UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 20-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the fiscal year ended June 30, 2021**

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT 1934**

Commission file number 0-28800

DRDGOLD LIMITED
(Exact name of Registrant as specified in its charter and translation of Registrant's name into English)
REPUBLIC OF SOUTH AFRICA
(Jurisdiction of incorporation or organization)

Constantia Office Park Cnr 14th Avenue and Hendrik Potgieter Road Cycad House, Building 17, Ground Floor Weltevreden Park 1709, South Africa
(Address of principal executive offices)
Riaan Davel, Chief Financial Officer, Tel. no. +27 11 470 2600, Email riaan.davel@drdgold.com
Mpho Mashatola, Group Financial Controller, Tel. no. +27 11 470 2600, Email mpho.mashatola@drdgold.com
(Name, Telephone, Email and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act

Title of each class:	**Trading symbol**	**Name of each exchange on which registered:**
Ordinary shares (traded in the form of American Depositary Shares, each American Depositary Share representing ten underlying ordinary shares.)	DRD	The New York Stock Exchange, Inc.

Securities registered or to be registered pursuant to Section 12(g) of the Act **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act **None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report. 864,588,711 ordinary shares of no par value outstanding as of June 30, 2021.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

If this report is an annual report or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Date File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of “large accelerated filer,” “accelerated filer,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☑ Non-accelerated filer ☐ Emerging growth company ☐

If any emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act ☐

The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing. U.S. GAAP ☐ International Financial Reporting Standards as issued by the International Accounting Standards Board ☑ Other ☐

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☐ No ☐

TABLE OF CONTENTS

TABLE OF CONTENTS

Preparation of Financial Information

We are a South African company and currently all our operations are located in South Africa. Accordingly, our books of account are maintained in South African Rand. Our financial statements included in our corporate filings are prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

Our consolidated financial statements included in this Annual Report are prepared in accordance with IFRS as issued by the IASB. All financial information, except as otherwise noted is prepared in accordance with IFRS as issued by the IASB.

We present our financial information in rand, which is our presentation and reporting currency. All references to "dollars" or "$" herein are to United States Dollars and references to "rand" or "R" are to South African rands. Solely for your convenience, this Annual Report contains translations of certain rand amounts into dollars at specified rates. These rand amounts do not represent actual dollar amounts, nor could they necessarily have been converted into dollars at the rates indicated. Unless otherwise indicated, rand amounts have been translated into dollars at the rate of R14.27 per $1.00, the year end exchange rate on June 30, 2021.

In this Annual Report, we present certain non-IFRS financial measures such as the financial items "cash operating costs per kilogram", "all-in sustaining costs per kilogram" and "all-in costs per kilogram" which have been determined using industry guidelines promulgated by the World Gold Council, which we use to determine costs associated with producing gold, cash generating capacities of the mines and to monitor performance of our mining operations. An investor should not consider these items in isolation or as alternatives to, operating costs, profit/(loss) for the year or any other measure of financial performance presented in accordance with IFRS or as an indicator of our performance. While the World Gold Council has provided definitions for the calculation of cash operating costs, the calculation of cash operating costs per kilogram, all-in sustaining costs per kilogram and all-in costs per kilogram may vary significantly among gold mining companies, and these definitions by themselves do not necessarily provide a basis for comparison with other gold mining companies. See Glossary of Terms and Explanations and Item 5A. Operating Results – "Cash operating costs, all-in sustaining costs and all-in costs" and "Reconciliation of cash operating costs per kilogram, all-in sustaining costs per kilogram, all-in costs per kilogram".

DRDGOLD Limited

When used in this Annual Report, the term the "Company" refers to DRDGOLD Limited and the terms "we," "our," "us" or "the Group" refer to the Company and its subsidiaries as appropriate in the context.

Acquisition of gold assets from Sibanye-Stillwater and subsequent exercise of option to purchase shares

On July 31, 2018, we completed the acquisition of the gold assets associated with Sibanye Gold Limited, trading as Sibanye-Stillwater's ("**Sibanye-Stillwater**") West Rand Tailings Retreatment Project ("**WRTRP**"), subsequently renamed Far West Gold Recoveries Proprietary Limited ("**FWGR**"). This acquisition significantly increased our assets and revenues and added 2.72 million ounces to our Ore Reserves. In connection with the acquisition, we issued to Sibanye-Stillwater new shares in the Company equal to 38.05% of outstanding shares, and granted Sibanye-Stillwater an option to acquire up to a total of 50.1% of our shares within a period of 2 years from the effective date of the acquisition at a 10% discount to the prevailing market value (the "**Option**"). On January 8, 2020, Sibanye-Stillwater exercised the Option. On January 22, 2020 Sibanye-Stillwater subscribed for 168,158,944 DRDGOLD shares at an aggregate subscription price of R1,086 million. These shares were issued at a price of R6.46 per share, being a 10% discount to the 30-day volume weighted average traded price.

Special Note Regarding Forward-Looking Statements

This Annual Report contains certain "forward-looking" statements within the meaning of Section 21E of the U.S. Securities Exchange Act of 1934, regarding expected future events, circumstances, trends and expected future financial performance and information relating to us that are based on the beliefs of our management, as well as assumptions made by and information currently available to our management. Some of these forward-looking statements include phrases such as "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "should," or "will continue," or similar expressions or the negatives thereof or other variations on these expressions, or similar terminology, or discussions of strategy, plans or intentions, including statements in connection with, or relating to, among other things:

- our reserve calculations and underlying assumptions;
- the trend information discussed in Item 5D.- Trend Information, including target gold production and cash operating costs;
- life of mine and potential increase in life of mine;
- estimated future throughput capacity and production;
- expected trends in our gold production as well as the demand for and the price of gold;
- our anticipated labor, electricity, water, crude oil and steel costs;
- our expectation that existing cash will be sufficient to fund our operations in the next 12 months including our anticipated commitments;
- estimated production costs, cash operating costs per ounce, all-in sustaining costs per ounce and all-in costs per ounce;
- expectations on future gold price, supply and pricing trends, including long term trends, expected impact of the global environment on gold prices;
- expected gold production and cash operating costs expected in fiscal year 2022;
- statements with respect to agreements with unions;
- our prospects in litigation and disputes;

- statements with respect to the legal review for increasing the deposition capacity of the Brakpan/Withok Tailings Storage Facility ("**TSF**"), and expected potential increase in capacity and life of mine and statements with respect to our flotation fine-grind ("**FFG**") program;
- expected deposition capacity from improvements in our dams and new dam construction; and
- expected effective gold mining tax rate.

Such statements reflect our current views with respect to future events and are subject to risks, uncertainties and assumptions. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others:

- the global impact of the COVID-19 pandemic and potential announcement of further national lockdowns, including in South Africa;
- adverse changes or uncertainties in general economic conditions in South Africa;
- regulatory developments adverse to us or difficulties in maintaining necessary licenses or other governmental approvals;
- future performance relating to the FWGR Phase 2 assets;
- challenges in replenishing mineral ore reserves;
- changes in our competitive position;
- changes in, or that affect our business strategy;
- our ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions;
- the success of our business strategy, development activities and other initiatives,
- adverse changes in our gold production as well as the demand for and the price of gold;
- changes in technical and economic assumptions underlying DRDGOLD' mineral reserve estimates;
- any major disruption in production at our key facilities;
- adverse changes in foreign exchange rates;
- adverse environmental or environmental regulatory changes;
- adverse changes in ore grades and recoveries, and to the quality or quantity of reserves;
- unforeseen technical production issues, industrial accidents and theft;
- anticipated or unanticipated capital expenditure on property, plant and equipment;
- the impact of HIV/AIDS, tuberculosis and the spread of other contagious diseases, such as coronavirus (COVID-19); and
- various other factors, including those set forth in Item 3D. Risk Factors.

For a discussion of such risks, see Item 3D. Risk Factors. The risk factors described above and in Item 3D. could affect our future results, causing these results to differ materially from those expressed in any forward-looking statements. These factors are not necessarily all of the important factors that could cause our results to differ materially from those expressed in any forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results.

Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date thereof. We do not undertake any obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Annual Report or to reflect the occurrence of unanticipated events.

Special Note Regarding Links to External, or Third-party Websites

Links to external, or third-party websites, are provided solely for convenience. We take no responsibility whatsoever for any third-party information contained in such third-party websites, and we specifically disclaim adoption or incorporation by reference of such information into this report.

Imperial units of measure and metric equivalents

The table below sets forth units stated in this document, which are measured in Imperial and Metric.

Metric	Imperial	Imperial	Metric
1 metric tonne	1.10229 short tons	1 short ton	0.9072 metric tonnes
1 kilogram	2.20458 pounds	1 pound	0.4536 kilograms
1 gram	0.03215 troy ounces	1 troy ounce	31.10353 grams
1 kilometer	0.62150 miles	1 mile	1.609 kilometers
1 meter	3.28084 feet	1 foot	0.3048 meters
1 liter	0.26420 gallons	1 gallon	3.785 liters
1 hectare	2.47097 acres	1 acre	0.4047 hectares
1 centimeter	0.39370 inches	1 inch	2.54 centimeters
1 gram/tonne	0.0292 ounces/ton	1 ounce/ton	34.28 grams/tonnes
0 degree Celsius	32 degrees Fahrenheit	0 degrees Fahrenheit	- 18 degrees Celsius

Glossary of Terms and Explanations

The table below sets forth a glossary of terms used in this Annual Report:

Adjusted EBITDA	Adjusted EBITDA means earnings before interest, tax, depreciation, amortisation, share-based payment (benefit)/expense, change in estimate of environmental rehabilitation recognised in profit or loss, gain/(loss) on disposal of property, plant and equipment, gain/(loss) on financial instruments, IFRS 16 lease payments, transaction costs and retrenchment costs. This is a non-IFRS financial measure and should not be considered a substitute measure of net income reported by us in accordance with IFRS.
Administration expenses and other costs excluding non-recurring items	Administration expenses and other costs excluding loss on disposal of property, plant and equipment and transaction costs.
All-in sustaining costs per kilogram	All-in sustaining costs is a measure on which guidance is provided by the World Gold Council and includes cash operating costs of production, plus movement in gold in process on a sales basis, corporate administration expenses and other (costs)/income, the accretion of rehabilitation costs and sustaining capital expenditure. Costs other than those listed above are excluded. All-in sustaining costs per kilogram are calculated by dividing total all-in sustaining costs by kilograms of gold produced. This is a non-IFRS financial measure and should not be considered a substitute measure of costs and expenses reported by us in accordance with IFRS.
All-in costs per kilogram	All-in costs is a measure on which guidance is provided by the World Gold Council and includes all-in sustaining costs, retrenchment costs, care and maintenance costs, ongoing rehabilitation expenditure, growth capital expenditure and capital recoupments. Costs other than those listed above are excluded. All-in costs per kilogram are calculated by dividing total all-in costs by kilograms of gold produced. This is a non-IFRS financial measure and should not be considered a substitute measure of costs and expenses reported by us in accordance with IFRS.
Assaying	The chemical testing process of rock samples to determine mineral content.
$/oz	US dollar per ounce.
Called gold content	The theoretical gold content of material processed.
Care and maintenance	Costs to ensure that the Ore Reserves are open, serviceable and legally compliant after active mining activity at a shaft has ceased.
Cash operating costs of production	Cash operating costs of production are operating costs less ongoing rehabilitation expenses, care and maintenance costs and net other operating costs/(income). This is a non-IFRS financial measure and should not be considered a substitute measure of costs and expenses reported by us in accordance with IFRS.
Cash operating costs per kilogram	Cash operating costs are operating costs incurred directly in the production of gold and include labor costs, contractor and other related costs, inventory costs and electricity costs. Cash operating costs per kilogram are calculated by dividing cash operating costs by kilograms of gold produced. This is a non-IFRS financial measure and should not be considered a substitute measure of costs and expenses reported by us in accordance with IFRS.
Cut-off grade	The minimum in-situ grade of ore blocks for which the cash operating costs per ounce, excluding overhead costs, is equal to a projected gold price per ounce.
CIL Circuit	Carbon-in-leach circuit.
Depletion	The decrease in the quantity of ore in a deposit or property resulting from extraction or production.
Deposition	Deposition is the geological process by which material is added to a landform or land mass. Fluids such as wind and water, as well as sediment flowing via gravity, transport previously eroded sediment, which, at the loss of enough kinetic energy in the fluid, is deposited, building up layers of sediment. Deposition occurs when the forces responsible for sediment transportation are no longer sufficient to overcome the forces of particle weight and friction, creating a resistance to motion.
Doré	Unrefined gold and silver bullion bars consisting of approximately 90% precious metals which will be further refined to almost pure metal.
Grade	The amount of gold contained within auriferous material generally expressed in ounces per ton or grams per tonne of ore.
Growth capital expenditure	Capital additions that are not sustaining capital expenditure. This is a non-IFRS financial measure and should not be considered a substitute measure of costs and expenses reported by us in accordance with IFRS.
g/t	Grams per tonne.
Metallurgical plant	A processing plant (mill) erected to treat ore and extract the contained gold.
Mine call factor	The gold content recovered expressed as a percentage of the called gold content.
Mt	Million tons.
Ore	A mixture of valuable and worthless materials from which the extraction of at least one mineral is technically and economically viable.
Other operating costs / (income)	Expenses incurred, and income generated in the course of operating activities, which are not directly attributable to production activities.
Pay-limit	The minimum in-situ grade of ore blocks or sites for which cash operating costs, including all overhead costs, are equal to a projected gold price per ounce.
Operating costs	Operating costs are cost of sales less depreciation, change in estimate of rehabilitation provision, movement in gold in process and finished inventory – gold bullion, and retrenchment costs.

Ore Reserves	That part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination.
Proven Ore Reserves	Reserves for which (a) the quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling and (b) the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth, and mineral content of Ore Reserves are well established.
Probable Ore Reserves	Ore reserves for which quantity and grade and/or quality are computed from information similar to that used for Proven Ore Reserves, but the sites for inspection, sampling, and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for Proven Ore Reserves, is high enough to assume continuity between points of observation.
oz/t	Ounces per ton.
Refining	The final purification process of a metal or mineral.
Rehabilitation	The process of restoring mined land to a condition approximating its original state.
Reserves	That part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination.
Sediment	The deposition of solid fragmental material that originated from weathering of rocks and was transported from a source to a site of deposition.
Slimes	The tailings discharged from a processing plant after the valuable minerals have been recovered.
Sustaining capital expenditure	Sustaining capital expenditure are those capital additions that are necessary to maintain current gold production. This is a non-IFRS financial measure and should not be considered a substitute measure of costs and expenses reported by us in accordance with IFRS.
t'000	Tonnes in thousands.
Tailings	Finely ground rock from which valuable minerals have been extracted by milling, or any waste rock, slimes or residue derived from any mining operation or processing of any minerals.
Tailings dam	A dam created from waste material of processed ore after the economically recoverable gold has been extracted.
Tonnage/Tonne	Quantities where the metric tonne is an appropriate unit of measure. Typically used to measure reserves of gold-bearing material in-situ or quantities of ore and waste material mined, transported or milled.
Tpm	Tonne per month.
Yield	The amount of recovered gold from production generally expressed in ounces or grams per ton or tonne of ore.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

3A. SELECTED FINANCIAL DATA

The following selected consolidated financial data as at June 30, 2021 and 2020 and for the years ended June 30, 2021, 2020 and 2019 is derived from our consolidated financial statements set forth elsewhere in this Annual Report, which have been prepared in accordance with IFRS, as issued by the IASB. These consolidated financial statements have been audited by KPMG Inc. The selected consolidated financial data as at June 30, 2019, 2018 and 2017, and for the years ended June 30, 2018 and 2017 is derived from audited consolidated financial statements not appearing in this Annual Report which have been prepared in accordance with IFRS, as issued by the IASB. The selected consolidated financial data set forth below should be read in conjunction with Item 5. Operating and Financial Review and Prospects and with the consolidated financial statements and the notes thereto and the other financial information appearing elsewhere in this Annual Report.

Selected Consolidated Financial Data

(in millions, except share, per share and ounce data)

	Year ended June 30,					
	2021[1]	**2021**	**2020**	**2019**	**2018**	**2017**
	$'m	R'm	R'm	R'm	R'm	R'm
Profit or loss Data						
Revenue	369.2	5,269.0	4,185.0	2,762.1	2,490.4	2,339.9
Results from operating activities	127.3	1,816.9	937.9	125.2	52.0	(24.6)
Profit/(loss) for the year attributable to equity owners of the parent	100.9	1,439.9	635.0	78.5	6.5	13.7
Adjusted EBITDA[2]	141.3	2,015.9[2]	1,411.6[2]	254.1[2]	-[2]	-[2]
Per Share Data						
Basic earnings/(loss) per share (cents)	11.8	168.4	82.5	11.8	1.5	3.2
Diluted earnings/(loss) per share (cents)	11.7	167.2	81.0	11.5	1.5	3.2
Dividends proposed per share for the year (ZAR cents)		80.0	85.0	20.0	5.0	5.0
Dividends proposed per American Depositary Shares for the year (USD cents)		56.1	49.1	14.2	3.6	3.4
Exchange rate (USD1:ZAR)[1]		14.27	17.32	14.07	13.72	14.68
Intraday high (USD1:ZAR)		17.78	19.34	15.69	14.57	14.75
Intraday low (USD1:ZAR)		13.39	13.80	13.07	11.50	12.42
Number of shares issued as at June 30	864,588,711	864,588,711	864,588,711	696,429,767	431,429,767	431,429,767
Statement of financial position data						
Total assets	444.8	6,348.0	5,675.2	4,059.9	2,360.5	2,287.4
Equity (Net assets)	337.8	4,820.4	4,040.2	2,688.5	1,267.2	1,302.4
Stated share capital[3]	431.5	6,157.4	6,157.4	5,072.3	4,177.2	4,177.2

	2021	**2021**	**2021**	**2021**	**2021**	**2021**
	September	**August**	**July**	**June**	**May**	**April**
Exchange Rate Data						
Intraday high (USD1:ZAR)	15.25	15.39	14.99	14.40	14.54	14.84
Intraday low (USD1:ZAR)	14.06	14.22	14.15	13.39	13.67	14.14

[1]Translations into Dollars in this table are for the purpose of convenience only and are computed at the closing exchange rate at June 30, 2021 of R14.27 per $1.00. You should not view such translations as a representation that such amounts represent actual Dollar amounts. All other translations in this Annual Report are based on exchange rates quoted by local financial institutions.

[2]Adjusted EBITDA is a non-IFRS financial measure. For a definition of Adjusted EBITDA see Glossary of Terms and Explanations. Adjusted EBITDA (which is based on the definition of that term used in our Revolving Credit Facility ("RCF") agreement) may not be comparable to similarly titled measures of other companies. Adjusted EBITDA is not a measure of performance under IFRS and should be considered in addition to, and not as a substitute for, other measures of financial performance and liquidity.
The Group also considers Adjusted EBITDA for the purpose of evaluating compliance with the covenants imposed by the Company's RCF. The Group considers the presentation of Adjusted EBITDA provides useful information to investors. We began presenting Adjusted EBITDA following the entry into our RCF in fiscal 2019. Adjusted EBITDA was not presented or considered by the Company before fiscal 2019. For a reconciliation of Adjusted EBITDA from profit for the year, see Item 5.A. Operating and Financial Review and Prospects—Adjusted earnings before interest, interest, depreciation and amortization
[3]Ordinary share capital as of June 30, 2021 is stated after the deduction of R51 million (2020: R51 million, 2019: R50.7 million) share capital relating to treasury shares held by the Group.

3B. CAPITALIZATION AND INDEBTEDNESS

Not applicable.

3C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

3D. RISK FACTORS

In conducting our business, we face many risks that may interfere with our business objectives. Some of these risks relate to our operational processes, while others relate to our business environment. It is important to understand the nature of these risks and the impact they may have on our business, financial condition and operating results. Some of these risks are summarized below and have been organized into the following categories:

- Risks related to our business and operations;
- Risks related to the gold mining industry;
- Risks related to doing business in South Africa;
- Risks related to ownership in our ordinary shares or American Depositary Shares (ADSs); and
- Risks related to climate change

Risks related to our business and operations

Changes in the market price for gold and exchange rate fluctuations, both of which have fluctuated widely in the past, affect the profitability of our operations and the cash flows generated by those operations.

Our results are significantly impacted by the price of gold and the USD-Rand exchange rate. Any sustained decline in the market price of gold from the current elevated levels would adversely affect us, and any sustained decline in the price of gold below the cost of production could result in the closure of some or all of our operations which would result in significant costs and expenditure, such as, incurring retrenchment costs earlier than expected which could lead to a decline in profits, or losses, as well as impairment losses. In addition, as most of our production costs are in rands, while gold is sold in dollars and then converted to rands, our results of operation and financial condition have been and could be in the future materially affected by an appreciation in the value of the rand. Accordingly, any sustained decline in the dollar price of gold and/or the strengthening of the South African rand against the dollar would negatively and adversely affect our business, operating results and financial condition.

In the wake of the COVID-19 pandemic and measures taken to address the outbreak, there has been a global trend of investors turning to gold and gold stocks as a safe haven asset, as has been the case in previous times of global economic crisis. This has led to a surge in the average gold price during fiscal 2020 and fiscal 2021. Changes in these conditions in the future (e.g. global recovery from the COVID-19 pandemic) could lead to a decrease of the gold price to pre-pandemic levels or lower. In addition, we were impacted by movements in the exchange rate of the rand against the dollar during the COVID-19 pandemic as described below.

Exchange rates are influenced by global economic trends. The closing exchange rate of the rand against the dollar at June 30, 2021 strengthened by 18% compared to June 30, 2020. The closing price of the rand against the dollar at June 30, 2020 weakened by 23% compared to June 30, 2019. At September 30, 2021, the rand traded at R14.51 = $1.00 (based on closing rates), a 2% weakening of the rand against the Dollar from June 30, 2021. The rand/dollar exchange rate remained volatile throughout the fiscal year 2021 mainly as a result of global, emerging market and South Africa economic uncertainty including uncertainties resulting from the COVID-19 pandemic, global economic slowdown sentiment, tensions between the USA and China, perceived political instability and fiscal strength and structurally weak economic growth of the South African economy including a seemingly terminally distressed power utility, Eskom Holdings SOC Limited (“**Eskom**”).

A decrease in the dollar gold price and/or a strengthening of the rand against the dollar results in a decrease in our profitability. If the rand was to appreciate against the dollar or the gold price were to decrease for a continued time, our operations could experience a reduction in cash flow and profitability, and this would adversely affect our business, operating results and financial condition.

We typically do not enter into forward contracts to reduce our exposure to market fluctuations in the dollar gold price or the exchange rate movements of the rand. We sell gold at spot prices based on the afternoon London Bullion Market fixing price on the day when Rand Refinery, acting as an agent for the sale of all gold produced by the Group, delivers the Gold to the buyer. Our foreign currency is usually sold at the spot price in the market on the date of trade. If the dollar gold price should fall and/or the rand should strengthen against the dollar, this would adversely affect us, and we may experience losses, and if these changes result in revenue below our cost of production and remain at such levels for any sustained period, we may be forced to curtail or suspend some or all our operations.

A failure to acquire new Ore Reserves could negatively affect our future cash flows, results of operations and financial condition.

New or ongoing exploration programs may be delayed or may not result in new mineral producing operations that will sustain or increase our Ore Reserves. A failure to acquire new Ore Reserves in sufficient quantities and quality to maintain or grow the current level and quality of our reserves will negatively affect our future cash flow, results of operations and financial condition. In addition, if we are unable to identify Ore Reserves that have reasonable prospects for economic extraction while maintaining sufficient controls on production and other costs, this will have a material effect on the future viability of our operations.

If we are not successful in increasing reserves in future years, our reserves could decrease, and such reduction would adversely affect our business, operating results and financial condition.

We may be unable to make desirable acquisitions or to integrate successfully any businesses we acquire, including the development of Phase 2 of the FWGR assets acquired from Sibanye-Stillwater.

Our future success may depend in part on the acquisition of businesses or technologies intended to complement, enhance or expand our current business or products or that might otherwise offer us growth opportunities. The ability to complete such transactions may be hindered by a number of factors, including identifying acquisition targets, obtaining necessary financing and potential difficulties in obtaining government approvals. Any acquisitions we make, could fail to achieve our financial or strategic objectives or disrupt our ongoing business which could adversely impact our results of operations.

Any acquisition that we do make would pose risks related to the integration of the new business or technology with our business and organization. We cannot be certain that we will be able to achieve the benefits we expect from a particular acquisition or investment. Acquisitions may also strain our managerial and operational resources, as the challenge of managing new operations may divert our management from day-to-day operations of our existing business. Furthermore, we may have difficulty integrating employees, business systems, and technology. The controls, processes and procedures of acquired businesses may also not adequately ensure compliance with laws and regulations and we may fail to identify compliance issues or liabilities. Our business, financial condition and results of operations may be materially and adversely affected if we fail to coordinate our resources effectively to manage both our existing operations and any businesses we acquire. Acquisitions can also result in unforeseen liabilities.

Moreover, our resources are limited and our decision to pursue a transaction has opportunity costs; accordingly, if we pursue a particular transaction, we may need to forgo the prospect of entering into other transactions that could help us achieve our financial or strategic objectives.

Limited deposition capacity

Our operations are based on ultra-volume and almost nano-gold extraction. The volume of reclaimed material delivered has one of the most profound impacts on the gold output of our metallurgical plants. The large volumes of material that are processed at our operations are deposited on tailings facilities which have a finite capacity. Alternative facilities will be required to ensure adequate deposition capacity for the future. Key projects include the development of the regional tailings storage facility as part of Phase 2 FWGR project as well as obtaining regulatory approvals for alternative depositioning at Ergo.

Our large projects, most notably the development of FWGR, are subject to schedule delays and cost overruns, and we may face constraints in financing our existing projects or new business opportunities, which could render our projects unviable or less profitable than planned.

The development of our projects are capital intensive processes carried out over long durations and requires us to commit significant capital expenditure and allocate considerable management resources in utilising our existing experience and know-how.

Projects like the development of Phase 2 of the FWGR assets acquired from Sibanye-Stillwater is subject to the risk of delays and cost overruns which are inherent in any large construction project including, *inter alia*:

- shortages or unforeseen increases in the cost of equipment, labor and raw materials;
- unforeseen design and engineering problems;
- changes in construction plans that may require new or amended planning permissions;
- unforeseen construction problems;
- unforeseen delays commissioning sections of the project;
- inadequate phasing of activities;
- labor disputes;
- inadequate workforce planning or productivity of workforce;
- inadequate management practices;
- natural disasters and adverse weather conditions;
- national work stoppages as a result of infectious deceases and pandemics such as COVID-19;
- failure or delay of third-party service providers; and
- changes to regulations, such as environmental regulations.

The Phase 2 definitive feasibility study was completed in the 3rd quarter of fiscal year 2021, however regulatory approval still needs to be obtained on the regulatory approvals for the submitted amended design. It is therefore anticipated that the construction of the Regional Storage Facility, related to Phase 2, will be delayed from fiscal year 2022 to fiscal year 2024.

In addition, if the assumptions we make in assessing the viability of our projects, including those relating to commodity prices, exchange rates, interest rates, inflation rates and discount rates, prove to be incorrect or need to be significantly revised, this may adversely affect the profitability or even the viability of our projects. The uncertainty and volatility in the gold market makes it more difficult to accurately evaluate the project economics and increases the risk that the assumptions underlying our assessment of the viability of the project may prove incorrect.

As the development of FWGR is particularly material to DRDGOLD, significant cost overruns or adverse changes in assumptions affecting the viability of the project could have a material adverse effect on our business, cash flows, financial condition and prospects.

Our operating cash flow and available banking facilities may be insufficient to meet our capital expenditure plans and requirements, depending on the timing and cost of development of our existing projects and any further projects we may pursue. As a result, new sources of capital may be needed to meet the funding requirements of these projects and to fund ongoing business activities. Our ability to raise and service significant new sources of capital will be a function of, *inter alia*, macroeconomic conditions, our credit rating, our gearing and other risk metrics, the condition of the financial markets, future gold prices, the prospects for our industry, our operational performance and operating cash flow and debt position.

In the event of operating or financial challenges, any dislocation in financial markets or new funding limitations, our ability to pursue new business opportunities, invest in existing and new projects, fund our ongoing business activities and pay dividends, could be constrained, any of which could have a material adverse effect on our business, operating results cash flows and financial condition.

We may not be able to meet our cash requirements because of a number of factors, many of which are beyond our control.

Management's estimates on future cash flows are subject to risks and uncertainties, such as the rand gold price, production volumes, recovered grades and costs. If we are unable to meet our cash requirements out of cash flows generated from our operations, we would need to fund our cash requirements from financing sources and any such financing may not be permitted under the terms of our financing arrangements, or may not be available on acceptable terms, or at all. If we do not generate sufficient cash flows or have access to adequate financing, our ability to respond to changing business and economic conditions, make future acquisitions, react to adverse operating results, meet our debt service obligations and fund required capital expenditures or meet our working capital requirements may be adversely affected.

Any interruption in gold production at any of our two mining operations generating cash flows, will have an adverse effect on the Company.

We have two mining operations generating cash flows, namely Ergo and FWGR. Ergo's reclamation sites, processing plants, pump stations and the Brakpan/Withok TSF are linked through pipeline infrastructure. The Ergo plant is currently our major processing plant. FWGR's reclamation site, DP2 processing plant, pump stations and the Driefontein 4 Tailings Storage Facility are linked through pipeline infrastructure.

Our reclamation sites, plants, pipelines infrastructure and the deposition/storage facilities are exposed to numerous risks, including operational down time due to planned or unplanned maintenance, destruction of infrastructure, spillages, higher than expected operating costs, or lower than expected production as a result of decreases in extraction efficiencies due to imbalances in the metallurgical process as well as inconsistent volume throughput or other factors.

We have suffered interruptions in gold production. For example: the Group temporarily halted its operations at Ergo and FWGR on March 26, 2020 pursuant to the announcement of the national lockdown in South African ("**Lockdown**"). Operations gradually recommenced through April and May 2020 (Refer to Item 4D. ''Property, plant and production – Ergo Production and FWGR production"), and have not been impacted by subsequent lockdowns during fiscal 2021, but we remain subject to the risk of further lockdowns and other restrictions as a result of the continuing COVID-19 pandemic.

Our FWGR operations are reliant on the use to and access of Sibanye-Stillwater's mining infrastructure, related services including the smelting and recovery of gold from gold loaded carbon produced at FWGR as well as the use of various rights, permits and licenses held by Sibanye Gold pursuant to which FWGR operates, pending the transfer to FWGR of those that are transferable. Any disruption in the supply of, or our ability to use and access the Sibanye-Stillwater mining infrastructure, related services and rights, permits and licenses, could have an adverse impact on our operations.

Each of these conditions or other weather conditions or other interruptions could adversely impact our operations which could have a material adverse effect on our business, operating results and financial condition.

Flooding at our discontinued underground operations may cause us to incur liabilities for environmental damage.

If the rate of rise of water is not controlled, water from our abandoned underground mining areas could potentially rise and come into contact with naturally occurring underground water or decant into surrounding underground mining areas and could ultimately also rise to surface. Progressive flooding of these abandoned underground mining areas and surrounding underground mining areas could eventually cause the discharge of polluted water to the surface and to local water sources.

Should underground water levels not reach a natural subterranean equilibrium, and if underground water rises to the surface, we may face claims relating to environmental damage. Any such claims may have a material adverse effect on our business, operating results and financial condition.

An increase in production costs could have an adverse effect on our results of operations.

An increase in our production costs will impact our results of operations. Production costs are affected by, *inter alia*:

- labor stability, productivity and increases in labor costs;
- increases in electricity and water prices;

- increases in crude oil and steel prices;
- changes in regulation;
- unforeseen changes in ore grades and recoveries;
- unexpected changes in the quality or quantity of reserves;
- technical production issues;
- availability and cost of smelting and refining arrangements;
- environmental and industrial accidents;
- gold theft;
- environmental factors; and
- pollution.

Our production costs consist mainly of materials including reagents and steel, labor, electricity, specialized service providers, water, fuels, lubricants and other oil and petroleum-based products. Production costs have in the past, and could in the future, increase at rates in excess of our annual inflation rate and impact our results of operation and can result in the restructuring of these operations at substantial cost.

On February 28, 2021, ERGO signed a one year wage extension agreement, with organized labour, for the period July 1, 2021 to June 30, 2022 with a 5.9% average increase per annum across the ERGO workforce with individual increases ranging from 5.5% to 7% per annum. The transitional arrangements regarding wage increases with the workforce at FWGR when these employees were incorporated into DRDGOLD have now come to an end. As a consequence, negotiations are currently underway with organized labour at FWGR with the intention of trying to reach a 3 year wage agreement.

Increases in production costs, if material, will adversely impact our results of operations. In addition, any initiatives that we pursue to reduce costs, such as reducing our labor force, a reduction of the corporate overhead, negotiating lower price increases for consumables and cost controls may not be successful or sufficient to offset the increases affecting our operations and could adversely affect our business, operating results and financial condition.

Uncertainties regarding the impact of the COVID-19 pandemic on current and future operations

We face risks relating to the COVID-19 pandemic and measures taken to address the outbreak.

The Group temporarily halted its operations at Ergo and FWGR on March 26, 2020 pursuant to the announcement of the Lockdown. Operations gradually recommenced through April and May 2020 (Refer to Item 4D. ‘‘Property, plant and production – Ergo Production and FWGR production”) and have not been impacted by subsequent lockdowns during fiscal 2021. We remain subject to the risk of further lock-downs or other restrictions to our operations and we also face the risk of disruptions to our suppliers' operations.

The table below outlines the number of COVID-19 tests conducted, the number of COVID-19 positive cases and the COVID-19 related fatalities suffered by our workforce:

COVID statistics	**Ergo**	**FWGR**	**Corporate office**	**Consolidated**
Number of tests conducted	576	176	3	755
Number positive cases	142	34	3	179
Fatalities	2	1	0	3

The risk related to the impact of the COVID-19 pandemic is not isolated to health and safety for our employees and disruptions to our operations, but has manifested as a risk in terms of social stability as well as economic activity and growth both in South Africa and globally. While we have implemented programs to address the risk of COVID-19 infections at our operations, the COVID-19 pandemic may have numerous other consequences, including adverse impacts on our supply chain and availability of materials used in our operations. The risks associated with an anticipated “new wave” of infection remain highly uncertain and could lead to increased employee infection risk decreasing productivity and could result in further restrictive national lockdowns, which could lead to disruptions in our business operations.

We have benefitted from the increase in dollar gold prices and weakening of the rand/dollar exchange rate driven at least in part by the impact of the COVID-19 pandemic. Dollar gold prices may decrease and the rand/dollar exchange rate may strengthen as the global impact of the COVID-19 pandemic is alleviated.

Our operations are subject to extensive environmental regulations which could impose significant costs and liabilities.

Our operations are subject to increasingly extensive laws and regulations governing the protection of the environment under various state, provincial and local laws, which regulate air and water quality, hazardous waste management and environmental rehabilitation and reclamation. Our mining and related activities have the potential to impact the environment, including land, habitat, streams and environment near the mining sites. Failure to comply with environmental laws or delays in obtaining, or failures to obtain government permits and approvals may adversely impact our operations. In addition, the regulatory environment in which we operate could change in ways that could substantially increase costs of compliance, resulting in a material adverse effect on our profitability.

We have incurred, and expect to incur in the future, expenditures to comply with these environmental laws and regulations. We have estimated our aggregate group Provision for Environmental Rehabilitation at a net present value of R570.8 million which is included in our statement of financial position as at June 30, 2021 (Refer to Item 18. ''Financial Statements - Note 11 – Provision for environmental rehabilitation"). However, the ultimate amount of rehabilitation costs may in the future exceed the current estimates due to factors beyond our control, such as changing legislation, higher than expected cost increases, or unidentified rehabilitation costs. We fund these environmental rehabilitation costs by making contributions over the life of the mine to environmental trust funds or funds held in insurance instruments established for our operations. If any of our operations are prematurely closed, the rehabilitation funds may be insufficient to meet all the rehabilitation obligations of those operations. The closure of mining operations, without sufficient financial provision for the funding of rehabilitation liabilities, or unacceptable damage to the environment, including pollution or environmental degradation, may expose us and our directors to prosecution, litigation and potentially significant liabilities.

Damage to tailings dams and excessive maintenance and rehabilitation costs could result in lower production and health, safety and environmental liabilities.

Our tailings facilities are exposed to numerous risks and events, the occurrence of which may result in the failure, breach or damage of such a facility. These may include sabotage, failure by our employees to adhere to the codes of practice and natural disasters such as excessive rainfall and seismic events, any of which could force us to stop or limit operations. In addition, the dams could overflow or a side wall could collapse and the health and safety of our employees and communities living around these dams could be jeopardized. In the event of damage to our tailings facilities, our operations will be adversely affected and this in turn could have a material adverse effect on our business, operating results and financial condition.

Due to the nature of our business, our operations face extensive health and safety risks and regulation of those risks.

Gold mining is exposed to numerous risks and events, the occurrence of which may result in the death of, or personal injury, to employees. According to section 54 of the Mine, Health and Safety Act of 1996, if an inspector believes that any occurrence, practice or condition at a mine endangers or may endanger the health or safety of any person at the mine, the inspector may give any instruction necessary to protect the health or safety of persons at the mine. These instructions could include the suspension of operations at the whole or part of the mine. Health and safety incidents could lead to mine operations being halted and that will increase our unit production costs, which could have a material adverse effect on our business, operating results and financial condition.

Events may occur for which we are not insured which could affect our cash flows and profitability.

Because of the nature of our business, we may become subject to liability for pollution or other hazards against which we are unable to insure or are not insured, including those in respect of past mining activities. Our existing property, business interruption and other insurance contains certain exclusions and limitations on coverage. The insured value for property and loss of profits due to business interruption is R11.35 billion, with a total loss limit of R650 million for the 2022 fiscal year. Business interruption is only covered from the time the loss occurs and is subject to time and amount deductibles that vary between categories. To cover legal liability to third parties for damage, injury, illness or death a total of R1.5 billion insurance cover is in place for the 2020 fiscal year, subject to certain exclusions and limitations on coverage.

Insurance coverage may not cover the extent of claims brought against us, including claims for environmental, industrial or pollution related accidents, for which coverage is not available. If we are required to meet the costs of claims, which exceed our insurance coverage, this could have a material adverse effect on our business, operating results and financial condition.

If we are unable to attract and retain key personnel our business may be harmed.

The success of our business will depend, in large part, upon the skills and efforts of a small group of management and technical personnel including the positions of Chief Executive Officer and Chief Financial Officer. In addition, we compete with mining and other companies on a global basis to attract and retain key human resources at all levels with appropriate technical skills and operating and managerial experience necessary to operate the business. Factors critical to retaining our present staff and attracting additional highly qualified personnel include our ability to provide these individuals with competitive compensation arrangements, and other benefits. If we are not successful in retaining or attracting highly qualified individuals in key management positions, our business may be harmed. We do not maintain "key man" life insurance policies on any members of our executive team. The loss of any of our key personnel could delay the execution of our business plans, which may result in decreased production, increased costs and decreased profitability.

We are subject to operational risks associated with our flotation and fine-grind (FFG) project.

Our flotation and fine-grind project, implemented in fiscal year 2014, is designed to improve extraction efficiencies.

Certain components of the FFG were temporarily halted in the first quarter of fiscal year 2020 to perform an evaluation and compare the additional revenues earned from additional gold extracted from the most recently integrated reclamation sites compared to the cost incurred to operate the FFG circuit. The remaining components of the FFG continue to operate. Testing on the newly integrated material has suggested that some of these halted components will only operate in subsequent years once the related reclamation sites have been brought online in accordance with the current life of mine plan for ERGO. These halted components are classified as idle assets until they are brought back into operation as described. The success of the FFG is directly dependent on the material type and material mix processed through it. Therefore, the halted components will remain idle pending the continuation and conclusion of various test work regarding the material type and material mix of future reclamation sites. Firm decisions have also not yet been made by the executive committee and the Board of Directors on the future of the FFG. We remain subject to operations risks relating to the FFG project.

A disruption in our information technology systems, including incidents related to cyber security, could adversely affect our business operations.

We rely on the accuracy, availability and security of our information technology systems. Despite the measures that we have implemented, including those related to cyber security, our systems could be breached or damaged by computer viruses and systems attacks, natural or man-made incidents, disasters or unauthorized physical or electronic access.

