASES

On 3 May 2018, former mineworkers and dependents of deceased mineworkers ("**Applicants**") and Anglo American South Africa Limited, AngloGold Ashanti Limited, Sibanye Gold Limited, Harmony Gold Mining Company Limited, Gold Fields Limited, African Rainbow Minerals Limited and certain of their affiliates ("**Settling Companies**") settled the class certification application in which the Applicants in each sought to certify class actions against gold mining houses cited therein on behalf of mineworkers who had worked for any of the particular respondents and who suffer from any occupational lung disease, including silicosis or tuberculosis.

The DRDGOLD respondents, comprising DRDGOLD and East Rand Proprietary Mines Limited ("**DRDGOLD Respondents**"), are not a party to the settlement between the Applicants and Settling Companies. The settlement agreement is not binding on the DRDGOLD Respondents. The dispute, insofar as the class certification application and appeal thereof is concerned, still stands and has not terminated in light of the settlement agreement.

DRDGOLD maintains the view that it is too early to consider settlement of the matter, mainly for the following reasons:
- the Applicants have as yet not issued and served a summons (claim) in the matter;
- there is no indication of the number of potential claimants that may join the class action against the DRDGOLD Respondents; and
- many principles upon which legal responsibility is founded, are required to be substantially developed by the trial court (and possibly subsequent courts of appeal) to establish liability on the bases alleged by the Applicants.

In light of the above there is inadequate information to determine if a sufficient legal and factual basis exists to establish liability, and to quantify such potential liability.

26.2 CONTINGENT LIABILITY FOR ENVIRONMENTAL REHABILITATION

Mine residue deposits may have a potential pollution impact on ground water through seepage. The Group has taken certain preventative actions as well as remedial actions in an attempt to minimise the Group's exposure and environmental contamination.

The flooding of the western and central basins has the potential to cause pollution due to Acid Mine Drainage ("**AMD**") contaminating the ground water. The government has appointed Trans-Caledon Tunnel Authority ("**TCTA**") to construct a partial treatment plant to prevent the ground water being contaminated. TCTA completed the construction of the neutralisation plant for the Central Basin and commenced treatment during July 2014. As part of the heads of agreement signed in December 2012 between EMO, Ergo, ERPM and TCTA, sludge emanating from this plant since August 2014 has been co-disposed onto the Brakpan/Withok Tailings Storage facility. Partially treated water has been discharged by TCTA into the Elsburg Spruit.

This agreement includes the granting of access to the underground water basin through one of ERPM's shafts and the rental of a site onto which it constructed its neutralisation plant. In exchange, Ergo and its associate companies including ERPM have a setoff against any future directives to make any contribution toward costs or capital of up to R250 million. Through this agreement, Ergo also secured the right to purchase up to 30 Ml of partially treated AMD from TCTA at cost, to reduce Ergo's reliance on potable water for mining and processing purposes.

While the heads of agreement should not be seen as an unqualified endorsement of the state's AMD solution, and do not affect our right to either challenge future directives or to implement our own initiatives should it become necessary, it is an encouraging development.

In view of the limitation of current information for the accurate estimation of a potential liability, no reliable estimate can be made for the possible obligation.

26 CONTINGENCIES *continued*

26.3 CONTINGENCIES REGARDING EKURHULENI METROPOLITAN MUNICIPALITY ELECTRICITY TARIFF DISPUTE

Refer note 24 PAYMENTS MADE UNDER PROTEST for a full description of the matter.

Contingent liability
The Municipality has issued two summonses for the recovery of arrears it alleges it is owed amounting to R74.0 million and R31.6 million, respectively. The group supported by the external legal team is confident that there is a high probability that Ergo will be successful in defending the Summonses. Therefore, there is no present obligation as a result of a past event to pay the amounts claimed by the Municipality.

Contingent asset
Ergo instituted a counterclaim against the Municipality for the recovery of the surcharges which were erroneously paid to the Municipality in the *bona fide* belief that they were due and payable prior to the Main Application of approximately R43 million (these surcharges were expensed for accounting purposes).

27 FINANCIAL INSTRUMENTS

CLASSIFICATION AND MEASUREMENT OF FINANCIAL ASSETS

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in business model.

A financial asset shall be measured at amortised cost if both the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An investment is measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It is held with a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FINANCIAL RISK MANAGEMENT FRAMEWORK

Overview
The Group has exposure to credit risk, liquidity risks, as well as other market risks from its use of financial instruments. This note presents information about the Group's exposure to each of the above risks, the Group's objectives and policies and processes for measuring and managing risk. The Group's management of capital is disclosed in note 20. This note must be read with the quantitative disclosures included throughout these consolidated financial statements.

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. During the current year the Board established the Risk Committee ("**RC**") (previously a subcommittee of the Audit and Risk Committee), which is responsible for developing and monitoring the Group's risk management policies. The RC reports regularly to the Board on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes to market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The RC oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The RC is assisted in its oversight role by the internal audit function. The internal audit function undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the RC.

CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables.

The Group's financial instruments do not represent a concentration of credit risk due to the exposure to credit risk being managed as disclosed in the following notes:

NOTE 12 INVESTMENTS IN REHABILITATION OBLIGATION FUNDS
NOTE 13 CASH AND CASH EQUIVALENTS
NOTE 15 TRADE AND OTHER RECEIVABLES

27 FINANCIAL INSTRUMENTS *continued*

FINANCIAL RISK MANAGEMENT FRAMEWORK *continued*

MARKET RISK

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates, interest rates and equity prices will affect the consolidated profit or loss or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

Commodity price risk

Additional disclosures are included in the following note:

NOTE 4 REVENUE

Other market risk

Additional disclosures are included in the following note:

NOTE 25 OTHER INVESTMENTS

Interest rate risk

Fluctuations in interest rates impact on the value of short-term cash investments and financing activities, giving rise to interest rate risk. In the ordinary course of business, the Group receives cash from its operations and is obliged to fund working capital and capital expenditure requirements. This cash is managed to ensure surplus funds are invested in a manner to achieve maximum returns while minimising risks. Lower interest rates result in lower returns on investments and deposits and also may have the effect of making it less expensive to borrow funds. Conversely, higher interest rates result in higher interest payments on loans and overdrafts.

Additional disclosures are included in the following notes:

NOTE 12 INVESTMENTS IN REHABILITATION OBLIGATION FUNDS
NOTE 13 CASH AND CASH EQUIVALENTS

Foreign currency risk

The Group enters into transactions denominated in foreign currencies, such as gold sales denominated in US dollar, in the ordinary course of business. This exposes the Group to fluctuations in foreign currency exchange rates.

Additional disclosures are included in the following notes:

NOTE 4 REVENUE
NOTE 15 TRADE AND OTHER RECEIVABLES
NOTE 13 CASH AND CASH EQUIVALENTS

LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Additional disclosures are included in the following note:

NOTE 10.2 LEASES
NOTE 16 TRADE AND OTHER PAYABLES
NOTE 20 CAPITAL MANAGEMENT

28 RELATED PARTIES

Disclosures are included in the following notes:

NOTE 5.1 COST OF SALES
NOTE 16 TRADE AND OTHER PAYABLES
NOTE 19.3 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL
NOTE 21 EQUITY
NOTE 22 INTEREST IN SUBSIDIARIES

29 SUBSEQUENT EVENTS

There were no significant subsequent events between the year-end reporting date of 30 June 2021 and the date of issue of these financial statements other than described below and included in the preceding notes to the consolidated financial statements.

Declaration of dividend

On 25 August 2021, the Board declared a final dividend for the year ended 30 June 2021 of 40 SA cents per qualifying share amounting to R342.0 million, which was paid on 27 September 2021.

29 SUBSEQUENT EVENTS continued

Conditional shares granted

On 20 October 2021, 3 508 232 conditional shares were granted to qualifying employees under the current equity settled long-term incentive scheme. These are expected to vest on 20 October 2024. The number of conditional shares granted includes those granted to directors and prescribed officers as follows:

	Number of conditional shares awarded
Executive directors	
D J Pretorius	549 986
A J Davel	292 796
Prescribed officers	
W J Schoeman	292 796
E Beukes	39 375

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2021

Amounts in R million	Note	2021	2020
Revenue	4	**72.6**	37.5
Operating costs		**(73.6)**	(37.9)
Administration expenses and other costs		**(99.6)**	61.1
Results from operating activities	5	**(100.6)**	60.7
Finance income	6	**181.8**	448.2
Finance expense	7	**(12.9)**	(21.7)
Profit before tax		**68.3**	487.2
Income tax	14.1	**4.0**	(0.9)
Profit for the year		**72.3**	486.3
Other comprehensive income			
Items that will not be reclassified to profit or loss, net of tax			
Net fair value adjustment on equity investments at fair value through other comprehensive income		**(28.6)**	173.1
Fair value adjustment on equity investments at fair value through other comprehensive income	18	**(22.4)**	174.3
Deferred tax thereon	14.2	**(6.2)**	(1.2)
Total other comprehensive income for the year		**(28.6)**	173.1
Total comprehensive income for the year		**43.7**	659.4

