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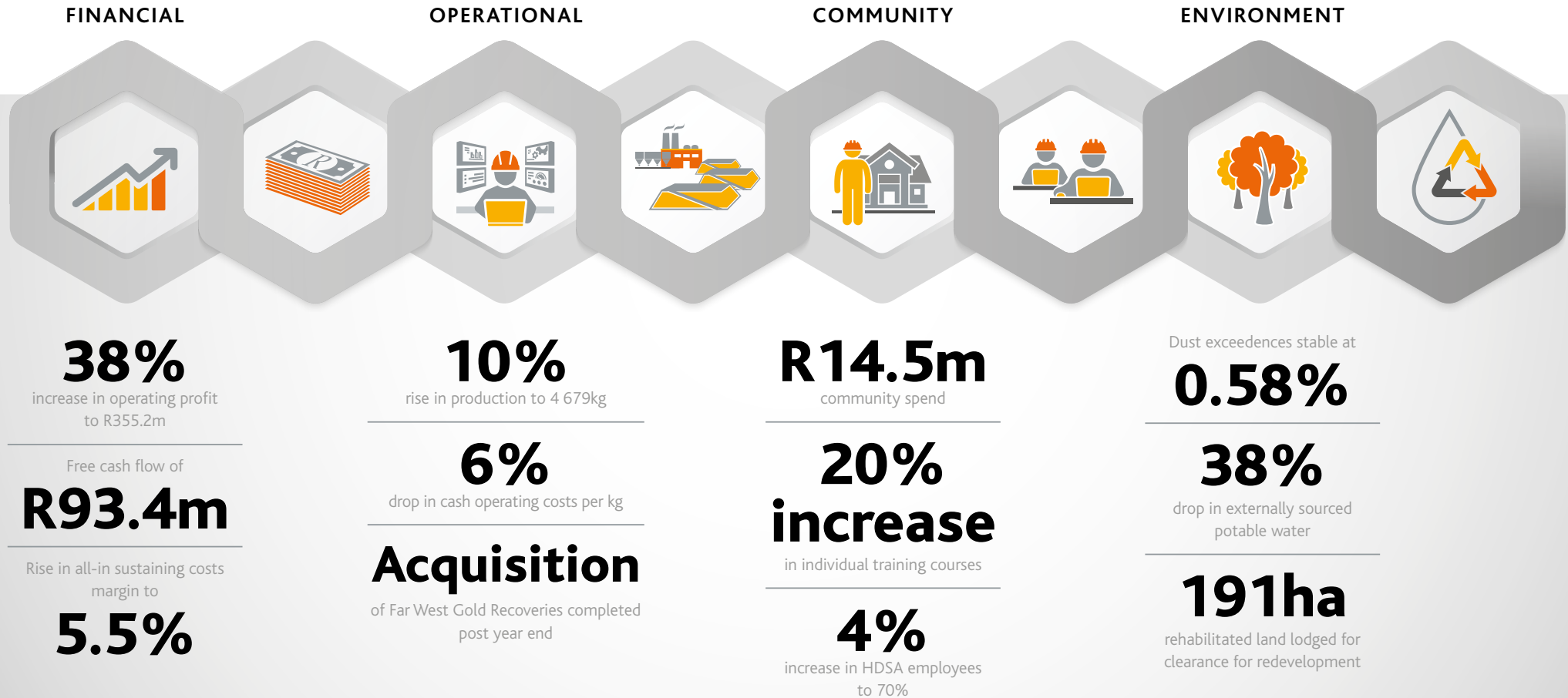


FORWARD-LOOKING STATEMENTS

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

These risks include, without limitation, those described in the section entitled "Risk Factors" included in our Form 20-F for the fiscal year ended 30 June 2018, which we filed with the United States Securities and Exchange Commission (SEC) on 31 October 2018. You should not place undue reliance on these forward-looking statements, which speak only as of the date thereof. We do not undertake any obligation to publicly update or revise these forward-looking statements to reflect events or circumstances after the date of this report or the occurrence of unanticipated events. Any forward-looking statement included in this report has not been reviewed or reported on by DRDGOLD's auditors.

HIGHLIGHTS



ABOUT THIS REPORT

In this annual integrated report, we address the performance and sustainable value creation of Ergo Mining Proprietary Limited (Ergo), the reclamation operation owned and managed by DRDGOLD Limited (DRDGOLD), during the financial year from 1 July 2017 to 30 June 2018.

REPORTING SCOPE AND BOUNDARY

Information is presented in an integrated manner, using five* capitals, as defined by the International Integrated Reporting Council (IIRC), guided by matters that have a material impact on value creation within the Group and the Global Reporting Initiative G4 (core) guidelines. We acknowledge the newly effective GRI Standards and will make a transition thereto in the compilation of our FY2019 report.

We communicate the sustainability of our business and compliance, in terms of our listings on the Johannesburg Stock Exchange (JSE) and the New York Stock Exchange (NYSE), to our shareholders as our providers of capital. We also identify and report on our engagement with our other stakeholders. Our previous integrated report for the financial year from 1 July 2016 to 30 June 2017 can be found on the company's website: www.drdgold.com/investors-and-media/annual-reports/2017

Our accompanying Annual Financial Statements (AFS) for the year ended 30 June 2018 and notice of annual general meeting (NOM) for the year ended 30 June 2018, which includes summary consolidated financial statements, can be found on the company's website: www.drdgold.com/investors-and-media/annual-reports/2018

Selected sustainability key performance indicators, marked as ^{1A} in this report, have been assured by an independent assurance provider, KPMG Services Proprietary Limited.

OUR APPROACH TO MATERIALITY


This report provides information that we believe is of material interest to our stakeholders who should be able to make an informed assessment of DRDGOLD's ability to generate value over time. As all the information in this report is material, we do not provide a list of "material issues" but have sought to ensure that all the information relates to matters that have a material impact on value creation within the Group.

Our business model (pages 13 to 20) shows how we create value. Our ability to create value is determined by our operating environment (pages 21 and 22), an analysis of our risks and opportunities (pages 25 to 30), our key stakeholder interests (pages 23 and 24) and the efficiency with which we deploy capital and resources in the context of the above. Our strategic objectives (pages 31 to 37) are linked to our material risks and opportunities. We have therefore determined the relevance of the issues we report, and the significance of these issues to our business and stakeholders.

RESPONSIBILITY AND APPROVAL

The DRDGOLD Board, including the Audit and Risk Committee, is responsible for the compilation of this report. All directors have reviewed and commented on the contents to ensure its integrity. The Board formally approved this report, our AFS and NOM at a meeting on 24 October 2018.

Geoffrey Campbell
Chairman
24 October 2018

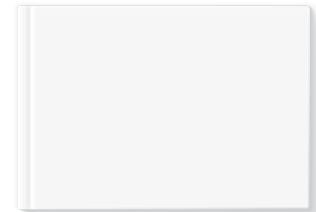
 For more information, see www.drdgold.com

** In terms of the International Integrated Reporting <IR> Framework, developed by the IIRC, six capitals (financial, manufactured, intellectual, human, social and relationship, and natural) enable organisations to communicate value creation over time, and thus provide insight into the resources and relationships used and affected by an organisation. DRDGOLD combines manufactured and intellectual capital into a single capital (manufactured).*

Queries should be addressed to:

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SUITE OF REPORTS



CHAIRMAN'S LETTER



This year, we built on the solid foundation established over the previous years. We continued to innovate and improve the efficiency of operations as we seek to recover declining concentrations of gold from the dumps in and around Johannesburg.

In this report you will read of the many projects and initiatives to improve productivity and reduce costs and the bottom

line is that, in a year where the gold price was decidedly lacklustre, DRDGOLD reported a 10% increase in gold production and a 38% increase in operating profit to R355 million.

The robust nature of our operations and the extensive experience and talent that we have accumulated over the years were key factors that enabled DRDGOLD to negotiate and complete a very significant transaction with Sibanye Gold Limited (Sibanye-Stillwater). The deal, completed on 31 July 2018, was the result of a combined team effort across the company and is indicative of the quality of our operations and the people who work at DRDGOLD.

In the deal with Sibanye-Stillwater we acquired substantial dumps and treatment facilities in the West Rand area, now known as Far West Gold Recoveries, from Sibanye-Stillwater in exchange for 38% of DRDGOLD with an option to increase the shareholding to 50.1% within two years. Not only does the transaction add significant longevity to our operations, but also the dumps that we have acquired are of a higher grade than our existing dumps and therefore, we expect the operations to be more profitable than our

existing operations. This will make DRDGOLD more resilient to a lower gold price which is always a good thing.

We are busy upgrading the newly acquired facilities and we secured a R300 million loan to finance the work. Our ability to borrow money at a time of dull gold price performance in a sector that is not attracting capital, is further demonstration of DRDGOLD's positive reputation. We plan to have Phase 1 of the work in place by first quarter of 2019 adding approximately 120kg of gold a month to the overall production. This in itself will add substantial value to DRDGOLD shareholders and puts us in an excellent position to evaluate and consider Phase 2.

Phase 2 has the potential to be hugely significant, not just for DRDGOLD, but for South Africa as a whole. With the right gold price and forward-looking government policies to support a fair and stable business environment to attract the necessary long-term capital, we could be looking at a much larger operation. Phase 2 would require substantial development and the resulting investment would not just pay shareholders'

dividends for many years to come but also provide skilled jobs and training, tax payments, community development and extensive environmental clean-up.


There is much to look forward to in the coming year and beyond as we develop Far West Gold Recoveries. We will continue to seek out further efficiencies and look for ways to optimise our operations.

Our commitment to training and development of our workforce is of fundamental importance to maximising value for our shareholders. The application of specialised knowledge along with good communication and teamwork is key to making sure that we extract every gram of profitable gold possible. We will also continue to work with the communities close to our operations to nurture local businesses and social projects and minimise disruptions.

Geoffrey Campbell
Chairman
24 October 2018



CEO'S STRATEGIC REVIEW

 Read more on our strategy on page 31



We entered FY2018 with high ambitions for the year: the hope to achieve lower unit costs and better operating flexibility while continuing our commitment to sustainable development.

I reported last year that FY2017 was a year of repositioning the business; exiting the West Rand footprint and migrating our operating footprint closer to the Ergo plant in the East Rand.

The year did not disappoint. Space that was previously taken up by clean-up material from the west had now become freed-up. We were able to pump better quality tonnes at lower cost per unit to our plants. Potable water consumption was down

38% due to increased usage of treated acid mine drainage (AMD) and sewage, enabled by our newly completed integrated water distribution network. This also brought down the cost of water consumption. In addition to the clean-up of the Johannesburg mining footprint through our reclamation activities, the containment of environmental impacts of our activities through dust suppressing vegetation also continued; an initiative of ever increasing social significance in improving the quality of life of the many communities who had settled in close proximity to our business infrastructure over the years.

Adding to the momentum were three important capital projects: the commissioning of 4L50 (which adds additional volume optionality), the completion of the zinc precipitation circuit (which reduces costs and creates more throughput capacity at the precipitation and smelting stage of gold recovery) and the transfer of mills from Crown to Ergo (which brings high grade sand milling capacity a lot closer to the East Rand).

Also worth mentioning are the risks we managed to avoid this year because of ongoing business improvements: we avoided a drop in carbon efficiencies following the very significant rainstorms early in 2018 –

testimony to better clean and dirty water separation and hence more stable density levels of throughput material. Despite a very disruptive few weeks in electricity supply, including a number of unannounced power trips linked to the Eskom wage strike, we managed to avoid the choking of plant infrastructure, and importantly, the tripping of thickeners. These are measures which by design make the business more resilient to risk associated with a changing climate and increasingly unreliable service delivery.

This report will not be complete without also referring to the acquisition of certain of the surface gold assets of Sibanye-Stillwater. The improved performance in our share price enabled us to pitch an offer to Sibanye-Stillwater for their West Rand surface gold portfolio at a share exchange ratio that struck a good balance between what we should be paying for the asset, and what they were asking for it. Not only do we expect to almost double our Mineral Reserves in FY2019, but the acquisition of existing plant and deposition infrastructure enables us to get to production and cash flow in a very short time. The first phase of this project is high grade, and we anticipate its contribution to cash flow will be such that it should all but eliminate the dilution of Ergo earnings insofar as pre-transaction shareholders are concerned.

Allow me a few words on the role our share price played in cementing this transaction. I am fully aware of the fact that our policy of taking full exposure to the gold price provides steep gearing to the gold price and the high levels of liquidity of our stock, provide opportunities for short term gain on both sides of the gold price trend. DRDGOLD has however now paid dividends without interruption for 11 years. The little bit of support the market afforded our stock during 2017 and the fact that the share price hovered around the R5.75 – R6.00 levels for as long as it did, was of vital importance in doing this deal and acquiring this asset in exchange for a very reasonable 38% share in our issued share capital. Sibanye-Stillwater now has the option to push its stake in DRDGOLD up by another 12.1% at a 10% discount to the share price at the time it exercises the option. How big, or small the inflow of capital might be should Sibanye-Stillwater choose to exercise the option is entirely up to you, the shareholder – ultimately it is you who decide the share-price.

The political climate in South Africa has changed a lot in the last 12 months. The standard of political governance is much higher and our new political leaders are considered men of integrity. The reality though is that they are also working very

hard to bring about structural changes they believe are appropriate and in accordance with the wishes of their constituency. Hence, we are seeing in the new Mining Charter a whole raft of requirements relating to carried interest for historically disadvantaged South Africans (HDSAs), as well as extensive empowerment provisions in respect of local black suppliers of goods and services. In addition the state has firmly committed to a programme of land expropriation without compensation in order to bring about transformation in land ownership that more closely reflects the demographics of South Africa.

As a member of the Minerals Council, we are hard at work to ensure that a settlement is reached that does not impact unfairly on our providers of capital. We are also very aware of our obligation to our providers of capital to ensure that investments are structured in such a way that the best chance to ensure a fair return on investment capital is assured.

Niël Pretorius

Chief Executive Officer

24 October 2018

SECTION 2



DRDGOLD IS AMONG THE WORLD LEADERS IN GOLD PRODUCTION FROM TAILINGS RETREATMENT. WE OPTIMALLY EXPLOIT OUR SURFACE GOLD RESOURCES, A LEGACY OF MORE THAN A CENTURY OF GOLD MINING, WHILE ADDING ECONOMIC VALUE AND RELEASING LAND BACK TO THE GREATER JOHANNESBURG FOR REDEVELOPMENT.

ABOUT DRDGOLD

WHO WE ARE

DRDGOLD is a South African gold producer and a world leader in the recovery of gold from the retreatment of surface tailings. Our network of assets is unrivalled in South Africa and, with our consolidated businesses operating as a single entity, is focused on optimising these assets in order to increase gold production.

GROUP STRUCTURE

DRDGOLD is 94% held by public shareholders with 6% held by black economic empowerment (BEE) partners. Khumo Gold SPV Proprietary Limited holds 4% while the remaining 2% is held by historically disadvantaged employees through the DRDSA Empowerment Trust.

This ownership structure is compliant with the Mining Charter and has the approval of the Department of Mineral Resources (DMR).

During the year, the Ergo entity was unbundled out of the 100% DRDGOLD subsidiary, Ergo Mining Operations Proprietary Limited, into DRDGOLD. DRDGOLD now owns 100% of Ergo into which all the Group's surface retreatment sites are consolidated. A similar transaction was effected to the ERPM entity. On 1 August 2018, DRDGOLD became the 100% owner of Far West Gold Recoveries. See page 12.

OWNERSHIP STRUCTURE



LISTINGS

The company has its primary listing on the JSE. It has been listed on this exchange for more than a century making it one of the oldest primary listings on the JSE. Our secondary listing is on the NYSE.

Primary listing



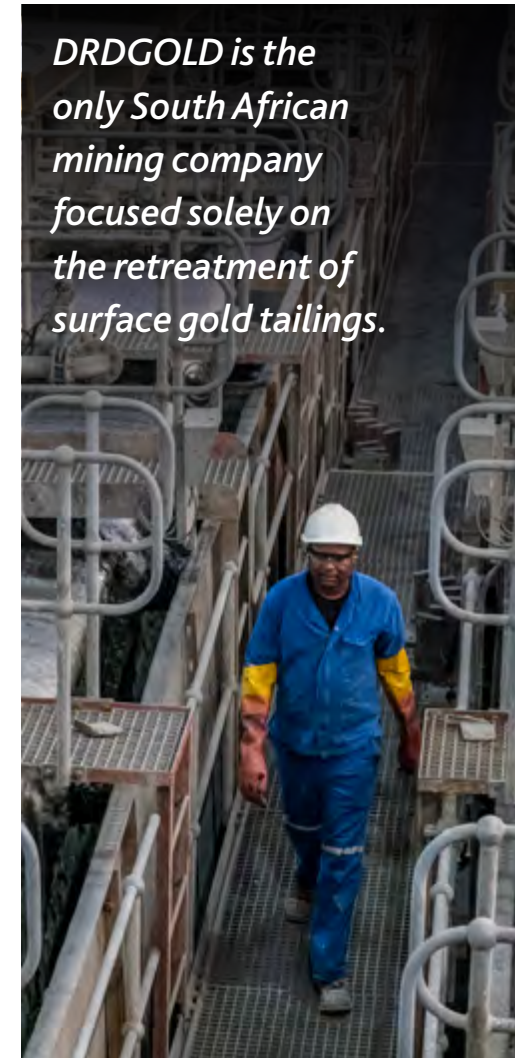
Secondary listing



Our shares are also traded on the regulated unofficial market of the Frankfurt Stock Exchange and the Berlin and Stuttgart over-the-counter markets. We voluntarily delisted our shares from the Marché Libre in Paris, effective 30 May 2018. The total volume of securities traded on this exchange amounted to less than 0.2% of the total number of DRDGOLD securities in issue.

At the end of FY2018, our company had 431 429 767 ordinary shares in issue and a market capitalisation of R1.6 billion.

DRDGOLD is the only South African mining company focused solely on the retreatment of surface gold tailings.



WHAT WE DO

SUSTAINABLY REVERSING A CENTURY-OLD ENVIRONMENTAL LEGACY

OUR INTENTION

DRDGOLD HAS A POSITIVE IMPACT ON THE JOHANNESBURG LANDSCAPE BY SUSTAINABLY AND PROFITABLY CLEANING UP THE LEGACY OF MORE THAN A CENTURY OF GOLD MINING.

OUR PURPOSE

We stay in business to sustainably and profitably mine, through reclamation, what has been left behind in the legacy tailings of the Witwatersrand. We strive to improve the quality of life for residents of the greater Johannesburg by cleaning up this legacy, by investing in environmental containment measures to suppress dust and contain AMD while operating as an “urban miner”, moving historic mining waste to a world-class tailings facility, and opening up valuable land for development.

By anticipating risk and adapting to circumstances, DRDGOLD has managed to remain operational where other mines have closed, broadening our value-add to include “people” and “planet”, and will strive to do so for many years to come.

WHAT SETS US APART: OUR MINING RESULTS IN REHABILITATION



PEOPLE

Continuous training to devolve decision-making and horizontal integration of skills through self-directed work teams has resulted in an increasingly knowledge-based workforce. Employee wellbeing, including education in financial literacy and confidential counselling, remains a fundamental aspect of our strategy to retain our accomplished employees.



PLANET

As a gold mining company, we acknowledge our responsibilities to minimise our impact on the environment and pursue ways to enhance the quality of life experienced by communities around our operations.



PROFIT

We are among world leaders in gold production from tailings retreatment. Optimal, sustainable orebody exploitation is key to ensuring that our business remains profitable in the long term. To this end, we control costs, manage margins and focus on generating cash with an integrated approach to value creation in mind.

HOW WE ARE DIFFERENT

Our mechanised process is not labour intensive and our own employees, deployed mainly in core mineral extraction and processing areas, are supported by independent service providers who mostly provide logistical, security and environmental services.

PEOPLE

We have lower health and safety risks than traditional underground mines as our surface operations are not exposed to risks such as seismicity, underground fires, flooding or fall of rock.

	DRDGOLD	Industry
Labour as a percentage of operating cost (%)	19	54
Production per employee per annum (kg gold produced/total employees and contractors)	2.03	1.15
Average pay per employee (excluding contractors) per annum (R'000)	475	282

We add value by cleaning up the historic mining footprint around Johannesburg in our retreatment of mine dumps. We hope to attain five land clearance certificates covering approximately 191ha from the National Nuclear Regulator (NNR) for the release of completely rehabilitated sites, by the end of FY2019.

PLANET

We are one of the few mining operations in South Africa that perform concurrent rehabilitation on our tailings deposition facilities. During the past three years, we have vegetated 141ha of our Crown, Brakpan/Withok and Daggafontein Tailings Deposition Facilities.



Adding value for our shareholders is important and, for the eleventh year in a row, DRDGOLD has declared a dividend.

PROFIT

The minimal debt on our balance sheet has afforded us the opportunity to expand or invest in projects we believe will fit with our business model, in South Africa or anywhere in the world where mining has left a legacy of tailings dams; most notably, the acquisition of certain surface gold assets from Sibanye-Stillwater.



OUR COMPETITIVE ADVANTAGE

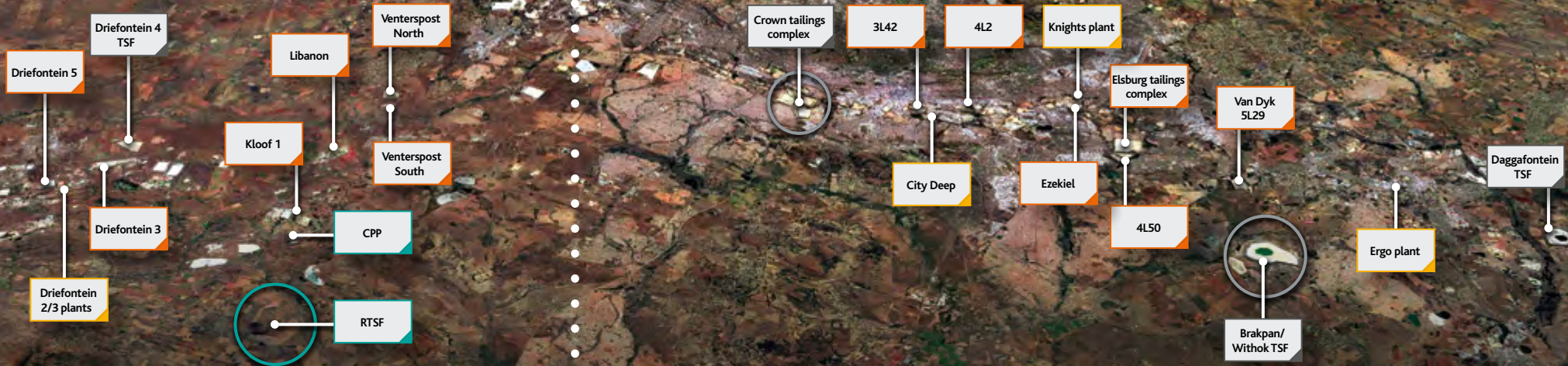
Local and global economics, which are beyond our control, affect the price of gold. Technology, however, is in our realm of control and plays a vital role in unlocking gold potential and extending the lives of our operations. The DRDGOLD Board is committed to investigating research and development opportunities that would enable further reclamation of our Mineral Resource and improve our gold recoveries in terms of yield grade, as well as minimise environmental impact.

Our competitive advantage is vested in:

- Knowledge and infrastructure to move vast quantities of material over long distances through urban areas
- A supporting and caring culture
- Knowledge and technology to recover gold from low-grade material
- World-class knowledge to sustainably rehabilitate tailings dams
- Using water and electricity in a responsible way
- Astute use of technology to manage operations on a 24/7/365 basis


WHERE WE OPERATE

 Mouse over and click to enlarge highlighted areas



WEST TO EAST PLANTS & TAILINGS

SPANNING OVER 163KM

 Plant  Dumps  Tailings dams  Future developments

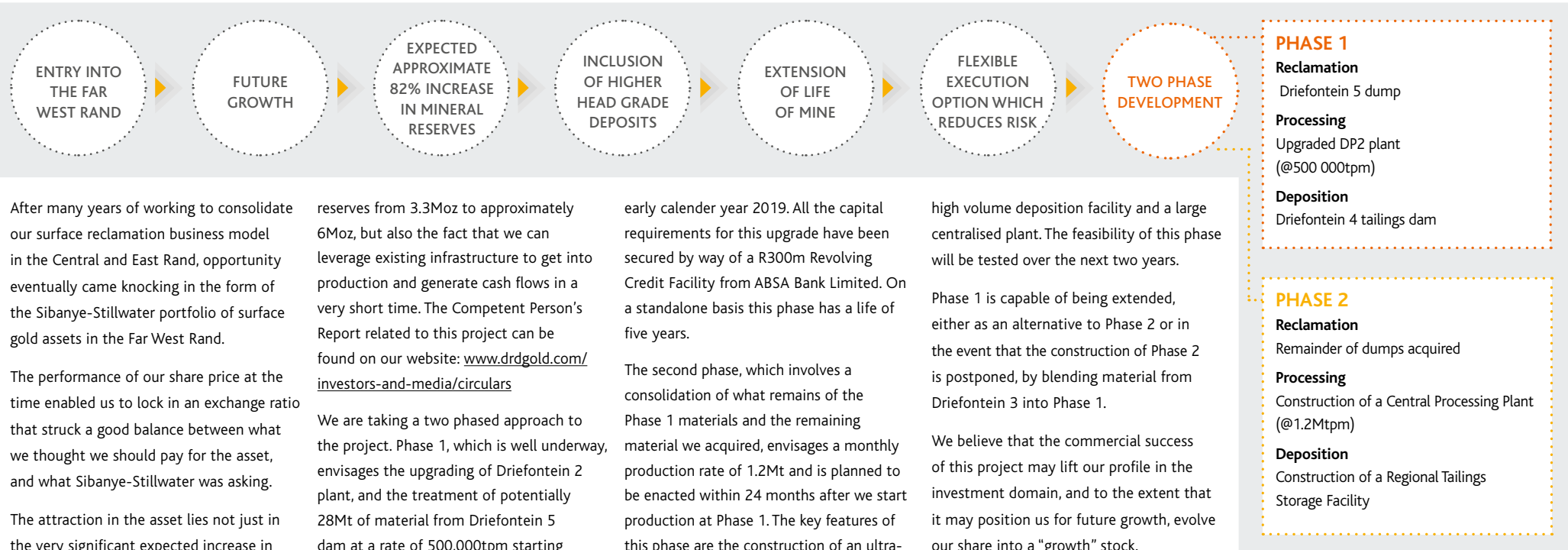
LOOKING WEST

GROWTH IN THE RIGHT DIRECTION

EXTENDING OUR FOOTPRINT FROM ERGO IN THE EAST, DRDGOLD WILL NOW ALSO EXPLOIT ON-SURFACE GOLD DEPOSITS AT FAR WEST GOLD RECOVERIES IN THE WEST OF JOHANNESBURG.



