

INTEGRATED REPORT 2014

HUMAN
NATURAL
SOCIAL **CAPITALS**
FINANCIAL
MANUFACTURED

INTELLECTUAL

ALTHOUGH
FOUNDED AS A
TYPICAL GOLD
MINING VENTURE
IN 1895 AT THE
HEIGHT OF THE
GOLD RUSH – IT IS
THE SUBSEQUENT
MERGERS AND
ACQUISITIONS THAT
HAVE RESULTED IN
**A VERY DIFFERENT
NEW MILLENNIUM
BUSINESS**

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SCOPE AND BOUNDARY

APPROACH TO INTEGRATED REPORTING

This is our fourth integrated report. For the first time, we have produced a single report that addresses the financial, operational and non-financial aspects of our business in a holistic way. Our annual financial statements (AFS) for the year ended 30 June 2014 may be found on our website, which also houses the Notice of annual general meeting and summary consolidated financial statements (Notice of meeting).

This Integrated Report has been produced in line with the International <IR> Framework published by the International Integrated Reporting Council (IIRC) in December 2013. DRDGOLD has adopted the Global Reporting Initiative (GRI) G4 guidelines, and reports in line with the 'core' format. Selected sustainability information has been assured by independent assurance provider KPMG Services Proprietary Limited and the statement of assurance may be found on page 117.

SCOPE AND BOUNDARY

This report covers the primary operation owned and managed by DRDGOLD Limited (DRDGOLD), namely Ergo, for FY2014. Historical information is supplied for context where appropriate, along with a future outlook, where this supports an understanding of the strategy of the business, but which should not be construed as forward-looking statements.

We have looked beyond the boundary of our reporting entity to identify the risks and opportunities directly associated with our business, as well as with our primary stakeholders as we recognise that these will have an influence on the way in which we create value.

REPORT AUDIENCES

Our Integrated Report is the primary document for communication with our shareholders, the providers of our capital. Our shareholders include employees, who hold an equity interest in the business.

We recognise, however, that our business is made up of stakeholders on whom we have an influence and who, in turn, influence the business and its success. We identify and report on our engagement with our primary stakeholders on page 18, and are mindful of the need for ongoing engagement with them.

RESPONSIBILITY FOR REPORTING

The DRDGOLD board, together with the Audit Committee, holds responsibility for this Integrated Report. All directors have had the opportunity to review and comment on the contents and to ensure its integrity. A report from the chair of the Audit Committee may be found on page 8 of the Annual Financial Statements 2014 and from the chair of the Social and Ethics Committee on page 26 of the Notice of meeting. These committees both reviewed the reports and recommended them to the board for approval. The board formally approved this report and our Annual Financial Statements 2014 at a special meeting held on 30 September 2014.

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 forward-looking statements and information relating to our company, 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 2013, which we filed with the United States Securities and Exchange Commission (SEC) on 25 October 2013. 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.

AUDITING AND ASSURANCE

DRDGOLD is committed to accurate, timeous and meaningful reporting. As this is a process of continual improvement, each year selected sustainability indicators are externally assured. The report of our external assurers for the FY2014 sustainability information can be found on page 117 of the DRDGOLD Integrated Report 2014.

Queries in connection with sustainability information can be directed to:

Hannes Botes
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Tel: +27 82 809 9292



LEADERSHIP

The board continues to refine the DRDGOLD strategy and is seeking to extend Ergo's reach

EBDA provides a range of skills and training initiatives

CHAIRMAN'S LETTER

DEAR SHAREHOLDER

The huge mine dumps that dominate the Johannesburg area are one of our key assets but they also represent a significant challenge. While these dumps contain vast amounts of gold, we have to get the process and metallurgy absolutely right to make the return on investment that our shareholders expect. Our key objective this year was to commission the flotation and fine-grind (FFG) circuit, designed to tease out the extra gold and enhance the return to shareholders. The immediate goal was, and still is, to extract an additional 0.03g/t of gold for every tonne of dump material processed. It is hard to imagine just what a task this represents. One tonne of dump material is around 10 wheelbarrow loads, 0.03 grams of gold is a little more than a cubic millimetre. Getting these additional tiny amounts out of the material that we process makes good economic sense because the Ergo circuit is designed to process two million tonnes of dump material every month.

Unfortunately the commissioning of the FFG circuit did not go according to plan and in April this year we temporarily suspended production through the FFG. The new technology that we had introduced was successful in liberating more gold and increasing recoveries but it appears to have masked the metallurgical instability and inefficiencies downstream in the existing part of the circuit. What we were gaining in one area we were effectively losing in another and producing the same amount of gold at a higher cost.

Since the temporary suspension of the FFG circuit we have successfully returned the old circuit to its original state and it is performing as it should. We have been focusing all our efforts on determining the cause of the metallurgical problems and in August 2014 we started a three-month test programme on the FFG circuit. We have an experienced and knowledgeable workforce and there is good reason to be optimistic that we will get to the root of the issue and increase the extraction efficiencies to where we expect them to be. I am encouraged by the fact that we know that the major components all work; we now need to get them to all work together.

We are continuing the work on optimising the structure of the company to match our future needs. Our mining activities involve the mass handling and processing of dump material. We are applying the latest technology to extract minuscule amounts of gold from the waste dumps in and around Johannesburg and we do not require a command and control structure and layered management. We require a flat, integrated structure that will foster innovation and communication across the organisation. Separating the head office from operations is no longer appropriate and our streamlined head office personnel are moving to our Crown operations and the existing premises will be vacated. Not only will this result in a cost reduction but also a more efficient and responsive organisation with line of sight management from the corporate executive to the operations.

As part of the streamlining process we have also simplified the black economic empowerment (BEE) structure. Our BEE partners agreed to exchange a 26% ownership at the operating level for a 10.5% direct ownership of DRDGOLD. The reduction in the percentage takes account of the substantial debts incurred by DRDGOLD to develop the operations and owed by the operating entity to DRDGOLD. The deal is still subject to Department of Mineral Resources approval and, once it closes, it will put all our investors on the same footing and accurately reflect the economic ownership of the underlying assets. It will also reduce costs.

We approach the coming year with cautious optimism. Suspending the commissioning of the new circuit stabilised the operations, preserved cash in the company and gave us time to work on fixing the problems. The challenge now is to get the re-commissioning right, put the theory into practice and achieve the incremental extraction gains that we believe are available. We will learn from our experience, continue to take calculated risks and develop cutting-edge technology and processes to extract the maximum amount of gold possible from mine waste material.

"We have optimised the structure of the company to match our future needs"

Geoffrey Campbell
Chairman



Ergo has an extensive network of pipelines

CEO'S REPORT

In my FY2013 letter I explained how we had adapted our strategic thinking and deployed our resources to create value on a broader, integrated basis. In addition, I elaborated on some of the initiatives we were driving in respect of each of the capital stocks that underscore sustainable development.

The value of an integrated approach is undeniable – in a country where labour unrest has exposed not only the vulnerability of our social and economic system to undisciplined mass conduct, but also the apparent inadequacy of the dispute resolution mechanisms that have been put in place to effectively resolve such disputes, real human and social value creation have become indispensable components of corporate strategy. With civil discontent at higher levels than has been seen in decades, it is going to be pockets of stability created by responsible corporations that will help swing the mood and reverse current trends.

Our human capital investment agenda, both professionally through our talent development programme and personally through the Best Life financial literacy and employee wellness programmes, received a lot of attention in the past year, and will remain a priority in the year to come. Our commitment to developing a knowledge-based workforce and to ongoing improvements in technology are, however, likely to have the effect that certain labour activities will over the years become redundant. Therefore we are extending the curricula of the Ergo Business Development Academy NPC (EBDA) so that, in addition to the already extensive range of skills and trades that are offered at this facility, our employees will now also have the opportunity to receive training in non-mining related areas and skills – initially construction and plumbing – to better equip them for life after mining.

Our youth education programme matched the success of previous years and, in the schools that we service, we were very pleased to note an increase of between 38% and 85% in the matric pass rate in mathematics and science. This year we began offering accountancy classes for matric pupils, and we hope to be in a position to report similar successes in a year's time. We also hope to develop the curriculum for a reading academy for high school learners. The aim of this initiative is to assist young people in reading and interpreting their school materials better and to train them in the art of communication. We are in the process of cementing a relationship with a successful non-profit institution in the centre of Johannesburg that is doing just that, and we hope to adopt its model and successfully adapt it for our area of influence.

In the past year I have repeatedly highlighted our commitment to reducing our impact on the environment. I have also spoken about creating an overlap between the seemingly conflicting interests of certain capital stocks, most notably the imperatives of natural capital and those of financial capital. Therefore I am pleased to report on the following developments in the past year.

Firstly we are pleased with the trending in measured emissions of dust in and around the de-commissioned deposition dumps in the central Rand area, as well as the reclamation sites further towards the east. We found that the number of cases where dust emissions exceeded the regulated maximum threshold dropped by 47% year-on-year. These outcomes are the result of seven years of dedication to an extensive vegetation and rehabilitation programme on our tailings deposition sites. In the current year we intend to reduce 'over the limit' events by a further 10%.

“Our human capital investment agenda received a lot of attention in the past year”

“Our efforts to find alternative water sources are a textbook example of integrated thinking”

Secondly we entered into a R22 million capital investment programme with the local municipality to source treated sewage water for our water circuit. This water will be used both to reclaim and carry production materials and also, ultimately, to irrigate rehabilitation vegetation at a significantly lower cost than that of potable water. This is exactly the overlap or integration we seek to achieve – reducing our reliance on a scarce natural resource – potable water – and substituting it with recycled water, while also saving on production costs and reducing risk by securing a long term supply of an essential component in our operating model. It is a textbook example of integrated thinking and delivers seamlessly into the broader goals of sustainable development.

Having said that, a business that delivers into the value expectations of social, human and environmental – or natural – capital, but that fails to yield a return to its capital providers is not really a business; it is a non-profit organisation, a movement or a campaign. To qualify as a business, it needs to deploy its capitals – particularly its technology and its people – in such a manner that it offers, in addition to the people and planet imperative, a sufficiently attractive investment return to attract and retain its capital providers.

This year we disappointed. Our failed attempt to launch our new technology, the flotation and fine-grind circuit, or FFG, had an adverse effect on our market capital, which fell by more than 55%. For the first time in several years the monthly revenue line dipped below the cash cost line (in March) and in April 2014 we called time-out, suspended the circuit and worked to restore the lower grade CIL plant to steady state.

By May the plant had recovered and in June we recorded our best month of the year – 388kg of production and a cash profit for the month of R27 million. The cash burn of R101 million experienced in the first half of FY2014 was replaced by cash generation of R9.8 million in the second half of that period.

The recovery over those two months and the continued performance of the low-grade CIL circuit enabled us to declare a small dividend, the setbacks and distresses of the past year notwithstanding. This confirms that we remain committed to, and confident of, our model of a technology driven, lower-risk, margin-focused producer that is serious about delivering into the imperatives of financial capital.

In August the plant had sufficiently stabilised and we had gathered enough information to begin test work on the FFG circuit. We are determined to make it work and to deliver on the expectations that we created when investing our shareholders' capital in this project. One third of the total capacity of the FFG is now in production. We have very clear parameters as to what success for this circuit looks like, and as soon as they are achieved, the balance of our production flow will systematically be fed into it.

The upside of a successful FFG is enormous – not only will the economies of scale of our model benefit from it, the additional resources that are unlocked could substantially extend the Ergo life of mine.

Our board has mandated management to work deliberately towards extending the reach of Ergo through collaboration and, in certain instances, the acquisition of resources. We are very serious about giving effect to that mandate as it will extend our life of mine and the area of influence of our integrated value add in the years to come.

Niël Pretorius
CEO

DIRECTORATE

BOARD AND MANAGEMENT: NON-EXECUTIVE DIRECTORS

GEOFFREY CAMPBELL (53)

BSc (Geology)

Independent non-executive chairman

Chairman: Nominations Committee

Member: Remuneration Committee

Member: Risk Committee

Geoffrey Campbell was appointed a non-executive director in 2002, a senior independent non-executive director in December 2003 and as non-executive chairman in October 2005. A qualified geologist, he has worked on gold mines in Wales and Canada. He spent 15 years as a stockbroker before becoming a fund manager, during which time he managed the Merrill Lynch Investment Managers Gold and General Fund, one of the largest gold mining investment funds. He was also research director for Merrill Lynch Investment Managers. Geoffrey is a director of Oxford Abstracts.

JOHAN HOLTZHAUSEN (68)

CA (SA)

BSc, BCompt (Hons)

Independent non-executive director

Member: Audit Committee

Johan Holtzhausen was appointed an independent non-executive director of the company on 25 April 2014. He has more than 42 years' experience in the accounting profession, having served as a senior partner at KPMG, and held the highest Generally Accepted Accounting Principles (United States), Generally Accepted Auditing Standards and Sarbanes-Oxley Act accreditation required to service clients listed on stock exchanges in the United States of America.

His clients included major corporations listed in South Africa, Canada, the United Kingdom, Australia and the United States of America.

Johan currently serves as an independent director of the Tourism Enterprise Partnership and chairs the audit and risk committee on a voluntary basis. This South African non-profit company is a leading small business development agency funded by a public-private partnership. He chairs the audit and risk committee of Tshipi é Ntle Manganese Mining Proprietary Limited, an emerging South African manganese miner. He is a non-executive director of Caledonia Mining Corporation, a Canadian corporation listed in the United States of America, Canada and the United Kingdom, and he chairs its audit and risk committee.

ROBERT HUME (74)

CA (SA)

Independent non-executive director

Chairman: Audit Committee

Member: Risk Committee

Member: Remuneration Committee

Member: Nominations Committee

Robert Hume was appointed a non-executive director in 2001. He has 44 years of experience in the field of auditing, including almost 20 years as a partner in the East London (South Africa) office of KPMG. Since retiring from KPMG in 1999, he has been an investment manager at Nvest Securities Proprietary Limited (formerly Sasfin Frankel Pollak) in East London.

EDMUND JENEKER (52) (HDSA)

IEDP (Wits), M.Inst. D., SAIPA

Independent non-executive director

Chairman: Social and Ethics Committee

Chairman: Remuneration Committee

Member: Audit Committee

Member: Risk Committee

Member: Nominations Committee

Edmund Jeneker was appointed a non-executive director in November 2007. He trained as an accountant and gained experience in finance, taxation, business strategy and general management at Grant Thornton, SwissReSA, World Bank Competitiveness Fund and Deloitte over a period of more than 20 years. He is active in community development and serves as a member of the Provincial Development Commission of the Western Cape Provincial Government. He currently holds the position of managing director: ABSA AllPay Consolidated Investment Holdings at ABSA Group Limited.