Any system failure, accident or security breach could result in business disruption, theft of our intellectual property, trade secrets (including our proprietary technology), unauthorized access to, or disclosure of, personnel or supplier information, corruption of our data or of our systems, reputational damage or litigation. We may also be required to incur significant cost to protect against or repair the damage caused by these disruptions or security breaches in the future, including, for example, rebuilding internal systems, implementing additional threat protection measures, defending against litigation, responding to regulatory inquiries or actions, paying damages, or taking other remedial steps with respect to third parties.

These threats are constantly evolving, thereby increasing the difficulty of successfully defending against them or implementing adequate preventative measures and we remain subject to additional known or unknown threats. In some instances, we may be unaware of an incident or its magnitude and effects. We may be susceptible to new and emerging risks, including cyber-attacks and phishing, in the evolving landscape of cybersecurity threats. Given the increasing sophistication and evolving nature of these threats, DRDGOLD cannot rule out the possibility of them occurring in the future. An extended failure of critical system components, caused by accidental, or malicious actions, including those resulting from a cyber security attack, could result in a significant environmental incident, commercial loss or interruption to operations.

In addition, from time to time, we implement updates to our information technology systems and software, which can disrupt or shutdown our information technology systems. Information technology system disruptions, if not appropriately addressed or mitigated, could have a material adverse effect on our operations.

Risks related to the gold mining industry

A change in the dollar price of gold, which in the past has fluctuated widely, is beyond our control.

Historically, the gold price has fluctuated widely and is affected by numerous industry factors over which we have no control including:

- a significant amount of above-ground gold in the world that is used for trading by investors;
- the physical supply of gold from world-wide production and scrap sales, and the purchase, sale or divestment by central banks of their gold holdings;
- the demand for gold for investment purposes, industrial and commercial use, and in the manufacturing of jewelry;
- speculative trading activities in gold;
- the overall level of forward sales by other gold producers;
- the overall level and cost of production of other gold producers;
- international or regional political and economic events or trends;
- the strength of the dollar (the currency in which gold prices generally are quoted) and of other currencies;
- financial market expectations regarding the rate of inflation;
- interest rates;
- gold hedging and de-hedging by gold producers; and
- actual or expected gold sales by central banks and the International Monetary Fund.

During fiscal year 2021 the gold price reached a high of U$2,072 per ounce and a low of U$1,676. We benefited from a sustained upswing in gold price in the first quarter, and in the fourth quarter, following the global response to the COVID-19 pandemic, the gold price surged further to all-time highs.

Investors globally, as they have in so many previous times of crisis, turned to gold and gold stocks as a safe haven asset, leading to a surge in the average gold price during fiscal 2020 and fiscal 2021. The rand/dollar exchange rate remained volatile throughout fiscal 2021 mainly as a result of economic uncertainty and perceived political instability, global market slowdown sentiment, tensions between the USA and China, low economic growth, and a seemingly terminally distressed Eskom. Further volatility in the Rand was fueled by Moody's downgrade of South Africa's sovereign credit rating to sub-investment grade as a result of "continuing deterioration in fiscal strength and structurally very weak economic growth."

COVID-19 (or an alleviation of the pandemic) or other factors mentioned above could put negative pressure on the price of gold or the USD – rand exchange rate in the future. Our profitability may be negatively impacted by a decline in the gold price as we incur losses when revenue from gold sales drops below the cost of production for an extended period.

The exploration of mineral properties is highly speculative in nature, involves substantial expenditures, and is frequently unproductive.

Exploration is highly speculative in nature and requires substantial expenditure for drilling, sampling and analysis of ore bodies to quantify the extent of the gold reserve. Many gold exploration programs, including some of ours, do not result in the discovery of mineralization and any mineralization discovered may not be of sufficient quantity or quality to be mined profitably. If we discover a viable deposit, it usually takes several years from the initial phases of exploration until production is possible. During this time, the economic feasibility of production may change.

Moreover, we rely on the evaluations of professional geologists, geophysicists, and engineers for estimates in determining whether to commence or continue mining. These estimates generally rely on scientific and economic assumptions, which in some instances may not be correct, and could result in the expenditure of substantial amounts of money on a deposit before it can be determined with any degree of accuracy whether the deposit contains economically recoverable mineralization. Uncertainties as to the metallurgical recovery of any gold discovered may not warrant mining based on available technology.

Our future growth and profitability will depend, in part, on our ability to identify and acquire additional mineral rights, and on the costs and results of our continued exploration and development programs. Our business focuses mainly on the extraction of gold from tailings, which is a volume driven exercise. Only significant deposits within proximity of services and infrastructure that contain adequate gold content to justify the significant capital investment associated with plant, reclamation and deposition infrastructure are suitable for exploitation in terms of our model. There is a limited supply of these deposits which may inhibit exploration and developments, especially in a declining gold price environment.

Because of these uncertainties, we may not successfully acquire additional mineral rights, or identify new Proven and Probable Ore Reserves in sufficient quantities to justify commercial operations in any of our operations. The costs incurred on exploration activities that do not identify commercially exploitable reserves of gold are not likely to be recovered and therefore are likely to be impaired.

There is inherent uncertainty in Ore Reserve estimates.

Our Ore Reserve figures described in this document are the best estimates of our current management as of the dates stated and are reported in accordance with the requirements of Industry Guide 7 of the SEC. These estimates may not reflect actual reserves or future production.

Should we encounter mineralization or formations different from those predicted by past drilling, sampling and similar examinations, reserve estimates may have to be adjusted and mining plans may have to be altered in a way that might ultimately cause our reserve estimates to decline. Moreover, if the rand price of gold declines, or stabilizes at a price that is lower than recent levels, or those assumed in our mining plans, or if our labor, water, steel, electricity and other production costs increase or recovery rates decrease, it may become uneconomical to recover Ore Reserves, particularly those containing relatively lower grades of mineralization. Under these circumstances, we would be required to re-evaluate our Ore Reserves. Short-term operating factors relating to the ability to reclaim our Ore Reserves, at the required rate, such as an interruption or reduction in the supply of electricity or a shortage of water may have the effect that we are unable to achieve critical mass, which may render the recovery of Ore Reserve, or parts of the Ore Reserve no longer feasible, which could negatively affect production rate and costs and decrease our profitability during any given period. Estimates of reserves are based on drilling results and because unforeseen conditions may occur in these mine dumps that may not have been identified by the drilling results, the actual results may vary from the initial estimates. These factors have and could result in reductions in our Ore Reserve estimates and as a result, our production, which could in turn adversely impact the total value of our mining asset base and our business, operating results and financial condition.

Gold mining is susceptible to numerous events that could have an adverse impact on a gold mining business.

The business of gold mining is exposed to numerous risks and events, the occurrence of which may result in the death of or personal injury to employees, the loss of mining and reclamation equipment, damage to or destruction of mineral properties or production facilities, monetary losses, delays in production, environmental damage, loss of the license to mine and potential legal claims. The risks and events associated with the business of gold mining include:

- environmental hazards and pollution, including dust generation, toxic chemicals, discharge of metals, pollutants, radioactive materials and other hazardous material into the air and water;
- flooding, landslides, sinkhole formation, ground subsidence, ground and surface water pollution and waterway contamination;
- a decrease in labor productivity due to labor disruptions, work stoppages, disease, slowdowns or labor strikes;
- unexpected decline of ore grade;
- metallurgical conditions or lower than expected gold recovery;
- failure of unproven or evolving technologies;
- mechanical failure or breakdowns and ageing infrastructure;
- energy and electrical power supply interruptions;
- availability of water;
- injuries to employees or fatalities due to falls from heights and accidents relating to mobile machinery or electrocution or other causes;
- activities of illegal or artisanal miners;
- material and equipment availability;
- legal and regulatory restrictions and changes to such restrictions;
- social or community disputes or interventions;
- accidents caused from the collapse of tailings dams;
- pipeline failures and spillages;
- safety-related stoppages; and

- corruption, fraud and theft including gold bullion theft.

The occurrence of any of these hazards could delay production, result in losses, or increase production costs or decrease earnings and may result in significant legal claims and adversely impact our business results of operations and financial condition.

Risks related to doing business in South Africa

Political or economic instability in South Africa may reduce our production and profitability.

We are incorporated in South Africa and all our operations are currently in South Africa. As a result, political and economic risks relating to South Africa could have a significant effect on our production and profitability. Large parts of the South African population are unemployed and do not have access to adequate education, health care, housing and other services, including water and electricity. Government policies aimed at alleviating and redressing the disadvantages suffered by most citizens under previous governments may increase our costs and reduce our profitability. In recent years, South Africa has experienced high levels of crime. These problems may impede fixed inward investment into South Africa and increase emigration of skilled workers and as a result, we may have difficulties retaining qualified employees.

The COVID-19 pandemic has increased the risk of social unrest in our surrounding communities already created from a growing frustration of society at large on slow reformative action being taken by all spheres of the South African government, in particular, in combating high unemployment particularly in the youth of the country. Unemployment rates in South Africa reached an all-time high of 34.4% in June 2021 due in part, to South Africa's COVID-19 related economic downturn. This frustration was a contributing factor that led to social unrest, people committing crimes, vandalising property, and damaging infrastructure around our operations during July 2021. There is no assurance that a prolonged economic downturn will not result in an extended period of high unemployment, further exacerbating anti-mining sentiments in South Africa. Furthermore, the rise of ESG factors in investment decisions may result in divestment in the mining sector.

Inflation can adversely affect us.

The inflation rate in South Africa is relatively high compared to developed, industrialized countries. As of June 30, 2021, the annual Consumer Price Inflation Index ("**CPI**"), stood at 4.9% compared to 2.2% in June 2020 and 4.5% in June 2019. Annual CPI was 5.0% as at September 30, 2021. Inflation in South Africa generally results in an increase in our rand operational costs, unless such inflation is accompanied by a concurrent devaluation of the rand against the dollar or an increase in the dollar price of gold. Higher and sustained inflation in the future, with a consequent increase in operational costs could have a material adverse effect on our results of operations and our financial condition and could result in operations being discontinued or reduced or rationalized, which could reduce our profitability.

The treatment of occupational health diseases and the potential liabilities related to occupational health diseases may have an adverse effect on the results of our operations and our financial condition.

We may be subject to claims relating to occupational health diseases and we are currently subject to legal action described below.

In January 2013, DRDGOLD, East Rand Proprietary Mines Limited ("**DRDGOLD Respondents**") and 23 other mining companies ("**Other Respondents**") (collectively referred to as "**Respondents**") were served with a court application issued in the High Court of South Africa for a class certification on behalf of former mineworkers and dependents of deceased mineworkers ("**Applicants**"). In the application the Applicants allege that the Respondents conducted underground mining operations in a negligent and complicit manner causing the former mineworkers to contract occupational lung diseases. The Applicants have as yet not quantified the amounts which they are demanding from the Respondents in damages.

On May 3, 2018, former mineworkers and dependents of deceased mineworkers ("**Applicants**") and Anglo American South Africa Limited, AngloGold Ashanti Limited, Sibanye Gold Limited trading as Sibanye-Stillwater, 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, are not a party to the settlement between the Applicants and Settling Companies. 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 (refer to Item 18. "Financial Statements - Note 26 – Contingencies").

An adverse judgment in the claim described above or any other claim could have an adverse impact on us.

We have experienced an increase in organised crime activities which have started to target gold plants.

In October 2019, a number of companies, including our Knights and Ergo plants, were subject to armed attacks targeting the gold in the plants or high-grade gold bearing material. These incidents were very well organised and in all the incidents the thieves were armed. In some of the incidents employees of companies were also held hostage until the targeted material was obtained. In the 2019 incident, a security officer was fatally injured.

Any such incidents have and may still result in losses of gold or other damage which could have a material adverse impact on our business, financial results or condition.

Theft at our sites, particularly of copper, may result in greater risks to employees or interruptions in production.

Crime statistics in South Africa indicate an increase in theft. This together with price increases for copper has resulted in theft of copper cable. Our operations experience high incidents of copper cable theft despite the implementation of security measures. In addition to the general risk to employees' lives in an area where theft occurs, we may suffer production losses and incur additional costs as a result of power interruptions caused by cable theft and theft of bolts used for the pipeline.

Power stoppages or shortages or increases in the cost of power could negatively affect our results and financial condition.

Our mining operations are dependent on electrical power supplied by Eskom, South Africa's state-owned utility company. As a result of insufficient generating capacity, owing to poor maintenance and lagging capital infrastructure investment, South Africa has faced significant disruptions in electricity supply in the past and Eskom has warned that the country could continue to face disruptions in electrical power supply in the foreseeable future.

The security of future power supply as well as the cost thereof remains a risk and may have major implications for our operations, which may result in significant production losses. The country's current reserve capacity may be insufficient and the risk of electricity stoppages is expected to continue for the foreseeable future. Supply interruptions because of this as well as an aging and poorly maintained distribution grid may pose a significant risk to the operations.

The group has a load-curtailment agreement in place with Eskom in terms of which we reduce power consumption by between 10% and 20% when the grid is under pressure, but Eskom maintains uninterrupted power supply to the operations.

The National Energy Regulator of South Africa ("**NERSA**") initially approved an average tariff increase of 5.2% average effective April 1, 2021. In July 2020, the High Court of South Africa ordered that the average tariff for April 1, 2021 be increased by a further 9.8%. NERSA has applied for leave to appeal this ruling. These increases have had an adverse effect on our production costs and similar or higher future increases could have a material adverse effect on our operating results and financial condition.

Subsequently, several notable developments have occurred:

- The South African government provided Eskom with an additional R69 billion bailout over a three-year period, from 2019 to 2021. Eskom subsequently challenged the multi-year price determination (MYPD), Regulatory Clearing Account (RCA) and NERSA's treatment of the bailout as a tariff subsidy in South African court. On July 28, 2020, the South African court ruled in favour of Eskom, allowing the company to recover the additional R69 billion in a phased manner through future tariff increases. The revenue recovery of R10 billion (of the R69 billion) would occur for the 2021 to 2022 year. The remaining R59 billion revenue recovery would occur outside the MYPD period, likely in the 2022 to 2023 year and 2023 to 2024 year. Having accepted the decision on the merits of the case, NERSA appealed the remedy.
- NERSA has additionally allowed the revenue recovery of R6.6 billion in the 2021 to 2022 year (half of NERSA's determination of a R13.3 billion RCA amount for the period from 2018 to 2019), instead of the R27.3 billion amount that Eskom had applied for. The remaining half will be recovered in the 2022 to 2023 year.
- Additionally, in June 2020, Eskom succeeded in obtaining a judgment to recover a portion of the additional shortfall of R35 billion for the periods from 2014 to 2015, 2015 to 2016 and 2016 to 2017, where NERSA had initially determined the RCA amount for those periods to be R32 billion when Eskom had applied for an amount of R67 billion. Approximately R4.7 billion of the determination will be liquidated in the 2021 to 2022 year.

Combined, these outcomes will impact the tariff increase implemented on 1 April 2021, which resulted in an increase of approximately 15%, instead of the initially previously approved 5.2% increase. As a result of the judgments rendered in favour of Eskom, and the potential for further RCA applications, it is likely that Eskom's electricity tariffs will increase above-inflation in the future.

In February 2019, the President of South Africa announced the vertical unbundling of Eskom. While full state ownership will be maintained, the unbundling is expected to result in the separation of Eskom's generation, transmission and distribution functions into separate entities, which may require legislative and/or policy reform. The unbundling is currently underway and is expected to be completed by December 2021 for the legal separation of the transmission function, and December 2022 for the generation and distribution functions. Poor reliability of the supply of electricity and instability in prices through the unbundling process is expected to continue. Eskom's coal fired power plants have not performed well for a number of years, with national rotational power cuts (load shedding) having been implemented intermittently through the last number of fiscal years. Should we experience further power tariff increases, its business operating results and financial condition may be adversely impacted.

Ergo is currently disputing the electricity tariff charged by Ekurhuleni Metropolitan Municipality (refer to Item 18. "Financial Statements - Note 24 – Payments made under protest").

Risks related to climate change

Extreme weather

Our operations are also exposed to severe weather events that could interrupt production. Major property, infrastructure and/or environmental damage as well as loss of human life could be caused by extreme weather events. Extreme weather conditions such as droughts, extreme rainfall and high wind volumes are on the increase. Specifically, the increase in intensity of events, such as thunderstorms on the Highveld, where our operations are situated. It is believed that the long-term upward trend in global temperature is directly correlated with the increase in global severe weather events both in terms of magnitude and frequency.

For example, dry weather conditions have prompted level 2 water restrictions on residential water users in the Johannesburg area. These water restrictions remain in place as at September 30, 2021. Severe thunderstorms and high winds, especially during the summer rainy season, may also cause damage to operation infrastructure that may in turn cause an interruption in the production of gold. Such incidents and other weather events may damage the facility and may result in water shortages which can impact our operations and cause the interruption of deposition and gold production until the facility is repaired or alternative deposition is brought online.

Scarcity of water may negatively affect our operations.

South Africa faces water shortages, which may lead to the revision of water usage strategies by several sectors in the South African economy, including electricity generation and municipalities. This may result in rationing or increased water costs in the future. Such changes would adversely impact our surface retreatment operations, which use water to transport the slimes or sand from reclaimed areas to the processing plant and to the tailings facilities. In addition, as our gold plants and piping infrastructure were designed to carry certain minimum throughputs, any reductions in the volumes of available water may require us to adjust production at these operations.

DRDGOLD invested R22 million in the construction of a filtration plant at the Rondebult Waste Water Works (operated by the East Rand Water Care Company) to treat sewage water to reduce the use of potable water. This water is used both to reclaim and carry production materials and also, ultimately, to irrigate rehabilitation vegetation at a significantly lower cost than that of potable water. The plant was commissioned in early fiscal year 2016 and has design capacity to provide Ergo with 10 Mega Litres ("**Ml**") a day from the Rondebult sewage treatment facility. However, due to the deterioration of the local government authorities' infrastructure, the expected quantity of sewerage is not reaching the treatment facility and as a result Ergo is still not able to extract the full design capacity of 10 Ml of water a day. It is not certain if and when the flow of sewerage will reach expected levels.

These measures may not be sufficient to alleviate the water scarcity issues we face.

Government Regulation

Government policies in South Africa may adversely impact our operations and profits.

The mining industry in South Africa is extensively regulated through legislation and regulations issued through the government's administrative bodies. These involve directives in respect of health and safety, the mining and exploration of minerals and managing the impact of mining operations on the environment. A variety of permits and authorities are required to mine lawfully, and the government enforces its regulations through the various government departments. The formulation or implementation of government policies may be discretionary and unpredictable on certain issues, including changes in conditions for the issuance of licenses insofar as social and labor plans are concerned, transformation of the workplace, laws relating to mineral rights, ownership of mining assets and the rights to prospect and mine, additional taxes on the mining industry and in extreme cases, nationalization. A change in regulatory or government policies could adversely affect our business.

Mining royalties and other tax reform could have an adverse effect on the business, operating results and financial condition of our operations.

The Mineral and Petroleum Resources Royalty Act, No.28 of 2008 and the Mineral and Petroleum Resources Royalty Act (Administration), No.29 of 2008 govern royalty rates for gold mining in South Africa. These acts provide for the payment of a royalty, calculated through a royalty rate formula (using rates of between 0.5% and 5.0%) applied against gross revenue per year, payable half yearly with a third and final payment thereafter. The royalty is tax deductible and the cost after tax amounts to a rate of between 0.33% and 3.3% at the prevailing marginal tax rates applicable to the taxed entity. The royalty is payable on old unconverted mining rights and new converted mining rights. Based on a legal opinion the Company obtained, mine dumps created before the enactment of the Mineral and Petroleum Resources Development Act ("**MPRDA**") fall outside the ambit of this royalty and consequently the Company does not pay any royalty on any dumps created prior to the MPRDA. Introduction of further revenue based royalties or any adverse future tax reforms could have an adverse effect on our business, operating results and financial condition.

Failure to comply with the requirements of the Broad Based Socio-Economic Empowerment Charter 2018 could have an adverse effect on our business, operating results and financial condition of our operations.

In April 2018, judgment was handed down by the North Gauteng High Court in Pretoria against a provision in the 2010 Mining Charter regarding the "once empowered always empowered" principle." This principle refers to whether a mining company, after the exit of a Black partner that held a stake in the company consequent to a result of a Black Economic Empowerment ("**BEE**") transaction, continues to be BEE compliant. The judgment was appealed by the DMRE. The DMRE in August 2020, withdrew their notice to appeal to the Supreme Court of Appeal in respect of the judgment issued in April 2018 by the Pretoria High Court.

On September 27, 2018 the Broad-Based Socio-Economic Empowerment Charter for the Mining and Minerals Industry, 2018 (“**Mining Charter 2018**”) was published in Government Gazette No. 41934 of Government Notice No. 639 on September 27, 2018 superseding and replacing all previous charters, including the Reviewed Broad-Based Black Economic Empowerment Charter for the South African Mining and Minerals Industry, 2016 (“**Mining Charter III**”).

Mining Charter 2018 requires, *inter alia*, an enduring 30% BEE interest in respect of new mining rights. It also has extensive provisions in respect of Historically Disadvantaged Persons (“**HDP**”) representation at board and management, as well provisions relating to local procurement of goods and services. The procurement target of the total spend on services from South African companies has been pegged at 80% (up from 70% in Mining Charter III) and 60% of the aggregate spend thereof must be apportioned to BEE entrepreneurs.

In March 2019, the Mineral Council of South Africa brought an application in the High Court, Pretoria for a judicial review and setting aside of certain provisions in Mining Charter 2018.

In June 2020, the High Court ordered the Minerals Council to join parties representing communities, trade unions and BEE entrepreneurs as a prerequisite to the continuation of the lawsuit, as they have a direct and substantial interest in the outcome of the litigation.

On September 21, 2021, the High Court of South Africa ruled that the Mining Charter 2018 is not binding subordinate legislation but an instrument of policy. This ruling affirmed that the Minister of Mineral Resources and Energy (“**MRE Minister**”) was not entitled to make law through the Mining Charter 2018 to require 30% HDP ownership for the renewal of existing mining rights.

DRDGOLD cannot guarantee that it will meet all the targets set out by the Mining Charter 2018. For example, if the Mining Charter 2018 were to remain in its current form, there is no assurance that the goods, services and supplies in South Africa would be sufficient to allow us to meet the targets. More specifically, DRDGOLD may not be able to meet the requirement that 80%. of total mining goods and services procurement spend be on South African-manufactured goods due to an insufficient number of suppliers in South Africa with heavy equipment. DRDGOLD may be required to increase participation by HDP in senior positions and allocate additional resources for the development of the mine community, human resources, sustainability, procurement and enterprise. DRDGOLD may also be required to make further adjustment to the ownership structure of its South African mining assets, including increasing the ownership of HDP, in order to meet the Mining Charter 2018 requirements. Any such additional measures could have a material adverse effect on our business, operating results and/or financial condition.

In addition, if we are unable to obtain sufficient representation of HDP at the board level and in management positions or if there are not sufficient succession plans in place, this could have a material adverse effect on our business (including resulting in the imposition of fines and having a negative effect on production levels), operating results and financial position. In relation to this, the mining industry, including DRDGOLD, continues to experience a global shortage of qualified senior management and technically skilled employees. DRDGOLD may be unable to hire or retain appropriate senior management, technically skilled employees or other management personnel, or may have to pay higher levels of remuneration than it currently intends in order to do so.

Also, there is no guarantee that any steps DRDGOLD has already taken or might take in the future will ensure the retention of its existing mining rights, the successful renewal of its existing mining rights, the granting of applications for new mining rights or that the terms of renewals of its mining rights would not be significantly less favourable than the terms of its current mining rights. Any further adjustment to the ownership structure of DRDGOLD’s South African mining assets in order to meet the abovementioned requirements could have a material adverse effect on the value of DRDGOLD’s securities

Refer to Item 4B. Business Overview – Governmental regulations and their effect on our business – The Broad Based Socio-Economic Empowerment Charter.

Government policies in South Africa may adversely impact our operations and profits related to financial provisioning for rehabilitation.

An amendment to the MPRDA was first proposed in 2013. The amendment bill, if implemented, would have had a material adverse impact on the Group's estimated financial provisions for environmental remediation and management due to the proposed inclusion of historic and old mine dumps in the definition of “residue stockpiles” as well as the extension of the liability for rehabilitation beyond the issuance of a closure certificate and the requirement to maintain financial provision for closed sites within a period of 20 years after a site is closed. The MPRDA Amendment Bill was withdrawn in August 2018 by the MRE Minister, citing, amongst other things, the adequacy of the current MPRDA to deal with all regulatory matter pertaining to the mining and petroleum industries.

Revised Financial Provisioning Regulations (“**FPR**”) were published on November 20, 2015 under the National Environmental Management Act, 107 of 1998 (“**NEMA**”) and became effective from the date of publication thereof. Proposed amendments to the FPRs were published for public comment GNR 1228 GG 41236 of November 10, 2017 (“**Draft Regulations**”), which seek to address some challenges relating to the implementation thereof. Under these FRPs to be implemented by the DMRE, existing environmental rehabilitation trust funds may only be used for post closure activities and may no longer be utilised for their intended purpose of concurrent and final rehabilitation and closure.

Several further proposed amendments to the FPRs, (“**Proposed Amendments**”) were published subsequently. The latest Proposed Amendments were published in August 2021 which, *inter alia*, extends the compliance with these regulations to three months following the fiscal year end June 30, 2022.

The Proposed Amendments, in their current form and which are still subject to the approval of the DMRE and Treasury, allow under certain circumstances for the withdrawal against financial provision (which is currently not contemplated in the FPR). It is therefore uncertain whether these provisions relating to withdrawal will remain in their current form, or at all.

See discussion in 4.B. Business Overview – Governmental regulations and their effect on our business – Financial Provision for Rehabilitation.

The implementation of Carbon Tax effective from June 1, 2019 may have a direct or indirect material adverse effect on our business, operating results and financial condition.

The Carbon Tax Act No 15 of 2019, or the CTA, came into effect from June 1, 2019. The CTA is based on the polluter-pays-principle and will be implemented across phases. The first phase will run from June 1, 2019 to December 31, 2022 and is applicable to scope 1 emitters. The First phase did not have a material financial impact. The second phase will be implemented from January 1, 2023 to December 31, 2030. During the first phase, tax-free emission allowances ranging from 60 per cent to 95 per cent are available to emitters in this first phase. This includes a basic tax-free allowance of 60 per cent for all activities, a 10 per cent process and fugitive emissions allowance, a maximum 10 per cent allowance for companies that use carbon offsets to reduce their tax liability, a performance allowance of up to 5 per cent for companies that reduce the emissions intensity of their activities, a 5 per cent carbon budget allowance for complying with the reporting requirements and a maximum 10 per cent allowance for trade exposed sectors. The South African government indicated that a review of the impact of the carbon tax will be conducted before the second phase of the South African Carbon Tax Act is implemented. The carbon tax has not had an impact on the price of electricity. However, should Eskom be required to pass on the cost of the tax from its emissions to its customers, electricity tariffs may rise significantly. This may also affect the electricity prices charged to our suppliers who may pass on the tax to us increasing the price of goods and services we consume in our operation.

Regulations detailing the tax-free emission allowances during the second phase have not been published to date. The second phase of implementation of the Carbon Tax may have a material direct and/or indirect adverse effect on our business, operating results and financial condition if the tax-free emission allowances are significantly reduced or the scope of implementation of the CTA is significantly increased. In addition, the potential increases in costs resulting from suppliers passing through their Carbon Tax exposure to the Company may have a direct or indirect material adverse effect on our business, operating results and financial condition.

Ring-fencing of unredeemed capital expenditure for South African mining tax purposes could have an adverse effect on the business, operating results and financial condition of our operations.

The Income Tax Act No 58 of 1962, or the ITA, contains certain ring-fencing provisions in section 36 specifically relating to different mines regarding the deduction of certain capital expenditure and the carry over to subsequent years. After the restructuring of the surface operations, effective July 1, 2012, Ergo is treated as one taxpaying operation pursuant to the relevant ring-fencing legislation. It is expected that FWGR will also be treated as one taxpaying operation pursuant to the relevant ring-fencing legislation. In the event that we are unsuccessful in confirming our position or should the South African Revenue Service have a different interpretation of section 36 of the ITA, it could have an adverse effect on our business, operating results and financial condition.

Draft amendments to the ITA regarding claiming accelerated capital expenditure allowances for South African mining tax purposes could have an adverse effect on the business, operating results and financial condition of our operations.

The National Treasury has proposed a prospective amendment to the preamble of section 15 of the ITA to limit the accelerated capital expenditure allowances applicable to taxpayers conducting mining operations to only those taxpayers that hold "*a mining right as defined in section 1 of the Mineral and Petroleum Resources Development Act in respect of the mine where those mining operations are carried on*". In addition, in relation to section 36 of the ITA, the National Treasury has proposed an amendment to the heading in order to limit the application of the provisions in respect of the calculation of the redemption allowance and balance of unredeemed capital expenditure, to certain mining operations.

DRDGOLD, as a surface miner, conducts mining operations for its own benefit (i.e. it is not a contract miner) but DRDGOLD is not required to hold a mining right in terms of the MPRDA. The proposed requirement by the ITA to require a miner to hold a mining right in terms of the MPRDA will preclude DRDGOLD from claiming accelerated capital expenditure allowances in terms of sections 15 and 36 of the ITA.

If these proposed amendments are adopted, it will accelerate cash outflows resulting from current tax expenditure. This could have a material adverse effect on our cash flows, operations, capital investment decisions and financial condition.

Assessment of unredeemed capital expenditure by the South African Revenue Service could have an adverse effect on the business, operating results and financial condition of our operations.

The South African Revenue Service ("**SARS**") assessed capital expenditure when it is redeemed against taxable mining income rather than when it is incurred. A different interpretation by SARS could have an adverse effect on our business, operating results and financial condition.

Since our South African labor force has substantial trade union participation, we face the risk of disruption from labor disputes and new South African labor laws.

Labor costs are significant for Ergo, constituting 19% of Ergo's production costs for fiscal year 2021 (2020: 22%). As of June 30, 2021, our Ergo operations provided full-time employment for 771 employees while our main service providers deployed an additional 1,495 employees to our operations, of whom approximately 82% are members of trade unions or employee associations.

Labor costs are significant for FWGR, constituting 20% of FWGR's production costs for fiscal year 2021 (2020: 22%). As of June 30, 2021, our FWGR operations provided full-time employment for 154 employees while our main service providers deployed an additional 343 employees to our operations, of whom approximately 93% are members of trade unions or employee associations. We have entered into various agreements regulating wages and working conditions at our mines. Unreasonable wage demands could increase production costs to levels where our operations are no longer profitable. This could lead to accelerated mine closures and labor disruptions. We are also susceptible to strikes by workers from time to time, which result in disruptions to our mining operations.

In recent years, labor laws in South Africa have changed in ways that significantly affect our operations. In particular, laws that provide for mandatory compensation in the event of termination of employment for operational reasons and that impose large monetary penalties for non-compliance with the administrative and reporting requirements of affirmative action policies could result in significant costs to us. In addition, future South African legislation and regulations relating to labor may further increase our costs or alter our relationship with our employees. Labor cost increases could have an adverse effect on our business, operating results and financial condition.

Labor unrest could affect production.

During December 2018 to April 2019 there was strike action by staff at the Sibanye-Stillwater gold mines adjacent to FWGR. Such events at our operations or at our reclamation sites could have an adverse effect on our business, operating results and financial condition.

We use a third party service provider for the management of our reclamation sites as well as on our Brakpan/Withok TSF and Driefontein 4 TSF. Any labor unrest or other significant issue at this third party service provider may impact the operation of this facility.

Strike action and intimidation at mining operations adjacent to our FWGR mining operations could have an adverse effect on our business, operating results and financial condition.

Our financial flexibility could be materially constrained by South African currency restrictions.

South African law provides for exchange control regulations, which restrict the export of capital from South Africa, the Republic of Namibia, and the Kingdoms of Lesotho and Eswatini, known collectively as the Common Monetary Area (the "**CMA**"). The Exchange Control Department of the South African Reserve Bank, or SARB, is responsible for the administration of exchange control regulations. In particular, South African companies:

- are generally not permitted to export capital from South Africa or to hold foreign currency without the approval of the SARB;
- are generally required to repatriate, to South Africa, profits of foreign operations; and
- are limited in their ability to utilize profits of one foreign business to finance operations of a different foreign business.

While the South African Government has relaxed exchange controls in recent years, South African companies remain subject to restrictions on their ability to deploy capital outside of the CMA and it is difficult to predict whether such relaxation of controls will continue in the future. As a result, DRDGOLD's ability to raise and deploy capital outside the CMA is restricted. These restrictions could hinder DRDGOLD's financial and strategic flexibility, particularly its ability to fund acquisitions, capital expenditures and exploration projects outside South Africa. For further information see Item 10D. Exchange Controls.

We could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act and similar anti-bribery laws outside of the United States.

The U.S. Foreign Corrupt Practices Act, or the FCPA, and similar anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to government officials or other persons for the purpose of obtaining or retaining business. This includes aggressive investigations and enforcement proceedings by both the U.S. Department of Justice and the SEC, increased enforcement activity by non- U.S. regulators, and increases in criminal and civil proceedings brought against companies and individuals. Our policies mandate compliance with the FCPA and other applicable anti-bribery laws. Our internal control policies and procedures may not protect us from reckless or criminal acts committed by our employees, the employees of any of our businesses, or third party intermediaries. In the event that we believe or have reason to believe that our employees or agents have or may have violated applicable anti-corruption laws, including the FCPA, we would investigate or have outside counsel investigate the relevant facts and circumstances, which can be expensive and require significant time and attention from senior management. Violations of these laws may result in criminal or civil sanctions, inability to do business with existing or future business partners (either as a result of express prohibitions or to avoid the appearance of impropriety), injunctions against future conduct, profit disgorgements, disqualifications from directly or indirectly engaging in certain types of businesses, the loss of business permits, reputational harm or other restrictions which could disrupt our business and have a material adverse effect on our business, financial condition, results of operations or liquidity.

We face risks with respect to compliance with the FCPA and similar anti-bribery laws through our acquisition of new companies and the due diligence we perform in connection with an acquisition may not be sufficient to enable us fully to assess an acquired company's historic compliance with applicable regulations. Furthermore, as we make acquisitions such as the acquisition of FWGR, our post-acquisition integration efforts may not be adequate to ensure our system of internal controls and procedures are fully adopted and adhered to by acquired entities, resulting in increased risks of non-compliance with applicable anti-bribery laws.

Risks related to ownership of our ordinary shares or ADSs

It may not be possible for you to effect service of legal process, enforce judgments of courts outside of South Africa or bring actions based on securities laws of jurisdictions other than South Africa against us or against members of our board.

Our Company, certain members of our board of directors and executive officers are residents of South Africa. All our assets are located outside the United States and a major portion with respect to the assets of members of our board of directors and executive officers are either wholly or substantially located outside the United States. As a result, it may not be possible for you to effect service of legal process, within the United States or elsewhere including in South Africa, upon most of our directors or officers, including matters arising under United States federal securities laws or applicable United States state securities laws.

Moreover, it may not be possible for you to enforce against us or the members of our board of directors and executive officers' judgments obtained in courts outside South Africa, including the United States, based on the civil liability provisions of the securities laws of those countries, including those of the United States. A foreign judgment is not directly enforceable in South Africa, but constitutes a cause of action which will be enforced by South African courts provided that:

- the court which pronounced the judgment had jurisdiction to entertain the case according to the principles recognized by South African law with reference to the jurisdiction of foreign courts;
- the judgment is final and conclusive (that is, it cannot be altered by the court which pronounced it);
- the judgment has not lapsed;
- the recognition and enforcement of the judgment by South African courts would not be contrary to public policy, including observance of the rules of natural justice which require that no award is enforceable unless the defendant was duly served with documents initiating proceedings, that he was given a fair opportunity to be heard and that he enjoyed the right to be legally represented in a free and fair trial before an impartial tribunal;
- the judgment was not obtained by fraudulent means;
- the judgment does not involve the enforcement of a penal or revenue law; and
- the enforcement of the judgment is not otherwise precluded by the provisions of the Protection of Business Act, 1978 (as amended), of South Africa.

It is the policy of South African courts to award compensation for the loss or damage sustained by the person to whom the compensation is awarded. Although the award of punitive damages is generally unknown to the South African legal system that does not mean that such awards are necessarily contrary to public policy. Whether a judgment was contrary to public policy depends on the facts of each case. Exorbitant, unconscionable, or excessive awards will generally be contrary to public policy. South African courts cannot enter into the merits of a foreign judgment and cannot act as a court of appeal or review over the foreign court. South African courts will usually implement their own procedural laws and, where an action based on an international contract is brought before a South African court, the capacity of the parties to the contract will usually be determined in accordance with South African law.

It is doubtful whether an original action based on United States federal securities laws may be brought before South African courts. A plaintiff who is not resident in South Africa may be required to provide security for costs in the event of proceedings being initiated in South Africa. Furthermore, the Rules of the High Court of South Africa require that documents executed outside South Africa must be authenticated for use in South African courts. It may not be possible therefore for an investor to seek to impose liability on us in a South African court arising from a violation of United States federal securities laws.

Dividend withholding tax will reduce the amount of dividends received by beneficial owners.

On April 1, 2012, the South African Government replaced Secondary Tax on Companies (then 10%) with a 15% withholding tax on dividends and other distributions payable to shareholders. The dividend withholding tax rate was increased to 20%, effective from February 22, 2017. The withholding tax reduces the amount of dividends or other distributions received by our shareholders. Any further increases in such tax will further reduce net dividends received by our shareholders.

Your rights as a shareholder are governed by South African law, which differs in material respects from the rights of shareholders under the laws of other jurisdictions.

Our Company is a public limited liability company incorporated under the laws of the Republic of South Africa. The rights of holders of our ordinary shares, and therefore many of the rights of our ADS holders, are governed by our memorandum of incorporation and by South African law. These rights differ in material respects from the rights of shareholders in companies incorporated elsewhere, such as in the United States. In particular, South African law significantly limits the circumstances under which shareholders of South African companies may institute litigation on behalf of a company.

Control by principal shareholders could adversely affect our other shareholders.

Sibanye-Stillwater beneficially owns 50.1% of our outstanding ordinary shares and voting power and has the ability to control, our board of directors. Sibanye-Stillwater will continue to have control over our affairs for the foreseeable future, including with respect to the election of directors, the consummation of significant corporate transactions, such as an amendment of our constitution, a merger or other sale of our company or our assets, and all matters requiring shareholder approval. In certain circumstances, Sibanye-Stillwater's interests as a principal shareholder may conflict with the interests of our other shareholders and Sibanye-Stillwater's ability to exercise control, or exert significant influence, over us may have the effect of causing, delaying, or preventing changes or transactions that our other shareholders may or may not deem to be in their best interests. In addition, any sale or expectation of sale of some or all the shares held by Sibanye-Stillwater could have an adverse impact on our stock price.

Sales of large volumes of our ordinary shares or ADSs or the perception that these sales may occur, could adversely affect the prevailing market price of such securities.

The market price of our ordinary shares or ADSs could fall if substantial amounts of ordinary shares or ADSs are sold by our stockholders, or there is the perception in the marketplace that such sales could occur. Current holders of our ordinary shares or ADSs may decide to sell them at any time. Sales of our ordinary shares or ADSs, if substantial, or the perception that any such substantial sales may occur, could exert downward pressure on the prevailing market prices for our ordinary shares or ADSs, causing their market prices to decline. Trading activity of hedge funds and the ability to borrow script in the marketplace will increase trading volumes and may place our share price under pressure.

ITEM 4. INFORMATION ON THE COMPANY

4A. HISTORY AND DEVELOPMENT OF THE COMPANY

Introduction

DRDGOLD Limited, or DRDGOLD, is a South African domiciled company that holds assets engaged in surface gold tailings retreatment in South Africa including exploration, extraction, processing and smelting.

We are a public limited liability company, incorporated in South Africa on February 16, 1895, as Durban Roodepoort Deep, Limited. On December 3, 2004, the company changed its name from Durban Roodepoort Deep Limited to DRDGOLD Limited. Our operations focus on South Africa's Witwatersrand Basin, which has been a gold producing region for over 120 years.