INTRODUCING FAR WEST GOLD RECOVERIES

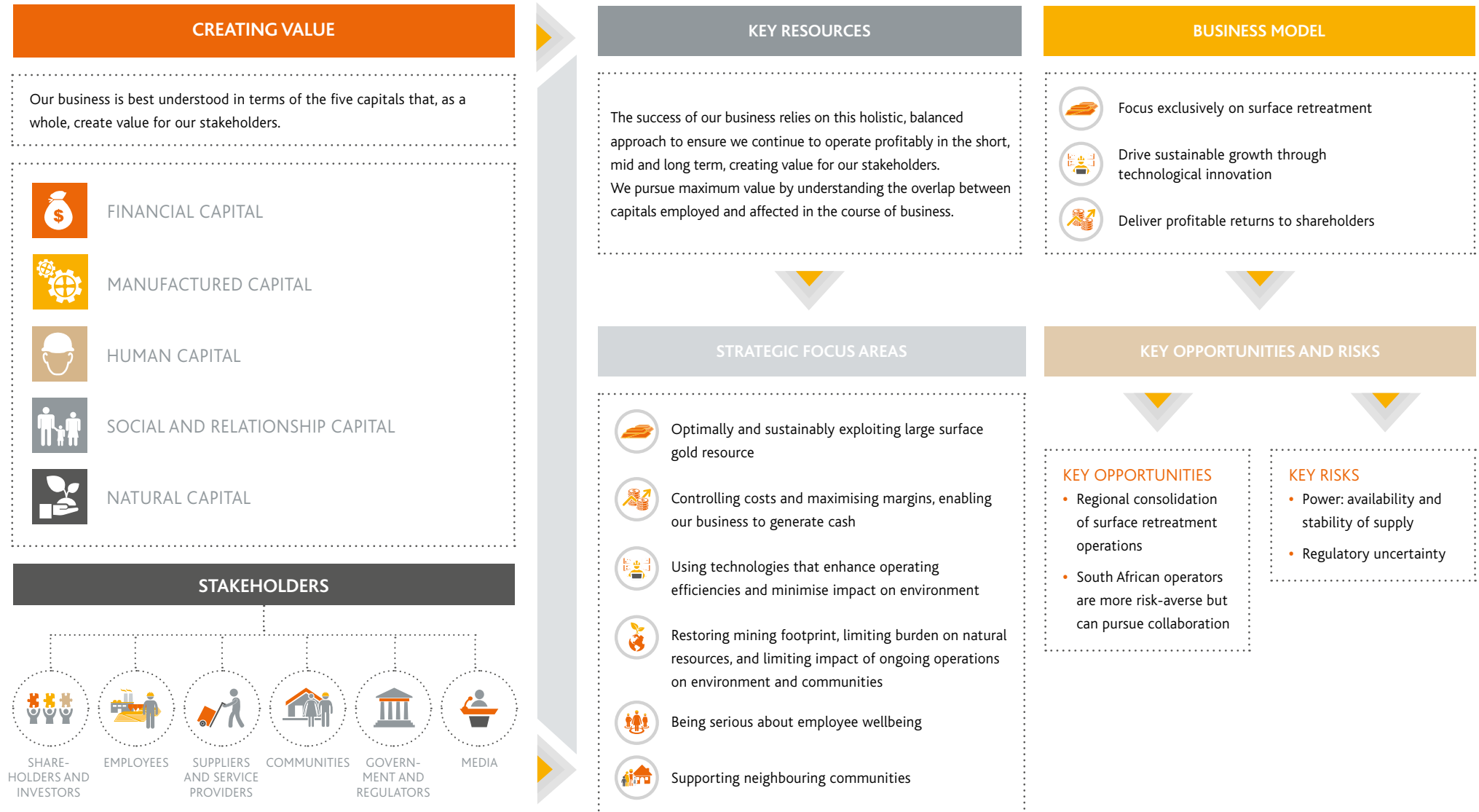




REHABILITATION THROUGH MINING: DRDGOLD ADDS VALUE TO THE ECONOMY BY PRODUCING GOLD THROUGH THE RETREATMENT OF MINE DUMPS. TECHNOLOGY PLAYS A VITAL ROLE IN UNLOCKING VALUE AND EXTENDING THE LIVES OF OUR OPERATIONS.

OUR BUSINESS MODEL AND STRATEGY


OUR BUSINESS MODEL



OUR BUSINESS MODEL *continued*




OUR BUSINESS MODEL *continued*

Key resources	Key inputs	Activities to enhance key resources and trade-offs between capitals	Outcomes
 FINANCIAL CAPITAL Our financial capital is the return on investment and the revenue we generate from the sale of our product and from our providers of capital (shareholders). It is a critical input in conducting our business activities and investing in other forms of capital.	<ul style="list-style-type: none"> NYSE/JSE listing Debt-free balance sheet at year end Cash of R302.1 million Free cash flow generated by operations 	We realised benefits from the investments made in financial capital in the prior year. These included: <ul style="list-style-type: none"> Increase in production and cost savings benefit after the Crown legacy sites clean-up A reduction of potable water by 38% and the relevant cost savings through our investment in the Central Water Distribution System 	<ul style="list-style-type: none"> Market capitalisation of R1.6 billion Interim dividend declared of 5cps Revenue of R2 490.4 million Operating profit of R355.2 million Total economic value of R2 333 million^{LA} distributed Free cash inflow of R93.4 million
	<ul style="list-style-type: none"> Major capital projects completed 	Investments in manufactured capital which are expected to yield returns in financial capital in the medium to long term: <ul style="list-style-type: none"> Refurbished and commissioned two ball mills from Crown to introduce higher grade material closer to our Ergo plant Invested in the zinc precipitation circuit which is expected to reduce costs and increase efficiencies Start up of 4L50 which is expected to bring in greater plant stability and consequently efficiency 	<ul style="list-style-type: none"> R126.1 million spent on capital projects including R44.7 million on growth capital
	<ul style="list-style-type: none"> Major capital projects planned 	Going forward, a key trade-off will be the refurbishment and commissioning of Phase 1 of Far West Gold Recoveries which requires capital funding. We have secured a revolving credit facility from ABSA Bank Limited and traded a zero collar post year end to provide protection against a possible decrease in the rand/gold price while the borrowings are in place. Although this is expected to decrease financial capital in the short term, Phase 1 of Far West Gold Recoveries is expected to yield returns in the medium and long term in all five capitals.	<ul style="list-style-type: none"> Production to commence in the third quarter of FY2019, which is expected to ultimately contribute to our bottom-line by the second half of FY2019



^{LA} Limited assurance

OUR BUSINESS MODEL *continued*

Key resources	Key inputs	Activities to enhance key resources and trade-offs between capitals	Outcomes
 <p>MANUFACTURED CAPITAL</p> <p>Our manufactured and intellectual capital is the specialised technology we use to fine-grind gold-bearing material to achieve recovery efficiencies previously beyond the reach of typical metallurgical processes. We will continue to invest in projects that will yield a return and ensure our sustainable future.</p>	<ul style="list-style-type: none"> • Our flagship Ergo plant in Brakpan including flotation/fine-grind (FFG) process • Better use of technology and analysis to keep the Ergo plant stable • Extensive pipeline infrastructure • Mega Tailings Storage Facility • R126.1 million spent on capital projects including R44.7 million on growth capital • Central Water Distribution System 	<p>We invest in research and development opportunities, which provide a return not only in terms of financial capital, but also contribute to other capitals as part of our optimal value chain. Our focus and trade-offs for FY2018 were:</p> <ul style="list-style-type: none"> • Invested financial capital in our Central Water Distribution System in the prior year and realised the benefit thereof as potable water consumption reduced by 38% • Invested financial capital in the new 4L50 reclamation area, conversion of the electrowinning circuit to zinc precipitation and installation of two ball mills to increase financial capital in the long term through cost savings, improved plant utilisation and improved operating flexibility • By spending financial capital on tonnage and grade verification, and studies to enlarge our tailings deposition facility in the medium term, we unlock financial capital potential in the long term by enabling more gold resources to be mined for longer in accordance with our stated strategy 	<ul style="list-style-type: none"> • Increased gold production by 10% to 4 679Kg • Use of externally sourced potable water decreased by 38% • 10% increase in our Mineral Reserves



^{LA} Limited assurance


OUR BUSINESS MODEL *continued*

Key resources	Key inputs	Activities to enhance key resources and trade-offs between capitals	Outcomes
 <p>HUMAN CAPITAL</p> <p>Human capital is the investment in our people and the development of their skills towards a knowledge based workforce and to ensure that we run our business efficiently, safely and cost- effectively. Every employee has the right to work in a safe and secure environment and have the opportunity for personal development.</p>	<p>Experienced team:</p> <ul style="list-style-type: none"> Relatively small, skilled, permanent workforce (878 employees) Specialist service providers (1 426 contractors) <hr/> <ul style="list-style-type: none"> Health and safety policies and procedures Training and awareness campaigns 	<p>Our employees' wellbeing is important to us. We invest financial capital in various initiatives to ensure that employees' personal goals are aligned with the strategic objectives of the Group, including:</p> <ul style="list-style-type: none"> Training initiatives Talent management Best Life project Home ownership initiative Baobab programme and communication <hr/> <p>The health and safety of our employees remains a priority. We have therefore initiated the following campaigns:</p> <ul style="list-style-type: none"> Managerial procedural training Workplace safety pledge for management and workers Silicosis dust awareness campaign 	<ul style="list-style-type: none"> R417 million^{1A} value distributed to employees – salaries, wages and other benefits 20% women in mining 12% women in core positions 70% HDSAs in management, core and critical skills positions 1 546 employee training sessions at a cost of R9.0 million <hr/> <ul style="list-style-type: none"> 0^{1A} fatalities Lost time injury frequency rate (LTIFR): 2.92^{1A} Reportable injury frequency rate (RIFR): 1.55^{1A} One silicosis and one asbestos case reported Reduction in noise-induced hearing loss (NIHL) to one case



^{1A} Limited assurance

OUR BUSINESS MODEL *continued*


Key resources	Key inputs	Activities to enhance key resources and trade-offs between capitals	Outcomes
 <p>SOCIAL AND RELATIONSHIP CAPITAL Our social and relationship capital extends to our people and neighbouring communities by improving their quality of life, poverty alleviation and youth education.</p>	<ul style="list-style-type: none"> Ergo Business Development Academy (EBDA), flagship for development and training established in the community Employee assistance programme Broad-based agricultural livelihoods programme for East Rand communities Infrastructure improvement projects at several schools Maths, science and accountancy teaching programmes at schools on the West Rand and East Rand 	<p>Our future existence depends on our social licence to operate and our investment in our communities is guided by our current Social and Labour Plan (SLP). During FY2018, we invested financial capital in the following initiatives:</p> <ul style="list-style-type: none"> Youth education remains a priority – DRDGOLD facilitated lessons in maths, science and accountancy for more than 891 pupils at eight schools in our areas of influence In and around Ergo, 877 families grow their own vegetables and several produce a surplus which is sold in their communities R2.1 million spent on a DRDGOLD-enlisted consortium, which employs 33 community members, to undertake the vegetation programme at the Crown complex. Currently, we supply the materials, but are assisting them to develop into a fully functional business 	<ul style="list-style-type: none"> Broad-based black economic empowerment (BBBEE) procurement spend: R1 481.3 million (90.7% of our total discretionary spend) R25.1 million^{1A} total socio-economic development spend 488 community members in learnership programmes 721 learners benefited from our maths and science teaching programme 170 learners benefited from our accountancy teaching programme



^{1A} Limited assurance



OUR BUSINESS MODEL *continued*

Key resources	Key inputs	Activities to enhance key resources and trade-offs between capitals	Outcomes
 <p>NATURAL CAPITAL Our natural capital includes the environmental resources at our disposal for consumption during the production process. Our positive impact is in the improvement of the greater Johannesburg landscape by reclaiming old mine dumps and tailings dams, restoring the environmental legacy of mining and unlocking sterilised land for further development.</p>	<ul style="list-style-type: none"> • Surface Mineral Resource of 7.33Moz • Water, electricity and chemical reagent consumption • Containment and remediation of our impacts on the environment • R51.6 million spend on environmental rehabilitation activities 	<p>Our most significant achievement in creating our natural capital in the current year, is the reduction of potable water usage by 38% as a result of the infrastructure investments (financial capital) made in the prior year in the Central Water Distribution System.</p> <p>We invested further in projects which have yielded or are expected to yield a natural dividend in the future, including the following:</p> <ul style="list-style-type: none"> • Concurrent rehabilitation and vegetation of our tailings deposition facilities, which decreases dust emissions and improves the quality of life of those living within our areas of influence • The establishment and funding (financial capital) of a consortium which employs local community members (social capital) in the Crown complex area, as part of our dust suppressing vegetation programme 	<ul style="list-style-type: none"> • Total water consumption up 6% and potable water consumption down 38% • 744Mℓ Trans-Caledon Tunnel Authority (TCTA) recycled water used • Electricity consumption up 2% to 383 151MWh^{LA} • Total carbon emissions down 3% to 372 678^{LA} tonnes CO₂e • Dust emissions stable • 35ha of vegetation established on our tailings deposition facilities • 191ha of land lodged for clearance for redevelopment



^{LA} Limited assurance



OUR OPERATING ENVIRONMENT

FLUCTUATIONS IN THE RAND GOLD PRICE

As a South African gold mining company, we are exposed to fluctuations in the US dollar (\$) price of gold and the rand/dollar exchange rate.

The gold price is significantly affected by macro-economic factors, such as fluctuations in inflation, interest rates, exchange rates, changes in reserve policy by central banks, global or regional political and economic crises and, in particular, recent trade wars which have devalued the currencies of emerging markets. In times of inflation and currency devaluation, gold is often seen as a safe haven, increasing purchases and price of gold and support for its price.

The gold price has been more stable over the past three years, ranging from highs of \$1 375/oz in July 2016 to lows of \$1 046/oz in December 2015.

Exchange rates are influenced by global economic trends and by the market forces of supply and demand.

As the price of gold is denominated in dollars and we realise our revenues in rand, the appreciation of the dollar against the rand increases our profitability, whereas the depreciation of the dollar against the rand reduces our profitability.

The value of the rand against the dollar has moved significantly in the past three years, ranging from strengths of R11.50/\$ in February 2018 to weakness of R17.83/\$ in January 2016.

DRDGOLD'S RESPONSE

We sell the gold produced at spot price to obtain maximum benefit from prevailing gold prices. As a R/kg price-taker, we need to manage our costs and gold recoveries in our operations very carefully.

Although it is not our long-term strategy to enter into gold hedges and forward sale contracts, we have, subsequent to year end, entered into a zero-cost collar for approximately one third of our planned production in FY2019 to provide price protection to manage the increased liquidity risk which will arise as a result of borrowings secured for the funding of Far West Gold Recoveries.

SOCIAL LICENCE TO OPERATE

Johannesburg has a unique history, but for mining, there would be no city. The mines, however, did not come to the city; the city came to the mines. As a consequence, environmental and waste disposal practices that were designed, and that may have been adequate in a less densely populated environment, are inadequate today. DRDGOLD's entire operating footprint is the legacy footprint of mining in Johannesburg. An integral part of our mining process is to remedy the shortcomings of that legacy.

While it is true that, in the course of our operations, there may be high levels of dust and other disturbances, the end result is a better environment and a legacy that is of value to the wider community. We aim, as a company, to improve the quality of life of people living within our areas of influence.

As such, in addition to our socio-economic investments, we seek to preserve, protect and improve the state of the footprint on which we operate in order to also yield a dividend beneficial to the natural environment.

DRDGOLD'S RESPONSE

We follow a programme of concurrent rehabilitation and vegetation of our tailings deposition facilities, which decreases dust emissions. The surface reclamation process at Ergo has several environmental merits as it removes potential pollution sources and opens up land for development.



OUR OPERATING ENVIRONMENT *continued*

LIMITED NATURAL RESOURCES

In a country that is water scarce, our operations should endeavour to limit the impact on this natural resource while still ensuring that we can continue mining optimally for as long as possible.

Our surface retreatment operations are reliant on water to transport the slimes or sand from reclaimed areas to the processing plant and to the tailings facilities.

DRDGOLD'S RESPONSE

Over the past few years, we have invested in projects to reduce our reliance on potable water consumption, for example at the Rondebult waste water works, the installation of gland service infrastructure, and our Central Water Distribution System.

The full impact of these projects also came through this year, with a reduction of 38% in our use of potable water.

Approximately 70% of our total water used was from recycled water. 744Mℓ of water was used from TCTA and 938Mℓ of waste water from our Rondebult waste water treatment facility.



REGULATIONS AND THEIR EFFECTS ON OUR BUSINESS

The mining industry in South Africa is extensively regulated through legislation and regulations issued by government's administrative bodies. 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 27 September 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 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 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 as 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.

Key provisions of Mining Charter 2018, which are welcomed by the industry 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

- The removal of the so-called 1% of EBITDA trickle dividend provided for in Mining Charter III
- The removal of provisions requiring community and employee representation at board level

Elements of Mining Charter 2018 which we consider unfortunate, and which will be the topic of ongoing discussion with the DMR, are:

- That the continuing consequences of HDP ownership are recognised for transfers of mining rights
- That a top up of HDP ownership back to 30% is required for the renewal of existing rights

DRDGOLD'S RESPONSE

DRDGOLD is a member of the Minerals Council which has noted a material improvement on Mining Charter 2018, but still expresses concern on its ability to promote growth and attract investment. The Minerals Council provided, on behalf of its members, its preliminary response to Mining Charter 2018 on 3 October 2018, welcomed its publication, and broadly supports its intentions and content.

The Minerals Council noted that the Mining Charter is the product of substantial engagement between key stakeholders and is a compromise that reflects different difficult choices that have been made. This Mining Charter provides a better balance between the mutually reinforcing concepts of promoting competitiveness and transformation.

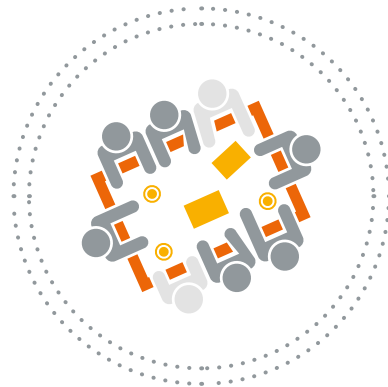
CREATING VALUE FOR STAKEHOLDERS

By necessity, our operations take place in urban areas where people live, work and play. How we conduct our business affects the communities surrounding our operations.

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

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

COMMUNICATING INVESTOR VALUE TO STAKEHOLDERS



OUR GROUP AND BOARD

- Works to create value from investments with regard to market listings and regulations
- Ensures SLPs are in place
- Communicates regularly with government regarding mining, water, environmental affairs, education and labour



COMMUNICATION TOOLS AND METHODS

- Workplace meetings
- Short message service
- Independent, anonymous tip-off line to report fraud or crime
- Community forums
- Formal workplace briefing procedures
- Induction and refresher training
- Monthly "future forum" meetings with organised labour



DISSEMINATION OF KEY INFORMATION

- Done in an unbiased, timely manner
- JSE's Stock Exchange News Service (SENS)
- News releases on the company's website
- Web alerts to analysts, media and investors
- Presentations, briefings and webcasts
- Various investor conferences
- Investor roadshows for small groups and one-on-one meetings

CREATING VALUE FOR STAKEHOLDERS *continued*

OUR STAKEHOLDER GROUPS AND THEIR KEY INTERESTS



SHAREHOLDERS AND INVESTORS

- Operating and financial performance
- Share price performance and dividends
- Governance
- Sustainability of the Group
- Management of risk
- Identification of business opportunities
- Stability within the industry
- Labour issues
- Safety performance
- Gold price



EMPLOYEES

- Job security
- Training and development
- Wages and benefits
- Retirement provision
- Medical aid provision
- Home ownership
- Health and safety
- Group performance



SUPPLIERS AND SPECIALIST SERVICE PROVIDERS

- Sustainability of the Group
- Financial performance
- Employment practices
- Local procurement
- Preferential procurement
- Performance of service providers
- Business training
- Support and quality control



COMMUNITIES

- Local economic development (LED)
- Employment and local job creation
- Corporate social investment (CSI) projects
- Dust control
- Health-, safety- and security-related issues
- Environmental impact
- Rehabilitation
- Skills development
- Training programmes



GOVERNMENT AND REGULATORY AUTHORITIES

- Licence to operate
- Water licence
- Environmental management plan (EMP)
- SLP
- BBBEE compliance
- Labour relations
- Conditions of employment
- Health and safety
- Employment equity
- Education and training
- LED
- Environmental impact and rehabilitation
- Taxation



MEDIA

- Financial results
- Corporate activity
- Environmental issues
- Health and safety
- Marketing
- Community related topics

QUALITY OF STAKEHOLDER RELATIONSHIPS

We set ourselves the task of pursuing and creating real value for our stakeholders along defined parameters and outcomes. We continuously measure our performance against our strategic objectives to ensure that we remain on track and that our contribution in this regard remains relevant.

Our stakeholder groups' key interests are linked to our business model and strategic objectives and inform the way we manage our business.

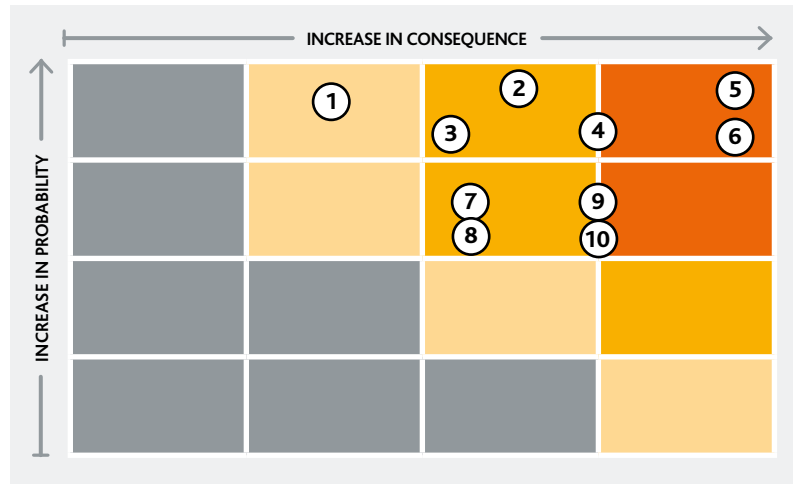
AN ANALYSIS OF OUR RISKS AND OPPORTUNITIES

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

RISK MANAGEMENT

Our Board oversees risk challenges and has delegated the implementation of risk mitigation policies to management. DRDGOLD implemented enterprise-wide risk management more than a decade ago and still uses this to inform and advise on threats that could prevent the Group from achieving its objectives.

OUR RISK PROFILE 10 YEARS AGO



- 1 Theft of explosives
- 2 Power supply
- 3 Depletion of profitable reserves
- 4 Seismicity
- 5 Tailings dam capacity
- 6 Sustainable cash flow
- 7 Flooding of mine
- 8 Impact of HIV/Aids
- 9 Underground fire
- 10 Dependency on key/sole suppliers

TOP 10 RISK PROFILE

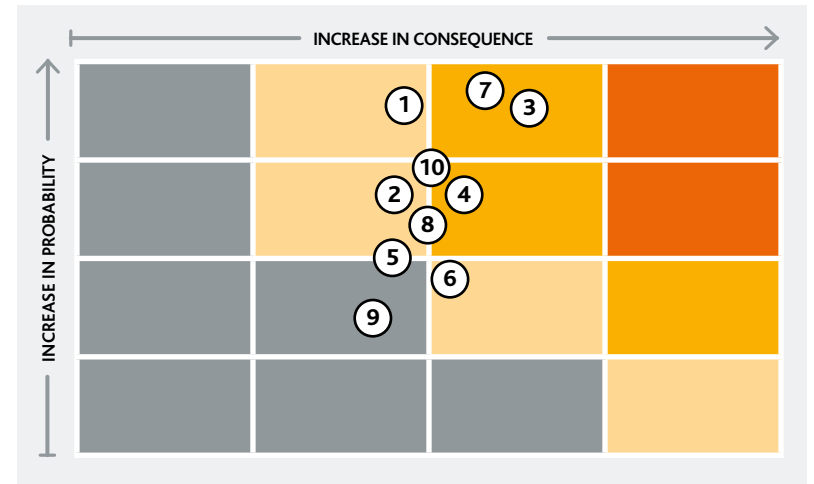
The substantial reduction in our top 10 risks is due to a deliberate strategy to address risks head-on and strive towards "no risk exposure".

The improvement in the risk profile is due to a combination of initiatives, actions and efforts over the years, particularly the following:

- Our exit from underground mining and concentrating solely on surface retreatment of mine dumps reduced our labour-related and health and safety risks
- The decreasing head grade trend was mitigated with the purchase of higher grade material from Sibanye-Stillwater
- Generators were installed at critical points in our operation to mitigate power interruptions by Eskom
- Dependence on potable water was reduced by investing in the Rondebult waste water treatment works, the gland service infrastructure and the Central Water Distribution System
- Human resources strategies were implemented to address skills shortages and improve labour relations



RISKS AS AT 30 JUNE 2018



- 1 Commodity price
- 2 Cost impact
- 3 Depletion of profitable reserves
- 4 Social licence to operate
- 5 Mining legislation, regulatory authorities and changes
- 6 Environmental legislation, regulatory authorities and changes
- 7 Power supply
- 8 Increased crime
- 9 Gold theft
- 10 Extreme weather

AN ANALYSIS OF OUR RISKS AND OPPORTUNITIES *continued*

KEY OPPORTUNITIES

Key opportunity	Strategic focus areas
We have access to a large surface gold resource which could be exploited	
The recent acquisition of assets from Sibanye-Stillwater creates an opportunity for an expanded operation in the Far West Rand	
We are a leading surface retreatment operator with established infrastructure and a network affording us a significant competitive advantage	
We have a strong, experienced management team	
Our workforce is relatively small	
We have fewer health and safety risks than traditional mining companies	
Our operations are automated 365 days, 24/7, using technology extensively	
Our operational model is flexible	
Rehabilitation through mining releases valuable land for redevelopment	



STRATEGIC FOCUS AREAS LEGEND

- Optimally and sustainably exploiting large surface gold resource*
- Using technologies that enhance operating efficiencies and minimise impact on environment*
- Being serious about employee wellbeing*
- Controlling costs and maximising margins, enabling our business to generate cash*
- Restoring mining footprint, limiting burden on natural resources, and limiting impact of ongoing operations on environment and communities*
- Supporting neighbouring communities*






AN ANALYSIS OF OUR RISKS AND OPPORTUNITIES *continued*







OUR MAJOR RISKS

Key risk	Mitigating actions	Key risk	Mitigating actions
<p>1. Commodity price</p> <p>DRDGOLD's revenue and earnings are dependent on the prevailing gold price. Historically, the gold price has fluctuated widely being affected by a number of factors over which the company has no control.</p> <p>DRDGOLD's profitability may be negatively affected if revenue from gold sales drops below the cost of production for an extended period. As most of the Group's operating costs are in rand while gold is generally priced in dollars, DRDGOLD's financial condition could be materially harmed in the future by an appreciation in the value of the rand.</p> <p>Strategic focus areas</p> 	<p>Key gold price trends and market indicators are constantly monitored to ensure an effective response to commodity price and exchange rate fluctuations.</p> <p>In recent years, it has not been DRDGOLD's policy to enter into forward contracts or other price protection instruments to reduce exposure to fluctuations in the dollar gold price or the exchange rate movements of the rand.</p> <p>However, subsequent to year end, a zero cost collar was entered into, to manage the increased liquidity risk as a result of external borrowings which were secured to fund Far West Gold Recoveries. DRDGOLD has committed 50 000oz gold under a zero-collar with a floor of R565 000/kg and a ceiling of just under R609 000/kg, spread equally over the next nine months, cash settled at the end of each month.</p> <p>DRDGOLD continues to invest in manufactured capital to help manage recoveries and enhance extraction efficiencies and remain resilient in the face of a volatile gold price.</p>	<p>2. Cost impact</p> <p>DRDGOLD's operating costs mainly comprise labour, steel, electricity, water, reagents, fuels, lubricants, and other oil- and petroleum-based products. Many of these consumables are linked to the price of oil and steel and fluctuate accordingly.</p> <p>The majority of the South African labour force is unionised and wage increase demands have, in recent years, been above the prevailing rates of inflation.</p> <p>DRDGOLD's mining operations are dependent on electrical power supplied by Eskom which has, over the years, imposed tariff increases that have had an adverse effect on DRDGOLD's operating costs. The winter tariff imposed by the power utility is particularly onerous.</p> <p>Strategic focus areas</p> 	<p>Operating and capital costs are monitored and reviewed regularly by management and the Board.</p> <p>The procurement department manages purchases, contracts and tenders. Power conservation and reduction initiatives are implemented at the operations.</p> <p>Two new initiatives, including the gland service infrastructure and the Central Water Distribution System, were completed successfully during FY2017. The cost savings from these initiatives were realised in the current year, in the reduction of potable water consumption. We also have the option to enter into an agreement with Johannesburg Water to begin our second water treatment project at the Goudkoppies waste water treatment works, which we will pursue when financially viable.</p> <p>An investment was also made during the year to commission the zinc precipitation plant at Ergo. This is expected to decrease costs by decreasing the time to complete the final stage of gold recovery.</p> <p>On the labour side, DRDGOLD was able to reach a one year extension on the current wage agreement.</p>




AN ANALYSIS OF OUR RISKS AND OPPORTUNITIES *continued*

Key risk	Mitigating actions	Key risk	Mitigating actions
<p>3. Depletion of profitable reserves</p> <p>Since the early 1970s, sand dumps holding higher grades targeted for reclamation have mostly been depleted.</p> <p>Ergo's Mineral Resources now mostly include slime reclamation sites, which contain lower head grades. A sustained decrease in the head grade delivered to the plant could materially affect the Group's operating and financial results.</p> <p>Strategic focus areas</p> 	<p>Our investment in technology to improve recovery efficiencies may offset the impact of diminishing head grades.</p> <p>Securing additional higher-grade surface Mineral Resources within Ergo's current footprint may also offset the impact of diminishing head grades on Ergo.</p> <p>The acquisition of Far West Gold Recoveries is not only expected to increase the Group's Mineral Reserves but also provide for higher yields in our operations.</p>	<p>5. Mining legislation, regulatory authorities and changes</p> <p>DRDGOLD, like other mining companies in South Africa, is subject to extensive mining legislation and regulations.</p> <p>In June 2018, the Minister of Mineral Resources published a draft 2018 Mining Charter for public commentary. This revision was intended to address concerns on the previously released draft in June 2017.</p> <p>This revision has however, not fully addressed concerns raised on the 2017 draft.</p> <p>On 27 September 2018, the Mining Charter was gazetted superseding all other charters including the Draft Mining Charter III.</p> <p>Strategic focus areas</p> 	<p>DRDGOLD monitors changes and engages with government and regulators to ensure compliance.</p> <p>The Group also maintains close relationships with authorities at regional and national level so that any issues can be addressed speedily.</p> <p>DRDGOLD is a member of the Minerals Council South Africa which submitted a preliminary response on 3 October 2018, and welcomed the publication and fundamentally supported its intentions and content, subject to certain reservations.</p>
<p>4. Social licence to operate</p> <p>Our social licence to operate refers to the level of acceptance or approval by local communities and stakeholders (including local government) of the Group's operations and methods of conducting business. A social licence to operate is based on the principle that a company needs not only official government permits and licences to conduct its business but also the support of those living and working in its operational jurisdictions. The company may not always be able to control the circumstances that affect its social licence to operate.</p> <p>Strategic focus areas</p> 	<p>Our ongoing commitment to improving engagement with our employees and surrounding communities, and our strategic objective to support our neighbouring communities by improving quality of life, poverty alleviation and youth education helps mitigate the risk.</p>		