JAMES TURK (67)

BA (International Economics)

Independent non-executive director

Member: Audit Committee

Member: Risk Committee

Member: Remuneration Committee

James Turk was appointed a non-executive director in October 2004, and in 2011 met the JSE Listing Requirements to be an independent director. He is the founder and a director of GoldMoney Network Limited, also known as GoldMoney.com, an online provider of physical gold, silver, platinum and palladium bullion to buyers worldwide and the operator of a digital gold currency payment system. Since graduating in 1969, he has specialised in international banking, finance and investments. After starting his career with JP Morgan Chase in 1980, James joined the private investment and trading company of a prominent precious metals trader. He moved to the United Arab Emirates in 1983 as manager of the Commodity Department of the Abu Dhabi Investment Authority. Since resigning in 1987, he has written frequently on money and banking.

EXECUTIVE DIRECTORS

NIËL PRETORIUS (47)

BProc LLB

Chief executive officer

Chairman: Risk Committee

Member: Social and Ethics Committee

Niël Pretorius has two decades of experience in the mining industry. He was appointed chief executive officer designate of DRDGOLD on 21 August 2008 and chief executive officer on 1 January 2009. After joining the company on 1 May 2003 as legal adviser, he was promoted to the position of group legal counsel on 1 September 2004 and general manager: corporate services on 1 April 2005. Niël was appointed chief executive officer of Ergo Mining Operations (formerly DRDGOLD SA) on 1 July 2006, becoming managing director on 1 April 2008.

ANTHON MEYER (60)

CA (SA)

BCom, BCompt (Hons)

Acting chief financial officer

Anthon Meyer was appointed acting chief financial officer in July 2014. He has more than 25 years of experience in the fields of auditing, accounting and strategic financial management and is a member of the SA Institute of Chartered Accountants and the Public Accountants and Auditors Board. Anthon has approximately 10 years of experience in the mining industry and has served on the boards of listed and public companies for more than 15 years.

TOP AND SENIOR MANAGEMENT

THEMBA GWEBU (50)

Bluris, LLB, LLM

Executive officer: legal, compliance and company secretary

Themba Gwebu, who is an admitted attorney of the High Court of South Africa, first joined DRDGOLD in April 2004 as assistant legal adviser. He was appointed company secretary in April 2005 and group legal counsel and compliance officer on 1 January 2007. He is currently executive officer: legal, compliance and company secretary.

RENEILOE MASEMENE (33)

LLB, LLM

Group legal counsel and prescribed officer

Reneiloe Masemene is a qualified attorney who joined DRDGOLD in January 2009 as legal advisor. She was appointed to the position of senior legal advisor in October 2011 and prescribed officer of Ergo in June 2012. She was appointed to the position of group legal counsel in August 2014.

THULO MOGOTSI MOLETSANE (46)

BA, LLB

Sustainable development director: Ergo Mining Operations Proprietary Limited

Thulo Mogotsi Moletsane is an executive director of Khumo Bathong Holdings Proprietary Limited and a director of Khumo Mining and Investments Proprietary Limited. He has completed an executive programme (EPP) offered by the Mining Qualifications Authority. He was appointed as a director of Ergo Mining Operations Proprietary Limited in August 2010.

MOLTIN PASEKA NCHOLO (51)

LLB, LLM, PhD

Non-executive director: Ergo Mining Operations Proprietary Limited

Moltin Paseka Ncholo formed Khumo Bathong Holdings Proprietary Limited in 1999 and became an enthusiastic operator and member of the mining fraternity. Paseka is executive chairman of Khumo Bathong Holdings Proprietary Limited. Paseka holds various other executive and board positions. He was appointed as a director of Ergo Mining Operations Proprietary Limited in February 2013.

JACO SCHOEMAN (40)

National Diploma Analytical Chemistry, BTech (Analytical Chemistry)

Operations director: Ergo Mining Operations Proprietary Limited

Jaco Schoeman joined DRDGOLD in 2011 as executive officer: business development to focus on expanding the group's surface retreatment business and extracting maximum value from existing resources. In July 2014 the roles of COO and executive officer: business development were phased out and replaced with the position of operations director: Ergo Mining Operations Proprietary Limited, and Jaco Schoeman was appointed to that position.

CHARLES SYMONS (60)

BCom, MBL, Dip Extractive Metallurgy

Director: Ergo Mining Operations Proprietary Limited and chairman:

Oversight Committee

Charles Symons joined the mining industry on 14 February 1977 and transferred to Crown Gold Recoveries Proprietary Limited in January 1986. He was appointed general manager in 1995, executive officer: surface operations of DRDGOLD Limited on 1 January 2008 and as executive officer: operations of DRDGOLD Limited on 11 May 2010. On 1 October 2011 he was appointed chief operating officer (COO) of DRDGOLD. Following the restructuring of senior management in July 2014, Charles Symons assumed the role of chairman: Oversight Committee: Ergo Mining Operations Proprietary Limited.



ORGANISATIONAL OVERVIEW

Our shareholders approved our BEE restructuring because it furthers the country's transformation objectives

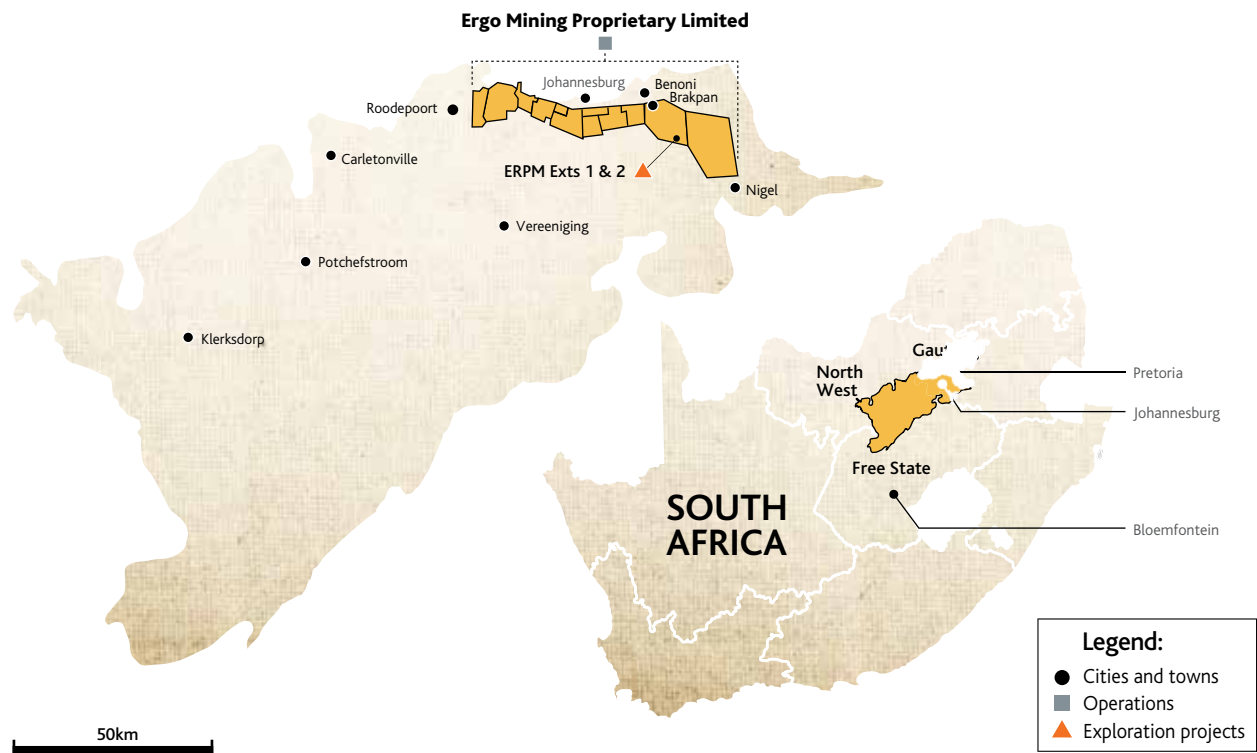
Ergo's reclamation activities culminate in the smelting of gold into bars

CORPORATE PROFILE

OUR BUSINESS

DRDGOLD Limited (DRDGOLD) is a surface gold tailings retreatment company headquartered in Johannesburg, South Africa. A world leader in recovering gold from tailings, the company operates mainly in the central Witwatersrand (Wits) Basin in Gauteng province, where mining began in the 1880s and has continued for more than 100 years. The resulting 'new' tailings created at the end of the retreatment process are deposited in upgraded tailings facilities designed to modern standards. In this way DRDGOLD plays a dual role in creating value and environmental clean-up.

Location of Ergo operation



DRDGOLD's activities are presently consolidated in two of the five major tailings clusters located in the Witwatersrand Basin – the Central and the Eastern basins. We are actively seeking to optimise the Ergo business through co-operation or acquisition

CORPORATE PROFILE

(CONTINUED)

OUR PEOPLE AND LEADERSHIP

At the end of FY2014, DRDGOLD employed 2 329 people (989 employees and 1 340 specialised service providers) (FY2013: 2 752 people; 1 012 employees and 1 740 specialised service providers).

DRDGOLD's board is comprised of seven individuals. Five members, including the chairman, are independent non-executive directors (NEDs) and the two executive directors are the chief executive officer (CEO) and the chief financial officer (CFO). The board has four regular subcommittees: the Audit Committee, the Risk Committee, the Remuneration Committee and the Social and Ethics Committee. In August 2014, after the financial year end, the board restructured its committees. Refer to page 93.

The board is responsible for determining strategic objectives and key policies, and monitors their implementation. The board delegates the day-to-day running of operations to the executive team.

DRDGOLD IN NUMBERS

DRDGOLD targets production of between 145 000oz and 155 000oz of gold every year from its 11.2Moz resource. Unlike most South African mining operations, DRDGOLD operates on a 24/7/365 basis, ensuring continuous and optimal use of its infrastructure.

At the end of FY2014, DRDGOLD had attributable mineral reserves of 1.5 million surface ounces (Moz) (FY2013: 1.7Moz) and attributable mineral resources of 37.04Moz (FY2013: 37.3Moz). Based on the company's current profile, its life of mine extends for at least eight years.

LISTINGS AND SHAREHOLDERS

DRDGOLD is a mid-tier, unhedged gold producer. Its primary listing is on the JSE Limited (JSE), and it is the oldest continuously-listed mining company on the exchange. DRDGOLD holds a secondary listing on the New York Stock Exchange (NYSE). The company's shares are also traded on the Marché Libre in Paris, the Regulated Unofficial Market of the Frankfurt Stock Exchange, the Berlin and Stuttgart OTC markets, as well as on Euronext Brussels in the form of International Depositary Receipts.

At the end of FY2014, the company had 385 383 767 ordinary shares in issue (FY2013: 385 383 767) and a market capitalisation of R1.175 billion or US\$114.5 million (FY2013: R2.0 billion or US\$209.3 million). An average of 594 552 shares traded a day on the JSE. The 12-month high was 664 cents (c) and the low, 245c. An average 1 173 800 shares (117 380 American Depositary Receipts (ADRs)) a day traded on the NYSE. The 12-month high was 0.647c and the low, 0.239c. Annual turnover of issued stock on the JSE was 45% and 89% on the NYSE.

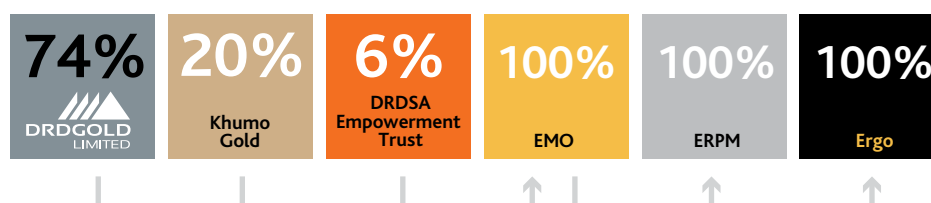
COMPANY STRUCTURE

DRDGOLD conducts business through the subsidiary structure of Ergo Mining Operations Proprietary Limited (EMO). EMO, which is co-owned by DRDGOLD (74%) and its BEE partners Khumo Gold SPV Proprietary Limited (Khumo) (20%) and the DRDSA Empowerment Trust (DRDSA Trust) (6%), owns 100% of Ergo Mining Proprietary Limited (Ergo) and East Rand Proprietary Mines Limited (ERPM).

DRDGOLD consolidated the tailings retreatment divisions of the three Ergo subsidiaries, Crown, ERPM and Ergo in FY2013 and in FY2014 the Department of Mineral Resources (DMR) agreed to the consolidation of the mining licences of all former operating divisions under Ergo.

"DRDGOLD is the oldest continuously-listed mining company on Johannesburg's stock exchange"

Group structure



* This diagram reflects the DRDGOLD structure at the time of printing this report. A restructuring has been approved by shareholders and is pending DMR approval

“DRDGOLD has concluded a new BEE structure”

The sole remaining underground asset owned by Ergo, ERPM, including its principal asset – a 39Moz deep-level gold resource – was sold to ERPM South Africa Holdings Proprietary Limited, a company nominated by Walcot Capital (the purchaser) for R220 million on 24 July 2014. The sale is subject to a number of suspensive conditions. ERPM underground has been on care and maintenance since 2008.

This sale is consistent with our strategy to process surface tailings.

DRDGOLD continues to hold 85.7 million shares in Village Main Reef Limited (VMR) following the disposal of its interest in Blyvooruitzicht Gold Mining Company Proprietary Limited (Blyvoor) in FY2012. Of these, 20 million shares are held in escrow pending the conversion of Blyvoor’s old order mining rights to new order mining rights and the DMR’s consent to the transfer of DRDGOLD’s shares in Blyvoor to VMR.

DRDGOLD has declared a dispute with VMR for failing to notarially execute and register the new order mining rights, after Blyvoor successfully applied for the conversion of the rights. These shares will remain in escrow pending the resolution of the dispute.

A NEW DEAL: BLACK ECONOMIC EMPOWERMENT PARTNERS

In March 2014, DRDGOLD announced the conclusion of an agreement with its BEE partners in terms of which their respective interests in EMO would be exchanged for listed shares in DRDGOLD. Based on the agreed exchange ratio, Khumo Gold would receive 35 million shares and the DRDSA Trust, 10.5 million. Both parties agreed to a three-year lock-in after conclusion of the transaction during which they would not dispose of their shares in DRDGOLD. The shareholders of DRDGOLD approved the transaction at a general meeting on 27 June 2014. The transaction remains subject to consent from the DMR.

This arrangement provides assurance that the company will remain in full compliance with the BEE equity requirements of the Mining Charter.