Our shares and/or related instruments trade on the Johannesburg Stock Exchange ("**JSE**"), and the New York Stock Exchange.

Our registered office and business address is Constantia Office Park, Cnr 14th Avenue and Hendrik Potgieter Road, Cycad House, Building 17, Ground Floor, Weltevreden Park, 1709, South Africa. The postal address is P.O. Box 390, Maraisburg, 1700, South Africa. Our telephone number is (+27 11) 470-2600 and our facsimile number is (+27 86) 524-3061. We are registered under the South African Companies Act 71, 2008 under registration number 1895/000926/06. For our ADSs, the Bank of New York Mellon, at 101 Barclay Street, New York, NY 10286, United States, has been appointed as agent.

The SEC maintains an internet site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC, which can be found at http://www.sec.gov. Our internet address is http://www.drdgold.com. The information contained on our website is not incorporated by reference and does not form part of this annual report.

All of our operations are conducted in South Africa.

Our operations primarily consist of Ergo and FWGR. Our Ergo operations include the historic Crown operations (which were restructured into Ergo during fiscal year 2012 and have substantially been rehabilitated as at the end of fiscal year 2018). East Rand Proprietary Mines Limited's ("**ERPM**") underground mining infrastructure was under care and maintenance up to reporting date at which date the decommissioning and rehabilitation of the last remining underground mining infrastructure was completed.

Ergo

Ergo was formed in June 2007. Ergo is the surface tailings retreatment operation which consists of what was historically the Crown Gold Recoveries Proprietary Limited ("**Crown**"), ERPM Cason Dump operation and the ErgoGold business units. On July 1, 2012, Ergo acquired the mining assets and certain liabilities of Crown and all the surface assets and liabilities of ERPM as part of the restructuring of our surface operations.

Capital expenditure for the Ergo projects is mainly financed through operational cash flows while financing for significant growth projects may be obtained through specific financing arrangements if required.

Brakpan/Withok TSF expansion

To extend the life of our Ergo operation, it is necessary to increase residue tailings deposition capacity at our Brakpan/Withok TSF.

A legal review of the existing authorizations was undertaken for increasing the deposition capacity of the Brakpan/Withok TSF. The results indicated that most of the current authorizations are sufficient. An updated application was submitted to the Department of Water Affairs and Sanitation ("**DWAS**") for which we are awaiting approval. Recommissioning and design studies are ongoing in anticipation of the DWAS approval. We expect this could increase the potential deposition capacity by approximately 800Mt, and thus, our life of mine from 12 years to more than 20 years.

For further information on other capital investments, divestures, capital expenditure and capital commitments, see Item 4D. Property, Plant and Equipment, and Item 5B. Liquidity and Capital Resources.

FWGR

On July 31, 2018, we acquired certain gold surface processing assets and tailing storage facilities that included Driefontein 3 and 5, Kloof 1, Venterspost North and South, Libanon, Driefontein 4, Driefontein 2 plant, Driefontein 3 plant, WRTRP pilot plant, and the land owned by Sibanye-Stillwater that was earmarked for the future development of a central processing plant, regional tailings storage facility and return water dam (together, the "**WRTRP Assets**") associated with Sibanye-Stillwater's WRTRP, subsequently renamed FWGR. This acquisition represented a significant increase in our assets, which impacted our results in fiscal 2019, 2020 and 2021. In connection with the acquisition, we issued to Sibanye-Stillwater new shares equal to 38.05% of outstanding shares and granted Sibanye-Stillwater an option to acquire up to a total of 50.1% of our shares within a period of 2 years from the effective date of the acquisition at a 10% discount to the prevailing market value. On January 8, 2020, Sibanye-Stillwater exercised the option and on January 22, 2020 subscribed for 168,158,944 DRDGOLD shares at an aggregate subscription price of R1,086 million, (R6.46 per DRDGOLD share).

The assets acquired are to be developed in two phases – Phase 1 and Phase 2.

FWGR Phase 1

Phase 1 envisions the reclamation of the Driefontein 5 dump through a reconfigured Driefontein 2 plant and deposition onto the Driefontein 4 tailings storage facility. The Driefontein 4 tailings storage facility was an upstream day-wall dam with a capacity of approximately 200,000 tonnes per month. In order to increase the deposition capacity to 500 000 tonnes per month, the conversion of this dam to cyclone deposition commenced in fiscal 2019. The conversion has been completed and this allows a deposition capacity of 500,000 tonnes per month until at least the end of calendar year 2024.

Although the Phase 1 upgrade of the Driefontein 2 Plant was essentially complete by the end of fiscal 2019, a decision was made to bypass the mill so that further improvements to the mill liner configuration could be made. These modifications were successfully completed, and the mill was recommissioned in September 2019. A further upgrade to convert the mill to closed circuit from the open circuit to improve the grind of the material and yield more gold was completed in fiscal 2021. A new thickener is under construction to optimise the slurry density for treatment in the carbon in leach plant and is expected to be commissioned in November 2021. The conversion is expected to yield a better grind of material with a concomitant improvement in leaching conditions and gold recovery, lower maintenance costs and increased water storage capacity in the current thickeners.

The material being reclaimed by FWGR contains high levels of copper which incurs penalty refining charges of between 1% and 5% during final refining by Rand Refinery depending on the copper content of the bullion delivered. FWGR has been allocated 98% of its gold production with 2% lost to these penalty refining charges due to the high levels of copper in the bullion delivered. To reduce these penalty refining charges, FWGR constructed and commissioned a copper elution plant at a cost of approximately R12 million during fiscal 2021. The plant is expected to result in an additional 1.2kg to 1.8kg of gold per month which would otherwise have been lost due to penalty refining charges for the copper in its bullion.

FWGR Phase 2 expansion

The Phase 2 project is a key project for us intended to extend potential resources in the West Rand.

Phase 2 includes the construction of a new Central Processing Plant ("**CPP**") with a capacity of between 1.2 to 2.4 million tonnes per month and the equipping of the required reclamation sites and pipeline infrastructure to supply the relevant resources to the CPP.

Phase 2 also includes the construction of a new Regional Tailings Storage Facility ("**RTSF**"), that we believe is necessary in order to develop our FWGR as envisaged by our management, the new RTSF is expected to be capable of processing 3 million tonnes per month with a maximum capacity of approximately 800 million tonnes

The Definitive Feasibility Study ("**DFS**") for Phase 2 was completed in the 3rd quarter of the fiscal year and that the project was found to be economically viable in a number of scenarios.
We engaged an external consultant, Sound Mining (consultants to the mining industry specializing in surface and underground operations) to perform an independent review of the available information and studies that have been performed regarding the Phase 2 expansion project. These included:

- DFS performed by DRA Global ("**DRA**") (An engineering consulting company) regarding the construction of the CPP and related pumping and pipeline infrastructure;

- Detail design of a new Reginal Storage Facility ("**RTSF**") performed by Beric Robinson (engineer of record) and related capital costing performed by DRA;
- Reviews of the explorations data base, Mineral Resource and Reserve estimates of FWGR assets and other future potential assets such as battery metals, uranium and other gold West Rand metal resources;
- Legal tenure, permitting, environmental and compliance status; and
- Economic analysis of the projects.

Sound Mining concluded that the Phase 2 Project is a low risk, based on the following:

- The mineral assets are well defined
- There are tried and tested technologies and processes
- Established experienced management team with a solid track record
- Significant expansion potential in the far West Rand region
- Project economics indicate healthy operating margins
- Legal aspects are being addressed

Based on currently available information, the Company believes that there are no material technical or geo-metallurgical risks that could significantly impact the production forecasts.

Risks associated with the Phase 2 project include obtaining regulatory approval of the amended design of the RTSF, which was submitted to the DWAS. Delays in obtaining such regulatory approval may have an adverse impact on the project timeline and capital cost estimate. We engaged the services of an external expert to assist us with engaging with the DWAS and these discussions are currently ongoing. Presentations were conducted to provide the regulator with the technical and scientific reasons for the changes to the design of the RTSF. It is anticipated that construction of the RTSF will commence in first half fiscal year 2024. The plant construction is anticipated to commence 6-9 months later.

Financing for significant growth projects may be obtained through specific financing arrangements if required. Capital expenditure for FWGR Phase 1 was financed through our RCF (Refer to Item 18. "Financial Statements - Note 20 – Capital Management). Significant financing is required for the Phase 2 expansion which is expected to be financed through a combination of cash resources, operational cash flows and facilities as may be determined. Capital expenditure for other projects is mainly financed through operational cash flows and cash resources.

We have commenced the next step in our Phase 2 project which entails the Front End Engineering Design of the CPP. FWGR has appointed DRA Global to perform the relevant function.

For further information on other capital investments, divestures, capital expenditure and capital commitments, see Item 4D. Property, Plant and Equipment, and Item 5B. Liquidity and Capital Resources.

ERPM

ERPM was acquired in October, 2002 and consists of an underground mine which has been under care and maintenance since fiscal year 2009. Underground mining at ERPM was halted in October 2008. On July 1, 2012, ERPM sold its surface mining assets and its 65% interest in ErgoGold to Ergo in exchange for shares in Ergo as part of the restructuring of our surface operations.

In December 2018, ERPM concluded revised agreements to dispose certain of its underground assets to OroTree Limited ("**Orotree**"). The disposal of the underground mining and prospecting rights were concluded in the second half of the financial year ended June 30, 2019. Orotree did not exercise an option to purchase the underground mining infrastructure.

In fiscal 2021, ERPM completed the decommissioning and rehabilitation of the last remaining underground mining infrastructure, being the Far East Vertical Shaft.

Crown

Crown was acquired on September 14, 1998. Due to the depletion of ore reserves in the western Witwatersrand, the Crown plant ceased operation in March 2017.

4B. BUSINESS OVERVIEW

We are a South African company that holds assets engaged in surface gold tailings retreatment including exploration, extraction, processing and smelting. Our surface tailings retreatment operations, including the requisite infrastructure and metallurgical processing plants, are located in South Africa. Our operating footprint is unique in that it involves some of the largest concentration of gold tailings deposits in the world, situated within the city boundaries of Johannesburg and its suburbs and the far west rand of the province of Gauteng.

DRDGOLD's long-term goal to extract as much gold from its assets as possible, sustainable and economically viable. To a large extent this depends on how effectively it continues to manage its capitals. DRDGOLD uses sustainable development to direct its strategic thinking. We seek sustainable benefits in respect to financial, manufactured, natural, social and human capitals, each of which is essential to our operations.

We also aim to align and overlap the interests of each of these capitals in such a manner that an investment in any one translates into value-added increases in as many of the others as possible. We therefore seek to achieve an enduring and harmonious alignment between them, and we pursue these criteria in the feasibility analysis of each investment. We intend to explore opportunities made possible by technology, which could entail further investment in research and development ("**R&D**") to improve gold recoveries even further over the long term.

On July 31, 2018, we acquired the gold assets associated with Sibanye-Stillwater's WRTRP, subsequently renamed FWGR. This acquisition represented a significant increase in our assets.

During the fiscal years presented in this Annual Report, all of our operations took place in one geographic region, namely South Africa.

Description of Our Mining Business

Surface tailings retreatment

Surface tailings retreatment involves the extraction of gold from old mine dumps and slimes dams, comprising the waste material from earlier underground gold mining activities. This is done by reprocessing sand dumps and slimes dams. Sand dumps are the result of the less efficient stamp-milling process employed in earlier times. They consist of coarse-grained particles which generally contain higher quantities of gold. Sand dumps are reclaimed mechanically using front end loaders that load sand onto conveyor belts. The sand is fed onto a screen where water is added to wash the sand into a sump, from where it is pumped to the plant. Most sand dumps have already been retreated using more efficient milling methods. Lower grade slimes dams were the product of the "tube and ball mill" recovery process. The economic viability of processing this material has improved due to improved treatment methods such as the treatment of large volumes of this material. The material from the slimes dams is broken down using monitor guns that spray jets of high pressure water at the target area. The resulting slurry is then pumped to a treatment plant for processing.

Exploration

Exploration activities are focused on the extension of existing ore reserves and identification of new ore reserves both at existing sites and at undeveloped sites. Once a potential site has been identified, exploration is extended and intensified in order to enable clearer definition of the site and the portions with the potential to be mined. Geological techniques are constantly refined to improve the economic viability of exploration and exploitation.

Our Metallurgical Plants and Processes

A detailed review of the metallurgical plants and processes is provided under Item 4D. Property, Plant and Equipment.

Gold Market

The gold market is relatively liquid compared to other commodity markets, and the price of gold is quoted in dollars. Physical demand for gold is primarily for manufacturing purposes, and gold is traded on a world-wide basis. Refined gold has a variety of uses, including jewelry, electronics, dentistry, decorations, medals and official coins. In addition, central banks, financial institutions and private individuals buy, sell and hold gold bullion as an investment and as a store of value.

The use of gold as a store of value and the large quantities of gold held for this purpose in relation to annual mine production have meant that historically the potential total supply of gold has been far greater than demand. Thus, while current supply and demand play some part in determining the price of gold, this does not occur to the same extent as in the case of other commodities. Instead, the gold price has from time to time been significantly affected by macro-economic factors such as expectations of inflation, interest rates, exchange rates, changes in reserve policy by central banks and global or regional political and economic crises. In times of inflation and currency devaluation or economic uncertainty gold is often seen as a safe haven, leading to increased purchases of gold and support for its price.

Investors globally, as they have in so many previous times of crisis, turned to gold and gold stocks as a safe haven asset, leading to a surge in the average gold price during fiscal 2020 and 2021 as described below. The rand/dollar exchange rate remained volatile throughout the fiscal year 2021 mainly as a result of global, emerging market and South Africa economic uncertainty including uncertainties resulting from the

COVID-19 pandemic, global economic slowdown sentiment, tensions between the USA and China, perceived political instability and fiscal strength and structurally weak economic growth of the South African economy including a seemingly terminally distressed power utility, Eskom.

The average gold spot price increase by 18% from $1,562 per ounce to $1,850 per ounce during fiscal year 2021 after having increased by 24% from $1,263 per ounce to $1,562 per ounce during the fiscal year 2020 and having decreased by 3% from $1,297 per ounce to $1,263 per ounce during the fiscal year 2019. As a result, the average gold price received by us in Rands for fiscal year 2021 increased by 19% to R917,996 per kg compared to the previous year at R768,675 per kg and for fiscal year 2020 increased by 33% to R768,675 per kg compared to the previous year at R577,483 per kg.

We generally take full exposure to the US dollar spot price of gold and rand/dollar exchange rate. The higher the gold price, the higher our profit margin and *vice versa,* subject to exchange rate fluctuations. We benefited from a sustained upswing in gold price in fiscal 2020 and fiscal 2021, following the global response to the COVID-19 pandemic, when the gold price surged to all-time highs. The increase in the spot gold price is reflected in the increase in our gold price received and contributed to the increase in our total revenue for fiscal year 2021 amounting to R5,269.0 million (2020: R4,185.0 million and 2019: R2,762.1 million). All our revenue is generated from our operations in South Africa.

Looking ahead we believe that the global economic environment (particularly during the COVID-19 pandemic), including escalating sovereign and personal levels of debt, economic volatility and the oversupply of foreign currency, will continue to make gold attractive to investors. The supply of gold has shrunk in recent years and is likely to shrink even more due to the significantly reduced capital expenditure and development occurring in the sector. We believe that this, coupled with global economic uncertainty, is likely to provide support to the gold price in the long term.

All gold we produce is sold on our behalf by Rand Refinery Proprietary Limited (Rand Refinery) in accordance with a refining agreement entered into in October 2001 and updated in July 2018. The gold bars which we produce consist of approximately 85% gold, 7-8% silver and the remaining balance comprises copper and other common elements. The gold bars are sent to Rand Refinery for assaying and final refining where the gold is purified to 99.9% and cast into troy ounce bars of varying weights. The Group recognizes revenue from the sale of gold at a point in time when Rand Refinery, acting as an agent for the sale of all gold produced by the Group, delivers the gold to the buyer. The sales price is fixed at the London afternoon fixed dollar price on the day the gold is delivered to the buyer. Before November 2020, the dollar proceeds sold were remitted to us within two days at which date the dollars were sold. Since November 2020 the dollars are also sold on the day the gold is delivered to the buyer. In exchange for this service, we pay Rand Refinery a variable refining fee plus fixed marketing and administration fees. We own 11.3% (fiscal year 2020 and 2019: 11.3%) of Rand Refinery.

Ore Reserves

Ore Reserve estimates in this Annual Report are reported in accordance with the requirements of the SEC's Industry Guide 7. Accordingly, as of the date of reporting, all ore reserves are planned to be mined under the life of mine plan within the period of our existing rights to mine, or within the time period of assured renewal periods of our rights to mine. In addition, as of the date of this report, all ore reserves are covered by required permits and governmental approvals. See Item 4D. Property, Plant and Equipment for a description of the rights in relation to each mine.

In South Africa, we are legally required to publicly report Ore Reserves and Mineral Resources in compliance with the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, or SAMREC Code. The SEC's Industry Guide 7 does not currently recognize Mineral Resources. Accordingly, we do not include estimates of Mineral Resources in this Annual Report. The SEC has adopted rules that will rescind Guide 7 from our next annual report on Form 20-F and, *inter alia*, require the inclusion of Mineral Resources in additional to Mineral Reserves.

Ore Reserve calculations are subject to a review conducted in accordance with SEC Industry Guide 7. Ore Reserve tons, grade and content are quoted as delivered to the gold plant. There are two types of methods available to select ore for mining. The first is pay-limit, which includes cash operating costs, including overhead costs, to calculate the pay-limit grade. The second is the cut-off grade which includes cash operating costs, excluding fixed overhead costs, to calculate the cut-off grade, resulting in a lower figure than the full pay-limit grade. The cut-off grade is based upon direct costs from the mining plan, taking into consideration production levels, production efficiencies and the expected costs. We use the pay-limit to determine which areas to mine as an overhead inclusive amount that is indicative of the break-even position.

The pay-limit approach is based on the minimum in-situ grade of reclamation sites, for which the production costs, which includes all overhead costs, including head office charges, are equal to a three-year historical average gold price per ounce for that year. This calculation also considers the previous three years' mining and milling efficiencies, which includes metallurgical and other mining factors and the production plan for the next twelve months. Only areas above the pay-limit grade are considered for mining. The pay-limit grade is higher than the cut-off grade, because this includes overhead costs, which indicates the break-even position of the operation.

When delineating the economic limits to the ore bodies, we adhere to the following guidelines:

- The potential ore to be mined is well defined by an externally verified and approved geological model;
- The potential ore, which is legally allowed to be mined, is also confined by the mine's lease boundaries; and
- A business plan is prepared to mine the potential ore.

Our Ore Reserves figures are estimates, which may not reflect actual ore reserves or future production. These figures are prepared in accordance with industry practice, converting mineral deposits to an Ore Reserve through the preparation of a mining plan. The Ore Reserve estimates contained herein inherently include a degree of uncertainty and depend to some extent on statistical inferences. Ore reserve estimates require revisions based on actual production experience or new information. Should we encounter mineralization or formations different from those predicted by past drilling, sampling and similar examinations, ore reserve estimates may have to be adjusted and mining plans may have to be altered in a way that might adversely affect our operations and actual gold recoveries may differ from those indicated in our Ore Reserves. Moreover, if the price of gold declines, or stabilizes at a price that is lower than recent levels, or if our production costs increase or recovery rates decrease, it may become uneconomical to recover Ore Reserves containing relatively lower grades of mineralization.

Our Ore Reserves are prepared using three-year average rand gold prices. We prepare business plans using the forecast rand gold price at the time of the ore reserve determination.

Gold prices and exchange rates used for Ore Reserves and for our business plan are outlined in the following table.

	June, 30 2021		June, 30 2020		June, 30 2019	
	Three-year average gold price	Prevailing gold price	Three-year average gold price	Prevailing gold price	Three-year average gold price	Prevailing gold price
Reserve gold price –$/oz	1,559	1,796	1,375	1,666	1,272	1,369
Reserve gold price –R/kg	756,355	851,239	629,263	905,774	552,585	629,404
Exchange rate –R/$	15.09	14.74	14.24	16.91	13.53	14.30

Our Ore Reserves (imperial) changed in the past three fiscal years as follows:

- Our Ore Reserves (imperial) decreased from 5.73 million ounces at June 30, 2020, to 5.35 million ounces at June 30, 2021, mainly because of depletion through ongoing mining activities. At FWGR there was a non-material increase in reserves due to adjustments of bulk density assumptions to further test work performed.

- Our Ore Reserves (imperial) decreased from 5.77 million ounces at June 30, 2019, to 5.73 million ounces at June 30, 2020, mainly because of depletion through ongoing mining activities as well as the Grootvlei dump 6/L/16 of 0.3Moz no longer being classified as an Ore Reserve. The decrease was offset by inclusion of Marievale dumps at Ergo of 0.5Moz.

The life-of-mine for Ergo based on proven and probable ore reserves under Industry Guide 7 of the SEC as at June 30, 2021, was 13 years (June 30, 2020: 13 years, June 30, 2019: 11 years).

The life of mine for FWGR based on proven and probable ore reserves under Industry Guide 7 of the SEC as at June 30, 2021 was 18 years (June 30, 2020: 20 years; June 30, 2019: 15 years).

DRDGOLD's Ore Reserves as of June 30, 2021 and 2020 are set forth in the tables below.

The Ore Reserves listed in the table below are estimates of what can be legally and economically recovered from operations, and, as stated, are estimates of tons delivered to the plant.

Ore Reserves: Imperial

	At June 30, 2021						At June 30, 2020					
	Proven Ore Reserves			Probable Ore Reserves			Proven Ore Reserves			Probable Ore Reserves		
	Tons (mill)	Grade (oz/ton)	Gold Content ('m ozs)	Tons (mill)	Grade (oz/ton)	Gold Content ('000 ozs)	Tons (mill)	Grade (oz/ton)	Gold Content ('m ozs)	Tons (mill)	Grade (oz/ton)	Gold Content ('000 ozs)
Surface												
Ergo	32.36	0.01	0.28	279.54	0.01	2.53	50.01	0.01	0.44	291.99	0.01	2.69
FWGR	245.01	0.01	2.40	14.19	0.01	0.14	248.33	0.01	2.46	13.99	0.01	0.13
Total	**277.37**	**0.01**	**2.68**	**293.73**	**0.01**	**2.67**	**298.34**	**0.01**	**2.90**	**305.99**	**0.01**	**2.82**

Ore reserves: Metric

	At June 30, 2021						At June 30, 2020					
	Proven Ore Reserves			Probable Ore Reserves			Proven Ore Reserves			Probable Ore Reserves		
	Tonnes (mill)	Grade (g/tonne)	Gold Content (tonnes)	Tonnes (mill)	Grade (g/tonne)	Gold Content (tonnes)	Tonnes (mill)	Grade (g/tonne)	Gold Content (tonnes)	Tonnes (mill)	Grade (g/tonne)	Gold Content (tonnes)
Surface												
Ergo	29.36	0.300	8.81	253.59	0.310	78.61	45.37	0.300	13.61	264.89	0.316	83.61
FWGR	222.27	0.337	74.79	12.88	0.330	4.24	225.29	0.340	76.55	12.70	0.330	4.19
Total	**251.63**	**0.333**	**83.60**	**266.47**	**0.311**	**82.85**	**270.66**	**0.333**	**90.16**	**277.59**	**0.316**	**87.80**

The measurement and classification of our Proven and Probable Ore Reserves are sensitive to an extent to the fluctuation of the rand gold price. If we had used the different rand gold prices or as set forth below instead of the three-year average prices at the time of ore reserve determination, as of June 30, 2021 and 2020 respectively, we would not have had significantly different ore reserves as of those dates. Using the same methodology and assumptions as were used to estimate Ore Reserves but with different rand gold prices as detailed below, our Ore Reserves as of June 30, 2021 and 2020 would be as follows:

Year ended June 30, 2021	**Three-year average gold price**	**Prevailing price**	**10% Below prevailing price**	**10% Above prevailing price**
Rand gold price per kilogram	756,355	851,239	766,115	936,363
Dollar gold price per ounce	1,559	1,796	1,616	1,976
Ore Reserves (million ounces)	5.35	5.35	5.35	5.35

Year ended June 30, 2020	**Three-year average gold price**	**Prevailing price**	**10% Below prevailing price**	**10% Above prevailing price**
Rand gold price per kilogram	629,263	905,774	815,197	996,351
Dollar gold price per ounce	1,375	1,666	1,499	1,833
Ore Reserves (million ounces)	5.73	5.73	5.73	5.73

The approximate mining recovery factors for the 2021 ore reserves shown in the above table are as follows:

	Mine Call Factor (%)	**Metallurgical recovery factor (%)**
Ergo	100	49
FWGR	100	53

The approximate mining recovery factors for the 2020 ore reserves shown in the above table are as follows:

	Mine Call Factor (%)	**Metallurgical recovery factor (%)**
Ergo	100	46
FWGR	100	53

The following table shows the average drill/sample spacing (rounded to the nearest foot) as at June 30, 2021 and 2020, for each category of Ore Reserves at our mines calculated based on a three year average dollar price of gold.

	Proven Reserves	**Probable Reserves**
Ergo and FWGR	328 ft. by 328 ft.	328 ft. by 328 ft.

The pay-limit grades based on the three year average rand price for gold amounting to R756,355/kg and costs used to reserves as of June 30, 2021, are as follows:

	Pay-limit grade (g/t)	**Costs used to determine pay-limit grade (R/t)**
Ergo	0.200	84.10
FWGR	0.170	69.94

The pay-limit grades based on the three year average rand price for gold amounting to R629,263/kg and costs used to reserves as of June 30, 2020, are as follows:

	Pay-limit grade (g/t)	**Costs used to determine pay-limit grade (R/t)**
Ergo[1]	0.220	82.15
FWGR	0.220	61.12

[1] *Ergo's disclosed Costs used to determine pay-limit grade (R/t), for 30 June 2020, has been updated to reflect the correct amount.*

We apply the pay-limit approach to the mineralized material database of our business in order to determine the tonnage and grade available for mining.

Governmental regulations and their effects on our business

Common Law Mineral Rights and Statutory Mining Rights

Prior to the introduction of the Minerals and Petroleum Resources Development Act, or MPRDA in 2002, ownership in mineral rights in South Africa could be acquired through the common law or by statute. With effect from May 1, 2004, all minerals have been placed under the custodianship of the South African government under the provisions of the MPRDA and old order proprietary rights were required to be converted to new order rights of use within certain prescribed periods, as dealt with in more detail below. Mine dumps created before the MPRDA became law fall outside the MPRDA and do not require a mining license to be processed nor do they require the extensive rehabilitation and closure guarantees that are a feature of the MPRDA. Many of the activities to re-process a mine dump do fall under the provisions of the National Environmental Management Act though, which requires at it most basic the compilation and submission of an Environmental Impact Assessment.

Conversion and renewal of Rights under the Mineral and Petroleum Resources Development Act, 2002

Existing old order rights were required to be converted into new order rights in order to ensure exclusive access to the mineral for which rights existed at the time of the enactment of the MPRDA. In respect of used old order mining rights, the DMRE is obliged to convert the rights if the applicant complies with certain statutory criteria. These include the submission of a mining works program, demonstrable technical and financial capability to give effect to the program, provision for environmental management and rehabilitation, and compliance with certain black economic empowerment criteria and a social and labor plan. These applications had to be submitted within five years after the promulgation of the MPRDA on May 1, 2004. Similar procedures apply where we hold prospecting rights and a prospecting permit and conduct prospecting operations. Under the MPRDA mining rights are not perpetual, but endure for a fixed period, namely a maximum period of thirty years, after which they may be renewed for a further period of thirty years. Prospecting rights are limited to five years, with one further period of renewal of three years. Applications for conversion of our old order rights were submitted to the DMRE within the requisite time periods. As at June 30, 2021 and September 30, 2021 respectively, all of our Ergo operation's old order mining rights have been converted into new order rights under the terms of the MPRDA and applications to renew the converted the new order mining rights have been lodged timeously.

The Broad Based Socio-Economic Empowerment Charter

In order to promote broad based participation in mining revenue, the MPRDA provides for a Mining Charter to be developed by the MRE Minister within six months of commencement of the MPRDA beginning May 1, 2004. The Mining Charter was initially published in August 2004 and was subsequently amended in September 2010. Its objectives include:

- increased direct and indirect ownership of mining entities by qualifying parties as defined in the Mining Charter;
- expansion of opportunities for persons disadvantaged by unfair discrimination under the previous political dispensation;
- expansion of the skills base of such persons, the promotion of employment and advancement of the social and economic welfare of mining communities; and
- promotion of beneficiation.

The Mining Charter sets certain goals on equity participation (amount of equity participation and time frames) by historically disadvantaged South Africans of South African mining assets. It recommends that these are achieved by, among other methods, disposal of assets by mining companies to historically disadvantaged persons on a willing seller, willing buyer basis at fair market value. The goals set by the Mining Charter require each mining company to achieve 15 percent ownership by historically disadvantaged South Africans of its South African mining assets within five years and 26 percent ownership by May 1, 2014. It also sets out guidelines and goals in respect of employment equity at management level with a view to achieving 40 percent participation by historically disadvantaged persons in management and ten percent participation by women in the mining industry, each within five years from May 1, 2004. Compliance with these objectives is measured on the weighted average "scorecard" approach in accordance with a scorecard which was first published around August 2010. In April 2018, judgment was handed down by the North Gauteng High Court in Pretoria against a provision in the 2010 Mining Charter regarding the "once empowered always empowered" principle." This principle refers to whether a mining company, after the exit of a Black partner that held a stake in the company consequent to a result of a BEE transaction, continues to be BEE compliant. The judgment was appealed by the DMRE. The DMRE in August 2020, withdrew their notice to appeal to the Supreme Court of Appeal in respect of the judgment issued in April 2018 by the Pretoria High Court.

The Mining Charter and the related scorecard are not legally binding and, instead, simply state a public policy. However, the DMRE places significant emphasis on the compliance therewith. The Mining Charter and scorecard have a decisive effect on administrative action taken under the MPRDA.

In recognition of the Mining Charter's objectives of transforming the mining industry by increasing the number of black people in the industry to reflect the country's population demographics, to empower and enable them to meaningfully participate in and sustain the growth of the economy, thereby advancing equal opportunity and equitable income distribution, we have achieved our commitment to ownership compliance with the MPRDA through our historic black economic empowerment structures which have subsequently unwound.

The mining industry in South Africa is extensively regulated through legislation and regulations issued by government's administrative bodies. These involve directives with respect to health and safety, mining and exploration of minerals, and managing the impact of mining operations on the environment. A change in regulatory or government policies could adversely affect our business.

On June 15, 2017, the Reviewed Broad-Based Black Economic Empowerment Charter for the South African Mining and Minerals

Industry, 2017 (“**2017 Mining Charter**”) was published in the Government Gazette No. 40923 of Government Notice.581. The publication of the charter was met with widespread criticism and on June 26, 2017 the Minerals Council of South Africa (previously Chamber of Mines of South Africa), and applied to the High Court of South Africa, Gauteng division for an urgent interdict to prevent the charter from implementation.

Key provisions included:

- 50% Black ownership for new prospecting rights;
- 30% Black ownership for mining rights (up to 11% offset for local beneficiation)

- For new mining rights to be issued, the provision for 1% of Earnings Before Interest, Taxes, Depreciation and Amortisation (“**EBITDA**”) is paid to communities and employees as a trickle dividend from the sixth year of a mining right until dividends are declared or at any point in a 12-month period where dividends are not declared

On February 2016, The President of South Africa announced that a new mining charter would be developed, and will follow a process which includes all stakeholders. The Minerals Council of South Africa subsequently postponed its application in the High Court in respect of the 2017 Mining Charter.

On September 27, 2018 the Broad-Based Socio-Economic Empowerment Charter for the Mining and Minerals Industry, 2018 (“**Mining Charter 2018**”) was published in Government Gazette No. 41934 of Government Notice No. 639 on September 27, 2018 superseding and replacing all previous charters, including Mining Charter III.

Mining Charter 2018 requires an enduring 30% BEE interest in respect of new mining rights. It also has extensive provisions in respect of HDP representation at board and management, as well provisions relating to local procurement of goods and services. The procurement target of the total spend on services from South African companies has been set at 80% (up from 70% in Mining Charter III) and 60% of the aggregate spend thereof must be apportioned to BEE entrepreneurs.

Key provisions of Mining Charter 2018 are:

- The conditional acceptance of the continued consequences of previous compliance of the BEE ownership threshold of 26% in respect of existing mining rights;
- Of the 30% HDP ownership component, qualifying employees and communities are each to hold a 5% carried interest (as opposed to a free carry interest as per Mining Charter III) the cost of which may be recovered by the mining right holder from the development of the asset. The community interest in turn may be offset by way of an equity equivalent;
- Removal of the so-called 1% of EBITDA trickle dividend provided for in the 2017 Mining Charter; and
- The removal of provisions requiring community and employee representation at board level.
- that the continuing consequences of HDP ownership are not recognized for transfers of mining rights; and
- that a top up of HDP ownership back to 30% is required for the renewal of existing rights.

Subsequently, several notable developments have occurred:

In March 2019, the Mineral Council of South Africa brought an application in the High Court, Pretoria for a judicial review and setting aside of certain provisions in Mining Charter 2018.

In June 2020, the High Court ordered the Minerals Council of South Africa to join parties representing communities, trade unions and BEE entrepreneurs as a prerequisite to the continuation of the lawsuit, as they have a direct and substantial interest in the outcome of the litigation.

On September 21, 2021, the High Court of South Africa ruled that the Mining Charter 2018 is not binding subordinate legislation but an instrument of policy. This ruling affirmed that the MRE Minister was not entitled to make law through the Mining Charter 2018 to require 30% HDP ownership for the renewal of existing mining rights.

Mine Health and Safety Regulation

The South African Mine Health and Safety Act, 1996 (as amended), or the Mine Health and Safety Act, came into effect in January 1997. The principal object of the Mine Health and Safety Act is to improve health and safety at South African mines and, to this end, imposes various duties on us at our mines and grants the authorities broad powers to, among other things, close unsafe mines and order corrective action relating to health and safety matters. In the event of any future accidents at any of our mines, regulatory authorities could take steps which could increase our costs and/or reduce our production capacity. The Act was amended in 2009 and the amendments to the Act dealt with *inter alia* the stoppage of production and increase punitive measures including increased financial fines and legal liability of mine management. Some of the more important provisions in the 2009 amendment bill are the insertion of section 50(7A) that obliges an inspector to impose a prohibition on the further functioning of a site where a person’s death, serious injury or illness to a person or a health threatening occurrence has occurred; a new section 86A(1) creating a new offence for any person who contravenes or fails to comply with the provisions of the Mine Health and Safety Act thereby causing a person’s death or serious injury or illness to a person. Subsection (3) further provides that (a) the “fact that the person issued instructions prohibiting the performance or an omission is not in itself sufficient proof that all reasonable steps were taken to prevent the performance or omission”; and that (b) “the defense of ignorance or mistake by any person accused cannot be permitted”; or that (c) “the defense that the death of a person, injury, illness or endangerment was caused by the performance or an omission of any individual within the employ of the employer may not be admitted”; section 86A(2) creating an offence of vicarious liability for the employer where a Chief

Executive Officer, manager, agent or employee of the employer committed an offence and the employer either connived at or permitted the performance or an omission by the Chief Executive Officer, manager, agent or employee concerned; or did not take all reasonable steps to prevent the performance or an omission. The maximum fines were also increased. Any owner convicted in terms of section 86 or 86A may be sentenced to "withdrawal or suspension of the permit" or to a fine of R3 million or a period of imprisonment not exceeding five years or to both such fine and imprisonment, while the maximum fine for other offences and for administrative fines have all been increased, with the highest being R1 million.

Under the South African Compensation for Occupational Injuries and Diseases Act, 1993 (as amended), or COID Act, employers are required to contribute to a fund specifically created for the purpose of compensating employees or their dependents for disability or death arising in the course of their work. Employees who are incapacitated in the course of their work have no claim for compensation directly from the employer and must claim compensation from the COID Act fund. Employees are entitled to compensation without having to prove that the injury or disease was caused by negligence on the part of the employer, although if negligence is involved, increased compensation may be payable by this fund. The COID Act relieves employers of the prospect of costly damages, but does not relieve employers from liability for negligent acts caused to third parties outside the scope of employment. In fiscal year 2021, we contributed approximately R4.3 million under the COID Act (2020: R3.7 million and 2019: R3.6 million) to a multi-employer industry fund administered by Rand Mutual Assurance Limited.

Under the Occupational Diseases in Mines and Works Act, 1973 (as amended), or the Occupational Diseases Act, the multi-employer fund pays compensation to employees of mines performing "risk work," usually in circumstances where the employee is exposed to dust, gases, vapors, chemical substances or other working conditions which are potentially harmful, or if the employee contracts a "compensatable disease," which includes pneumoconiosis, tuberculosis, or a permanent obstruction of the airways. No employee is entitled to benefits under the Occupational Diseases Act for any disease for which compensation has been received or is still to be received under the COID Act. These payment requirements are based on a combination of the employee costs and claims made during the fiscal year.

Uranium and radon are often encountered during the ordinary course of gold mining operations in South Africa, and present potential risks for radiation exposure of workers at those operations and the public to radiation in the nearby vicinity. We monitor our uranium and radon emissions for compliance with all local laws and regulations pertaining to uranium and radon management and under the current legislative exposure limits prescribed for workers and the public, under the Nuclear Energy Act, 1999 (as amended) and Regulations from the National Nuclear Regulator.

Environmental Regulation

Managing the impact of mining on the environment is extensively regulated by statute in South Africa. Recent statutory enactments set compliance standards both generally, in the case of the National Environmental Management Act, and in respect of specific areas of environment impact, as in the case of the Air Quality Act 2004, the National Water Act (managing effluent), and the Nuclear Regulator Act 1999. Liability for environmental damage is also extended to impose personal liability on managers and directors of mining corporations that are found to have violated applicable laws.

The impact on the environment by mining operations is extensively regulated by the MPRDA. The MPRDA has onerous provisions for personal liability of directors of companies whose mining operations have an unacceptable impact on the environment.

Mining companies are also required to demonstrate both the technical and financial ability to sustain an ongoing environmental management program, or EMP, and achieve ultimate rehabilitation, the particulars of which are to be incorporated in an EMP. This program is required to be submitted and approved by the DMRE as a prerequisite for the issue of a new order mining right. Various funding mechanisms are in place, including trust funds, guarantees and concurrent rehabilitation budgets, to fund the rehabilitation liability.

The MPRDA imposes specific, ongoing environmental monitoring and financial reporting obligations on the holders of mining rights.

We believe that our environmental risks have been addressed in EMPs which have been submitted to the DMRE for approval. Additionally, key environmental issues have been prioritized and are being addressed through active management input and support as well as progress measured in terms of activity schedules and timescales determined for each activity.

Our existing reporting and controls framework is consistent with the additional reporting and assessment requirements of the MPRDA.

Financial Provision for Rehabilitation

We are required to make financial provision for the cost of mine closure and post-closure rehabilitation, including monitoring once the mining operations cease. We fund these environmental rehabilitation costs by irrevocable contributions to environmental trust funds that function under the authority of trustees that have been appointed by, and who owe a statutory duty of trust to the Master of the High Court of South Africa. The funds held in these trusts are invested primarily in interest bearing call deposits. As of June 30, 2021, we held a total of R564.7 million (2020: R542.2 million) in trust, the balance held in each fund being R127.2 million (2020: R122.1 million) for Ergo, R425.1 million (2020: R408.1 million) for FWGR and R12.4 million (2020: R12.0 million) for ERPM. Trustee meetings are held as required and quarterly reports on the financial status of the funds, are submitted to our board of directors. If any of the operations are prematurely closed, the rehabilitation funds may be insufficient to meet all the rehabilitation obligations of those operations.

Whereas the old Minerals Act allowed for the establishment of a fully funded rehabilitation fund over the operational life of mine, the MPRDA assumes a fully compliant fund at any given time. Insurance instruments may also be utilized to make up the shortfall in available cash funds subject to the DMRE's consent. The Company has subsequently made use of approved insurance products for a portion of its rehabilitation liabilities. As of June 30, 2021, we held a total of R87.5 million (2020: R83.8 million) in funds held in insurance instruments. As at June 30, 2021 guarantees amounting to R430.1 million (2020: R427.3 million) were issued to the DMRE.