AN ANALYSIS OF OUR RISKS AND OPPORTUNITIES *continued*

Key risk	Mitigating actions	Key risk	Mitigating actions
<p>6. Environmental legislation, regulatory authorities and changes</p> <p>New Financial Provisioning Regulations (FPR) were published on November 20, 2015 under the National Environmental Management Act (NEMA) and became effective from the date of publication thereof. Proposed amendments to the FRPs were published for public comment, in September 2016, to address some challenges relating to the implementation thereof.</p> <p>Under these FRPs, 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.</p> <p>Further amendments were made to the FPR on 21 September 2018, which extends the period of compliance with the FPR to 19 February 2020. This is likely to affect the amount of funds set aside for financial provision for rehabilitation of the mine.</p> <p>Strategic focus areas</p> 	<p>The Group has funds invested and financial guarantees in place to adequately fund our rehabilitation obligations.</p> <p>Our operations actively pursue ongoing or concurrent rehabilitation to reduce the impact of dust on the communities that have moved within close proximity to our operations, and the potential impact our operations may have on the environment.</p> <p>As there is still uncertainty on what the final changes will be, we are unable to quantify or assess the potential impact these changes may have on the Group.</p>	<p>7. Power supply</p> <p>Eskom is currently experiencing financial difficulties which include, amongst others, the statement by the chairman of its board and disclosure in its 2018 Integrated Report, citing serious concerns around the power utility's long-term viability and status as a going concern as well as the growing outstanding debt from municipalities, which represent their biggest customer base.</p> <p>Future power supply security and relevant cost implications, therefore remain a risk and may have major implications for our operational process.</p> <p>Strategic focus areas</p>   <p>8. Increased crime</p> <p>Employees are sometimes threatened or attacked as criminals attempt to gain access to our property and steal assets. In most cases, this involves the theft of copper cable, production pipelines and scrap metal. These activities could adversely affect the Group's operational output and/or endanger the lives of employees.</p> <p>Strategic focus areas</p>   	<p>Generators have been installed to prevent the challenges experienced during power outages such as long delays in restarting operations after an interruption in power supply.</p> <p>We have embarked on a long-term project to assess and evaluate the feasibility of alternative power-generation technologies.</p> <p>DRDGOLD maintains close relationships with leaders in the communities surrounding our operations.</p> <p>The Group's security service provider and in-house security managers increase staff complements as required.</p> <p>Surveillance equipment allows for continuous monitoring of properties by security personnel.</p>

AN ANALYSIS OF OUR RISKS AND OPPORTUNITIES *continued*

Key risk	Mitigating actions
<p>9. Gold theft</p> <p>The highest risk of theft is during the final stages of production, in the gold rooms where extracted gold is visible and a target area. Some employees are approached and subsequently recruited and trained by external parties to steal high-grade material or gold.</p> <p>Strategic focus areas</p> 	<p>Steps are taken to monitor high-risk areas and to minimise the opportunity for illegal activities.</p> <p>Sophisticated access control systems have also been introduced to identify material on a person leaving high-risk areas.</p>
<p>10. Extreme weather</p> <p>Climate change has an influence on weather patterns, which could result in a severe weather event within our areas of operation, which in turn could adversely impact on operational output. Major property, infrastructure and/or environmental damage as well as loss of human life could be caused by extreme weather events.</p> <p>Strategic focus areas</p>  	<p>The Group has policies and procedures in place to ensure health and safety compliance and a safe working environment is created for all employees.</p> <p>Tailings deposition facilities are managed to ensure that, in the event of extreme weather, storm damage to infrastructure is limited and any consequence of a major failure is restricted.</p>



OUR STRATEGY

STRATEGIC OBJECTIVES

We are first and foremost a business, and hence our primary goal is that of commercial success.

Our desire is to sustainably and profitably mine as much of our Mineral Resource as we possibly can and in the process offer our shareholders dividend yield, capital growth and exposure to the gold price for the longest possible period.

The demands of a changing society and the realities of a planet under pressure have over the years influenced our thinking and have also convinced us of the merits of sustainable development. We now extensively apply integrated thinking to inform the application of capital and the deployment of resources.


The nature and location of our assets make our pursuit of integrated value creation – straightforward and intuitive and enable us to create both value overlap between the different sustainable development capitals and, in many cases, to improve bottom line returns.

In its most basic form the removal and treatment of mine waste from environmentally sensitive areas (like wetlands) and areas that have become built-up over the years, create both natural capital, in the shape of environmental clean-up, and social capital in the shape of improving the quality of life of communities who have moved to within close proximity to these mine dumps – a very good example of value overlap.

Some initiatives are set up in such a way that they not only overlap different sustainable development capitals, but actually improve the commercial bottom-line, like the use of treated AMD and sewerage water in our recovery circuits, instead of potable water. This not only saves water, but is also cheaper than buying water from Rand Water – straight to the commercial bottom line. The same applies to our technologies and development of infrastructure. Our pipelines that carry slimes to the treatment plants are HDPE lined to extend their operating lives and reduce friction. This means less electricity consumption, which in turn saves costs and lightens the burden on the environment.



OUR STRATEGY *continued*


Strategic focus area	What do we do	Strategic targets	What we achieved in FY2018	Performance indicators	2018	2017	2019 priorities
 <p>Optimally and sustainably exploiting large surface gold resource</p>	<p>Exploit our 7.3Moz surface gold Mineral Resource sustainably, to enable DRDGOLD to provide value to as many stakeholders for as long as possible.</p>	<ul style="list-style-type: none"> Seek out opportunities through co-operation or acquisitions that are suitable for the expansion or roll-out of our business model Convert as much of our Mineral Resource base into Mineral Reserves to enable us to make an informed decision about the future expansion of our Tailings Deposition Facility Expand our Tailings Deposition Facility by approximately 800Mt within the next four years 	<p>Acquisition of Far West Gold Recoveries effective 31 July 2018, is expected to increase our Mineral Reserves by approximately 82%.</p> <p>Continued to invest financial capital in our drilling programme which resulted in an increase of 10% of Ergo's Mineral Reserves.</p> <p>Daggafontein was evaluated as an additional Tailings Deposition Facility.</p> <p>Total economic value distributed increased by 3% year-on-year, mainly due to the increase in the value distributed to suppliers from R1.77 billion in FY2017 to R1.83 billion in FY2018.</p> <p>Our share price remained relatively stable in the past year, from lows of R2.69 in to a high of R5.52. The share price closed at R3.65 for FY2018.</p>	<p>Mineral Resource acquisitions</p> <p>Mineral Reserve conversion</p> <p>Total economic value distributed</p> <p>Share price, in comparison to gold index</p>	<p>Acquired Far West Gold Recoveries which is expected to add approximately 2.7Moz to Mineral Reserves¹.</p> <p>Converted 0.48Moz to Mineral Reserves increasing Ergo's Mineral Reserves by 10%</p> <p>R2 333 million^{LA}</p> <p>Outperformed the JSE Gold Index</p>	<p>Converted 1.6Moz of Mineral Resources to Mineral Reserves increasing our Mineral Reserves by 62.5%</p> <p>R2 260 million^{LA}</p> <p>Underperformed against the JSE Gold Index</p>	<ul style="list-style-type: none"> Successful commissioning of Phase 1 of Far West Gold Recoveries Continue our investment in tonnage and grade verification Further studies to inform our decision regarding the expansion of our Tailings Deposition Facility



^{LA} Limited assurance

¹ The Competent Person's Report relating to the Far West Gold Recoveries can be found on our website: www.drdgold.com/investors-and-media/circulars


OUR STRATEGY *continued*

Strategic focus area	What do we do	Strategic targets	What we achieved in FY2018	Performance indicators	2018	2017	2019 priorities
 <p>Controlling costs and maximising margins, enabling our business to generate cash</p>	<p>Ensure full value is realised from our product by focusing on consistent volumes and managing costs.</p>	<ul style="list-style-type: none"> Contain our cash operating costs within budget and below mining inflation Contain our cash operating cost per tonne within budget and below mining inflation Stable, predictable volume throughput of 2.1Mt/month Generate positive free cash flow to distribute to our shareholders and invest in other capitals to ensure the sustainable business of DRDGOLD 	<p>Contained our cash operating costs per tonne to R89, by achieving the following:</p> <ul style="list-style-type: none"> Total cash operating costs increased by 3%; inflationary increases were offset by the realisation of the cost benefit after the clean-up of the Crown legacy sites and specific investments in cost saving initiatives Volume throughput decreased slightly from 25.0Mt in FY2017 to 24.3Mt <p>All-in sustaining costs (AISC) margin increased to 5.5% from 3.2% in the prior year.</p> <p>Generated a positive free cashflow of R93.4 million compared to a free cash outflow of R45.1 million in FY2017, mainly as a result of a good operational performance characterised by a 10% increase in gold production and cost benefits realised.</p>	<p>Total cash operating cost</p> <p>Cash operating cost per tonne (R/t)</p> <p>Operating margin</p> <p>AISC margin</p> <p>Tonnes throughput</p> <p>Free cash flow generated/(utilised)</p>	<p>R2 159.7 million</p> <p>R89/t</p> <p>14.3%</p> <p>5.5%</p> <p>24.3Mt</p> <p>R93.4 million</p>	<p>R2 087.9 million</p> <p>R84/t</p> <p>11.0%</p> <p>3.2%</p> <p>25.0Mt</p> <p>(R45.1 million)</p>	<p>We will focus on the following cost saving initiatives:</p> <ul style="list-style-type: none"> Plant efficiencies and reagents consumption: <ul style="list-style-type: none"> the full impact of the commissioning of the zinc precipitation circuit will be observed and is expected to reduce the time of completion in the final stages of gold recovery saving on reagent consumption and related costs through plant efficiencies by enhancing the Ergo plants electronic monitoring systems treatment of material from 4L50 at a rate of 450 000tpm is expected to result in greater plant stability and therefore efficiency treating higher grade material using the refurbished ball mills reclaimed from Crown will reduce transportation costs and increase efficiencies in the Ergo plant Potable water consumption: <ul style="list-style-type: none"> optimising the operation of the Central Water Distribution System and other water investments made, therefore reducing our potable usage even further




^{LA} Limited assurance

OUR STRATEGY *continued*

Strategic focus area	What do we do	Strategic targets	What we achieved in FY2018	Performance indicators	2018	2017	2019 priorities
 <p>Using technologies that enhance operating efficiencies and minimise impact on environment</p>	<p>Improve gold recovery and operational efficiencies through continued research and development.</p>	<ul style="list-style-type: none"> Operate and monitor the plant efficiently to enable a stable plant 	<p>The recovered grade was higher due to higher grade material treated at the Knights plant. The plant call factor at the Ergo plant also improved as a result of metallurgical efficiencies achieved in the carbon in pulp (CIP) and carbon in leach (CIL) sections of the plant.</p> <p>We converted the Ergo plant's electrowinning circuit to zinc precipitation which is expected to reduce the time to complete the final stages of gold recovery from around 18 hours to three hours.</p>	Recovered gold	0.193g/t	0.171g/t	<ul style="list-style-type: none"> Continue our focus on improving plant efficiency and recoveries through the partnership with the Wits School of Chemical Engineering and other initiatives




OUR STRATEGY *continued*

Strategic focus area	What do we do	Strategic targets	What we achieved in FY2018	Performance indicators	2018	2017	2019 priorities
 <p>Restoring mining footprint, limiting burden on natural resources, and limiting impact of ongoing operations on environment and communities</p>	<p>We manage the use of potable water and power in our operation, we reduce dust emissions through our extensive vegetation programme.</p>	<ul style="list-style-type: none"> Decrease and maintain, the use of external potable water to 10% of total water used Maintain dust exceedances to below 1% for the entire monitoring network by maintaining our vegetation programme (50ha per annum) on our tailings deposition facilities Complete the vegetation programme of the Crown complex by 2024 Decrease our reliance on Eskom power supply and invest in alternative power generation technologies by 2025 	<p>We achieved a 38% reduction in potable water as a result of the following:</p> <ul style="list-style-type: none"> The Central Water Distribution System being fully operational through the year leading to an increase in recycled water from the circuit from 18 500Mℓ to 19 924Mℓ Increase in consumption of the Rondebult waste water treatment works from 386Mℓ to 938Mℓ Increase in TCTA water consumption <p>We enlisted a community-based consortium to assist with the Crown complex vegetation programme, and together with other vegetation programmes on our various tailings deposition facilities, we vegetated 35ha (FY2017: 35ha).</p> <p>Our concurrent rehabilitation and vegetation programme, on our various tailings deposition facilities, achieved positive results in that we only recorded seven dust exceedances (0.6%). Although higher than the five dust exceedances (0.4%) in FY2017, the increase was primarily caused by ongoing residential developments or vehicle movement on unpaved surfaces in close proximity to the monitoring points.</p>	<p>Potable water sourced externally</p> <p>Potable water used as a percentage of total water used</p> <p>Total dust exceedances</p> <p>Electricity consumption</p>	<p>3 377Mℓ^{LA}</p> <p>12% of total water used</p> <p>7^{LA} exceedances (0.6%)</p> <p>383 151 MWh^{LA}</p>	<p>5 490Mℓ^{LA}</p> <p>20% of total water used</p> <p>5^{LA} exceedances (0.4%)</p> <p>376 723MWh^{LA}</p>	<ul style="list-style-type: none"> Continue to reduce our reliance on limited potable water resources by maximising the operation of the Central Water Distribution System in conjunction with other water investments made Continue engaging with relevant stakeholders including communities through our Dust Forum to understand and address any key concerns they have Continue our vegetation programme on the Crown complex, increase the cladding programme on the Brakpan/Withok Tailings Deposition Facility and the clearing of land through our mining activities with the aim of obtaining five land clearance certificates for approximately 191ha from the NNR



^{LA} Limited assurance


OUR STRATEGY *continued*

Strategic focus area	What do we do	Strategic targets	What we achieved in FY2018	Performance indicators	2018	2017	2019 priorities
 <p>Being serious about employee wellbeing</p>	<p>Ensure employee wellness, financial literacy and develop a knowledge-based labour force.</p>	<p>To create a healthy and safe working environment:</p> <ul style="list-style-type: none"> • 0 fatalities • Maintain RIFR and LRIFR below one standard deviation of the preceding five year rolling average • Offer competitive and market related remuneration to all our employees • Keep developing our people by offering training and other initiatives 	<p>We achieved a fatality free year in FY2018.</p> <p>Our reported safety measures remained stable during the year.</p> <p>Value distributed to employees increased by 1%.</p> <p>A settlement with NUM and UASA, on a one year extension of the current wage agreement, effective 1 June 2018 to 30 June 2019.</p> <p>We granted housing loans to the value R300 000 to qualifying employees as part of our initiative to assist our employees in providing accommodation for their families.</p>	<p>Safety measures</p> <p>Value distributed to employees – salaries, wages and other benefits</p>	<p>Fatalities: 0^{LA}</p> <p>LTIFR: 2.92^{LA}</p> <p>RIFR: 1.55^{LA}</p> <p>R417 million^{LA}</p> <p>1 546 employee training sessions at a cost of R9.0 million</p>	<p>Fatalities: 1^{LA}</p> <p>LTIFR: 2.91^{LA}</p> <p>RIFR: 1.53^{LA}</p> <p>R412 million^{LA}</p> <p>1 371 employee training sessions at a cost of R9.6 million</p>	<ul style="list-style-type: none"> • Continue to prioritise the wellbeing and safety of our employees • Roll out the Accelerated Capability Development Programme to the metallurgical section of our business • Commence with learnership programmes in metallurgy • Enter into wage negotiations to sign a new wage agreement in FY2020 • Restructure our policies on the Short-term and Long-term incentive schemes to align them with the latest developments in the industry



^{LA} Limited assurance

OUR STRATEGY *continued*

Strategic focus area	What do we do	Strategic targets	What we achieved in FY2018	Performance indicators	2018	2017	2019 priorities
 <p>Supporting neighbouring communities</p>	Quality of life (health impacts), poverty alleviation and youth education.	Improving the quality of life for our communities by investing 1% of total working cost spend on socio-economic development.	<p>We focused on the following projects as part of our socio-economic development spend:</p> <ul style="list-style-type: none"> Broad-Based Agricultural Livelihood Project Community based consortium to assist us in the Crown complex vegetation programme <p>In FY2018, 721 learners took advantage of our maths and science teaching programme and 170 learners took advantage of our accountancy teaching programme.</p> <p>We finalised our five year SLP after consultations with Johannesburg and Ekurhuleni municipalities, effective January 2018 to December 2022.</p>	Total socio-economic development spend	R25.1 million ^{LA}	R25.0 million ^{LA}	<p>Continue to invest in the Broad Based Agricultural Livelihoods programme in the East Rand and to introduce and extend the project to the West Rand.</p> <p>Pursue infrastructure developments as part of the LED requirements in the new SLP.</p>



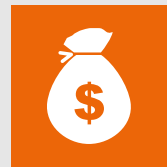
^{LA} Limited assurance

SECTION 4

VALUE CREATION

WE AIM TO OPTIMISE OUR USE OF FINANCIAL CAPITAL BY CONCENTRATING ON AREAS OF THE BUSINESS THAT ENABLE US TO CONTROL COSTS, MAXIMISE MARGINS AND, ULTIMATELY, GENERATE CASH.

OUR CAPITALS



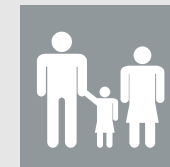
FINANCIAL
CAPITAL



MANUFACTURED
CAPITAL



HUMAN
CAPITAL



SOCIAL AND
RELATIONSHIP
CAPITAL



NATURAL
CAPITAL



FINANCIAL CAPITAL


Our financial capital is the money we generate from the sale of our product (gold bars) and receive from our providers of capital (shareholders).

We aim to optimise our use of financial capital by concentrating on areas of the business that enable us to control costs, maximise margins and, ultimately, generate cash. Delivering financial value is what qualifies us as a business and enables us to pursue integrated, sustainable value-add.

HIGHLIGHTS



Rise in all-in sustaining costs margin to
5.5%



Free cash inflow
R93.4m



Operating profit increased 38% to
R355.2m



Headline earnings
1.7cps

CFO REVIEW

MANAGING THE TRADE-OFFS BETWEEN CAPITALS

It has been an excellent year from a financial capital perspective with gold production increasing by 10% and all-in sustaining costs per kilogram decreasing by 5% in comparison to the prior year, enabling us to generate free cash flow of R93.4 million. As a result, we extended our 10-year dividend paying history with the declaration of a 5cps interim dividend.

With the funds at our disposal, and with minimal external debt, we run our operation and transform the other capital resources in an integrated manner to make our business sustainable and to fulfil our mandate to all our stakeholders. For example:

- Our investment in the centralised water management plan (manufactured capital) has enabled us to save more than R21 million a year (financial capital) and decrease our use of potable water by 38% (natural capital)
- We have also invested in starting up a new reclamation site, known as 4L50 (manufactured capital) that is expected to result in greater plant stability, and thus, efficiency (financial capital)
- Cost savings (financial capital) of between R2 million and R2.5 million a month are expected from our investment in a zinc precipitation system (manufactured capital) to complete the final stage of gold recovery,

saving us time and consuming less reagents

- Two 60 000tpm ball mills (manufactured capital) have been moved from the decommissioned Crown site (natural capital) to target higher grade sand material in the foreseeable future to generate higher yields (financial capital)

Total economic value distributed increased by 3% year-on-year and we were able to make an economic contribution to various stakeholders, including shareholders, suppliers, employees and communities. Consequently, as a business, we continue to add value and distribute to the South African economy.

Going forward, a key trade-off will be the refurbishment and commissioning of Phase 1 of Far West Gold Recoveries which requires capital funding. We have secured a revolving credit facility from ABSA Bank Limited and traded a zero collar post year end to provide protection against a possible decrease in the rand/gold price while the borrowings are in place.

Although this is expected to decrease financial capital in the short term, Phase 1 of Far West Gold Recoveries is expected to yield returns in the medium and long term in all five capitals.

Riaan Davel
Chief Financial Officer
24 October 2018

VALUE-ADDED STATEMENT

	2018 Rm	2018 %	2017 Rm	2017 %
VALUE ADDED				
Sale of precious metals	2 490	98	2 340	98
Income from investments	38	2	40	2
Income from disposal of property, plant and equipment	–	–	13	–
Total value added	2 528	100	2 393	100
VALUE DISTRIBUTED				
Suppliers				
Paid to suppliers for materials and services	1 838	73	1 764	74
Employees				
Salaries, wages and other benefits	417 ^{LA}	16	412 ^{LA}	17
Community				
Total socio-economic development spend	25 ^{LA}	1	25 ^{LA}	1
Government				
Current taxation	7	–	2	–
Providers of capital				
Dividends to ordinary shareholders	42	2	51	2
Interest on borrowings	4	–	6	–
Total economic value distributed	2 333^{LA}	92	2 260^{LA}	94
Re-invested in the Group	195	8	133	6
Total value added	2 528	100	2 393	100

^{LA} Limited assurance

FINANCIAL CAPITAL *continued*

KEY PERFORMANCE INDICATORS

		2018	2017
Gold production	kg	4 679	4 265
	oz	150 423	137 114
Gold sold	kg	4 653	4 268
	oz	149 604	137 211
Cash operating costs	R per kg	458 866	489 549
	US\$ per oz	1 118	1 122
All-in sustaining costs	R per kg	505 622	530 930
	US\$ per oz	1 258	1 216
Average gold price received	R per kg	534 344	548 268
	US\$ per oz	1 300	1 254
Operating profit	Rm	355.2	256.8
Operating margin	%	14.3	11.0
All-in sustaining cost margin	%	5.5	3.2
Headline earnings	Rm	7.0	0.8
	SA cps	1.7	0.2
Dividend declared	cps	5	5

GOLD PRODUCTION

While throughput decreased slightly to 24.3Mt (FY2017: 25.0Mt), the average yield was 13% higher at 0.193g/t (FY2017: 0.171g/t) and consequently, gold production was 10% higher at 4 679kg (FY2017: 4 265kg). The main contributor to the higher yield is higher grade sand material reclaimed at the Knights plant and an improved plant call factor at the Ergo plant.

CASH OPERATING COSTS

Cash operating costs decreased 6% to R458 866/kg (FY2017: R489 549/kg). The main contributing factors were the increased gold production, realisation of the cost benefit after the clean-up of the Crown legacy sites were completed in the prior year and specific investments in cost-saving initiatives, for example, water.

ALL-IN SUSTAINING COSTS

All-in sustaining costs decreased by 5% to R505 622/kg (FY2017: R530 930/kg) due to an increase in production and a decrease in cash operating costs per kilogram.

DIVIDEND DECLARED

We declared a total dividend of 5cps during the year (FY2017: 5cps). We decided to not declare a final dividend in light of the investment required in the first phase of Far West Gold Recoveries. We believe that Far West Gold Recoveries will start contributing to our bottom-line in the second half of FY2019. This, however, has not changed our strategy to return surplus cash to shareholders.



FINANCIAL CAPITAL *continued*

SUMMARISED GROUP STATEMENT OF PROFIT OR LOSS

	2018 Rm	2017 Rm
Revenue	2 490.4	2 339.9
Cost of sales	(2 347.7)	(2 307.9)
Gross profit from operating activities	142.7	32.0
Administration expenses and general costs	(90.7)	(69.4)
Other income	–	12.9
Finance (expenses)/income – net	(19.6)	(12.2)
Profit/(loss) before tax	32.4	(36.7)
Income tax	(25.9)	50.4
Profit for the year	6.5	13.7

REVENUE

Revenue increased by 6% due to an increase in gold sold by 9% to 4 653kg, offset by a decrease in the average gold price received of 3% to R534 344/kg.

COST OF SALES

Cost of sales is mainly made up of materials, labour, electricity, contractors and depreciation and has remained stable at R2 347.7 million from R2 307.9 million in FY2017. This can be attributed to the completion of the Crown clean-up in FY2017 as well as a decrease in the consumption of potable water by 38%, with investments made in gland service infrastructure, and the Central Water Distribution System. These decreases have been offset by inflationary increases.

ADMINISTRATION EXPENSES AND GENERAL COSTS

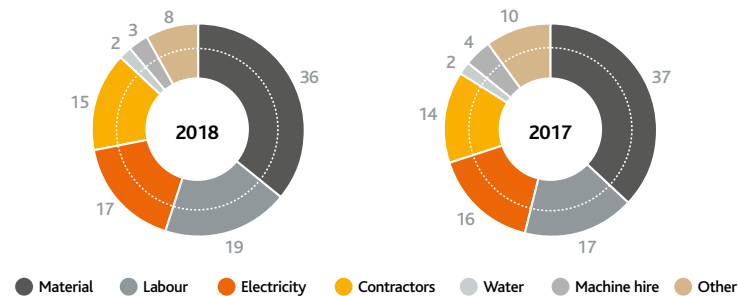
Included in administration expenses and general costs is R9 million of costs related to the acquisition of Far West Gold Recoveries and an increase of R7.2 million in the long-term incentive expense due to the continued amortisation of the long-term incentive liability over the vesting period.

INCOME TAX

For deferred tax purposes, the Group applies a forecast weighted average tax rate considering the expected timing of the reversal of temporary differences.

The forecast weighted average deferred tax rate increased from 18.6% to 20.3% because of an increase in forecast profitability of Ergo.

OPERATING COSTS (%)



FINANCIAL CAPITAL *continued*

SUMMARISED GROUP STATEMENT OF FINANCIAL POSITION

	2018 Rm	2017 Rm
Property, plant and equipment	1 452.7	1 497.6
Investments in rehabilitation obligation funds	244.0	227.7
Other non-current assets ¹	37.4	13.8
Inventories	233.0	180.3
Trade and other receivables	91.2	114.3
Cash and cash equivalents	302.1	253.7
Total assets	2 360.4	2 287.4
Equity	1 267.3	1 302.4
Provision for environmental rehabilitation	553.4	531.7
Deferred tax liability	163.7	140.5
Post-retirement and other employee benefits	40.6	39.0
Finance lease obligation	14.7	16.8
Trade and other payables	303.3	251.8
Other current liabilities	17.4	5.2
Total equity and liabilities	2 360.4	2 287.4

¹ Includes financial assets of R28.7 million and deferred tax asset of R8.7 million

INVESTMENTS IN REHABILITATION OBLIGATION FUNDS

The use of these funds in the environmental rehabilitation trust and the Cell Captive are restricted and may only be used for environmental rehabilitation activities within the DRDGOLD group of companies. The increase in these investments is due to interest earned.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment includes additions of R126.1 million, offset by depreciation of R168.0 million. Management invested R44.7 million in growth capital, related mainly to the commissioning of two ball mills at Ergo. Most of the other additions related to the completion of the zinc precipitation plant and the commissioning of a new reclamation site, 4L50.

CASH AND CASH EQUIVALENTS

The Group generated R48.4 million of cash flows (FY2017: outflow of R98.1 million) mainly due to strong cash inflows from operations.

Included in cash and cash equivalents is restricted cash of R131.4 million (FY2017: R108.8 million).

PROVISION FOR ENVIRONMENTAL REHABILITATION

The provision for environmental rehabilitation increased mainly due to the unwinding of the provision of R45.6 million and the change in estimate, which was debited to the related assets of R3.9 million. The increase was offset by environmental rehabilitation payments incurred during the year of R24.9 million and a change in estimate of R2.9 million, which was credited to the income statement.

The decommissioning and restoration liabilities are funded by a combination of funds that have been set aside in an environmental rehabilitation trust fund as well as environmental guarantees issued by Guardrisk Insurance Company Limited to the DMR amounting to R427.3 million (FY2017: R427.3 million).

FINANCE LEASE OBLIGATION

The Group has minimal external debt and therefore remained unleveraged at 30 June 2018.

Subsequent to year end, DRDGOLD secured a R300 million revolving credit facility with ABSA Bank Limited (acting through its corporate and investment banking division), replacing the R100 million overdraft facility. The funding will be used mainly for the Far West Gold Recoveries project.

TRADE AND OTHER PAYABLES

The Group has a healthy working capital position with a current ratio of 2:0 for FY2018 (FY2017: 2.1).