The accompanying notes are an integral part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION

at 30 June 2021

Amounts in R million	Note	2021	2020
ASSETS			
Non-current assets		**1,519.3**	1,607.2
Property, plant and equipment		**1.9**	0.7
Right of use asset		**2.5**	3.1
Net investments in subsidiaries	8.1	**1,353.7**	1,417.6
Other investments	18	**155.4**	177.8
Deferred tax asset	14.2	**5.8**	8.0
Current assets		**2,142.0**	1,676.2
Trade and other receivables	11	**10.0**	6.7
Cash and cash equivalents	9	**2,132.0**	1,669.5
TOTAL ASSETS		**3,661.3**	3,283.4
EQUITY AND LIABILITIES			
Equity		**2,126.3**	2,715.0
Stated share capital	17.1	**6,208.9**	6,208.9
Retained earnings		**(4,082.6)**	(3,493.9)
Non-current liabilities		**2.3**	2.7
Lease liabilities		**2.3**	2.7
Current liabilities		**1,532.7**	565.7
Trade and other payables	12	**77.5**	63.0
Liability for cash-settled long-term incentive scheme (2020: Employee benefits)	15.1	**-**	74.0
Amounts owing to group companies	13	**1,450.6**	424.1
Current portion of lease liabilities		**0.4**	0.4
Current tax liability		**4.2**	4.2
TOTAL LIABILITIES		**1,535.0**	568.4
TOTAL EQUITY AND LIABILITIES		**3,661.3**	3,283.4

The accompanying notes are an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2021

Amounts in R million	Note	Share capital	Other reserves	Retained earnings	Total equity
Balance at 30 June 2019		**5,123.8**	**453.6**	**(4,041.5)**	**1,535.9**
Total comprehensive income					
Profit for the year				486.3	486.3
Other comprehensive income				173.1	173.1
Total comprehensive income		-	-	659.4	659.4
Transactions with the owners of the parent					
Contributions and distributions					
Issue of ordinary shares		1,085.6			1,085.6
Expenses incurred on issue of ordinary shares		(0.5)		-	(0.5)
Reallocation of the equity instruments on exercise of the Sibanye-Stillwater option		-	(453.6)	453.6	-
Dividend on ordinary share capital	17.2			(571.4)	(571.4)
Equity-settled share-based payment	15.2			6.0	6.0
Total contributions and distributions		1,085.1	(453.6)	(111.8)	519.7
Balance at 30 June 2020		**6,208.9**	**-**	**(3,493.9)**	**2,715.0**
Total comprehensive income					
Profit for the year				72.3	72.3
Other comprehensive income				(28.6)	(28.6)
Total comprehensive income		-	-	43.7	43.7
Transactions with the owners of the parent					
Contributions and distributions					
Dividend on ordinary share capital	17.2			(648.4)	(648.4)
Equity-settled share-based payment	15.2			16.0	16.0
Total contributions and distributions		-	-	(632.4)	(632.4)
Balance at 30 June 2021		**6,208.9**	**-**	**(4,082.6)**	**2,126.3**

The accompanying notes are an integral part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS

for the year ended 30 June 2021

Amounts in R million	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash applied to operations	10	**(90.8)**	(36.1)
Finance income received		**103.8**	62.0
Dividends received		**74.3**	379.3
Finance expenses paid		**(3.2)**	(3.1)
Net cash inflow from operating activities		**84.1**	402.1
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		**(1.5)**	(0.3)
Funds received from subsidiaries		**1,037.7**	512.0
Net cash inflow from investing activities		**1,036.2**	511.7
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares		**-**	1,085.6
Share issue expenses		**-**	(0.5)
Dividends paid on ordinary shares		**(648.0)**	(571.1)
Initial fees incurred on facilities		**(1.0)**	-
Repayment of lease liabilities		**(0.4)**	(0.4)
Net cash (outflow)/inflow from financing activities		**(649.4)**	513.6
NET INCREASE IN CASH AND CASH EQUIVALENTS		**470.9**	1,427.4
Impact of fluctuations in exchange rate on cash held		**(8.4)**	-
Cash and cash equivalents at the beginning of the year		**1,669.5**	242.1
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	9	**2,132.0**	1,669.5

The accompanying notes are an integral part of these financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the year ended 30 June 2021

1 ABOUT THESE COMPANY FINANCIAL STATEMENTS

Reporting Entity
DRDGOLD Limited ("**DRDGOLD**" or the "**Company**") is primarily a holding company holding investments in subsidiaries involved in the retreatment of surface gold in South Africa. DRDGOLD is domiciled in South Africa with a registration number 1895/000926/06. The registered address of the Company is Constantia Office Park, Cnr 14th Avenue and Hendrik Potgieter Road, Cycad House, Building 17, Ground Floor, Weltevreden Park, 1709.

DRDGOLD is 50.1% held by Sibanye Gold Limited, which in turn is a wholly owned subsidiary of Sibanye Stillwater Limited ("**Sibanye-Stillwater**").

Basis of accounting
The financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and its interpretations adopted by the International Accounting Standards Board ("**IASB**"), SAICA *Financial Reporting Guides* as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council ("**FRSC**") as well as the requirements of the Companies Act of South Africa. The financial statements were approved by the board of directors for issuance on 28 October 2021.

Functional and presentation currency
The Company's functional and presentation currency is South African rand. The amounts in these financial statements are rounded to the nearest million unless stated otherwise.

Basis of measurement
The financial statements are prepared on the historical cost basis, unless otherwise stated.

2 USE OF ACCOUNTING ASSUMPTIONS, ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make accounting assumptions, estimates and judgements that affect the application of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses.

Accounting assumptions, estimates and judgements are reviewed on an ongoing basis. Revisions to reported amounts are recognised in the period in which the revision is made and in any future periods affected. Actual results may differ from these estimates.

Information about assumptions and estimates in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:
NOTE 8 NET INVESTMENTS IN SUBSIDIARIES
NOTE 14 INCOME TAX
NOTE 18 OTHER INVESTMENTS

Information about significant judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the notes:
NOTE 8 NET INVESTMENTS IN SUBSIDIARIES
NOTE 19 CONTINGENCIES

3 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

New standards, amendments to standards and interpretations effective for the year ended 30 June 2021
During the financial period, the following new and revised accounting standards, amendments to standards and new interpretation were adopted by the Company. These amendments did not have a significant impact of the Company.

Definition of Material (Effective July 1, 2020)
The amendment clarifies the definition of material to make it easier to understand and provides guidance on how the definition should be applied. The changes in the definition now ensure that the definition is consistent across all IFRS standards and the Conceptual Framework.

- old definition (IAS 1): Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements; and
- new definition (IAS 1): Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The definition of material omissions or misstatements from IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* has been removed.

3 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS *continued*

New standards, amendments to standards and interpretations effective for the year ended 30 June 2021 *(continued)*

Amendments to References to Conceptual Framework in IFRS (Effective July 1, 2020)
The IASB decided to revise the Conceptual Framework because certain important issues were not covered and certain guidance was unclear or out of date. The revised Conceptual Framework, issued by the IASB in March 2018, includes:

- new concepts on measurement including factors to be considered when selecting the measurement basis;
- new concepts on presentation and disclosure, including when to classify income and expenses in other comprehensive income;
- new guidance on when assets and liabilities are removed from financial statements;
- updated definitions of an asset and liability;
- updated recognition criteria for including assets and liabilities in financial statements;
- clarified concepts of prudence, stewardship, measurement uncertainty and substance over form; and
- updated references by the IASB to the Conceptual Framework in IFRS by issuing Amendments to References to the Conceptual Framework in IFRS.

New standards, amendments to standards and interpretations not yet effective
At the date of authorisation of these financial statements, the following relevant standards, amendments to standards and interpretations that may be applicable to the business of the Company were in issue but not yet effective and may therefore have an impact on future financial statements. These new standards, amendments to standards and interpretations will be adopted at their effective dates. These new standards, amendments to standards and interpretations are not expected to have a material impact on the Company unless stated otherwise.

Annual Improvements to IFRS Standards 2018-2020 (Effective July 1, 2022)
As part of its process to make non-urgent but necessary amendments to IFRS Standards, the IASB has issued the Annual Improvements to IFRS Standards 2018–2020.

Definition of Accounting Estimate (Amendments to IAS 8) (Effective July 1, 2023)
The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

Deferred Tax related to Assets and Liabilities Arising from a single transaction – Amendments to IAS 12 *Income Taxes* (Effective July 1, 2023)
IAS 12 *Income taxes* clarifies how companies should account for deferred tax on certain transactions – e.g. leases. The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease.

Classification of liabilities as current or non-current (Amendments to IAS 1) (Effective July 1, 2023)
To promote consistency in application and clarify the requirements on determining if a liability is current or non-current. The IASB has amended IAS 1 as follows:

Right to defer settlement must have substance
Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

As part of its amendments, the IASB has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

Classification of debt may change
A company classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting period. The IASB has now clarified that a right to defer exists only if the company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date.

Disclosure of Accounting Policy (Amendments to IAS 1 and IFRS Practice Statement 2) (Effective July 1, 2023)
The Board has recently issued amendments to IAS 1 *Presentation of Financial Statements* and an update to IFRS Practice Statement 2 Making Materiality Judgements to help companies provide useful accounting policy disclosures. The amendments are applied prospectively.

The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

Management has commenced an evaluation of the impact that the amendment will have on the Company. More detail will be disclosed in future financial statements.