The motivation to provide Khumo with an 8.1% interest and the DRDSA Trust with a 2.4% in the listed company is to enable them to attain fair value for their holdings and help to further the objectives of BEE in South Africa. It is also designed to give DRDGOLD more operational and capital management flexibility.

STRATEGY

We have adopted integrated thinking in our approach to strategy and the deployment of resources and capital.

We actively seek to achieve synergy and overlap in the initiatives to create, preserve and return value in respect of the financial, human, social, natural and technological aspects of our business. Our model is unique and involves some of the largest tailings deposits in the world, unusually situated among the suburbs of southern Africa's largest city. We mine where the citizens of Johannesburg and Ekurhuleni live, work and play. We are, in fact, one of the world's few 'urban' miners and thus the environmental and social impacts of what we do, or omit to do, are direct and profound.

It offers a unique opportunity to build social and natural value, but will also very quickly lay bare any shortcomings in strategy and execution. Against this backdrop our strategy is to sustainably and, through the appropriate deployment of capital and resources, optimally exploit our available resource. We also seek to expand our reach and create growth opportunities through the improvement and development of innovative technologies.

Within this strategy, certain specific targets have emerged. We aim to:

- consistently achieve a return on equity (ROE) of 15%;
- by the end of 2017 improve extraction efficiencies by a further 20%;
- by the end of 2017 increase our plant and infrastructure volume capacity by 20%;
- seek out opportunities through co-operation or acquisition that are suitable for the expansion or roll-out of our business model;
- reduce dust emissions from tailings by 10% per annum and increase the percentage of vegetated surface area on our deposition sites by at least 50ha a year from 2015 to 2018;
- reach at least 2 200 learners over the next three years to improve their maths, science and accountancy marks;
- purposefully extend the reach of the employee talent pool and design and implement individual development plans (IDPs) for employees in the pool;
- bring the opportunity of 'own home' ownership within reach of every employee by 2017; and
- reduce garnishee orders among our employees to 1% or lower by 2018.

As part of this strategy we will realise the value of the underground ounces associated with ERPM Extensions 1 and 2. For more information see page 13.

These initiatives are also consistent with DRD GOLD's statement of long-term strategic intent, to:

- improve gold recoveries so that, in future, the absolute minimum amount of gold is returned to tailings deposition facilities along with the discarded material; and
- to grow our reclamation business through the use of improved technology and continuing research and development (R&D); acquiring additional surface resources in the Wits Basin; possibly acquiring resources in other areas; and using our existing expertise and skills to expand into the reclamation of other minerals from discarded tailings material.

In addition we keep track of a number of current and lead indicators to assess the extent to which we are progressing toward these strategic goals.

PERFORMANCE AGAINST OBJECTIVES

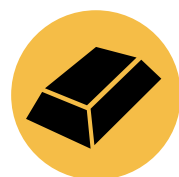
Strategic focus area	What this entails	Key performance indicators (KPIs)	Target outcomes	Performance in 2014
Optimal exploitation of orebody	Successfully exploiting our 11Moz surface gold resource by improving recoveries through innovation and better technologies	Return on equity	Return on equity: 15%	0%
		Dividend yield	Return surplus cash for shareholders while retaining a prudent working capital buffer	0.7%
Sustainable mining through reduction of operational, natural risk and creating new opportunities	Effectively monitoring, evaluating and responding to risks, while taking advantage of opportunities to create value for all stakeholders	Share price – cents per share	Share price performance outperforming the JSE gold index	Performance lower than gold index
Controlling costs and maximising margins	Ensuring that full value is realised from our products, maintaining consistent volumes, improving extraction efficiencies, using better technology and managing costs to protect margins and returns	All-in sustaining costs (AISC)	Achieving AISC margin of 15%	7%
Investing in social and natural capital	Developing business and social partnerships based on mutual value creation while ensuring the safety and well-being of employees, and reducing impact on environmental and natural resources	Safety performance measured by lost time injury frequency rate (LTIFR)	Zero harm expressed in LTIs per million man hours worked	2.16*
		Historically disadvantaged South Africans (HDSAs) in management	40% HDSAs in management	38%
		Women in mining	12% women in mining	11%
		Providing employee training opportunities		954 employees opted for training
		Shifts lost owing to industrial action	No shifts lost	6
		Providing training opportunities for community learners		75 graduated in FY2014
		Number of reportable environmental incidents	Reduction of reportable incidents by 10% per annum	47% reduction year-on-year
Embracing technology and innovation	Improving gold recovery and operational efficiencies through continued R&D, the use of new technologies and encouraging a culture of innovation	Gold recovery efficiencies	Improving gold recoveries by 8% to 9%	Not achieved
		Gold production	Achieving budgeted gold production	Not achieved

* per million man hours worked

BUSINESS MODEL

INTEGRATED

USE OF OUR CAPITALS



INPUTS

Financial capital

- NYSE/JSE listing
- Cash of R208.9 million
- Debt of R148.7 million

Manufactured capital

- Four plants¹
- Pipeline infrastructure
- Servitudes
- Tailings storage facility (TSF)
- Water reticulation system
- 11.2Moz surface resource

Intellectual capital

- Improving recoveries
- Flotation/fine-grind process

Human capital

- Experienced team
- Small, skilled workforce (989 employees)
- Specialist service providers (1 340)

Social and relationship capital

- 26% BEE ownership (currently being restructured)
- EBDA – flagship development and training academy
- Best Life, employee wellness programme (EWP), Independent Counselling and Advisory Service (ICAS)
- Local economic development programmes

Natural capital

- Water used (8.6Ml)
- Electricity used (353 159MWh)
- Reagents used (63.5t)

BUSINESS ACTIVITIES

Planning and modelling

- Development of detailed mining plan
- Detailed modelling of available surface resources

Infrastructure design and construction

- Business development team responsible for design and construction
- Stringent capital allocation, management and measurement against return on investment

Delivery of gold-bearing material

- Specialised service provider delivers volumes to the plant in an uninterrupted flow 24/7/365
- Extensive network of inter-connected pipelines
- Sophisticated systems in place to detect problems
- Automated, remote, computer-driven volume, density and pressure management systems

Gold extraction

- Extraction through combination of flotation, milling, CIP and CIL processes
- Production of doré bars

Research and development

- Employees being developed towards an intellectual value-add model
- Research and development focused on improving extraction efficiencies

OUTPUTS

Products

- Doré bars (85% purity) are delivered to Rand Refinery Proprietary Limited (Rand Refinery) and refined into gold bars (99.9% purity)
- Rand Refinery on-sells gold to authorised bullion banks, investors, the jewellery industry and technology sectors
- Silver is produced as a by-product
- Foreign export contributor for South Africa

Residue

- After gold extraction, the residue is deposited on our world-class TSF in Brakpan (approx 24Mt)
- CO₂ emissions (direct) 4 134t

¹ Two plants are currently operating as milling/pump stations



Thickener at the Ergo plant

STAKEHOLDER ENGAGEMENT

At DRDGOLD we recognise that a requirement of a successful and sustainable business strategy is effective two-way communication with our stakeholders. Our stakeholders are many and varied – individuals, groups and entities directly or indirectly affected, either positively or negatively, by the activities of the company, and whose attitudes and actions affect the operation of the company.

OUR PRIMARY STAKEHOLDER GROUPS ARE:

Communities and non-governmental organisations (NGOs)

Employees and unions

Government and regulatory authorities

Media

Shareholders

Suppliers and contractors



STAKEHOLDER ENGAGEMENT

Stakeholder relationships are integral to a sustainable business and need to be developed, nurtured and maintained over time. In FY2014, the DRDGOLD board committed to growing existing stakeholder relationships and tasked operational management with this responsibility. The activities of the transformation and sustainable development manager have focused on improving stakeholder relationships, particularly in areas where there were backlogs on the delivery of community upliftment projects.

Stakeholder group	Engagement during the year	Stakeholder group's concerns
Communities and NGOs	<p>DRDGOLD has a responsibility not only to run a successful business but also to empower its workforce. In addition, the company works diligently to implement programmes and job opportunities that benefit the communities in which it operates.</p> <p>A consolidated SLP, prepared in consultation with the relevant authorities and stakeholders, has been submitted to the relevant department in compliance with South African mining legislation. We place importance on providing educational opportunities for the communities within which we operate and we also interact with these groups on a broader range of issues.</p> <p>Management has regular, formal and informal interactions with surrounding communities as well as formal consultations with interested and affected parties (I&APs). Although some of this liaison is driven by regulatory and statutory requirements, our operational teams recognise the value of community support for our activities which may or may not affect them.</p> <p>DRDGOLD also engages through ward councillors and recognised community leadership structures. Dust from our tailings dams is the main community concern and more detail can be found in the natural capital section of this report.</p>	Local economic development, employment and local job creation, CSI projects, dust control, health-, safety- and security-related issues, environmental impact and rehabilitation, skills development and training programmes
Employees	<p>Our employees and their representatives are briefed through formal and informal structures and we have in place a company-wide briefing system. Its effectiveness and the comprehensibility of the messages were reviewed in FY2014. Feedback from employees was positive.</p> <p>Social media was introduced to enhance interaction between the company and employees. An SMS system is used for communication on matters of mutual interest.</p> <p>Employees are encouraged to submit ideas that could improve operations in their areas of responsibility through the 'Brain Box' network, with a quarterly cash prize of R5 000 offered for the best idea received (if applicable).</p>	Job security, training and development, wages and benefits, housing and accommodation, health and safety, company performance

STAKEHOLDER ENGAGEMENT

(CONTINUED)

Stakeholder group	Engagement during the year	Stakeholder group's concerns
Employees (continued)	<p>A printed newsletter, <i>Asikhulume</i>, (which means 'we are talking') is produced three times a year and distributed to the various workplaces. Editions are usually preceded by 'teaser' posters, along the lines of the traditional newspaper billboard. An editorial panel that includes employees and management representatives decides on content. The layout and design of the publication is aimed at ensuring reader appeal. DRDGOLD has a relatively small and well-educated workforce and our employees are largely literate. The articles, as with all our communications, are in English.</p> <p>We encourage open communication and consultation with our employees and conflict is addressed in workplace forums. Employees can report fraud or crime using an independent Tip-offs Anonymous line run by Deloitte. Contact and 'how to' details are provided in each issue of <i>Asikhulume</i>, as well by notices in the workplace.</p>	Job security, training and development, wages and benefits, housing and accommodation, health and safety, company performance
Trade unions	Regular engagement with the elected representatives of the workforce takes place in various forums, dealing with matters of mutual interest in weekly, monthly, quarterly or <i>ad hoc</i> meetings when required. Good working relationships are also maintained with regional and/or national office bearers.	Any matter of mutual interest that may impact on organised labour's terms and conditions of employment
Government and regulatory authorities	Engagement with national, regional and local government takes place at both group and operational level. This brings DRDGOLD into regular formal and informal contact with officials working at all levels in the mining, water and environmental affairs, education, labour, health and safety sectors. Several visits to the operations and tailings facilities have been arranged to give officials some practical idea of the business so that they can better understand it.	BEE compliance Labour relations and employment equity, education and training, LED programmes, environmental impact and rehabilitation, taxation and royalties, health and safety, downscaling of operations, Social and Labour Plan (SLP)
Media	DRDGOLD communicates regularly with the media in a number of ways. Most queries are first dealt with by the investor relations consultant who consults with the CEO as necessary. These usually relate to financial results, corporate activity, marketing, environmental issues and community-related topics. Media visits to the operations are accommodated whenever possible.	Financial results, corporate activity, operational activity, environmental issues, marketing, community-related topics

Stakeholder group	Engagement during the year	Stakeholder group's concerns
Shareholders and potential investors	<p>DRDGOLD's shareholders are well-informed and we keep communication channels open. DRDGOLD provides operating, financial and other performance information in an unbiased, timely manner. Our formal investor relations calendar, implemented to ensure participation in key investor conferences in South Africa, Europe, North America and the Far East has been in operation for two years. These events are usually linked to investor roadshows and take the form of small group or one-on-one meetings hosted by the CEO.</p> <p>Financial information and strategic decisions are announced on the JSE's Stock Exchange News Service (SENS), and immediately thereafter the information is posted to our website. All those registered on our database are advised through web alerts that the information has been posted and in most cases the information is released simultaneously as a media statement and distributed to a second database of analysts, investors and media. Information is also communicated in other ways to reach the required audiences – presentations, briefings, teleconferences, webcasts and site visits.</p> <p>Our investor relations consultant handles queries from shareholders on an almost daily basis and, where necessary, these are referred to the CEO/CFO.</p> <p>An increasingly important repository of information is the DRDGOLD website. Shareholders, the investing community and any member of the public can access current and archived information on the company and its operations, as well as all announcements and publications. Current versions of the Integrated Report, Annual Financial Statements, fact sheets, company newsletter and all press releases issued are posted to the website. Important presentations made by members of the executive team and videos are also posted to the website. The quarterly investor webcasts are also recorded and available for a limited period after the event.</p>	<p>Operating/financial performance, returns – share price performance and dividends, governance, management of risk, identification of business opportunities, labour issues and security of tenure, gold price</p>
Suppliers and specialist service providers	<p>The company relies on the providers of specialist services and providers of capital for its overall performance, particularly with respect to reclamation, deposition, security, environmental, public relations or other services that cannot be accommodated in-house.</p>	<p>Company's financial performance, employment practices, local procurement practices, business training and support, quality control, preferential procurement practices, sustainability of the company</p>

MATERIAL ISSUES

Material issues are significant to the economic, environmental and social performance of the company and have the potential to influence the decisions of stakeholders.