FINANCIAL CAPITAL *continued*

SUMMARISED GROUP STATEMENT OF CASH FLOWS

	2018 Rm	2017 Rm
Net cash flows from operating activities	233.8	51.6
Net cash flows from investing activities	(140.4)	(96.7)
Net cash flows from financing activities	(45.0)	(53.0)
Net (decrease)/increase in cash and cash equivalents	48.4	(98.1)
Cash and cash equivalents at the beginning of the year	253.7	351.8
Cash and cash equivalents at the end of the year	302.1	253.7
Included in net cash flows from operating activities:		
Working capital changes	14.6	(117.8)
Change in trade and other receivables	22.2	(57.6)
Change in other non-current assets	(27.4)	–
Change in inventories	(28.2)	(14.8)
Change in trade and other payables	48.0	(45.4)

NET CASH FLOWS FROM OPERATING ACTIVITIES

Free cash inflow¹ was R93.4 million in comparison with free cash outflow of R45.1 million in the previous financial year. The increase in free cash flow was mainly due to a strong operational performance which generated R233.8 million in comparison to R51.6 million in the previous year.

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

WORKING CAPITAL CHANGES

Working capital changes generated a cash inflow of R14.6 million in comparison with a cash outflow of R117.8 million in the previous year mainly as a result of a decrease in gold debtors and an increase in trade and other payables before year end. This was offset by an increase in consumable stores at year end and payments made under dispute to the Ekurhuleni Municipality.

CONCLUSION

We achieved an improved financial performance for the year largely driven by good production results and containment of costs. The generation of free cash flow remains our key financial objective and enables us to distribute value to all our stakeholders, including our employees and shareholders. We continue to invest in manufactured capital to help us manage recoveries and costs and are encouraged by the prospect of growing our capacity and life of mine into the future.

OUTLOOK

We will continue to pursue our strategy of optimally exploiting our large surface gold resource, controlling costs and maximising margins to enable our business to generate cash. We have rigorously addressed costs for the longer term by investing in manufactured capital during FY2018 and expect returns on this investment during FY2019 and onwards.

Our long-term strategy remains to be an unhedged gold producer and to keep borrowings to a minimum. However, to mitigate the liquidity risk of introducing borrowings to our balance sheet with the Phase 1 development of Far West Gold Recoveries, we traded a zero-cost collar to provide price protection against a possible decrease in the rand gold price while the borrowings will be in place. As a result, DRDGOLD has committed 50 000oz of gold under a zero-collar with a floor of R565 000/kg and a ceiling of just under R609 000/kg, spread equally over the next nine months, cash settled at the end of each month.

During FY2019, we are planning gold production of between 148 000oz and 154 000oz at cash operating costs of approximately R490 000/kg at Ergo.

Our most significant financial capital trade off will be the commissioning of Phase 1 of the Far West Gold Recoveries which involves the upgrade of the Driefontein 2 plant to process tailings from the Driefontein 5 reclamation site at a rate of 500 000tpm. Production is expected to start in the third quarter of FY2019, to ultimately contribute to our bottom line by second half of FY2019.





MANUFACTURED CAPITAL

Ergo has the technology and infrastructure to recover gold from low-grade tailings material on a 24/7/365 basis.

HIGHLIGHTS



Central Water Distribution System resulted in a 38% potable water saving



Successful commissioning of the 4L50 reclamation area



Successful refurbishment and commissioning of two ball mills



Commissioning of the zinc precipitation process in preference to electrowinning

MANAGING THE TRADE-OFFS BETWEEN CAPITALS

By continuously upgrading, expanding and better using our technology and analysis tools, we increase our manufactured capital. In turn, a more stable plant enables us to generate better efficiencies and enhance financial capital.

Our Central Water Distribution System continued to deliver water savings in potable water of 38% in FY2018 compared to FY2017. By investing financial capital in sustainable and growth capital projects, for instance the new 4L50 reclamation area, the conversion of the electrowinning circuit and the installation of two refurbished ball mills from the decommissioned Crown plant, in the short term, we increase financial capital in the long term through cost savings, improved plant utilisation, and improved ability to reclaim and rehabilitate areas that require milling, therefore enhancing natural capital.

By spending financial capital on tonnage and grade verification, and studies to increase our tailings deposition facility in the medium term, we potentially unlock financial capital in the long term by enabling us to mine more gold resources for longer and deliver on our strategy.

REVIEW OF OPERATIONS

As one of the world's largest surface gold tailings retreatment operations, the majority of the material treated by the Ergo plant – currently around 1.2Mtpm – is delivered via two feeder lines from the Elsburg (incorporating the 4L50 area) tailings complex, Van Dyk and Ezekiel reclamation sites. A further 0.6Mtpm is delivered from the City Deep area (including 4L2, 3L42 and externally sourced sand).

The Ergo plant uses flotation, fine-grind and a combination of high-grade and low-grade CIL metallurgical processes to recover gold from slurry. Most of Ergo's reclamation activities involve the reclamation of slime. Monitor guns, operated by trained individuals, direct high-pressure water jets at targeted areas. The slime is dislodged and mixed with water and the resulting slurry is pumped to a metallurgical treatment plant for processing.

The Ergo plant has a treatment capacity of 1.8Mtpm based on 92% availability. Vast quantities of material is delivered monthly to the plant and, as each old dump or dam is depleted, others are brought on stream.



**A MORE
STABLE PLANT
ENABLES US TO
GENERATE BETTER
EFFICIENCIES**



MANUFACTURED CAPITAL *continued*

TAILINGS DEPOSITION FACILITY

We invested approximately R4.1 million in tonnage and grade verification during FY2017, which resulted in a 56.8% increase in our Measured Mineral Resource and a 62.5% increase in Mineral Reserves. The drilling programme continued into FY2018 and evaluation was undertaken on the Daggafontein, Grootvlei and Rooikraal tailings dams to verify grades, the position of the bases and samples for metallurgical testwork were collected. The existing Brakpan/Withok Tailings Deposition Facility will be able to accommodate the life-of-mine (LoM) material. In previous Annual Integrated Reports, we indicated our intention to increase the capacity of our Tailings Deposition Facility. Daggafontein has been evaluated as an additional tailings deposition facility. We will continue with our tonnage and grade verification programme, to determine the next steps in the possible future expansion of our operations.

ERGO SAND MILLS

Two ball mills salvaged from the redundant Crown plant were relocated and commissioned after their complete refurbishment at the Ergo plant. These mills now give the Ergo plant the ability to receive sand material from the legacy reclamation sites to the north of the Ergo plant in an area commonly referred to as the Benoni Cluster.

Not only will these mills make a relatively high grade material contribution to the Ergo plant, it also allows systematic reclamation and treatment of previously untreatable coarse sand material through the Ergo plant, eliminating the very high transportation costs should these materials have been treated further west at our City Deep milling and pumping station. The reclamation of these remnant sites makes a significant contribution to the rehabilitation effort in the Benoni cluster area. The ball mills are also available to treat third party material if available.

ZINC PRECIPITATION

The electrowinning process to recover gold is being replaced with zinc precipitation. Although this may appear as technology regression, the mineralogical make up and process choices at the Ergo plant results in extremely high base metal concentrations. During electrowinning, these base metals need to be suppressed by very high levels of reagents, notably cyanide and caustic soda. Zinc precipitation is insensitive to the levels of base metals we encounter and obviates the need for the excesses in cyanide and caustic soda. All in all, zinc precipitation will result in a more cost effective and efficient process with reduced harmful reagents. The zinc precipitation conversion was commissioned during the first quarter of FY2019.

RESEARCH AND DEVELOPMENT

The Ergo strategy to achieve optimal exploitation of its gold resource requires a research and development team and the use of available technology. The Board has determined that investment in research and development will continue as we focus on increasing and optimising the volume to be treated, and the recovery of gold. Investment in research is a key strategic focus area as the Group works to find ways of extracting every possible particle of gold.

PARTNERSHIP WITH WITS SCHOOL OF CHEMICAL AND METALLURGICAL ENGINEERING

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

ALTERNATIVE POWER GENERATION

Power consumption currently accounts for 16% of our operational costs. High annual tariff increases in conjunction with the high consumption can be planned and managed,





MANUFACTURED CAPITAL *continued*

however inconsistent supply or the lack thereof can have a crippling effect on our operations. In FY2017, we therefore embarked on a project to evaluate whether or not we could produce our own power as an alternative to Eskom supply. The project included the evaluation of technology options, capital and operating costs, regulatory requirements, base load assessments and possible funding options. Further evaluation is however necessary to identify suitable projects which will provide reliable alternative supply solutions to Eskom.

We still believe that this initiative and project will mitigate one of our major risks (sustainable and affordable power supply) and we are therefore in the process of engaging and reassessing various experts to assist us further.

INFORMATION AND COMMUNICATION TECHNOLOGY

Advanced information and communication technology is used in plant operations, and to reduce power and water consumption. Plant operation, pump stations and pipelines are monitored continuously to minimise downtime and to avoid security breaches, including theft and damage. Operators control, divert and halt slurry

feed as necessary so that managers can make informed decisions about switching feeds between reclamation sites in order to reach production targets.

ERGO PLANT ELECTRONIC MONITORING SYSTEM

Our core Ergo plant's electronic monitoring system provides management with continuous information on every facet of the plant's performance. Prompt interpretation of this information has resulted in faster, better identification and remediation of challenges, and a consequent improvement in plant efficiency.

OUR PRODUCT: DORÉ BARS

Ergo produces crude bullion (approximately 85% gold, 7% to 8% silver, some copper and other elements) at its own smelter. The resulting doré bars are transported to Rand Refinery Proprietary Limited (Rand Refinery) where silver and other elements are removed, the gold purified to 99.9% and refined into bars that meet the standards of the London Bullion Market Association. Rand Refinery then sells the gold, on DRDGOLD's behalf, at the afternoon dollar price fixed by the London Metal Exchange. DRDGOLD does not deal in conflict gold.

OUTLOOK

As indicated in our strategic targets, we intend to optimally exploit our large surface Mineral Resources by continuing with our exploration and resource verification programme, which could lead towards increasing our tailings deposition facility, and in turn, increase Ergo's life significantly.

We aim to maintain over 2Mtpm and produce between 148 000oz and 154 000oz of gold per annum.

We will continue investing in research and development opportunities in the long-term, which will provide a return not only in financial capital, but also manufactured and natural capital.



HUMAN CAPITAL

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

HIGHLIGHTS

 HDSAs increased to **70%** from 68% in prior year

 Women in mining remained consistent at **20%**

 Women in core positions increased to **12%** (FY2017:11%)

 1 546 employee training sessions at a cost of **R9m**

MANAGING THE TRADE-OFFS BETWEEN CAPITALS

As our employees and their wellbeing are important to us, we invest financial capital in various initiatives including but not limited to an increase in their abilities (ensuring our manufactured capital is used in an efficient and effective manner) but also to ensure that our employees have the appropriate aptitude to create a safe environment and avoid health hazards. We strive to ensure that employees reach their full potential. Personal goals of employees are aligned with the strategic objectives of the company and, as a result, we achieve sustainable benefits in respect of all our capitals. During the year, we provided financial assistance to qualifying employees to enable them to own their own homes, consequently improving their wellbeing and that of their families.

OUR PEOPLE

During FY2018, our primary focus was on aligning our employees' personal goals with the strategic objectives of the Group and recognising every person's contribution to the success of DRDGOLD. We provided permanent employment for 878 (FY2017: 850) people while our main service providers employed an additional 1 426 (FY2017: 1 365) employees at our operations.





HUMAN CAPITAL *continued*

WHAT WE DO	WHY WE DO IT	HOW WE DO IT
<p>WELLBEING</p>	<p>Best Life</p> <ul style="list-style-type: none"> Value importance of employee wellbeing Social issues affect performance Indebtedness affects focus 	<ul style="list-style-type: none"> Free access to professional services such as social workers and psychologist Access to new on-site financial clinics <ul style="list-style-type: none"> planning and payment – assist with personal budgets, event planning, wills and insurance family support provide – assist with home loan application and vehicle financing protect – offer unfortunate event planning, wills and family support prosper – savings and retirement planning
<p>WELLBEING</p>	<p>Home ownership</p> <ul style="list-style-type: none"> Ergo does not provide traditional mine accommodation to employees Employees should be given the opportunity to provide accommodation for their families In line with Mining Charter 	<ul style="list-style-type: none"> R75 000 interest free, purchase price discounted home loan to qualifying employees Qualifying factors: <ul style="list-style-type: none"> for first time home owners loan approved by registered credit provider category 4 to 9 employment band
<p>EMPLOYEE DEVELOPMENT</p>	<p>Training initiatives</p> <ul style="list-style-type: none"> Increase job satisfaction and productivity Increase wellbeing of employees Align with our SLP 	<ul style="list-style-type: none"> Training initiatives focused on skills essential to our business Give employees opportunity to gain experience in acting roles Assist employees with tuition fees for formal qualifications R13 million set aside for reskilling of employees for future downscaling and retrenchments in accordance with our SLP
<p>EMPLOYEE DEVELOPMENT</p>	<p>Talent management</p> <ul style="list-style-type: none"> Retain skilled staff in key positions Equip employees for future leadership roles 	<ul style="list-style-type: none"> Employees identified as part of talent pool Critical positions identified Mentors/coaches appointed Quarterly performance discussions between protégés and mentors/coaches Address gaps in individual development plans
<p>EMPLOYEE DEVELOPMENT</p>	<p>Communication and Baobab programme</p> <ul style="list-style-type: none"> Create an environment where employees are committed to a positive contribution to the success of the Group Align employees with Group's overall strategic objective of maximising value from existing assets 	<ul style="list-style-type: none"> Daily text messages on topics such as: <ul style="list-style-type: none"> production health and safety congratulatory or motivational messages from management Introduction of Baobab programme at Ergo plant, focusing on and addressing: <ul style="list-style-type: none"> teamwork connectivity to core business accountability empowerment productivity



HUMAN CAPITAL *continued*

REMUNERATION

DRDGOLD offers competitive remuneration packages and profit share incentives to our employees and makes use of independent annual surveys to ensure that guaranteed packages are fair, competitive and are market-related.

In FY2018, the average gross basic salary for entry level employees was R10 620 per month compared to R9 655 in FY2017.

The industrial relations climate remains constructive and we do not anticipate mining industry wage negotiations to have any effect on our workforce or our operations. A one-year extension of the 2016/17 wage agreement was reached with the majority union (the National Union of Mineworkers) as well as with the United Association of South Africa (UASA) in April 2018: for Cat 4-5 employees an increase of 10%, Cat 6-9 employees 9% and Cat 10-15 7%. This excludes DRDGOLD from the two-year wage negotiation cycle of the gold mining industry.

RECRUITMENT

DRDGOLD places significance in the hiring, development and retention of HDSAs, particularly women. The total percentage of women at our operations has remained constant at 20%, from FY2017. The total

percentage of HDSAs increased from 68% in FY2017 to 70% in FY2018.

As part of our objective to align employees with the goals of the Group, our recruitment process ensures that the right person and with the right skillset are matched to the job requirements.

HOUSING

FY2018 saw the first group of home owners who qualified for assistance of R75 000.

The assistance is provided to all employees who qualify as per the rules of the scheme. The housing agreement was a collaboration between Ergo management and labour representatives who saw the importance of employees owning their own homes. Our focus has always been to move away from employer provided housing to empowering our employees to make a sound investment by purchasing a home.

The target population for assistance is largely employees who do not qualify for a Reconstruction and Development Programme (RDP) home because they earn above the stated threshold. But these employees do not qualify for a mortgage bond with banking institutions that would allow them to purchase a home. The housing assistance will be used in conjunction with an approved mortgage bond.

To date, five employees have qualified for housing assistance and the funds have been paid over into their bond accounts. One of the challenges of the scheme is that applicants must be approved for finance by a bank. This involves us educating employees about the importance of financial wellness and having a positive payment profile to be able to qualify for a mortgage bond. This is done via our financial wellness clinics.

We look forward to receiving more applications in FY2019 and will continuously engage with labour representatives to seek ways of ensuring that more employees realise the dream of owning their own house.

FUTURE HUMAN RESOURCE DEVELOPMENT PROGRAMMES

We are currently implementing an Accelerated Capability Development Programme within the operations. The programme is up and running in the engineering disciplines and will be rolled out to the metallurgical disciplines once its efficacy has been achieved in the engineering disciplines. This programme addresses two main fields: safety and competence building. It facilitates the development of a competent workforce using the existing system of planned task

		2018	2017
Permanent employees		878	850
Specialist service providers		1 426	1 365
Employee turnover	%	6	17
Human rights incidents		1	–
Union affiliation (in the collective bargaining unit)			
NUM	%	59	59
AMCU	%	21	19
UASA	%	11	13
Non-union	%	9	9
Training and development			
Employee training	Rm	9.0	9.6
Training days		5 063	6 673
Number of employee training sessions		1 546	1 371
Contributions made to future reskilling fund	Rm	5.7	5.7
Women in mining			
Women in management	%	16	15
Women in core disciplines	%	12	11
Total women in mining	%	20	20
Employee home loans assistance	Rm	0.3	–
Value distributed to employees – salaries, wages and other benefits	Rm	417 ^{LA}	412 ^{LA}
Salaries as a % of operating cost	%	17	17

^{LA}Limited assurance

HDSA AS A PERCENTAGE OF TOTAL EMPLOYEES

	2018			2017		
	Male	Female	HDSA%	Male	Female	HDSA%
Top management	3	–	33	3	–	33
Senior management	2	1	33	2	1	33
Middle management	31	6	41	35	11	43
Junior management	273	44	74	265	39	72



HUMAN CAPITAL *continued*

observation. Line managers can now ensure that employees are fully competent in the tasks they are given by conducting planned task observation and assessing competence of the individual to undertake a task.

This helps ensure we have fewer incidents caused by a lack of knowledge and competence to undertake the specific task.

The results of the planned task observations and assessments are stored electronically and give each line manager the ability to track performance against set standards. It also enables the operations to quantify, to some degree of certainty, the competency levels of their teams.

This system supports theoretical (classroom) training as it affords employees the opportunity to physically demonstrate that they understand what was being taught and that they are capable of performing to the required standard.

This programme recognises that while classroom training is vitally important, a vast amount of learning takes place through hands-on experience.

HEALTH AND SAFETY

DRDGOLD considers our people to be our most valuable asset. We continue to focus our health and safety campaigns on creating a workplace where all our employees return safely to their families at the end of every work day.

HEALTH AND SAFETY MANAGEMENT

We realise the shortcomings of the public health care system in South Africa and the consequent negative effect on the wellbeing of our employees. All permanent employees are required to be members of a private medical aid scheme. The Group subsidises two-thirds of the total member contribution. During FY2018, the Group contributed R33.6 million (FY2017: R35.3 million) to private medical aids on behalf of employees. In addition, we employ a part-time health practitioner, three permanent nurses and retain the services of a private medical emergency response team to ensure our people receive quality medical treatment at our operations. We recognise the importance of treating injuries as part of our duty of care and, therefore, several employees are trained in different levels of first aid.

HEALTH AND SAFETY ACTIVITIES

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

As part of our daily risk assessments, weekly safety topics, monthly contractors meetings and annual inductions, the following health and safety campaigns were launched during FY2018:

Managerial procedure training

All employees are required to attend procedure training as part of the annual induction process.

This training is facilitated and employees are communicated to in a language

they can understand. Employees are found competent by means of a short questionnaire.

DRDGOLD is a signatory to the Mine Health and Safety Council, a national public entity including representatives of government, employers and organised labour. Focused on improving health and safety in mining, the body provides advice to the DMR on occupational health and safety legislation, as well as research outcomes.

Workplace safety pledge

Creating a safe working environment is recognised as a collaborative effort between managers and workers. A workplace safety pledge was introduced and launched on 1 February 2018 at the Ergo plant and subsequently rolled out to the other plants within the Group. Employees were given the opportunity to put their handprint onto a wall, near the entrance to the plant, to serve as a constant reminder to everyone to work safely every day. Similarly, a pledge was signed off by management and a copy is displayed in the workplace.





HUMAN CAPITAL *continued*

REVIEW OF OUR SAFETY PERFORMANCE

	2018	2017
Number of fatalities	0 ^{LA}	1 ^{LA}
Reportable injuries	9	9
RIFR	1.55 ^{LA}	1.53 ^{LA}
Lost time injury	17	17
LTIFR	2.92 ^{LA}	2.91 ^{LA}
Minor injuries*	23	42
Part-time health and safety representatives	128	118
Ratio of part-time health and safety representatives to one employee	1:20	1:21
Section 54 notices	–	2
Section 55 notices	1	5

^{LA} Limited assurance

* In FY2018, a new methodology was introduced for the classification and reporting of minor injuries which forms the basis of a new baseline going forward. Although FY2018 has ended with the same number of LTIs and reportable injuries as FY2017, the injury frequency rates are slightly higher, as a result of manhours

HEALTH PERFORMANCE

As part of our strategy to educate and empower employees with knowledge, a number of health-related topics were addressed in FY2018 through pamphlets and medical surveillance. The following topics were part of this ongoing initiative:

- How to do self-breast exam
- Men and heart disease
- Health hazards during a drought
- Listeriosis
- Healthy food on-the-go
- Protect yourself from flu
- High blood pressure and salt in-take

	2018	2017
Medical examinations performed	3 645	3 786
Employees tested for HIV	173	193
Employees counselled for HIV	173	236
NIHL cases reported	1	4
Number of TB cases reported	7	13
Cases of silicosis and asbestosis reported	2	–



HUMAN CAPITAL *continued*

NOISE-INDUCED HEARING LOSS

NIHL is caused by repeated or prolonged exposure to sounds at or above 85 decibels (db(A)). At our operations, noise can reach 109.7db(A). Although there are 33 areas with noise levels above 85db(A), we do not operate equipment or machinery measuring more than 107db(A). The industry milestone, to be achieved by 2024, was reached by DRDGOLD in FY2016. Any excessively noisy equipment is immediately reported to an engineer for corrective action. Hearing protection is issued to all employees and visitors to our plants. The use of protective equipment is covered during our induction programme and signage is displayed at demarcated noise zones and entrances to the plants, indicating where hearing protection must be worn.

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

The table below indicates the status of claims:

	Number of cases	Cases concluded	Pending cases
Reported in FY2016	4	3	1
Reported in FY2017	4	–	4
Reported in FY2018	1	–	1

The status of the cases reported in FY2017 remain unchanged in FY2018

SILICOSIS AND DUST

One case of silicosis and one case of asbestosis was reported in FY2018 (FY2017: 0) to the Medical Bureau for Occupational Diseases and both are still pending an outcome.

We await the outcome of the asbestosis case reported in FY2014 from the Medical Bureau for Occupational Diseases.

There was an increase in over-exposure to silica dust in FY2018. Our silica reduction strategy is still enforced and employees are continually reminded to damp down equipment before working on it to prevent dust liberation.

A silica dust awareness campaign, in the form of awareness training on the effects silica has on the lungs and the remedial actions to prevent silicosis, was initiated at all the operations. The training consisted of a short video from the Mine Health and Safety Council and a presentation provided by the occupational hygienist and company doctor.

OUTLOOK

DRDGOLD will continue to prioritise the wellbeing and safety of our employees. During FY2019, the focus on our people’s safety and competence will be enhanced by the Accelerated Capability Development Programme, implemented through on the job learning.

Towards the end of FY2019, we will commence with wage negotiations to sign a new wage agreement in FY2020.



SOCIAL AND RELATIONSHIP CAPITAL


We strive to build healthy communities in the areas where our operations are located in parts of Johannesburg and Ekurhuleni – through local economic growth and development initiatives. DRDGOLD remains committed to educational support through projects that will benefit our neighbouring communities.

HIGHLIGHTS

 Total social – economic development spend of **R25.1m^{LA}**

 **90.7%** of our total discretionary spend was with BBBEE companies

 **488** community members on learnerships

 **721** learners benefited from our maths and science programmes

^{LA} Limited assurance

MANAGING THE TRADE-OFFS BETWEEN CAPITALS

Our future existence is dependent on our social licence to operate and one of our strategic focus areas is to support our neighbouring communities. We therefore invest financial capital in projects that we believe will improve the quality of life in our neighbouring communities by alleviating poverty and improving youth education.

These projects include:

- Broad-based agricultural livelihoods programme
- Crown complex rehabilitation vegetation programme
- Math, science and accounting teaching programme

Through our maths, science and accountancy extra classes, we assist our country in addressing the shortage of critical skills needed to develop our economy, thus investing in the creation of future human capital.

By spending financial capital to assist the Wits School of Chemical and Metallurgical Engineering we potentially unlock financial capital in the future by enabling us to collaborate on research projects to improve gold recoveries.

SOCIAL LICENCE TO OPERATE

Our investment in communities is guided by our current SLP which ended

in December 2017 and was developed in compliance with the Mineral and Petroleum Resources Development Act (MPRDA). We finalised our five year SLP after consultations with Johannesburg and Ekurhuleni municipalities, effective January 2018 to December 2022. Progress made toward our SLP commitments is reviewed and monitored monthly.

Acceptance by communities who can be affected by our mining activities upholds our social licence to operate and can be withdrawn at any time. To mitigate the risk of unrest, we continue to engage with our surrounding communities and respond to their concerns and commitments.

We use South African companies to supply our consumables, and to conduct off-site repairs and on-site services.

All procurement of goods and services is in line with the national promotion of BBBEE companies and the Mining Charter. During FY2018, our total discretionary spend was 90.7% with BBBEE companies, compared to 85.5% in the previous year.

BROAD-BASED AGRICULTURAL PROJECT

The broad-based agricultural livelihoods programme was launched three years ago in the communities of Tsakane, Geluksdal and Daveyton, adjacent to our Tailings Deposition Facility. The focus of the project is on empowering individuals, households,



BUILDING SMART HEALTHY COMMUNITIES



SOCIAL AND RELATIONSHIP CAPITAL *continued*

existing micro-farmers and co-operatives to produce vegetables and crops at their homes to, firstly, address food security challenges and, secondly, to enable them to enter the economic mainstream by selling excess produce. By the end of FY2018, the programme had benefited 877 households with more than 61 training sessions (covering the eight key topics of the low-cost organic crop production methodology used) with seven learning groups. Over 90 organic food producers are selling and earning an income from their urban farming business, and 16 entrepreneurs are actively expanding their farming businesses production and income generation and market supply.

CROWN COMPLEX VEGETATION PROGRAMME

A consortium was established in October 2017 and consists of nine local companies that represent areas including Langlaagte, Diepkloof, Meadowlands, Orlando West, Orlando East, Riverleigh, Pennyville and Ormonde. The consortium currently employs 33 community members from the abovementioned areas. Their current project entails, the establishment of new side slope vegetation on the Crown tailings dam and to irrigate until the vegetation is self-sustainable. Ergo currently supplies all the material for the vegetation establishment but it is expected that the consortium will supply the material in the future once it becomes a commercially viable business.



Project	Outcome	Area	2018 R	2017 R
Vegetation rehabilitation	Local youth employment	Soweto and Geluksdal	2 518 065	2 112 316
Crown Complex Consortium	Local community development	Local communities around Crown Complex area	2 137 856	–
Enterprise development	Developing small business initiatives	Geluksdal	6 758	127 764
Crown logistics	Established employee transport co-operative	Ekurhuleni and Johannesburg	440 089	470 103
Broad-based livelihoods	Local economic development	Tsakane	1 570 000	2 746 305
Kopano Ke Matla	Local economic development	Meadowlands, Soweto	–	759 075
Lindelani poultry project	Develop small business initiatives	Lindelani (Benoni)	–	72 925
Geluksdal Primary School	Tiling of classrooms	Geluksdal	–	449 993
Bopanang Primary School	Painting of classrooms	Soweto	–	38 275
Spillage clean-up	Temporary employment of Elsburg community members to clean spillage	Ekurhuleni	–	189 200
Metallurgical research at Wits University	Metallurgical research	Braamfontein, Johannesburg	1 200 000	–
Other	Other		–	4 750
Total			7 872 768	6 970 006



SOCIAL AND RELATIONSHIP CAPITAL *continued*

EDUCATING OUR COMMUNITIES

BURSARIES

Three former bursary students who graduated at the end of the 2017 academic year are now serving internships within the DRDGOLD operations. A total of R640 965 was spent on bursaries during FY2018 (FY2017: R719 834).

MATHS, SCIENCE AND ACCOUNTANCY

Our maths, science and accounting teaching programme have been welcomed wholeheartedly by principals, teachers and learners at supported schools. More and more learners are attempting to bridge any perceived gaps in their education, particular in maths and science as these subjects are key to achieving university entrance and success thereafter.

In regular quarterly meetings with the relevant principals of the schools we support, DRDGOLD has received tremendous gratitude for the efforts of our teachers. Their passion and drive is inspirational. Some even gave up their weekends to assist learners who are unable to attend extracurricular sessions.