4 REVENUE

ACCOUNTING POLICIES

Revenue comprises corporate service fees rendered.

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the amount of revenue can be reliably measured. Revenue is measured based on the transaction price estimated using the expected cost plus a margin approach. The Company recognises revenue using the input method based on time and costs incurred toward satisfying the corporate service relative to the total expected time and costs to the satisfaction of the corporate services rendered. These inputs are substantially incurred evenly over time. Payment for services rendered are made monthly to the Company and therefore no significant financing component exists.

Amounts in R million	Note	2021	2020
Corporate service fees	8.2.1	**72.6**	37.5
		72.6	37.5

5 RESULTS FROM OPERATING ACTIVITIES

Amounts in R million	Note	2021	2020
Results from operating activities include the following:			
Remuneration (a)		**(51.8)**	(118.7)
(Impairment)/reversal of impairment of net investment in subsidiaries	8.2.5	**(81.6)**	180.6
(a) Remuneration			
Board fees		**(6.7)**	(5.3)
Salaries including accruals for short term incentives		**(56.0)**	(41.1)
Share-based payment benefit/(expenses)		**10.9**	(72.3)
Cash-settled Long-Term Incentive ("**CLTI**") scheme	15.1	**18.6**	(69.4)
Equity-settled Long-Term Incentive ("**ELTI**") scheme		**(7.7)**	(2.9)

6 FINANCE INCOME

ACCOUNTING POLICY

Finance income includes interest and dividends received.

Amounts in R million	Note	2021	2020
Interest on cash and cash equivalents	9	**107.4**	61.2
Interest on amounts receivable from subsidiaries	8.2.2	**-**	7.7
Dividends received from other investments	18	**69.0**	4.3
Dividends received from subsidiaries	8.2.4	**5.3**	375.0
Other finance income		**0.1**	-
		181.8	448.2

7 FINANCE EXPENSE

ACCOUNTING POLICY

Finance expenses comprise interest payable on financial instruments measured at amortised cost calculated using the effective interest method and foreign exchange losses.

Amounts in R million	Note	2021	2020
Interest on financial liabilities measured at amortised cost		**(2.3)**	(2.0)
Interest on amounts payable to subsidiaries	8.2.3	**-**	(17.6)
Unrealised foreign exchange loss		**(8.4)**	-
Other finance expenses		**(2.2)**	(2.1)
		(12.9)	(21.7)

8 NET INVESTMENTS IN SUBSIDIARIES

ACCOUNTING POLICIES

Investment in subsidiaries
Subsidiaries are entities controlled by DRDGOLD. DRDGOLD controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investments in subsidiaries are carried at cost less any accumulated impairment.

The new equity-settled share-based scheme (refer note 15.2) is a group wide share-based payment scheme whereby the Company has the obligation to settle the share based payment transaction in its own ordinary shares to its employees as well as the employees of its subsidiaries. The transaction with the employees of the subsidiaries is therefore an equity settled share-based payment even though the Company does not directly receive the services from these employees. An increased investment in the subsidiaries is recognised to reflect the indirect receipt of the services from the employees by the Company and a corresponding entry recognised to equity. The amount recognised as an increased investment is based on the grant date fair value and recognised by the Company over the vesting period of the share-based payment.

Impairment of investments in subsidiaries
The carrying amounts of investments in subsidiaries are reviewed at each reporting date to determine whether there is any indication of impairment, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the investment's recoverable amount is estimated. The recoverable amount of an investment in a subsidiary is the greater of its value in use and its fair value less costs to sell. The method used to determine the recoverable amount was the value in use. The value in use is estimated considering the net asset value of the subsidiary supplemented by unobservable financial information such as estimated future cash flows. An impairment loss is recognised in profit or loss if the carrying amount of an investment exceeds its recoverable amount.

Amounts owing by the Company
Amounts owing by the Company are non-derivative financial liabilities categorised as financial liabilities measured at amortised cost. These liabilities are initially measured at fair value plus directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method. The Company derecognises a financial liability when its contractual rights are discharged, cancelled or expire.

Amounts owing to the Company
Amounts owing to the Company are non-derivative financial assets categorised as measured at amortised cost. These assets are initially measured at fair value plus directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method less any expected credit losses using the Company's business model for managing its financial assets.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Impairment
The Company recognises loss allowances for amounts owing to the Company at an amount equal to expected credit losses ("**ECLs**"). The Company uses the simplified ECL approach. When determining whether the credit risk of a financial asset has increased since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on informed credit assessments and including forward-looking information. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). The Company assesses whether the financial asset is credit impaired at each reporting date. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred, including but not limited to financial difficulty or default of payment. Any impairment losses are recognised in the statement of profit or loss.

Offsetting
Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

8 NET INVESTMENT IN SUBSIDIARIES *continued*

8.1 Investments in subsidiaries' shares and amounts owing to/(by) the Company

Amounts in R million	Note	2021 Cost	2021 Accumulated impairment	2020 Cost	2020 Accumulated impairment
Investment in subsidiaries					
Ergo Mining Proprietary Limited ("Ergo") [1]		**94.5**	**-**	87.9	-
Far West Gold Recoveries Proprietary Limited ("FWGR") [2]		**1,351.6**	**-**	1,349.9	-
East Rand Proprietary Mines Limited ("ERPM") [3]		**635.4**	**(635.4)**	635.4	(635.4)
Ergo Mining Operations Proprietary Limited ("EMO") [3]	8.2.5	**990.2**	**(850.5)**	990.2	(768.9)
		3,071.7	**(1,485.9)**	3,063.4	(1,404.3)
Non-current amounts owing to the Company					
ERPM (a)		**11.7**	**-**	2.5	-
CGR (a)		**1.5**	**-**	1.3	-
Crown Consolidated Gold Recoveries Limited (a)		**153.9**	**(153.9)**	153.9	(153.9)
		167.1	**(153.9)**	157.7	(153.9)
Non-current amounts owing by the Company					
Crown Consolidated Gold Recoveries Limited (a)		**(245.3)**	**-**	(245.3)	-
		(245.3)	**-**	(245.3)	-
Total		**2,993.5**	**(1,639.8)**	2,975.8	(1,558.2)
Net investment in subsidiaries			**1,353.7**		1,417.6

[1] The investment in Ergo includes an amount of R9.1 million in terms of the equity-settled long-term incentive scheme (2020: R2.5 million)

[2] The investment in FWGR includes an amount of R2.3 million in terms of the equity-settled long-term incentive scheme (2020: R0.6 million)

[3] The recoverable amount of the investment in subsidiaries was estimated considering the net asset value of the company supplemented by unobservable financial information such as estimated future cash flows of the company

Unless stated otherwise, all loans are unsecured, interest free, have no fixed terms of repayment and, in terms of the RCF agreement, all amounts receivable by the Company are subordinated to ABSA.

(a) The Lender in each instance has agreed that the loan will not be payable within 367 days from the date of the financial statements of the Borrower.

The Company has made available a facility of R1 billion (2020: R1 billion) to its subsidiaries collectively, to provide these companies with adequate liquidity to meet their obligations as they fall due.

8 NET INVESTMENT IN SUBSIDIARIES *continued*

8.2 Transactions with subsidiaries

Amounts in R million	Not	2021	2020
8.2.1 Corporate services fees to subsidiaries			
Ergo		**48.2**	23.8
FWGR		**24.4**	13.7
	4	**72.6**	37.5
8.2.2 Interest income accrued on amounts owing by subsidiaries			
FWGR		**-**	7.7
	6	**-**	7.7
8.2.3 Interest expense accrued on amounts owing by subsidiaries			
Ergo		**-**	(12.2)
FWGR		**-**	(3.0)
ERPM		**-**	(2.4)
	7	**-**	(17.6)
8.2.4 Dividends received from subsidiaries			
Ergo		**-**	350.0
ERPM		**-**	25.0
Hartebeestfontein Gold Mining Company Limited		**5.3**	-
	6	**5.3**	375.0
8.2.5 (Impairment)/reversal of impairment of investments in subsidiaries			
EMO (a)	8.1	**(81.6)**	180.6
	5	**(81.6)**	180.6

(a) The recoverable amount of the investment in EMO is estimated as the net asset value of EMO consisting primarily of the ordinary shares held in DRDGOLD after consideration of the tax payable and its loan receivable from DRDGOLD.

CREDIT RISK

The Company is exposed to credit risk on the total carrying value of the amount owing to it.

The expectation of future cash flows is based on the nature of the underlying company's activities and considers the net asset values of these companies to the extent that it can be converted to cash, or the expected future cash flows from the companies' future activities, which are largely influenced by forward-looking gold price, future gold production, estimated operating costs and capital expenditure.

LIQUIDITY RISK

Unless stated otherwise, amounts owing by the Company do not have any fixed payment terms and may be called for at any time.

MARKET

Interest rate risk

Amounts owing to/(by) the Company are not exposed to interest rate risk as they are interest free.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of amounts owing to and by subsidiaries approximate their carrying values due to the terms of repayment not being readily determinable.