The provision for environmental rehabilitation for the group was R570.8 million at June 30, 2021, compared to R568.9 million at June 30, 2020.

New Financial Provisioning Regulations ("**FPR**") were promulgated on November 20, 2015 under the National Environmental Management Act, 107 of 1998 ("**NEMA**") by the Department of Forestry, Fisheries and the Environment ("**DFFE**"). Under the FPRs to be implemented by the DMRE, existing environmental rehabilitation trust funds, of which DRDGOLD has R564.7 million, may be used only for post closure activities and may no longer be utilized for their intended purpose of concurrent and final rehabilitation on closure. As a result, new provisions will have to be made for these activities.

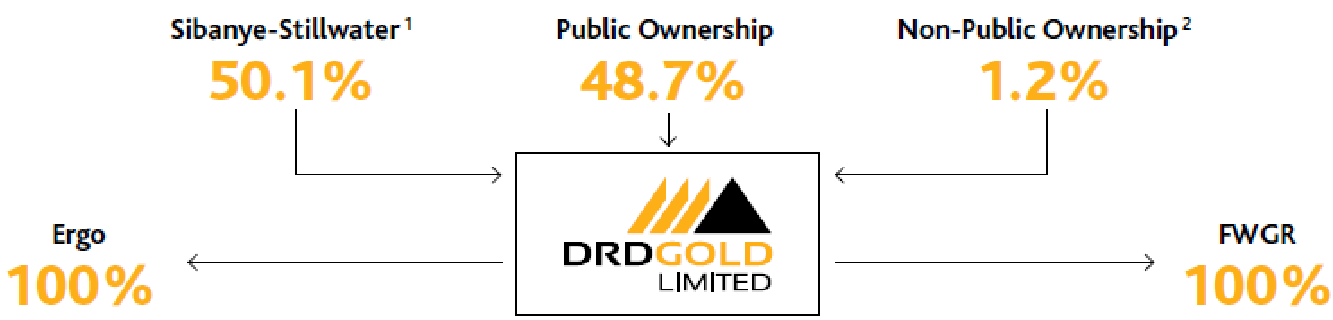
Several further proposed amendments to the FPRs, ("**Proposed Amendments**") were published subsequently. The latest Proposed Amendments were published in August 2021 which, *inter alia*, extends the compliance with these regulations to three months following the fiscal year end June 30, 2022.

The Proposed Amendments, in their current form and which are still subject to the approval of the DMRE and Treasury, allow under certain circumstances for the withdrawal against financial provision (which is currently not contemplated in the FPR). It is therefore uncertain whether these provisions relating to withdrawal will remain in their current form, or at all.

Regulation 5(4) of the Proposed Amendments states that the determination of financial provision must be undertaken by a specialist, which according to the definitions listed in the Proposed Amendments is an "independent person". Regulation 10 of the Proposed Amendments further requires the annual review and re-assessment of financial provision by an independent specialist, which in terms of Regulation 11 of the Proposed Amendments must also be audited by an independent auditor. The Proposed Amendments do not require that the annual review and re-assessment of financial provision be audited by a financial auditor.

4C. ORGANIZATIONAL STRUCTURE

The following chart shows our principal subsidiaries as of June 30, 2021 and as of September 30, 2021 respectively. All of our subsidiaries are incorporated in South Africa. Our voting interest in each of our subsidiaries are equal to our ownership interests. We hold the majority of our subsidiaries directly or indirectly as indicated below. Refer to Exhibit 8.1 for a list of our significant subsidiaries.



1 Sibanye Gold Limited trading as Sibanye-Stillwater

2 Includes shareholding by subsidiary-EMO of 1.1% and shareholding by directors of the Company of 0.09%%. Such shareholding is classified as non-public

Ergo was previously owned by Ergo Mining Operations (Proprietary) Limited (EMO). EMO was 74% owned by DRDGOLD Limited and 26% by our Broad Based Black Economic Empowerment (BBBEE) partners – Khumo Gold SPV Proprietary Limited (Khumo) and the DRDSA Empowerment Trust. In FY2015, an agreement was entered into with our BBBEE partners entailing a roll-up of shareholding which included the substitution of their 26% shareholding in EMO for a 8.1% and 2.4% shareholding in DRDGOLD Limited respectively. At 30 June 2021, Khumo and the DRDSA Empowerment Trust held nil shares in DRDGOLD

4D. PROPERTY, PLANT AND EQUIPMENT

Description of Significant Subsidiaries' Properties and Mining Operations

Ergo

Overview

We own 100% of Ergo. Ergo is a surface tailings retreatment operation operating across central and east Johannesburg. In order to improve synergies, effect cost savings and establish a simpler group structure, DRDGOLD restructured the Group's surface operations (Crown, ERPM's Cason Dump surface operation and ErgoGold) into Ergo with effect from July 1, 2012. ERPM's Cason Dump surface tailings retreatment operation was depleted in the first half of fiscal year 2015. At June 30, 2021, Ergo employed 771 full-time employees. In addition, specialist service providers deployed a further 1,495 employees to our operations bringing the total number of in-house and outsourced employees to 2,266 at June 30, 2021 (at June 30, 2020: 2,155; at June 30, 2019: 2,214).

Properties

The Ergo plant is located approximately 43 miles (70 kilometers) east of the Johannesburg's central business district in the province of Gauteng on land owned by Ergo. Access to the Ergo plant is via the Ergo Road on the N17 Johannesburg-Springs motorway.

Following the restructuring of the Crown operations, which consisted of three separate locations, City Deep, Crown Mines and Knights, into a single surface retreatment operation in Ergo, these mining rights were transferred to Ergo in March 2014.

Our ore reserves in the western Witwatersrand had become depleted. We therefore took a decision to close the Crown Mines plant which operated as a pump/milling station feeding the metallurgical plants until March 2017. The Crown sites have been cleared and the rehabilitation of the Crown plant site has been completed.

The City Deep operation is located on the West Wits line within the Central Goldfields of the Witwatersrand Basin, approximately 3 miles (5 kilometers) south-east of the Johannesburg central business district in the province of Gauteng. Access is via the Heidelberg Road on the M2 Johannesburg-Germiston motorway. The City Deep plant continues to operate as a pump/milling station feeding the metallurgical plants.

The Knights operation is located at Stanley and Knights Road Germiston off the R29 Main Reef Road. The Knights plant continues to operate as a metallurgical plant.

As of June 30, 2021 and September 30, 2021, no material encumbrances exist on Ergo's property.

Mining and Processing

Ergo undertakes the retreatment of surface tailings.

Material processed by Ergo is sourced from primary surface sources namely, sand and slime. The surface sources have generally undergone a complex depositional history resulting in grade variations associated with improvements in plant recovery over the period the material was deposited.

Our two gold producing metallurgical plants, Ergo and Knights have an installed capacity to treat approximately 25 million tons of material per year based on 92% availability and are fully operational. All of the plants have undergone various modifications during recent years resulting in significant changes to the processing circuits. The City Deep plant continues to operate as a pump/milling station feeding the metallurgical plants.

Ergo's assets include: access to tailings deposited across the western, central and eastern Witwatersrand; a 50km pipeline; and tailings deposition facilities including the significant Brakpan/Withok TSF.

The feedstock is made up of sand and slime which are reclaimed separately. Sand is reclaimed using mechanical front-end loaders, re-pulped with water and pumped to the plant. Slime is reclaimed using high pressure water monitoring guns also known as hydraulic reclamation. The re-pulped slime is pumped to the plant and the reclaimed material is treated using screens, cyclones, ball mills and Carbon-in-Leach, or CIL, technology to extract the gold.

Set forth below is a description of each of our plants in operation:

Ergo Plant: Commissioned by Anglo American Corporation in 1977, became part of AngloGold Ashanti in 1998 from which it was acquired for a consideration of R42.8 million in 2007. The remaining five CIL tanks were refurbished during fiscal year 2015 to increase capacity to treat up to 25.2Mt per year.

Knights Plant: Commissioned in 1988, this surface/underground plant comprises a circuit including screening, primary cycloning, milling in closed circuit with hydrocyclones, thickening, oxygen preconditioning, CIL, elution, electro-winning and smelting to doré. The Knights plant, although historically part of the Crown operation, is located further east and considerably closer to the

Brakpan/Withok TSF. Due to the location of the Knights plant it deposits waster on the Brakpan/Withok TSF. The Knights plant has an installed capacity to treat an estimated 3.6Mt per year.

City Deep Plant: Commissioned in 1987, this surface/underground plant comprises a circuit including screening, primary, secondary and tertiary cycloning in closed circuit milling, thickening, oxygen preconditioning, CIL, elution and zinc precipitation followed by calcining and smelting to doré. Retreatment continued at the City Deep Plant until the plant was decommissioned in August 2013 to operate as a milling and pump station and is currently pumping material to the Ergo Plant for the final extraction of gold.

As of June 30, 2021, the net book value of Ergo’s mining assets was R1,427.8 million (2020: R 1,283.9 million).

Capital Expenditure

For a discussion of capital expenditures in fiscal years 2019, 2020 and 2021, see "Item 5.A. Operating and Financial Review and Prospects—Capital expenditure".

Advance planning is underway for the expansion of the Brakpan/Withok TSF to accommodate higher grade resources in the Far East area of the Gauteng province and further extend the life of mine of ERGO. A legal review of the existing authorizations was undertaken for increasing the deposition capacity of the Brakpan/Withok TSF. The results indicated that most of the current authorizations are sufficient. An updated application was submitted to the DWAS for which we are awaiting approval. Recommissioning and design studies are ongoing in anticipation of the DWAS approval. We expect this could increase the potential deposition capacity by approximately 800Mt, and thus, our life of mine from 13 years to more than 20 years.

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. For a summary of capital expenditure, see Item 5A. Operating Results.

The majority of the Company’s carbon emissions are the scope 2 carbon emissions for electricity consumption purchased from Eskom, who produces electricity, predominately from coal powered fire stations. In the current year the Company generated 404 609 tonnes of scope 2 carbon emissions (2020: 364 950 tonnes). A large percentage of the capital expenditure in the current year is expected to go towards our own solar photovoltaic power generation plant and battery storage facility at Ergo. The successful completion of this project is expected to reduce our carbon emissions footprint. The project is subject to regulatory approval.

Exploration and Development

Exploration and development activity at Ergo involve the drilling of surface dumps and evaluating the potential gold bearing surface material.

Environmental and Closure Aspects

Municipal infrastructure as well as commercial and residential developments have encroached towards the Ergo operation. The major environmental risks are associated with dust from various reclamation sites, and effective management of relocated process material on certain tailings dams. The impact of windblown dust on the surrounding environment and community is addressed through a scientific monitoring and evaluation process, with active input from Professor H. Annagran from the Cape Peninsula University of Technology and appropriate community involvement. Environmental management programs, addressing a wide range of environmental issues, have been prepared by specialist environmental consultants, which are audited annually. Water pollution is controlled by means of a comprehensive system of return water dams which allow for used water to be recycled for use in Ergo’s metallurgical plants. Overflows of return water dams may, depending on their location, pollute surrounding streams and wetlands. Ergo has an ongoing monitoring program to ensure that its water balances (in its reticulation system, on its tailings and its return water dams) are maintained at levels that are sensitive to the capacity of return water dams.

Dust pollution is controlled through an active environmental management program for the residue disposal sites and chemical and organic dust suppression on recovery sites. Short-term dust control is accomplished through ridge ploughing the top surface of dormant tailings dams. Additionally, environmentally friendly dust suppressants are applied. Dust fall-out is monitored through an extensive dust monitoring network monthly, and is utilized as a management measure to ensure the effectiveness of mitigation measures employed. In the long-term, dust suppression and water pollution is managed through a program of progressive vegetation of the tailings followed by the application of lime, to reduce the natural acidic conditions, and fertilizer to assist in the growth of vegetation planted on the tailings dam.

A program of environmental restoration that provides for the rehabilitation of areas affected by mining operations during the life of the mine is in place. The surface reclamation process at Ergo has several environmental merits as it removes potential pollution sources and opens up land for development.

Environmental management and compliance is further assisted by the in–house developed electronic monitoring system (Compliance Management Tool) that incorporates all existing Environmental Impact Assessments (“**EIAs**”), EMPs, Mining Right Conversions, Performance Assessments and Social and Labor Plans (“**SLPs**”) associated with each mining right. The existing and most recent studies are used to supplement the management components with regards to the mining right boundaries and its required compliance parameters. The individual management items are integrated to provide a holistic overview of the state of each of the mining right areas. Spatial data pertaining to the mining right boundaries is stored onto a central database and is utilized to create a live map which illustrates the mining right area and various environmental monitoring systems. This map depicts the mining right boundaries, roads, rails, mine dumps, plants, rivers, pipeline routes, servitudes, way leaves, municipal services and other spatial data relevant to our mining operations.

While the ultimate amount of rehabilitation costs to be incurred is uncertain, we have estimated that the total cost for Ergo, in current monetary terms as at June 30, 2021 is approximately R445.8 million. As at June 30, 2021, a total of R127.2 million (2020: R122.1 million) is held in the Ergo Rehabilitation Trust Fund, previously called the Crown Rehabilitation Trust Fund, which is an irrevocable trust, managed by specific responsible people who we nominated and who are appointed as trustees by the Master of the High Court of South Africa. In addition, a total of R62.7 million (2020: R59.9 million) is held in insurance instruments.

Ore Reserves

As at June 30, 2021, our Proven and Probable Ore Reserves of Ergo was 2.81 million ounces, a decrease from 3.13 million ounces at June 30, 2020 due to depletion resulting from ongoing mining. A Mineral Reserves and Mineral Resources competent person is appointed at each operation to review our Ore Reserve calculations for accuracy. For Ergo, Professor Steven Rupprecht is the designated competent person in terms of the SAMREC Code responsible for the compilation and reporting of ore reserves.

Production

For fiscal year 2021, production increased to 137,059 ounces from 128,249 ounces in fiscal year 2020 mainly due the volume throughput that increased from 20.2Mt to 23.0Mt, a consequence of more stable production during fiscal 2021 compared to fiscal 2020 which was affected by the COVID-19 Lockdown, a cautious subsequent ramp-up and interruptions in power supply from Eskom and the City of Ekurhuleni. The impact of this increase was offset by the decrease in the average yield from 0.197g/t in fiscal 2020 to 0.186g/t in fiscal 2021.

Ergo temporarily halted its operations on March 26, 2020 pursuant to the announcement of the Lockdown. The Disaster Management Act regulations subsequently issued by the Department of Co-operative governance and traditional affairs affirmed that gold mining and refining are "essential services" and was therefore exempt from restrictions imposed by the Lockdown. ERGO recommenced operations on April 9, 2020 with limited sites and ramped up to almost full production in June 2020. ERGO's Knights plant recommenced operations on May 7, 2020 and ramped up to almost full production in June 2020. Subsequent lockdowns in fiscal 2021 did not result in any similar stoppages in production.

Cash operating costs increased by $143 per ounce, or 13%, from $1,129 per ounce in fiscal year 2020 to $1,272 per ounce in fiscal year 2021 mainly due to the 6% decrease in yield and a 15% tariff increase by power utility, Eskom, which came into effect in April 2021.

The following table details certain production and financial results of Ergo for the past two fiscal years.

	2021	2020
Production (imperial)		
Ore milled ('000 tons)	22,952	20,228
Recovered grade (oz/ton)	0.006	0.006
Gold produced (ounces)	137,059	128,249
Results of Operations		
Revenue (R million)	3,943.0	3,064.3
Cost of sales (R million)	2,871.0	2,453.5
Cash operating costs (R million)	2,666.5	2,274.0
Cash operating costs (R/kilogram)[1]	629,585	568,476
All-in sustaining costs (R/kilogram) [1]	704,503	614,861
All-in cost (R/kilogram) [1]	717,755	621,316

1 Cash operating cost, cash operating costs per kilogram, all-in sustaining costs per kilogram and all-in costs per kilogram are financial measures of performance that we use to determine cash generating capacities of the mines and to monitor performance of our mining operations. These are all non-IFRS measures. For a reconciliation of these measures to the nearest IFRS measure see Item 5A.: "Operating Results - Reconciliation of cash cost per kilogram, all-in sustaining costs per kilogram and all-in costs per kilogram."

FWGR

Overview

On July 31, 2018, we acquired WRTRP Assets, which are surface gold processing assets and tailing storage facilities in Carletonville in the West Rand Goldfield of Gauteng, 30km from Johannesburg, that include Driefontein 3 and 5, Kloof 1, Venterspost North and South, Libanon, Driefontein 4, Driefontein 2 plant, Driefontein 3 plant, WRTRP pilot plant, and land for the development of a central processing plant, regional tailings storage facility and return water dam associated with Sibanye-Stillwater's WRTRP, subsequently renamed FWGR. This acquisition represents a significant increase in our assets, which had a material impact on our results for fiscal years ended June 30, 2019.

In connection with the acquisition, we issued to Sibanye-Stillwater new shares equal to 38.05% of our then outstanding shares and granted Sibanye-Stillwater an option to acquire up to a total of 50.1% of our shares within a period of 2 years from the effective date of the acquisition at a 10% discount to the prevailing market value. On January 8, 2020, Sibanye-Stillwater exercised the option. On January 22, 2020 Sibanye-Stillwater subscribed for 168,158,944 DRDGOLD shares at an aggregate subscription price of R1,086 million. These 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

The WRTRP Assets consisted of the following:

Asset (incl properties)	**Description**
Additional tailings dams	Surface tailings dams which form part of the gold assets of the WRTRP Assets and which include Driefontein Dumps 3 and 5, Kloof 1, Venterspost North and South and Libanon Dump.
DP2 Plant	The Driefontein 2 Plant which is located on Portion 6 of Farm Blyvooruitzicht No 116 Registration Division I.Q. and Remainder of Portion 1 of the Farm Driefontein No 113, Registration Division I.Q., Gauteng Province. The DP2 Plant processed surface rock dumps ("**SRD**") material, which was delivered by rail and truck. Throughput is achieved through two Semi-Autogenous Grinding ("**SAG**") mills and a ball milling circuit, cyanide leaching and a Carbon-in-Pulp ("**CIP**") plant. A Carbon-in-leach circuit was commissioned in 2014 at DP2 Plant to improve recoveries by replacing the aging CIP circuit.
DP3 Plant	The Driefontein 3 Plant which is located on Portion 6 of Farm Blyvooruitzicht No 116, Registration Division I.Q., Gauteng Province. The DP3 Plant was originally designed as a uranium plant, but was converted to process low-grade surface rock in 1998. Similar to DP2 Plant, SRD ore was delivered by rail and truck. This plant has four SAG mills followed by cyanide leaching and a CIP circuit.
Driefontein 4	The current active tailings deposition facility which forms part of the gold assets of the WRTRP Assets.
Pilot Plant	The moveable LogiProc pilot plant established to test the processes, techniques and assumptions made in the definitive level design of the full scale retreatment of dumps as part of the WRTRP Assets and located at Driefontein 1 Plant.
Plan and Materials	Any and all drawings, plans, studies (including feasibility studies of a geological or geotechnical nature), surveys, reports (including sampling and assaying reports), maps (including geophysical, geological and/or drill maps), statements, schedules and other data in whatever form of a financial, technical, labour, marketing, administrative, accounting or other matters pertaining to the WRTRP Assets.
Transferring Land	The land upon which: · the CPP will be located after the subdivision of the Farm Rietfontein No 347 Registration Division I.Q. Portion 35 and 73, Gauteng Province; and · the Regional Tailing Storage Facility and Return Water Dam will be located.
Active Tailings Dams	The Driefontein 1 and 2, Kloof 2 and Leeudoorn currently active tailings dams are also required to be transferred under the acquisition agreement, for no additional consideration, once they have been decommissioned by Sibanye-Stillwater.
Licences to Operate	All the licences, permits, permissions, management plans and reports, as well as amendments, variations or modifications thereof from time to time necessary for Sibanye-Stillwater to operate the WRTRP Assets lawfully.
Access Rights	The grant of access to DRDGOLD of the: · Driefontein 10 shaft; · Kloof 10 shaft located in the Kloof mining area that is subject to the Kloof Mining Right, for the purpose of pumping and supplying, at the cost of WRTRP, the required quantities of water, as licenced, for the WRTRP Assets; · rights, servitudes and agreements for installation, supply and distribution and maintenance of power supply; existing and proposed pipeline routes; servitudes; wayleaves and surface right permits; and · Driefontein 1 Gold Plant for the purpose of accessing the Pilot Plant.

As of June 30, 2021 and September 30, 2021, no material encumbrances exist on FWGR's property.

At June 30, 2021, the net book value of FWGR's mining assets was R1,341.3 million (2020: R1,303.5 million).

At June 30, 2021, FWGR employed 154 full-time employees. In addition, specialist service providers deployed a further 343 employees to our operations bringing the total number of in-house and outsourced employees to 497.

Mining and Processing

FWGR undertakes the retreatment of surface tailings. Slime is reclaimed using high pressure water monitoring guns also known as hydraulic reclamation. The re-pulped slime is pumped to the DP2 plant and the reclaimed material is treated using screens, cyclones, ball mills and Carbon-in-Leach, or CIL, technology to extract the gold.

During Phase 1, the DP2 metallurgical plant was reconfigured to have an installed capacity to treat approximately 6 million tons of material per year based on 92% availability. Material is sourced from Driefontein Dump 5. The surface sources have generally undergone a complex depositional history resulting in grade variations associated with improvements in plant recovery over the period the material was deposited.

The FWGR makes use of and require access to Sibanye-Stillwater's mining infrastructure and related services. FWGR entered into a smelting agreement with Sibanye-Stillwater to smelt and recover gold from gold loaded carbon produced at the DP2 plant, and deliver the gold to Rand Refinery. In exchange 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 of all gold produced. FWGR also engaged its fellow subsidiary, Ergo Mining Proprietary Limited, to act as its agent and representative and to enter into a refining services arrangement with Rand Refinery for the sale, marketing and export of the refined gold of the Company. This agreement is expected to be in place until FWGR obtains its own precious metals beneficiation license.

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

Capital Expenditure

For a discussion of capital expenditures in fiscal year 2021, see "Item 5.A. Operating and Financial Review and Prospects—Capital expenditure".

Financing for significant growth projects may be obtained through specific financing arrangements if required. In fiscal year 2019, capital expenditure incurred on the development of Phase 1 of FWGR of approximately R330.7 million were financed through a combination of borrowings (refer to the Revolving Credit Facility described in Item 10C. Material Contracts) and cash resources and operational cash flows of the Group.

FWGR appointed an engineering consulting company to undertake the definitive feasibility study and detailed design for the Phase 2 project. The available information was independently reviewed by an external consultant, Sound Mining. The project includes the construction of a new CPP with a capacity of between 1.2 Mtpm to 2.4Mtpm and the equipping of the required reclamation sites and pipeline infrastructure to supply the relevant resources to the CPP. Phase 2 also includes the construction of a new RTSF capable of accepting 3Mtpm to a capacity of approximately 800Mt. The definitive feasibility study was concluded in the current year and is subject to obtaining regulatory approvals on the amended design of the RTSF.

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. For a summary of capital expenditure, see Item 5A. Operating Results.

Exploration and Development

Exploration and development activity at FWGR involves the drilling of surface dumps and evaluating the potential gold bearing surface material, as well as exploratory and development activities around Phase 2 of the project.

Environmental and Closure Aspects

The major environmental risks are associated with dust from various reclamation sites, and effective management of relocated process material on certain tailings dams. The impact of nuisance dust fallout on the surrounding environment and community is addressed through a comprehensive monitoring network, with active input from Professor H. Annagran from the Cape Peninsula University of Technology and appropriate community involvement. Environmental management programs, addressing a wide range of environmental issues, have been prepared by independent specialist environmental consultants, which are audited annually. Water pollution where appropriate is controlled by means of a comprehensive system of return water dams which allow for used process water to be returned for use in FWGR's metallurgical plant and hydraulic reclamation. FWGR has an ongoing monitoring program to ensure that its water balances (in its reticulation system, on its tailings and its return water dams) are maintained at levels that are sensitive to the capacity of return water dams.

Nuisance dust fallout is controlled through active mitigation measures described in the environmental management program for the management of our activities. These mitigation measures include environmentally friendly dust suppressants applied to high impact areas, active wetting of access roads by water bowsers, a network of high velocity sprayers on our active TSF. Dust fall-out is monitored through an extensive dust monitoring network monthly and is utilized as a management measure to ensure the effectiveness of mitigation measures employed. In the long-term, dust suppression and water pollution will be managed through concurrent rehabilitation of the tailings dam, thus reducing water ingress and dust from exposed areas.

FWGR will undertake concurrent rehabilitation of areas affected by mining operations during the life of the mine. The surface reclamation process at FWGR has several environmental merits as it removes pollution sources and opens up land for development.

Environmental management and compliance is further assisted by the in–house developed electronic monitoring system that details the commitments made within the EMPs and Water Use Licenses to aid in keeping the operation compliant to its statutory obligations. The existing and most recent specialist studies are used to supplement the management components with regards to the compliance parameters. The individual management items are integrated to provide a holistic overview of the state of the operation. Spatial data pertaining to the operation is stored on a Geographical Information System (GIS) which provides a spatial overview of the operation which includes environmental monitoring systems, right boundaries, roads, rails, mine dumps, plants, rivers, wetlands, pipeline routes, servitudes, way leaves, municipal services and other spatial data relevant to our mining operations.

While the ultimate amount of rehabilitation costs to be incurred is uncertain, we have estimated that the total cost for FWGR, in current monetary terms as at June 30, 2021 is approximately R116.4 million (June 30, 2020: R103.3 million). As at June 30, 2021, a total of R425.1 million is held in the Ergo Rehabilitation Trust Fund for the benefit of FWGR's rehabilitation. The Ergo Rehabilitation Trust Fund is an irrevocable trust, managed by specific responsible people who we nominated and who are appointed as trustees by the Master of the High Court of South Africa.

Ore Reserves

As at June 30, 2021, our Proven and Probable Ore Reserves of FWGR was 2.54 million ounces, an decrease from 2.60 million ounces at June 30, 2020. The small increase in reserves despite depletion through ongoing mining activities is due to the application of revised modifying factors i.e. being the dilution from footwall soil and mining loss. A Mineral Reserves and Mineral Resources competent person is appointed to review our Ore Reserve calculations for accuracy. For FWGR, Mr. Vaughn Duke is the designated competent person in terms of the SAMREC Code responsible for the compilation and reporting of ore reserves.

Production

For fiscal year 2021, production increased to 46,940 ounces from 46,136 ounces produced in fiscal year 2020. This was mainly due the volume throughput that increased from 6.1Mt in fiscal 2020 to 6.2Mt in fiscal 2021. The average yield remained stable at 0.237g/t.

FWGR temporarily halted its operations on March 26, 2020 pursuant to the announcement of the Lockdown. The Disaster Management Act regulations subsequently issued by the Department of Co-operative governance and traditional affairs affirmed that gold mining and refining are "essential services" and was therefore exempt from restrictions imposed by the Lockdown. FWGR was able to recommence operations on April 3, 2020 and was able to ramp up production to almost full capacity in May and June 2020, respectively. Subsequent lockdowns in fiscal 2021 did not result in any similar stoppages in production.

Construction of Phase 1 commenced during August 2018 with R330.7 million spent on, *inter alia*, the reconfiguration of the DP2 plant and relevant infrastructure to process tailings from the Driefontein 5 slimes dam and deposit residues on the Driefontein 4 Tailings Storage Facility. During this construction phase, some gold was produced at the adjacent Driefontein 3 plant ("**DP3**"). Early-stage commissioning of the DP2 plant commenced on December 6, 2018 with the pumping of reclaimed tailings into the carbon in leach ("**CIL**") circuit. Testing of the reconfigured plant and ramp-up of production continued during the third quarter of the fiscal year ended June 30, 2019. Management considered, *inter alia*, the design capacity of the plant, recoveries and the ability to sustain production in determining the date of commercial production. The date of commercial production for Phase 1 (excluding the milling section) was determined to be April 1, 2019. The mills were subsequently commissioned in September 2019.

Cash operating costs increased by $74 per ounce, or 15%, from $484 per ounce in fiscal year 2020 to $558 per ounce in fiscal year 2021 mainly due to FY2021 being FWGR's first full year of milling.

The following table details certain production and financial results of FWGR for the past two fiscal years.

	2021	2020
Production (imperial)		
Ore milled ('000 tons)	6,159	6,052
Recovered grade (oz/ton)	0.008	0.008
Gold produced (ounces)	46,940	46,136
Results of Operations		
Revenue (R million)	1,326.0	1,120.7
Cost of sales (R million)	517.1	473.3
Cash operating costs (R million)	406.2	352.0
Cash operating costs (R/kilogram)[1]	276,174	243,542
All-in sustaining costs (R/kilogram) [1]	377,210	299,792
All-in cost (R/kilogram) [1]	400,829	311,597

1 Cash operating cost, cash operating costs per kilogram, all-in sustaining costs per kilogram and all-in costs per kilogram are financial measures of performance that we use to determine cash generating capacities of the mines and to monitor performance of our mining operations. These are all non IFRS measures. For a reconciliation of these measures to the nearest IFRS measure see Item 5A.: "Operating Results - Reconciliation of cash cost per kilogram, all-in sustaining costs per kilogram and all-in costs per kilogram."

See Item 5A. Operating Results – Capital expenditure for a discussion on capital expenditure.

ERPM

Overview

In December 2018, ERPM concluded revised agreements to dispose certain of its underground assets to OroTree Limited ("**OroTree**"). The revised agreements consisted of a disposal of ERPM's underground mining and prospecting rights and an option agreement, at the sole discretion of OroTree, to purchase the underground mining infrastructure exercisable on or before June 30, 2019. The disposal of the underground mining and prospecting rights were concluded in the second half of the financial year ended June 30, 2019. OroTree's option to purchase the underground mining infrastructure lapsed on June 30, 2019 when it did not exercise said option. The underground mining infrastructure remains under care and maintenance. Certain infrastructure was demolished during fiscal 2021.

At June 30, 2021, ERPM had no employees. The financial results and remaining assets and liabilities of these halted underground operations are included in 'Corporate office and other reconciling items' in the financial statements for segmental reporting purposes for all three years presented.

Property

ERPM is situated on the Central Rand Goldfield located within and near the northern margin of the Witwatersrand Basin in the town of Boksburg, 20 miles (32 kilometers) east of Johannesburg on land owned by ERPM. Access is via Jet Park Road on the N12 Boksburg-Benoni highway. Historically underground mining and recovery operations comprised relatively shallow remnant pillar mining in the central area and conventional longwall mining in the south-eastern area. Until underground mining was halted in October 2008, the mine exploited the conglomeratic South Reef, Main Reef Leader and Main Reef in the central area and the Composite Reef in the south-eastern area. ERPM concluded the disposal of its underground mining and prospecting rights in the second half of the financial year ended 2019.

Surface reclamation operations including the treatment of sand from ERPM's Cason Dump, was conducted through the Knights metallurgical plant, tailings deposition facilities and associated facilities until ERPM's surface mining assets were transferred to Ergo as part of the restructuring which took place on July 1, 2012.

As of June 30, 2021, and September 30, 2021, no encumbrances exist on ERPM's property.

At June 30, 2021, the net book value of ERPM's mining assets was zero (2020: zero).

Mining and Processing

ERPM's underground gold mining infrastructure is under care and maintenance. Surface reclamation operations and surface mining assets were transferred to Ergo as part of the restructuring which took place on July 1, 2012.

Exploration and Development

ERPM disposed prospecting right ERPM Extension 1 covering an area of 1,252ha (3,094 acres) of the adjacent Sallies mine and ERPM Extension 2, for an additional area of 5,500ha (13,590 acres) to OroTree Limited during the second half of the fiscal year ended June 30, 2019.

Environmental and Closure Aspects

There is a regular ingress of water into the underground workings of ERPM, which was contained by continuous pumping from the underground section. Studies on the estimates of the probable rate of rise of water have been inconsistent, with certain theories suggesting that the underground water might reach a natural subterranean equilibrium, whilst other theories maintain that the water could decant or surface.

The government has appointed Trans-Caledon Tunnel Authority ("**TCTA**") to construct a partial treatment plant (neutralisation 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 is co-disposed onto the Brakpan/Withok TSF together with processed material from the Ergo plant. Partially treated water is then discharged by TCTA into the Elsburg Spruit. This agreement includes the granting of access to the underground water basin through one of ERPM 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 set-off 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 Acid Mine Drainage ("**AMD**"), a day, from TCTA at cost, in order to reduce Ergo's reliance on potable water for mining and processing purposes.

While the ultimate amount of rehabilitation costs to be incurred in the future is uncertain, we have estimated that as at June 30, 2021 the present discounted value of the total cost of rehabilitation for ERPM is approximately R8.6 million (2020: R17.9 million). A total of R12.4 million (2020: R12.0 million) is held in the Ergo Rehabilitation Trust Fund for the benefit of ERPM and R24.8 million (2020: R23.8 million) is held in insurance instruments and is available for the settlement of these rehabilitation costs. The Ergo Rehabilitation Trust Fund is an irrevocable trust, managed by specific responsible people who we nominated and who are appointed as trustees by the Master of the High Court of South Africa.

Ongoing Legal Proceedings

Ekurhuleni Metropolitan Municipality ("Municipality") Electricity Tariff Dispute

Refer to Item 18. ''Financial Statements - Note 24 – Payments made under Protest".

Silicosis Litigation

Refer to Item 18. ''Financial Statements - Note 26.1 – Contingencies".

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

This section should be read in conjunction with, our audited financial statements and the other financial information contained elsewhere in this Annual Report. Our financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"). Our discussion contains forward looking information based on current expectations that involve risks and uncertainties, such as our plans, objectives and intentions. Our actual results may differ from those indicated in such forward looking statements.

Comparison of financial performance for the fiscal year ended June 30, 2020 with fiscal year ended June 30, 2019

This comparison analysis can be found in Item 5A of the Company's annual report on Form 20-F for the fiscal year ended June 30, 2020.

5A. OPERATING RESULTS

Business overview

We are a South African gold mining company engaged in surface gold tailings retreatment, including exploration, extraction, processing and smelting. All our surface tailings retreatment operations, including the requisite infrastructure and metallurgical processing plants, are located in South Africa.

The success of DRDGOLD's long-term goal to extract as much gold from its assets as possible and is economically viable depends, to a large extent, on how effectively it continues to manage its resources.

DRDGOLD's strategic thinking is informed by principles of sustainable development. Our goal is to optimally exploit our entire resource over the long term, thereby seeking sustainable benefits in respect to the following capitals, each of which is essential to our operation – financial, manufactured, natural, human and social capital.

We also aim to align and overlap the interests of each of these capitals in such a manner that an investment in any one translates into value-add in as many of the others as possible. We therefore seek to achieve an enduring and harmonious alignment between them, and we pursue these criteria in the feasibility analysis of each investment.

Our profit for fiscal year 2021 increased compared to fiscal 2020, mainly due to, *inter alia*, the following:

- gold production increased by 6% to 5,723kg together with an increase in gold sold by 5% to 5,734kg. The increase in production reflected an 11% increase in throughput to 29,111t, offsetting the 4% decrease in average yield to 0.197g/t; and
- the average rand gold price received increased by 19%.

Key drivers of our operating results and principal factors affecting our operating results

The principal uncertainties and variables facing our business and, therefore, the key drivers of our operating results are:

- the price of gold, which fluctuates both in terms of dollars and rands;
- our production tonnages and gold content thereof, impacting on the amount of gold we produce at our operations;
- our cost of producing gold, including the effects of mining efficiencies; and
- general economic factors, such as exchange rate fluctuations and inflation, and factors affecting mining operations in South Africa.

Gold price

Our revenues are derived primarily from the sale of gold produced at our surface tailings retreatment operations. As a result, our operating results are directly related to the price of gold, which can fluctuate widely and is affected by numerous factors beyond our control, including industrial and jewelry demand, expectations with respect to the rate of inflation, the strength of the U.S. dollar (the currency in which the price of gold is generally quoted) and of other currencies, interest rates, actual or expected gold sales by central banks, forward sales by producers, global or regional political or economic events, and production and cost levels in major gold-producing regions such as South Africa. In addition, the price of gold is often subject to rapid short-term changes because of speculative activities. In response to the COVID19 pandemic and measures taken to deal with the outbreak, investors globally, as they have in so many previous times of crisis, turned to gold and gold stocks as a safe haven asset, leading to a surge in the average gold price during fiscal 2020 and 2021.

The demand for and supply of gold affects gold prices, but not necessarily in the same manner that supply and demand affect the prices of other commodities. The supply of gold consists of a combination of new production from mining and existing stocks of bullion and fabricated gold held by governments, public and private financial institutions, industrial organizations and private individuals.

The following table indicates data relating to the dollar gold spot prices for the 2021 and 2020 fiscal years:

	2021 fiscal year	**2020 fiscal year**	**Change**
	$ per ounce	**$ per ounce**	**%**
Closing gold spot price on June 30,	1,770	1,781	(1)
Lowest gold spot price during the fiscal year	1,676	1,382	21
Highest gold spot price during the fiscal year	2,072	1,785	16
Average gold spot price for the fiscal year	1,850	1,562	18

All our operations and gold production are based in South Africa, and as a result, the impact of movements in relevant exchange rates is significant to our operating results. The average gold price in rand (based on average spot prices for the year) increased by 37% from R17,914 per ounce in 2019 to R24,466 per ounce in 2020, and increased by 16% to R28,490 per ounce in 2021.

An increase/(decrease) of 20% in the US dollar gold price throughout fiscal year 2021 would have increased/(decreased) revenue by approximately R1,053.8 million (2020: R837.0 million).

An increase/(decrease) of 20% in the Rand to US dollar exchange rate throughout fiscal year 2021 would have increased/(decreased) revenue by approximately R1,053.8 million (2020: R837.0 million).

Gold production

In fiscal year 2021, gold production increased to 183,999 ounces (produced from 29.1 million tonnes milled at an average yield of 0.197g/t) from 174,385 ounces in fiscal year 2020 (produced from 26.3 million tonnes milled at an average yield of 0.206g/t). This was mainly due to Ergo's gold production which increased to 137,059 ounces in fiscal year 2021 (produced from 23.0 million tonnes milled at an average yield of 0.186g/t) from 128,249 ounces in fiscal year 2020 (produced from 20.2 million tonnes milled at an average yield of 0.197g/t). The increase was a consequence of stable production during fiscal 2021 compared to fiscal 2020 when production suffered from the impact of the Lockdown, subsequent cautious ramp-up and interruptions in power supply from Eskom and the City of Ekurhuleni.

In fiscal year 2020, gold production increased to 174,385 ounces (produced from 26.3 million tonnes milled at an average yield of 0.206g/t) from 155,159 ounces in fiscal year 2019 (produced from 24.4 million tonnes milled at an average yield of 0.197g/t). This was mainly due to the first full year of gold production of FWGR resulting in production of 46,136 ounces (produced from 6.1 million tonnes milled at an average yield of 0.237g/t), mitigating the impact of Ergo's gold production which decreased to 128,249 ounces in fiscal year 2020 (produced from 20.2 million tonnes milled at an average yield of 0.197g/t) from 144,453 ounces in fiscal year 2019 (produced from 23.2 million tonnes milled at an average yield of 0.194g/t). This was a consequence of the Lockdown, subsequent cautious ramp-up and interruptions in power supply from Eskom and the City of Ekurhuleni.

Cash operating costs

Cash operating costs is a non-IFRS financial measure of performance that is reported to the group's chief operating decision maker (CODM) and is used to monitor performance – refer to Item 18. ''Financial Statements - Note 23 – Operating Segments". For a reconciliation of this measure see Item 5A.: "Reconciliation of cash cost per kilogram, all-in sustaining costs per kilogram and all-in costs per kilogram".

Cash operating costs include consumables, labor, specialized service providers, electricity and other related costs incurred in the production of gold. Consumables, water and electricity, labor, specialized service providers and other costs are the largest components of cash operating costs. A breakdown of cash operating costs into these costs is described in Item 5A.: "Comparison of financial performance for the fiscal year ended June 30, 2021 with fiscal year ended June 30, 2020".

General economic factors

We are exposed to a number of factors, which could affect our profitability, such as exchange rate fluctuations, inflation and other risks relating to South Africa. In conducting mining operations, we are subject to the inherent risks and uncertainties of the industry, and the wasting nature of the assets.