Although the year-end results were still lower than we would have liked, our month-on-month reports reflect an increase in averages in our pre- and post-test results.

LEARNERSHIPS

In line with the national strategy to eliminate the shortage of skills, we provide artisan training for our youth, and learnerships (a structured learning programme leading to a lifelong skill) were given to 488 community members during FY2018 (FY2017: 476).

We also assisted 192 community members complete their trade tests to obtain a national certificate successfully (FY2017: 265).

	2018 R	2017 R
Maths, science and accountancy	1 111 751	990 369
Adult education and training	2 029 267	2 373 333
National diploma (N1 and N2 courses)	428 360	602 310
Artisan training	3 338 059	2 642 734
Bursaries	640 965	719 834
Total	7 548 402	7 328 580

WITS SCHOOL OF CHEMICAL AND METALLURGICAL ENGINEERING PARTNERSHIP

To assist universities with the research and development of new technologies, in FY2017 DRDGOLD entered into a partnership with the Wits School of Chemical and Metallurgical Engineering and committed a funding of R1.2 million per year over the next five years. The school will be assisting us with both short-term and long-term research projects which include improving gold recoveries and ways to treat lower grade material in a profitable manner. Improved gold recoveries is a key enabler to growing our reserves and extending our LoM. While some of the work will be directed at our operations, most of the research will be on open projects and will be made available to the entire gold mining industry.





SOCIAL AND RELATIONSHIP CAPITAL *continued*

CORPORATE SOCIAL INVESTMENT

DRDGOLD has focused its CSI programme on initiatives that benefit the communities surrounding operations within the Johannesburg and Ekurhuleni municipalities. Ideally, these initiatives will have a positive impact on the communities affected by the Group's operations and leave a lasting legacy. Legitimate stakeholders are consulted to understand their interests and concerns.

	2018 R	2017 R
Blankets and clothing	20 000	276 137
Heritage Day youth celebration	12 261	–
Women's Day celebration	3 150	–
Jerusalem creche: security donation	6 504	–
Sallies Hostel creche: tables and chairs	15 160	–
Bertha Gxowa Hospital medical equipment	118 972	–
Compass: cash donation for food	30 000	20 000
Walking Tall feeding scheme: cash donation	45 000	–
Alexandra: a community fundraising initiative	38 750	73 250
Matla a Bana: emergency comfort packs for victims of abuse	23 987	9 354
SAME foundation: donation towards hospital antenatal unit refurbishment	–	50 000
Vision 4 change: assistance to Geluksdal Primary School children with visual eye problems	56 360	–
Total	370 144	428 741

OUTLOOK

During FY2018, we finalised our five-year (January 2018 to December 2022) SLP after consultations with the Johannesburg and Ekurhuleni municipalities to ensure that the projects we implement are in line with the municipalities' LED requirements.

As the broad-based agricultural livelihoods programme on the East Rand has proved to be so successful, in 2018 we have upscaled this initiative to ensure more participants move from subsistence to small-scale commercial farming over the next five years.

The Johannesburg municipality is also interested in introducing the broad-based agricultural livelihoods programme on the West Rand.

On the East Rand, infrastructure development initiatives are also being considered as part of the LED requirements in the new SLP.





NATURAL CAPITAL

Rehabilitation, one of DRDGOLD's core activities, removes pollution sources which helps clean and redevelop our areas of operation. We also undertake concurrent rehabilitation of all of our tailings facilities to reduce as far as possible negative environmental impacts experienced by surrounding communities.

HIGHLIGHTS



38% decrease
in externally sourced
potable water



Dust emissions stable at
0.58%



R51.6m
spent on rehabilitation
activities, up from
R41.9m in FY2017



35ha
of our tailings deposition
facilities vegetated



191ha
of land rehabilitated
lodged for clearance for
redevelopment

MANAGING THE TRADE-OFFS BETWEEN CAPITALS

By investing financial capital in our Central Water Distribution System in FY2017, we have been able to reduce our potable

water consumption by 38%, enhancing our contribution towards the natural capital of South Africa, in the conservation of this scarce resource.

By performing concurrent rehabilitation and vegetation on our tailings storage facilities and investing financial capital in the short and medium term, we decrease dust emissions and improve the quality of life of those living within our areas of influence. This means that, in addition to investments we make in social and economic capital, we seek to preserve, protect and even improve the state of the footprint on which we operate (in many instances an inherited legacy) in order to also yield a natural dividend.

By enlisting a community-based consortium to undertake the vegetation programme at our Crown complex we have invested in our social capital to enhance our natural capital.

By spending financial capital on tonnage and grade verification and on studies to increase our Tailings Deposition Facility in the short term, we potentially unlock financial capital in the long term by enabling DRDGOLD to mine more gold Mineral Resources for longer, delivering on our strategy and ensuring that more land is rehabilitated and released for development, to contribute to our natural capital.



**REHABILITATION
IS ONE OF
DRDGOLD'S
CORE ACTIVITIES**



NATURAL CAPITAL *continued*

Environmental management is a key aspect during the project planning phase of new reclamation sites as prevention is more effective than mitigation. Before we embark on any new mining projects, we undertake an external environmental impact assessment and EMP for the proposed projects. These reports are discussed and reviewed by our stakeholders during a public participation process. Through this process, we are able to identify, address and minimise the effects of our activities on the environment, and identify the potential impacts our activities may have on surrounding communities and the receiving environment.

Our environmental management systems and policies have been designed in

compliance with South Africa's National Environmental Management Act 107 of 1998 and associated regulations. Internal and external audits are recorded in a database to ensure compliance.

Our EMP encompasses all of the Ergo sites into one operation and assesses the environmental impacts of mining at reclamation sites, plants and tailings deposition facilities. It also outlines the closure process, including financial provisions. We are, therefore, able to systematically audit and monitor our activities. Regulation 55 audits, in terms of the requirements of the MPRDA Act 28 of 2002, are undertaken by independent consultants and submitted to the DMR as required.

The Group actively manages and monitors the consumption of natural resources (including potable water and energy). At monthly management meetings, consumption is analysed and trends interpreted to identify excessive use and to investigate discrepancies.

DRDGOLD's environmental management spend in FY2018 was R51.6 million (FY2017: R41.9 million).

An amount of R3.8 million (FY2017: R7.1 million) was spent on dust monitoring and suppression.

No fines of monetary value or significant non-monetary sanctions for non-compliance with environmental laws and regulations were imposed on the Group in FY2018.

ENVIRONMENTAL MANAGEMENT EXPENDITURE

	2018 Rm	2017 Rm
Tailings complex (vegetation, dust suppression and cladding, among others)		
Crown complex	10.0	13.7
Brakpan/Withok	12.0	10.6
Daggafontein	3.6	2.3
Rooikraal	0.2	–
Reclamation sites (vegetation and dust suppression, among others)		
Crown sites	11.1	9.3
Rehabilitation insurance expense	5.7	1.7
Historic spillage clean-ups	2.6	2.8
Ergo sites	0.3	0.7
Demolition of plant and infrastructure	6.1	0.8
Total	51.6	41.9





NATURAL CAPITAL *continued*

OUR PRIORITIES

WATER AND WASTE WATER MANAGEMENT

We are pleased to report that our efforts to reduce reliance on potable water have paid off during FY2018. Potable water utilised for mining related activities has reduced by 38% to 3 377Mℓ^{LA}. Total water used has increased by 6% to 29 437Mℓ^{LA}.

	2018		2017	
	Mℓ	%	Mℓ	%
Potable water sourced externally	3 377 ^{LA}	12	5 490 ^{LA}	20
Rondebult waste water	938	3	386	1
Surface water extracted	3 484	13	3 280	12
Water recycled in process	20 894	69	18 500	67
TCTA water (AMD)	744	3	92	–
Total water used	29 437^{LA}	100	27 748^{LA}	100

^{LA} Limited assurance



During the past two years, our strategy to reduce reliance on potable water was implemented by investing in a number of projects:

CENTRALISED WATER DISTRIBUTION SYSTEM

The Central Water Distribution System was commissioned during the last quarter of FY2017 to store and distribute water emanating from the Rondebult waste water

treatment works, treated AMD water from TCTA and recycled water from our Brakpan/Withok Tailings Deposition Facility. The centrally located water facility allows us to distribute water more efficiently throughout the operations. We expect that, due to more water being available from this facility, we will further reduce requirements for potable water from Rand Water. Further improvements have been initiated and implemented to increase pumping capacity from the Brakpan/Withok Tailings Deposition Facility so that more recycled water can be utilised from the Central Water Distribution System. The Central Water Distribution System is performing as anticipated with significant reductions in potable water utilised.

During the year we completed the upgrade of the Knights water pipeline distribution network which has resulted in additional recycled water being used in the circuit.

GLAND SERVICE INFRASTRUCTURE

The Group installed gland service infrastructure at the Ergo plant in October 2016 which has allowed for the use of recycled process water for gland service requirements, and consequently replaced the usage of potable water. This initiative has

resulted in a reduction of approximately 70Mℓ a month of potable water use. Not only is this more environmentally sustainable but it has resulted in ongoing cost savings.

RONDEBULT WASTE WATER TREATMENT WORKS

The filtration plant at the Rondebult waste water treatment works operated by the East Rand Water Care Company was installed in FY2015. The Rondebult waste water treatment works was designed to provide Ergo with 10Mℓ of recycled water a day for use in reclamation activities. Rondebult, which supports a bird sanctuary in its maturation ponds, has been accredited as a "Green Drop" facility by the Department of Water and Sanitation as it upholds the highest standards in waste water discharge. We were able to use 938Mℓ of this water in FY2018 in comparison with 386Mℓ in FY2017.

TCTA PROCESSED ACID MINE DRAINAGE WATER

The TCTA pump station and plant, extracts and treats AMD water to a non-potable standard before releasing it into the environment. DRDGOLD secured the right to use up to 30Mℓ of treated AMD water a day from the TCTA facility¹ for our operations, as a further

strategy to source non-potable water for mining related activities. During FY2018, 744Mℓ of treated AMD water, from TCTA was utilised within the operation.

GOUDKOPPIES WASTE WATER TREATMENT WORKS

Ergo has the option of entering into an agreement with Johannesburg Water to begin its second waste water treatment project at the Goudkoppies waste water treatment works, using similar infrastructure to the Rondebult waste water works but with a view to providing 20Mℓ a day through a 7 000m long, 500mm diameter pipeline to the Crown tailings complex. This option has currently been put on hold until the project is financially viable for Ergo, due to the capital requirements. Should Ergo at any point exercise this option it is expected that this water will replace the potable water currently used in the vegetation programme and supplement water required for reclamation.

These projects demonstrate the Group's commitment to reduce its reliance on limited potable water resources currently under strain across South Africa.

¹ Refer to www.drdgold.com for details on our views of AMD and the agreement with TCTA



For more information, see www.drdgold.com/investors-and-media/media-releases/2012



NATURAL CAPITAL *continued*

DUST SUPPRESSION

Dust fall-out has reduced steadily in recent years due to our rehabilitation programmes and mitigation measures. We achieved positive results for dust monitoring and containment – of the 1 188 measurements, seven exceedances (0.6%) were recorded over the entire operation. The monitoring reports are sent to regulators, municipalities, and interested and affected parties.

Only two reportable exceedances were captured in FY2018 within our monitoring network as two monitoring sites exceeded the residential dust exceedance limits twice within the 12-month period. A full investigation was undertaken, and presented at our quarterly dust forum, to establish the cause of the exceedances. It was determined that the exceedances were primarily caused by ongoing residential developments or vehicle movement on unpaved surfaces in close proximity to the monitoring points. This was evident from observation of the red soil colour of the material collected within the dust buckets.

REHABILITATION

In accordance with South African mining legislation, all mining companies are required to rehabilitate the land on which they work to a determined standard for alternative use. DRDGOLD's business involves the reclamation of previously

DUST MONITORING

	2018	2017
Crown		
Total sites monitored	684	678
Exceedances	3	5
Percentage	0.44	0.74
ERPM		
Total sites monitored	231	230
Exceedances	1	–
Percentage	0.43	–
Ergo		
Total sites monitored	273	228
Exceedances	3	–
Percentage	1.10	–
Total dust exceedances	7^{LA}	5^{LA}

^{LA} Limited assurance



discarded material deposited, in many cases, by other companies, most of which are no longer in business. As a result, we deal with legacy environmental issues. Nevertheless, we take our environmental responsibilities seriously and are steadily rehabilitating land previously sterilised by mine residue.

DRDGOLD has spent more than R353 million on various rehabilitation activities (including controlling dust) in the five years preceding FY2018.

In FY2018, we vegetated a total of 5ha (FY2017: 16ha) at the Crown Complex and used a new community established consortium consisting of nine local companies that represent areas including Langlaagte, Diepkloof, Meadowlands, Orlando West, Orlando East, Riverleigh, Pennyville and Ormonde. The consortium currently employs 33 community members from the abovementioned areas. Their current project entails the establishment of new side slope vegetation on the Crown tailings dam and to irrigate until the vegetation is self-sustainable. Ergo currently supplies all the material for the vegetation establishment but it is expected that the consortium will supply the material in the future once it becomes a commercially viable business. In the FY2018, we spent R2 million on the vegetation programme undertaken by the consortium. We are on track to complete this programme by 2024

and it could be accelerated if additional water is secured.

Concurrent rehabilitation is ongoing on active tailings facilities with 22ha (FY2017: 14ha) of side slope cladding completed at the Braakpan/Withok Tailings Deposition Facility and 8ha (FY2017: 5ha) at the Daggafontein Tailings Facility.

In FY2016, a decision to complete the recovery of material from a number of legacy reclamation sites and to close the Crown plant was made. The clean-up of the legacy sites has proved more difficult and more costly than expected as the result of us having to mechanically lift residual material from these legacy sites. At the end of FY2018, significant progress has however been made on these legacy sites. The Crown plant has been totally demolished and the land shaped and profiled.





NATURAL CAPITAL *continued*

During the current year, we completed the ramp-up of reclamation from the 4L50 slimes dam, which is the southern portion of the Elsburg tailings complex, bordering Boksburg and Germiston. Although the dump is still hydraulically reclaimed, a modified mining sequence has been implemented to improve the control of potentially contaminated storm water runoff. In essence, rather than mining the resource in large horizontal planes, mining now proceeds in sequential benches of up to 18m in height and approximately 75m to 100m in breadth.

A key feature of the 4L50 dump is that the top surface area has been extensively vegetated following its decommissioning as a tailings storage facility. The revised mining method limits the extent of disturbed tailings surface area, leaving the vegetation intact and significantly reducing the emissions of wind-borne dust.

We have submitted five land clearance applications covering approximately 191ha to the NNR for the release of completely rehabilitated sites from regulatory control in FY2018. We await final radiation land clearance certificates from the NNR, thus releasing this land back to landowners for development. We are currently in the process of final rehabilitation and remediation on a further 205ha within the city of Johannesburg, which will be submitted for

land clearance in the near future and thus released back for economic development.

ENERGY CONSUMPTION

As Eskom generates electricity primarily from coal-fired power stations, our indirect emissions are significant although, as with our use of materials, we strive continuously to reduce consumption.

Our electricity consumption remained stable year-on-year as did our volume through-put, demonstrating that our strategy of sizing pumps for maximum efficiency, using variable speed drives, soft starts, and continuously monitoring consumption is effective in optimising electrical power consumption. Power factor correction equipment has been designed and will be commissioned at the Brakpan/Withok tailings pump station in FY2019. This will not necessarily improve our consumption but will assist in stabilising the local power grid. Around-the-clock pipeline and minute-by-minute power use monitoring worked well in FY2018 and the operation did not experience load shedding.

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

ENERGY CONSUMPTION AND EMISSIONS

		2018	2017
Electricity consumption	MWh	383 151 ^{LA}	376 723 ^{LA}
Diesel consumption ¹	litres	1 053 196 ^{LA}	918 369 ^{LA}
Natural gas consumption	Gj	107 859 ^{LA}	101 212 ^{LA}
CO ₂ e emissions ²			
Scope 1	tonnes CO ₂ e	8 578 ^{LA}	8 184 ^{LA*}
Scope 2	tonnes CO ₂ e	363 993 ^{LA}	376 723 ^{LA}
Scope 3	tonnes CO ₂ e	107	119
Total	tonnes CO ₂ e	372 678^{LA}	385 026^{LA*}
Nitrogen oxides (NOx) emissions	tonnes	1 731	1 703
Sulphur oxides (SOx) emissions	tonnes	3 158	3 105
Volatile organic compounds (VOC) emissions	tonnes	5	5
Carbon monoxide emissions	tonnes	14	14
Particulate emissions	tonnes	119	118

¹ Diesel consumption is higher in FY2018 due to increased machine use for the remediation of the old Crown reclamations sites which are undergoing final rehabilitation

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

* Restated, refer to page 70

^{LA} Limited assurance

LOAD CURTAILMENT

In terms of our load curtailment agreement with Eskom, we are alerted when the national grid is under pressure and load shedding is imminent. This allows the operations team to take certain non-essential equipment off line and reduce consumption by 10% to 20%, as required to prevent a complete power outage. In return, DRDGOLD is not part of the area load shedding schedule and is, therefore, able to maintain uninterrupted tonnage to the plant.

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





NATURAL CAPITAL *continued*

PRIMARY MATERIAL CONSUMPTION (TONNES)

	2018	2017
Cyanide consumption*	8 566 ^{LA}	8 981 ^{LA}
Steel (grinding)	4 416	4 001
Hydrochloric acid ¹	4 036	3 480
Caustic soda ¹	7 596	5 058
Lime ¹	50 332	45 760
Carbon	1 006	1 392

* Cyanide use is regulated in terms of Section 9 of the Mine Health and Safety Act, 1996 (Act No 29 of 1996), and DRDGOLD conducts regular internal and external compliance audits. Consumption decreased in FY2018 due to increased monitoring measures on cyanide usage and increased maintenance schedules on auto titrators

¹ Increased use of hydrochloric acid as a result of increased strength needed in the system to make up for poor dilute started off with in the system. Consequently, increased caustic soda consumed to neutralise the acid wash column. Increase in lime as a result of mineralogy change in material processed

^{LA} Limited assurance



OUTLOOK

In the coming year, we will continue to focus on ensuring that our operations have as little impact on surrounding communities as possible. We hope to achieve this by systematically removing pollution sources (historic sand and slime dams we reclaim), by continuing to vegetate the Crown tailings complex, and by increasing the cladding programme to the exposed side slopes of the Brakpan/Withok Tailings Deposition Facility.

We have made great strides with the ongoing rehabilitation activities at our Crown and CMR sites and will continue with the final rehabilitation and remediation on 205ha within the city of Johannesburg, which will be submitted for land clearance in the near future and ultimately released for economic development.

We hope to attain five land clearance certificates covering approximately 191ha from the NNR for the release of completely rehabilitated sites.

In the medium term, we plan to release more previously sterilised land, which has been rehabilitated, for development and, in the long term, leave a self-sustaining, contained super-tailings deposition facility.

We will continue to drive our decline in consumption of potable water to below 10% by using water in manner that fully optimises the Central Water Distribution System and other water investments made.

We are still fully committed to the long-term project of evaluating whether or not we can produce our own power as an alternative to Eskom's power supply.



MINERAL RESERVES AND MINERAL RESOURCES

Our manufactured capital includes the volume of gold we recover by embracing innovation and technology – DRDGOLD’s annual production target is 148 000oz to 154 000oz from a Surface Mineral Resource of 7.3Moz.

HIGHLIGHTS

R2m
spent on drilling
programme

Increase in Mineral
Reserves from
3.0Moz to 3.3Moz

4L50
commissioned

Gold Surface Mineral Resources **7.3Moz**

Gold Mineral Reserves **3.3Moz**

DRDGOLD’s consolidated Ergo operation covers an area of approximately 62km from east to west and 25km from north to south, near the original city of Johannesburg, on the central and eastern Witwatersrand of South Africa. The flagship metallurgical plant, Ergo, is some 50km east of Johannesburg in Brakpan, the Knights plant is in Germiston, and the milling and pump stations are located at City Deep.

As one of the world’s largest surface gold tailings retreatment operations, the majority of the material treated by the Ergo plant – currently around 1.2Mtpm – is delivered via two feeder lines from the Elsburg tailings complex (incorporating the 4L50 area), Van Dyk and Ezekiel reclamation sites. A further 0.6Mtpm is delivered from the City Deep area (including 4L2, 3L42 and externally sourced sand).

The Ergo plant uses flotation, fine-grind and a combination of high-grade and low-grade CIL metallurgical processes to recover gold from slurry. Most of Ergo’s reclamation activities involve the reclamation of slime. Monitor guns, operated by trained individuals, direct high-pressure water jets at targeted areas. The slime is dislodged and mixed with water and the

resulting slurry is pumped to the metallurgical treatment plant for processing.

The Ergo plant has treatment capacity of 1.8Mtpm based on 92% availability. Vast quantities of material is delivered monthly to the plant and, as each old dump or dam is depleted, others are brought on stream.

GEOLOGICAL SETTING, MINERALISATION AND DEPOSIT TYPE

Ergo’s surface deposits are the waste products of the processing of gold and uranium ores of the Witwatersrand Supergroup carried out since the 1890s.

The deposits consist of gold, uranium and sulphur-bearing sand dumps and slimes dams, and the composition reflects the major constituents of the Witwatersrand Basin: quartz (70%-80%), mica (10%), chlorite and chloritoid (9%-18%) and pyrite (1%-2%). Au, U₃O₈, Zr and Cr may be minor constituents averaging <100ppm each. Deposits possess structure determined by the geometry, material source and processing plants in which the original ores were processed.



**ONE OF THE WORLD'S
LARGEST SURFACE GOLD
TAILINGS RETREATMENT
OPERATIONS**

MINERAL RESERVES AND MINERAL RESOURCES *continued*

DRDGOLD GROUP STRUCTURE AND ASSOCIATE LICENCES



100%

100%



GP 158 MR
GP 184 MR
GP 185 MR
GP 186 MR
GP 187 MR
GP 10007 MR
GP 10044 PR

Underground assets:
GP 150 MR
GP 151 MR (underground only)
GP 243 PR

Transferred surface assets from
ERPM: GP 151 MR

Agreement to sell ERPM lapsed on
31 March 2018. Refer to page 67 for
further details

LEGAL ASPECT AND PERMITTING

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

Ownership of the surface rights and mine dumps vest in various legal entities. DRDGOLD and its subsidiaries own the rights to some of the properties that have dumps. In other cases, agreements are in place with the landowners to mine the dump material and rehabilitate the land for other uses. The details of the related surface rights are not material for the purpose of this report. The necessary agreements are in place for all properties in the LoM plan. There are currently no legal actions/impediments that would prevent operations of any of the current mineral rights.



MINERAL RESERVE AND SURFACE MINERAL RESOURCES RECONCILIATION

	Tonnes Mt	Grade Au g/t	Au ounces Moz
Mineral Reserves at 30 June 2017	299.21	0.31	2.99
Depletion of Reserves	(23.22)	0.33	(0.25)
Survey adjustments	(0.55)	–	0.06
New Mineral Reserves	56.76	0.26	0.48
Mineral Reserves at 30 June 2018	332.20	0.31	3.28

	Tonnes Mt	Grade Au g/t	Au ounces Moz
Mineral Resources at 30 June 2017	1 565.02	0.23	11.75
Excluded Mineral Resources*	(671.62)	0.19	(4.21)
Depletion of Resources	(23.22)	0.33	(0.25)
New Mineral Resources	10.97	0.29	0.11
Survey adjustment	(8.04)	0.29	(0.08)
Mineral Resources at 30 June 2018	873.11	0.26	7.33

* Exclusion of the Brakpan/Witbok Tailings Deposition Facility from Inferred Mineral Resources

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

SUMMARY

DRDGOLD's Mineral Reserves increased by 10% from 3.0Moz (299.2Mt @0.31g/t) in FY2017 to 3.3Moz (332.2Mt @0.31g/t) in FY2018 due to additional drilling performed on the Rooikraal Tailings Deposition Facility. Daggafontein has been evaluated as an additional tailings deposition facility. The current reserves reflect an operating life of 12 years.

DRDGOLD's Surface Mineral Resources decreased to 7.3Moz (873.1Mt @ 0.26g/t), in comparison to 11.8Moz (1 565.0Mt @ 0.23g/t) in FY2017. The decrease is attributable to the exclusion of the Brakpan/Withok Tailings Deposition Facility from Inferred Mineral Resources.

MINERAL RESERVES AND MINERAL RESOURCES *continued*

The Brakpan/Withok Tailings Deposition Facility is the current deposition site for retreated tailings and will remain so for the life of the Ergo operation. A decision was taken to exclude the Brakpan/Withok Tailings Deposition Facility from the active drilling programme as reprocessing of this material is unlikely in the foreseeable future.

FEASIBILITY STUDIES

DRDGOLD began a drilling programme and pre-feasibility study (PFS) in September 2016, aimed at re-evaluating its surface gold tailings. The PFS focused on tailings on the East Rand, to the east of the Ergo plant with the aim of adding these to the Mineral Reserves base.

This included the evaluation of 7L15, Grootvlei (6L16, 6L17 and 6L17A), 5A10, 5L27 and 4L3. As a result, Measured Mineral Resources from surface resources increased by 97% in FY2017 and Mineral Reserves by 67%.

The drilling programme continued in the current year and evaluation was undertaken on the Daggafontein, Grootvlei and Rooikraal tailings dams to verify grades, the position of the bases and collect samples for metallurgical testwork.

EVALUATION METHODOLOGY

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

With respect to surface Mineral Resources and Mineral Reserves, drilling takes place on a predetermined grid to ascertain the average grade (grade model), density, moisture, mineral composition, expected extraction factors and ultimate financial viability before mining begins.

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

Underground Mineral Resources were last estimated in FY2007 and no mining has taken place since 2008. However, the Mineral Resources are reviewed annually to ensure that the reported grade and tonnages are still current. Mineral Resources were estimated from sampling data from surface boreholes and underground face sampling. Estimation methods were standard statistical and geostatistical

processes (ordinary kriging) common in the Witwatersrand at the time of estimation.

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

During FY2018 the ERPM Underground Mineral Resources were downgraded to Inferred Mineral Resources as a result of the uncertainties around its sale.

The entire process is reviewed by independent consultants to ensure that the accepted industry and deposit-type norms and procedures have been followed.

INDEPENDENT REVIEW

DRDGOLD's statements of Mineral Resources and Mineral Reserves are independently reviewed by Red Bush Geoservices Proprietary Limited (Red Bush) for compliance with the 2016 edition of the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code), and the United States Securities and Exchange (SEC) Industry Guide 7.

Red Bush is an exploration, resource and mining consulting firm, which provides

services and advice to the mineral industry internationally.

The review of DRDGOLD's Mineral Resources and Mineral Reserves estimation was conducted by Ms Kathleen Jane Body (Pr.Sci.Nat.) and Dr Steven Rupprecht (Pr. Eng). Ms Body and Dr Rupprecht have the appropriate qualifications, experience, competence and independence to be considered an independent Competent Person or qualified person in terms of the definitions included in the SAMREC Code, NI 43-101 and SEC Industry Guide 7.

Red Bush staff members carried out quality control analysis of the data during numerous site visits to the different surface operations. They reviewed the geological models, grade estimation techniques, the conversion from Mineral Resources to Mineral Reserves, and assessed the procedures and parameters used in the preparation of these Mineral Resources and Mineral Reserves statements.

COMPETENT PERSONS

The information in this Report, relating to Mineral Resources and Mineral Reserves, is based on information compiled by the Competent Persons who consent to the inclusion in this Report of the matters based



on information in the form and context in which it appears. The Competent Persons also confirm that these disclosures are in compliance with the SAMREC Code and Section 12.13 of the JSE listing requirements.

The designated Competent Person for the surface Mineral Resources in terms of the SAMREC Code, is Mpariseni Mudau (BSc, MSc (Eng)) Pr. Sci. Nat. 400305/12, a geologist with 12 years' experience in mineral exploration and mineral resource estimation of precious metals. The Competent Person is recognised by the South African Council for Natural Scientific Professions (SACNASP) located at Management Enterprise Building, Mark

MINERAL RESERVES AND MINERAL RESOURCES *continued*

Shuttleworth Street, Innovation Hub, Pretoria, 0087, Gauteng, South Africa. Mr Mudau is a director of RVN Group Proprietary Limited and contracted to EMO, a subsidiary of DRDGOLD. Mr Mudau is independent of DRDGOLD, its subsidiaries and related companies. The designated Competent Person, in terms of the SAMREC Code, responsible for compilation and reporting of DRDGOLD's Mineral Reserves and underground Mineral Resources (ERPM) is Mr Gary John Viljoen. Mr Viljoen is an independent contractor to DRDGOLD. He holds a Mine Surveyor's Certificate of Competency and has 25 years' experience in the mining industry and in working with the type of deposits mined. Mr Viljoen is a registered member of the South African Council of Geomatics (SACG) as a Professional Mine Surveyor and his membership number is GPr MS 0256. The Competent Person is recognised by SACG located at Unit 4, Heritage Park, off Lower Germiston Road, Rocherville, 2094, South Africa.