Our approach to risk and the risks identified form an important part of the issues that are deliberated at board level. The processes of risk management and the identification of opportunities (which we see as complementary processes) are embedded in our business and are thus integral to strategic planning and the day-to-day management of the company. More information on our approach to risk can be found on page 102. Stakeholder concerns and the issues identified by our peers and external agencies form an important part of the identification of material issues. In keeping with our approach to reporting on the six capitals and our commitment to sustainable development, we have identified our material issues as follows:

HUMAN

- Ensuring an open and honest relationship with our employees; and offering education and training opportunities to develop existing potential as well as to create a supply of skills for the future
- Focusing on safety to protect the lives of those who work at our operations

SOCIAL

- Maintaining a positive relationship with all our stakeholders and in particular the communities in which we operate
- Ensuring compliance with all relevant legislation, regulations and maintaining our social licence to operate

FINANCIAL

- Creating maximum returns for shareholders while operating a sustainable business

NATURAL

- Using natural resources in a responsible and sustainable manner and minimising our impact on the environment where we are not able to make a positive impact

INTELLECTUAL

- Continuing development through R&D and refining technology

MANUFACTURED

- Managing and maintaining our plant and equipment to operate at capacity, and addressing diminishing grades through R&D (intellectual capital) and the acquisition of new resources (financial capital)



BUSINESS PERFORMANCE

FY2014 was challenging in many respects but we are now more focused than ever

PERFORMANCE HIGHLIGHTS

		METRIC/RAND			IMPERIAL/US DOLLAR		
		2014	2013 Restated	% change	2014	2013 Restated	% change
GOLD							
Production	(kg)/oz)	4 134	4 553	(9)	132 909	146 381	(9)
Average spot price	(R/kg)/(\$/oz)	437 696	456 072	(4)	1 313	1 606	(18)
Average price received	(R/kg)/(\$/oz)	432 775	458 084	(6)	1 298	1 613	(20)
Cash operating costs	(R/kg)/(\$/oz)	372 671	310 763	20	1 118	1 094	2
Operating cost	(R/kg)/(\$/oz)	362 225	351 043	3	1 086	1 236	(12)
All-in sustaining costs	(R/kg)/(\$/oz)	401 691	362 599	10	1 025	1 192	(14)
All-in costs	(R/kg)/(\$/oz)	436 503	433 669	–	1 309	1 442	(9)
FINANCIAL							
Revenue	(Rm)/(\$m)	1 809.4	2 076.5	(13)	174.4	235.1	(26)
Operating cost	(Rm)/(\$m)	(1 598.3)	(1 497.4)	7	(154.1)	(169.5)	(9)
Gross profit from operating activities	(Rm)/(\$m)	122.2	437.1	(72)	11.8	49.5	(76)
(Loss)/profit before tax	(Rm)/(\$m)	(37.2)	158.5	(123)	(3.6)	18.0	(120)
(Loss)/profit for the year	(Rm)/(\$m)	(54.7)	97.6	(156)	(5.3)	11.1	(148)
Headline earnings per share	(c)	–	66	(100)	–	7.5	(100)
Dividend per share paid	(c)	14	24	(42)	1.32	2.43	(46)
Total assets	(Rm)/(\$m)	2 440.7	2 669.0	(9)	230.7	270.5	(15)
Net asset value per share	(c)	384	427	(10)	36	43	(16)
RESERVES AND RESOURCES							
Attributable ore reserves	(t)/(Moz)	47.39	52.13	(9)	1.52	1.68	(9)
Attributable mineral resources	(t)/(Moz)	1 152.09	1 160.96	(1)	37.04	37.33	(1)
SHARE STATISTICS							
Market price per share ⁽¹⁾	(c)	305	528	(42)	30	54	(44)
Ordinary shares in issue ⁽¹⁾		385 383 767	385 383 767	–	385 383 767	385 383 767	–
Market capitalisation ⁽¹⁾	(Rm)/(\$m)	1 175.4	2 034.8	(42)	114.5	206.2	(45)
EXCHANGE RATES							
Average rate	(R:\$)	–	–	–	10.3706	8.8328	17
Closing rate	(R:\$)	–	–	–	10.5784	9.8675	7

⁽¹⁾ At 30 June 2014



GMTS, a tailings deposition site within the Crown complex

FIVE YEAR REVIEW

		2014	2013 Restated	2012 Restated	2011	2010
Summarised group operating results						
Ore milled	(t000)	23 908	23 254	24 897	24 187	22 590
– underground		–	–	569	732	633
– surface		23 908	23 254	24 328	23 455	21 957
Yield	(g/t)	0.17	0.20	0.29	0.34	0.33
– underground		–	–	3.99	3.89	3.79
– surface		0.17	0.20	0.20	0.23	0.23
Gold produced	(kg)	4 134	4 553	7 227	8 248	7 502
– underground		–	–	2 272	2 845	2 402
– surface		4 134	4 553	4 955	5 403	5 100
Gold produced	(oz)	132 909	146 381	232 353	265 179	241 194
– underground		–	–	73 048	91 469	77 226
– surface		132 909	146 381	159 305	173 710	163 968
Average price received	(R/kg)	432 775	458 084	418 538	308 221	267 292
Average price received	(\$/oz)	1 298	1 613	1 679	1 372	1 092
Cash operating costs	(R/kg)	372 671	310 763	304 912	251 296	233 112
– underground		–	–	416 540	342 123	324 736
– surface		372 671	310 763	253 727	203 470	189 959
Cash operating costs	(\$/oz)	1 118	1 094	1 223	1 119	953
– underground		–	–	1 671	1 523	1 327
– surface		1 118	1 094	1 018	906	776
Operating margin	(%)	14	32	27	18	13
– underground		–	–	1	(11)	(22)
– surface		14	32	40	34	29
Capital expenditure	(R million)	158.6	361.5	319.1	315.8	194.0
Reserves and resources						
Attributable mineral reserves	Moz	1.5	1.7	1.8	7.3	7.3
Attributable mineral resources	Moz	37.0	37.3	37.6	60.2	60.0
Summarised group statement of profit or loss and comprehensive income (R million)						
Revenue		1 809.4	2 076.5	3 004.3	2 565.3	1 990.5
Cost of sales		(1 687.3)	(1 639.4)	(2 501.9)	(2 343.5)	(1 891.8)
Gross profit from operations		122.1	437.1	502.4	221.8	98.7
Impairments		(56.6)	(187.9)	(1.1)	(547.7)	(6.2)
Administration expenses and general costs		(78.1)	(64.6)	(133.6)	(88.1)	(57.0)
Share of losses of equity accounted investment		(0.3)	(50.1)	–	–	–
Finance (expenses)/income - net		(24.3)	24.0	15.8	30.8	176.1
(Loss)/profit before taxation		(37.2)	158.5	383.5	(383.2)	211.6
Income tax		(17.5)	(60.9)	1.8	(32.2)	(8.2)
(Loss)/profit for the year before loss on sale of discontinued operation		(54.7)	97.6	385.3	(415.4)	203.4
Loss on disposal of discontinued operation		–	–	(10.5)	–	–
(Loss)/profit for the year		(54.7)	97.6	374.8	(415.4)	203.4
Summarised group statement of financial position (R million)						
Non-current assets		1 970.3	2 064.7	2 020.1	1 778.7	2 178.2
Current assets		470.4	604.3	468.9	510.0	402.1
Total assets		2 440.7	2 669.0	2 489.0	2 288.7	2 580.3
Equity		1 481.2	1 643.7	1 631.8	1 219.2	1 650.0
Non-current borrowings		75.5	143.3	–	40.4	–
Other non-current liabilities		576.5	639.4	599.8	619.0	661.1
Current borrowings		73.2	24.3	30.7	79.3	–
Other current liabilities		234.3	218.3	226.7	330.8	269.2
Total equity and liabilities		2 440.7	2 669.0	2 489.0	2 288.7	2 580.3

		2014	2013 Restated	2012 Restated	2011	2010
Summarised group statement of cash flows (R million)						
Cash flows from operating activities		80.7	502.3	621.1	324.0	53.6
Cash flows from investing activities		(171.9)	(429.4)	(413.8)	(335.2)	(226.4)
Cash flows from financing activities		(76.6)	5.7	(168.5)	81.3	7.8
Net increase/(decrease) in cash and cash equivalents		(167.8)	78.6	38.8	70.1	(165.0)
Cash and cash equivalents at the beginning of the year		376.7	298.0	259.1	188.2	353.6
Foreign exchange movements		0.0	0.1	0.1	0.8	(0.4)
Cash and cash equivalents at the end of the year		208.9	376.7	298.0	259.1	188.2
Group performance indicators						
Profitability						
Operating margin	(%)	14	32	27	18	13
All-in sustaining costs margin	(%)	7	21	15	6	8
Headline earnings per share	(c)	–	66	80	28	13
EBITDA	(R million)	204.0	516.3	489.7	264.9	232.5
EBITDA margin	(%)	11	25	16	10	12
Return on equity	(%)	0.06	18	22	9	3
Asset and debt management						
Current ratio	times	1.5	2.5	1.8	1.2	1.5
Debt to equity ratio	(%)	0.51	0.39	0.34	0.66	–
Interest cover	times	11.5	26.6	63.6	23.2	47.4
Net asset value per share	(c)	384	427	424	317	429
Market value and shareholder returns						
Market price per share	(c)	305	528	535	327	341
Ordinary shares in issue		385 383 767	385 383 767	385 383 767	384 884 379	384 884 379
Market capitalisation	(R million)	1 175.4	2 034.8	2 061.8	1 258.6	1 312.5
Price earnings ratio	times	1 656.6	8.0	6.7	11.7	26.5
Market/book ratio	times	0.8	1.2	1.3	1.0	0.8
Dividend declared per share	(c)	2.0	28.0	10.0	7.5	5.0
Dividend yield	(%)	0.7	5.3	1.9	2.3	1.5
Group sustainability indicators						
Total economic value distributed	(R million)	1 756	1 685	2 547	2 289	1 916
Value distributed to employees – salaries, wages and benefits	(R million)	302	283	821	759	629
Value distributed to government – taxation and royalties	(R million)	7	4	22	10	11
Total employees (including specialised services)		2 329	2 752	2 222	6 875	6 409
Fatalities		–	–	1	1	2
Cyanide consumption	(t)	7 527	5 712	6 574	6 682	4 896
CO ₂ emissions (direct)	(t)	4 134	4 090	8 159	8 472	6 242
CO ₂ emissions (indirect)	(t)	423 790	390 611	697 796	682 666	786 101
Electricity consumption	(MWh)	353 159	325 509	677 472	689 562	655 084
Water consumption	(1 000m ³)	8 595	5 748	8 301	8 491	11 546
Socio-economic development spend	(R million)	26	2.2	5.5	15.8	5.3
Exchange rates						
Average rate	(R:US\$)	10.3706	8.8328	7.7523	6.9865	7.6117
Closing rate	(R:US\$)	10.5784	9.8675	8.2700	6.8295	7.6529

HUMAN CAPITAL REVIEW

Our human capital – comprising our employees – is our most important asset. Surface gold tailings retreatment is less labour intensive than underground mining and requires a different set of skills. The majority of our workforce lives relatively close to the workplace and our employees are therefore more urban, more literate and more likely than traditional miners to be living in family units.

We invest in our people so they have the appropriate skills to do the work required, to prepare them for career opportunities that might arise and to ensure the sustainability of our business in the longer term. We have done this in a number of ways over the years including the establishment of a training academy – Ergo Business Development Academy NPC (EBDA) – that now serves a broader purpose, including training for the Department of Mineral Resources (DMR).

Most recently we invested in our employees' health and wellbeing by launching an initiative to empower, inform and support them on general lifestyle choices and related health issues. Employees who are physically and mentally in sound health, and who have access to information about coping with stress and other issues, are more likely to perform efficiently and safely in the workplace.

We also focus on providing ongoing training opportunities for community members, especially those living in the areas around our operations, as they are likely to produce our future employees.

OUR PEOPLE

At the end of FY2014, our operations employed 2 329 people of whom 58% were the employees of our specialist service providers who recruit their own staff, and deploy them to our operations as required.

Fraser Alexander Tailings – a company specialising in tailings recovery and tailings dam management – is the main DRDGOLD contractor.

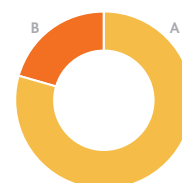
OUR PEOPLE IN NUMBERS

EMPLOYEE AND TRAINEE NUMBERS BY BROAD JOB CATEGORY AND GENDER FY2014

Category/level	Male	Female
Top management	4	0
Senior management	4	1
Professionally qualified	36	7
Junior management/skilled/technical	55	12
Semi-skilled	238	46
Unskilled	484	101
Learners	198	94
Bursars	5	3
Independent contractor	1	0
Total payroll	1 025	264

Total employees and trainees by gender

FY2014



A: Male 1 025

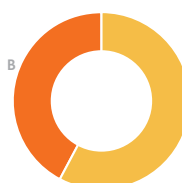
B: Female 264

1 289

includes learners

Workforce split (%)

FY2014



A: Specialist service providers 58

B: DRDGOLD employees 42

Absenteeism (days lost)

Average per month (FY2014)

Annual leave	625.05
Sick leave	398.67
Accumulated leave	275.32
Family leave	12.33

Absenteeism (days lost)

Average per month (FY2014)

AWOP	241.12
AWP	157.83
Mine accident	61.28
Unpaid leave	34
Unpaid sick	85.5

AWOP: absent without permission

AWP: absent with permission

Absenteesim (days lost)

Average per month (FY2014)

Training	206
Maternity leave	80
Study leave	28.17
Sports leave	27.5
Injuries on duty	87.5

EMPLOYEE TURNOVER FY2014

Reason	Male	Female	Total
Deceased	6	1	7
Dismissed	19	1	20
Non-renewal of contract	40	11	51
Resigned	20	4	24
Retirement	7	1	8
Medical separation	10	0	10
Retrenched	1	1	2
Total	103	19	122

EMPLOYEE % IN GOVERNANCE BODIES BY AGE GROUP, GENDER AND HDSAs

Occupational Level	Age: between			Women	HDSA
	Age: under 30	30 – 50	Age: over 50		
Top management	0	33%	66%	0%	33%
Senior management	0	26%	74%	20%	11%
Middle management	0	54%	46%	37%	46%

WOMEN IN MINING

Only core positions (metallurgy, engineering, survey etc) are considered as 'woman in mining' and 11% of our workforce is in this category. We have 39% women in support roles and 16% of our total core and support workforce comprises women. These numbers do not include community learners.

	African women	Coloured women	Indian women	White women	Total women	%
Core	87	1	–	–	88	11
Support	25	10	1	20	56	39
Total	112	11	1	20	144	16

HUMAN CAPITAL REVIEW

(CONTINUED)

ERGO: EMPLOYEE DIVERSITY % PER MANAGEMENT CATEGORY

Occupational Level	African		Coloured		Indian		White		Total	HDSA %
	Male	Female	Male	Female	Male	Female	Male	Female		
Top management	2						3		5	40
Senior management	1	1					3		5	40
Middle management	5	4	1		3		27	3	43	30
	8	5	1		3		33	3	53	38
Junior management	155	17	15	7	9	1	112	15	331	66
Total	171	27	17	7	15	1	178	21	437	59

The FFG circuits at the Brakpan plant, which came into full operation for the first time in Q3 FY2014, provided additional employment opportunities for 80 people (54 men, 26 women)

Overall, our workforce comprised 20% women, with 12% in management and 11% in the core business areas (metallurgy, engineering, technical fields). There are no women on the DRDGOLD board. There is one HDSA on the board.

In Q4 FY2014, the DRDGOLD board decided to review the cost structure of the corporate head office. As a result, a decision has been made to consolidate the DRDGOLD corporate office and the Ergo operation. The senior management structure was reduced by 26%. Corporate office employees will relocate to the office complex on the Crown property at the expiration of the current lease in Constantia Kloof, Roodepoort.