8 NET INVESTMENT IN SUBSIDIARIES *continued*

8.3 Related parties

A complete list of subsidiaries is provided below:

Name of entity	Activity
Subsidiaries directly held	
Ergo Mining Operations Proprietary Limited	Holding company of treasury shares
Ergo Mining Proprietary Limited	Surface gold mining
Far West Gold Recoveries Proprietary Limited	Surface gold mining
East Rand Proprietary Mines Limited	Care and maintenance
Crown Gold Recoveries Proprietary Limited	Non - operational
Crown Consolidated Gold Recoveries Limited	Dormant
West Witwatersrand Gold Holdings Limited	Dormant
Rand Leases (Vogelstruisfontein) Gold Mining Company Limited	Dormant
Argonaut Financial Services Proprietary Limited	Dormant
Roodepoort Gold Mine Proprietary Limited	Dormant
Subsidiaries indirectly held	
Ergo Business Development Academy NPC	Training centre
West Witwatersrand Gold Mines Limited	Dormant
Crown Mines Limited	Dormant
City Deep Limited	Dormant
Consolidated Main Reef and Estate Limited	Dormant

All subsidiaries are 100% owned by DRDGOLD and are incorporated in South Africa.

9 CASH AND CASH EQUIVALENTS

ACCOUNTING POLICIES

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to cash without the significant risk of changes in value and comprise cash on hand, demand deposits, and highly liquid investments which are readily convertible to known amounts of cash.

Cash and cash equivalents are non-derivative financial assets categorised as financial assets measured at amortised cost. Cash and cash equivalents are initially measured at fair value. Subsequent to initial recognition, cash and cash equivalents are measured at amortised cost, which is equivalent to their fair value.

Amounts in R million	Note	2021	2020
Cash on hand		**61.2**	30.1
Access deposits and income funds [1]		**2,069.2**	1,632.3
Restricted cash [2]		**1.6**	7.1
		2,132.0	1,669.5
Interest earned on cash and cash equivalents	6	**107.4**	61.2

[1] These consist of access deposit notes and conservatively managed income funds that are diversified across the major financial institutions in South Africa. At reporting date all of these instruments had same day or next day liquidity and effective annual yields of between 3% and 5,6%

[2] These consist of cash held on call to fund environmental guarantees issued by the Standard Bank of South Africa Limited

CREDIT RISK

The Company is exposed to credit risk on the total carrying value of its cash and cash equivalents. The Company manages its exposure to credit risk by investing cash and cash equivalents across a number of major financial institutions, considering the credit ratings of these financial institutions, funds and underlying instruments.

Impairment on cash and cash equivalents, if any, are measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

MARKET RISK

Interest rate risk

A change of 100 basis points (bp) in interest rates at the reporting date would have increased/(decreased) equity and profit/(loss) by the amounts shown below. This analysis assumes that all other variables, in particular the cash balance and foreign currency rates, remain constant. The analysis excludes income tax.

Amounts in R million	2021	2020
100bp increase	**19.0**	9.6
100bp (decrease)	**(19.0)**	(9.6)

Foreign denominated cash is held in a foreign currency bank account accruing negligible interest and is usually converted to South African Rand on the day of receipt. Foreign cash is therefore not exposed to significant interest rate risk.

Foreign currency risk

US Dollars are exposed to fluctuations in the US Dollar/South African Rand exchange rate until it is converted to South African Rands.

US Dollars not converted to South African Rands at reporting date are as follows:

Figures in USD million	2021	2020
Foreign denominated cash at 30 June	**3.4**	-

A 10% strengthening of the Rand against the US Dollar at 30 June would have increased/(decreased) equity and profit/(loss) by

Amounts in R million	2021	2020
Strengthening of the Rand against the US Dollar	**(4.9)**	-
Weakening of the Rand against the US Dollar	**4.9**	-

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of cash and cash equivalents approximate their carrying value due to their short-term maturities.

NOTES TO THE COMPANY FINANCIAL STATEMENTS *continued*

for the year ended 30 June 2021

10 CASH APPLIED TO OPERATIONS

Amounts in R million	Note	2021	2020
Profit for the year		**72.3**	486.3
Adjusted for			
Income tax		**(4.0)**	0.9
Depreciation		**1.0**	0.4
Impairment/(reversal of impairment) of investment in subsidiaries	5	**81.6**	(180.6)
Share-based payment (benefit)/expense	5	**(10.9)**	72.3
Finance income	6	**(181.8)**	(448.2)
Finance expenses	7	**12.9**	21.7
Operating cash flows before other changes		**(28.9)**	(47.2)
Changes in		**(61.9)**	11.1
Trade and other receivables		**0.7**	6.5
Trade and other payables and employee benefits		**(62.6)** [1]	4.6 [1]
		(90.8)	(36.1)

[1]*Includes settlement of cash-settled long-term incentives of R71.6 million (2020: R13.3 million)*

11 TRADE AND OTHER RECEIVABLES

ACCOUNTING POLICIES

Recognition and measurement

Trade and other receivables, excluding Value Added Tax and prepayments, are non-derivative financial assets categorised as financial assets at amortised cost.

These assets are initially measured at fair value plus directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method less any expected credit losses using the Company's business model for managing its financial assets.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Impairment

The Company recognises loss allowances for trade and other receivables at an amount equal to expected credit losses ("**ECLs**"). The Company uses the simplified ECL approach. When determining whether the credit risk of a financial asset has increased since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on informed credit assessments and including forward-looking information. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). The Company assesses whether the financial asset is credit impaired at each reporting date. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred, including but not limited to financial difficulty or default of payment. Any impairment losses are recognised in the statement of profit or loss. The Company will write off a financial asset when there is no reasonable expectation of recovering it after considering whether all means to recover the asset have been exhausted, or the counterparty has been liquidated and the Company has assessed that no recovery is possible.

Any impairment losses are recognised in the statement of profit or loss.

Amounts in R million	2021	2020
Trade receivable due from Group Companies	**-**	2.5
Interest accrued on financial assets measured at amortised cost	**4.2**	0.6 [1]
Other receivables	**2.7**	2.7 [1]
Prepayments	**3.1**	0.5
Value Added Tax	**-**	0.4
	10.0	6.7

[1] During 2021, the Company disaggregated "Other receivables" into "Other receivables" and "Interest accrued on financial assets measured at amortised cost" respectively to present material items separately

RELATED PARTIES		
Trade receivable due from Group Companies consist of trade receivables from:		
Ergo	**-**	2.5

CREDIT RISK

The Company is exposed to credit risk on the total carrying value of its trade and other receivables excluding Value Added Tax and prepayments. None of the Company's other receivables are past due.

The Company manages its exposure to credit risk on trade receivables by providing corporate services on a retainer basis. The Company manages its exposure to credit risk on other receivables by dealing with a number of counterparties, ensuring that these counterparties are of good credit standing and transacting on a secured or cash basis where considered necessary. Receivables are regularly monitored and assessed for recoverability.

At reporting date the Company did not have any credit impaired trade and other receivables.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of trade and other receivables approximate their carrying value due to their short-term maturities.

12 TRADE AND OTHER PAYABLES

ACCOUNTING POLICIES

Trade and other payables, excluding Value Added Tax, payroll accruals, accrued leave pay and provision for performance based incentives, are non-derivative financial liabilities categorised as financial liabilities measured at amortised cost.

These liabilities are initially measured at fair value plus directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method. The Company derecognises a financial liability when its contractual rights are discharged or cancelled or expire.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Amounts in R million	2021	2020
Trade payables due to Group Companies	**0.6**	-
Trade payables and accruals	**36.7**	31.9
Value Added Tax	**4.4**	-
Accrued leave pay	**4.5**	3.1
Provision for short-term performance-based incentives	**28.5**	15.3
Payroll accruals	**2.8**	12.7
	77.5	63.0
RELATED PARTIES		
Trade payables due to Group Companies consist of trade payables to:		
FWGR	**0.6**	-

LIQUIDITY RISK

Trade payables and other creditors and accruals are all expected to be settled within 12 months from reporting date.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of trade payables and accruals approximate their carrying value due to their short-term maturities.

13 CURRENT AMOUNTS PAYABLE TO GROUP COMPANIES

ACCOUNTING POLICIES

Current amounts payable to Group companies are non-derivative financial liabilities categorised as financial liabilities measured at amortised cost.

These liabilities are initially measured at fair value plus directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method. The Company derecognises a financial liability when its contractual rights are discharged or cancelled or expire.

Advances made to DRDGOLD are in terms of the Master Loan agreement between DRDGOLD and group companies. The loans earned interest at prime interest rate less 400 basis points up to 30 June 2020. Effective on 1 July 2020, these loans are interest free. The loans are payable on demand.

Amounts in R million	2021	2020
Ergo	**697.0**	178.3
FWGR	**741.0**	240.0
EMO	**12.6**	5.8
	1,450.6	424.1

MARKET

Interest rate risk
Current amounts payable to Group Companies are not exposed to interest rate risk as they are interest free.

LIQUIDITY RISK

Amounts owing to Group Companies is payable on demand. Management reviews the excess of the Company's cash and cash equivalents over Amounts owing to Group Companies to ensure that it retains adequate liquidity to settle these loans.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of amounts owing to group companies approximate their carrying value due to their short-term maturities.

for the year ended 30 June 2021

14 INCOME TAX

SIGNIFICANT ACCOUNTING ASSUMPTIONS AND ESTIMATES

Management periodically evaluates positions taken where tax regulations are subject to interpretation.