DRDGOLD has written confirmation from the Competent Persons that the information disclosed in terms of this Report is compliant with the SAMREC Code and, where applicable, the relevant paragraph 12 of the JSE Listings

Requirements and Table 1 requirements and has confirmed that this report may be published in the form and context in which it is presented.

OTHER KEY ASSUMPTIONS

MINERAL RESOURCES

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

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

- There is nowhere on the mining sites to dump the below average grade material
- The mining method is not conducive to selection and
- The operation is a rehabilitation exercise and all material must be removed from

site and it is therefore most efficient to process all material even low-grade

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

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

MINERAL RESERVES

In addition to the Mineral Resource assumptions, infrastructure must be in place or planned to access dumps and dispose of residues. The LoM includes Inferred

Competent Persons	Title	Address	Qualifications	Years
Mpfariseni Mudau Pr.Sci.Nat. 400305/12	Director of RVN Group Proprietary Limited	Willowbrook Villas 21, Van Hoof St, Roodepoort, 1724	BSc, MSc (Eng)	12
Gary John Viljoen SAGC GPr MS0256	Independent contractor	Unit 65, Eden Village, 4 Brentwood Park Road, Benoni, 1505	Mine Surveyor's Certificate of Competency	25

Source area/plant	Recovery %	Opex R/t	Estimated cut-off grade g/t
Ergo	48	54.26	0.200

Mineral Resources, which cannot be selected out during mining and some purchased sand. These constitute 5% of the tonnage included in the LoM and have been excluded from the Mineral Reserves declared.

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

EXPLORATION

The Group did not incur any significant expenditure on activities for exploration properties during the year, and no expenditure on exploration properties is planned for FY2019.

DECLARATION

The gold price used for determination of Mineral Reserves and Mineral Resources under SAMREC is R550 411/kg (US\$1 328/oz and R12.90/US\$). For compliance with SEC, DRDGOLD's Form 20-F (to be filed with SEC) will also quote the Mineral Reserves using the three-year average gold price of R543 327/kg (US\$1 240/oz and R13.63/US\$).

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

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

MINERAL RESERVES AND MINERAL RESOURCES *continued*

EXPLORATION PROPERTIES

ERPM EXTENSIONS 1 AND 2

ERPM has a new order mining right covering an area of 1 252ha adjacent to Sallies mine, referred to as ERPM Extension 1. The estimated total Mineral Resource for ERPM Extension 1 is 37.4Mt at 7.08g/t containing 8.48Moz of gold.

In 2007, ERPM's prospecting right over ERPM Extension 1 was extended eastwards into the Rooikraal/Withok area, incorporating the southern section of the old Van Dyk mining lease area and a small portion of Sallies. Known as ERPM Extension 2, the additional area is 5 500ha in size and is recognised as one of the largest, virtually unexplored areas on the East Rand. The reef lies at a depth of between 1 877m and 2 613m below surface. ERPM Extension 2 is currently held under a new order prospecting licence. The total estimated Mineral Resource for Extension 2 is 28.6Mt at 9.06g/t containing 8.32Moz of gold. In line with the Group's strategy to exit underground mining operations, management committed to a plan to sell certain underground mining and prospecting rights held by ERPM, including the related liabilities, during the last quarter of the financial year ended 30 June 2014.

As at 30 June 2017, management concluded that the disposal was no longer highly probable. The last outstanding regulatory approval, being the approval under Section II of the MPRDA was not obtained by the extended cut-off date, 31 March 2018, as a result of circumstances beyond our control. Management decided not to extend the cut-off date further and accordingly the contract entered into to dispose of these underground mining and prospecting rights lapsed on 31 March 2018. Management, however is still committed to a plan of disposal.

SURFACE MINERAL RESOURCES as at 30 June 2018

	MEASURED				INDICATED			
	Tonnes Mt	Grade g/t	Contents Au tonnes	Contents Moz	Tonnes Mt	Grade g/t	Contents Au tonnes	Contents Moz
Ergo and DRDGOLD (100%)								
Surface	322.20	0.307	99.00	3.28	340.40	0.253	89.06	2.77
Total Surface Mineral Resources as at 30 June 2018	322.20	0.307	99.00	3.28	340.40	0.253	89.06	2.77
Total Surface Mineral Resources as at 30 June 2017	299.21	0.311	93.03	2.99	386.00	0.249	96.31	3.10
	INFERRED				TOTAL			
	Tonnes Mt	Grade g/t	Contents Au tonnes	Contents Moz	Tonnes Mt	Grade g/t	Contents Au tonnes	Contents Moz
Ergo and DRDGOLD (100%)								
Surface	200.51	0.199	39.94	1.28	873.11	0.261	228.00	7.33
Total Surface Mineral Resources as at 30 June 2018	200.51	0.199	39.94	1.28	873.11	0.261	228.00	7.33
Total Surface Mineral Resources as at 30 June 2017	879.80	0.200	176.26	5.67	1 565.02	0.234	365.60	11.75

MINERAL RESERVES AND MINERAL RESOURCES *continued*

UNDERGROUND MINERAL RESOURCES as at 30 June 2018

	MEASURED				INDICATED			
	Tonnes Mt	Grade g/t	Contents Au tonnes	Contents Moz	Tonnes Mt	Grade g/t	Contents Au tonnes	Contents Moz
ERPM and DRDGOLD (100%)								
Underground	–	–	–	–	–	–	–	–
Total Underground Mineral Resources as at 30 June 2018	–	–	–	–	–	–	–	–
Total Underground Mineral Resources as at 30 June 2017	4.65	7.168	33.24	1.07	11.95	8.024	95.86	3.08
	INFERRED				TOTAL			
	Tonnes Mt	Grade g/t	Contents Au tonnes	Contents Moz	Tonnes Mt	Grade g/t	Contents Au tonnes	Contents Moz
ERPM and DRDGOLD (100%)								
Underground	177.22	6.824	1 209.38	38.88	177.22	6.824	1 209.38	38.88
Total Underground Mineral Resources as at 30 June 2018	177.22	6.824	1 209.38	38.88	177.22	6.824	1 209.38	38.88
Total Underground Mineral Resources as at 30 June 2017	160.62	6.725	1 080.17	34.73	177.22	6.824	1 209.38	38.88



MINERAL RESERVES AND MINERAL RESOURCES *continued*

MINERAL RESERVES as at 30 June 2018

	PROVED Delivered to plant				PROBABLE Delivered to plant				TOTAL MINERAL RESERVES Delivered to plant			
	Tonnes Mt	Grade g/t	Contents Au tonnes	Contents Moz	Tonnes Mt	Grade g/t	Contents Au tonnes	Contents Moz	Tonnes Mt	Grade g/t	Contents Au tonnes	Contents Moz
Ergo and DRDGOLD (100%)												
Surface	68.03	0.303	20.59	0.66	264.17	0.308	81.30	2.61	332.20	0.307	101.89	3.28
Total Mineral Reserves as at 30 June 2018	68.03	0.303	20.59	0.66	264.17	0.308	81.30	2.61	332.20	0.307	101.89	3.28
Total Mineral Reserves as at 30 June 2017	90.44	0.303	27.41	0.88	208.78	0.314	65.62	2.11	299.21	0.311	93.03	2.99



THREE-YEAR REVIEW

		2018	2017	2016
Summarised Group operating results				
Ore milled	t'000	24 281	24 958	24 842
Yield	g/t	0.193	0.171	0.180
Gold produced	kg	4 679	4 265	4 462
	oz	150 423	137 114	143 457
Gold sold	kg	4 653	4 268	4 455
	oz	149 604	137 211	143 232
Average price received	R/kg	534 344	548 268	546 142
	\$/oz	1 300	1 254	1 165
Cash operating costs	R/kg	458 866	489 549	446 153
	\$/oz	1 118	1 122	958
Sustaining capital expenditure	Rm	81.3	72.9	80.5
All-in sustaining costs	R/kg	505 622	530 930	499 425
	\$/oz	1 258	1 216	1 072
Group performance indicators				
Operating margin	%	14.3	11.0	17.9
All-in sustaining cost margin	%	5.5	3.2	8.4
Headline earnings per share	cents	1.7	0.2	12.6
Return on equity	%	0.6	0.1	4.0
Asset and debt management				
Current ratio	times	2.0	2.1	1.9
Debt to equity ratio	to one	0.01	0.01	0.01
Interest cover ¹	times	8.4	5.3	11.5
Net asset value per share	cents	294	302	310
Market value and shareholder returns				
Market price per share	cents	365	415	853
Ordinary shares in issue		431 429 767	431 429 767	431 429 767
Market capitalisation	Rm	1 574.7	1 790.4	3 680.1
Price earnings ratio	times	214.7	2 262.6	67.5
Market/book ratio	times	1.2	1.4	2.7
Dividend declared per share	cents	5	5	62
Dividend yield	%	1.4	1.2	7.3

		2018	2017	2016
Group sustainability indicators				
Total economic value distributed	Rm	2 333 ^{1A}	2 260 ^{1A}	2 378 ^{1A}
Value distributed to employees – salaries, wages and other benefits	Rm	417 ^{1A}	412 ^{1A}	421 ^{1A}
Fatalities		0 ^{1A}	1 ^{1A}	0 ^{1A}
LTIFR		2.92 ^{1A}	2.91 ^{1A}	2.68 ^{1A}
RIFR		1.55 ^{1A}	1.53 ^{1A}	1.42 ^{1A}
Cyanide consumption	tonnes	8 566 ^{1A}	8 981 ^{1A}	8 508 ^{1A}
Scope 1 CO ₂ e emissions	tonnes	8 578 ^{1A}	8 184 ^{1A,2}	7 915 ^{1A,2}
Scope 2 CO ₂ e emissions	tonnes	363 993 ^{1A}	376 723 ^{1A}	378 481 ^{1A}
Total CO ₂ e emissions	tonnes	372 678 ^{1A}	385 026 ^{1A,2}	386 526 ^{1A,2}
Electricity consumption	MWh	383 151 ^{1A}	376 723 ^{1A}	374 891 ^{1A}
Diesel consumption	litres	1 053 196 ^{1A}	918 369 ^{1A}	1 082 105 ^{1A}
Natural gas consumption	Gj	107 859 ^{1A}	101 212 ^{1A}	89 146 ^{1A}
Potable water sourced externally	Mℓ	3 377 ^{1A}	5 490 ^{1A}	7 376 ^{1A}
Total dust exceedances		7 ^{1A}	5 ^{1A}	22 ^{1A}
Concurrent vegetation of tailings deposition facilities	hectares	35	35	36
Land rehabilitated and clearance from NNR	hectares	0 [#]	90	62
Total socio-economic development spend	Rm	25.1 ^{1A}	25.0 ^{1A}	23.1 ^{1A}
Exchange rates				
Average rate	R:US\$	12.8466	13.5927	14.4989
Closing rate	R:US\$	13.7225	13.0476	14.6800

¹ The basis of calculation of the interest cover has been revised to be consistent with that for the new revolving credit facility of R300 million covenant calculations. This has led to a restatement in the prior year figures, to allow comparability in the ratio going forward.

² During FY2018, management performed a review of DRDGOLD's energy sources, which identified natural gas as an energy source used in the production process. This energy source was previously not included. As a result, DRDGOLD reported on natural gas consumption in FY2018 and the comparative periods, FY2016 and FY2017. Scope 1 CO₂e emissions and consequently total CO₂e emissions for these periods have therefore also been restated to include the emissions from natural gas consumption. The effect thereof is an increase of Scope 1 emissions of 5 015 tonnes in FY2016 and 5 694 tonnes in FY2017. Consequently, the total CO₂e emissions increased by the same amounts respectively for both periods.

^{1A} Limited assurance

* Restated

Applications in respect of 191ha of rehabilitated land had been lodged with the NNR for clearance for redevelopment.

IN THE FUTURE



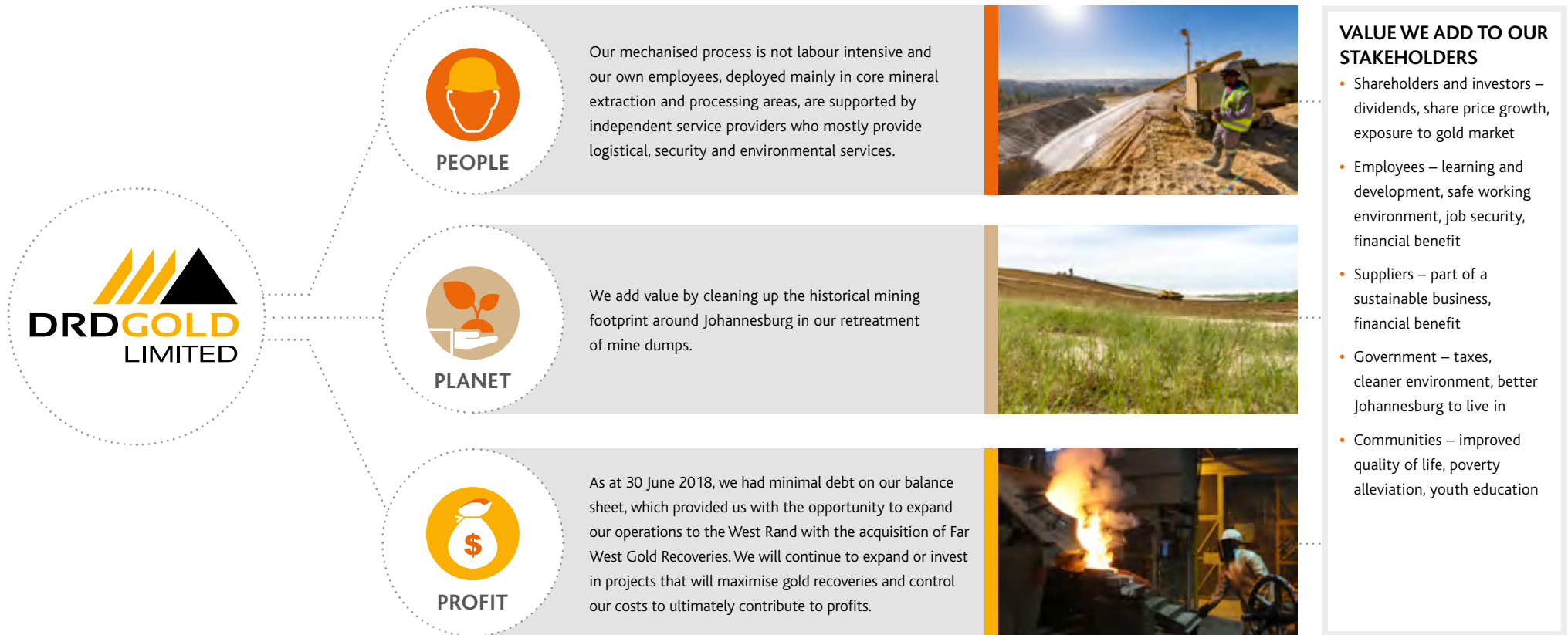
IDENTIFYING FUTURE OPPORTUNITIES

DRDGOLD WILL CONTINUE TO SEEK OUT FURTHER EFFICIENCIES AND LOOK FOR WAYS TO OPTIMISE OUR OPERATIONS. OUR COMMITMENT TO TRAINING AND DEVELOPMENT OF OUR WORKFORCE IS OF FUNDAMENTAL IMPORTANCE TO MAXIMISING VALUE FOR OUR SHAREHOLDERS.



WHAT SETS US APART: OUR INVESTMENT CASE

Investing in DRDGOLD provides exposure to our portfolio of surface gold assets that we mine optimally and sustainably; our competitive advantage, including our knowledge and infrastructure to move vast quantities of material over long distances; human talent and our use of unique technology, creating long-term shareholder return.



SECTION 5



AT DRDGOLD, WE BELIEVE THAT INTEGRITY AND GOOD CONDUCT ARE THE FOUNDATION OF OUR BUSINESS, AND WE ARE FULLY COMMITTED TO CONDUCTING BUSINESS ETHICALLY AND LEGALLY.

GOVERNANCE

DIRECTORS AND MANAGEMENT

NON-EXECUTIVE DIRECTORS

EXECUTIVE DIRECTORS



Geoff Campbell (57)

BSc (Geology)

INDEPENDENT NON-EXECUTIVE CHAIRMAN

Chairman: Nominations Committee

Member: Remuneration and Nominations Committee

[View biography](#)



Johan Holtzhausen (72)

BSc, BCompt (Hons), CA (SA)

INDEPENDENT NON-EXECUTIVE DIRECTOR

Chairman: Audit and Risk Committee

Member: Remuneration and Nominations Committee

[View biography](#)



Edmund Jeneker (56)

Chartered Director (SA), B Hons, IEDP, M.Inst.D., SAIPA

LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR

Chairman: Social and Ethics Committee

Chairman: Remuneration Committee

Member: Remuneration and Nominations Committee

Member: Audit and Risk Committee

[View biography](#)



James Turk (71)

BA (International Economics)

INDEPENDENT NON-EXECUTIVE DIRECTOR

Member: Audit and Risk Committee

Member: Remuneration and Nominations Committee

[View biography](#)



Toko Mnyango (53)

Dip Juris, BJuris

INDEPENDENT NON-EXECUTIVE DIRECTOR

Member: Social and Ethics Committee

[View biography](#)



Niël Pretorius (51)

BProc, LLB

CHIEF EXECUTIVE OFFICER

Member: Social and Ethics Committee

[View biography](#)



Riaan Davel (42)

BCom (Hons), M Com, CA (SA)

CHIEF FINANCIAL OFFICER

[View biography](#)

DIRECTORS AND MANAGEMENT *continued*

MANAGEMENT

SUBSIDIARY NON-EXECUTIVES



Reneiloe Masemene (37)

LLB, LLM

**COMPANY SECRETARY,
GROUP LEGAL COUNSEL
AND PRESCRIBED OFFICER**

[View biography](#)



Jaco Schoeman (44)

National Diploma (Analytical Chemistry), BTech (Analytical Chemistry)

**OPERATIONS DIRECTOR:
ERGO MINING OPERATIONS
PROPRIETARY LIMITED**

[View biography](#)



Henry Gouws (49)

National Higher Diploma (Extraction Metallurgy), MDP

MANAGING DIRECTOR: ERGO

[View biography](#)



Mark Burrell (56)

BCom Accounting, MDP

FINANCIAL DIRECTOR: ERGO

[View biography](#)



Thulo Mogotsi Moletsane (50)

BA, LLB

**NON-EXECUTIVE DIRECTOR:
ERGO MINING OPERATIONS
PROPRIETARY LIMITED**

[View biography](#)



Charles Symons (64)

BCom, MBL, Dip Extractive Metallurgy

**NON-EXECUTIVE DIRECTOR:
ERGO MINING OPERATIONS
PROPRIETARY LIMITED**

Chairman: Oversight Committee

[View biography](#)

CORPORATE GOVERNANCE

STRATEGIC FOCUS AREAS LEGEND

-  *Optimally and sustainably exploiting large surface gold resource*
-  *Using technologies that enhance operating efficiencies and minimise impact on environment*
-  *Being serious about employee wellbeing*
-  *Controlling costs and maximising margins, enabling our business to generate cash*
-  *Restoring mining footprint, limiting burden on natural resources, and limiting impact of ongoing operations on environment and communities*
-  *Supporting neighbouring communities*

Designation	Audit and Risk Committee	Remuneration and Nomination Committee	Social and Ethics Committee
NON-EXECUTIVE DIRECTORS			
GC Campbell	✓	✓	
J Turk	✓	✓	
EA Jeneke	✓	✓	✓
J Holtzhausen	✓	✓	
TVBN Mnyango	✓	✓	✓
EXECUTIVE DIRECTORS			
DJ Pretorius	✓	✓	✓
AJ Davel	✓	✓	✓
PRESCRIBED OFFICERS			
WJ Schoeman	✓		✓
R Masemene	✓	✓	✓

Key performance indicators

-  Compliance with applicable laws, and adopted, standards and codes of good practice
-  Set key performance measures and targets for value creation, as well as execute the approved strategy
-  Appropriate appointment and delegation to management
-  Stakeholder engagement and issues reports on the Company's activities and performance
-  Governance and oversight of risk management
-  Technology and information governance
-  Governance of remuneration throughout the Company and ensure fair and responsible remuneration practices

COMMITTEE ATTENDANCE*

- ✓ AUDIT AND RISK COMMITTEE
- ✓ REMUNERATION AND NOMINATIONS COMMITTEE
- ✓ SOCIAL AND ETHICS COMMITTEE

* includes attendance by invitation

CORPORATE GOVERNANCE *continued*

Our board of directors are committed to effective and ethical leadership and the highest standards of good corporate governance.

Every director, officer or employee representing us should respect the maxim 'do unto others as you would have them do to you'.

OUR ETHICAL CULTURE

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

CODE OF CONDUCT

Our business has evolved and adapted in recent years in accordance with our People, Planet, Profit (P3) business philosophy.

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

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

- Fair dealing and integrity in the conduct of our business

- Promoting a corporate culture that is non-secretarial, and
- Socially and environmentally responsible behaviour

The Code of Conduct is available on the DRDGOLD website, distributed to all new employees and included in the induction video, which all employees are subjected to on an annual basis.

WHISTLEBLOWING HOTLINE

A whistleblowing mechanism is in place to assist with the identification of possible unethical behaviour. This is in the form of a anonymous hotline facilitated through Deloitte. The security department is also open to informants and other persons and opens cases. In some of these cases, cases were opened with the police, employees were dismissed and some further investigated.

Posters are put in the workplace to remind employees of the importance of ethical behaviour and the existence of the hotline and procedures to follow should they witness unethical conduct.

FINES AND INCIDENTS OF CORRUPTION

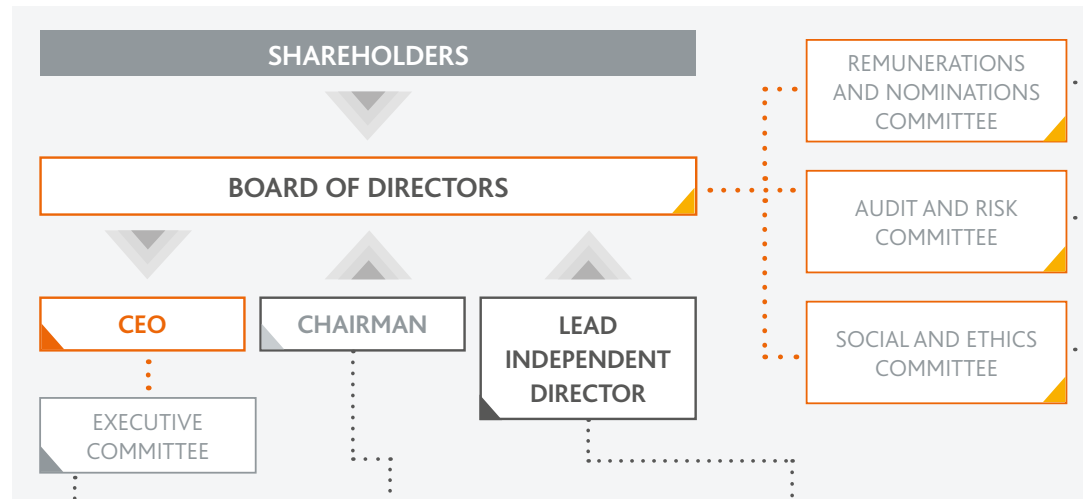
DRDGOLD did not receive any significant fines of monetary value or non-monetary sanctions for non-compliance, and was not involved in any incidences of corruption in FY2018.



For more information, see www.drdgold.com/about-us/governance

CORPORATE GOVERNANCE *continued*

GOVERNANCE STRUCTURE



AUDIT AND RISK COMMITTEE

Primary functions:

- Ensures that internal and externally issued reports comply with legal requirements and/or meet the legitimate and reasonable information needs of material stakeholders
- Assist the Board with the governance and oversight of risk management
- Assist the Board with IT governance and risks
- Oversight of internal and external assurance processes

REMUNERATION AND NOMINATIONS COMMITTEE

Primary functions:

- Support the Board with the governance of remuneration throughout the Group and ensure fair and responsible remuneration practices
- Asses the Board composition and identify appropriate candidates for appointment to the Board

SOCIAL AND ETHICS COMMITTEE

Primary functions:

- Ensure the Group's ethics are effectively managed
- Monitor the Group's overall responsible corporate citizenship performance including relevant activities in the workplace, economy, society and the environment

CEO FUNCTION

Leads and supervises the committee in executing the functions delegated to it by the Board. CEO cannot be the chairman of the Board and is prohibited from being a member of the Audit and Risk Committee.

EXECUTIVE COMMITTEE

Primary functions:

- Execute the approved strategy of the Board
- Make key decisions affecting the business and affairs of the Company subject to the Board approved delegation of authority framework
- Develop and monitor budgets to report to the Board

CHAIRMAN OF THE BOARD

Primary functions:

- Lead the Board of directors in the objective and effective discharge of its governance roles and responsibilities
- Chair all Board meeting using appropriate and robust processes that ensure the Board focuses and achieves its tasks
- Encourage collegial and mutually respectful atmosphere amongst the directors

LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR

Primary functions:

- Leads in the absence of the chairman
- Act as an intermediary between the chairman and other directors of the Board
- Deals with shareholder concerns where contact through normal channels has failed to resolve concerns
- Chair discussions and decision making of the Board on matters where the chairman has a conflict of interest
- Lead the performance appraisal of the chairman
- Strengthens the independence of the Board

Each committee has a minimum of three members as recommended by King IV. The composition of each committee is also aligned with the King IV recommendations.

CORPORATE GOVERNANCE *continued*

BOARD COMPOSITION

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

COMPLIMENTARY EXPERTISE OF BOARD MEMBERS



RACE AND GENDER DIVERSITY POLICY

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

The Board appointed Mrs Toko Mnyango on 1 December 2016. Details of her appointment were duly announced on SENS, and her particulars are included on page 74 of this report and on the website, www.drdgold.com/about-us/directors-officers-and-executives

The Board currently has an aggregate complement of seven directors, and of whom two are black persons within the meaning ascribed thereto in terms of the BEE Act.

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

In respect of the gender diversity component as envisaged in paragraph 3.84(i) of the JSE Listings Requirements, there is one woman, who is also black within the meaning ascribed thereto in

the BEE Act. On this basis, DRDGOLD's percentage delivers 14.3% against a target of 30% towards gender diversity.

In respect of the race diversity component as envisaged in paragraph 3.84(i) of the JSE Listings Requirements, there are two black people within the meaning ascribed thereto in the BEE Act. On this basis, DRDGOLD's percentage delivers 28.6% against a target of 30% towards race diversity.

To address the above towards meeting its voluntary targets, the Company has embarked upon a process in terms of which we ensure that members of the Board is reflective of the diversity at a level commensurate with the targets.

NOMINATION, ELECTION AND APPOINTMENT OF MEMBERS TO THE GOVERNING BODY

In compliance with JSE and NYSE requirements, the policy for appointments to the Board is both formal and transparent. The Remuneration and Nominations Committee identifies and interviews, and then recommends shortlisted candidates to the Board. The Board duly deliberates and appoints the most suitable person(s) until shareholders are able to confirm the appointment at the first annual general meeting (AGM) following the appointment.



CORPORATE GOVERNANCE *continued*

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

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

INDEPENDENCE

The Board comprises of two Executive Directors and five independent Non-executive Directors. Three of the independent Non-executive Directors have served on the Board for longer than nine years. The Non-executive Chairman of the Board, Geoff Charles Campbell, who is categorised as independent, has been on the Board since 2002, and fulfilled the role of Chairman since 2006.

James Turk has been a member of the Board since 2004 and Edmund Abel Jeneker since 2007. The Chairman does not serve on the Audit and Risk Committee. The Board is of the view that the extensive experience of each

of these Directors far outweighs the potential downside of the length of their service.

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

EXECUTION OF THE DUTIES OF THE BOARD

The Board fully appreciates that it's first and foremost accountable for the application of the corporate governance principles and practices at DRDGOLD. It also understands that its key functions are to set the strategic direction of the Group, to approve appropriate policies and plans to give effect to the approved strategy, to delegate implementation of the afore to management and adequately monitor management's performance and to ensure accountability through reporting and the principle of transparency.