DEVELOPING OUR PEOPLE

We use our financial capital to develop our people in ways that not only provide them with market-related skills but also to ensure that we run our business efficiently and cost-effectively and with our shareholders' interests in mind.

We established EBDA to ensure quality training opportunities for our employees and as part of a broader vision to contribute to the communities surrounding our operations. For more information on EBDA see page 46.

A number of other campaigns have been designed over the years to develop and support employees and the business such as the Think, Vuselela and Best Life initiatives. The latter includes a financial and health counselling service for employees provided by ICAS. For more information on Best Life/ICAS see page 43.

DRDGOLD upholds the labour rights outlined in the Fundamental Rights Convention of the International Labour Organization. We have policies to ensure our employees are treated fairly irrespective of origin, race or gender, and these are consistent with South African employment equity requirements.

DRDGOLD is a signatory to the 10-year health and safety targets set at the 2003 summit of the Mine Health and Safety Council. This organisation is a national public entity, with representation by government, employers and organised labour. Chaired by the chief inspector of mines, the organisation advises the DMR on occupational health and safety legislation and research outcomes focused on improving and promoting health and safety in South African mines.

“Our policies ensure that employees are treated fairly irrespective of origin, race or gender”

LTIs AND SERIOUS INJURIES

	Serious injuries (actual)	Frequency rate	Total LTIs	Frequency rate	Man hours
FY2013	12	2.1	34	5.91	5 752 956
FY2014	6	0.93 ^{LA}	14	2.16 ^{LA}	6 468 812

^{LA} Limited assurance

*“On-the-job
safety is a joint
responsibility”*

HEALTH AND SAFETY

DRDGOLD’s operations are subject to various industry-specific health and safety laws and regulations which, if ignored, could adversely affect its financial results. Our employees at all levels are accordingly required to participate in health and safety initiatives and to adhere to these laws and regulations which are covered by the company’s health and safety policy.

Our health and safety policy is important not only for legal, but also for moral reasons. To ensure employees’ constitutional rights to a safe working environment, the provisions of this document are reviewed annually but changes are only made when dictated by company strategy.

DRDGOLD is of the view that on-the-job safety is a joint responsibility. A joint accountability, zero-tolerance campaign was introduced at the start of FY2013 to remove the element of blame and make individuals accountable for their actions. The strategy is proving successful as Ergo’s FY2014 occupational injury frequency rate reduced by 50% (serious injuries) compared to the previous year and LTIs by 59%.

Employees are taught that fostering a safe and healthy working environment is required not only for themselves, but also for co-workers and others who might use or be exposed to the environment. DRDGOLD therefore has disciplinary procedures in place to enforce compliance.

It makes good business sense to conduct activities with health and safety as a priority. Employees who are healthy will be less prone to accidents, injuries and safety breaches caused by fatigue or poor concentration. Reducing the number of accidents and injuries in the workplace also reflects better on production and costs.

OUR HEALTH AND SAFETY STRUCTURE

The Ergo health and safety manager is broadly responsible for compliance with our health and safety programme. Line management is responsible at an operational level and meets monthly to address the issue.

Health and safety agreements with unions provide for a joint management/union committee that meets every two months and is responsible for maintaining a healthy, safe working environment at the operations (and in the surrounding communities) through various measures. These include training, developing a positive attitude, focusing on ‘best ever’ statistics, monitoring performance and encouraging employee participation to prevent fatalities and reduce injuries.

The central health and safety committee is made up of two health and safety representatives from each of the four operational sites, a full-time health and safety steward and senior managers from the operations, including the Ergo managing director. The full-time health and safety representative is elected by the workforce, appointed in line with the Mine Health and Safety Act of 1996 (MHSA) and is the link between employees and the formulation and implementation of policy. Notwithstanding, the company’s open door policy means that employees have access to line management to discuss health and safety issues.

The committee deliberates on health and safety issues for the entire operation. These include the introduction of new or revised risk assessments, procedures, conditions in the workplace and any other matters prescribed under applicable legislation, including environmental affairs.

HUMAN CAPITAL REVIEW

(CONTINUED)

Each operational site also has its own health and safety committee comprising elected delegates from each of its sections. These committees focus on similar issues, but they do not have the mandate to pass resolutions that affect other operations.

Our employees and specialist services providers are represented by 112 elected part-time health and safety delegates giving us a favourable ratio of 1:23 safety representatives to employees. In addition, our specialist service providers have their own health and safety structures in place, which we monitor to ensure conformity to legal requirements.

The operational sites are reviewed monthly for risk. The risks are ranked and shared between sites to draw attention to matters that require focus or improvement.

DAY-TO-DAY HEALTH AND SAFETY

DRDGOLD has 30 managerial procedures and instructions which control tasks identified as potentially serious risks. When a new procedure or risk assessment is introduced, or a procedure or risk assessment is revised, each one is discussed at what is termed a 'procedure workshop session' that comprises a team including managers, supervisors, workers and health and safety representatives. When the introduction or revision of a procedure or risk assessment affects a contractor such as Fraser Alexander Tailings, representatives from that company are invited and expected to attend the session. All contractors are technically employees of Ergo once they access our properties, and thus fall under the control of the area managers.

During the workshop session the document is transformed into a workable procedure or into a risk assessment from which a procedure is referenced. The completed document is presented to employees with the assistance (when required) of a translator and each employee signs to acknowledge his or her understanding and acceptance of the procedure.

The Health and Safety Department facilitated the updating of all relevant procedures and risk assessments during FY2014 and these will be revised again in 2015. Issue-based risk assessments and procedures are continuously developed and revised according to requirements.

Employees are required to attend informal health and safety meetings at plant level as well as attend toolbox sessions conducted by site foremen – who are expected to be pro-active on the issue of safety – at section level. Approximately 10 to 15 minutes in length, these meetings are held each morning in an effort to lower injury frequency rates. The appointed health and safety officer works in the field to assess the success, or otherwise, of communication and message delivery and the employees' understanding of safety issues.

These discussions involve incidents which have occurred as well as constantly reaffirming section 23 of the MHSa. This gives employees the right to refuse to enter a workplace they perceive as detrimental to their health or safety. Employees are also reminded of the need to 'risk assess' each task they are assigned as well as use the 'four steps to safety' check list.

Quarterly campaigns are used to reinforce selected safety messages that are dictated by recent events or aimed at reducing particular hazards. Different safety topics are introduced each month. The message will depend on the downgrading events that occurred in the previous month. Ergo employees and contractors are made aware of the campaign during weekly plant meetings and toolbox talks, while contracting companies may select their own safety topics. Ergo holds a monthly MHSa section 2.6.1 appointee meeting with the legally-appointed contractors. The meeting focuses on health and safety and ensures contractors are aligned with company policy.

"We have a favourable ratio of 1:23 safety representatives to employees"

“Risk assessments and safety audits are conducted regularly at the operations”

Topics covered in FY2014 include hand tools, equipment and machinery control, safety for contractors, inspection and colour coding of tools/equipment, operating an overhead crane, working close to overhead lines, working in confined spaces, conveyor systems, hot work permits and working reclamation sand faces. Induction training is also a topic as employees and supervisors need to be reminded of the importance, as well as the legal obligation, of attending annual induction training.

Ergo’s Health and Safety Department is responsible for ensuring the health and safety compliance not only of contractors, but of all those accessing the property.

SAFETY RISKS AND AUDITS

Our safety risks can be categorised according to the FY2014 incident statistics as shown:

34%	equipment (pump, agitator, pipes, scaffold, steel plates, valves)
31%	surface conditions (floor, platform, walkway)
18%	hand tools (spanner, hosepipes)
11%	animals/insects (snakes, security dogs, bees)
2%	electrical (electric flash while working on panels)
2%	environment (wet/slippery conditions; lightning strikes; extreme temperatures)
2%	heat (boiling water, cutting torches, welding equipment, hot surfaces)

Risk assessments and safety audits are conducted regularly at the operations to assess performance and mitigate risks by introducing the necessary procedures, training and supervision. Employees are prohibited from carrying out work for which they are not suitably trained.

The safety department conducts hazard assessment audits every four weeks as part of a continuous risk assessment process. Each hazard identified is rated according to the risk management methodology of the International Register of Certified Auditors and mitigated according to our procedure.

Procedure development starts with bringing together a team of people who have practical and theoretical knowledge of a job and who understand the risks associated with each task forming part of the job, and with the aim of drawing up a procedure.

DEALING WITH EMERGENCIES

Employees receive emergency training during their induction to ensure effective and timely responses in crisis situations. Site visitors are also made aware of emergency procedures.

Selected employees receive emergency response training including fire training and general chemical handling. Conducted annually, this enables the employee to handle most emergencies involving reagents such as cyanide.

Supervisors are trained to meet the first aid requirements of the MHSA. DRDGOLD retains the services of ER24, an emergency response company, to provide medical assistance when employees suffer a medical trauma or when expert assistance is needed.

HUMAN CAPITAL REVIEW

(CONTINUED)

Health and safety officers are required to conduct emergency drills at their respective operations. Fire drills are conducted at all our operations at regular intervals but not to a set timetable. Pre-planned man-down drills involving the emergency service provider take place once a year.

Following the drill, a report (with photographs) is compiled identifying areas where improvement is required.

COMMUNITY SAFETY

As Ergo's mine personnel and health and safety officers have been threatened in the past by individuals and groups who access mine property to retrieve scrap metal while heavy mine machinery is in operation, Ergo's security team is now responsible for this aspect of community safety.

Meetings with community members, including 'illegal miners' are held to explain the hazards of accessing the mine dumps and 'no trespass' signs are displayed at these sites.

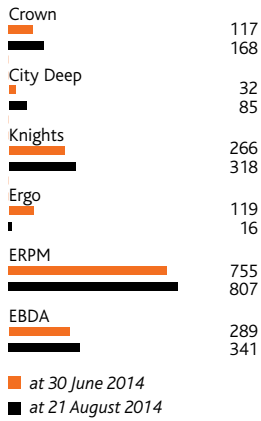
SAFETY PERFORMANCE

FY2014 was fatality free at DRDGOLD operations, but there were six reportable injuries across the operations:

Incident	A boilermaker slipped off a stack of pipes and broke his tibia.
Cause	Failure to follow procedures.
Remedial action	Pipe yard to be extended and housekeeping improved; guide ropes to be used when lifting pipes.
Incident	A fitter aid lost the tip of a finger, following a slip of spanner when two employees were working at the base of a pump. The damaged fingertip required amputation.
Cause	Lack of care/attention by both parties.
Remedial action	Bolts must be the correct size and must be installed in the correct direction. This has been checked on all pumps of a similar design.
Incident	An electrician sustained burns to his face and hands while he was cleaning an electrical panel. He was not wearing personal protective equipment (PPE) at the time.
Cause	Failure to follow lock-out and PPE procedures.
Remedial action	Procedures tightened. Disciplinary action was taken resulting in the dismissal of the employee.
Incident	A contractor employee fractured a finger during the relocation of a monitor gun at the reclamation site.
Cause	Failure to follow procedures.
Remedial action	Supervisor to be present in future; refresher training at EBDA for operators; use of pipe slings to be enforced. Disciplinary action was taken.
Incident	A security guard on patrol at Withok slipped and twisted his ankle.
Cause	Poor lighting; uneven terrain.
Remedial action	Torches to be issued; more lighting to be provided on dam.
Incident	A contract labourer sustained an eye injury while using a hose to wash spillage from a culvert.
Cause	Lack of communication between co-workers.
Remedial action	Work standard revised; on-the-job training provided.

"We address safety with community members including illegal miners"

ERGO LTI-free days



There were 24 minor injuries in FY2014. Minor injuries fall into two categories:

- dressing station cases – treated at a hospital or the mine occupational health clinic by medically trained personnel – no shifts are lost; and
- 'scratch and patch' cases – treated by a first aider (usually with a plaster), no shifts are lost.

Employees are encouraged to report all injuries, irrespective of how minor they appear at the time.

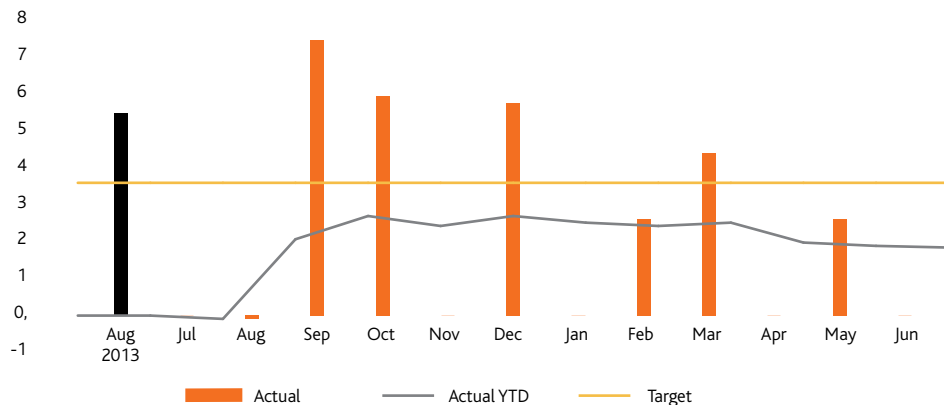
In FY2014, 14 LTIs (FY2013: 34) were recorded and 213 shifts were lost (FY2013: 455).

DRDGOLD participates in the fatality free shift category of the DMR's Safety Awards Scheme. The company achieved 2 709 fatality free shifts in FY2014 and qualified again for an award for the second year running. A decision has been taken to wait until the 3 000 mark is reached before approaching the DMR.

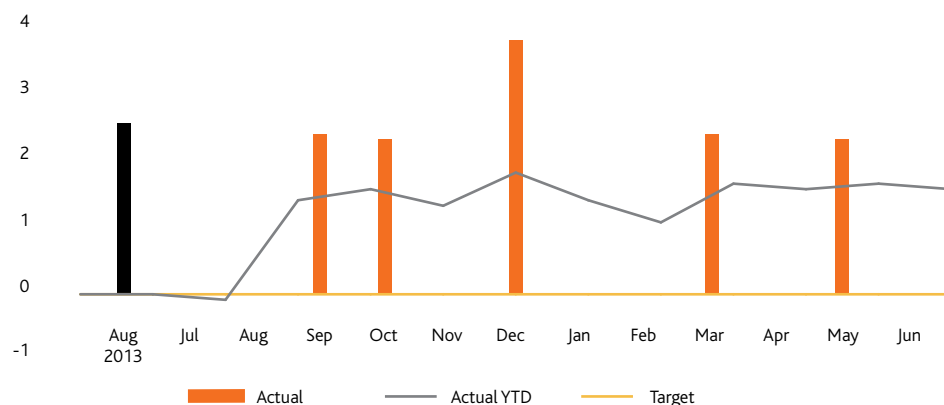
DRDGOLD initiated a company-wide '180 lost time injury-free days competition'¹ in FY2013, which proved successful. This was continued in FY2014 and the results are as displayed alongside.