Effect of exchange rate fluctuations

For the fiscal years 2021 and 2020, all of our revenues were generated from South African operations, all of our operating costs were denominated in rand and we derived all of our revenues in dollars before being translated to rands. As the price of gold is denominated in dollars which is then translated into rands, the appreciation of the dollar against the rand increases our profitability, whereas the depreciation of the dollar against the rand reduces our profitability.

In fiscal year 2021 the Rand gold price received increased by 19% compared to fiscal year 2020, outperforming the combined impact of the average Dollar gold price which increased by 18% and the average exchange rate of the rand against the dollar that strengthened by 2%.

In line with our long-term strategy of being an unhedged gold producer, we generally do not enter into forward gold sales contracts to reduce our exposure to market fluctuations in the Dollar gold price or the exchange rate movements. If revenue from gold sales falls for a substantial period below our cost of production at our operations, we could determine that it is not economically feasible to continue commercial production at any or all of our plants or to continue the development of some or all of our projects. However, during periods when medium-term debt is incurred to fund growth projects and hence introduce liquidity risk to the Group, we may mitigate this liquidity risk by entering into hedging instruments to achieve price protection (refer Item 11. Quantitative and Qualitative Disclosures About Market Risk – General). For example in fiscal year 2019 we entered into a hedging instrument in the form of a collar in respect of 50,000 ounces of gold that expired at the end of May 2019.

Effect of inflation and exchange rates

In the past, our operations have been materially adversely affected by inflation. If there is a significant increase in inflation in South Africa, our costs will increase and if such a cost increase is not offset by an increase in the rand price of gold, this will negatively affect our operating results.

The movements in the rand/dollar exchange rate, based upon average rates during the periods presented, and the local annual inflation rate for the periods presented, as measured by the South African Consumer Price Index, or CPI, are set out in the table below:

Year ended June 30,	Fiscal year ended 2021 (%)	2020 (%)	2019 (%)
The average rand/dollar exchange rate (strengthened)/weakened by:	(2)	10	10
CPI (inflation rate)	4.9	2.2	4.5

Production stoppages due to the impact of the COVID-19 pandemic on current operations

The Group temporarily halted its operations at Ergo and FWGR on March 26, 2020 pursuant to the announcement of the national lockdown in South African ("**Lockdown**"). Operations gradually recommenced through April and May 2020. Subsequent lockdowns in fiscal 2021 did not resulting in any similar stoppages in production. (Refer to Item 4D. ‘‘Property, plant and production – Ergo Production and FWGR production").

Key financial and operating indicators

The table below presents the key performance measurement data for the past two fiscal years: The financial results for the fiscal years below are stated in accordance with IFRS as issued by the IASB. The table includes the key performance measures for our business and its profitability, which are revenue, gold production, gold prices, operating costs, cash operating costs per kilogram, all-in sustaining costs per kilogram and all-in costs per kilogram, capital expenditure (additions to property, plant and equipment) and Ore Reserves.

Operating data

	Year ended June 30, 2021	2020
Revenue (R'm)	5,269.0	4,185.0
Gold production (ounces)	183,999	174,385
Gold production (kilograms)	5,723	5,424
Gold sold (ounces)	184,352	174,804
Gold sold (kilograms)	5,734	5,437
Average spot gold price (R/kilogram)	915,972	786,601
Average gold price received (R/kilogram)	917,996	768,675
Cost of sales (R'm)	3,388.2	2,937.9
Operating costs (R'm)	3,122.5	2,692.1
Cash operating costs (R'm) (1)	3,072.7	2,626.0
Cash operating costs (R/kilogram) (1)	540,338	482,417
All-in sustaining costs (R/kilogram) (1)	626,247	541,475
All-in costs (R/kilogram) (1)	643,338	551,646
Additions to property, plant and equipment (R'm)	395.7	182.7
Ore Reserves (million ounces)	5.35	5.73

(1) Cash operating costs, cash operating costs per kilogram, all-in sustaining costs, all-in sustaining costs per kilogram and all-in costs and all-in costs per kilogram are non-IFRS financial measures of performance that we use to monitor performance. A reconciliation of these measures to the nearest IFRS measure is included in Item 5A.: "Operating Results - Reconciliation of cash cost per kilogram, all-in sustaining costs per kilogram and all-in costs per kilogram."

Revenue

Revenue increased by 26% to R5,269.0 million in fiscal year 2021 from R4,185.0 million in fiscal year 2020 mainly due to the 5% increase in gold sold from 5,437 kilograms in fiscal 2020 to 5,734 kilograms in fiscal 2021 and the average rand gold price received that increased by 19% to R917,996 per kilogram.

Refer to Item 5A:. "Operating results: Key drivers of our operating results and principal factors affecting our operating results" for a discussion regarding the gold price received and sales volumes.

Ore Reserves

As at June 30, 2021, our Ore Reserves (imperial) were estimated at 5.35 million ounces, as compared to 5.73 million ounces at June 30, 2020. The decrease was mainly because of depletion through ongoing mining activities. The decrease was offset by a non-material increase in FWGR's ore reserves despite depletion through ongoing mining activities due to the application of revised modifying factors i.e. being the dilution from footwall soil and mining loss. The table below sets forth our Ore Reserves as of the date indicated:

Ore Reserves	Year ended June 30, 2021 Ounces ‘m ozs	2021 Tonnes	2020 Ounces ‘m ozs	2020 Tonnes
Ergo	2.81	87.42	3.13	97.22
FWGR	2.54	79.03	2.60	80.74
Total Ore Reserves	**5.35**	**166.45**	**5.73**	**177.96**

Capital expenditure

During fiscal year 2021 capital expenditure increased by R214.6 million to R395.7 million from R181.1 million in fiscal year 2020.

Ergo’s capital expenditure during fiscal year 2021 increased by R136.5 million to R250.9 million from R114.4 million in fiscal year 2020. This was mainly due to infrastructure development for reclamation of the 4L3 and 4L4 dumps amounting to R47.5 million, upgrading of the Brakpan plant’s carbon in leach circuit to provide more capacity and achieve better efficiencies amounting to R10.8 million, the installation of a third regeneration kiln amounting to R13.2 million, both for additional carbon regeneration capacity to manage the planned higher plant throughput and as back-up for the two existing kilns and improved tailings deposition and recommissioning studies and designs for the Brakpan/Withok TSF expansion amounting to R10.2 million.

FWGR’s capital expenditure during fiscal year 2021 increased by R83.2 million to R143.3 million from R60.1 million in fiscal year 2020. This was mainly due to the construction of an additional thickener amounting to R40.3 million at reporting date (total cost is expected to be approximately R88 million), feasibility studies and designs for Phase 2 amounting to R32.5 million and the installation of a copper elusion circuit amounting to R12 million.

During fiscal year 2020, capital expenditure was R181.1 million primarily consisting of expenditure incurred on sustaining capital expenditure on the Brakpan/Withok TSF, upgrade of CIL tanks and site establishment costs and authorisations for reclamation sites.

Critical accounting policies

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. By their nature, judgements are subject to an inherent degree of uncertainty. Accounting assumptions, estimates and judgements are reviewed on an ongoing basis. Revisions to reported amounts are recognized in the period in which the revision is made and in any future periods affected. Actual results may differ from these estimates.

Management has discussed the development and selection of each of these critical accounting policies with the Board of Directors and the Audit Committee, both of which have approved and reviewed the disclosure of these policies. This discussion and analysis should be read in conjunction with the consolidated financial statements and related notes included in Item 18. “Financial Statements”.

Critical accounting policies that require significant judgment

Management believes the following critical accounting policies require more significant judgements to be used in the preparation of our consolidated financial statements and could potentially impact our financial results and future financial performance:

- Payments made under protest: Judgement regarding the outcome of the matter, and
- Contingencies: Judgement regarding the outcome of the respective matters

Payments made under protest

The assessment to develop and apply the relevant accounting policy for payments made under protest that arise from the Municipality Electricity Tariff Dispute (refer Item 18. ‘‘Financial Statements - Note 24 Payments made under protest”) requires the exercise of significant judgement.

The judicial proceedings that impact the Payments made under protest are inherently complex legal issues that are subject to uncertainties and complexities and are subject to interpretation.

Contingencies

The assessment of the impact of contingent liabilities require the exercise of significant judgement regarding the outcome of uncertain future events. Litigation and other judicial proceedings inherently entail complex legal issues that are subject to uncertainties and complexities and are subject to interpretation.

Critical accounting policies that require significant assumptions and estimates

Management believes the following are critical accounting policies which involve the more significant assumptions and estimates used in the preparation of our consolidated financial statements, and are therefore considered DRDGOLD's critical accounting estimates which could potentially impact our financial results and future financial performance:

- Depreciation: Estimation of the life-of-mine
- Provision for environmental rehabilitation: Estimation of future environmental rehabilitation costs
- Income tax: Estimation of the deferred tax rate
- Payments made under protest: Estimation of the carrying value and recoverability
- Other investments: Estimation of the fair value of financial assets

Depreciation: Estimation of life-of-mine

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.

Provision for environmental rehabilitation: Estimation of future environmental rehabilitation costs

Provisions for environmental rehabilitation are provided at the present value of the costs expected to be incurred in the future to settle the obligation based on current prices. The unwinding of the obligation is included in profit or loss. Estimated future costs of environmental rehabilitation are reviewed regularly and adjusted as appropriate. Changes in estimates are capitalized or reversed against the related asset but taken to profit or loss if there is no related asset left. Gains or losses from the expected disposal of assets are not taken into account when determining the provision.

Estimates of future environmental rehabilitation costs are based on the Group's environmental management plans which are developed in accordance with regulatory requirements, the life-of-mine plan and the planned method of rehabilitation which is influenced by developments in trends and technology.

Income tax: Estimation of the deferred tax rate

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. 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 the 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.

Payments made under protest: Estimation of the carrying value and recoverability

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 (refer Item 18. ''Financial Statements - Note 24 Payments made under protest"), the discount rate applied and the assessment of recoverability.

Recognition and measurement

The asset that arises from the Ekhurhuleni electricity dispute (refer Item 18. ''Financial Statements - Note 24 Payments made under protest") and that are payments made under protest 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 the statement of 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 Ekurhuleni Metropolitan Municipality and events surrounding the outcome of the Main Application (refer Item 18. ''Financial Statements - Note 24 Payments made under protest"). Any write down is recognised in the statement of profit or loss.

Other investments: Estimation of the fair value of financial assets

The fair value of other investments are determined using assumptions about the future that are inherently uncertain and can change materially over time. It includes several assumptions that are based on both observable and unobservable inputs. Assumptions applied in the estimation of the fair value of the investment in Rand Refinery include the following:

Amounts in R million	**Observable/unobservable**	**Unit**	**2021**	**2020**
Rand Refinery operations				
Average gold price	Observable input	R/kg	847,317	852,098
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	Year	12	13
Cost of equity	Unobservable input	%	16.5	13.2

Marketability and minority discounts (both unobservable inputs) were also applied of 16.5% and 17.0% (2020: 16.5% and 17.0%) respectively. 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.

New standards, amendments to standards and interpretations

Refer to Item 18. ''Financial Statements - Note 3 – New standards, amendments to standards and interpretations'' for a discussion of relevant standards, amendments to standards and interpretations that may be applicable to the business of the Group and may have an impact on future consolidated financial statements.

Comparison of financial performance for the fiscal year ended June 30, 2021 with fiscal year ended June 30, 2020

Gold revenue

The following table illustrates the year-on-year change in gold revenue for fiscal year 2021 in comparison to fiscal year 2020:

R million	**Total gold revenue 2020**	**Impact of change in amount of gold sold**	**Impact of change in gold price**	**Net change**	**Total gold revenue 2021**
Ergo	3,060.5	221.3	658.0	879.3	3,939.9
FWGR	1,118.7	6.2	199.0	205.2	1,323.9
Consolidated	4,179.2	227.5	857.0	1,084.5	5,263.8

Gold revenue increased by R1,084.5 million, or 26%, to R5,263.8 million during fiscal year 2021. This was mainly due to the average rand gold price received which increased by 19% to R917,996 per kilogram as well as gold sold having increased by 5%. The increase is mainly due to Ergo's gold production which increased by 7%, a consequence of more stable production during fiscal 2021 compared to fiscal 2020 when production suffered from the impact of the Lockdown, subsequent cautious ramp-up and interruptions in power supply from Eskom and the City of Ekurhuleni.

Cost of sales

Cost of sales amounted to R3,388.2 million in fiscal year 2021, consisting mainly of operating costs of R3,122.5 million, depreciation of R252.5 million, movement in gold in process of R25.6 million and a positive movement in the change in estimate of environmental rehabilitation of R12.4 million. These are discussed as follows:

Operating costs

Operating costs increased by 16.0% to R3,122.5 million for fiscal year 2021 compared to R2,692.1 million for fiscal year 2020. The increase is mainly due to a 13% increase in Ergo's throughput to 23.0Mt compared to 20.2Mt in fiscal year 2020 and a 15% electricity tariff increase by power utility Eskom which came into effect in April 2021.

Depreciation

Depreciation charges were R252.5 million for fiscal year 2021 compared to R270.8 million for fiscal year 2020. Depreciation charges decreased as a result of an increase in the life of mine for both Ergo and FWGR.

Change in estimate of environmental rehabilitation

As of June 30, 2021, we estimate our total environmental rehabilitation provision, being the discounted estimate of future costs, to be R570.8 million as compared to R568.9 million at June 30, 2020. A change in estimate of environmental rehabilitation of R12.4 million was recognized due to changes in the estimated timing of the vegetation of reclamation sites, as well as an increase in contractor rates for the establishment of vegetation based on ongoing test work performed.

A total of R564.7 million was invested in our various environmental trust funds as at the end of fiscal year 2021, as compared to R542.2 million at the end of fiscal year 2020. The increase is attributable primarily due to R 22.5 million interest received on these funds during fiscal year 2021. A total of R87.5 million (2020: R83.8 million) is invested in funds held in insurance instruments to secure financial guarantees provided to the DMR through an insurance cell captive company, the Guardrisk Cell Captive. The increase is attributable to R3.7 million interest received on these funds during fiscal year 2021. As at June 30, 2021, guarantees amounting to R430.1 million were in issue to the DMR (2020: R427.3 million). The shortfall between the invested funds and the estimated provisions is expected to be financed by contributions to the Guardrisk Cell Captive from time to time as required over the remaining production life of the respective mining operations and, at the time of mine closure, the proceeds on the disposal of remaining assets and gold from plant clean-up.

Movements in gold in process

Movement in gold in process in fiscal year 2021 amounted to R25.6 million mainly due to a decrease in the lock up of gold in process at the plants and finished inventories - Gold Bullion.

Administration expenses and general costs

Administration expenses and general costs decreased by R245.9 million from R309.9 million in fiscal year 2020 to R64.0 million in fiscal year 2021. Administration expenses and general costs in fiscal year 2021 included a share-based payments benefit of R44.3 million (2021: share-based payments expense of R218.1 million). The share-based payment benefit in 2021 is mainly due to the remeasurement of the cash-settled share-based payment liability at a seven-day volume weighted average price (VWAP) of the DRDGOLD share from R25.14 at June 30, 2020 to R18.62 at November 5, 2020. This liability was fully settled on November 5, 2020.

Finance income

Finance income increased from R109.8 million in fiscal year 2020 to R216.2 million in fiscal year 2021, mainly due to a dividend received from Rand Refinery of R72.3 million (2020: nil) and an increase in interest income earned of R46.7 million mainly due to higher cash and cash equivalents balances during the year.

Finance expense

Finance expenses increased from R68.8 million in fiscal year 2020 to R69.5 million in fiscal year 2021, mainly attributable to the unrealized foreign exchange loss of R8.4 million in fiscal 2021 compared to nil in fiscal 2020. The unwinding of the provision for environmental rehabilitation decreased by R7.3 million as a result of a lower provision estimated as at June 30, 2020.

Income tax

Income tax amounted to a charge of R523.8 million for fiscal year 2021 (2020: charge of R343.9 million) and consisted of a current tax charge of R423.7 million (2020: charge of R263.2 million) and deferred tax charge of R100.0 million (2020: deferred tax charge of R80.7 million).

The current tax increased to R423.7 million in fiscal 2021 from R263.2 million in fiscal 2020 mostly due to an increase in the taxable mining income of both Ergo and FWGR resulting mainly from the increase in the Rand gold price received. The current tax expense was mitigated by the full redemption of capital expenditure incurred during the fiscal year 2021 and resulted in the deferred tax charge of R100.0 million.

The forecast weighted average deferred tax rate for both Ergo and FWGR remained unchanged in fiscal year 2021 at 25.0% and 30.0% respectively.

Non-IFRS Measures

Set forth below is a discussion of non-IFRS measures presented in this report, including a reconciliation of such measures from the nearest measure under IFRS, as well as an explanation as to why we believe that presentation of such information provides useful information to investors and additional purposes, if any, for which we use such measures.

Adjusted earnings before interest, tax, depreciation and amortization ("Adjusted EBITDA")

Set forth below is a presentation of our Adjusted EBITDA, which is a non-IFRS measure, including the items included in this measure and a reconciliation from profit for the year. Our calculation of Adjusted EBITDA is based on the calculation of this measure as included in our RCF agreement and may not be comparable to similarly titled measures of other companies. Adjusted EBITDA is not a measure of performance under IFRS and should be considered in addition to, and not as a substitute for, other measures of financial performance and liquidity. We consider Adjusted EBITDA for the purpose of evaluating compliance with the covenants imposed by the Company's borrowing agreements entered into during fiscal 2019. The Group considers the presentation of Adjusted EBITDA provides useful information to investors to enable investors to assess compliance with our covenants in the RCF agreement.

	Year ended, June 30	
Reconciliation of adjusted EBITDA	**2021**	2020
Profit for the year	**1,439.9**	635.0
Income tax	**523.7**	343.9
Profit before tax	**1,963.6**	978.9
Finance expense	**69.5**	68.8
Finance income	**(216.2)**	(109.8)
Results from operating activities	**1,816.9**	937.9
Depreciation	**252.5**	270.8
Share based payment (benefit)/expense	**(28.3)**	224.1
Change in estimate of environmental rehabilitation recognised in profit or loss	**(12.4)**	(21.9)
Gain on disposal of property, plant and equipment	**(0.1)**	(0.7)
IFRS 16 Lease payments [1]	**(15.8)**	-
Transaction costs	**3.1**	1.4
Adjusted earnings before interest, tax depreciation and amortisation ("Adjusted EBITDA") [2]	**2,015.9**	1,411.6

1 The amended RCF includes IFRS 16 lease payments in the calculation of the adjusted EBITDA.

2 See Glossary of Terms for definitions.

Cash operating costs, cash operating costs per kilogram, all-in sustaining costs and all-in costs per kilogram

Cash operating costs per kilogram, all-in sustaining costs per kilogram and all-in costs per kilogram are non-IFRS financial measures that should not be considered by investors in isolation or as alternatives to cost of sales, net profit/(loss) attributable to equity owners of the parent, profit/(loss) before tax and other items or any other measure of financial performance presented in accordance with IFRS or as an indicator of our performance. While the World Gold Council has provided guidance for the calculation of cash operating costs, cash operating costs per kilogram, all-in sustaining costs and all-in costs per kilogram, such measurements may vary significantly among gold mining companies, and these definitions by themselves do not necessarily provide a basis for comparison with other gold mining companies. However, we believe that these measures are useful indicators to investors and our management of an individual mine's performance and of the performance of our operations as a whole as they provide:

- an indication of a mine’s profitability and efficiency;
- the trend in costs;
- a measure of margin per kilogram, by comparison of the cash operating costs per kilogram to the price of gold; and
- a benchmark of performance to allow for comparison against other mines and mining companies.

For fiscal year 2021, consolidated cash operating costs per kilogram increased by 12% to R540,338 per kilogram from R482,417 per kilogram in fiscal year 2020. Consolidated all-in sustaining costs per kilogram increased by 16% to R626,247 per kilogram in fiscal year 2021 from R541,475 per kilogram in fiscal year 2020. Consolidated all-in costs per kilogram increased by 17% to R643,338 per kilogram of gold in fiscal 2021 from R551,646 per kilogram of gold in fiscal year 2020.

The increase in consolidated cash operating costs per kilogram, all-in sustaining costs per kilogram and all-in costs per kilogram was mainly due to an increased in cash operating costs, which is due to a 13% increase in Ergo's throughput to 23.0Mt in fiscal year 2021 compared to 20.2Mt in fiscal year 2020 and a 15% tariff increase by power utility Eskom which came into effect in April 2021. At FWGR, there was increased electricity usage due to fiscal 2021 being the first full year of milling.

The increase in sustaining capital expenditure during fiscal year 2021 contributed to the increase in all-in sustaining costs per kilogram. The increase in growth capital expenditure incurred during fiscal year 2021 similarly contributed to the increase in all-in costs per kilogram.

Reconciliation of cash operating costs, cash operating costs per kilogram, all-in sustaining costs, all-in sustaining costs per kilogram, all-in costs and all-in costs per kilogram

R millions	**2021**	2020
Cost of sales	**3,388.2**	2,937.9
Depreciation	**(252.5)**	(270.8)
Change in estimate of environmental rehabilitation	**12.4**	21.9
Movement in gold in process	**(25.6)**	3.1
Operating costs	**3,122.5**	2,692.1
Ongoing rehabilitation expenditure	**(48.3)**	(24.3)
Care and maintenance costs	**(3.9)**	(11.1)
Other operating income/(costs)[1]	**2.4**	(30.7)
Cash operating costs [2]	**3,072.7**	2,626.0
Movement in gold in process	**25.6**	(3.1)
Administration expenses and other costs excluding non-recurring items [2]	**109.7**	96.1
Other operating income/(costs)	**(2.4)**	30.7
Change in estimate of environmental rehabilitation	**(12.4)**	(21.9)
Unwinding of rehabilitation provision	**44.7**	52.0
Sustaining capital expenditure [2]	**353.0**	164.2
All-in sustaining costs [2]	**3,590.9**	2,944.0
Care and maintenance costs	**3.9**	11.1
Ongoing rehabilitation expenditure	**48.3**	24.3
Transaction costs	**3.1**	1.4
Growth capital expenditure [2]	**42.7**	18.5
All-in costs [2]	**3,688.9**	2,999.3
Gold produced (kilograms)	**5,723**	5,424
Cash operating costs per kilogram (R per kilogram)	**540,338**	482,417
All-in sustaining costs per kilogram (R per kilogram)	**626,247**	541,475
All-in costs per kilogram (R per kilogram)	**643,338**	551,646

Reconciliation of sustaining capital expenditure and growth capital expenditure

Additions - property, plant and equipment owned	**395.7**	182.7
Less		
Growth capital expenditure [2]	**42.7**	18.5
Sustaining capital expenditure [2]	**353.0**	164.2

[1] Decrease from 2020 to 2021 of other operating costs as a result of reduction in costs at the Company's training centre as a result of a change in structure of the centre

[2]See Glossary of Terms for definitions.

Cash operating costs

Cash operating costs are linked directly to the level of throughput of a specific fiscal year.

The following table illustrates the year-on-year change in cash operating costs for fiscal year 2021 in comparison with fiscal year 2020.

R million	Cash operating costs 2020	Impact of change in throughput	Impact of change in costs	Net change	Cash operating costs 2021
Ergo	2,274.0	306.2	86.3	392.5	2,666.5
FWGR	352.0	6.2	48.0	54.2	406.2
Total	2,626.0	312.4	134.3	446.7	3,072.7

Cash operating costs in fiscal year 2021 increase by R446.7 million to R3,072.7 million compared to cash operating costs of R2,626.0 million in fiscal year 2020.The increase is mainly due to a 13% increase in Ergo's throughput to 23.0Mt in fiscal year 2021 compared to 20.2Mt in fiscal year 2020 and a 15% tariff increase by power utility Eskom which came into effect in April 2021 and an increase in electricity usage at FWGR due to fiscal 2021 being the first full year of milling.

The following table lists the major components of cash operating costs for the Group for each operation and fiscal year set forth below respectively:

	Ergo			FWGR	
	Years ended			Year ended	
Costs	2021	2020	Costs	2021	2020
Consumables	28%	30%	Consumables	33%	31%
Labor	19%	22%	Labor	20%	22%
Electricity and water	18%	18%	Specialized service providers	9%	9%
Specialized service providers	16%	17%	Electricity and water	19%	12%
Machine hire	4%	4%	Machine hire	2%	2%
Security expenses	4%	3%	Security expenses	5%	4%
Other costs	11%	6%	Other costs	12%	20%

5B. LIQUIDITY AND CAPITAL RESOURCES

Cash flows from operating activities

Cash generated from operating activities amounted to R1,573.4 million for fiscal year 2021 (fiscal year 2020: R1,128.9 million).

Cash generated from operating activities increased during fiscal year 2021 mostly due to a 5% increase in gold sold and a 19% increase in the average rand gold price received to R917,996 per kilogram. In addition, interest received increased by R42.2 million to R105.9 million, mainly due to higher cash and cash equivalents balances during the year and the Group received dividends from Rand Refinery amounting to R72.3 million (2020: nil).

The increase in cash inflows was partially mitigated by a R212.0 million increase in current tax paid to R452.1 million and the net movement in working capital that amounted to a cash outflow of R194.9 million in fiscal year 2021.

Cash flows from investing activities

Net cash utilized by investing activities amounted to R446.6 million in fiscal year 2021 compared to R202.5 million in fiscal year 2020.

In fiscal year 2021, net cash utilized by investing activities consisted mainly of R395.7 million in additions to property, plant and equipment and R51.0 million spent on environmental rehabilitation payments. These outflows were reduced by R0.1 million proceeds on the disposal of property, plant and equipment.

In fiscal year 2020, net cash utilized by investing activities consisted mainly of R181.1 million in additions to property, plant and equipment and R22.1 million spent on environmental rehabilitation payments. These outflows were reduced by R0.7 million proceeds on the disposal of property, plant and equipment.

Cash flows from financing activities

Net cash outflow from financing activities was R653.5 million in fiscal year 2021 compared to net cash inflows of R509.2 million in fiscal year 2020.

During fiscal year 2021, the net cash outflow consisted mostly of dividends paid on ordinary shares amounting to R640.9 million.

During fiscal year 2020, the net cash inflow consisted mostly of proceeds received on the issue of ordinary shares to Sibanye-Stillwater amounting to R1,085.6 million offset by dividends paid on ordinary shares amounting to R564.5 million.

Cash and cash equivalents

Cash and cash equivalents as at June 30, 2021 amounted to R2,180.0 million compared to R1,715.1 million at the end of fiscal year 2020. Substantially all of our cash and cash equivalent balances were denominated in South African rand. Cash and cash equivalent denominated in foreign currency amounted to USD 3.4 million at June 30, 2021 compared to nil at the end of fiscal year 2020.

Cash and cash equivalents as at June 30, 2021 includes restricted cash related to guarantees of R10.4 million compared to R19.3 million at the end of fiscal year 2020.

At September 30, 2021, our cash and cash equivalents were R1,898.9 million.

Borrowings and funding

At June 30, 2021 and September 30, 2021, our external sources of capital included our RCF described in Item 10C. Material Contracts''.

In September 2020 the RCF was amended as described in Item 10C. "Material Contracts". The amendments include a reduction in the size of the facility from R300million to R200 million as well as removing any commitment towards the performance guarantee issued to Ekurhuleni Metropolitan Municipality. No amounts were drawn under this facility as of June 30, 2021 or September 30, 2021.

Anticipated funding requirements and sources

Our cash and cash equivalents are set out above under "Cash and cash equivalents". Our management believes that existing cash resources, net cash generated from operations and the availability of negotiated funding facilities will be sufficient to meet the anticipated commitments of our existing operations for fiscal year 2022. As a result of the significant increase in the gold price, at September 30, 2021 the Group has a cash and cash equivalents balance of R1,898.9 million. In addition, the Group has an undrawn R200 million RCF available as additional backstop liquidity. Liquidity has been enhanced by the continued high rand gold price levels.

5C. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES, ETC.

DRDGOLD has a dedicated team that looks at ways and means of improving recoveries. While the team remains active with an ongoing focus on improving extraction efficiencies, the projects undertaken during the year ended June 30, 2021 were focused on optimizing the existing facilities rather than implementing new technologies to improve extraction efficiencies. We have no registered patents or licenses.

5D. TREND INFORMATION

In response to the COVID-19 pandemic and measures taken to address the outbreak, investors globally, as they have in so many previous times of crisis, turned to gold and gold stocks as a safe haven asset, leading to a surge in the average gold price during fiscal 2020 and 2021. The rand/dollar exchange rate remained volatile throughout the year mainly as a result of economic uncertainty and perceived political instability, global market slowdown sentiment, tensions between the USA and China, low economic growth, and a seemingly terminally distressed Eskom.

Any sustained decline in the market price of gold from the current elevated gold price levels would adversely affect us, and any decline in the price of gold below the cost of production could result in the closure of some or all of our operations which would result in significant costs and expenditure, such as, incurring retrenchment costs earlier than expected which could lead to a decline in profits, or losses. In addition, as most of our production costs are in rands, while gold is sold in dollars and then converted to rands, our results of operation and financial condition have been and could be in the future materially affected by an appreciation in the value of the rand. Accordingly, any sustained decline in the dollar price of gold and/or the strengthening of the South African rand against the dollar would negatively and adversely affect our business, operating results and financial condition.

For the fiscal year 2022, we are planning Group gold production of 160,000 (4 977kg) to 180,000 (5 599kg) ounces at cash operating unit cost of approximately R600,000 per kilogram and expect a capital investment of approximately R600 million.

Reconciliation of budgeted cost of sales to budgeted cash operating costs (R'million)

Cost of sales	**3,502.9**
Reconciling items [1]	(327.5)
Cash operating costs [2]	**3,175.4**

[1]Includes expected depreciation of R270.6 million, ongoing environmental expenses of R49.7 million, care and maintenance expenses of R6.7 million and other operating expenses of R0.5 million
[2] See glossary of terms for definition
Rounding of figures may result in computational discrepancies

Our ability to meet the full year's production target could be impacted by COVID-19 in a number of ways, including potential further national lockdowns, stoppages in production due to outbreaks of infections in our workforce and interruptions to our supply chain. It could also be impacted by lower grades, failure to achieve the throughput targets set at Ergo and FWGR, power interruptions and other risks (refer Item 3D. Risk Factors—Risks related to our business and operations and "–Forward Looking Statements"). We are also subject to cost pressures in the event of above inflation increases in labor, electricity and water; crude oil and steel costs. Unforeseen changes in ore grades and recoveries, unexpected changes in the quality or quantity of reserves and resource, technical production issues, environmental and industrial accidents, gold theft, environmental factors and pollution could adversely impact the production, sales and cash operating costs for fiscal year 2022 and cause us to fail to meet our targets for the year.

Refer to Item 5A.: "Key drivers of our operating results and principal factors affecting our operating results" for a discussion of the trends in the US Dollar gold price as well as exchange rates impacting our business.

Set forth below is our summary results for the first quarter of fiscal 2022. This information has not been audited.

Operating results for the quarter ended September 30, 2021

		Quarter ended Sep 30, 2021	Quarter ended Jun 30, 2021	% change
Production				
Gold produced	kg	1,449	1,357	7%
	oz	46,587	43,629	7%
Gold sold	kg	1,428	1,365	5%
	oz	45,912	43,886	5%
Ore milled	Metric (000't)	7,421	7,506	-1%
Yield	Metric (g/t)	0.195	0.181	8%

Reconciliation of adjusted EBITDA

Profit for the period	**217.3**	240.7
Income tax	87.8	67.6
Profit before tax	**305.1**	308.3
Finance expense	12.6	24.7
Finance income	(35.0)	(78.8)
Results from operating activities	**282.7**	254.2
Depreciation	68.8	62.9
Share based payment (benefit)/expense	4.2	4.7
Change in estimate of environmental	-	(12.4)
Gain on disposal of property, plant and	-	-
IFRS 16 Lease payments [1]	(5.2)	(7.9)
Transaction costs	0.3	1.6
Adjusted EBITDA [1,2*]	**350.8**	303.1

[1] The amended RCF includes IFRS 16 lease

[2] See Glossary of Terms for definitions.

** The adjusted EBITDA may not be comparable to similarly titled measures of other companies. Adjusted EBITDA is not a measure of performance under IFRS and should be considered in addition to, and not as substitute for other measures of financial performance and liquidity*

Reconciliation of cash operating costs, cash operating costs per kilogram, all-in sustaining costs, all-in sustaining costs per kilogram, all-in costs and all-in costs per kilogram (R'millions)

Cost of sales	**892.6**	**851.7**
Depreciation	(68.8)	(62.9)
Change in estimate of environmental	-	12.4
Movement in gold in process	37.9	(0.5)
Operating costs	**861.7**	**800.7**
Ongoing rehabilitation expenditure	(9.6)	(7.5)
Care and maintenance costs	(2.2)	1.6
Other operating income/(costs)	(3.3)	18.3
Cash operating costs [1]	**846.6**	**813.1**
Movement in gold in process	(37.9)	0.5
Administration expenses and other costs excluding non-recurring items [1]	27.5	16.3
Other operating costs	3.3	(18.3)
Change in estimate of environmental	-	(12.4)
Unwinding of rehabilitation provision	12.2	8.6
Sustaining capital expenditure [1]	74.8	106.7
All-in sustaining costs [1]	**926.5**	**914.5**
Care and maintenance costs	2.2	(1.6)
Ongoing rehabilitation expenditure	9.6	7.5
Transaction costs	0.3	1.6
Growth capital expenditure [1]	13.9	9.1
All-in costs [1]	**952.5**	**931.3**

	Quarter ended	Quarter ended

		September 30,	June 30, 2021	% change
Price and costs				
Average gold price received	R per kg	839,983	821,647	2%
	US$ per oz	1,786	1,810	-1%
Cash operating costs	R/t	114	108	6%
	US$/t	8	8	-
Cash operating costs	R per kg	566,317	595,824	-5%
	US$ per oz	1,204	1,312	-8%
All-in sustaining costs **	R per kg	648,880	669,744	-3%
	US$ per oz	1,380	1,475	-6%
All-in cost **	R per kg	667,157	681,905	-2%
	US$ per oz	1,419	1,550	-8%
Capital expenditure				
Sustaining	Rm	74.8	106.7	-30%
	US$m	5.1	7.6	-33%
Non-sustaining/growth	Rm	13.9	9.1	53%
	US$m	1	0.6	67%
Average R/US$ exchange rate		14.63	14.12	4%
Reconciliation of sustaining capital				
Additions - property, plant and equipment		88.7	115.8	
Less				
Growth capital expenditure [1]		74.8	106.7	
Sustaining capital expenditure [1]		13.9	9.1	

[1] See Glossary of Terms for definitions.

Rounding of figures may result in computational discrepancies

*** All-in cost definitions based on the guidance note on non-GAAP Metrics issued by the World Gold Council on 27 June 2013.*

Gold production increased by 7% from the previous quarter to 1,449kg primarily due to a 8% increase in yield. Gold sold increased by 5% to 1,428kg.

Although increases in electricity and labour costs with effect from July 2021 resulted in higher cash operating costs, the increase in the number of gold units produced and sold resulted in a 5% decrease in cash operating costs per kilogram to R566,317/kg. The cash operating cost per ton of material processed increased by 6% to R114/t.

All-in sustaining costs per kilogram and all-in costs per kilogram were R648,810/kg and R667,017/kg, respectively, decreasing quarter on quarter mainly due to a decrease in sustaining capital expenditure.

Adjusted EBITDA increased by 16% from the previous quarter to R350.8 million primarily due to a 5% increase in gold sold and a 2% increase in the average Rand gold price received of R839,983/kg.

Payment of the final dividend declared for the fiscal year ended June 30, 2021 of R345.2 million and negative working capital changes of R173.5 million at September 30, 2021 reduced cash and cash equivalents by R276.8 million to R1,903.2 million at September 30, 2021 (June 30, 2021: R2, 180 million). External borrowings remained at Rnil as at September 30, 2021 (June 30, 2021: Rnil).

The cash generated during the current quarter will, *inter alia*, be applied towards the Company's extended capital expenditure programme for the fiscal year ending June 30, 2022. Despite the capital expenditure planned for the fiscal year, the Company remains in a favourable position to, in the absence of unforeseen events, consider declaring an interim cash dividend in February 2022.

5E. OFF-BALANCE SHEET ARRANGEMENTS

The Company does not engage in off-balance sheet financing activities, and does not have any off-balance sheet debt obligations, unconsolidated special purposes entities or unconsolidated affiliates.

5F. TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

		Estimated and actual payments due by period			
	Total	Less than 1 year	Between 1-3 years	Between 3-5 years	More than 5 years
	R m	R m	R m	R m	R m
Provision for environmental rehabilitation [2]	570.8	53.0	134.9	91.7	291.2
Lease liabilities	54.8	16.9	26.9	10.0	1.0
Trade and other payables	509.8	509.8	-	-	-
Purchase obligations – contracted capital expenditure [1]	65.5	65.5	-	-	-
Other contractual obligations	1.4	1.4	-	-	-
Total contractual and cash obligations	**1,202.3**	**646.6**	**161.8**	**101.7**	**292.2**

[1] Represents planned capital expenditure for which contractual obligations exist.
[2] Gold mining companies are subject to extensive environmental regulations in the various jurisdictions in which they operate. These regulations establish certain conditions on the conduct of our operations. Pursuant to environmental regulations, we are also obliged to close our operations and reclaim and rehabilitate the lands upon which we have conducted our mining and gold recovery operations. The estimated closure costs at existing operating mines and mines in various stages of closure are reflected in this table. For more information on environmental rehabilitation obligations, see Item 4D. "Property, Plant and Equipment" and Note 11 - "Provision for environmental rehabilitation" under Item 18. "Financial Statements".

5G. SAFE HARBOR

See 'Special Note Regarding Forward-Looking Statements".

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

6A. DIRECTORS AND SENIOR MANAGEMENT

Directors and Executive Officers

Our board of directors may consist of not less than four and not more than twenty directors. As at June 30, 2021, our board consisted of ten directors.

In accordance with JSE listing requirements and our Memorandum of Incorporation, or MOI, one third of the directors comprising the board of directors, on a rotating basis, are subject to re-election at each annual general shareholders' meeting. Additionally, all directors are subject to election at the first annual general meeting following their appointment. Retiring directors normally make themselves available for re-election.

Mr Geoffrey Campbell's tenure as a director and chairman of the board of directors of the Company will come to an end with effect from December 1, 2021. Mr Timothy Cumming, a non-executive director of the Company, will replace Mr Campbell as chairman of the Board and the nominations committee with effect from December 1, 2021 subject to shareholder approval at the Annual General Meeting to be held on November 29, 2021. In order to ensure good corporate governance in accordance with the recommendations of the King IV Report on Corporate Governance for South Africa 2016, Mr Edmund Jeneker will remain as the lead independent director of the Company.

Mrs Toko Mnyango, an independent non-executive director of the Company, has been appointed as a member of the nominations committee with effect from August 19, 2021

The address of each of our Executive Directors and non-executive directors is the address of our principal executive offices.

Executive Directors

Daniël (Niel) Johannes Pretorius (54) Chief Executive Officer. Niël Pretorius has two decades of experience in the mining industry. He was appointed Chief Executive Officer designate of DRDGOLD on August 21, 2008 and Chief Executive Officer on January 1, 2009. Having joined the company on May 1, 2003 as legal advisor, he was promoted to Group Legal Counsel on September 1, 2004 and General Manager: Corporate Services on April 1, 2005. Niël was appointed Chief Executive Officer of Ergo Mining Operations Proprietary Limited (formerly DRDGOLD SA) on July 1, 2006 and became Managing Director thereof on April 1, 2008.

Adriaan (Riaan) Jacobus Davel (45) Chief Financial Officer. Riaan Davel joined DRDGOLD in January 2015. Before joining

DRDGOLD, he gained 17 years' experience in the professional services industry, the majority obtained in the mining industry in Africa. As part of gaining that experience, Riaan provided assurance and advisory services, including support and training on IFRS to clients and teams across the African continent. He has spent seven years at KPMG as an audit partner, performing, *inter alia*, audits of listed companies in the mining industry, including SEC registrants. Riaan has also gained experience as an IFRS technical partner and represented the South African Institute of Chartered Accountants on the International Accounting Standards Board's project on extractive activities from 2003 to 2010. Riaan has served on committees that compile/update the South African codes for reporting and valuation of mineral reserves and resources. Riaan is a member of the Social & Ethics Committee of DRDGOLD.