ATTENDANCE BY DIRECTORS AT BOARD MEETINGS HELD DURING FY2018





Director	Designation	29 Aug 2017	25 Oct 2017	8 Feb 2018	3 May 2018
DJ Pretorius	Chief Executive Officer	✓	✓	✓	✓
AJ Davel	Chief Financial Officer	✓	✓	✓	✓
GC Campbell	Independent Non-executive Chairman	✓	✓	✓	✓
JA Holtzhausen	Independent Non-executive	✓	✓	✓	✓
EA Jeneker	Independent Non-executive	✓	✓	✓	✓
J Turk	Independent Non-executive	✓	✓	✓	✓
TVBN Mnyango	Independent Non-executive	✓	✓	✓	✓

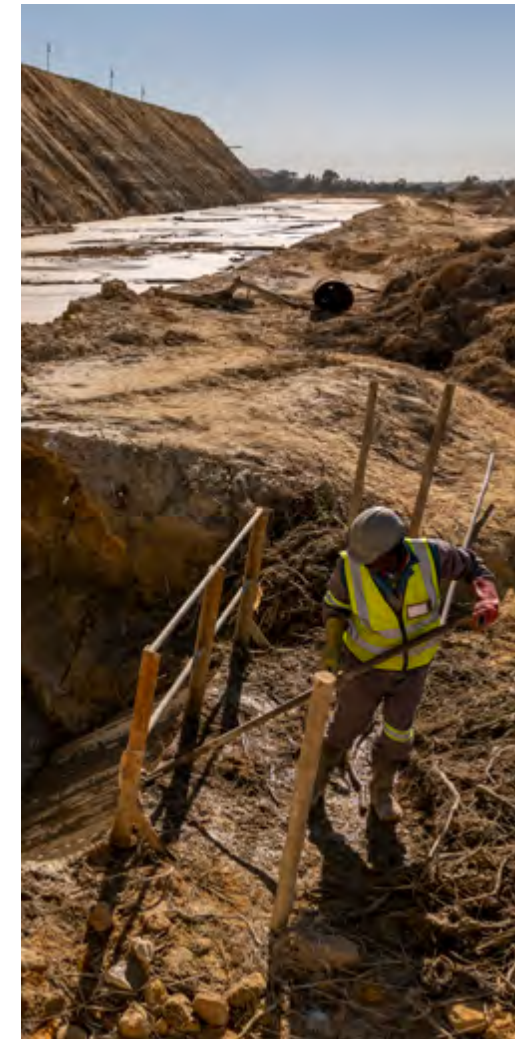
✓ Includes attendance through teleconference or video conference facilities



CORPORATE GOVERNANCE *continued*

EXECUTION OF THE DUTIES OF THE BOARD

Key performance indicators	Action points
 <p>Compliance with applicable laws, adopted standards and codes of good practice</p>	<ul style="list-style-type: none"> • Group legal counsel, headed by the Company Secretary, is appointed who monitors changes and developments, through attendance of seminars and conferences and subscriptions to law journals • Consider the recommendations of King IV and evaluate its application across the Group. Disclosure on the application thereof can be found on the company's website www.drdgold.com/about-us/governance • Discussions of the impact of new legislation at Board meetings • Use of a comprehensive compliance checklist • There were no material or repeated regulatory penalties, sanctions or fines for non compliance • No adverse compliance inspections by environmental regulators • New code of ethics approved during FY2018
 <p>Set key performance measures and targets for value creation, as well as execute the approved strategy</p>	<ul style="list-style-type: none"> • Continually evaluates the general viability of the business and its status as a going concern • Reviewed the liquidity and solvency of the Company on a continuous basis • Executed the approved strategy • Approved the acquisition of assets from Sibanye-Sillwater in FY2018 • Approved the FY2019 budget
 <p>Appropriate appointment and delegation to management</p>	<ul style="list-style-type: none"> • Formal delegation captioned in an authority framework that is reviewed on a regular basis • Appointment of CEO for the effective management and day to day running of the business • Appointment of a Company Secretary on a permanent basis, with a wealth of experience and qualification to provide support and guidance at all times to the Board
 <p>Stakeholder engagement and issues reports on the Company's activities and performance</p>	<ul style="list-style-type: none"> • Performed with the assistance from the Audit and Risk Committee • Integrated and sustained stakeholder communication programme in place • Internal finance team led by the CFO who is evaluated by the Audit and Risk Committee • Integrity of reporting maintained with assistance from internal and external auditors • External service provider and Group legal counsel in place to assist with adherence to JSE listing rules and other legal requirements



CORPORATE GOVERNANCE *continued*

EXECUTION OF THE DUTIES OF THE BOARD *continued*

Key performance indicators	Action points
 <p>Governance and oversight of risk management</p>	<ul style="list-style-type: none"> • Performed with assistance from the Audit and Risk Committee • Approved the integrated risk management strategy • Comprehensive risk management process in place • Risk tolerance and appetite levels set and reviewed • Internal audit assists management in evaluating the process for managing key operational, financial and compliance risk • Internal risk officer in place to monitor and review the Group risk register and submits a risk report at each Audit and Risk Committee meeting
 <p>Technology and information governance</p>	<ul style="list-style-type: none"> • IT governance charter in place to set out policies, procedures and performance metrics which work together with the IT governance framework • IT governance framework in place to standardise business processes across the Group • Annual update received on IT risks, including business continuity, back ups and offsite storage and security of network and information. All risks presented were deemed to be within tolerance levels and not considered material
 <p>Governance of remuneration throughout the Company and ensure fair and responsible remuneration practices</p>	<ul style="list-style-type: none"> • Performed with the assistance from the Remuneration and Nominations Committee • More information available in the remuneration report



CORPORATE GOVERNANCE *continued*

EVALUATION OF THE BOARD

Annually a Board performance evaluation process is conducted by an external party on the performance and effectiveness of the Board as a whole, the committees, the chairman and the Company Secretary. The evaluation is performed through interviews and questionnaires, which directors and management complete.

The 2018 review indicates that the Board is satisfied with the overall effectiveness and functioning of the procedures and processes in place to ensure that the company is compliant and very effective in dealing with its legal and regulatory responsibilities.

SOCIAL AND ETHICS COMMITTEE

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

AUDIT AND RISK COMMITTEE

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

REMUNERATION AND NOMINATIONS COMMITTEE

The combined Remuneration and Nominations Committee continues to be effective.

OUR COMPANY SECRETARY

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

Provide guidance to the directors about their duties, responsibilities and powers

Ensuring all shareholder, Board and committee minutes of meetings are properly recorded in accordance with the Companies Act

Reporting to the Board on any failure to comply with the Group's MOI

Making directors aware of laws relevant or affecting the Group

Drafting the Board Charter and terms of reference of the Board committees

Drafting the Gender Diversity Policy of the Company

Ensuring dispatch to shareholders of the annual financial statements in accordance with the law

In August 2018, the Group appointed an independent facilitator to evaluate the performance of the Board and Company Secretary during the remainder of the financial year. Questionnaires were completed and interviews were conducted with each director. The questionnaires included a section on the performance of the Company Secretary. The report states that the Company Secretary is effective in

the performance of her duties. The Board is satisfied that Ms Masemene proved to be competent, qualified and experienced as the Company Secretary of DRDGOLD. The Board confirms that Ms Masemene is not a director of DRDGOLD and that there is an arm's length relationship between her and the Board, which is based only on professionalism.



CORPORATE GOVERNANCE *continued*

DETAILED COMMITTEE REPORTS

AUDIT AND RISK COMMITTEE

Chairman: JA Holtzhausen

Other members: EA Jeneker and J Turk

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

Roles and responsibilities:

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

- Ensure that continuous risk monitoring by management takes place

Key activities include:

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

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

KPMG Inc was reappointed by shareholders at the 2017 AGM to perform DRDGOLD's

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

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

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

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

Annual financial statements

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

The directors are of the opinion that the Group financial statements fairly present the financial position as at 30 June 2018 and the financial performance and cash flows for the year then ended, and deal with all significant matters.

The directors have reviewed the Group's business plan and cash flow forecast for the year ending 30 June 2019. On the basis of this



CORPORATE GOVERNANCE *continued*

review, and in light of the current financial position and existing borrowing facilities, the directors are satisfied that the Group is a going concern and has adequate financial and capital resources to ensure its continued operational existence.

To comply with requirements for reporting by non-US companies registered with the SEC, DRDGOLD prepares its AFS on Form 20-F in accordance with IFRS. The Audit and Risk Committee is satisfied that KPMG and Mr Riegert Stoltz, the designated auditor, are independent of DRDGOLD, and the Group is satisfied with the quality of service.

Evaluation

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

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

ATTENDANCE BY MEMBERS AT THE AUDIT AND RISK COMMITTEE MEETINGS HELD DURING FY2018

Director	29 Aug 2017	25 Oct 2017	8 Feb 2018	3 May 2018
EA Jeneker	✓	✓	✓	✓
J Turk	✓	✓	✓	✓
JA Holtzhausen	✓	✓	✓	✓

✓ Includes attendances through teleconference or video conference facilities

REMUNERATION AND NOMINATIONS COMMITTEE

Chairman (Nominations): GC Campbell

Chairman (Remuneration): EA Jeneker

Other members: JA Holtzhausen and J Turk

Purpose of the Remunerations Committee:

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

Purpose of the Nominations Committee:

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

Roles and responsibilities of the Remunerations Committee:

- Determine and develop the Company's remuneration policy

- Determine the criteria necessary to measure the performance of executive directors
- Incentivise executive directors and senior management
- Oversee the general operation of the share option scheme or any other similar incentive schemes
- Apply the principles of good corporate governance and best practice in respect of remuneration matters

The committee has an obligation to offer competitive packages that will attract and retain executives of the highest calibre, and encourage and reward superior performance.

Industry surveys are provided for comparative purposes, and to assist the committee in the formulation of remuneration policies that are market related.

Roles and responsibilities of the Nominations Committee:

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

Evaluation

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



CORPORATE GOVERNANCE *continued*

SOCIAL AND ETHICS COMMITTEE

Chairman: EA Jeneker

Other members: DJ Pretorius and TVBN Mnyango

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

Roles and responsibilities:

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

Key activities include:

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

Evaluation

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

ATTENDANCE BY MEMBERS AT SOCIAL AND ETHICS COMMITTEE MEETINGS HELD DURING FY2018

Director	24 Aug 2017	19 Oct 2017	8 Feb 2018	2 May 2018
EA Jeneker	✓	✓	✓	✓
DJ Pretorius	✓	✓	✓	✓
TVBN Mnyango	✓	✓	✓	✓



REMUNERATION REPORT



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

PRINCIPLE 14, KING IV

CHAIRMAN'S LETTER

It is with pleasure that I present the annual remuneration report for 2018 on behalf of the Remuneration Committee and the Board of directors.

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

During the past year, the Remuneration Committee has continued to review the Remuneration Policy to ensure alignment with the principles of King IV and applied the principles where applicable. DRDGOLD is committed to ensuring full compliance as King IV is implemented, and acknowledges that King IV is in line with best practice and governance standards.

With regard to remuneration, we have focused on aligning remuneration with performance as a key principle of DRDGOLD's Remuneration Policy. Remuneration comprises short-term incentives and long-term incentives for executive management, prescribed officers and senior management, based on agreed performance indicators that in turn are aligned

with the short- and long-term goals and strategies of the Group.

In this challenging corporate environment, the actions of executive management are crucial for the success of the Company and for the benefit of shareholders, but also all stakeholders. Specific successes in this regard, as mentioned in the report, relate to positive, free cashflow generation, stable operations resulting in increased gold production and lower costs per unit and also the successful acquisition of Far West Gold Recoveries, which is expected to increase the Mineral Reserves by approximately 82%.

In the 2017 financial year, our Remuneration Policy received more than 99% Advisory Vote from our shareholders. We recognise the challenges in regard to remuneration and acknowledge the feedback received from institutional shareholders and proxy advisors in the interests of good corporate governance and remuneration best practice.

Edmund Jeneker

Chairman: Remuneration Committee
24 October 2018

PART A – REMUNERATION GOVERNANCE AND POLICY

REMUNERATION GOVERNANCE

The Remuneration Committee consists of only Independent Non-executive Directors and oversees DRDGOLD's Remuneration Policy, its implementation and ensuring remuneration best practice within the Group. The CEO and CFO are standing invitees to the meetings. They have no vote at the meetings and are not present when their remuneration is discussed.

The Remuneration Committee held four meetings during the financial year ending 30 June 2018 with attendance as follows:

COMMITTEE MEMBERS MEETINGS ATTENDED

Edmund Jeneker (Chairman)	4/4
Geoffrey Campbell	4/4
James Turk	4/4
Johan Holtzhausen	4/4

All the members are independent non-executive directors



REMUNERATION REPORT *continued*

REMUNERATION POLICY

OUR REMUNERATION POLICY IS ALIGNED WITH STRATEGY

DRDGOLD is committed to remunerating fairly, responsibly and transparently in order to promote the achievement of strategic objectives and positive outcomes, resulting in rewards aligned with the attraction and retention of human capital, and aligned with shareholder interests.

While remuneration differentiation is based on objective and fair compensable factors, DRDGOLD pays equally for work of equal value. Remuneration is therefore fairly and equitably distributed within occupational levels. We will continue to ensure that competitive reward strategies are in place to facilitate the recruitment and retention of high-performing staff at all levels in support of good corporate governance and to safeguard stakeholders' interests. Each element of our remuneration structure is aligned with stakeholder value and appropriately linked to achieving our business strategy and goals.

CURRENT YEAR DEVELOPMENTS

The following are developments which occurred during the year affecting remuneration going forward:

- On 9 April 2018, Ergo signed a one-year wage extension settlement on the current agreement with the National Union of Mineworkers (NUM) and UASA for a wage increase, averaging 8.2%, effective from 1 July 2018 to 30 June 2019
- 10% per annum for categories 4 to 5
- 9% per annum for categories 6 to 9
- 7% per annum for categories 10 to 16

The Remuneration Committee approved an annual increase for all prescribed officers and senior management of 6%.

NON-EXECUTIVE REMUNERATION

DRDGOLD focuses on rewarding Non-executive Directors fairly for their contribution to the performance of the Group. Non-executive Directors' fees are benchmarked annually against mining South African and non-South African industry Non-executive Director fees to ensure that they remain competitive.

Non-executive Directors are paid fixed retainers made up of a base fee and committee fee.

In addition, Non-executive Directors are reimbursed for travel expenses on official business where necessary, as well as other direct business-related expenses. They do not participate in the short- or the long-term

incentive schemes as participation could be seen to compromise their independence and the impartiality of their oversight role.

KEY ELEMENTS OF THE REMUNERATION POLICY

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

REWARD ELEMENT 1

GUARANTEED PAY – REMUNERATION STRATEGY

The guaranteed package is determined by the need to attract and retain the skills and competencies required in the organisation. Job grades, reflecting the level of responsibility and conceptual complexity of job roles, are established through the application of the Paterson methodology, which is used throughout the South African mining sector. In applying the above, benchmarking is measured annually by 21st Century to compare the fairness and market competitiveness of guaranteed packages at the different job levels.

During FY2019, we also enlisted PricewaterhouseCoopers (PwC) to perform a benchmarking exercise on the remuneration of category 19 and above employees as well as the current short-term and long-term incentive schemes. Benchmarking is based

REMUNERATION STRUCTURE

Level	Total guaranteed package and benefits	Short-term incentive	Long-term incentive
Non-executive Directors	Board retainer and committee fees	Not applicable	Not applicable
Executive management (CEO and CFO)	Guaranteed cost to Group	Performance bonus	Cash-settled phantom share plan
Senior management	Guaranteed cost to Group	Performance bonus	Cash-settled phantom share plan
Middle and junior management	Guaranteed basic salary and Group contributions to pension and medical aid	Profit share bonus	Not applicable
Unionised and non-unionised employees	Guaranteed basic salary and Group contributions to pension and medical aid	Profit share bonus	Not applicable



REMUNERATION REPORT *continued*

on South African national and industry companies. We believe these organisations are our competitors for sought-after skills, and therefore deemed to be a reasonable, relevant and defensible selection from which key skills could be gained or to whom key skills could be lost.

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

REWARD ELEMENT 2

SHORT-TERM INCENTIVE REMUNERATION STRATEGY

The CEO and CFO participate in an annual short-term incentive scheme. Payments and awards in terms of this scheme are premised on two distinct components: the Group's ability to pay awards, considering its financial and operating performance, and the performance of the CEO and CFO, based on their individual key performance

indicators (KPIs). KPIs are designed to reward performance in terms of short-term goals, most notably net free cash flow, production, costs, share price performance, internal controls over financial reporting, and safety and in terms of longer-term integrated sustainability goals, most notably resource optimisation, growth and strategic development, sustainability, environmental practice and social value. In terms of performance standards relating to, *inter alia*, safety and compliance, the incentive award is treated as a negative incentive, in the event of breaches or transgressions (in other words, it will cause the award, if any, to reduce).

In view of the fact that we pursue integrated or overlapping value creation, the Remuneration Committee does not allocate specific or fixed percentages to individual key performance areas or KPIs, electing instead to consider performance as a whole, determine which KPIs were met and which were not, and then determine an award which, in its view, is fair to both the Group and the individual.

In applying the above, the performance of the CEO and CFO was measured as follows:

SHORT-TERM GOALS

Key performance indicator	Description	Measure	
		FY2018	FY2017
Net free cash flow	Free cash inflow of R93.4 million compared to free cash outflow of R45.1 million in FY2017		
Production	10% increase in gold produced compared to a 4% decline in gold produced in FY2017		
Costs	Both cash operating costs and all-in sustaining costs per kilogram improved from FY2017		
Share price	Outperformed the index of gold stocks		
Internal controls over financial reporting	No material non-compliance		
Safety	No trends giving rise to negative incentive		

LONG-TERM GOALS

Key performance indicator	Description	Measure	
		FY2018	FY2017
Resource optimisation	Expected increase in Mineral Reserves by approximately 82% resulting from acquisition of Far West Gold Recoveries		
Growth and strategic development	<ul style="list-style-type: none"> Three projects completed at Ergo with cost savings and efficiencies estimated going forward Acquisition of Far West Gold Recoveries from Sibanye-Stillwater completed 		
Sustainability	<ul style="list-style-type: none"> Reduction in externally sourced potable water of 38% 191ha rehabilitated land lodged for clearance for redevelopment 		
Environmental practice	Dust emissions stable at 0.58% of all samples taken through continuous vegetation and dust suppression		
Social value	<ul style="list-style-type: none"> Poverty alleviation: urban farms established for 877 families Youth education: almost 891 learners at eight schools participating in mathematics, science and accountancy programmes 		



Achieved



Not achieved

REMUNERATION REPORT *continued*

Short-term incentives awarded to the CEO and CFO are capped at 100% of their guaranteed pay for on-target performance.

For the year ended 30 June 2018, the annual short-term incentive payment, as a percentage of guaranteed pay in respect of FY2018, was as follows:

- CEO: 80% (FY2017: 0%)
- CFO: 80% (FY2017: 0%)

SHORT-TERM INCENTIVE FOR SENIOR MANAGEMENT – REMUNERATION STRATEGY

The short-term incentive for all employees in jobs graded 19 (Paterson DU) and above is funded by corporate performance against measures and modifiers in the business strategy. It is decided annually in advance and paid *pro-rata* to target short-term incentive measures and individual achievement against agreed goals (the performance rating in terms of the performance management system).

A pool-based incentive scheme, based on modified free cash flow, has been adopted 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, influence and maximise. Consistently increasing free cash flow

should translate into an increasing share price, thereby aligning participant and shareholder interests.

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 in advance by the Remuneration Committee. These strategic initiatives and their measures are assessed and approved by Exco 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 for all senior employees were set out by the Remuneration Committee and the weightings for FY2018 are as follows:

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

A further modifier to the short-term incentive scheme for senior employees will

reduce the cash pool by up to an additional 15% if certain production targets are not met. This provides flexibility between 96% and 100% of production budgets as indicated below:

- 0%–95.99%: 15%
- 96%–96.99%: 12%
- 97%–97.99%: 9%
- 98%–98.99%: 6%
- 99%–99.99%: 0%

In addition, senior managers individual key performance ratings should meet the following criteria in order for the short-term incentive payment to be made:

- A: Rating 3 or more – 100% of the *pro-rata* pool allocation will be paid
- B: Rating 2 < 2.99 – only 25% of the *pro-rata* pool allocation will be paid
- C: Rating less than 2 – no allocation will be paid
- Short-term incentives for senior management are capped at 100% of their total guaranteed package

Governance and administration

- The Remuneration Committee has the authority to amend, in part or in its entirety, or withdraw the incentive scheme, at any time and will review the incentive scheme each year to ensure

that the correct strategies of DRDGOLD are being driven by the incentive scheme

- Short-term incentive payments are made after DRDGOLD's provisional results have been signed off by the external auditors

REWARD ELEMENT 3

LONG-TERM INCENTIVE FOR KEY EXECUTIVES AND SENIOR MANAGEMENT REMUNERATION STRATEGY

Long-term incentives are designed to retain key staff and allow for an opportunity to earn rewards determined with reference to the share price performance of the Group through so-called "phantom" shares. It is indirectly the shareholders' reward of key executives and senior management staff through the value the market places on the DRDGOLD shares.

On 4 November 2015, the 2012 share-option scheme was substituted by a simplified phantom share scheme aimed primarily at retaining key executives and senior members of management. Provided that, over the period during which the benefits in terms of this scheme vest, participants are substantially in compliance with their key duties, a retention benefit calculated with reference to the share price performance of DRDGOLD will become payable to the participating members on certain fixed dates.



REMUNERATION REPORT *continued*

In line with King IV recommendations, vesting of the phantom shares is measured over the three, four and five-year vesting periods subject to individual performance and service conditions. The scheme has a finite term of five years hence no top-up awards are made when the shares vest. In order for individuals to receive a settlement payment of vested phantom shares, they are required to be in active service and not under notice of resignation at the settlement payment date in order to receive such settlement payments.

The service conditions are as follows:

- **Dismissal and resignation** – all shares forfeited
- **Retrenchment and retirement** – Board has discretion to allow vesting and payment of shares that would vest in the 12 months following the last day of service
- **Death** – Board has discretion to allow vesting and payment to the estate for shares that would vest in the 12 months following the date of death

Executive management

In terms of the revised phantom share scheme, the CEO and CFO will receive the following long-term retention awards (as shown in the following table), being the equivalent value of DRDGOLD shares, as at the vesting date, each year:

	November 2018 Number	November 2019 Number	November 2020 Number
CEO	464 602	696 903	1 161 504
CFO	261 007	391 510	652 516

Senior management

An allocation of 16 899 966 phantom shares were made to senior management on 4 November 2015. The allocation of shares is as per the rules of the revised phantom share scheme, which are the same as the rules for the CFO and CEO as mentioned above.

The Remuneration Committee has the authority to amend, in part or in its entirety, or withdraw the long-term incentive scheme at any time.

The Remuneration Committee reviews the incentive scheme each year in order to ensure that the strategies of DRDGOLD are being driven by the incentive scheme.

EXECUTIVE EMPLOYMENT CONTRACTS

Executive Directors have minimum term employment contracts with DRDGOLD. Following expiry, such minimum period service agreements may be terminated upon notice of up to three months, provided that such termination is otherwise substantively and procedurally fair. Other than accumulated retrenchment

entitlements, there are no lump sum payments on termination, loss of office awards, automatic entitlement to short- and long-term incentives other than in terms of the Group's approved share incentive plans.

NON-EXECUTIVE DIRECTORS' REMUNERATION

The current fees payable to Non-executive Directors, which were approved by the shareholders at the AGM on 30 November 2017, are as follows:

Non-executive Director's role	Annual retainer Rand fee
Chairperson of the Board*	1 388 518
Lead independent director*	640 261
Board member*	617 119
Audit and Risk Committee chairperson*	30 856
Audit and Risk Committee member	30 856
Remuneration and Nominations chairperson*	23 142
Remuneration and Nominations member	23 142
Social and Ethics chairperson*	23 142
Social and Ethics member	23 142

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

The chairperson of the sub-committees receive fees as both chairman and member

NON-BINDING ADVISORY VOTES ON THE REMUNERATION POLICY

In line with King IV, the remuneration policy and implementation are tabled for separate non-binding advisory votes by the shareholders at the DRDGOLD AGM.

DRDGOLD welcomes feedback from shareholders and, in the event that less than 75% support for the remuneration policy is achieved at the AGM, we welcome the opportunity to discuss with shareholders who are invited to send their reasons in writing. DRDGOLD will then arrange further engagement with them in this regard.

Fees for Non-executive Directors are considered annually and there were no increases between FY2015 and FY2017. On 30 November 2017, a 6% increase effective from 1 December 2017 was approved at the AGM. No fee increases are proposed for FY2019.

Ad-hoc work rates	Rand fees
Daily fee	23 142
Hourly rate	3 086
Half-day fee for participating by telephone in special board meetings	11 571



REMUNERATION REPORT *continued*

PART B: IMPLEMENTATION REPORT OF REMUNERATION POLICY FOR FY2018

TOTAL GUARANTEED PAY OUTCOMES

	Movement	2018	2017
Executive Directors	%	R'000	R'000
CEO	6.5	6 104	5 731
CFO	6.5	3 429	3 220

Average salary increases	2018	2017
	%	%
Prescribed officers (July each year)	6	6
Senior management (January each year)	6	6
Middle and junior management (July each year)	8.2	8.2
Unionised and non-unionised (July each year)	8.2	8.2
Consumer Price Index	4.6	5.1



TOTAL REMUNERATION

DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS

Amounts R'000	2018			
	Total remuneration paid during the year ¹	Short-term incentives related to this cycle	Long-term incentives paid in this cycle	Total remuneration related to this cycle
DIRECTORS/PRESCRIBED OFFICERS				
EXECUTIVE DIRECTORS				
DJ Pretorius	6 104	4 697	–	10 801
AJ Davel	3 429	2 639	250	6 318
	9 533	7 336	250	17 119
NON-EXECUTIVE DIRECTORS				
GC Campbell	1 446	–	–	1 446
J Turk	655	–	–	655
EA Jeneker	805	–	–	805
J Holtzhausen	718	–	–	718
TVBN Mnyango	651	–	–	651
	4 275	–	–	4 275
PRESCRIBED OFFICERS				
WJ Schoeman	3 308	2 013	250	5 571
R Masemene	2 402	808	124	3 334
	5 710	2 821	374	8 905
Total	19 518	10 157	624	30 299

¹ Total remuneration paid during the year includes encashed leave

REMUNERATION REPORT *continued*

Amounts R'000	2017			
	Total remuneration paid during the year ^{1,2}	Short-term incentives related to this cycle ²	Long-term incentives paid in this cycle	Total remuneration related to this cycle
Directors/prescribed officers				
EXECUTIVE DIRECTORS				
DJ Pretorius	5 731	–	–	5 731
AJ Davel	3 220	–	560	3 780
	8 951	–	560	9 511
NON-EXECUTIVE DIRECTORS				
GC Campbell	1 536	–	–	1 536
J Turk	655	–	–	655
EA Jeneker	767	–	–	767
J Holtzhausen	684	–	–	684
TVBN Mnyango	361	–	–	361
	4 003	–	–	4 003
PRESCRIBED OFFICERS				
CM Symons ^{3,4}	232	–	559	791
WJ Schoeman	3 050	–	921	3 971
R Masemene	2 371	–	426	2 797
	5 653	–	1 906	7 559
Total	18 607	–	2 466	21 073

¹ Total remuneration paid during the year includes encashed leave

² No short-term incentives accrued relating to the 2017 cycle

³ Service period concluded on 31 July 2016

⁴ Includes pension scheme contributions of Rnil (FY2017: R28 263)



REMUNERATION REPORT *continued*

DRDGOLD PHANTOM SHARE SCHEME

2018							
Directors/prescribed officers	Opening balance Number	Granted Number	Vested Number	Proceeds R	Average exercise price R/share	Forfeited/lapsed Number	Closing balance Number
EXECUTIVE DIRECTORS							
DJ Pretorius	2 323 009	–	–	–	–	–	2 323 009
AJ Davel	1 390 536	–	(85 503)	250 077	2.92	–	1 305 033
	3 713 545	–	(85 503)	250 077		–	3 628 042
PRESCRIBED OFFICERS							
WJ Schoeman	1 407 636	–	(102 603)	125 039	1.22	–	1 305 033
R Masemene	838 688	–	(42 228)	123 508	2.92	–	796 460
	2 246 324	–	(144 831)	248 547		–	2 101 493
Total	5 959 869	–	(230 334)	498 624		–	5 729 535

DIRECTORS' SERVICE CONTRACTS

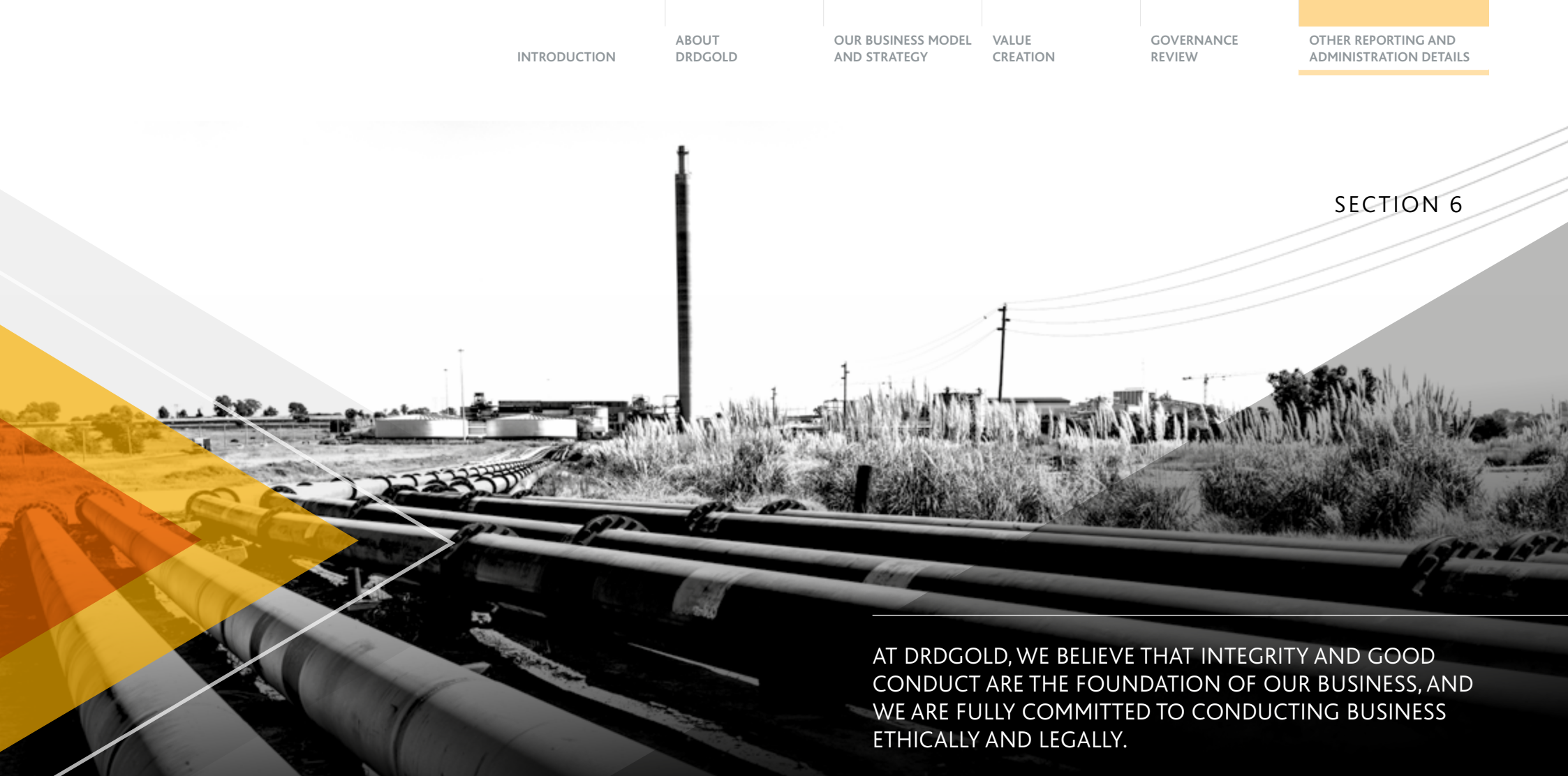
Service contracts have been concluded with executive directors as well as the Non-executive Directors. Contracts with the Executive Directors are minimum-term contracts (the Group undertakes not to terminate service before a fixed date, after which it continues indefinitely), whereas agreements with Non-executive Directors are fixed-term contracts (they expire unless expressly renewed).