The assessment of the probability that future taxable profits will be available against which the tax losses and unredeemed capital expenditure can be utilised requires the use of assumptions and estimates and are inherently uncertain and could change materially over time.

ACCOUNTING POLICIES

Income tax expense comprises current and deferred tax.

Current tax
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment on tax payable or receivable in respect of previous years is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or OCI. The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date.

Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred tax is not recognised on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit.

Deferred tax assets relating to unutilised tax losses and unutilised capital allowances are recognised to the extent that it is probable that future taxable profits will be available against which the unutilised tax losses and unutilised capital allowances can be utilised. The recoverability of these assets is reviewed at each reporting date and adjusted if recovery is no longer probable.

14.1 INCOME TAX EXPENSE

Amounts in R million	2021	2020
Deferred tax	**4.0**	(0.9)
Deferred tax charge - Non-mining, company and capital gains tax	**(18.5)**	(2.1)
Recognition of previously unrecognised tax losses	**4.1**	-
(Derecognition of recognised tax losses of a capital nature)/ recognition of previously unrecognised tax losses of a capital nature	**(1.2)**	1.2
Recognition of previously unrecognised temporary differences	**19.6**	-
	4.0	(0.9)
Tax reconciliation		
Major items causing the difference between the Company's income tax expense and statutory rate were:		
Tax on net (profit)/loss before tax at the South African corporate tax rate of 28%	**(19.1)**	(136.4)
Exempt income and other non-taxable income (a)	**21.0**	156.9
Non-deductible expenditure (b)	**(25.7)**	(0.8)
Utilisation of tax losses for which deferred tax assets were previously unrecognised	**4.1**	-
Current year tax losses for which no deferred tax was recognised	**-**	(21.8)
(Derecognition of recognised tax losses of a capital nature)/ recognition of previously unrecognised tax losses of a capital nature	**(1.2)**	1.2
Recognition of previously unrecognised temporary differences	**19.6**	-
Settlement of staff liabilities not recognised through profit and loss (c)	**5.3**	-
Income tax	**4.0**	(0.9)

(a) Exempt income
Exempt income consists of R74.3 million dividends received (2020: R379.3 million). Exempt income in 2020 also included a reversal of impairment on the investment in EMO included in exempt income (refer note 8.2.5).

(b) Non-deductible expenditure
Non-deductible expenditure consists of:

- R9.9 million expenses not incurred in the generation of taxable income or capital in nature (2020: R2.4 million); and
- R81.6 million impairment on the investment in EMO (2020: Rnil).

(c) Settlement of payroll related liabilities not recognised through profit and loss
Effective 1 July 2021, the employment contract of WJS Schoeman was transferred from Ergo to DRDGOLD. DRDGOLD assumed the LTI, STI and leave liabilities related to his employment on loan account.

14 INCOME TAX *continued*

14.1 INCOME TAX EXPENSE *continued*

Amendment in the corporate income tax rate
On February 24, 2021 the Minister of Finance announced in his budget speech that the corporate income tax ("**CIT**") rate will be lowered from 28% to 27% for companies with years of assessment commencing on or after 1 April 2022. It was further announced that the lowering of the CIT rate will be implemented alongside additional amendments to broaden the CIT base by limiting interest deductions and assessed losses. These additional amendments have not been announced to date.

The lowering of the CIT rate is therefore inextricably linked to the additional amendments to the CIT laws that are not known at the date of the budget speech or at the date of publishing of the financial statements of the Company. As a result, the lowering of the CIT rate is not regarded as having been substantively enacted to date due to a significant degree of uncertainty that exists if the proposed lowering of the CIT rate from 28% to 27% as announced will be promulgated by the South African parliament in a substantially unchanged manner.

The change in the CIT rate is not expected to have a material impact on the financial statements of the Company. A final assessment will be completed on the promulgation of the additional amendments to the CIT laws.

14.2 DEFERRED TAX

Amounts in R million	2021	2020
Included in the statement of financial position as follows:		
Deferred tax assets	**14.3**	9.3
Deferred tax liabilities	**(8.5)**	(1.3)
Net deferred tax assets	**5.8**	8.0
Reconciliation of the deferred tax balance:		
Balance at the beginning of the year	**8.0**	10.1
Recognised in profit or loss	**4.0**	(0.9)
Recognised in other comprehensive income	**(6.2)**	(1.2)
Balance at the end of the year	**5.8**	8.0

The detailed components of the net deferred tax assets which result from the differences between the amounts of assets and liabilities recognised for financial reporting and tax purposes are:

Amounts in R million	2021	2020
Deferred tax asset		
Estimated capital losses	**-**	1.2
Provisions and accruals	**13.0**	27.7
Estimated assessed losses	**0.5**	-
Other temporary differences	**0.8**	-
Deferred tax asset not recognised	**-**	(19.6)
Gross deferred tax assets	**14.3**	9.3
Deferred tax liability		
Property, plant and equipment and right of use asset	**(1.1)**	(0.1)
Investments	**(7.4)**	(1.2)
Gross deferred tax liabilities	**(8.5)**	(1.3)
Net deferred tax assets	**5.8**	8.0

Deferred tax assets have not been recognised in respect to the following:

Amounts in R million	2021	2020
Provisions and accruals	**-**	19.6
Estimated tax losses	**-**	4.1
Estimated tax losses - Capital nature	**325.2**	323.9
Unredeemed capital allowances	**36.8**	36.8

15 EMPLOYEE BENEFITS

ACCOUNTING POLICIES

Cash-settled share-based payments ("outgoing LTI scheme")
Cash-settled share-based payments are measured at fair value and remeasured at each reporting date to reflect the potential outflow of cash resources to settle the liability, with a corresponding adjustment in profit or loss. Vesting assumptions for non-market conditions are reviewed at each reporting date to ensure they reflect current expectations.

Equity settled share-based payments ("new LTI scheme")
The grant date fair value of equity settled share-based payment arrangements is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at vesting date.

15.1 CASH-SETTLED LONG-TERM INCENTIVE SCHEME ("outgoing LTI scheme")

Terms of the November 2015 grant made under the Group's outgoing LTI scheme are:
- The scheme has a finite term of 5 years and thus no top-up awards are made when the shares vest;
- The phantom shares are issued at an exercise price of Rnil and will vest in 3 tranches: 20%, 30% and 50% on the 3rd, 4th and 5th anniversaries respectively, subject to individual service and performance conditions being met; and
- The phantom shares will be settled at the 7-day volume weighted average price ("**VWAP**") of the DRDGOLD share.

The last tranche of the November 2015 grant vested and was fully settled on 5 November 2020. The outgoing LTI scheme is replaced by a new equity settled long-term incentive scheme (refer note 15.2)

Amounts in R million	**Note**	**2021**	**2020**
Opening balance		**74.0**	17.9
Share-based payment (benefit)/expenses	5	**(18.6)**	69.4
Transferred between group companies		**16.2**	-
Benefits paid		**(71.6)**	(13.3)
Total liability for long term incentive scheme		**-**	74.0
The total liability for long-term incentive scheme is expected to be settled as follows:		**-**	74.0
within 12 months after reporting date		**-**	74.0
after 12 months after reporting date		**-**	-

Reconciliation of outstanding phantom shares	**2021**		**2020**	
	Shares Number	**Weighted average price R per share**	**Shares Number**	**Weighted average price R per share**
Opening balance	3,195,116		5,664,401	
Transferred between group companies	652,517			
Vested and paid	(3,847,633)	18.62	(1,832,117)	7.31
Forfeited/lapsed	-		(637,168)	7.08
Closing balance	-		3,195,116	

Fair value
The fair value of the liability for the LTI scheme is mostly influenced by the DRDGOLD share price. Other inputs influencing the fair value are the forward dividend yield and estimates of staff retention and performance conditions. The inputs most significantly influencing the measurement of the fair values are as follows**:**

	2021	**2020**	**Grant date**
7 day VWAP of the DRDGOLD share	-	25.14	2.26
Annualised forward dividend yield	-	1.0%	4.3%

15.2 EQUITY SETTLED LONG-TERM INCENTIVE SCHEME ("new LTI scheme")

Amounts in R million	Note	2021	2020
Equity settled Long-Term Incentive scheme expense recognised in profit and loss		**7.7**	2.9
Equity settled Long-Term Incentive scheme expense capitalised against the investment in subsidiaries	8.1	**8.3**	3.1
Equity settled Long-Term Incentive scheme expense recognised in equity		**16.0**	6.0

On 2 December 2019, the shareholders approved a new equity settled long-term incentive scheme to replace the cash settled long-term incentive scheme 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). Conditional shares will vest 3 years after grant date and will be settled in the form of DRDGOLD shares at a zero-exercise price.

The key conditions of the December 2019 grant made under the long-term incentive scheme are:

Retention shares:
100% of the retention shares will vest if the employee remains in the employ of the Company at vesting date and individual performance criteria are met.

Performance shares:
Total shareholder's return ("**TSR**") measured against a hurdle rate of 15% referencing DRDGOLD's Weighted Average Cost of Capital ("**WACC**"):
- 50% of the performance shares are linked to this condition; and
- all of these performance shares will vest if DRDGOLD's TSR exceeds the hurdle rate over the vesting period.