¹ Lost time injury (LTI) frequency rate as defined by Regulation 23 of the MPRDA: an operation must run for 180 days without an LTI starting from the day after the last recorded LTI or the day after the previous 180 day target was achieved

Lost time injuries



Serious injuries



HUMAN CAPITAL REVIEW

(CONTINUED)

The competition is considered as successful, especially given the number of people who enter the operations on a daily basis. Progress at each operation is communicated to staff at the appropriate meeting.

The results of the FY2014 statistics are encouraging. Ergo's serious injuries reduced to six compared to 12 in FY2013 while LTIs reduced from 30 in FY2013 to 14 in the year under review.

DMR SECTION 54 AND SECTION 55 NOTICES

Three Section 55 notices were issued to DRDGOLD in FY2014:

- Conveyor alarm to sound longer than 10 seconds (19/09/2013);
- Lifting equipment/ trackless mobile machinery – changes to checklist (09/01/2014); and
- Trackless mobile machinery – use of safety belts (25/02/2014).

OCCUPATIONAL HEALTH PERFORMANCE

We have a two-fold occupational strategy:

- eliminating and reducing the sources of health threats; and
- regular health monitoring.

To ensure this strategy is effective we have in place an intensive risk-based medical surveillance programme, co-operating with our safety team and carrying out vital hygiene inspections. Rigorous identification of chronic medical conditions and follow-up campaigns provide us with a greater understanding of the health of our employees.

To ensure that our strategy is effectively implemented, our on-site health care at Ergo (Vulcania, Brakpan) is provided by a full-time occupational health practitioner (OHP) who is assisted by an occupational medical practitioner (OMP) on a part-time basis. Four thousand four hundred and nine screening medical examinations were performed during FY2014 (FY2013: 4 380). Pulmonary tuberculosis (TB), human immunodeficiency virus (HIV), hypertension and diabetes mellitus are our most challenging health issues with noise-induced hearing loss (NIHL) and TB being our two most significant occupational hazards.

All our employees are also covered by an external medical scheme.

During FY2014 we addressed a number of topics linked to the national 'Health Year' calendar. Pamphlets and discussions were distributed and the relevant medical surveillance conducted. Topics discussed in FY2014 include:

- STI – condom week;
- Managing fatigue/stress;
- Road safety;
- Men's health;
- Quitting smoking;
- Breast cancer;
- Diabetes; and
- Mental health awareness.

PULMONARY TUBERCULOSIS (TB)

TB is a common infectious disease that attacks the lungs and is generally spread by coughing and sneezing – when airborne droplets from an infected person are inhaled by those close by. Crowded workplaces and congested living arrangements where conditions are often unhygienic and nutrition is poor exacerbate the spread of the disease. Left untreated, it can be fatal.

“Our LTIs reduced by 59% in FY2014 compared to the previous year”

“We support the government’s vision of a long and healthy life”

Those infected with Acquired Immunodeficiency Syndrome (AIDS) are more at risk of contracting TB due to their weakened immune systems.

Primary TB is treated with multiple antibiotics over an extended period of time. Most people recover from primary TB infections but the infection may stay dormant for years and in some people it can recur. Drug-resistant strains of TB are also a problem.

Vaccinations and screening programmes are used to prevent the spread of TB. Symptomatic screening, or history taking, is part of the medical surveillance procedure. Employees with symptoms suggesting TB are referred to the local clinic/hospital or to a private doctor for investigation. They are required to report back to the clinic with the results of the investigation.

One case of TB was reported in FY2014 (FY2013: 6).

HIV/AIDS

Although HIV/AIDS are not occupational diseases we focus attention on them because of the widespread nature of the problem in the country. South Africa is ranked fourth in the World Health Organisation’s list of 22 ‘high-burden’ countries.¹ We also support the government’s vision of ‘a long and healthy life for all South Africans’.

Our draft policy is currently with organised labour for review and in time we hope to establish a formal HIV/AIDS committee, managed by our health staff, with representatives from both management and organised labour.

Our HIV/AIDS policy aims to provide employees with general information on the disease; protect the rights of employees living with HIV/AIDS; ensure consistency and alignment of the company’s employment policy, procedures and work instructions relating to HIV/AIDS; and commit, manage and reduce the impact of HIV/AIDS on employees.

December 1st of each year marks World AIDS Day and, as usual, in 2013 DRDGOLD provided support for an HIV/AIDS awareness day, believing that it serves as an important reminder to employees that the safety principles followed at work need to be applied throughout their lives.

At this event, employees were encouraged to undergo voluntary counselling and testing (VCT). In line with government’s vision of holistic wellness, and because we believe that some lifestyle diseases contribute to the declining quality of life of those affected by HIV/AIDS, we also opted to offer other assessments. These included monitoring blood pressure, blood glucose and cholesterol as well as height, weight and body mass index measurements.

Each employee also has the opportunity to discuss HIV/AIDS with a member of the medical surveillance team during his or her annual medical checkup. DRDGOLD also has a ‘know your status’ programme which encourages employees to go for regular VCT and to discuss the results with the OHP. This more direct approach, together with our attempt to establish greater support, is helping many employees to overcome their fear of stigmatisation, making them more likely to attend timely VCT where they receive information about living with the disease and treatment options.

DRDGOLD does not keep or have access to employees’ medical information. Although some statistics are available from the awareness day mentioned above (e.g. patients who voluntarily disclose their status or are referred on clinical suspicion), the information is by no means comprehensive. We are therefore not able to provide statistics on the number of employees infected with HIV/AIDS, those receiving treatment or the associated costs of treatment.

DRDGOLD’s total HIV/AIDS spend for the awareness day in December 2013 was R150 000.

¹ http://www.cdc.gov/globalhealth/countries/southafrica/what/tb_hiv.htm (accessed 26/8/2014)

HUMAN CAPITAL REVIEW

(CONTINUED)

DIABETES AND HYPERTENSION

DRDGOLD does not provide primary health care to its employees, but if an employee is suspected as diabetic, he or she is referred for treatment. The OMP often provides follow-up reviews and prescriptions. Employees are encouraged to monitor all their chronic conditions at the medical centre.

NIHL

Noise induced hearing loss (NIHL) is caused by exposure to loud sounds over an extended period. It can be prevented if hearing protectors such as earplugs or earmuffs are regularly used.

Normal conversation registers at approximately 60 decibels (dB) and repeated or prolonged exposure to sounds at or above 85dB may lead to hearing loss.

The noise levels at our operations range from low to 96db with 25 areas identified as above 85db. DRDGOLD has no equipment or machinery measuring over 110dB. All noise areas are zoned and hearing protection pictograms are displayed in these areas.

As workers at our operations may be exposed to noise, NIHL and hearing protection is covered during induction training. The use of hearing protection is enforced and regularly monitored. Hearing is also featured as a safety topic in order to highlight awareness. Short-term visitors are accompanied by mine officials during visits and required to wear hearing protection in noise zones.

Dr J Schoeman of the New England Society of Healthcare Communications, an expert in the field, conducted a noise survey at all our operations during FY2013 and continuous noise level monitoring is done by the occupational hygienist.

As part of our hearing conservation programme, individual counselling was conducted with employees who are most at risk due to the nature of their jobs. As part of the medical surveillance examination, employees found to have an increasing percentage loss of hearing, are directed to the OMP for follow-up and counselling. They are advised to protect their ears at all times as part of our hearing conservation programme.

Warning signage has been placed in prominent positions, such as entrances to the plant and in designated noise zones, to encourage compliance.

An audio-visual campaign where a DVD on NIHL is continuously played in the waiting area of the clinic where Ergo employees undergo their compulsory annual medical examinations is being planned. The equipment is in place, and the visual material is awaited.

Two cases of NIHL were reported to Rand Mutual Assurance in FY2014. One case is pending and in the other, the employee received hearing aids. The outstanding case from FY2013 related to a medical condition and not to NIHL.

DUST AND SILICOSIS

Although dust off the tailings dams is sometimes an issue for communities near our operations, dust measurements within the smelthouses and plants fall below the occupational exposure limit (OEL). No cases of silicosis were diagnosed in FY2014, and regular occupational hygiene monitoring demonstrates there were no incidences of silica over the OEL limit at DRDGOLD's operations.

One case of asbestosis was reported in FY2014 and we are awaiting feedback from the Medical Bureau of Occupational Diseases. A survey was conducted at the Knights plant, where the affected employee works, and no traces of asbestos could be found.

"All our noise areas are zoned and the appropriate warning signs are in place"

*“Dust within
our plants and
smelthouses
falls below
the OEL”*

EMPLOYMENT PRACTICES

Although DRDGOLD does not discriminate, our preference is to employ individuals from our local communities (within a 50km radius of our operations) because it eliminates the migrant labour system, makes for a more manageable commute and keeps family units intact. At the end of FY2014, as in the two previous reporting periods, all of our employees were considered local.

The human resources (HR) manager (operations) is responsible for putting into effect our strategies and goals for transformation, employment and sustainability. At board level these matters are monitored by the Social and Ethics Committee.

DRDGOLD complies with the Mining Charter requirements for the hiring, development and retention of HDSAs, particularly women.

HUMAN RESOURCES STRATEGY

DRDGOLD's HR strategy is aligned with and informs the group's business strategy. The HR goals listed in our previous integrated report remain valid and are listed below. They are intended to mitigate key business risks. We have also outlined some aspects of our progress in the HR field.

GOALS

- 1 Establish a strategically influential, credible, appropriately resourced and optimally functioning HR function;
- 2 Design and implement an integrated HR reporting system;
- 3 Strive to become the sustainability and compliance standard for the gold mining industry;
- 4 Implement an integrated HR model and talent management process;
- 5 Optimise EBDA services to serve the operations and the communities;
- 6 Strive for a healthy HR climate and good working interface with organised labour;
- 7 Initiate and implement appropriate organisation and workplace improvement initiatives;
- 8 Ensure a 'total reward' model to attract, motivate and retain skills; and
- 9 Ensure updated, compliant and accessible HR process, policies and procedures.

A comprehensive three-year project plan with clearly defined annual objectives was implemented at the end of FY2013 and has been followed through into FY2014. Achievements are measured using a comprehensive HR scorecard that enables us to prepare flash reports on a number of important indicators for end users, including Exco. These include HR spend, number of community learners benefiting from EBDA training interventions, EWP statistics and Best Life participation.

Significant progress has been made with the listed goals and, in particular, the following:

The HR function has been restructured under the leadership of the new HR Manager. Roles have been redefined to better deliver on the HR requirements of the operations. New monitoring procedures have been implemented and credibility with line management has to a large extent been re-established.

The integrated HR information and reporting system, using VIP Premier HR, has been implemented. Work to update historical records to 1 July 2009 continues.

Significant progress has been made to ensure that full compliance with SLP requirements is maintained. This includes the design and implementation of a monthly SLP compliance scorecard as well as independent auditing of compliance by the company's internal auditors. In addition SLP compliance objectives and strategies are tracked at weekly management meetings.

HUMAN CAPITAL REVIEW

(CONTINUED)

The following features have been implemented as part of the integrated HR model, and more specifically the talent management processes:

- departmental talent management panels;
- critical positions in each department using a matrix of variables;
- detailed career paths for individuals in each department;
- differentiating criteria and developmental competencies for each designation in the agreed career path;
- candidates to fill these positions have been identified, placed in a talent pool and we intend, in the next two quarters, to compile individual development plans and time frames to progress the candidates to a 'ready now' state; and
- a tracking system to monitor achievements and provide information on the succession cover ratios at any one time.

VIP HR Premium will be explored as the preferred platform to manage talent management. In addition, the performance management system, implemented in FY2013, continues to be rolled out and refined.

The introduction of SMS as a communication tool during FY2014 has also proved successful.

Improving workplace practices is continuously addressed and organisational restructuring, together with the redeployment of personnel, takes place as required.

The industrial relations climate at the operations remains constructive against the background of recent wide-spread and prolonged disruptions in the platinum sector and the threat of alternative, militant unions.

Ergo's HR development requirements are provided by EBDA but this now takes place on a purely commercial basis. For more information on EBDA see page 46.

INDUCTION PROGRAMME

The most noticeable improvement in HR policy during FY2014 has been the revamp of the company induction programme. This now takes place over two days, including medical screening. Employees are updated on new policies, procedures and operating standards including environmental and safety concerns, security and HR policies. They are also assessed on their competencies before having their plant access rights renewed.

The specialist service providers at our reclamation sites and storage facilities are required to provide induction training for their employees so they are aware of our policies and the need to comply with all relevant legislation.

REGULATIONS

Employee affairs and labour relations are governed by recognition agreements while conditions of employment are governed by legislation which addresses:

- prescribed minimum levels of compensation and benefits;
- employment equity practices;
- trade union access and membership;
- the right to strike;
- compensation for occupational illness or injury on duty;
- compensation in the event of termination for operational reasons; and
- provision and financing of training and skills development programmes.

"The company's induction programme was thoroughly overhauled in FY2014"

“Our HR targets are in line with The Mining Charter or our SLPs”

TRAINING TARGETS

We have set HR targets, including those laid down either by the Mining Charter (e.g. women in mining, HR spend percentages) and our SLPs (e.g. uptake numbers by employees for learnerships and adult basic education and training (ABET)). The following tables provides some statistics.

FY2014: ERGO TRAINING NUMBERS AND COSTS*

Classification	Number	Total cost R
ABET	20	296 012
Best Life training	757	310 298
Engineering aide	31	708 655
Engineering training	129	346 032
Environmental	1	741
Financial literacy	79	4 422
Health and safety	189	216 325
Learnerships	15	574 870
Internships	3	15 969
Machine driving	80	276 435
Metallurgy training	336	1 118 044
N-courses	5	22 203
Soft skills	44	113 018
Study assistance	18	145 538
Technical training	4	30 000
Employee development	211	1 547 768#
Bursaries	8	731 164
Total employee training	1 930	6 601 215

* Figures exclude radiation and induction training

Allowances for employees acting in senior positions

We closely monitor performance and regularly communicate with all stakeholders, including regulators, as we address Mining Charter targets.

EMPLOYEE REMUNERATION

Our remuneration policies are selectively benchmarked against specialist remuneration surveys on an annual basis to ensure that pay scales for critical skills remain market-related. Minimum notice periods are prescribed by legislation (for operational changes).