Non-Executive Directors

Geoffrey Charles Campbell (60). Geoffrey Campbell was appointed a Non-executive Director in 2002, a senior independent non-executive director in December 2003 and Non-executive Chairman in October 2005. A qualified geologist, he has worked on gold mines in Wales and Canada. He spent 15 years as a stockbroker before becoming a fund manager, managing the Merrill Lynch Investment Managers Gold and General Fund, one of the largest gold mining investment funds. He was also research director for Merrill Lynch Investment Managers. Geoffrey is a director of Oxford Abstracts Limited. Geoffrey chairs the Nominations Committee of DRDGOLD.

Edmund Abel Jeneker (59). Edmund Jeneker was appointed Non-executive Director in November 2007 and Lead Independent Non-executive Director in August 2017. He has more than 30 years' experience as an executive in banking, business strategy, advisory and management at Grant Thornton South Africa Proprietary Limited, Swiss Re Corporate Solutions Advisors South Africa Proprietary Limited, the World Bank Competitiveness Fund and Deloitte South Africa. He spent over 13 years at Absa Bank and Barclays Africa, where he was Managing Executive and served as director on the boards of several subsidiary companies in the ABSA Bank Group. Edmund is active in community social upliftment and served as a member of the Provincial Development Commission of the Western Cape Provincial Government. He currently serves on the National Social Ethics Forum of the Institute of Directors, Chairman of the BADISA Investment Committee and serves on the board of the Cape Town Philharmonic Orchestra. He is a Chartered Director (SA) with a focus on Board Development and Strategy, Climate Change and ESG. Edmund chairs the Social & Ethics Committee and is a member of the Remuneration Committee and the Nominations Committee of DRDGOLD.

Johan Andries Holtzhausen (75). Johan Holtzhausen holds a B.Sc. (Geology and Chemistry) from the University of Stellenbosch and a B. Compt. (Hons) from the University of South Africa. He has been a Chartered Accountant (South Africa) since 1975. He was appointed independent Non-executive Director in on April 25, 2014. He has more than 42 years' experience in the accounting profession, having served as a senior partner at KPMG Services Proprietary Limited, and held the highest Generally Accepted Accounting Principles (United States), Generally Accepted Auditing Standards and Sarbanes-Oxley Act accreditation required to service clients listed on stock exchanges in the United States. His clients included major corporations listed in South Africa, Canada, the United Kingdom, Australia and the United States. Johan currently serves as a voluntary independent director and chairman of the Audit and Risk Committee of the Tourism Enterprise Partnership. He also chairs the Audit and Risk Committee of Tshipi é Ntle Manganese Mining Proprietary Limited. He is a Non-executive Director of Caledonia Mining Corporation Plc, a Canadian corporation listed in the United States and the United Kingdom. Johan chairs the Audit Committee and is a member of the Remuneration Committee and the Nominations Committee of DRDGOLD.

Jean Johannes Nel (49). Jean Nel was appointed as an independent Non-executive Director on November 30, 2018. He qualified as a CA(SA) in 1998 obtained the CFA (AIMR) qualification. Mr. Nel has 20 years of mining finance and mining executive and operational management experience. He was appointed to the Aquarius Platinum Board in April 2012 and became CEO of the Group in November 2012, a position he held until Aquarius Platinum was acquired by Sibanye- Stillwater in April 2016. From April 2016 to January 2017 he was the CEO of the Platinum division of Sibanye Stillwater. He is currently a non-executive director of Mimosa Investments which owns the Mimosa platinum mine in Zimbabwe and Northam Platinum. Jean chairs the Remuneration Committee and is a member of the Audit Committee and the Risk Committee of DRDGOLD.

Toko Victoria Buyiswa Nomalanga Mnyango (56). Toko Mnyango was appointed independent Non-executive Director on December 1, 2016. Toko began her career as a prosecutor for the KaNgwane homeland, before becoming a legal advisor for the Eastern Cape Development Corporation. She has held directorships on company boards including Gijima, EOH Mthombo Proprietary Limited, AllPay Eastern Cape Proprietary Limited, a subsidiary of ABSA Limited, and the Ryk Neethling Foundation. She currently holds the position of CEO of Vitom Technologies Proprietary Limited and Vitom Brands Communication Proprietary Limited. Toko is a member of the Remuneration Committee, Nominations Committee, and the Social & Ethics Committee of DRDGOLD.

Kuby Prudence Lebina (40). Prudence Lebina was appointed as independent non-executive director on 03 May 2019. She qualified as a chartered accountant in December 2005 after serving her articles at PricewaterhouseCoopers Incorporated. A member of the South African Institute of Chartered Accountants, with extensive experience in corporate finance, financial management, investor relations and the mining industry, she is currently Chief Executive Officer of TriAlpha Investment Management and Non-executive director of Growthpoint Properties Limited and lemas Financial Services Co-operative Limited. Prudence chairs the Risk Committee and is a member of the Nominations Committee and the Audit Committee of DRDGOLD.

Timothy John Cumming (63) holds a B.Sc (Hons) in Civil Engineering from the University of Cape Town and an MA in Philosophy, Politics and Economics from Oxford University. His career spans mining, financial services and consulting. He is the founder of Scatterlinks Proprietary Limited, a South African-based company providing leadership development and advisory services to senior business executives. He is also an independent non-executive director of Sibanye-Stillwater Limited and Nedgroup Investments Limited and serves as non-executive Chairman of Riscura Holdings Limited. Timothy started out as an engineer at the Anglo American Corporation of South Africa Limited working on a number of gold and diamond mines including involvement in the geo-technical design of the Ergo tailings dam. Thereafter he held senior roles in financial services including General Manager at Allan Gray Limited, Head of Investment Research at HSBC Securities (SA), CEO of Old

Mutual Asset Managers and MD of various divisions within the Old Mutual Group. Other involvements include Chairmanship of the Mandela Rhodes Foundation's Investment Committee and the Woodside Endowment Trust and membership of the Greenpop advisory board (a social enterprise committed to restoring ecosystems and sustainable development). Timothy is a member of the Risk Committee, Remuneration Commmittee, and Nominations Committee of DRDGOLD.

Charmel Diane Flemming (38) holds a B.Acc (Hons) from the University of the Free State and is a qualified Chartered Accountant (South Africa) with 10 years´ post articles experience primarily within the mining space. She started her career as a trainee accountant at KPMG South Africa and held various positions within the De Beers Group over a period of 11 years. She also served as a trustee on the boards of both the De Beers Benefit Society Medical Aid and De Beers Pension Fund from 2014 to 2018. Charmel is the founder and chief executive officer of F Twelve and is also a non-executive director at Acorn Agri & Food Limited and at ATKV. Charmel is a member of the Risk Committee, Audit Committee and Social & Ethics Committee of DRDGOLD.

Senior Management and Prescribed Officers

Wilhelm Jacobus Schoeman (47) (Dip Analytical Chemistry, BTech Analytical Chemistry). Jaco Schoeman joined DRDGOLD in 2011 as Executive Officer: Business Development to focus on expanding the Group's surface retreatment business and extracting maximum value from existing resources. In July 2014, he was appointed Operations Director: Ergo Mining Operations Proprietary Limited.

Henry Gouws (52) (National Higher Diploma (Extraction Metallurgy), MDP) Managing Director: Ergo. Henry Gouws has more than 30 years' experience in the mining industry. He graduated from Technikon Witwatersrand and obtained a National Diploma in Extraction Metallurgy in 1990 and a National Higher Diploma in Extraction Metallurgy in 1991. He completed a Management Development Program in 2003 through Unisa School of Business Leadership and an Executive Development Programme in 2012 through the University of Stellenbosch Business School. He was appointed Operations Manager of Crown in January 2006 and General Manager in July 2006. He was appointed to his current position in October 1, 2011.

Mark Burrell (59) (BCom Accounting, MDP) Financial Director: Ergo. Mark Burrell holds a B.Comm Accounting degree, has completed a Management Development Programme (MDP) and has more than 20 years' experience in the mining sector. He joined DRDGOLD in 2004 on a consulting basis and later that year, was appointed as Financial Manager of the Blyvooruitzicht operation. He was appointed as Financial Director of Ergo in January 2012. Mark serves as a director on the Board of Rand Refinery Proprietary Limited.

Kevin Kruger (53) (BscEng (Mechanical Engineering), MDP, PMD, Government Certificate of Competency (Mines)). Kevin has more than 30 years' experience in the mining industry in Africa. He joined the mining industry in January 1987 as second year engineering student. Kevin graduated from the University of the Witwatersrand at the end of 1989 obtaining his BSc (Mechanical Engineering) and his government certificate of Competency (mines) during 1993. Kevin was appointed as junior engineer in December 1989, section engineer - March 1994 and engineer in September 1994. He was appointed engineering manager 2003, general manager – technical services 2004 and managing director Chizimgold 2010. On 01 October 2013 he was appointed as technical director at Ergo where he was responsible for the environmental, health and safety, mineral resources and engineering portfolios. On 1 August 2018, Kevin was appointed Managing Director of FWGR.

Henriette Hooijer (41) (BCom (Hons), CA(SA)). Henriette Hooijer is the Financial Director of FWGR. She joined DRDGOLD in May 2016 and was appointed as Financial Director of FWGR in August 2018. Before joining DRDGOLD, she spent 11 years' in the professional services industry at KPMG, performing, inter alia, audits of listed companies in the mining industry, including SEC registrants.

Elise Beukes (44) (BProc). Elise Beukes was appointed as Company Secretary of DRDGOLD with effect from October 01, 2019. She has broad governance experience in all aspects of commercial law, having spent several years in both litigation and commercial practice as an admitted attorney and four years as corporate legal counsel. She has dealt extensively with broad-based black economic empowerment structures, employee ownership schemes, enterprise development and share incentive schemes involving complex company restructuring for both multi-nationals and large local entities. She has extensive knowledge on the new Companies Act and has particular interests in company secretarial and corporate governance matters.

There are no family relationships between any of our non-executive directors, executive directors or members of the group executive and senior management. There are no arrangements or understandings between any of our directors or executive officers and any other person by which any of our directors or executive officers has been so elected or appointed. Furthermore, none of the non-executive directors, executive directors, group executive and senior management members or other key management personnel are elected or appointed under any undertaking by, arrangement or understanding with any major shareholder, customer, supplier or otherwise.

6B. COMPENSATION

Our MOI provide that the directors' fees should be determined from time to time in a general meeting or by a quorum of Non-Executive Directors. The total amount of directors' remuneration paid and or accrued for the year ended June 30, 2021 was R62.6 million.

Non-Executive Directors received the following fees for fiscal year 2021:

- Base fee as Non-Executive Chairman of R1,388,518 per annum up to December 1, 2020 and R1,457,944 thereafter;
- Base fee as Lead Independent Non-Executive Director of R640,261 per annum up to December 1, 2020 and R672,274 thereafter;
- Base fee as Non-Executive Directors of R617,119 per annum up to December 1, 2020 and R647,975 thereafter;
- Annual fee for Audit Committee Chairman of R30,856 (excluding fee received as a committee member) up to December 1, 2020 and R32,399 thereafter;
- Annual fee for Audit Committee member of R30,856 up to December 1, 2020 and R32,399 thereafter;
- Annual fee for the chairman of Remuneration Committee, Nominations Committee and Social and Ethics Committee of R23,142 (excluding fee received as a committee member) up to December 1, 2020 and R24,299 thereafter;
- Annual fee for members of Remuneration Committee and Social and Ethics Committee of R23,142 each up to December 1, 2020 and R24,299 thereafter;
- Daily fee of R23,142 up to December 1, 2020 and R24,299 thereafter;
- Hourly rate of R3,086 up to December 1, 2020 and R3,240 thereafter;
- Half-day fee for participating by telephone in special board meetings of R11,571 up to December 1, 2020 and R12,150 thereafter; and
- The Chairman of the board, Lead Independent Non-Executive Director and other Non-Executive Directors to receive committee fees.

The following table sets forth the compensation for our directors and prescribed officers for the year ended June 30, 2021.

The disclosure detailed in this table is consistent with the disclosure requirements of the Companies Act, 2008 (Act 71 of 2008) and the JSE Listings Requirements.

	Total remuneration recognised during the year	Short-Term Incentives recognised related to this cycle	Discretionary Short-Term Incentives recognised related to this cycle (1)	Long-term Incentives paid during this cycle	Total remuneration related to this cycle
Directors / Prescribed Officer	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
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**
Non-executive directors					
G C Campbell	**1,545**	**-**	**-**	**-**	**1,545**
E A Jeneker	**794**	**-**	**-**	**-**	**794**
J Holtzhausen	**712**	**-**	**-**	**-**	**712**
T B V N Mnyango	**724**	**-**	**-**	**-**	**724**
J J Nel	**756**	**-**	**-**	**-**	**756**
K P Lebina	**769**	**-**	**-**	**-**	**769**
T J Cumming	**681**	**-**	**-**	**-**	**681**
C D Flemming	**674**	**-**	**-**	**-**	**674**
	6,655	**-**	**-**	**-**	**6,655**
Prescribed officers (2)					
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	**23,231**	**16,001**	**3,678**	**45,927**	**88,837**

(1) Awarded after 30 June 2021

(2) The Companies Act, 2008 (Act 71 of 2008), under section 30, requires the remuneration of prescribed officers, as defined in regulation 38 of Company Regulations 2008, to be disclosed with that of directors of the company. A person is a prescribed officer if they have general executive authority over the company, general responsibility for the financial management or management of legal affairs, general managerial authority over the operations of the company or directly or indirectly exercise or significantly influence the exercise of control over the general management and administration of the whole or a significant portion of the business and activities of the company.

Also see Item 6E. Share Ownership for details of share options held by directors.

Compensation of key management

Refer to Item 18. ‘‘Financial Statements – Note 19.2 – Related party transactions’’ for the total compensation paid to key management (including executive and non-executive directors as well as prescribed officers).

The Group applies a pool-based Short-Term Incentive scheme, based on modified free cash flow, because it drives a strong teamwork culture with all participants working primarily towards a single goal, maximising free cash flow which is an easy measure to understand. Salient features of the short-term incentive scheme are as follows:

• Participants include the executive directors, prescribed officers and senior management.

• The pool is calculated as 15% of the Free Cash Flow with 90% of the pool accruing to employees achieving a satisfactory performance rating;

• 10% of the pool is available for allocation at the discretion of the remuneration committee as recommended by the executive committee which provides the ability to recognise exceptional discretionary effort;

• A production modifier that can modify the pool upwards as well as downwards based on gold produced measured against budget;

• A safety and a fatality modifier, both supporting the Company’s strong commitment to its strategy of a renewed focus on employee safety, development, values and wellbeing; and

• The individual performance moderator model has been expanded to include employee performance ratings between 2 and 3 to participants in the STI scheme on a broader sliding scale set out below:

Individual performance rating	Individual performance modifier
< 2	(100%)
2 to 2.24	(80%)
2.25 to 2.49	(60%)
2.5 to 2.74	(40%)
2.75 to 2.99	(20%)
>= 3	0%

Performance measures

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

• Adjusted FCF is defined for the performance measure as cash generated from operations, less capital expenditure (“**Capex**”), and tax. In the budgeting process, if the Group believes that any Capex, Investment or other item/s should be excluded or amortised or treated in any different way for determining Adjusted FCF at the end of the year, they may make representations to the Remuneration Committee on the treatment of such item/s for the purposes of calculating Adjusted FCF for purposes of the STI pool. Remco has absolute discretion in approving the treatment of such items;

• The STI Pool is modified as per the Tables below;

Modifiers of the incentive pool

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

The Group performance measures set out by the Remuneration Committee and the weightings for FY2021 are as follows:

Strategic Initiatives Modifiers

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

Fatality Modifier

• Up to 25% per fatality, depending on the degree of culpability of the company, as assessed by the Remuneration Committee.

• If the fatality/ies is/are as a result of a breakdown in or disregard for a safety culture, the STI Pool can be modified by up to 100% at the Remuneration Committee’s discretion.

Production Modifier

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

Gold (Kg) Produced: % of Budget	STI Pool Adjustment
< 93%	-10%
93% to < 97%	-5%
97% to < 103%	0%
103% to < 107%	+5%

≥ 107%	+10%

Distribution of the Incentive pool
The STI pool, after any moderation, will be distributed as follows:
• 90% formulaically, pro-rata to each individual's "% of STI Pool" taking *inter alia* the following factors into account:
- All-inclusive package of the individual for the financial year;
- Market-related STI quanta applicable to the Category;
- The level of accountability and responsibility of the role of the individual.

• 10% on a discretionary basis allocated by the Executive Committee after recommendations from line management. The Remuneration Committee will approve any allocations from the 10% discretionary pool to Executive Committee members.

Distributions are moderated for individual performance as follows:

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

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

Further considerations for the CEO and CFO
For the CEO and CFO ("executive directors") the formulaically calculated STI amounts will be reviewed by the Remuneration Committee, who has absolute discretion to further modify the STI amounts, upwards or downwards:
• If compelling, exceptional and objective circumstances warrant such application of discretion; and
• To ensure that the STI amounts awarded are balanced and equitable.

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

Deferred Bonus Shares will vest / be released to the Executive Directors as follows:
• 50% after 9 months;
• 50% after 18 months.

The following provisions apply to the deferred bonus shares:
• The Executive Director needs to be in active service and not under notice of resignation on the vesting dates in order to be eligible to receive the deferred bonus shares and any dividends accrued thereon; and
• The deferred bonus shares carry voting and dividend rights; however, the dividends will accrue and will only be paid out upon the vesting / release of the shares to which the dividends relate.

Service Agreements

Service contracts negotiated with each executive and non-executive director incorporate their terms and conditions of employment and are approved by our Remuneration Committee.

The Company's current executive directors, Mr. D.J. Pretorius and Mr. A.J. Davel, entered into agreements of employment with us, on January 1, 2009 and January 1, 2015, respectively. These agreements regulated the employment relationship with Messrs. D.J. Pretorius and A.J. Davel during the year ended June 30, 2021.

On July 1, 2019 Mr. D.J. Pretorius entered into a new agreement of employment for a period of 3 years and thereafter it continues indefinitely until terminated by either party on not less than three months' written notice. Under the employment agreement effective up to June 30, 2022 Mr. D.J. Pretorius receives from us a guaranteed remuneration package of R6.2 million per annum. Mr. D.J. Pretorius was eligible under his employment agreement, for an incentive bonus of up to 100% of his annual remuneration package in respect of one bonus cycle per annum over the duration of his appointment, on the condition that DRDGOLD achieves certain key performance indicators. In addition, he is eligible to participate in the cash-settled long-term incentive scheme (awarded 2,323,009 phantom shares in November 2015) and the equity-settled long-term incentive scheme (awarded 1,069,321 conditional shares in December 2019 and 332,497 conditional shares in October 2020).

Mr. A.J. Davel entered into a new employment agreement effective from July 1, 2019 for a period of 3 years and thereafter it continues indefinitely until terminated by either party on not less than three months' prior written notice. Mr. A.J. Davel receives from us a guaranteed remuneration package of R3.4 million per annum. Mr. A.J. Davel is eligible under his employment agreement, for a short term incentive of up to 100% of his annual remuneration package in respect of one bonus cycle per annum over the duration of his appointment, on the condition that DRDGOLD achieves certain key performance indicators. In addition, he is eligible to participate in the cash-settled long-term incentive scheme (awarded 1,305,033 phantom shares in November 2015) and the equity-settled long-term incentive scheme (awarded 517,522 conditional shares in December 2019 and 160,919 conditional shares in October 2020)

Messrs. G.C. Campbell and E.A. Jeneker each have service agreements which run for fixed periods until October 31, 2021. Mr. J.A Holtzhausen has a service agreement which runs for a fixed period until April 25, 2022. Mrs. TVBN Mnyango has a service agreement which runs until March 31, 2023. Mr. J Nel entered into a service agreement which runs for a fixed period until March 31, 2022, and Ms. K.P Lebina entered into a service agreement which runs until May 02, 2023. Mr. T J Cumming and Ms Charmel Diane Flemming entered into a service agreement which runs for a fixed period until July 31, 2022. After expiration of the initial two-year periods, the agreements continue indefinitely until terminated by either party on not less than three months' prior written notice.

The Company does not administer any pension, retirement or other similar scheme in which the directors receive a benefit.

Each service agreement with our directors provides for the provision of benefits to the director where the agreement is terminated by us in the case of our executive officers, except where terminated as a result of certain action on the part of the director, upon the director reaching a certain age, or by the director upon the occurrence of a change of control. A termination of a director's employment upon the occurrence of a change of control is referred to as an "eligible termination." Upon an eligible termination, the director is entitled to receive a payment equal to at least one year's salary or fees, but not more than three years' salary for Executive Directors or two years' fees for Non-Executive Directors, depending on the period of time that the director has been employed.

6C. BOARD PRACTICES

Board of Directors

As at June 30, 2021 and as at September 30, 2021, the board of directors comprises two Executive Directors (Mr. D.J. Pretorius and Mr. A.J. Davel), and eight Non-Executive Directors (Messrs. G.C. Campbell, J.J. Nel, E.A. Jeneker, J.A. Holtzhausen, T.J. Cumming and Mmes. K.P. Lebina, T.V.B.N. Mnyango, C.D. Flemming). The Non-Executive Directors are independent under the New York Stock Exchange, or NYSE, requirements (as affirmatively determined by the Board of Directors) and the South African King IV Report except Mr. T Cumming who also serves as an independent non-executive director of Sibanye-Stillwater Limited, DRDGOLD's controlling shareholder.

In accordance with the King IV Report on corporate governance, as encompassed in the JSE Listings Requirements, and in accordance with the United Kingdom Combined Code, the responsibilities of Chairman and Chief Executive Officer are separate. Mr. G.C. Campbell is the Non-Executive Chairman, Mr. D.J. Pretorius is the Chief Executive Officer and Mr. A.J Davel is the Chief Financial Officer. The board has established a Nominations Committee, and it is our policy for details of a prospective candidate to be distributed to all directors for formal consideration at a full meeting of the board. A prospective candidate would be invited to attend a meeting and be interviewed before any decision is taken. In compliance with the NYSE rules a majority of independent directors will select or recommend director nominees.

The board's main roles are to create value for shareholders, to provide leadership of the Company, to approve the Company's strategic objectives and to ensure that the necessary financial and other resources are made available to management to enable them to meet those objectives. The board retains full and effective control over the Company, meeting on a quarterly basis with additional ad hoc meetings being arranged when necessary, to review strategy and planning and operational and financial performance. The board further authorizes acquisitions and disposals, major capital expenditure, stakeholder communication and other material matters reserved for its consideration and decision under its terms of reference. The board also approves the annual budgets for the various operational units.

The board is responsible for monitoring the activities of executive management within the company and ensuring that decisions on material matters are referred to the board. The board approves all the terms of reference for the various subcommittees of the board, including special committees tasked to deal with specific issues. Only the executive directors are involved with the day-to-day management of the Company.

To assist new directors, an induction program has been established by the Company, which includes background materials, meetings with senior management, presentations by the Company's advisors and site visits. The directors are assessed annually, both individually and as a board, as part of an evaluation process, which is driven by an independent consultant. In addition, the Nominations Committees formally evaluate the executive directors on an annual basis, based on objective criteria.

All directors, in accordance with the Company's MOI, are subject to retirement by rotation and re-election by shareholders. In addition, all directors are subject to election by shareholders at the first annual general meeting following their appointment by directors. The appointment of new directors is approved by the board as a whole. The names of the directors submitted for re-election are accompanied by sufficient biographical details in the notice of the forthcoming annual general meeting to enable shareholders to make an informed decision in respect of their re-election.

All directors have access to the advice and services of the Company Secretary, who is responsible to the board for ensuring compliance with procedures and regulations of a statutory nature. Directors are entitled to seek independent professional advice concerning the affairs of the Company at the Company's expense, should they believe that course of action would be in the best interest of the Company.

Board meetings are held quarterly in South Africa and occasionally abroad. The structure and timing of the Company's board meetings, which are scheduled over two days, allows adequate time for the Non-Executive Directors to interact without the presence of the Executive Directors. The board meetings include the meeting of the Audit Committee, Risk Committee, Remuneration Committee & Nominations Committee as well as the Social & Ethics Committee which act as subcommittees to the board. Each subcommittee is chaired by one of the Independent Non-Executive Directors, each of whom provides a formal report back to the board. Each subcommittee meets for approximately half a day. Certain senior personnel of the Company attend the subcommittee meetings as invitees.

The board sets the standards and values of the Company and much of this has been embodied in the Company's Code of Conduct, which is available on our website at www.drdgold.com. The Code of Conduct applies to all directors, officers and employees, including the principal executive, financial and accounting officers, in accordance with Section 406 of the US Sarbanes-Oxley Act of 2002, the related US securities laws and the NYSE rules. The Code contains provisions for employees to report violations of Company policy or any applicable law, rule or regulation, including US securities laws.

A description of the significant ways in which our corporate governance practices differ from practices followed by U.S. companies listed on the NYSE can be found in Item 16G. Corporate Governance.

Directors' Terms of Service

The following table shows the date of appointment, expiration of term and number of years of service with us of each of the directors as at June 30, 2021:

Director	**Title**	**Year first appointed**	**Term of current office**	**Unexpired term of current office**
D.J. Pretorius	Chief Executive Officer	2008	3 years	12 months
A.J. Davel	Chief Financial Officer	2015	3 years	12 months
G.C. Campbell	Non-Executive Director	2002	2 years	4 months
E.A. Jeneker	Non-Executive Director	2007	2 years	4 months
J. Holtzhausen	Non-Executive Director	2014	2 years	9 months
T.V.B.N. Mnyango	Non-Executive Director	2016	2 years	19 months
J.J Nel	Non-Executive Director	2018	2 years	19 months
K.P Lebina	Non-Executive Director	2019	2 years	22 months
T.J. Cumming	Non-Executive Director	2020	2 years	13 months
C.D. Flemming	Non-Executive Director	2020	2 years	13 months

Executive Committee

As at June 30, 2021, the Executive Committee consisted of Mr. D J Pretorius (Chairman), Mr. A J Davel, Mr. W.J. Schoeman and Ms. E. Beukes.

The Executive Committee meets on a weekly basis to review current operations, develop strategy and policy proposals for consideration by the board of directors. Members of the Executive Committee, who are unable to attend the meetings in person, are able to participate via teleconference facilities, to allow participation in the discussion and conclusions reached. The subsidiary companies' executives are permanent participants on the Executive Committee.

Board Committees

The board has established a number of standing committees to enable it to properly discharge its duties and responsibilities and to effectively fulfill its decision-making process. Each committee acts within written terms of reference which have been approved by the board and under which specific functions of the board are delegated. The terms of reference for all committees can be obtained by application to the Company Secretary at the Company's registered office. Each committee has defined purposes, membership requirements, duties and reporting procedures. Minutes of the meetings of these committees are circulated to the members of the committees and made available to the board. Remuneration of Non-Executive Directors for their services on the committees concerned is determined by the board. The committees are subject to annual evaluation by the board with respect to their performance and effectiveness. The following information reflects the composition and activities of these committees.

Committees of the Board of Directors

Nominations Committee

As at June 30, 2021 the Nominations Committee consisted of G C Campbell (Chairman), E A Jeneker, J A Holtzhausen, T V B N Mnyango, K P Lebina, and T J Cumming.

The Nominations Committee meets on an *ad hoc* basis. All members of this committee are independent non-executive directors who are independent according to the definition set out in the NYSE Rules, except for T Cumming. It is chaired by the board chairman who is an independent non-executive director ("**NED**").

The primary role of the committee is to execute the following functions:

- ensure the establishment of a formal process for the appointment of directors;
- ensure that inexperienced directors are developed through a mentorship programme;
- ensure that directors receive regular briefings on changes in risks, laws and the appropriate contribution;
- drive an annual process to evaluate the board, board committees and individual directors;
- ensure that succession plans for the board, chief executive officer and senior management appointments are developed and implemented.

The key nominations responsibilities of the committee include the following:

- make recommendations to the board on the appointment of new directors;
- make recommendations on the composition of the board and the balance between executive and non-executive directors appointed to the board;
- review board structure, size and composition on a regular basis;
- make recommendations on directors eligible to retire by rotation; and
- apply the principles of good corporate governance and best practice in respect of nominations matters.

Remuneration Committee

As at June 30, 2021 the Remuneration Committee consisted of J J Nel (Chairman), E A Jeneker, J A Holtzhausen, T V B N Mnyango and T J Cumming.

The Remuneration Committee meets on a quarterly basis. All members of this committee are independent non-executive directors who are independent according to the definition set out in the NYSE Rules, except for T J Cumming. It is chaired by an independent non-executive director.

The committee has a mandate to offer competitive packages that will attract and retain executives of the highest caliber and encourage and reward superior performance. Industry surveys are provided for comparative purposes, and to assist the committee in the formulation of remuneration policies that are market related.

Audit Committee

As at June 30, 2021 the Audit Committee consisted of J.A. Holtzhausen (Chairman), J.J. Nel, K P Lebina and C.D. Flemming.

All members of the Audit Committee are independent according to the definition set out in the NYSE Rules. The committee's charter deals with all the aspects relating to its functioning.

The Audit Committee charter sets out the committee's terms of reference which include responsibility for:

- appointment and oversight of external auditors, audit process and financial reporting;
- oversight of internal audit;
- overseeing the integrated reporting and assurance model;
- overseeing the development and annual review of a policy and plan for risk management;
- ensuring that risk management assessments are performed on a continuous basis;
- ensuring that reporting on risk management assessment is complete, timely, accurate and accessible;
- ensuring that frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks;
- ensuring that continuous risk monitoring by management takes place.

The Audit Committee meets each quarter with the external auditors, the company's manager: risk and internal audit, and the CFO. The committee reviews the audit plans of the internal auditors to ascertain the extent to which the scope of the audits can be relied upon to detect weaknesses in internal controls. It also reviews the annual and interim financial statements prior to their approval by the board.

The committee is responsible for making recommendations to appoint, reappoint or remove the external auditors, and the designated external audit partner as well as determining their remuneration and terms of engagement. In accordance with its policy, the committee preapproves all audit and non-audit services provided by the external auditors. KPMG Inc. was reappointed by shareholders at the last AGM on December 2, 2020 to perform DRDGOLD's external audit function, such appointment was made by the shareholders in accordance with the laws of South Africa and upon recommendation of the board following the Audit Committee.

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

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

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

Section 404(a) of the Sarbanes-Oxley Act of 2002 stipulates that management is required to assess the effectiveness of the internal controls surrounding the financial reporting process. The results of this assessment are reported in the form of a management attestation report that is filed with the SEC as part of the Form 20-F. Additionally, DRDGOLD's external auditors are required to express an opinion on the effectiveness of internal controls over financial reporting, which is also contained in the Company's Form 20-F.

Risk Committee

As at June 30, 2021 the Risk Committee consisted of K.P. Lebina (Chairwoman), Mr D.J. Pretorius, J.J. Nel, C.D. Flemming and T.J. Cumming.

All members of the Risk Committee are independent according to the definition set out in the NYSE Rules, except for T Cumming. It is chaired by an independent NED.

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

Social and Ethics Committee

As at June 30, 2021, the Social and Ethics Committee consisted of Mr. E.A. Jeneker (Chairman), Mr. A.J. Davel, Mrs. TVBN Mnyango and C.D. Flemming

The Social and Ethics Committee is a statutory body established in terms of section 72 of the Companies Act, 2008; the objectives of which are to facilitate transformation and sustainable development by, *inter alia,* promoting transformation within the Company and economic empowerment of previously disadvantaged communities particularly within the areas where the Company conducts business; striving towards achieving the goal of equality as the South African Constitution and other legislation require within the context of the demographics of the country at all levels of the Company and its subsidiaries; and conducting business in a manner which is conducive to internationally acceptable environmental and sustainability standards.

The following terms of reference were approved by the board to enable the committee to function effectively. These are to be responsible for and make recommendations to the board with respect to the following matters:

- monitor the Company's activities regarding the 10 principles set out in the United Nations Global Compact Principles and the OECD recommendations regarding Corruption, the Employment Equity Act and the Broad Based Black Economic Empowerment Act;
- maintaining records of sponsorship, donations and charitable giving;
- reviewing matters relating to the environment, health and public safety, including the impact of the company's activities and of its products or services;
- reviewing matters relating to labor and employment
- reviewing and recommending the company's code of ethics;
- reviewing and recommending any corporate citizenship policies;
- reviewing significant cases of employee conflicts of interests, misconduct or fraud, or any other unethical activity by employees or the Company

6D. EMPLOYEES

Employees

The total number of employees at June 30, 2021, of 2,791 comprises 1,838 specialized service providers and 953 employees who are directly employed by us and our subsidiary companies. Of the 953 employees directly employed by us and our subsidiary companies, 42 employees are on a fixed term employment contract.

The total number of employees at June 30, 2020, of 2,573 comprises 1,615 specialized service providers and 958 employees who are directly employed by us and our subsidiary companies. Of the 958 employees directly employed by us and our subsidiary companies, 34 employees are on a fixed term employment contract.

The total number of employees at June 30, 2019, of 2,617 comprises 1,591 specialized service providers and 1,026 employees who are directly employed by us and our subsidiary companies. Of the 1026 employees directly employed by us and our subsidiary companies, 34 employees are on a fixed term employment contract.

The total number of employees at September 30, 2021, of 2,741 comprises 1,788 specialized service providers and 953 employees who are directly employed by us and our subsidiary companies. Of the 953 employees directly employed by us and our subsidiary companies, 43 employees are on a fixed term employment contract.

All of our employees are based at our operations that operate exclusively in South Africa.

Labor Relations

As at June 30, 2021, approximately 82% of our Ergo employees and 93% of our FWGR employees are members of trade unions or employee associations. South Africa's labor relations environment remains a platform for social reform. The National Union of Mineworkers, (“**NUM**”), one of the main South African mining industry unions, is influential in the tripartite alliance between the ruling African National Congress, the Congress of South African Trade Unions, (“**COSATU**”), and the South African Communist Party as it is the biggest affiliate of COSATU. The relationship between management and labor unions remains cordial. The organized labor coordinating forum meets regularly to discuss matters pertinent to both parties.

On February 28, 2021, ERGO signed a one-year wage extension agreement with organized labour for the period July 1, 2021 to June 30, 2022 with a 5.9% average increase per annum across the ERGO workforce with individual increases ranging from 5.5% to 7% per annum.

The transitional arrangement regarding wage increases with the workforce at FWGR when these employees were incorporated into DRDGOLD have now come to an end. As a consequence, negotiations are currently underway with organized labour at FWGR with the intention of trying to reach a 3-year wage agreement.

We recognize the need for transformation and have put systems and structures in place to address this at both management and board level. We aim to recruit in line with our transformational objectives. The composition of the Board of Directors specifically, changed significantly over the past two fiscal years and is more diverse and reflective of transformation and South Africa’s demographics.

Safety statistics

Due to the importance of our labor force, we continuously strive to create a safe and healthy working environment. The following are our fiscal 2021 overall safety statistics for our operations:

(Per million man hours)	**Ergo**		**FWGR**		**Consolidated**	
	Year ended June 30,		**Year ended June 30,**		**Year ended June 30,**	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
Lost time injury frequency rate (LTIFR)[1]	0.78	1.25	0.97	1.3	0.80	1.27
Reportable incidence frequency rate (RIFR)[1]	0.47	0.9	-	1.3	0.40	0.96
Fatalities	-	-	-	-	-	-

1 Calculated as follows: actual number of instances divided by the total number of man hours worked multiplied by one million.

6E. SHARE OWNERSHIP

To the best of our knowledge, we believe that our ordinary shares held by prescribed officers and directors, in aggregate, do not exceed one percent of the Company’s issued ordinary share capital. For details of share ownership of directors and prescribed officers see Item 7A. Major Shareholders.

As of June 30, 2021, directors and prescribed officers do not hold any options to purchase ordinary shares.

Closed periods apply to share trading by directors, prescribed officers and other employees, whenever persons become or could potentially become aware of material price sensitive information, such as information relating to an acquisition, bi-annual results etc., which is not in the public domain. When these persons have access to this information an embargo is placed on share trading for those individuals concerned. The embargo need not involve the entire Company in the case of an acquisition and may only apply to the board of directors, executive committee, and the financial and new business teams, but in the case of interim and year-end results the closed-period is group-wide.

DRDGOLD Phantom Share Scheme (Amended November 2015) – Cash Settled Long-Term Incentive Scheme

Salient terms of the DRDGOLD Phantom Share Scheme are disclosed in Item 18. ‘‘Financial Statements - Note 19. Cash Settled Long-Term Incentive Scheme’’

During fiscal year 2016, DRDGOLD's Remuneration Committee approved a revised long-term incentive scheme. On November 4, 2015, the committee approved an allocation of 20,527,978 phantom shares which is driven by share price performance and individual performance and is based on phantom share allocations. The vesting of any shares allocated is staggered over a five-year period commencing in the third year after the allocation is granted in line with King IV Report recommendations. The objectives of the revised scheme are to drive the longer-term strategies of DRDGOLD, to align participants' interests with shareholders' interest, to incentivise and motivate participants, to attract and retain scarce human resources and to reward superior performance by the Company and participants. The Remuneration Committee has the authority to amend in part or in its entirety or withdraw the long-term incentive scheme at any time.

No phantom shares were granted during fiscal year 2021 (2020: nil, 2019: 388,547). No phantom shares were outstanding June 30, 2021 (2020: 9,845,638; 2019: 16,157,058).

Equity-Settled Long-Term Incentive Scheme

On December 2, 2019 shareholders approved an Equity-Settled Long-Term Incentive Scheme ("**Scheme**") for purposes of replacing the current Cash-Settled Long-Term Incentive Scheme. The Cash-Settled Long-Term incentive scheme has a finite life and comes to an end with the vesting of the last phantom shares during fiscal year 2021. Certain key features of the Scheme are:

Equity settled

The Scheme will be equity-settled. Equity-settlement will be implemented by way of market acquisition of DRDGOLD ordinary shares or through the issue of authorised but unissued shares or treasury shares.

Participants

Persons eligible to participate in the Scheme will be permanent employees (which, for the avoidance of doubt, includes an executive director, but excludes a non-executive director) of the Company and its subsidiaries, in Category 19 and above ("**Participants**").

Award of Conditional Shares

Pursuant to the Scheme, the Company's Remuneration Committee will resolve, on an annual basis, to award "Conditional Shares" ("**Award**") which are comprised of:

- "Performance Shares" which are subject to conditions, as set out in the rules of the Scheme and performance conditions; and
- "Retention Shares" which are subject to conditions, as set out in the rules of the Scheme.

Participants are not required to pay for Awards or Shares Settled in terms of vested Awards.

Annual awards of Conditional Shares will be made, in two forms:

- 80% of the Award will be comprised of Performance Shares
- 20% of the Award will be comprised of Retention Shares

The target award value will be referenced to market-related award quanta, and will be adjusted based upon individual performance as follows:

Individual Rating	% of Target Value Awarded
< 2.75	0%
2.75 to < 3.00	50%
3.0 to < 3.75	100%
3.75 to < 4.5	133.33%
4.5 to < 5.0	166.67%
5.0	200%

Dividend and Voting Rights

The Conditional Share Awards carry no dividend or voting rights, until Settled, and therefore any transfer and other rights associated with the Conditional Shares will only vest following settlement.

Vesting of the Conditional Shares

The first grant was made on December 2, 2019 and will vest in two tranches, 50% on the 2nd anniversary and the remaining 50% on the 3rd anniversary of the grant date respectively, provided the employee is still within the employment of the Group until the respective vesting dates.

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 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 Conditional Shares Vesting
< 25th percentile	0%
25th to < 50th percentile	25%
50th to < 75th percentile	75%
≥ 75th percentile	100%

Awarded Conditional Shares which do not Vest to the Participant, as a result of forfeiture or which lapse, revert back to the Scheme.

Share Limits

Overall Company Limit

The aggregate number of Shares at any one time which may be awarded for Settlements under the Scheme shall not exceed 34,500,000 (thirty four million, five hundred thousand) Shares (representing approximately 4.95% of the total issued share capital of the Company at the date of this Notice).