TSR measured against a peer group of 3 peers (Sibanye-Stillwater, Harmony Gold Mining Company Limited and Pan-African Resources Limited):
- 50% of the performance shares are linked to this condition; and
- The number of performance shares which vest is based on DRDGOLD's actual TSR performance in relation to percentiles of peer group's performance as follows:

Percentile of peers	% of performance shares vesting
< 25th percentile	**0%**
25th to < 50th percentile	**25%**
50th to < 75th percentile	**75%**
≥ 75th percentile	**100%**

Movement in the number of conditional shares for the reporting period are as follows:

Reconciliation of the number of conditional shares	2021	2020
Opening balance	5,860,760	-
Granted		-
2 December 2019	-	5,860,760
22 October 2020	1,979,860	-
Closing balance	7,840,620	5,860,760
Vesting on	7,840,620	5,860,760
2 December 2021	2,930,380	2,930,380
2 December 2022	2,930,380	2,930,380
22 October 2023	1,979,860	-

Fair value
The weighted average fair value of the performance and retention shares at grant date were determined using the Monte Carlo simulation pricing model applying the following key inputs:

Grant date	22 October 2020	2 December 2019	
Vesting date	**22 October 2023**	**2 December 2022**	**2 December 2021**
Weighted average fair value of 80% performance shares [1]	**10.49**	4.12	4.26
Weighted average fair value of 20% retention shares	**18.67**	5.49	5.69
Expected term (years)	**3**	3	2
Grant date share price of a DRDGOLD share	**19.43**	6.15	6.15
Expected dividend yield	**1.33%**	3.81%	3.86%
Expected volatility [2]	**63.07%**	53.80%	53.80%
Expected risk free rate	**3.82%**	6.80%	6.68%

[1] *The performance conditions are market-based and therefore included in the measurement of the grant date fair value*

[2] *Expected volatility is based on the historical volatility of the DRDGOLD share price, commensurate with the expected term of the options*

for the year ended 30 June 2021

15 EMPLOYEE BENEFITS *continued*

15.3 DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS

Emoluments

Amounts in R 000	Remuneration paid during the year	Short term incentives related to this cycle	Discretionary Short-Term Incentives related to this cycle [1]	Long term incentives paid during this cycle	Total remuneration related to this cycle
2021					
Executive directors					
D J Pretorius	**7 253**	**6 927**	**1 732**	**21 627**	**37 539**
A J Davel	**4 089**	**3 891**	**973**	**12 150**	**21 103**
	11 342	**10 818**	**2 705**	**33 777**	**58 642**
Prescribed officers					
W J Schoeman	**3 877**	**3 891**	**973**	**12 150**	**20 891**
E Beukes	**1 357**	**1 292**	**-**	**-**	**2 649**
	5 234	**5 183**	**973**	**12 150**	**23 540**
Total remuneration related to this cycle	**16 576**	**16 001**	**3 678**	**45 927**	**82 182**
2020					
Executive directors					
D J Pretorius	6 904	6 597	-	5 094	18 595
A J Davel	3 890	3 706	-	2 862	10 458
	10 794	10 303	-	7 956	29 053
Prescribed officers					
W J Schoeman	3 689	3 706	-	2 862	10 257
R Masemene [2]	697	-	-	-	697
E Beukes [3]	976	930	-	-	1 906
	5 362	4 636	-	2 862	12 860
Total remuneration related to this cycle	16 156	14 939	-	10 818	41 913

[1] *Awarded after year end*
[2] *Resigned 30 September 2019*
[3] *Appointed 1 October 2019*

Amounts in R 000	2021	2020
Non-executive directors fees		
G C Campbell	**1 545**	1 573
E A Jeneker	**794**	861
J A Holtzhausen	**712**	714
T B V N Mnyango	**724**	728
J J Nel	**756**	685
P Lebina	**769**	705
T J Cumming	**681**	-
C D Flemming	**674**	-
Total remuneration related to this cycle	**6 655**	5 266

Non-executive directors are paid board fees made up of a base fee and committee fees. The Company's MOI makes provision for directors' fees to be determined at the Annual General Meeting.

for the year ended 30 June 2021

15 EMPLOYEE BENEFITS *continued*

15.3 DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS *continued*

Participation in cash-settled long term incentive scheme

Directors / Prescribed Officers	Opening balance Number	Granted Number	Vested Number	Proceeds R	Average exercise price R/share	Forfeited / lapsed Number	Closing balance Number
2021							
Executive directors							
D J Pretorius	1,161,504	-	(1,161,504)	21,627,204	18.62	-	-
A J Davel	652,516	-	(652,516)	12,149,848	18.62	-	-
	1,814,020	**-**	**(1,814,020)**	**33,777,052**		**-**	**-**
Prescribed officers							
W J Schoeman	652,516	-	(652,516)	12,149,848	18.62	-	-
	652,516	**-**	**(652,516)**	**12,149,848**		**-**	**-**
Total	**2,466,536**	**-**	**(2,466,536)**	**45,926,900**	**-**	**-**	**-**
2020							
Executive directors							
D J Pretorius	1,858,407	-	(696,903)	5,094,361	7.31	-	1,161,504
A J 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							
W J Schoeman	1,044,026	-	(391,510)	2,861,938	7.31	-	652,516
R Masemene	637,168	-	-	-	7.31	(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**

Participation in equity-settled long-term incentive scheme

Directors / Prescribed Officers	Opening balance Number	Granted Number	Closing balance Number
2021			
Executive directors			
D J Pretorius	1,069,321	332,497	1,401,818
A J Davel	517,522	160,919	678,441
	1,586,843	**493,416**	**2,080,259**
Prescribed officers			
W J Schoeman	517,522	160,919	678,441
E Beukes	76,362	23,744	100,106
	593,884	**184,663**	**778,547**
Total	**2,180,727**	**678,079**	**2,858,806**
2020			
Executive directors			
D J Pretorius	-	1,069,321	1,069,321
A J Davel	-	517,522	517,522
	-	**1,586,843**	**1,586,843**
Prescribed officers			
W J Schoeman	-	517,522	517,522
E Beukes	-	76,362	76,362
	-	**593,884**	**593,884**
Total	**-**	**2,180,727**	**2,180,727**

15 EMPLOYEE BENEFITS *continued*

15.4 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Interests in contracts

To the knowledge of the directors or officers of the Company, none of the directors or officers of the Company, their families or the major shareholders of DRDGOLD had any interest, direct or indirect, in any transaction during the year ended 30 June 2021 or the preceding financial years, or in any proposed transaction which has affected or will materially affect the Company other than what is disclosed in these financial statements. None of the directors or officers of the Company or any associate of such director or officer is currently or has been materially indebted to Company at any time during the past financial year.

Key management personnel remuneration

Amounts in R million	2021	2020
- Board fees paid	**6.7**	5.3
- Salaries paid	**27.6**	21.3
- Short term incentives relating to this cycle	**28.5**	19.8
- Long-term incentives paid during this cycle	**71.6**	13.3
	134.4	59.7

16 CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to ensure that adequate capital is available to meet the requirements of the Group from time to time, including capital expenditure. The Group considers the appropriate capital management strategy for specific growth projects as and when required. Lease liabilities are not considered to be debt.

Liquidity management

At 30 June 2021 and 30 June 2020 the Group's facilities included an undrawn Revolving Credit Facility ("**RCF**") which was initially secured to finance the development of Phase 1 of FWGR as well as the general working capital requirements of the Group. In December 2018, R125 million of the RCF was committed to issue a guarantee to Ekurhuleni Local Municipality.

In September 2020, the RCF was amended to a R200 million available facility and extended for an additional term of 2 years with a final repayment date of 14 September 2022.

The initial and amended RCF permits a consolidated debt ratio (net debt to adjusted EBITDA) of at most 2:1 and a consolidated interest coverage ratio (net interest to adjusted EBITDA) of at least 4:1 calculated on a twelve-month rolling basis respectively. Management monitors the covenant ratio levels to ensure compliance with the covenants, as well as maintain sufficient uncommitted facilities to ensure satisfactory liquidity for the Group. The covenant ratios were not breached during the year ended 30 June 2021.

The amendment included the reduction of the initial interest rate margin of 3.25% to 2.75%. A pledge and cession of DRDGOLD's shares in and shareholder claims against Ergo Mining Proprietary Limited and Far West Gold Recoveries Proprietary limited remains in place as security for the RCF.

17 EQUITY

ACCOUNTING POLICIES

Stated share capital
Ordinary shares and the cumulative preference shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effect.

Dividends
Dividends are recognised as a liability on the date on which they are declared which is the date when the shareholders' right to the dividends vest.

17.1 STATED SHARE CAPITAL

All ordinary shares rank equally regarding the Company's residual assets. Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All voting rights attached to the Company's shares held by its subsidiaries are suspended until those shares are reissued.

Preference shareholders participate only to the extent of the face value of the shares. Holders of preference shares do not have the right to participate in any additional dividends declared for ordinary shareholders. These shares do not have voting rights.