The wage agreement ended at the end of FY2013. A two-year wage agreement covering the period July 2013 to June 2015 was signed in October 2013 following a settlement with the National Union of Mineworkers (NUM) and ending a two-day strike by some 600 employees. This agreement provided a 10% basic wage increase in year one and 8% in year two for entry-level employees in job categories four and five; 9% in year one and 7.5% in year two to employees in job categories six and seven; 8% in year one and 7.5% in year two to employees in job categories eight to 15.

This settlement increased the company's annual wage bill by 8.84%, or approximately R21 million a year.

HUMAN CAPITAL REVIEW

(CONTINUED)

EMPLOYMENT EQUITY

The South African Employment Equity Act promotes equal opportunity for previously or historically disadvantaged South Africans (HDSAs) and stipulates that no employer may discriminate in policy or practice.

DRDGOLD has an employment equity programme in place; drawn up to meet the requirements of the Mining Charter and the Employment Equity Act. Oversight of the employment equity programme is an HR function.

The Department of Labour monitors our progress and we also provide regular updates and submit equity figures annually.

Although the recruitment and retention of highly sought-after HDSAs and women remains a challenge, a selective recruitment process targeting three qualified and experienced female metallurgists has been successful.

In FY2014, Ergo's top management comprised 50% HDSAs (FY2013: 52%), senior management 40% (FY2013: 33%), middle management 37% (FY2013: 40%) and junior management 66% (FY2013: 40%). In metallurgical engineering and technical support structures 11% of employees were women (FY2013: 14%) with women comprising 16% (FY2013: 12%) of all workers.

We have the following conditions in place to increase the number of women in mining:

- a minimum of 10% of new intakes will be women;
- female applicants will be prioritised in the event of vacancies becoming available;
- our internship strategy is to favour female candidates; and
- the recruitment agencies we use will be briefed accordingly.

HUMAN RIGHTS

DRDGOLD upholds the basic labour rights as laid out in the Fundamental Rights Conventions of the International Labour Organization relating to collective bargaining and ensures the implementation of fair employment practice.

We do not condone any form of harassment or employment discrimination based on race, religion, age, gender, disability or political affiliation. Forced, compulsory and child labour are all prohibited. In order to prevent harassment in the workplace, or at any other employee-related event, a sexual harassment policy is in place.

A number of forums meet regularly to ensure fair employment practices are observed. Disciplinary and grievance procedures provide for representation by either a union shop steward or a fellow employee. These functions are monitored by the HR department.

In FY2014, one instance of sexual harassment was identified and dealt with appropriately in terms of the company's disciplinary procedure. No other human rights incidents were reported.

ORGANISED LABOUR AND COLLECTIVE BARGAINING

The rights to freedom of association and collective bargaining are enshrined in the country's Constitution, prescribed legislation, industry contracts and recognition agreements with unions. We support the rights of all our employees and their freedom of choice.

"We have measures in place to increase the numbers of women in mining"

At the end of FY2014, the Ergo workforce was affiliated to two trade unions, the NUM (67%) and Uasa (13%). Ergo does not have any members affiliated to the Association of Mine Workers and Construction Union (Amcu), and there were no issues of inter-union rivalry at our operations in FY2014.

DISPUTES

Twelve matters were referred to the Commission for Conciliation and Mediation in FY2014. One related to the collective bargaining process during the wage negotiations while the remainder were dismissal-related disputes. For more information on the wage agreement reached see page 41.

Five of the 11 dismissals were upheld at arbitration, four were withdrawn prior to arbitration and two were settled at conciliation.

EMPLOYEE WELLBEING

DRDGOLD campaigns generally appeal to the intellect of our workers. Through a series of workshops, that were co-designed and facilitated by organised labour, employees identified these values as pertinent:

- achieving goals through teamwork;
- honesty in all dealings;
- our word is our bond;
- everyone deserves respect, dignity and fairness;
- everybody has the potential to be empowered;
- think and stay informed; and
- have the courage to change.

During the workshops these values were explained and contextualised using personal and work related case studies to help employees fully understand them and 'live by them' at home and at work.

These values as well as the broader principles of Vuselela are now covered extensively during the revamped induction programme. During FY2015 we intend to use the performance management system to measure adherence to these values. Further strategies to institutionalise these values in the operational context will be explored.

BEST LIFE PROGRAMME AND ICAS

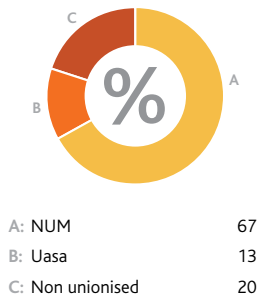
Our Best Life initiative includes an employee wellness programme (EWP) – provided by ICAS. The service offers an information and counselling service to employees and advice can be sought on health issues including healthier lifestyle choices, diet, exercise, substance abuse, depression and the importance of taking prescribed medications, especially for chronic conditions.

All employees participated in a Best Life workshop in FY2014 and 1 052 employees made use of the service. The table on page 44 provides information on the use of the EWP services in the given period and shows the top two queries are related to money management and relationship issues. This finding validates the need for the financial literacy programme about to be rolled out for Ergo employees at EBDA.

In addition to the helpline service, on-site services are also rendered at the various Ergo sites on a weekly basis, where confidential one-on-one sessions are conducted. Professional referrals are made when necessary. While both genders made use of the service, female employees had a higher profile than that of the males.

Percentage unionisation

as at 30 June 2014



“Our campaigns appeal to the intellect of our workers”

HUMAN CAPITAL REVIEW

(CONTINUED)

ABOUT ICAS

ICAS is a professional, independent, confidential support and information service provider which offers an employee assistance programme for employees and their families.

Employees can call ICAS around the clock, every day of the year. An SMS call-back facility is also offered. Trained counsellors are on hand 24/7/365 to answer questions, give advice and provide support on lifestyle matters including the following:

- chronic illness and stress: general information and coping skills;
- relationships with family, colleagues, friends;
- employment issues including workplace conflict, harassment, handling career opportunities;
- legal matters of various kinds including divorce, child custody and maintenance;
- health: the importance of exercise, regular health checkups and a healthy diet;
- family-related problems: elderly or disabled relatives, unwanted pregnancies, adoptions, childcare;
- trauma: robberies, hijackings, accidents;
- death: adjusting to life after the loss of a family member, miscarriages;
- addictions: substance and alcohol abuse, gambling;
- finances: advice on budgeting, dealing with debt, garnishee orders; and
- practical: general issues including how to claim state benefits, organising affordable holidays etc.

Employees' use of the EWP is above the industry norm and our aim for the future is to promote usage of the services.

EWP feature	Highlights
Use of EWP programme	187 employees 16 dependants
Group counselling	2 cases of child counselling; 6 cases of couples counselling
Managerial usage	9 managers
Awareness activities	1 165 employees reached through the 56 awareness sessions conducted 200 employees attended HIV awareness training 20 managers attended management training
Female : male case ratio	33% : 67%

"ICAS/EWP consultants visit the on-site clinics each week"

ICAS: Issues raised

May 2013 – April 2014
(number of employees)

Discrimination/harassment	3
HR issues	4
Mental illness/psychiatric	4
Abuse	4
Health and lifestyle	4
Personal development	6
HIV	8
Trauma	8
Addictive behaviours	11
Organisational issues	16
Legal issues	22
Child and family care	24
Stress	28
Information and resources	37
Money management	51
Relationship issues	72

“Employee use of our EWP is above the industry norm”

Although employees can obtain financial advice through the EWP (budgeting, saving, retirement planning and dealing with debt), management has determined that additional financial information is required to empower employees.

During June 2014, and as part of the Best Life initiative, two financial literacy workshops were piloted for 79 employees in an effort to provide participants with a deeper understanding of financial management principles. Conducted by EBDA, the workshop encourages employees to review their current financial situation, and they receive knowledge and tools to assist them in budgeting, planning and making informed financial decisions.

The intention is to ensure all Ergo employees undergo this training in future.

In FY2014 DRDGOLD spent R310 298 on the Best Life programme.

SKILLS DEVELOPMENT AND TRAINING

NUMBER OF COURSES* ATTENDED BY EMPLOYEES IN FY2014 BY GENDER, RACE

	Male	Female	Total
African	1 713	353	2 066
Coloured	59	30	89
Indian	18	2	20
White	293	39	332
Total	2 083	424	2 507

* Includes radiation and induction training

“Financial literacy for our employees is a priority”

HUMAN CAPITAL REVIEW

(CONTINUED)

HDSAs AND WOMEN

As the South African mining sector has a limited pool of skilled and experienced talent, attracting and retaining employees, especially women and HDSAs, remains a challenge. DRDGOLD uses short- and long-term incentive schemes to reward performance and retain key skills. The company offers competitive bonus schemes and salaries which also serve to attract and retain talent.

HDSAs are identified for advancement and employees with high potential participate in individual development programmes as part of management's forward planning to ensure that skilled and experienced internal candidates are available for senior positions in the future. The management of DRDGOLD believes that good basic education sets individuals apart, and provides men and women with a platform on which to build their knowledge and skills. Because education ultimately assists people – and communities – to raise their living standards, the company focuses on projects that will help raise educational levels, both within the company and in our local communities.

DRDGOLD targets the development of additional talent through learnerships, on-the-job training, and the provision of bursaries and study assistance. For more information see page 48.

ERGO BUSINESS DEVELOPMENT ACADEMY NPC (EBDA)

DRDGOLD established EBDA in 2009 to provide first-rate training to corporate employees, private learners and unemployed community learners. It remains the company's most significant LED project to date.

The DRDGOLD vision in establishing EBDA was to provide another opportunity for South Africans to raise their standards of education and as a pillar of the education system in the longer term. Thus the prerequisite for EBDA to become self-sustaining within five years was part of a strategy to ensure the academy became a permanent community asset outlasting the DRDGOLD life of mine. More information on EBDA's community programme can be found on page 66.

EBDA has achieved this goal and the academy now functions as a sustainable independent trading entity. Discussions to finalise the EBDA exit strategy are currently underway with the DMR, as required in the SLP tabled in 2008.

EBDA's mission is to facilitate and host accredited business development processes and learning opportunities in a financially viable and sustainable manner and to meet the human resource development needs not only of DRDGOLD, but also its strategic partners, identified communities within the Ekurhuleni, Johannesburg and Mogale municipalities as well as host companies in related sectors.

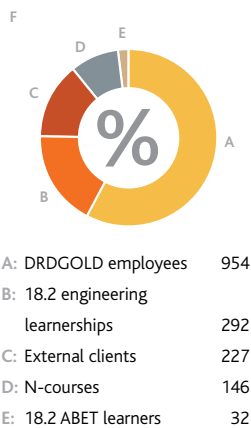
In FY2014, DRDGOLD contributed R6 160 483 for capital expenses and R6 601 215 for running expenses to EBDA (FY2013: R13.8m), with a total contribution to date of R48.7 million indicating our unequivocal commitment to advancing the careers of our employees as well as providing training and learning opportunities for the communities within which we work. EBDA receives no operating subsidies from the company's operations.

EBDA has 36 full-time employees and is fully accredited by the Mining Qualifications Authority (MQA) in all the engineering trades, metallurgy and minerals processing fields, ABET, safety, health and environment, and generic management. EBDA is also certified by the South African Bureau of Standards for the ISO9001:2008 standard. In addition, EBDA is accredited by a number of other major sector education and training authorities (SETAs) allowing it to offer training solutions to virtually all sectors of the economy. EBDA is also registered with Umalusi and the Department of Higher Education and Training as a private further education and training (FET) college allowing it to offer the N1- to N3-NATED courses.

In FY2014, a diesel and motor mechanics workshop was fully accredited by the MQA, manufacturing, engineering and related services SETA (MERSETA) and the chemical industries education and training authority (CHIETA). This facility is also a fully accredited decentralised trade test centre.

“EBDA is now an independent training entity”

People trained at EBDA FY2014



In FY2014 EBDA provided 18 998 training days (including induction and radiation training) to Ergo employees (FY2013: 2 090); 227 employees from other companies (FY2013: 384); and 470 community members (FY2013: 539). The significant increase in own employee training statistics is due to improved data capturing methods. EBDA's courses cover a range of topics:

- adult basic education and training (ABET);
- computer courses;
- engineering;
- engineering/learnerships, short courses and skills programmes;
- engineering/operator training and licensing;
- engineering short courses and skills programmes;
- health, safety and environment/short courses;
- health, safety and environment/skills programmes;
- metallurgy and minerals processing;
- N-courses;
- portable skills training – construction skills, motor mechanics; and
- soft skills: generic management and supervisory courses.

In FY2014, EBDA continued training 37 women through the DMR 'women in mining' initiative which has had positive spin-offs both in terms of building relationships with the department and also in securing additional hosting companies, some of which are using EBDA's training services. Five women who were part of the original group of 42 left the programme of their own volition.

In March 2014, the academy was honoured by the Department of Labour for its contribution to alleviating the plight of unemployed people in Ekurhuleni by enrolling 120 previously unemployed learners on the Unemployment Insurance Fund sponsored engineering learnership programme.

EBDA administers a database of its graduates (128 artisans qualified since inception) to assist them in securing employment. Of these 64 are employed in a full-time capacity with various employers, including EBDA clients. The remainder, mostly recent graduates, have been placed on a national artisan database managed on behalf of the National Artisan Moderating Body by the Ekurhuleni East FET College. EBDA has signed a memorandum of understanding with this institution to assist with the placement of engineering graduates.

ADULT BASIC EDUCATION AND TRAINING (ABET)

DRDGOLD prefers to recruit people with at least a secondary school qualification because they can be upskilled to take advantage of internal career opportunities. However, there are almost 3.5 million illiterate adults in South Africa and the Ergo operations employ many long-serving staff members who do not hold this minimum qualification.

ABET is designed to address illiteracy by providing flexible, developmental training for adults, specific to their needs and aimed at improving their career prospects and consequently their quality of life.

Employees who complete ABET courses tend to perform better at work, and to benefit from improved self-esteem. ABET training also opens the door to further personal development opportunities.

The ABET classes at EBDA are run on both a full-time and a part-time basis. Although primarily for employees, they are also open to community members. Members are recruited internally through NUM structures and poster campaigns, and externally by advertisements placed in local community centres

Employees are incentivised to participate in ABET as a token of recognition and to encourage colleagues to enrol. Employees who complete ABET successfully receive a grant of R2 500 for each learning area completed.

HUMAN CAPITAL REVIEW

(CONTINUED)

In FY2014, 20 DRDGOLD employees (FY2013: 9) and 16 community members (FY2013: 187) received ABET training at EBDA. An additional 16 community members (FY2013: 14) received training at the satellite campus serving the City Deep and Crown Mines communities. There were no course dropouts in FY2014.

LEARNERSHIPS

Learnerships involve a structured learning programme combining theory and practical on-the-job training and they benefit both the company, because operational productivity is not materially impacted compared with full-time academic programmes, and the employee – who receives a recognised qualification.