Individual Limit

Subject to certain dilution adjustments, the aggregate number of Shares at any one time which may be awarded under the Scheme to any one Participant shall not exceed 14,500,000 Shares.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

7A. MAJOR SHAREHOLDERS

As of September 30, 2021, our issued capital consisted of:
- 864,588,711 ordinary shares of no par value; and
- 5,000,000 cumulative preference shares.

To our knowledge, as of June 30, 2021, we were not directly or indirectly owned or controlled by another corporation or any person or foreign government, other than the controlling interest held by Sibanye-Stillwater.

On July 31, 2018, 265 million ordinary shares were issued to Sibanye-Stillwater as settlement of the purchase consideration for the acquisition of the WRTRP Assets. On January 8, 2020, Sibanye-Stillwater exercised the option granted to it to subscribe for such number of new ordinary shares in the share capital of DRDGOLD for cash resulting in Sibanye-Stillwater holding in aggregate 50.1% of all DRDGOLD shares in issue (including treasury shares). Sibanye-Stillwater subscribed for 168,158,944 Subscription Shares at an aggregate subscription price of R1,086 million, on January 22, 2020. 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.

Other than the above there are no arrangements, the operation of which may at a subsequent date result in a change in control of us.

Based on information available to us, as of September 30, 2021:
- there were 10,468 record holders of our ordinary shares in South Africa, who held 559,688,990 or approximately 64.7% of our ordinary shares;
- there was one record holder of our cumulative preference shares in South Africa, who held 5,000,000 ordinary shares or 100% of our cumulative preference shares;
- there were 36 US record holders of our ordinary shares, who held approximately 33,974,859 ordinary shares or approximately 3.9% of our ordinary shares excluding those shares held as part of our ADR program; and
- there were 664 registered holders of our ADRs in the United States, who held approximately 215,869,190 shares (21,586,919 ADRs) or approximately 25.0% of our ordinary shares.

The following table sets forth information regarding the beneficial ownership of our ordinary shares as of September 30, 2021, by:
- each of our directors and prescribed officers; and
- any person whom the directors are aware of as at September 30, 2021 who is interested directly or indirectly in 1% or more of our ordinary shares. There was significant change in the percentage ownership of the major shareholders over the preceding three years.

	Shares Beneficially owned	
Holder	**Number**	**Percent of outstanding ordinary shares**
Directors/prescribed officers		
D.J. Pretorius	475,255	*
A.J. Davel	200,000	*
Other		
Sibanye-Stillwater	433,158,944	50.10%
The Bank of New York Mellon	227,674,416	26.33%
Government Employees Pension Fund	31,135,434	3.60%
GSI Equity Seperation Account	14,739,438	1.70%
CLEARSTREAM BANKING S.A LUXEMBOURG	11,078,446	1.28%
Ergo Mining Operations Proprietary Limited	9,474,920	1.10%

* Indicates share ownership of less than 1% of our outstanding ordinary shares.

No shareholder has voting rights which differ from the voting rights of any other shareholder.

Cumulative Preference Shares

Randgold and Exploration Company Limited, or Randgold, owns 5,000,000 (100%) of our cumulative preference shares. Randgold's registered address is Suite 25, Katherine & West Building, Corner of Katherine and West Streets, Sandown, Sandton, 2196.

The holders of cumulative preference shares do not have voting rights unless any preference dividend is in arrears for more than six months. The terms of issue of the cumulative preference shares are that they carry the right, in priority to the Company's ordinary shares, to receive a dividend equal to 3% of the gross future revenue generated by the exploitation or the disposal of the Argonaut mineral rights acquired from Randgold in September 1997. Additionally, holders of cumulative preference shares may vote on resolutions which adversely affect their interests and on the disposal of all, or substantially all, of our assets or mineral rights. There is currently no active trading market for our cumulative preference shares. Holders of cumulative preference shares will only obtain their potential voting rights once the Argonaut Project becomes an operational gold mine, and dividends accrue to them. The prospecting rights have since expired and the Argonaut Project terminated. The development of the project is not expected to materialise and therefore no dividend is expected to be paid.

7B. RELATED PARTY TRANSACTIONS

Transactions with related parties are disclosed in Item 18. ‘‘Financial Statements - Note 5.2 – Cost of sales’’

Remuneration paid to key management is disclosed in Item 18. ‘‘Financial Statements - Note 19.3 – Key management personnel remuneration’’

7C. INTERESTS OF EXPERTS AND COUNSEL

Not applicable.

ITEM 8. FINANCIAL INFORMATION

8A. CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION

1. Please refer to Item 18. Financial Statements.
2. Please refer to Item 18. Financial Statements.
3. Please refer to Item 18. Financial Statements.
4. The last year of audited financial statements is not older than 15 months.
5. Not applicable.
6. Not applicable.
7. Please refer to Item 4D. Property, plant and equipment—Ongoing Legal Proceedings.
8. Please refer to Item 10B. Memorandum of Incorporation.

8B. SIGNIFICANT CHANGES

Significant changes that have occurred since June 30, 2021, the date of the last audited financial statements included in this Annual Report, are discussed in the relevant notes to the financial statements under Item 18. Financial Statements.

ITEM 9. THE OFFER AND LISTING

9A. OFFER AND LISTING DETAILS

The principal trading market for our equity securities is the JSE (symbol: DRD) and our ADSs that trade on the New York Stock Exchange (symbol: DRD). The ADRs are issued by The Bank of New York Mellon, as depositary. Each ADR represents one ADS and each ADS represents ten of our ordinary shares. Until July 23, 2007, each ADS represented one of our ordinary shares.

The cumulative preference shares are not traded on any exchange.

There have been no trading suspensions with respect to our ordinary shares on the JSE during the past three years ended June 30, 2021, nor have there been any trading suspensions with respect to our ADRs on the New York Stock Exchange since our listing on that market.

9B. PLAN OF DISTRIBUTION

Not applicable.

9C. MARKETS

Nature of Trading Markets

See "Offer and Listing Details" above.

9D. SELLING SHAREHOLDERS

Not applicable.

9E. DILUTION

Not applicable.

9F. EXPENSES OF THE ISSUE

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

10A. SHARE CAPITAL

Not applicable.

10B. MEMORANDUM OF INCORPORATION

As of June 30, 2021, we had authorized for issuance 1,500,000,000 ordinary shares of no par value (as of September 30, 2021: 1,500,000,000), and 5,000,000 cumulative preference shares of R0.10 par value (as of September 30, 2021: 5,000,000). On this date, we had issued 864,588,711 ordinary shares (as of September 30, 2021: 864,588,711) and 5,000,000 cumulative preference shares (as of September 30, 2021: 5,000,000).

Set out below are brief summaries of certain provisions of our Memorandum of Incorporation, or our MOI, the Companies Act of South Africa and the JSE Listings Requirements, all as in effect on June 30, 2021 and September 30, 2021. The summary does not purport to be complete and is subject to and qualified in its entirety by reference to the full text of the MOI, the Companies Act, and the JSE Listings Requirements.

We are registered under the Companies Act of South Africa under registration number 1895/000926/06. As set forth in our Memorandum of Incorporation, the main object and business of our company is mining and exploration for gold and other minerals.

Borrowing Powers

Our directors may from time to time borrow for the purposes of the company, such sums as they think fit and secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of securities, mortgage or charge upon all or any of the property or assets of the company. The directors shall procure that the aggregate principal amount at any one time outstanding in respect of monies so borrowed or raised by the company and all the subsidiaries for the time being of the company shall not exceed the aggregate amount at that time authorized to be borrowed or secured by the company or the subsidiaries for the time being of the company (as the case may be).

Share Ownership Requirements

Our directors are not required to hold any shares to qualify or be appointed as a director.

Voting by Directors

A director may authorize any other director to vote for him at any meeting at which neither he nor his alternate director appointed by him is present. Any director so authorized shall, in addition to his own vote, have a vote for each director by whom he is authorized.

The quorum necessary for the transaction of the business of the directors is a majority of the directors present at a meeting before a vote may be called at any meeting of directors.

Directors are required to notify our board of directors of interests in companies and contracts. If a director has a personal financial interest in respect of a matter to be considered at a meeting of the board he or she must disclose the interest and its nature, any material information relating to the matter and thereafter leave the meeting immediately after making the disclosure. Such director must not take part in consideration of the matter. He is not to be regarded as being present for the purpose of determining whether a resolution has sufficient support to be adopted.

The King IV Report on Corporate Governance for South Africa, 2016 (King IV) was published on 1 November 2016 and came into effect on 1 April 2017 for companies with financial years commencing thereafter. The application regime for King IV is "apply and explain", requiring companies to substantially and meaningfully strive towards good corporate governance. King IV is principles and outcomes based: a departure from mere compliance-based mindset. King IV recognises that sound governance outcomes, exemplified by integrity, competence, responsibility, accountability, fairness and transparency, are the cardinal pillars of good corporate citizenship. The JSE Limited has since made the adoption and application of King IV mandatory for all listed companies.

The remuneration of non-executive directors is typically determined by the board, but subject to approval by the shareholders at the AGM of the Company. In terms of section 65(11)(h) of the Companies Act, 2008 read with sections 66(8) and 66(9) thereof, remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by the shareholders within the previous 2 (two) years. A special resolution was passed at the 2019 AGM on December 2, 2019 to increase the NED remuneration.

Under South African common law, directors are required to comply with certain fiduciary duties to the company and to exercise proper care and skill in discharging their responsibilities. These common law duties have now been codified by the Companies Act.

Age Restrictions

There is no age limit for directors.

Election of Directors

Each director shall be appointed by election by way of an ordinary resolution of shareholders at a general or annual meeting of company ("elected director (s)") and no appointment of a director by way of a written circulated shareholders resolution in terms of section 60 of the Companies Act shall be competent.

One third of our directors, on a rotating basis, are subject to re-election at each annual general shareholder's meeting. Retiring directors usually make themselves available for re-election. An amendment to the MOI which also subjects executive directors to re-election by rotation was approved by shareholders at the 2014 annual general meeting.

General Meetings

On the request of any shareholder or shareholders holding not less than 10 percent of our share capital which carries the right of voting at general meetings, we shall issue a notice to shareholders convening a general meeting for a date not less than 15 days from the date of the notice. Directors may convene general meetings at any time.

Our annual general meeting and a meeting of our shareholders for the purpose of passing a special resolution may be called by giving 15 days advance written notice of that meeting. For any other general meeting of our shareholders, 15 days advance written notice is required.

Our MOI provides that if at a meeting convened upon request by our shareholders, a quorum is not present within fifteen minutes after the time selected for the meeting, such meeting shall be postponed for one week. However the chairman has the discretion to extend the fifteen minutes for a reasonable period on certain grounds. The necessary quorum is three members present with sufficient voting powers in person or by proxy to exercise in aggregate 25% of the voting rights.

Voting Rights

The holders of our ordinary shares are generally entitled to vote at general meetings and on a show of hands have one vote per person and on a poll have one vote for every share held. The holders of our cumulative preference shares are not entitled to vote at a general meeting unless any preference dividend is in arrears for more than six months at the date on which the notice convening the general meeting is posted to the shareholders. Additionally, holders of cumulative preference shares may vote on resolutions which adversely affect their interests and on resolutions regarding the disposal of all or substantially all of our assets or mineral rights. When entitled to vote, holders of our cumulative preference shares are entitled to one vote per person on a show of hands and that portion of the total votes which the aggregate amount of the nominal value of the shares held by the relevant shareholder bears to the aggregate amount of the nominal value of all shares issued by us.

Dividends

We may, in certain circumstances in a general meeting, or our directors may, from time to time, declare a dividend to be paid to the shareholders in proportion to the number of shares they each hold. No dividend shall be declared except out of our profits. Dividends may be declared either free or subject to the deduction of income tax or duty in respect of which we may be charged. Holders of ordinary shares are entitled to receive dividends as and when declared by the directors.

Ownership Limitations

There are no limitations imposed by our MOI or South African law on the rights of shareholders to hold or vote on our ordinary shares or securities convertible into our ordinary shares.

Winding-up

If we are wound-up, then the assets remaining after payment of all of our debts and liabilities, including the costs of liquidation, shall be applied to repay to the shareholders the amount paid up on our issued capital and thereafter the balance shall be distributed to the shareholders in proportion to their respective shareholdings. On a winding up, our cumulative preference shares rank, in regard to all arrears of preference dividends, prior to the holders of ordinary shares. As of June 30, 2021 and September 30, 2021, no such dividends have been declared. Except for the preference dividend and as described in this Item our cumulative preference shares are not entitled to any other participation in the distribution of our surplus assets on winding-up.

Reduction of Capital

We may, by special resolution, reduce the share capital authorized by our MOI, or reduce our issued share capital including, without limitation, any stated capital, capital redemption reserve fund and share premium account by making distributions and buying back our shares.

***Amendment of the* MOI**

Our MOI may be altered by the passing of a special resolution or in compliance with a court order. The Company may also amend the MOI by increasing or decreasing the number of authorized shares, classifying or reclassifying shares, or determining the terms of shares in a class. A special resolution is passed when the shareholders holding at least 25% of the total votes of all the members entitled to vote are present or represented by proxy at a meeting and, if the resolution was passed on a show of hands, at least 75% of those shareholders voted in favor of the resolution and, if a poll was demanded, at least 75% of the total votes to which those shareholders are entitled were cast in favor of the resolution. An amendment to the MOI to increase the number of authorized shares was approved by shareholders at the 2018 general meeting on March 28, 2018.

Consent of the Holders of Cumulative Preference Shares

The rights and conditions attaching to the cumulative preference shares may not be cancelled, varied or added, nor may we issue shares ranking, regarding rights to dividends or on winding up, in priority to or equal with our cumulative preference shares, or dispose of all or part of the Argonaut mineral rights without the consent in writing of the registered holders of our cumulative preference shares or the prior sanction of a resolution passed at a separate class meeting of the holders of our cumulative preference shares.

Distributions

We are authorized to make payments in cash or in specie to our shareholders in accordance with the provisions of the Companies Act and other consents required by law from time to time. We may, for example, in a general meeting, upon recommendation of our directors, resolve that any surplus funds representing capital profits arising from the sale of any capital assets and not required for the payment of any fixed preferential dividend, be distributed among our ordinary shareholders. However, no such profit shall be distributed unless we have sufficient other assets to satisfy our liabilities and to cover our paid up share capital. We also need to consider the solvency and liquidity requirements stated in the Companies Act of South Africa.

Directors' power to vote compensation to themselves

The remuneration of non-executive directors may not exceed in any financial year the amount fixed by the Company in general meeting. The Companies Act requires that remuneration to non-executive directors may be paid only in accordance with a special resolution approved by shareholders within the previous two years.

Time limit for dividend entitlement

All unclaimed monies that are due to any shareholder/s shall be held by the company in trust for an indefinite period until lawfully claimed by such shareholder/s, subject to the Prescription Act, 1969 as amended or any other law which governs the law of prescription.

Staggered director elections & cumulative voting

At each annual general meeting of the Company one-third of the directors shall retire and be eligible for re-election. No provision is made for cumulative voting.

Sinking fund provisions and liability to further capital calls

There are no sinking fund provisions in the MOI attaching to any class of the company shares, and the company does not subject shareholders to liability to further capital calls.

Provision that would delay/prevent change of control

The Companies Act provides that companies which propose to merge or amalgamate must enter into a written agreement setting out the terms thereof. They must prove that upon implementation of the amalgamation or merger each will satisfy the solvency and liquidity test. Companies involved in disposals, amalgamations or mergers, or schemes of arrangement must obtain a compliance certificate from the Takeover Regulation Panel, pass special resolutions and in some instances they must obtain an independent expert report.

10C. MATERIAL CONTRACTS

Amendment and extension to ZAR300 million Revolving Credit Facility

On September 14, 2020, DRDGOLD Limited amended the initial R300 million Revolving Credit Facility ("**RCF**") secured with ABSA Bank Limited (acting through its Corporate and Investment Banking division) to a R200 million RCF and simultaneously extended the final repayment date to September 14, 2022. The RCF remained undrawn at June 30, 2021.

The RCF bears interest at JIBAR plus a margin of 275 basis points (initial RCF: 325 basis points) nominal annual compounded quarterly. A commitment fee of 35% of the applicable margin per annum is due on the undrawn RCF. A debt origination fee of 0.5% (initial RCF: 1%) is payable on the available commitment of R200 million.

Relevant covenants include that, during any rolling 12 month period, (i) the interest cover[1] shall not be less than 4 times and (ii) net debt [2] to Adjusted EBITDA shall not exceed 2 times.

1 Interest cover means the ratio of Adjusted EBITDA to Total Net Interest (interest charged on Financial Indebtedness after deducting all interest received on Cash and cash equivalents (excluding interest received on restricted cash)).

2 Means Total Net Debt after deducting Cash and cash equivalents (excluding restricted cash)

The description of the amended RCF is qualified by reference to the addendum to the RCF filed herewith as an Exhibit to our Annual Report on Form 20-F for the year ended June 30, 2020.

Performance Guarantee

On December 10, 2018, ABSA Bank Limited (acting through its Corporate and Investment Banking division) issued a performance guarantee ("**Guarantee**") to Ekurhuleni Metropolitan Municipality (refer to Item 18. "Financial Statements - Note 24 – Payments made under protest"). R125 million of the initial R300 million RCF was committed to the Guarantee.

The amended R200 million RCF dated September 14, 2020 does not include any commitment towards the Guarantee.

The description of the performance guarantee issued to the Municipality is qualified by reference to the Addendum to the RCF and the Performance Guarantee filed herewith as Exhibits to this report.

10D. EXCHANGE CONTROLS

The following is a summary of the material South African exchange control measures, which has been derived from publicly available documents. The following summary is not a comprehensive description of all the exchange control regulations. The discussion in this section is based on the current law and positions of the South African Government. Changes in the law may alter the exchange control provisions that apply, possibly on a retroactive basis.

Introduction

Dealings in foreign currency, the export of capital and revenue, payments by residents to non-residents and various other exchange control matters in South Africa are regulated by the South African exchange control regulations, or the Regulations. The Regulations form part of the general monetary policy of South Africa. The Regulations are issued under Section 9 of the Currency and Exchanges Act, 1933 (as amended). In terms of the Regulations, the control over South African capital and revenue reserves, as well as the accruals and spending thereof, is vested in the Treasury (Ministry of Finance), or the Treasury.

The Treasury has delegated the administration of exchange controls to the Exchange Control Department of the South African Reserve Bank, or SARB, which is responsible for the day to day administration and functioning of exchange controls. SARB has a wide discretion. Certain banks authorized by the Treasury to co-administer certain of the exchange controls, are authorized by the Treasury to deal in foreign exchange. Such dealings in foreign exchange by authorized dealers are undertaken in accordance with the provisions and requirements of the exchange control rulings, or Rulings, and contain certain administrative measures, as well as conditions and limits applicable to transactions in foreign exchange, which may be undertaken by authorized dealers. Non-residents have been granted general approval, in terms of the Rulings, to deal in South African assets, to invest and disinvest in South Africa.

The Regulations provide for restrictions on exporting capital from the Common Monetary Area consisting of South Africa, Namibia, and the Kingdoms of Lesotho and Swaziland. Transactions between residents of the Common Monetary Area are not subject to these exchange control regulations.

There are many inherent disadvantages to exchange controls, including distortion of the price mechanism, problems encountered in the application of monetary policy, detrimental effects on inward foreign investment and administrative costs associated therewith. The South African Finance Minister has indicated that all remaining exchange controls are likely to be dismantled as soon as circumstances permit. Since 1998, there has been a gradual relaxation of exchange controls. The gradual approach to the abolition of exchange controls adopted by the Government of South Africa is designed to allow the economy to adjust more smoothly to the removal of controls that have been in place for a considerable period of time. The stated objective of the authorities is equality of treatment between residents and non-residents with respect to inflows and outflows of capital. The focus of regulation, subsequent to the abolition of exchange controls, is expected to favor the positive aspects of prudential financial supervision.

The present exchange control system in South Africa is used principally to control capital movements. South African companies are not permitted to maintain foreign bank accounts without SARB approval and, without the approval of SARB, are generally not permitted to export capital from South Africa or hold foreign currency. In addition, South African companies are required to obtain the approval of the SARB prior to raising foreign funding on the strength of their South African statements of financial position, which would permit recourse to South Africa in the event of defaults. Where 75% or more of a South African company's capital, voting power, power of control or earnings is directly or indirectly controlled by non-residents, such a corporation is designated an “affected person” by the SARB, and certain restrictions are placed on its ability to obtain local financial assistance. We are not, and have never been, designated an “affected person” by the SARB.

Foreign investment and outward loans by South African companies are also restricted. In addition, without the approval of the SARB, South African companies are generally required to repatriate to South Africa profits of foreign operations and are limited in their ability to utilize profits of one foreign business to finance operations of a different foreign business. South African companies establishing subsidiaries, branches, offices or joint ventures abroad are generally required to submit financial statements on these operations as well as progress reports to the SARB on an annual basis. As a result, a South African company's ability to raise and deploy capital outside the Common Monetary Area is restricted.

Although exchange controls have been gradually relaxed since 1998, unlimited outward transfers of capital are not permitted at this stage. Some of the more salient changes to the South African exchange control provisions over the past few years have been as follows:

- corporations wishing to invest in countries outside the Common Monetary Area, in addition to what is set out below, apply for permission to enter into corporate asset/share swap and share placement transactions to acquire foreign investments. The latter mechanism entails the placement of the locally quoted corporation's shares with long-term overseas holders who, in payment for the shares, provide the foreign currency abroad which the corporation then uses to acquire the target investment;
- corporations wishing to establish new overseas ventures are permitted to transfer offshore up to R500 million to finance approved investments abroad and up to R500 million to finance approved new investments in African countries on an annual bases. Approval from the SARB is required in advance for investments in excess of R500 million. On application to the SARB, corporations are also allowed to use part of their local cash holdings to finance up to 10% of approved new foreign investments where the cost of these investments exceeds the current limits;
- as a general rule, the SARB requires that more than 10% of equity of the acquired off-shore venture is acquired within a predetermined period of time, as a prerequisite to allowing the expatriation of funds. If these requirements are not met, the SARB may instruct that the equity be disposed of. In our experience the SARB has taken a commercial view on this, and has on occasion extended the period of time for compliance; and

- remittance of directors' fees payable to persons permanently resident outside the Common Monetary Area may be approved by authorized dealers, in terms of the Rulings.

Authorized dealers in foreign exchange may, against the production of suitable documentary evidence, provide forward cover to South African residents in respect of fixed and ascertained foreign exchange commitments covering the movement of goods.

Persons who emigrate from South Africa are entitled to take limited amounts of money out of South Africa as a settling-in allowance. The balance of the emigrant's funds will be blocked and held under the control of an authorized dealer. These blocked funds may only be invested in:

- blocked current, savings, interest bearing deposit accounts in the books of an authorized dealer in the banking sector;
- securities quoted on the JSE and financial instruments listed on the Bond Exchange of South Africa which are deposited with an authorized dealer and not released except temporarily for switching purposes, without the approval of the SARB. Authorized dealers must at all times be able to demonstrate that listed or quoted securities or financial instruments which are dematerialized or immobilized in a central securities depository are being held subject to the control of the authorized dealer concerned; or
- mutual funds.

Aside from the investments referred to above, blocked rands may only be utilized for very limited purposes. Dividends declared out of capital gains or out of income earned prior to emigration remain subject to the blocking procedure. It is not possible to predict when existing exchange controls will be abolished or whether they will be continued or modified by the South African Government in the future.

Sale of Shares

Under present exchange control regulations in South Africa, our ordinary shares and ADRs are freely transferable outside the Common Monetary Area between non-residents of the Common Monetary Area. In addition, the proceeds from the sale of ordinary shares on the JSE on behalf of shareholders who are not residents of the Common Monetary Area are freely remittable to such shareholders. Share certificates held by non-residents will be endorsed with the words "non-resident," unless dematerialized.

Dividends

Dividends declared in respect of shares held by a non-resident in a company whose shares are listed on the JSE are freely remittable.

Any cash dividends paid by us are paid in rands. Holders of ADRs on the relevant record date will be entitled to receive any dividends payable in respect of the shares underlying the ADRs, subject to the terms of the deposit agreement entered on August 12, 1996, and as amended and restated, between the Company and The Bank of New York, as the depository. Subject to exceptions provided in the deposit agreement, cash dividends paid in rand will be converted by the depositary to dollars and paid by the depositary to holders of ADRs, net of conversion expenses of the depositary, in accordance with the deposit agreement. The depositary will charge holders of ADRs, to the extent applicable, taxes and other governmental charges and specified fees and other expenses.

Voting rights

There are no limitations imposed by South African law or by our MOI on the right of non-South African shareholders to hold or vote our ordinary shares.

10E. TAXATION

Material South African Income Tax Consequences

The following is a summary of material income tax considerations under South African income tax law. No representation with respect to the consequences to any particular purchaser of our securities is made hereby. Prospective purchasers are urged to consult their tax advisers with respect to their particular circumstances and the effect of South African or other tax laws to which they may be subject.

South Africa imposes tax on worldwide income of South African residents. Generally, individuals not resident in South Africa do not pay tax in South Africa except in the following circumstances:

Income Tax and Withholding Tax on Dividends

Non-residents will pay income tax on any amounts received by or accrued to them from a source within (or deemed to be within) South Africa. Interest earned by a non-resident on a debt instrument issued by a South African company will be regarded as being derived from a South African source but will be regarded as exempt from taxation in terms of Section 10(1)(i) of the South African Income Tax Act, 1962 (as amended), or the Income Tax Act. This exemption applies to so much of any interest and dividends (which are not otherwise exempt) received from a South African source not exceeding (a) R34,500 if the taxpayer is 65 years of age or older or (b) R23,800 if the taxpayer is younger than 65 years of age at the end of the relevant tax year.

No withholding tax is deductible in respect of interest payments made to non-resident investors.

Section 64F of the amendments to the Income Tax Act as set out in Part VIII in Chapter II of the Income Tax Act sets out beneficial owners who are exempt from the dividend tax which includes resident companies receiving a dividend after the effective date, being April 1, 2012. The Convention between the United States of America and the Republic of South Africa for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital Gains, or the Tax Treaty, would limit the rate of this tax with respect to dividends paid on ordinary shares or ADRs to a U.S. resident (within the meaning of the Tax Treaty) to 5% of the gross amount of the dividends if such U.S. resident is a company which holds directly at least 10% of our voting stock and 20% of the gross amount of the dividends in all other cases.

The above provisions shall not apply if the beneficial owner of the dividends is resident in the United States, carries on business in South Africa through a permanent establishment situated in South Africa, or performs in South Africa independent personal services from a fixed base situated in South Africa, and the dividends are attributable to such permanent establishment or fixed base.

In fiscal years 2021 and 2020, the corporate tax rates for taxable mining and non-mining income, to which the Companies in the Group is subject, were 34% and 28%, respectively. The formula for determining the South African gold mining tax rate for fiscal years ended 2021 and 2020 is: $Y = 34 – 170/X$. 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 mining income derived, expressed as a percentage.

With effect from April 1, 2014, Section 8F of the Income Tax Act results in any amount of interest which is incurred in respect of a "*hybrid debt instrument*" is deemed to be a dividend *in specie* declared by the payor and received by the recipient which is exempt from income tax, as opposed to interest which is taxable. The terms of some of our intercompany loans cause the affected loans to be deemed as "*hybrid debt instruments*" and the interest thereof to be deemed to be an exempt dividend *in specie*. This characterization of the affected loans as a "*hybrid debt instrument*" was not impacted by subsequent amendments to Section 8F of the Income Tax Act that became effective in fiscal year 2017.

U.S. Federal Income Tax Considerations

The following discussion is a summary of the U.S. federal income tax considerations to U.S. holders of the ownership and disposition of ordinary shares or ADRs. It deals only with U.S. holders who hold ordinary shares or ADRs as capital assets for U.S. federal income tax purposes. This discussion is based upon the provisions of the Internal Revenue Code of 1986, as amended, or the Code, published rulings, judicial decisions and the Treasury regulations, all as currently in effect and all of which are subject to change, possibly on a retroactive basis. This discussion has no binding effect or official status of any kind; we cannot assure holders that the conclusions reached below would be sustained by a court if challenged by the Internal Revenue Service.

This discussion does not address all aspects of U.S. federal income taxation that may be applicable to holders in light of their particular circumstances and does not address special classes of U.S. holders subject to special treatment (such as dealers in securities or currencies, partnerships or other pass-through entities, banks and other financial institutions, traders in securities that elect mark-to-market treatment, insurance companies, tax-exempt organizations (including private foundations), certain expatriates or former long-term residents of the United States, persons holding ordinary shares or ADRs as part of a "hedge," "conversion transaction," "synthetic security," "straddle," "constructive sale" or other integrated investment, persons who acquired the ordinary shares or ADRs upon the exercise of employee stock options or otherwise as compensation, persons whose functional currency is not the U.S. dollar, or persons that actually or constructively own ten percent or more of the voting power or value of our shares). This discussion addresses only U.S. federal income tax considerations and does not address the effect of any state, local, or foreign tax laws that may apply, the alternative minimum tax, the Medicare tax or the application of the federal estate or gift tax.

For purposes of this discussion, a "U.S. holder" is a beneficial owner of ordinary shares or ADRs who or that is, for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation (or any entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States or any political subdivision thereof;
- an estate, the income of which is subject to U.S. federal income tax without regard to its source; or
- a trust, if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or if the trust has made a valid election to be treated as a U.S. person.

If a partnership (or an entity treated as a partnership for U.S. federal income tax purposes) holds any ordinary shares or ADRs, the tax treatment of a partner will generally depend on the status of the partner and on the activities of the partnership. Partners in partnerships holding any ordinary shares or ADRs are urged to consult their tax advisors.

Because individual circumstances may differ, U.S. holders of ordinary shares or ADRs are urged to consult their tax advisors concerning the U.S. federal income tax considerations applicable to their particular situations as well as any considerations to them arising under the tax laws of any foreign, state or local taxing jurisdiction.

Ownership of Ordinary Shares or ADRs

For purposes of the Code, a U.S. holder of ADRs will be treated for U.S. federal income tax purposes as the owner of the ordinary shares represented by those ADRs. Exchanges of ordinary shares for ADRs and ADRs for ordinary shares generally will not be subject to U.S. federal income tax.

Subject to the discussion below under the heading "Passive Foreign Investment Company", distributions with respect to the ordinary shares or ADRs, other than distributions in liquidation and distributions in redemption of stock that are treated as exchanges, will be taxed to U.S. holders as ordinary dividend income to the extent that the distributions do not exceed our current and accumulated earnings and profits. For U.S. federal income tax purposes, the amount of any distribution received by a U.S. holder will equal the dollar value of the sum of the South African rand payments made (including the amount of South African income taxes, if any, withheld with respect to such payments), determined at the "spot rate" on the date the dividend distribution is includable in such U.S. holder's income, regardless of whether the payment is in fact converted into dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date a U.S. holder includes the dividend payment in income to the date such holder converts the payment into dollars will be treated as ordinary income or loss. Distributions, if any, in excess of our current and accumulated earnings and profits will constitute a non-taxable return of capital and will be applied against and reduce the holder's basis in the ordinary shares or ADRs.

To the extent that these distributions exceed the U.S. holder's tax basis in the ordinary shares or ADRs, as applicable, the excess generally will be treated as capital gain, subject to the discussion below under the heading "Passive Foreign Investment Company". We do not intend to calculate our earnings or profits for U.S. federal income tax purposes. U.S. holders should therefore assume that any distributions with respect to our ordinary shares or ADRs will constitute dividend income.

"Qualified dividend income" received by individual U.S. holders (as well as certain trusts and estates) generally will be taxed at a maximum U.S. federal income tax rate applicable to capital gains. This reduced rate generally would apply to dividends paid by us if, at the time such dividends are paid, either (i) we are eligible for benefits under a qualifying income tax treaty with the United States or (ii) our ordinary shares or ADRs with respect to which such dividends were paid are readily tradable on an established securities market in the United States. However, this reduced rate is subject to certain important requirements and exceptions, including, without limitation, certain holding period requirements and an exception applicable if we are treated as a passive foreign investment company as discussed under the heading "Passive Foreign Investment Company". U.S. holders are urged to consult their tax advisors regarding the U.S. federal income tax rate that will be applicable to their receipt of any dividends paid with respect to the ordinary shares and ADRs.

For purposes of this discussion, the "spot rate" generally means a rate that reflects a fair market rate of exchange available to the public for currency under a "spot contract" in a free market and involving representative amounts. A "spot contract" is a contract to buy or sell a currency on or before two business days following the date of the execution of the contract. If such a spot rate cannot be demonstrated, the U.S. Internal Revenue Service has the authority to determine the spot rate.

Dividend income derived with respect to the ordinary shares or ADRs will not be eligible for the dividends received deduction generally allowed to a U.S. corporation under Section 243 of the Code. Dividend income will be treated as foreign source income for foreign tax credit and other purposes. In computing the separate foreign tax credit limitations, dividend income should generally constitute "passive category income," or in the case of certain U.S. holders, "general category income."

Passive Foreign Investment Company

A special and adverse set of U.S. federal income tax rules apply to a U.S. holder that holds stock in a passive foreign investment company, or PFIC. We would be a PFIC for U.S. federal income tax purposes if for any taxable year either (i) 75% or more of our gross income, including our pro rata share of the gross income of any company in which we are considered to own 25% or more of the shares by value, were passive income or (ii) 50% or more of our average total assets (by value), including our pro rata share of the assets of any company in which we are considered to own 25% or more of the shares by value, were assets that produced or were held for the production of passive income. If we were a PFIC, U.S. holders of the ordinary shares or ADRs would be subject to special rules with respect to (i) any gain recognized upon the disposition of the ordinary shares or ADRs and (ii) any receipt of an excess distribution (generally, any distributions to a U.S. holder during a single taxable year that is greater than 125% of the average amount of distributions received by such U.S. holder during the three preceding taxable years in respect of the ordinary shares or ADRs or, if shorter, such U.S. holder's holding period for the ordinary shares or ADRs). Under these rules:

- the gain or excess distribution will be allocated ratably over a U.S. holder's holding period for the ordinary shares or ADRs, as applicable;
- the amount allocated to the taxable year in which a U.S. holder realizes the gain or excess distribution will be taxed as ordinary income;
- the amount allocated to each prior year (other than a pre-PFIC year), with certain exceptions, will be taxed at the highest tax rate in effect for that year; and
- the interest charge generally applicable to underpayments of tax will be imposed in respect of the tax attributable to each such year (other than a pre-PFIC year).

Although we generally will be treated as a PFIC as to any U.S. holder if we are a PFIC for any year during a U.S. holder's holding period, if we cease to satisfy the requirements for PFIC classification, the U.S. holder may avoid PFIC classification for subsequent years if such holder elects to recognize gain based on the unrealized appreciation in the ordinary shares or ADRs through the close of the tax year in which we cease to be a PFIC.

A U.S. holder of a PFIC is required to file an annual report with the Internal Revenue Service containing such information as the U.S. Secretary of Treasury may require.

A U.S. holder of the ordinary shares or ADRs that are treated as "marketable stock" under the PFIC rules may be able to avoid the imposition of the special tax and interest charge described above by making a mark-to-market election. Pursuant to this election, the U.S. holder would include in ordinary income or loss for each taxable year an amount equal to the difference as of the close of the taxable year between the fair market value of the ordinary shares or ADRs and the U.S. holder's adjusted tax basis in such ordinary shares or ADRs. Losses would be allowed only to the extent of net mark-to-market gain previously included by the U.S. holder under the election for prior taxable years. If a mark-to-market election with respect to ordinary shares or ADRs is in effect on the date of a U.S. holder's death, the tax basis of the ordinary shares or ADRs in the hands of a U.S. holder who acquired them from a decedent will be the lesser of the decedent's tax basis or the fair market value of the ordinary shares or ADRs. U.S. holders desiring to make the mark-to-market election are urged to consult their tax advisors with respect to the application and effect of making the election for the ordinary shares or ADRs.

In the case of a U.S. holder who holds ordinary shares or ADRs and who does not make a mark-to-market election, the special tax and interest charge described above will not apply if such holder makes an election to treat us as a "qualified electing fund" in the first taxable year in which such holder owns the ordinary shares or ADRs and if we comply with certain reporting requirements. However, we do not intend to supply U.S. holders with the information needed to report income and gain pursuant to a "qualified electing fund" election in the event that we are classified as a PFIC.

We believe that we were not a PFIC for our fiscal year ended June 30, 2021. However, under the PFIC rules income and assets are require to be measured and classified in accordance with U.S. federal income tax principles. Our analysis is based on our financial statements as prepared in accordance with IFRS, which may substantially differ from U.S. federal income tax principles. Therefore, no assurance can be given that we were not a PFIC. Furthermore, the tests for determining whether we would be a PFIC for any taxable year are applied annually and it is difficult to make accurate predictions of future income and assets, which are relevant to this determination. In addition, certain factors in the PFIC determination, such as reductions in the market value of our capital stock, are not within our control and can cause us to become a PFIC. Accordingly, there can be no assurance that we will not become a PFIC.

The rules relating to PFICs are very complex. U.S. holders are urged to consult their tax advisors regarding the application of the PFIC rules to their investments in our ordinary shares or ADRs.

Disposition of Ordinary Shares or ADRs

Subject to the discussion above under the heading "Passive Foreign Investment Company", upon a sale, exchange, or other taxable disposition of ordinary shares or ADRs, a U.S. holder will recognize gain or loss in an amount equal to the difference between the U.S. dollar value of the amount realized on the sale or exchange and such holder's adjusted tax basis in the ordinary shares or ADRs. Subject to the application of the "passive foreign investment company" rules discussed above, such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if the U.S. holder has held the ordinary shares or ADRs for more than one year. The deductibility of capital losses is subject to limitations. Gain or loss recognized by a U.S. holder on the taxable disposition of ordinary shares or ADRs generally will be treated as U.S.-source gain or loss for U.S. foreign tax credit purposes.

In the case of a cash basis U.S. holder who receives rands in connection with the taxable disposition of ordinary shares or ADRs, the amount realized will be based on the spot rate as determined on the settlement date of such exchange. A U.S. holder who receives payment in rand and converts rand into U.S. dollars at a conversion rate other than the rate in effect on the settlement date may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss.

An accrual basis U.S. holder may elect the same treatment required of cash basis taxpayers with respect to a taxable disposition of ordinary shares or ADRs, provided that the election is applied consistently from year to year. Such election may not be changed without the consent of the Internal Revenue Service. In the event that an accrual basis holder does not elect to be treated as a cash basis taxpayer, such U.S. holder may have a foreign currency gain or loss for U.S. federal income tax purposes because of the differences between the U.S. dollar value of the currency received prevailing on the trade date and the settlement date. Any such currency gain or loss will be treated as ordinary income or loss and would be in addition to gain or loss, if any, recognized by such U.S. holder on the disposition of such ordinary shares or ADRs.

Information with respect to Foreign Financial Assets

Certain U.S. holders may be required to report on Internal Revenue Service Form 8938 information relating to an interest in ordinary shares or ADRs, subject to certain exceptions (including an exception for assets held in accounts maintained by certain financial institutions, although the account itself may be reportable if held at a non-U.S. financial institution). U.S. holders should consult their tax advisers regarding the effect, if any, of this reporting requirement on their acquisition, ownership and disposition of ordinary shares or ADRs. U.S. holders should consult their tax advisors regarding application of the information reporting and backup withholding rules.

10F. DIVIDENDS AND PAYING AGENTS

Not applicable

10G. STATEMENT BY EXPERTS

Not applicable.

10H. DOCUMENTS ON DISPLAY

DRDGOLD files annual reports on Form 20-F and reports on Form 6-K with the SEC. You may access this information at the SEC’s home page (http://www.sec.gov). Copies of the documents referred to herein may be inspected at DRDGOLD Limited’s offices by contacting DRDGOLD Limited, P.O. Box 390, Maraisburg, Johannesburg, South Africa 1700. Attn: Company Secretary. Tel No. +27-11-470-2600.

10I. SUBSIDIARY INFORMATION

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

General

In the normal course of our operations, we are exposed to market risk, including commodity price, foreign currency, interest and credit risks. Refer to Item 18. ‘‘Financial Statements - Note 27 - Financial instruments’’ of the consolidated financial statements for a qualitative and quantitative discussion of our exposure to these market risks.