Details of the service contracts are set out in the following table.

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

Director	Title	Year first appointed	Unexpired term of service contract as at 30 June 2018
DJ Pretorius	Chief Executive Officer	2008	12 months
AJ Davel	Chief Financial Officer	2015	12 months
GC Campbell	Non-executive Chairman	2002	16 months
J Turk	Non-executive Director	2004	4 months
EA Jeneker	Non-executive Director	2007	16 months
TVBN Mnyango	Non-executive Director	2016	5 months
J Holtzhausen	Non-executive Director	2014	22 months

SECTION 6



AT DRDGOLD, WE BELIEVE THAT INTEGRITY AND GOOD CONDUCT ARE THE FOUNDATION OF OUR BUSINESS, AND WE ARE FULLY COMMITTED TO CONDUCTING BUSINESS ETHICALLY AND LEGALLY.

OTHER REPORTING AND ADMINISTRATION DETAILS

GRI CONTENT INDEX

The G4 guidelines of the Global Reporting Initiative (GRI) have been adopted as the basis for this report. DRDGOLD has reported in accordance with the “core” option. Management acknowledges the newly effective GRI Standards and will make a transition thereto in the compilation of our FY2019 report. KPMG has provided limited assurance (LA) on selected information – see the Independent Assurance Statement on pages 104-106.

GENERAL STANDARD DISCLOSURES		PAGE
STRATEGY AND ANALYSIS		
G4-1: Provide a statement from the most senior decision-maker of the organisation (such as CEO, chair or equivalent senior position) about the relevance of sustainability to the organisation and the organisation’s strategy for addressing sustainability	CHAIRMAN’S LETTER	4
	CEO’S STRATEGIC REVIEW	5
ORGANISATIONAL PROFILE		
G4-3: Report the name of the organisation	ABOUT THIS REPORT	3
G4-4: Report the primary brands, products and services	WHO WE ARE	7
	WHAT WE DO	8
	INTRODUCING FAR WEST GOLD RECOVERIES	12
G4-5: Report the location of the organisation’s headquarters	ADMINISTRATION AND CONTACT DETAILS	110
G4-6: Report the number of countries where the organisation operates and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report	WHO WE ARE	7
	WHERE WE OPERATE	10
	LOOKING WEST	11
G4-7: Report the nature of ownership and legal form	WHO WE ARE	7
G4-8: Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	OUR OPERATING ENVIRONMENT	21
	MANUFACTURED CAPITAL	46

GENERAL STANDARD DISCLOSURES		PAGE
ORGANISATIONAL PROFILE continued		
G4-9: Report the scale of the organisation, including:	WHO WE ARE	7
	WHAT SETS US APART: OUR MINING RESULTS IN REHABILITATION	9
<ul style="list-style-type: none"> Total number of employees Total number of operations 	LOOKING WEST	11
	<ul style="list-style-type: none"> Net sales (for private-sector organisations) or net revenues (for public-sector organisations) 	INTRODUCING FAR WEST GOLD RECOVERIES
<ul style="list-style-type: none"> Total capitalisation broken down in terms of debt and equity (for private-sector organisations) 		OUR BUSINESS MODEL
	HUMAN CAPITAL	47
	FINANCIAL CAPITAL	39-43
<ul style="list-style-type: none"> Quantity of products or services provided 	MANUFACTURED CAPITAL	44-46
	THREE-YEAR REVIEW	70



GRI CONTENT INDEX *continued*

GENERAL STANDARD DISCLOSURES		PAGE
ORGANISATIONAL PROFILE <i>continued</i>		
G4-10: Report the composition of the workforce, including:	HUMAN CAPITAL	47-52
<ul style="list-style-type: none"> Total number of employees by employment contract and gender Total number of permanent employees by employment type and gender Total workforce by employees and supervised workers, and by gender Total workforce by region and gender Whether a substantial portion of the organisation's work is performed by workers who are legally recognised as self-employed or by individuals other than employees or supervised workers, including employees and supervised employees of contractors Any significant variations in employment numbers 		
G4-11: Report the percentage of total employees covered by collective bargaining agreements	HUMAN CAPITAL	49
G4-12: Describe the organisation's supply chain	OUR BUSINESS MODEL	14-20
	OUR OPERATING ENVIRONMENT	21-22
	CREATING VALUE FOR STAKEHOLDERS	24
	FINANCIAL CAPITAL	39
	SOCIAL AND RELATIONSHIP CAPITAL	53-56
	WHAT SETS US APART: OUR INVESTMENT CASE	72

GENERAL STANDARD DISCLOSURES		PAGE
ORGANISATIONAL PROFILE <i>continued</i>		
G4-13: Report any significant changes during the reporting period regarding the organisation's size, structure, ownership or its supply chain, including:	CEO'S STRATEGIC REVIEW	5
	WHO WE ARE	7
	WHERE WE OPERATE	10
<ul style="list-style-type: none"> Changes in the location of, or changes in, operations, including facility openings, closings and expansions Changes in the share capital structure and other capital formation, maintenance and alteration operations (for private-sector organisations) Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination 	AN ANALYSIS OF OUR RISKS AND OPPORTUNITIES	25 and 28-29
	INTRODUCING FAR WEST GOLD RECOVERIES	12
G4-14: Report whether and how the precautionary approach or principle is addressed by the organisation	CEO'S STRATEGIC REVIEW	5
	AN ANALYSIS OF OUR RISKS AND OPPORTUNITIES	29
	NATURAL CAPITAL	57
G4-15: List externally developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or which it endorses	ABOUT THIS REPORT	3
	CEO'S STRATEGIC REVIEW	5
	WHO WE ARE	7
	OUR OPERATING ENVIRONMENT	22
	AN ANALYSIS OF OUR RISKS AND OPPORTUNITIES	28-29
	HUMAN CAPITAL	48-50
	SOCIAL AND RELATIONSHIP CAPITAL	53
	MINERAL RESERVES AND MINERAL RESOURCES	65
	CORPORATE GOVERNANCE	81
	REMUNERATION REPORT	87-89

GRI CONTENT INDEX *continued*

GENERAL STANDARD DISCLOSURES		PAGE
ORGANISATIONAL PROFILE <i>continued</i>		
G4-16: List memberships of associations (such as industry associations) and national or international advocacy organisations in which the organisation: <ul style="list-style-type: none"> • Holds a position on the governance body • Participates in projects or committees • Provides substantive funding beyond routine membership dues • Views membership as strategic 	CEO'S STRATEGIC REVIEW	5
	OUR OPERATING ENVIRONMENT	22
	AN ANALYSIS OF OUR RISKS AND OPPORTUNITIES	28
	HUMAN CAPITAL	49-50
G4-17: a. List all entities included in the organisation's consolidated financial statements or equivalent documents b. Report whether any entity included in the organisation's consolidated financial statements or equivalent documents is not covered by the report	ABOUT THIS REPORT	3
	WHO WE ARE	7
	ANNUAL FINANCIAL STATEMENTS 2018	www.drdgold.com/investors-and-media/annual-reports/2018
G4-18: a. Explain the process for defining the report content and the aspect boundaries b. Explain how the organisation has implemented the reporting principles for defining report content	ABOUT THIS REPORT	3
G4-19: List all the material aspects identified in the process for defining report content	ABOUT THIS REPORT	3
	OUR BUSINESS MODEL	15-20
	CREATING VALUE FOR STAKEHOLDERS	23-24
	OUR STRATEGY	31

GENERAL STANDARD DISCLOSURES		PAGE
ORGANISATIONAL PROFILE <i>continued</i>		
G4-20: For each material aspect, report the aspect boundary within the organisation, as follows: <ul style="list-style-type: none"> • Whether the aspect is material within the organisation • If the aspect is not material for all entities within the organisation (as described in G4-17), select one of the following two approaches and report either: <ul style="list-style-type: none"> • The list of entities or groups of entities included in G4-17 for which the aspect is not material • The list of entities or groups of entities included in G4-17 for which the aspect is material • Any specific limitation regarding the aspect boundary within the organisation 	ABOUT THIS REPORT	3
	OUR BUSINESS MODEL	16-20
	AN ANALYSIS OF OUR RISKS AND OPPORTUNITIES	25-30
G4-21: For each material aspect, report the aspect boundary outside the organisation, as follows: <ul style="list-style-type: none"> • Whether the aspect is material outside of the organisation • If the aspect is material outside of the organisation, identify the entities, groups of entities or elements for which the aspect is material, and describe the geographical location where the aspect is material for the entities identified • Any specific limitation regarding the aspect boundary outside the organisation 	ABOUT THIS REPORT	3
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G4-22: Report the effect of any restatements of information provided in previous reports and the reasons for such restatements	NATURAL CAPITAL	61
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G4-23: Report significant changes from previous reporting periods in the scope and aspect boundaries	ABOUT THIS REPORT	3
STAKEHOLDER ENGAGEMENT		
G4-24: Provide a list of stakeholder groups engaged by the organisation	CREATING VALUE FOR STAKEHOLDERS	23-24
G4-25: Report the basis for identification and selection of stakeholders with whom to engage	OUR BUSINESS MODEL	14
	CREATING VALUE FOR STAKEHOLDERS	23-24
G4-26: Report the organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagements was undertaken specifically as part of the report preparation process	CREATING VALUE FOR STAKEHOLDERS	23-24
G4-27: Report key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting, and report the stakeholder groups that raised each of the key topics and concerns	OUR OPERATING ENVIRONMENT	21-22
	HUMAN CAPITAL	49
	SOCIAL AND RELATIONSHIP CAPITAL	53
	REMUNERATION REPORT	91
REPORT PROFILE		
G4-28: Reporting period (such as fiscal or calendar year) for information provided	ABOUT THIS REPORT	3
G4-29: Date of the most recent previous report	ABOUT THIS REPORT	3
G4-30: Reporting cycle (such as annual or biennial)	ABOUT THIS REPORT	3
G4-31: Provide the contact point for questions regarding the report or its contents	ABOUT THIS REPORT	3

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G4-32:	ABOUT THIS REPORT	3
a. Report the "in accordance" option the organisation has chosen	GRI CONTENT INDEX	96-103
b. Report the GRI content index for the chosen option	INDEPENDENT ASSURANCE STATEMENT	104-106
c. Report the reference to the external assurance report		
G4-33:	ABOUT THIS REPORT	3
a. Report the organisation's policy and current practice with regard to seeking external assurance for the report	CORPORATE GOVERNANCE	84
b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided	INDEPENDENT ASSURANCE STATEMENT	104-106
c. Report the relationship between the organisation and the assurance providers		
d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organisation's sustainability report		
GOVERNANCE		
G4-34: Report the governance structure of the organisation, including committees of the highest governance body, and identify any committees responsible for decision-making on economic, environmental and social impacts	DIRECTORS AND MANAGEMENT	74-75
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G4-56: Describe the organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	CORPORATE GOVERNANCE	77

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G4-EC7: Development and impact of infrastructure investments and services supported	OUR BUSINESS MODEL	17 and 19-20
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G4-EC8: Significant indirect economic impacts, including the extent of impacts	OUR BUSINESS MODEL	17 and 19-20
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	OUR STRATEGY	35 and 37
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G4-EN4: Energy consumption outside of the organisation	NATURAL CAPITAL	61
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G4-EN6: Reduction of energy consumption	MANUFACTURED CAPITAL	45-46
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	OUR STRATEGY	35
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G4-EN9: Water sources significantly affected by withdrawal of water	NATURAL CAPITAL	59 and 62
G4-EN10: Percentage and total volume of water recycled and reused	NATURAL CAPITAL	59
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G4-LA12: Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	HUMAN CAPITAL	47 and 49
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G4-HR3: Total number of incidents of discrimination and corrective actions taken	HUMAN CAPITAL	49
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G4-HR4: Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	HUMAN CAPITAL	49
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G4-SO8: Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	NATURAL CAPITAL	58
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INDEPENDENT ASSURANCE STATEMENT

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

TO THE DIRECTORS OF DRDGOLD LIMITED

We have undertaken a limited assurance engagement on selected sustainability key performance indicators (KPIs), as described below, and presented in the 2018 Integrated Annual Report of DRDGOLD Limited (DRDGOLD) for the year ended 30 June 2018 (the Report). This engagement was conducted by a multidisciplinary team including social, environmental, carbon and assurance specialists with relevant experience in sustainability reporting.

Subject Matter

We have been engaged to provide a limited assurance conclusion in our report on the selected KPIs set out in Table 1 below and marked with a ^{LA} on the relevant pages in the Report. The selected sustainability KPIs described below have been prepared in accordance with the Global Reporting Initiative G4 Sustainability Reporting Guidelines, supported by DRDGOLD's internally developed guidelines (collectively referred to as DRDGOLD's reporting criteria).

TABLE 1: SCOPE OF THE KPIs PREPARED FOR THE 2018 REPORTING PERIOD

Category	Selected sustainability KPIs	Coverage/reporting boundary
Natural capital	Total water used Portable water sourced externally Electricity consumption Diesel consumption Natural gas consumption Scope 1 CO ₂ e emissions Scope 2 CO ₂ e emissions Total CO ₂ e emissions Total dust exceedances Cyanide consumption	Ergo Mining Proprietary Limited (Ergo), the reclamation operation owned and managed by DRDGOLD
Human capital	Fatalities Lost Time Injury Frequency Rate (LTIFR) Reportable Injury Frequency Rate (RIFR)	
Social capital	Rand value spent on socio-economic development projects (Total socio-economic development spend)	
Financial capital	Total economic value distributed and Value distributed to employees – salaries, wages and other benefits	DRDGOLD Limited Annual Financial Statements

We have been engaged to provide a limited assurance conclusion in our report on the selected KPI data, prepared for the 2016 and 2017 reporting periods, as set out in Table 2 below and marked with a ^{LA} within the Report. The selected sustainability KPIs described below has been prepared in accordance with the Global Reporting Initiative G4 Sustainability Reporting Guidelines, supported by DRDGOLD's internally developed guidelines (collectively referred to as DRDGOLD's reporting criteria).

TABLE 2: SCOPE OF ADDITIONAL KPI DATA, PREPARED FOR THE 2016 AND 2017 REPORTING PERIOD, TO BE DISCLOSED IN THE REPORT

Category	Selected sustainability KPIs	Coverage/reporting boundary
Natural capital	Natural gas consumption	Ergo Mining Proprietary Limited (Ergo), the reclamation operation owned and managed by DRDGOLD



INDEPENDENT ASSURANCE STATEMENT *continued*

We have been engaged to provide a limited assurance conclusion in our report on the selected KPI data, restated for the 2016 and 2017 reporting periods, as set out in Table 3 below and marked with a ^{1A} within the Report. The selected sustainability KPIs described below has been prepared in accordance with the Global Reporting Initiative G4 Sustainability Reporting Guidelines, supported by DRDGOLD's internally developed guidelines (collectively referred to as "DRDGOLD's reporting criteria").

TABLE 3: SCOPE OF RESTATED KPI DATA, PREPARED FOR THE 2016 AND 2017 REPORTING PERIODS

Category	Selected sustainability KPIs	Coverage/reporting boundary
Natural capital	Scope 1 CO ₂ e emissions	Ergo Mining Proprietary Limited (Ergo), the reclamation operation owned and managed by DRDGOLD
	Total CO ₂ e emissions	



DIRECTORS' RESPONSIBILITIES

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

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

INHERENT LIMITATIONS

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

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and all other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

KPMG Services Proprietary Limited applies the International Standard on Quality Control 1, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

OUR RESPONSIBILITY

Our responsibility is to express a limited assurance conclusion on the selected sustainability KPIs based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance

Engagements (ISAE) 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our engagement to obtain limited assurance about whether the selected sustainability KPIs are free from material misstatement.

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

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response

INDEPENDENT ASSURANCE STATEMENT *continued*

to the assessed risks. The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

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

- Interviewed management to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process
- Inspected documentation to corroborate the statements of management in our interviews
- Conducted interviews with relevant key personnel and data owners to understand data collection and report preparation processes, as well as the associated key controls
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria

- Evaluated the reasonableness and appropriateness of significant estimates and judgements made by the directors in the preparation of the selected sustainability KPIs
- Undertook site visits to Ergo, which was the central site, to complete the abovementioned procedures
- Evaluated whether the selected sustainability KPIs presented in the Report is consistent with our overall knowledge and experience of sustainability management and performance at DRDGOLD

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

LIMITED ASSURANCE CONCLUSION

Based on the procedures we have performed and evidence we have obtained and subject to the inherent limitations outlined elsewhere in this report, nothing has come to our attention that causes us to believe that the selected sustainability KPIs, as set out in Tables 1, 2 and 3, included in the Subject Matter section above are not prepared, in all material respects, in accordance with DRDGOLD's reporting criteria.

EMPHASIS OF MATTER

We draw attention to footnote 2, disclosed on page 70 of the Report, which indicates that the Scope 1 CO₂e emissions and Total CO₂e emissions KPI data, as set out in Table 3, for 2016 and 2017 have been restated. As explained in the footnote, during the 2018 financial year, management performed a review of DRDGOLD's energy sources, which identified natural gas as an energy source used in the production process. This energy source was previously not disclosed. Consequently, DRDGOLD have now reported on natural gas consumption at 30 June 2018 and for the comparative periods, 30 June 2017 and 30 June 2016. Our limited assurance conclusion is not modified in respect of the matter emphasised.

OTHER MATTER

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

RESTRICTION OF LIABILITY

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

KPMG Services Proprietary Limited
Per PD Naidoo
Director

KPMG Crescent
85 Empire Road
Parktown
Johannesburg
2193



GLOSSARY OF TERMS AND ABBREVIATIONS

Term/abbreviation	Description
All-in sustaining costs margin	All-in sustaining costs margin is calculated as the difference between revenue and all-in sustaining costs, expressed as a percentage of revenue
All-in sustaining costs per kilogram	All-in sustaining costs are a measure on which guidance is provided by the World Gold Council and include 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
AFS	Annual Financial Statements
AGM	Annual general meeting
AISC	All-in sustaining costs
AMCU	Association of mineworkers and construction union, a labour union
AMD	Acid mine drainage
BBBEE	Broad-based black economic empowerment
BEE	Black economic empowerment
Cash operating costs per kilogram	Cash operating costs are operating costs incurred directly in the production of gold and include labour 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
CEO/CFO	Chief Executive Officer/Chief Financial Officer
CIL	Carbon in leach: a process for extracting gold from slurry material
CIP	Carbon in pulp: a process for extracting gold from slurry material
CO₂e	Carbon dioxide equivalent emissions
Competent Person	The SAMREC Code defines a competent person as a person who is registered with any one of the following: South African Council for Natural Scientific Professions, Engineering Council of South Africa, The South African Council for Professional Land Surveyors and Technical Surveys or any other statutory South African or international body recognised by SAMREC. A competent person should have a minimum of five years' experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which that person is undertaking

Term/abbreviation	Description
Cut-off grade	The minimum in-situ grade of ore blocks for which the cash operating costs per ounce, excluding overhead costs, are equal to a projected gold price per ounce
CPP	Central processing plant
CSI	Corporate social investment
\$/oz	US dollar per ounce
db(A)	Decibel
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 water and wind, 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
DMR	Department of Mineral Resources
Doré	Unrefined gold and silver bullion bars consisting of approximately 90% precious metals which will be further refined to almost pure metal
DRDGOLD	DRDGOLD Limited
Dust exceedances %	Calculated percentage of total number of exceedances over number of total sites monitored
DWS	Department of Water and Sanitation
EBDA	Ergo Business Development Academy NPC
EMP	Environmental management plan
ERGO	Ergo Mining Proprietary Limited, an operating company owned by DRDGOLD, which includes the Crown, City Deep, Knights and Brakpan sites from 3 July 2012
ERPM	East Rand Proprietary Mines Limited, wholly-owned by DRDGOLD
FFG	Flotation and fine-grind
FPR	Financial Provisioning Regulations

GLOSSARY OF TERMS AND ABBREVIATIONS *continued*

Term/abbreviation	Description
GHG	Greenhouse gas emissions
Grade	The amount of gold contained within auriferous material generally expressed in ounces per tonne or grams per tonne of ore
GRI	Global Reporting Initiative
g/t	Grams per tonne
HDP	Historically disadvantaged person
HDSA	Historically disadvantaged South African
HR	Human resources
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
IWUL	Integrated water use licence
JSE	Johannesburg Stock Exchange Limited
King IV	King Report on Governance for South Africa 2016
KPI	Key performance indicator
KPMG	KPMG Inc., auditors for DRDGOLD and KPMG Services (Proprietary) Limited, sustainability assurance providers for DRDGOLD
LA	Limited assurance
LED	Local economic development
LoM	Life of Mine. Number of years that the operation is planning to mine and treat ore, taken from the current mine plan
LTIFR	Lost time injury frequency rate
Metallurgical Plant	Processing plant used to treat ore and extract the contained metals

Term/abbreviation	Description
Mineral Reserve	A mineral reserve is the economically mineable material derived from a measured and/or indicated mineral resource. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified. Mineral reserves are subdivided in order of increasing confidence into probable mineral reserves and proved mineral reserves
Mineral Resource	A mineral resource is a concentration (or occurrence) of material of economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a mineral resource are known, estimated from specific geological evidence and knowledge, or interpreted from a well-constrained and portrayed geological model. Mineral resources are subdivided, in order of increasing confidence in respect of geoscientific evidence, into inferred, indicated and measured categories
Mining Charter	The Broad-based Socio-economic Empowerment Charter for the South African Mining Industry developed in terms of Section 100 of the Mineral and Petroleum Resources Development Act of 2002, to set the framework, targets and timetable for effecting the entry of HDSAs into the mining industry
MOI	Memorandum of Incorporation
Moz	Million ounces
Mt	Million tonnes
MPRDA	Mining and Petroleum Resources Development Act 28 of 2002
NEMA	National Environmental Management Act

GLOSSARY OF TERMS AND ABBREVIATIONS *continued*

Term/abbreviation	Description
NIHL	Noise-induced hearing loss
NNR	National Nuclear Regulator
NOM	Notice of meeting
NUM	National Union of Mineworkers, a labour union
NYSE	New York Stock Exchange
Operating margin	Calculated by dividing Operating Profit by revenue and expressed as a percentage of revenue
oz/t	Ounces per ton
Ounce/oz	One troy ounce which equals 32.1507 grams
Pay-limit	The minimum <i>in-situ</i> grade of ore blocks or sites for which cash operating costs, including all overhead costs, are equal to a projected gold price per ounce
Rand Refinery	Rand Refinery Proprietary Limited
RDP	Reconstruction and Development Programme
Refining	The final purification process of a metal or mineral
Rehabilitation	The process of restoring mined land to allow appropriate post-mining usage. Rehabilitation standards are determined and audited by the Department of Mineral Resources and address ground and surface water, topsoil, final slope gradients, waste handling and revegetation issues
RIFR	Reportable injury frequency rate
PwC	PricewaterhouseCoopers
PFS	Pre-feasibility study
RTSF	The Regional Tailings Storage Facility and Return Water Dam which forms part of Phase 2 of Far West Gold Recoveries project

Term/abbreviation	Description
Samrec Code	The South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves, including the guidelines contained therein
SEC	United States Securities and Exchange Commission
SENS	JSE's Stock Exchange News Service
Slimes	The tailings discharged from a processing plant after the valuable minerals have been recovered
SLP	Social and Labour Plan
Sibanye Gold Limited	Sibanye-Stillwater
t'000	Tonnes in thousands
Tailings	Finely ground rock from which valuable minerals have been extracted, may still include mineral particles
Tailings dam	Dams or dumps created from residue after the economically recoverable metal has been extracted from tailings material, also known as tailings deposition sites/facilities
TCTA	Trans-Caledon Tunnel Authority
Tonnage/tonne	Quantities where the metric tonne is an appropriate unit of measure. Typically used to measure reserves of gold-bearing material <i>in-situ</i> or quantities of ore and waste material mined, transported or milled
Tpm	Tonnes per month
TSF	Tailings Storage Facility
UASA	UASA – The Union, formerly named United Association of South Africa, a labour union
Yield	The amount of recovered gold from production generally expressed in ounces or grams per tonne or tonne of ore

ADMINISTRATION AND CONTACT DETAILS

DRDGOLD LIMITED

(Incorporated in the Republic of South Africa)
(Registration Number: 1895/000926/06)

OFFICES

Registered and corporate

1 Sixty, Jan Smuts Building
2nd Floor, North-Tower
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Rosebank, 2196
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OPERATIONS

Ergo Mining Proprietary Limited

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East Rand Proprietary Mines Limited

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DIRECTORS

Geoff Campbell*

Independent Non-executive Chairman^{2#}

Niël Pretorius

Chief Executive Officer³

Riaan Davel

Chief Financial Officer

Johan Holtzhausen

Independent Non-executive Director^{1#}

Edmund Jeneker

Independent Non-executive Director^{1,2#}

James Turk**

Independent Non-executive
Director^{1,2}

Toko Mnyango

Independent Non-executive
Director³

COMPANY SECRETARY

Reneiloe Masemene

INVESTOR AND MEDIA RELATIONS

James Duncan

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Phil Dexter

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STOCK EXCHANGE LISTINGS

JSE

Ordinary shares
Share Code: DRD
ISIN: ZAE000058723

NYSE

ADRs
Trading Symbol: DRD
CUSIP: 26152H301

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

SHARE TRANSFER SECRETARIES

South Africa

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ADR depositary

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United States of America
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Fax: +1 212 571 3050

GENERAL

JSE sponsor

One Capital

Auditor

KPMG Inc.

Attorneys

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

Bankers

ABSA Capital
Standard Bank of South Africa Limited

Website

www.drdgold.com

* British

** American

Committee memberships during FY2018

Denotes committee chairman

¹ Member of the Audit and Risk Committee

² Member of the Remuneration and
Nominations Committee

³ Member of the Social and Ethics Committee