Amounts in R million	2021	2020
Authorised share capital		
1,500,000,000 (2020: 1,500,000,000) ordinary shares of no par value		
5,000,000 (2020: 5,000,000) cumulative preference shares of 10 cents each	**0.5**	0.5
Issued share capital		
864,588,711 (2020: 864,588,711) ordinary shares of no par value (a,b)	**6,208.4**	6,208.4
5,000,000 (2020: 5,000,000) cumulative preference shares of 10 cents each	**0.5**	0.5
	6,208.9	6,208.9

RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(a) Ordinary shares issued
Sibanye-Stillwater and its subsidiaries and associates became related parties to DRDGOLD on 31 July 2018 when the acquisition of FWGR became unconditional and was implemented. DRDGOLD issued 265 million new ordinary shares (38.05% of its outstanding shares) and an option to subscribe for new ordinary shares up to a total of 50.1% of the total issued ordinary shares of DRDGOLD ("**Option**") as purchase consideration for these assets.

On 8 January 2020, Sibanye-Stillwater exercised the Option and on 22 January 2020 it subscribed for 168,158,944 DRDGOLD shares ("**Subscription Shares**") at an aggregate subscription price of R1,085.6 million. The Subscription Shares were allotted and issued at a price of R6.46 per share, being a 10% discount to the 30-day volume weighted average traded price of a share on the day immediately prior to the date of exercise of the Option.

(b) Treasury shares
9,474,920 (2020: 9,474,920.0) shares in DRDGOLD are held in treasury by Ergo Mining Operations Proprietary Limited ("**EMO**"). No shares were acquired in the market during the years ended 30 June 2021 or 30 June 2020. EMO received dividends amounting to R7.1 million on these shares during the current year (2020: R6.6 million).

17.2 DIVIDENDS

Amounts in R million	2021	2020
Dividends declared during the year:		
Final dividend paid relating to prior year: 35 SA cents per share (2020: 20 SA cents per share)	**302.6**	139.2
First interim dividend: 40 SA cents per share (2020: 25 SA cents per share)	**345.8**	216.1
Second interim dividend: nil SA cents per share (2020: 25 SA cents per share)	**-**	216.1
Total	**648.4**	571.4

After 30 June 2021, a dividend of 40 cents per qualifying share (R345.8 million) was approved by the directors as a final dividend for 2021 and is subject to a dividend withholding tax of 20%. The dividend has not been provided for and does not have any tax impact on the Company at 30 June 2021.

18 OTHER INVESTMENTS

ACCOUNTING JUDGEMENTS

The Group has 1 director representative on the Rand Refinery board. Therefore, judgement had to be applied to ascertain whether significant influence exists, and the investment should be accounted for as an associate under IAS 28 *Investments in Associates and Joint Ventures*. The director representation is not considered significant influence, as it does not constitute meaningful representation. It represents 11.11% of the entire board and is proportional to the 11.3% shareholding that the Group has.

SIGNIFICANT ACCOUNTING ASSUMPTIONS AND ESTIMATES

The fair value of the equity instruments is determined based on quoted prices on an active market. Equity instruments which are not listed on an active market are measured using other applicable valuation techniques depending on the extent to which the technique maximises the use of relevant observable inputs and minimizes the use of unobservable inputs. Where discounted cash flows are used, the estimated cash flows are based on management's best estimate based on readily available information at measurement date. The discounted cash flows contain assumptions about the future that are inherently uncertain and can change materially over time.

ACCOUNTING POLICIES

On initial recognition of an equity investment that is not held for trading, the Company may make an irrevocable election to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition they are measured at fair value and changes therein are recognised in other comprehensive income ("**OCI**"), and are never reclassified to profit or loss, with dividends recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

The Company's listed and unlisted investments in equity securities are classified as equity instruments at fair value through OCI because the Company intends to hold these investments for the long term for strategic purposes.

Amounts in R million	Shares held[1]	% held[1]	2021	2020
Listed investments (Fair value hierarchy Level 1):				
West Wits Mining Limited ("**WWM**")	47 812 500	3.5%	**43.5**	12.0
Total unlisted investments			**43.5**	12.0
Unlisted investments (Fair value hierarchy Level 3):				
Rand Refinery Proprietary Limited ("**Rand Refinery**")	40 078	10.0%	**107.6**	160.9
Rand Mutual Assurance Company Limited B Share Business Fund ("**RMA**")	12 659 [2]	1.3% [2]	**4.1**	4.7
Guardrisk Insurance Company Limited (Cell Captive A170) [3]	20 [3]	100.0%	**0.1**	0.1
Chamber of Mines Building Company Proprietary Limited	42 292	4.5%	**0.1**	0.1
Total unlisted investments			**111.9**	165.8
Balance at the end of the year			**155.4**	177.8
Fair value adjustment on equity instruments at fair value through OCI			**(22.4)**	174.3
WWM			**31.5**	8.7
Rand Refinery			**(53.3)**	160.9
RMA			**(0.6)**	4.7
Dividends received on equity instruments at fair value through OCI			**(69.0)**	(4.3)
Rand Refinery			**(65.2)**	-
RMA			**(3.8)**	(4.3)

[1] *The number and percentage shares held remained unchanged for the prior year with the exception of WWM that issued new shares thereby diluting DRDGOLD's effective shareholding from 5.1% to 3.5%*

[2] *The "B Share Business Fund" shares relate to all the businesses of the RMA Group that do not relate to the Compensation for Occupational Injuries and Diseases Act*

[3] *The shares held entitles the holder to 100% of the residual net equity of Cell Captive A 170 after settlement of the reimbursive right*

MARKET RISK

Other market price risk

Equity price risk arises from changes in quoted market prices of listed investments as well as changes in the fair value of unlisted investments due to changes in the underlying net asset values.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Listed investments

The fair value of listed investments are determined by reference to published price quotations from recognised securities exchanges and constitute level 1 instruments on the fair value hierarchy.

Unlisted investments

The fair values of unlisted investments are determined through valuation techniques that include inputs that are not based on observable market data and constitute level 3 instruments in the fair value hierarchy.

18 OTHER INVESTMENTS *continued*

18.1 RAND REFINERY

Amounts in R million	2021	2020
Balance at the beginning of the year	**160.9**	-
Fair value adjustment on equity investments at fair value through other comprehensive	**(53.3)**	160.9
Balance at the end of the year	**107.6**	160.9

In accordance with IFRS 13 *Fair Value Measurement*, the income approach has been established to be the most appropriate basis to estimate the fair value of the investment in Rand Refinery. This method relies on the future budgeted cash flows as estimated by Rand Refinery. Management used a model developed by an external expert to perform the valuation.

Rand Refinery's refining operations (excluding Prestige Bullion) were valued using the Free Cash Flow model, whereby an enterprise value using a Gordon Growth formula for the terminal value was estimated. The forecasted dividend income to be received from Prestige Bullion was valued using a finite-life dividend discount model as Rand Refinery's shareholding will be reduced to nil in 2032. These valuations revealed that the fair value of the investment in Rand Refinery consist mainly of Rand Refinery's cash on hand and the forecasted dividend income to be received from Prestige Bullion.

The enterprise value of Rand Refinery's refining operations decreased due mainly to a decrease in forecast gold prices, a decrease in budgeted production volumes, and an increase in budgeted operating costs. The value of the forecasted dividends for Prestige Bullion decreased due mainly to a decrease in the demand in Krugerrands and an increase in the discount rate applied to the forecasted dividends of Prestige Bullion. The discount rate increased due to an increase in the risk premium to account for increased volatility in demand for Krugerrands in the medium- to long-term.

The fair value measurement uses significant unobservable inputs and relates to a fair value hierarchy level 3 financial instrument. Marketability and minority discounts (both unobservable inputs) of 16.5% and 17.0% (2020: 16.5% and 17.0%), respectively, were applied. The latest budgeted cash flow forecasts provided by Rand Refinery as at 30 June 2021 was used, and therefore classified as an unobservable input into the models. Key observable/unobservable inputs into the model include:

Amounts in R million	Observable/unobservable	Unit	2021	2020
Rand Refinery operations				
Forecast average gold price	Observable input	R/kg	847,317	852,098
Forecast average silver price	Observable input	R/kg	11,751	9,453
Average South African CPI	Observable input	%	4.4	4.8
South African long-term government bond rate	Observable input	%	9.5	9.5
Terminal growth rate	Unobservable input	%	4.4	5.0
Weighted average cost of capital	Unobservable input	%	15.1	15.1
Investment in Prestige Bullion				
Discount period	Unobservable input	years	12	13
Cost of equity	Unobservable input	%	16.5	13.2

Sensitivity analysis
The fair value measurement is most sensitive to the Rand denominated gold price and volumes. The higher the gold price and volumes, the higher the fair value of the investment in Rand Refinery. The below table indicates the extent of sensitivity of the fair value to the inputs:

		Input		Change in OCI, net of tax	
Amounts in R million		**% Increase**	**% Decrease**	**% Increase**	**% Decrease**
Rand Refinery operations					
Rand US Dollar exchange rate	Observable inputs	1	(1)	3.8	(3.8)
Commodity prices (Gold and silver)	Observable inputs	1	(1)	3.0	(3.0)
Volumes	Unobservable inputs	1	(1)	2.6	(2.6)
Weighted average cost of capital	Unobservable inputs	1	(1)	(0.3)	0.3
Minority discount	Unobservable inputs	1	(1)	(1.2)	1.2
Marketability discount	Unobservable inputs	1	(1)	(1.2)	1.2
Investment in Prestige Bullion					
Cost of equity	Unobservable inputs	0	(1)	(1.5)	1.5
Prestige Bullion dividend forecast	Unobservable inputs	0	(1)	0.4	(0.4)

Impact of the COVID 19 pandemic
The COVID-19 pandemic had an impact on the gold market and the operations of Rand Refinery as a result of the South African national lockdown and the assumptions as disclosed were adjusted with relevant information at the reporting date.