Our long-term strategy is to remain unhedged and to keep borrowings to a minimum. During fiscal 2021 we do not hold or issue derivative financial instruments for speculative purposes, nor did we hedge forward gold sales. However, in instances where we need to incur medium-term borrowings to finance growth projects that introduce some liquidity risk to the Group, we may mitigate this liquidity risk by entering into an arrangement to provide price protection against a possible decrease in the Rand gold price while borrowings are in place. For example in fiscal 2019 we entered into a hedging instrument in the form of a collar in respect of 50,000 ounces of gold that expired at the end of May 2019.

Commodity price risk

The rand market price of gold has a significant effect on our results of operations, our ability and the ability of our subsidiaries to pay dividends and undertake capital expenditures, and the market price of our ordinary shares or ADSs. Historically, rand gold prices have fluctuated widely and are affected by numerous industry factors over which we have no control. The aggregate effect of these factors on the rand gold price is impossible for us to predict. The rand price of gold may not remain at a level allowing us to economically exploit our reserves.

It is our long-term policy not to hedge this commodity price risk. However, in instances where we need to incur medium-term borrowings to finance growth projects that introduce some liquidity risk to the Group, we may mitigate this liquidity risk by entering into an arrangement to provide price protection against a possible decrease in the Rand gold price while borrowings are in place.

Concentration of credit risk

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

The Group manages its exposure to credit risk on cash and cash equivalents and cash and cash equivalents in environmental rehabilitation trust funds (classified as investments in rehabilitation obligation funds in the statement of financial position), by investing cash and cash equivalents across several major financial institutions, considering the credit ratings of the respective financial institutions, funds and underlying instruments.

The Group manages its exposure to credit risk on trade receivables by maintaining a short term cycle to settlement of 2 days. The Group 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 required. Receivables are regularly monitored and assessed for recoverability.

Foreign currency risk

Our reporting currency is South African rand. Although gold is sold in US dollars, the Company is obliged to convert this into rands. No hedges were entered into during fiscal 2021. We are thus exposed to fluctuations in the US dollar/rand exchange rate. Foreign exchange fluctuations affect the cash flow that we will realize from our operations as gold is sold in US dollars, while production costs are incurred primarily in rands. Our results are positively affected when the US dollar strengthens against the rand and adversely affected when the US dollar weakens against the rand. Our cash and cash equivalent balances are mostly held in South African rands. Holdings denominated in other currencies are not material.

Liquidity risk - Long-term debt

Set out below is an analysis of our debt as at June 30, 2021 consisting of capital and interest related to lease liabilities. All of our long-term debt is denominated in South African rand.

Interest rate	
Total	8.8% - 10.3%
	R'm
Repayment period	
2022	20.5
2023	18.3
2024	12.6
2025	5.9
2026	5.2
2027	1.3
Total	63.8

Based on our fiscal year 2021 financial results, a hypothetical 100 basis points (increase)/decrease in interest rate activity would (increase)/decrease our interest expense by R0.5 million.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

See Item 9. "The Offer and Listing Details".

12A. DEBT SECURITIES

Not applicable.

12B. WARRANTS AND RIGHTS

Not applicable.

12C. OTHER SECURITIES

Not applicable.

12D. AMERICAN DEPOSITARY SHARES

Depositary Fees and Charges

DRDGOLD's American Depository Shares, or ADSs, each representing ten of DRDGOLD's ordinary shares, are traded on the New York Stock Exchange, or NYSE under the symbol "DRD" (until December 29, 2011 our ADSs were traded on the Nasdaq Capital Market under the symbol "DROOY"). The ADSs are evidenced by American Depository Receipts, or ADRs, issued by The Bank of New York Mellon, as Depository under the Amended and Restated Deposit Agreement dated as of August 12, 1996, as amended and restated as of October 2, 1996, as further amended and restated as of August 6, 1998, as further amended and restated July 23, 2007, among DRDGOLD Limited, The Bank of New York Mellon and owners and beneficial owners of ADRs from time to time. ADR holders may have to pay the following service fees to the Depositary:

Service	Fees (USD)
Issuance of ADSs, including issuances resulting from a distribution of ordinary shares or rights	$5.00 (or less) per 100 ADSs (or portion thereof)[1]
Cancellation of ADSs for the purpose of withdrawal, including if the Deposit Agreement terminates	$5.00 (or less) per 100 ADSs (or portion thereof)[1]
Distribution of cash dividends or other cash distributions	2 cents (or less) per ADS (or portion thereof)
Distribution of securities distributed to holders of deposited securities which are distributed by the Depositary to ADS registered holders	$5.00 (or less) per 100 ADSs (or portion thereof)

[1] These fees are typically paid to the Depositary by the brokers on behalf of their clients receiving the newly-issued ADSs from the Depositary or delivering the ADSs to the Depositary for cancellation. The brokers in turn charge these transaction fees to their clients.

In addition, ADR holders are responsible for certain fees and expenses incurred by the Depositary on their behalf including (1) taxes and other governmental charges, (2) such registration fees as may from time to time be in effect for the registration of transfers of ordinary shares generally on the share register and applicable to transfers of ordinary shares to the name of the Depositary or its nominee or the Custodian or its nominee on the making of deposits or withdrawals, (3) such cable, telex and facsimile transmission expenses as are expressly provided in the Deposit Agreement, and (4) such expenses as are incurred by the Depositary in the conversion of foreign currency to U.S. Dollars.

The Depositary collects its fees for delivery and surrender of ADSs directly from investors depositing or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The Depositary, collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The Depositary may collect its annual fee for depositary services by deductions from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The Depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

Depositary Payments

The Bank of New York Mellon, as Depositary, has agreed to reimburse DRDGOLD an annual amount of $75,000 mainly consisting of accumulated contributions towards the Company's investor relations activities (including investor meetings, conferences and fees of investor relations service vendors). After the deduction of other fees, the annual reimbursement for the year ended June 30, 2021 amounts to approximately $51,944 (June 30, 2020: $16,237, June 30, 2019: $5,974). DRDGOLD is also entitled to a 25% share of the dividend fees which amounts to approximately $65,551 for the year ended June 30, 2021 (June 30, 2020: $nil, June 30, 2019: $20,195).

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

There have been no material defaults in the payment of principal, interest, a sinking or purchase fund installment, or any other material defaults with respect to any indebtedness of ours.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None

ITEM 15. CONTROLS AND PROCEDURES

15A. Disclosure Controls and Procedures

As of June 30, 2021, our management, with the participation of our Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of our disclosure controls and procedures (as this term is defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act). Our management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective as of June 30, 2021.

Our disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the applicable rules and forms and that such information required to be disclosed by us in the reports we file or submit under the Securities Exchange Act of 1934 is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures.

There are inherent limitations in the effectiveness of any system of disclosure controls and procedures. These limitations include the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, any such system can only provide reasonable assurance of achieving the desired control objectives.

15B. Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer and effected by our board, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Under Section 404(a) of the Sarbanes Oxley Act of 2002, management is required to assess our internal controls surrounding the financial reporting process as at the end of each fiscal year. Based on that assessment, management is to determine whether or not our internal controls over financial reporting are effective.

Internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that our receipts and expenditures are being made only in accordance with authorizations of our management and board; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Instead, it must be noted that even those systems that management deems to be effective can only provide reasonable assurance with respect to the preparation and presentation of our financial statements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or the degree of compliance with the policies and procedures.

Our management assessed the effectiveness of our internal control over financial reporting as of June 30, 2021. In making this assessment, our management used the criteria set forth by the *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our assessment and those criteria, our management concluded that as of June 30, 2021 our internal control over financial reporting was effective.

15C. Attestation Report of the independent registered public accounting firm

The effectiveness of internal control over financial reporting as of June 30, 2021 was audited by KPMG Inc., independent registered public accounting firm, as stated in their report on page F-1 of this Form 20-F.

15D. Changes in Internal Control Over Financial Reporting

During the year ended June 30, 2021, there have not been any changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Mr. J.A. Holtzhausen, Chairman of the Audit Committee, has been determined by our board to be an audit committee financial expert within the meaning of the Sarbanes-Oxley Act, in accordance with the Rules of the New York Stock Exchange, or NYSE, and rules promulgated by the SEC and independent both under the New York Stock Exchange Rules and the South African Johannesburg Stock Exchange Rules. The board is satisfied that the skills, experience and attributes of the members of the Audit Committee are sufficient to enable those members to discharge the responsibilities of the Audit Committee.

ITEM 16B. CODE OF ETHICS

We have adopted a Code of Conduct that applies to all senior executives including our Non-Executive Chairman, the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and the Financial Director at our mining operation as well as all other employees. The Code of Conduct can be accessed on the Company's website at the following web address: www.drdgold.com/about-us/governance.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

KPMG Inc. has served as our independently registered public accountant for the fiscal years ended June 30, 2021, 2020 and 2019, for which audited financial statements appear in this Annual Report. The Annual General Meeting elects the auditors annually.

The following table presents the aggregate fees for professional audit services and other services rendered by KPMG Inc. to us in fiscal year 2021 and 2020:

Audit Fees

Audit fees billed for the annual audit services engagement, which are those services that the external auditor reasonably can provide, include the company audit; statutory audits; comfort letters and consents; attest services; and assistance with and review of documents filed with the SEC.

Auditors' remuneration	**Year ended June 30,**	
	2021	**2020**
	R m	**R m**
Audit fees	9.1	8.4
All other fees	0.7	0.4
Total	9.8	8.8

All Other Fees

The all other fees during fiscal year 2021 consist of the following:

- R0.5 million with respect to limited assurance provided by KPMG on specified items contained in our Integrated Report for fiscal year 2020; and
- R0.2 million with respect to limited assurance provided by KPMG on specified items contained in our Integrated Report for fiscal year 2021;

The all other fees during fiscal year 2020 consist of the following:

- R0.2 million with respect to limited assurance provided by KPMG on specified items contained in our Integrated Report for fiscal year 2019; and
- R0.2 million with respect to limited assurance provided by KPMG on specified items contained in our Integrated Report for fiscal year 2020

The Audit Committee is directly responsible for recommending the appointment, re-appointment and removal of the external auditors as well as the remuneration and terms of engagement of the external auditors. The committee pre-approves, and has pre-approved, all non-audit services provided by the external auditors. The Audit Committee considered all of the fees mentioned above and determined that such fees are compatible with maintaining KPMG Inc.'s independence.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Not applicable

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

As a foreign private issuer with shares listed on the NYSE, we are subject to corporate governance requirements imposed by NYSE. Under section 303A.11 of the NYSE Listing Standards, a foreign private issuer such as us may follow its home country corporate governance practices in lieu of certain of the NYSE Listing Standards on corporate governance. DRDGOLD's home country corporate governance practices are regulated by the Listing Requirements of the JSE (the "**JSE Listing Requirements**"). We are also exempt from certain NYSE corporate governance requirements as a "controlled company". The following paragraphs summarize the significant ways in which DRDGOLD's home country corporate governance standards and its corporate governance practices differ from those followed by domestic companies under the NYSE Listing Standards.

Shareholder meeting quorum requirements

- Section 310.00 of the NYSE Listing Standards provides that the quorum required for any meeting of holders of common stock should be sufficiently high to insure a representative vote. Consistent with the practice of companies incorporated in South Africa, our Memorandum of Incorporation requires a quorum of three members present with sufficient voting powers in person or by proxy to exercise in aggregate 25% of the voting rights and we have elected to follow our home country rule.

- The NYSE Listing Standards require that the non-management directors of US-listed companies meet at regularly scheduled executive sessions without management. The JSE Listings Requirements do not require such meetings of listed company non-executive directors. The board has unrestricted access to all company information, records, documents and property. Directors may, if necessary, take independent professional advice at the Company’s expense and non-executive directors have access to management and may meet separately with management, without the attendance of executive directors.

- The NYSE Listing Standards require U.S. listed companies to have a nominating/corporate governance committee composed entirely of independent directors. The JSE Listing Requirements also require the appointment of such a committee, and stipulate that all members of this committee must be non-executive directors, the majority of whom must be independent. DRDGOLD has a Nominations Committee which currently comprises six non-executive directors, all of whom are independent under the NYSE Listing Standards and the JSE Listing Requirements, except for T.J. Cumming. The Nominations Committee is chaired by the Chairman of DRDGOLD.

- The NYSE Listing Standards require U.S. listed companies to have a compensation committee composed entirely of independent directors. The JSE Listing Requirements merely require the appointment of such a committee but not that its members be independent. DRDGOLD has appointed a Remuneration Committee, currently comprising five board members, all of whom are independent under both the JSE Listing Requirements and the NYSE Listing Standards, except for T.J. Cumming.

- The NYSE Listings Standards require U.S. listed companies to have an Audit Committee composed entirely of independent directors. The South African Companies Act requires that the audit committee be approved by shareholders on an annual basis at a company’s annual general meeting. The Companies Act and the JSE Listings Requirements also require an audit committee composed entirely of independent non-executive directors. DRDGOLD has appointed an Audit Committee, currently comprised of four board members, all of whom are non-executive and independent, as defined under both the JSE Listings Requirements and the NYSE Listing Requirements

- The Companies Act and the JSE Listings Requirements require the appointment of a Social and Ethics Committee, and DRDGOLD has appointed a Social and Ethics Committee, comprising four directors, three of whom are independent non-executive directors.

ITEM 16H. MINE SAFETY DISCLOSURES

Not applicable.

PART III

ITEM 17. FINANCIAL STATEMENTS

Not applicable.

ITEM 18 FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
DRDGOLD Limited:
Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated statements of financial position of DRDGOLD Limited and subsidiaries (the Company) as of June 30, 2021 and 2020, the related consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended June 30, 2021, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of June 30, 2021, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of June 30, 2021 and 2020, and the results of its operations and its cash flows for each of the years in the three-year period ended June 30, 2021, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of June 30, 2021 based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Evaluation of the provision for environmental rehabilitation

As discussed in note 11 to the consolidated financial statements, the Company has recorded a provision for environmental rehabilitation of R 570.8 million as of June 30, 2021. The Company's estimates of undiscounted environmental rehabilitation costs used in calculating the provision are determined with the assistance of an independent expert and are based on the Company's environmental management plans which are developed in accordance with current regulatory requirements, the Company's life-of-mine ("LOM") plan (discussed in note 9 to the consolidated financial statements) and the planned method of rehabilitation.

We identified the evaluation of the provision for environmental rehabilitation as a critical audit matter. Subjective auditor judgment and specialized skills and knowledge were required to evaluate the current regulatory requirements, the Company's LOM plan, specifically the estimated quantities of economically recoverable gold, and the planned method of rehabilitation.

The following are the primary procedures we performed to address this critical audit matter:

- We evaluated the design and tested the implementation and operating effectiveness of certain internal controls relating to the Company's process to determine the environmental rehabilitation provision. This included controls related to the assessment of current regulatory requirements, determination of the Company's LOM plan, specifically related to the estimated quantities of economically recoverable gold, and the planned method of rehabilitation;

- We involved environmental rehabilitation professionals with specialised skills and knowledge, who assisted in evaluating the results of the Company'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 the Company's expert by comparing their professional qualifications, experience and affiliations against industry norms and obtained and understanding of their scope of work; and

  - evaluating a selection of sites by performing site 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 regulatory requirements, and comparing selected inputs to the Company's mineral reserves and resources report that was reviewed by the Company's independent mineral resources expert.

- We evaluated the objectivity, knowledge, skills and ability of the Company's independent mineral resources experts, that reviewed management's mineral reserves and resources estimates, by comparing their professional qualification, experience and affiliation 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; and
- We evaluated 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 expert's report.

Evaluation of deferred tax liabilities related to the Ergo and FWGR operations

As discussed in Note 18 to the consolidated financial statements, the Company has recorded a deferred tax liability of R377.1 million as of June 30, 2021, a portion of which related to the Ergo and FWGR operations. The deferred tax liabilities related to the Ergo and 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 Company's life-of-mine ("LOM") plan (as discussed in note 9 to the consolidated financial statements) that is applied to calculate the expected future profitability.

We identified the valuation of deferred tax liabilities related to the Ergo and FWGR operations as a critical audit matter. Subjective auditor judgment and specialised skills and knowledge were required to evaluate the expected future profitability, that is based on the LOM plan, which includes certain key assumptions about the estimated quantities of economically recoverable gold and the forecasted rand gold price.

The following are the primary procedures we performed to address this critical audit matter:

- We evaluated the design and tested operating effectiveness of certain internal controls relating to the Company's process to develop the assumptions and estimates used in calculating the forecast weighted average tax rate. This included controls related to certain key assumptions about the forecasted rand gold price and estimated quantities of economically recoverable gold that are applied in determining the expected future profitability;
- We evaluated the objectivity, knowledge, skills and ability of the Company'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 evaluated 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 expert's report;
- We evaluated the forecast rand gold price by comparing it to independent analyst reports;
- We evaluated the Company's ability to accurately forecast its expected future profitability by comparing the historical projections of the rand gold price and estimated quantities of economically recoverable gold to actual results; and
- 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.

Valuation of the investment in Rand Refinery Proprietary Limited

As discussed in Note 25.1 to the consolidated financial statements, the Company has an unlisted equity investment in Rand Refinery Proprietary Limited (RR) that is valued at R119.3 million as of 30 June 2021. The fair value of the RR investment includes the valuation of the refining operations (excluding Prestige Bullion) using a free cash flow ("FCF") model and the valuation of RR's investment in Prestige Bullion (Prestige) using a finite-life dividend discount ("DD") model.

We identified the valuation of the investment in RR as a critical audit matter. Subjective auditor judgment and specialised skills and knowledge were required to evaluate certain key inputs used in the FCF and DD models, specifically the forecasted average gold and silver prices and discount rates, including the weighted average cost of capital, cost of equity and the marketability and minority discount rates, applied to calculate the overall total fair value for RR.

The following are the primary procedures we performed to address this critical audit matter:

- We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's process to determine the fair value of the investment in RR. This included controls related to the determination of key inputs including the forecasted average gold and silver prices and discount rates;
- We involved valuation professionals with specialized skills and knowledge, 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 Company's calculated fair value for the investment in RR; and
  - 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.

/s/ KPMG Inc.
We have served as the Company's auditor since 2003.
Johannesburg, Republic of South Africa
October 28, 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended June 30, 2021

Amounts in R million	Note	2021	2020	2019
Revenue	4	**5,269.0**	4,185.0	2,762.1
Cost of sales	5.1	**(3,388.2)**	(2,937.9)	(2,553.9)
Gross profit from operating activities		**1,880.8**	1,247.1	208.2
Other income	5.2	**0.1**	0.7	7.9
Administration expenses and other costs	5.3	**(64.0)**	(309.9)	(90.9)
Results from operating activities		**1,816.9**	937.9	125.2
Finance income	6	**216.2**	109.8	58.3
Finance expense	7	**(69.5)**	(68.8)	(78.4)
Profit before tax		**1,963.6**	978.9	105.1
Income tax	18.1	**(523.7)**	(343.9)	(26.6)
Profit for the year		**1,439.9**	635.0	78.5
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	(5.9)
Fair value adjustment on equity investments at fair value through other comprehensive income	25	**(28.2)**	191.8	(5.9)
Deferred tax thereon	18.2	**(6.2)**	(1.2)	-
Total other comprehensive income for the year		**(34.4)**	190.6	(5.9)
Total comprehensive income for the year		**1,405.5**	825.6	72.6
Earnings per share				
Basic earnings per share (SA cents per share)	8	**168.4**	82.5	11.8
Diluted earnings per share (SA cents per share)	8	**167.2**	81.0	11.5

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at June 30, 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 June 30, 2021

Amounts in R million	Note	Stated share capital	Other reserves	Retained earnings	Total equity
Balance at June 30, 2018		**4,177.7**	**-**	**(2,910.4)**	**1,267.3**
Total comprehensive income					
Profit for the year				78.5	78.5
Other comprehensive income				(5.9)	(5.9)
Total comprehensive income		-	-	72.6	72.6
Transactions with the owners of the parent					
Contributions and distributions					
Equity instruments issued as purchase consideration for the acquisition of Far West Gold Recoveries ("**FWGR**")		895.7	453.6		1,349.3
Expenses incurred on issue of ordinary shares		(0.3)			(0.3)
Treasury shares acquired through subsidiary	21.1	(0.3)			(0.3)
Total contributions and distributions		895.1	453.6	-	1,348.7
Balance at June 30, 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 June 30, 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 June 30, 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 June 30, 2021

Amounts in R million	Note	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash generated from operations	14	**1,851.0**	1,309.6	282.0
Finance income received		**105.9**	63.8	16.8
Dividends received		**76.1**	4.3	-
Finance expenses paid		**(7.5)**	(8.7)	(9.3)
Income tax paid		**(452.1)**	(240.1)	(1.2)
Net cash inflow from operating activities		**1,573.4**	1,128.9	288.3
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipment		**(395.7)**	(181.1)	(347.4)
Environmental rehabilitation payments to reduce decommissioning liabilities	11	**(51.0)**	(22.1)	(16.6)
Proceeds on disposal of property, plant and equipment	5.2	**0.1**	0.7	5.8
Funds received from environmental obligation funds	12	**-**	-	55.2
Net cash outflow from investing activities		**(446.6)**	(202.5)	(303.0)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from the issue of ordinary shares	21.1	**-**	1,085.6	-
Share issue expenses		**-**	(0.5)	(0.3)
Acquisition of treasury shares	21.1	**-**	-	(0.3)
Dividends paid on ordinary shares		**(640.9)**	(564.5)	-
Borrowings raised		**-**	-	192.0
Borrowings paid		**-**	-	(192.0)
Initial fees incurred on facility		**(1.0)**	-	(3.6)
Repayment of lease liabilities	10.2	**(11.6)**	(11.4)	(3.7)
Net cash (outflow)/inflow from financing activities		**(653.5)**	509.2	(7.9)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**473.3**	1,435.6	(22.6)
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	302.1
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	13	**2,180.0**	1,715.1	279.5

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2021

1 ABOUT THESE CONSOLIDATED FINANCIAL STATEMENTS

Reporting entity
The DRDGOLD Group is primarily involved in the retreatment of surface gold. The consolidated financial statements comprise DRDGOLD Limited (the "**Company**") 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.

The DRDGOLD Group 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**"). The consolidated financial statements were approved by the board for issuance on October 28, 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	2019
Spot rate at year end	14.27	17.32	14.07
Average prevailing rate for the financial year	15.40	15.66	14.18

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 NCI 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 June 30, 2021
During the financial period, the following relevant new and revised accounting standards, amendments to standards and new interpretation 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, 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	2019
Gold revenue	**5,263.8**	4,179.3	2,758.8
Silver revenue	**5.2**	5.7	3.3
Total revenue	**5,269.0**	4,185.0	2,762.1

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	2019
20% increase in the US Dollar gold price	**1,053.8**	837.0	552.4
20% decrease in the US Dollar gold price	**(1,053.8)**	(837.0)	(552.4)

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	2019
20% increase in the Rand to US Dollar exchange rate	**1,053.8**	837.0	552.4
20% decrease in the Rand to US Dollar exchange rate	**(1,053.8)**	(837.0)	(552.4)

5 RESULTS FROM OPERATING ACTIVITIES

5.1 COST OF SALES

Amounts in R million	Note	2021	2020	2019
Cost of sales		**(3,388.2)**	(2,937.9)	(2,553.9)
Operating costs (a)		**(3,122.5)**	(2,692.1)	(2,471.1)
Movement in gold in process and finished inventories - Gold Bullion		**(25.6)**	3.1	32.6
Depreciation	9	**(252.5)**	(270.8)	(169.1)
Change in estimate of environmental rehabilitation	11	**12.4**	21.9	60.0
Retrenchment costs (b)		**-**	-	(6.3)
The most significant components of operating costs include:				
Consumable stores		**(880.2)**	(801.0)	(866.5)
Labour including short term incentives		**(598.4)**	(573.0)	(476.7)
Electricity		**(488.2)**	(420.9)	(399.4)
Specialist service providers		**(510.7)**	(447.5)	(437.1)
Machine hire		**(127.4)**	(95.2)	(77.7)
Security expenses		**(122.8)**	(87.8)	(59.9)
Water		**(57.1)**	(47.0)	(44.1)
Pre-production costs capitalised		**-**	-	93.7
Voluntary staff retrenchments		**-**	-	(6.3)

RELATED PARTY TRANSACTIONS

FWGR entered into an agreement with Sibanye-Stillwater effective July 31, 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 July 31, 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	2019
Services rendered by related parties and included in operating costs:			
Supply of water and electricity [1]	**68.1**	50.0	16.9
Gold smelting and related charges [1]	**21.1**	19.8	12.9
Other charges [1]	**0.7**	1.6	-
Charges to Sibanye-Stillwater [2]	**-**	(0.2)	(6.5)
Gold refining and related charges [3]	**6.8**	4.9	3.6
	96.7	76.1	26.9

[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	2019
Gain on disposal of property, plant and equipment	**0.1**	0.7	5.8
Gain on financial asset at fair value through profit or loss	**-**	-	2.1
	0.1	0.7	7.9

5 RESULTS FROM OPERATING ACTIVITIES *continued*

5.3 ADMINISTRATION EXPENSES AND OTHER COSTS

Amounts in R million	Note	2021	2020	2019
Included in administration expenses and other costs are the following:				
Share based payment benefit/(expenses)		**28.3**	(224.1)	(21.4)
Cash settled Long-Term Incentive ("**CLTI**") scheme	19.1	**44.3**	(218.1)	(21.4)
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	2019
Interest on financial assets measured at amortised cost	13	**108.7**	63.1	16.9
Growth in cash and cash equivalents in environmental rehabilitation trust funds	12	**22.5**	33.3	30.5
Growth in reimbursive right for environmental rehabilitation guarantees	12	**3.7**	5.2	7.9
Dividends received	25	**76.1**	4.3	-
Unwinding of Payments made under protest	24	**4.8**	3.9	3.0
Other finance income		**0.4**	-	-
		216.2	109.8	58.3

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	2019
Interest on financial liabilities measured at amortised cost		**(2.3)**	(2.0)	(10.2)
Interest on financial liabilities measured at amortised cost capitalised		**-**	-	9.4
Unwinding of provision for environmental rehabilitation	11	**(44.7)**	(52.0)	(66.3)
Discount recognised on Payments made under protest	24	**(7.4)**	(7.1)	(6.5)
Interest on lease liabilities	10.2	**(4.5)**	(5.1)	(2.0)
Unrealised foreign exchange loss		**(8.4)**	-	-
Other finance expenses		**(2.2)**	(2.6)	(2.8)
		(69.5)	(68.8)	(78.4)

8 EARNINGS PER SHARE

Amounts in R million	2021	2020	2019
The calculations of basic and diluted earnings per ordinary share are based on the following:			
Profit for the year	**1,439.9**	635.0	78.5

Reconciliation of weighted average number of ordinary shares to diluted weighted average number of ordinary shares	Note	2021	2020	2019
Weighted average number of ordinary shares in issue		**855,113,791**	769,941,874	664,553,283
Effect of Sibanye-Stillwater Option	21.1	**-**	9,464,684	15,387,695
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	679,940,978

SA cents per share	2021	2020	2019
Basic earnings per share	**168.4**	82.5	11.8
Diluted earnings per share	**167.2**	81.0	11.5

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 (SAMREC Code). 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.

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; 2019: three) and 13 years(2020: 13; 2019: 11) years for Ergo mining assets and between three (2020: four; 2019: five) and 18 years (2020: 20; 2019: 15) years for FWGR mining assets.

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
June 30, 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**
June 30, 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 July 1, 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 June 30, 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 plans 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 June 30, 2021

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
June 30, 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**
June 30, 2020				
Cost		11.1	45.0	56.1
Impact of adopting IFRS 16 on July 1, 2019				
Right-of-use assets recognised on July 1, 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 July 1, 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 July 1, 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 July 1, 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, the life-of-mine plan (as discussed in note 9) which influences the estimated timing of environmental 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% 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

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	2019
Profit for the year		**1,439.9**	635.0	78.5
Adjusted for				
Income tax	18.1	**523.7**	343.9	26.6
Depreciation	9	**252.5**	270.8	169.1
Movement in gold in process and finished inventories - Gold Bullion	5.1	**25.6**	(3.1)	(32.6)
Change in estimate of environmental rehabilitation	11	**(12.4)**	(21.9)	(60.0)
Environmental rehabilitation payments	11	**(5.8)**	(8.1)	(10.9)
Share-based payment (benefit)/expense	5.3	**(28.3)**	224.1	21.4
Gain on disposal of property, plant and equipment	5.2	**(0.1)**	(0.7)	(5.8)
Finance income	6	**(216.2)**	(109.8)	(58.3)
Finance expense	7	**69.5**	68.8	78.4
Other non-cash items		**(2.5)**	2.6	1.8
Operating cash flows before other changes		**2,045.9**	1,401.6	208.2
Changes in		**(194.9)**	(92.0)	73.8
Trade and other receivables		**6.9**	(79.0)	22.5
Consumable stores and stockpiles		**(44.7)**	(26.4)	(24.8)
Payments made under protest	24	**(8.1)**	(10.6)	(11.7)
Trade and other payables and employee benefits		**(149.0)** [1]	24.0 [1]	87.8 [1]
Cash generated from operations		**1,851.0**	1,309.6	282.0

[1] *Includes settlement of cash-settled long-term incentives of R183.3 million (2020: R41.5 million, 2019: R15.5 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 recovery 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 are entered into during the year ended June 30, 2021 were at spot rates and no hedges are 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 June 30	**-**	1.3

A 20% 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 separately*

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 June 30, 2021 of approximately R14.2 million (2020: R10.3 million; 2019: R8.6 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 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.

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.

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. 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.

18 INCOME TAX *continued*

18.1 INCOME TAX EXPENSE

Amounts in R million	2021	2020	2019
Current tax	**(423.7)**	(263.2)	1.6
Mining tax	**(423.7)**	(263.2)	-
Non-Mining, company and capital gains tax	**-**	-	1.6
Deferred tax	**(100.0)**	(80.7)	(28.2)
Deferred tax charge - Mining tax	**(104.0)**	(59.1)	(14.8)
Deferred tax charge - Non-mining, company and capital gains tax	**(19.1)**	(2.1)	1.6
Deferred tax rate adjustment	**-**	(20.7)	(15.0)
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)	(26.6)
Tax reconciliation			
Major items causing the Group's income tax expense to differ from the statutory rate were:			
Tax on net profit before tax at the South African corporate tax rate of 28%	**(549.9)**	(274.1)	(30.2)
Rate adjustment to reflect the actual realised company tax rates applying the gold mining formula	**3.7**	(0.9)	7.4
Deferred tax rate adjustment (a)	**-**	(20.7)	(15.0)
Depreciation of property, plant and equipment exempt from deferred tax on initial recognition (b)	**(21.2)**	(21.4) [1]	(4.9) [1]
Non-deductible expenditure (c)	**(6.2)**	(7.9) [1]	(7.0) [1]
Exempt income and other non-taxable income (d)	**22.8**	2.4	4.4
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)	(2.7)
Other items	**3.3**	0.4	16.8
Tax incentives	**0.8**	0.6	1.7
Over provided in prior periods	**-**	-	2.9
Income tax	**(523.7)**	(343.9)	(26.6)

[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; 2019: increased from 20.3% to 22.0% due to an increase in forecast taxable income of Ergo).

FWGR's forecast weighted average deferred tax rate remained unchanged at 30.0% (2020: 30.0%; 2019: 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; 2019: R16.6 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; 2019: R6.5 million);
- R17.0 million expenditure not incurred in generation of taxable income or capital in nature (2020: R2.7 million; 2019: R6.0 million); and
- Nil 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; 2019: R11.3 million).

(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; 2019: nil);
- R4.8 million unwinding recognised on Payments made under protest (2020: R4.0 million; 2019: R3.0 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 and 2019 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 INCOME TAX *continued*

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")
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")
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 nil 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 November 5, 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
After 12 months after reporting date		**-**	-

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 Limited 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 Limited share	**-**	**25.14**	**2.26**
Annualised forward dividend yield	**-**	**1.0%**	**4.3%**

19 EMPLOYEE BENEFITS *continued*

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

Amounts in R million	2021	2020	2019
Share-based payment expense - ELTI scheme	**16.0**	6.0	-

On December 2, 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 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%**

Reconciliation of the number of conditional shares	2021	2020
Opening balance	5,860,760	-
Granted		
December 2, 2019	-	5,860,760
October 22, 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	October 22, 2020	December 2, 2019	
Vesting date	**October 22, 2023**	**December 2, 2022**	**December 2, 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*

[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 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 June 30, 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	2019
- Board fees paid		**7.6**	6.2	5.8
- Salaries paid		**75.5**	67.3	61.7
- Short term incentives relating to this cycle		**73.8**	63.6	31.5
- Long term incentives paid during the cycle	19.1	**183.3**	41.5	15.5
- Retrenchments		**-**	-	1.6
		340.2	178.6	116.1

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 June 30, 2021 and June 30, 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 year ended June 30, 2021 or June 30, 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.

In terms of an ordinary resolution passed at the previous annual general meeting, the remaining unissued ordinary shares in the company are under the control of the directors until the next general meeting.

Amounts in R million	2021	2020	2019
Authorised share capital			
1,500,000,000, (2020 and 2019: 1,500,000,000) ordinary shares of no par value			
5,000,000 (2020 and 2019: 5,000,000) cumulative preference shares of 10 cents each	**0.5**	0.5	0.5
Issued share capital			
864,588,711 (2020: 864,588,711, 2019: 696,429,767) ordinary shares of no par value (a)	**6,208.4**	6,208.4	5,123.3
9,474,920 (2020: 9,474,920, 2019: 9,361,071) treasury shares held within the Group (b)	**(51.0)**	(51.0)	(51.0)
5,000,000 (2020 and 2019: 5,000,000) cumulative preference shares of 10 cents each	**0.5**	0.5	0.5
	6,157.9	6,157.9	5,072.8

RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(a) Ordinary shares issued
Sibanye-Stillwater and its subsidiaries and associates became related parties to the Group on July 31, 2018 when the acquisition of FWGR became unconditional. 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 January 8, 2020 Sibanye-Stillwater exercised the Option and on January 22, 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 Share on the day immediately prior to the date of exercise of the Option.

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

21 EQUITY *continued*

21.2 DIVIDENDS

Amounts in R million	2021	2020	2019
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; 2019: nil SA cents per share)	**299.3**	137.5	-
First interim dividend: 40 SA cents per share (2020: 25 SA cents per share; 2019: nil SA cents per share)	**342.0**	213.8	-
Second interim dividend nil SA cents per share (2020: 25 SA cents per share; 2019: nil SA cents per share)	**-**	213.8	-
Total	**641.3**	565.1	-

After June 30, 2021, a dividend of 40 cents per qualifying share amounting to R342.0 million was approved by the directors as a final dividend for the year ended June 30, 2021. The dividend has not been provided as at June 30, 2021 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 and Far West Gold Recoveries Proprietary Limited 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.

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

2021 Amounts in R million	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)
- Movement in gold in process and finished inventories - gold Bullion	31.9	(6.3)	-	25.6
- Ongoing rehabilitation expenditure	46.6	1.7	-	48.3
- Care and maintenance	-	-	3.9	3.9
- 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	(4.0)	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	83.0	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 loss	(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 titled measures of other companies. Adjusted EBITDA is not a measure of performance under IFRS and should be considered in addition to, and not as a substitute for, other measures of financial performance and liquidity.

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*

Reconciliation of cost of sales to cash operating costs				
Cost of sales	(2,453.4)	(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 titled measures of other companies. Adjusted EBITDA is not a measure of performance under IFRS and should be considered in addition to, and not as a substitute for, other measures of financial performance and liquidity.*

23 OPERATING SEGMENTS *continued*

2019 Amounts in R million	Ergo	FWGR	Other reconciling items	Total
Financial performance				
Revenue (External)	2,577.5	184.6	-	2,762.1
Cash operating costs	(2,311.1)	(111.8)	-	(2,422.9)
Movement in gold in process and finished inventories - Gold Bullion	16.4	16.2	-	32.6
Segment operating profit	282.8	89.0	-	371.8
Retrenchment costs	(1.6)	(4.7)	-	(6.3)
Administration expenses and other costs	(12.0)	(2.3)	(76.6)	(90.9)
Interest income [1]	6.5	-	10.4	16.9 [1]
Interest expense [2]	(2.4)	-	(3.2)	(5.6) [2]
Current tax	1.6	-	-	1.6
Working profit/(loss) before additions to property, plant and equipment	274.9	82.0	(69.4)	287.5
Additions to property, plant and equipment	(22.8)	(330.7)	(0.2)	(353.7)
Working profit/(loss) after additions to property, plant and equipment	252.1	(248.7)	(69.6)	(66.2)

[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*

	Ergo	FWGR	Other reconciling items	Total
Reconciliation of cost of sales to cash operating costs				
Cost of sales	(2,414.7)	(131.3)	(7.9)	(2,553.9)
- Depreciation	142.8	25.7	0.6	169.1
- Change in estimate of environmental rehabilitation recognised in profit or loss	(58.6)	-	(1.4)	(60.0)
- Movement in gold in process and finished inventories - gold Bullion	(16.4)	(16.2)	-	(32.6)
- Ongoing rehabilitation expenditure	16.6	1.7	-	18.3
- Care and maintenance	-	-	8.8	8.8
- Other operating income/(costs)	19.2	8.3	(0.1)	27.4
Cash operating costs	(2,311.1)	(111.8)	-	(2,422.9)
Reconciliation of profit/(loss) for the year to working profit/(loss) before additions to property, plant and equipment				
Profit/(loss) for the year	82.3	28.7	(32.5)	78.5
- Deferred tax	16.2	13.4	(1.4)	28.2
- Net other operating costs/(income)	40.2	15.4	(25.7)	29.9
- Ongoing rehabilitation expenditure	16.6	1.7	-	18.3
- Discount recognised on Payments made under protest including subsequent unwinding	3.5	-	-	3.5
- Unwinding of provision for environmental rehabilitation	45.4	19.6	1.3	66.3
- Other income	(2.2)	-	(5.7)	(7.9)
- Growth in environmental rehabilitation obligation funds	(11.3)	(22.5)	(4.6)	(38.4)
- Change in estimate of provision for environmental rehabilitation recognised in profit or loss	(58.6)	-	(1.4)	(60.0)
- Depreciation	142.8	25.7	0.6	169.1
Working profit/(loss) before additions to property, plant and equipment	274.9	82.0	(69.4)	287.5
Statement of cash flows				
Cash inflows/(outflows) from operating activities	221.7	89.3	(22.7)	288.3
Cash (outflows)/inflows from investing activities	(39.4)	(324.4)	60.8	(303.0)
Cash (outflows)/inflows from financing activities	(291.7)	236.7	47.1	(7.9)
Reconciliation of adjusted EBITDA				
Profit for the year				**78.5**
Income tax				26.6
Profit before tax				**105.1**
Finance expense				78.4
Finance income				(58.3)
Results from operating activities				**125.2**
Depreciation				169.1
Share-based payment expense				21.4
Change in estimate of environmental rehabilitation recognised in profit				(60.0)
Gain on financial instruments at fair value through profit or loss				(2.1)
Gain on disposal of property, plant and equipment				(5.8)
Retrenchment costs				6.3
Adjusted EBITDA[1]				254.1 [1]

[1] *Adjusted EBITDA (that was considered from the year ended 30 June 2019 following the initial RCF agreement) may not be comparable to similarly titled measures of other companies. Adjusted EBITDA is not a measure of performance under IFRS and should be considered in addition to, and not as a substitute for, other measures of financial performance and liquidity.*

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;
- 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 June 30, 2020 annual report; and
- discount period: June 30, 2024 (2020: June 30, 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 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 other comprehensive income (OCI).

Amounts in R million	Shares	% 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]	100.0%	**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 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 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.

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 per agreement with the South African Mint (partner in Prestige Bullion). 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 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 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 May 3, 2018, former mineworkers and dependents of deceased mineworkers ("**Applicants**") and Anglo American South Africa Limited, AngloGold Ashanti Limited, Sibanye Gold Limited trading as Sibanye-Stillwater, 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, 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;
- 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 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 of directors ("**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 committee 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 June 30, 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 August 25 2021, the Board declared a final dividend for the year ended June 30, 2021 of 40 SA cents per qualifying share amounting to R342.0 million, which was paid on September 27, 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

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

DRDGOLD LIMITED

By: /s/ D.J. Pretorius
D.J. Pretorius
Chief Executive Officer

By: /s/ A.J. Davel
A.J. Davel
Chief Financial Officer

Date: October 28, 2021