19 CONTINGENCIES

SIGNIFICANT ACCOUNTING JUDGEMENTS

The assessment of whether an obligating event results in a liability or a contingent liability requires the exercise of significant judgement of the outcome of future events that are not wholly within the control of the Company.

Litigation and other judicial proceedings inherently entail complex legal issues that are subject to uncertainties and complexities and are subject to interpretation.

ACCOUNTING POLICIES

Contingent liabilities
A contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability may also be a present obligation arising from past events but is not recognised on the basis that an outflow of economic resources to settle the obligation is not viewed as probable, or the amount of the obligation cannot be reliably measured.

When the Company has a present obligation, an outflow of economic resources is assessed as probable and the Company can reliably measure the obligation, a provision is recognised.

Contingent liability for occupational Lung Diseases
On 3 May 2018, former mineworkers and dependents of deceased mineworkers ("**Applicants**") and Anglo American South Africa Limited, AngloGold Ashanti Limited, Sibanye Gold Limited, Harmony Gold Mining Company Limited, Gold Fields Limited, African Rainbow Minerals Limited and certain of their affiliates ("**Settling Companies**") settled the class certification application in which the Applicants in each sought to certify class actions against gold mining houses cited therein on behalf of mineworkers who had worked for any of the particular respondents and who suffer from any occupational lung disease, including silicosis or tuberculosis.

The DRDGOLD respondents, comprising DRDGOLD Limited and East Rand Proprietary Mines Limited ("**DRDGOLD Respondents**"), are not a party to the settlement between the Applicants and Settling Companies. The settlement agreement is not binding on the DRDGOLD Respondents. The dispute, insofar as the class certification application and appeal thereof is concerned, still stands and has not terminated in light of the settlement agreement.

DRDGOLD maintains the view that it is too early to consider settlement of the matter, mainly for the following reasons:
- the Applicants have as yet not issued and served a summons (claim) in the matter;
- there is no indication of the number of potential claimants that may join the class action against the DRDGOLD Respondents; and
- many principles upon which legal responsibility is founded, are required to be substantially developed by the trial court (and possibly subsequent courts of appeal) to establish liability on the bases alleged by the applicants.

In light of the above there is inadequate information to determine if a sufficient legal and factual basis exists to establish liability, and to quantify such potential liability.

20 FINANCIAL INSTRUMENTS

CLASSIFICATION AND MEASUREMENT OF FINANCIAL ASSETS

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in business model.

A financial asset shall be measured at amortised cost if both the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise of specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An investment if measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It is held with a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FINANCIAL RISK MANAGEMENT FRAMEWORK

Overview

The Company has exposure to credit risk, liquidity risks, as well as other market risks from its use of financial instruments. This note presents information about the Company's exposure to each of the above risks, the Company's objectives and policies and processes for measuring and managing risk. The Company's management of capital is disclosed in note 16. This note must be read with the quantitative disclosures included throughout these financial statements.

The board of directors of the Company ("**Board**") has overall responsibility for the establishment and oversight of the DRDGOLD Group's risk management framework including that of the Company. During the current year the Board established the Risk Committee ("**RC**") (previously a subcommittee of the Audit and Risk Committee), which is responsible for developing and monitoring the Group's risk management policies. The RC reports regularly to the Board on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes to market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The RC oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The RC is assisted in its oversight role by the internal audit function. The internal audit function undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the RC.

CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and subsidiaries.

The Company's financial instruments do not represent a concentration of credit risk due to the exposure to credit risk being managed as disclosed in the following notes:

NOTE 8 NET INVESTMENTS IN SUBSIDIARIES
NOTE 9 CASH AND CASH EQUIVALENTS
NOTE 11 TRADE AND OTHER RECEIVABLES

LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Additional disclosures are included in the following notes:

NOTE 8 NET INVESTMENTS IN SUBSIDIARIES
NOTE 12 TRADE AND OTHER PAYABLES
NOTE 13 CURRENT AMOUNTS PAYABLE TO GROUP COMPANIES
NOTE 16 CAPITAL MANAGEMENT

20 FINANCIAL INSTRUMENTS *continued*

MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect profit or loss or the value of the Company's financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

Other market risk

Additional disclosures are included in the following note:

NOTE 18 OTHER INVESTMENTS

Interest rate risk

Fluctuations in interest rates impact on the value of short-term cash investments and financing activities, giving rise to interest rate risk. In the ordinary course of business, the Company receives cash from its operations and is obliged to fund working capital and capital expenditure requirements. This cash is managed to ensure surplus funds are invested in a manner to achieve maximum returns while minimising risks. Lower interest rates result in lower returns on investments and deposits and also may have the effect of making it less expensive to borrow funds at then current rates. Conversely, higher interest rates result in higher interest payments on loans and overdrafts.

Additional disclosures are included in the following notes:

NOTE 9 CASH AND CASH EQUIVALENTS
NOTE 13 CURRENT AMOUNTS PAYABLE TO GROUP COMPANIES

Foreign currency risk

The Company enters into transactions denominated in foreign currencies, such as gold sales denominated in US dollar, in the ordinary course of business. This exposes the Company to fluctuations in foreign currency exchange rates.

Additional disclosures are included in the following notes:

NOTE 9 CASH AND CASH EQUIVALENTS

21 RELATED PARTIES

Disclosures are included in the following notes:

NOTE 8 NET INVESTMENTS IN SUBSIDIARIES
NOTE 11 TRADE AND OTHER RECEIVABLES
NOTE 13 CURRENT AMOUNTS PAYABLE TO GROUP COMPANIES
NOTE 15.4 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL
NOTE 17 EQUITY

22 SUBSEQUENT EVENTS

There were no significant subsequent events between the year-end reporting date of 30 June 2021 and the date of issue of these financial statements other than described below and included in the preceding notes to the Company financial statements.

Declaration of dividend

On 25 August 2021, the Board declared a final dividend for the year ended 30 June 2021 of 40 SA cents per share, which was paid on 27 September 2021.

29 SUBSEQUENT EVENTS continued

Conditional shares granted

On 20 October 2021, 3 508 232 conditional shares were granted to qualifying employees under the current equity settled long-term incentive scheme. These are expected to vest on 20 October 2024. The number of conditional shares granted includes those granted to directors and prescribed officers as follows:

	Number of conditional shares awarded
Executive directors	
D J Pretorius	549 986
A J Davel	292 796
Prescribed officers	
W J Schoeman	292 796
E Beukes	39 375

SHAREHOLDER INFORMATION

at 30 June 2021

	Number of Holders	% of total shareholders	Number of shares	% of total issued share capital
1) Analysis of shareholders				
1 - 5 000	10,297	89.16%	4,882,375	0.56%
5 001 - 10 000	444	3.84%	3,372,234	0.39%
10 001 - 50 000	528	4.57%	12,194,827	1.41%
50 001 - 100 000	108	0.94%	8,048,843	0.93%
100 001 - 1 000 000	138	1.19%	39,006,546	4.51%
1 000 001 - AND MORE	35	0.30%	797,083,886	92.20%
	11,550	100.00%	864,588,711	100.00%

2) Major shareholders *
(1% or more of shares in issue)

			Number of shares	% of total issued share capital
SIBANYE GOLD LIMITED			433,158,944	50.10%
THE BANK OF NEW YORK MELLON DR#			221,027,566	25.56%
GOVERNMENT EMPLOYEES PENSION FUND P			31,173,521	3.61%
BBH LUX FAST EMERGING MARKETS FUND#			18,485,164	2.14%
JPMC-VANGUARD BBH LENDING ACCOUNT			11,284,619	1.31%
CLEARSTREAM BANKING S.A LUXEMBOURG			10,547,533	1.22%
OLD MUTUAL LIFE ASSURANCE CO SA LTD			10,476,639	1.21%
ERGO MINING OPERATIONS (PTY) LIMITED			9,474,920	1.10%

* 209,154,770 ordinary shares (equivalent to 20,915,477 American Depository Receipts ("**ADR**s") or approximately 30.0% of our issued ordinary shares were held by 683 registered holders of our ADRs in the United States of America.

Held in ADRs in the United States of America

	Number of Holders	% of total shareholders	Number of shares	% of total issued share capital
3) Shareholder spread				
Non-public	5	0.05%	443,409,119	51.29%
Sibanye Gold Limited	1	0.01%	433,158,944	50.10%
Directors	3	0.03%	775,255	0.09%
Subsidiary	1	0.01%	9,474,920	1.10%
Public	11,545	99.95%	421,179,592	48.71%
	11,550	100.00%	864,588,711	100.00%
4) Distribution of shareholders				
Individuals	9,921	85.90%	35,797,715	4.14%
Institutions and body corporates	1,629	14.10%	828,790,996	95.86%
	11,550	100.00%	864,588,711	100.00%

DRDGOLD LIMITED

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