The qualification provides the employee with a good basis for future development and it boosts his or her self-esteem, work standards and job satisfaction, all of which add value to the DRDGOLD business.

In FY2014, 15 employees participated in learnerships facilitated by EBDA at the cost of R574 870.

INTERNSHIPS

DRDGOLD accepts interns because students require on-the-job training. This valuable experience improves their chances of being employed.

The Ekurhuleni Metropolitan Municipality is in the process of assisting students who have recently graduated to find internship opportunities. We are in consultation with the municipality to determine how many students we can accommodate as part of this process. The same initiative will be explored with the City of Johannesburg, as well as its educational institutions.

PORTABLE SKILLS

Portable skills are an important means of upskilling those who may not have benefited from the education system. The provision of portable skills to employees is a DMR requirement. DRDGOLD is committed to:

- providing accredited skills programmes in construction skills and other identified portable skills;
- making these programmes available after hours and on a voluntary basis;
- carrying the cost of training; and
- implementing training courses provided the uptake justifies the cost of the training (minimum class size: 10).

At the end of FY2014, all the construction skills and portable training programmes were in the process of being accredited and, after consultation with organised labour, advertisements have been placed at the respective Ergo plants to determine levels of employee interest. EBDA is also seeking to generate revenue by making these programmes available to external clients.

BURSARIES AND STUDY ASSISTANCE PROGRAMMES

Bursaries are offered to employees and other applicants for studies undertaken at a tertiary institution, in a discipline related to the mining industry. Bursaries are market-related and cover tuition costs, accommodation and an allowance. The number of bursaries varies according to the needs of the company at any given time. The cost of the bursary programme for the eight participants in FY2014 was R0.7 million (FY2013: R0.6 million for five participants).

“We are investigating ways of offering portable skills to our employees”

“We have in place a mentor programme to support and develop our young talent”

Mthokozisi 'Thoko' Siwela graduated from the University of Johannesburg in FY2014 with a National Diploma in Electrical Engineering (Power) after completing his practical experience at Ergo. Thoko has embarked on a BTech (Electrical Engineering) with financial support from DRDGOLD. He has been described as a 'star student' and DRDGOLD looks forward to welcoming him into the company's ranks as one of its 'home-grown' engineers in the near future.

Employees who wish to improve their career prospects through part-time study or by taking short courses may request the company to consider some form of financial assistance. Eighteen employees received help with fees, study material, books, accommodation and travel costs in FY2014 at a cost of R0.2 million (FY2013: R86 458 for five employees).

IDENTIFYING TALENT AND MENTORSHIPS

A mentorship is a relationship between a mentor and his or her protégé to accomplish the personal development of the latter through a series of regular meetings and various developmental interventions. The mentor shares his or her insight, knowledge and experience with the protégé – advising on problems that may arise in the latter's working life – and providing whatever support is required.

The mentor also plays an important role in monitoring the protégé's personal development plan and tracking progress against the talent pool. A talent management panel made up of senior managers and relevant departmental managers is also responsible for tracking the progress of talent pool candidates, regular performance assessments and identifying additional training needs and refresher courses required.

In FY2014 work on a succession and talent pool linked to critical positions in the company was completed. Discussions on talent management occur at two levels. At executive level, the COO, the Ergo MD, the Ergo HR manager and the EBDA manager monitor employees in category 18 and above. At department level, discussions take place within the engineering, metallurgy, technical services and finance/HR/administrative departments. HDSAs and women candidates are prioritised.

As a result of the work done in determining career paths in all disciplines as well as developing a talent pool, 29 mentors and 63 protégés have been identified. These talent pool candidates are the potential successors to 94 positions that have been identified as critical. Eleven of the 63 candidates (17.4%) are female. A comprehensive training programme for all mentors and protégés is scheduled to begin in October 2015.

GROUP SOCIO-ECONOMIC DEVELOPMENT

FY2014 EXPENDITURE

	R'000
CSI	1 262
LED	2 755
EBDA	12 761
HR development (HRD)	8 986
	25 764 ^{LA}

^{LA} Limited assurance

FINANCIAL CAPITAL REVIEW

FINANCIAL CAPITAL

Financial capital enables us to run our operation and to use, develop and transform the other capital resources – human, social, environmental, manufactured – which together make our business sustainable and allow us to fulfil our mandate to our stakeholders, particularly our shareholders.

Aside from the direct operational costs of the business – which include salaries and HR support, materials, utilities and R&D – we use our discretionary spend responsibly and, among other things, to:

- reward our employees with bonuses when applicable;
- develop and train our workforce and provide our people with new skills;
- make a positive difference in the communities around us by upgrading facilities (usually at schools);
- provide community relief efforts including food, clothing and blankets; and
- offer options to community members for training and upskilling at our training academy, EBDA. Courses offered include ABET, learnerships, bursaries, entrepreneurship programmes and our very successful Maths and Science Centre of Excellence.

Together, these activities result in the integrated use of our capitals to create value and operate a sustainable business.

OUR PRODUCT: GOLD

DRDGOLD is a surface retreatment company focused on optimising recoveries through R&D but with a view to extending our reach through collaboration and acquisition. Our revenue depends on a steady flow of material into our plant, extraction efficiencies and the prevailing gold price. Variations in any of the above over an extended period can negatively affect us and therefore our profitability. We are also affected by exchange rates: our costs are rand-based and our product is sold in US dollars, making the future appreciation of the value of the rand material to our business.

As some of the above factors are beyond our control, our strategy is to work on those that we can influence. Thus our approach is to reduce risk by ensuring sustainable volume throughput, optimising extraction efficiencies, controlling costs and improving margins. More information on our business can be found on page 57.

OUR PROCUREMENT

DRDGOLD uses local suppliers as far as possible in the procurement of goods and services. We are committed to BEE procurement and we offer preferred supplier status to local BEE companies provided they are competitively priced.

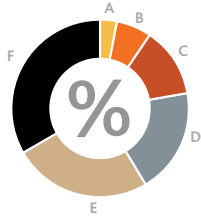
We believe in using BEE suppliers, emerging entrepreneurs and HDSA vendors for a variety of reasons but also because we rely on community support. It therefore makes sense to support vendors that will create additional jobs, particularly in the local area, which in turn will help to address the poverty that is prevalent in many of these communities.

At the end of FY2014, 39% of active suppliers were BEE suppliers of which 18% were small, medium and micro enterprises (SMMEs). Some 34% of our active suppliers are local (Gauteng).

We have a number of strategies in place to help us maintain our compliance with Mining Charter targets. These include placing advertisements inviting SMMEs to contact us; encouraging existing suppliers to become BEE compliant and to partner with SMMEs and HDSAs in joint ventures; lowering the barriers of entry for SMME suppliers provided our governance requirements are not compromised; and working with Lepharo, a non-profit company, specialising in SMME business incubation to facilitate SMME development.

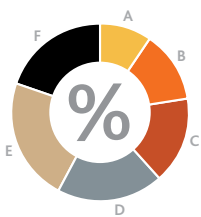
PROCUREMENT: DMR TARGETS

Procurement of capital goods



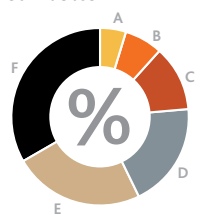
A: 2010	5%
B: 2011	10%
C: 2012	20%
D: 2013	30%
E: 2014	40%
F: Actuals FY2014	52%

Procurement of services



A: 2010	30%
B: 2011	40%
C: 2012	50%
D: 2013	60%
E: 2014	70%
F: Actuals FY2014	61%

Procurement of consumables



A: 2010	10%
B: 2011	15%
C: 2012	25%
D: 2013	40%
E: 2014	50%
F: Actuals FY2014	70%

Although DRDGOLD is compliant with Mining Charter procurement targets, we do face a number of challenges due to the specialised nature of our business and the limited scope of our service requirements. Additionally, many SMMEs in the sector face their own challenges including limited access to large workshop facilities, compliance with industry safety targets and with the Basic Conditions of Employment requirements. We are attempting to address some of these issues through mentorships and by investigating the possibilities of joint ventures (JVs) with established businesses. On the waste water project, Westech (the preferred vendor) has entered into a JV with Alogang. The contract has been placed with Alogang and Westech will guide and assist the former and provide skills and other development initiatives.

The total discretionary expenditure on goods and services in FY2014 was R1 351 million (FY2013: R1 262 million). The DRDGOLD procurement spend directly attributable to HDSAs in FY2014 was 64% (FY2013: 54%).

The poster below was placed in four local newspapers for two weeks and the response is shown below.

A WORLD LEADER IN SURFACE GOLD TAILINGS RETREATMENT



INTERESTED IN BECOMING A PREFERRED SUPPLIER TO ERGO?



Ergo Mining (Proprietary) Limited (Ergo), a subsidiary of DRDGOLD Limited, is involved in the recovery of gold from mine dumps. While the core of the company's business is its plant, based in Brakpan, its total infrastructure is contained within a huge, 1 700km footprint extending across the Central Witwatersrand.

We have extensive and ongoing needs for the supply of various goods and services. For example, but not limited to:

- Metallurgy
- Engineering
- Mining consumables

We are committed to contributing to the development of the communities in which we conduct our business and, as part of this, we have started a programme (which includes mentorship – where required) to grow our relationships with local SMMEs.

Are you interested to know:

- if your business can supply a good or service we need; and
- if you qualify as a preferred supplier?

We cordially invite you to contact:
 Kevin Hall – Procurement Manager
 Ergo
 Telephone: 011 742-1003
 Email: kevin.hall@za.drdgold.com

Please note that all of our suppliers must:

- comply with all legal requirements related to their industry and the mining industry;
- demonstrate good labour practice by complying with the Basic Conditions of Employment Act and align themselves with our policies and procedures;
- be ethical in their business relationship with us and take cognisance of the safety requirements of the mining industry; and
- comply with all applicable environmental legislation.

TO LEARN MORE ABOUT US AND OUR BUSINESS, PLEASE VISIT OUR WEBSITE: WWW.DRDGOLD.COM

VENDOR APPLICATIONS ISSUED/RECEIVED BACK FROM POTENTIAL SMMEs

In response to newspaper advertisement

Number of vendor applications issued	120
Number of vendor applications returned	60
Number of vendor applications outstanding	60
Number of regret letters (not BEE compliant)	26
Number of possible SMMEs (vetting process underway)	34

Visit to Lepharo – 11 March 2014

Lepharo – SMMEs (issued 12 March 2014)	23
Lepharo – vendors returned	1
Lepharo – vendors outstanding	22

FINANCIAL CAPITAL REVIEW

(CONTINUED)

CREATING AND ADDING VALUE

Value-add is the enhancement of our product value as it passes through the stages of manufacture and distribution.

VALUE-ADDED STATEMENT

Value 'added' is defined as the value created by activities of a business and its employees. In the case of DRDGOLD it is determined as the sale of precious metals less the cost of materials and services. The value-added statement reports on the calculation of value 'added' and its application among the stakeholders in the group. The statement shows the total value 'added' and how it was distributed, taking into account the amounts retained and reinvested in the group for the replacement of assets and development of operations.

2013		for year ended 30 June		2014	
Rm	%			Rm	%
		VALUE 'ADDED'			
2 076				1 809	
66	3			28	2
2 142	3			1 837^{LA}	2
		VALUE DISTRIBUTED			
		Suppliers			
				1 350	
1 256					
		Employees			
283	15			302	17
		Community			
16	1			26	1
		Government			
4	–			7	–
16	1			–	–
		Providers of capital			
91	5			53	3
19	1			18	1
1 691	23			1 756	22
457	77			81	78
2 142	100			1 837^{LA}	100

^{LA} Limited assurance

CFO'S REVIEW

Our business is extracting gold from old mine dumps and our focus is on improving technology to add value for stakeholders. Despite a declining gold price and a short-term interruption to the introduction of the flotation and fine-grind circuit (FFG), the company continues to show that its operations make a positive contribution to its bottom line.

KEY DRIVERS FY2014

Gold produced kg	4 134
Gold price received R/kg	432 775
Gold price received \$/oz	1 298
R/\$	10.37
Cash operating costs R/kg	372 671
All-in sustaining costs R/kg	401 691

KEY FOCUS AREAS

A number of key areas have been identified to achieve our long-term financial objectives. Almost certainly, the most important of these is the successful re-introduction of FFG. An increase in the gold price will also positively affect these objectives.

Focus area	Initiative
Margin improvement	The FFG circuit will improve gold recovery by 16%, which will contribute up to 11% improvement of the gross margin.
Earnings per share	Despite a 9% drop in gold production in a declining gold price environment, the headline earnings per share remains marginally positive signifying the strong fundamentals of the business model. The benefits of a successful FFG circuit will further enhance these.
Capital management	The stringent project management regime in the company has resulted in the completion of all the ongoing capital projects without external funding. This continues to be the approach except in the case of major expansion projects.
Limited external funding	Notwithstanding the marginal cash generated from operations, the company managed to reduce its external funding by 13% to a total of R148.7 million at year end. Procedures are in place to manage cash flow very conservatively. The focus is to fund capital projects as far as possible from internally generated funds.

COMPANY PERFORMANCE FY2014

Key drivers	Result
Production	While throughput year on year increased by 3% to 23 908 000t, this did not offset the impact of a 12% decline in the average yield to 0.173g/t. Consequently, gold production was 9% lower than in FY2013 at 132 909oz.
Revenue	The average rand/kilogram gold price received dropped by 6% from last year's R458 084 to this year's R432 775, mainly as a result of the weaker international gold price. Combined with the 9% reduction in production, this resulted in a 13% revenue decrease.
Net cash operating cost	Operating expenses increased by 11% year on year, mainly due to higher than inflationary electricity and reagent price increases as well as initial start up costs associated with the commissioning of the FFG circuit during Q3 FY2014.
All-in sustaining costs margin	Effective measures to reduce overhead costs together with a reduction in capital expenditure had a positive effect on the margin.
Capital expenditure	The FFG project was completed in the first half of the year. No other major projects were implemented, resulting in lower capital expenditure.
Free cash flow	Operating cash flow decreased from R502 million to R81 million largely due to a decrease in gold revenue, cost increases and commissioning of the FFG circuit.

CFO'S REVIEW

(CONTINUED)

SUMMARISED GROUP STATEMENT OF PROFIT AND LOSS (R MILLION)

	2014	2013 Restated
Revenue	1 809.4	2 076.5
Cost of sales	(1 687.3)	(1 639.4)
Gross profit from operations	122.1	437.1
Impairments	(56.6)	(187.9)
Administration and general expenses	(78.1)	(64.6)
Share of losses of equity accounted investments	(0.3)	(50.1)
Net finance income/(expenses)	(24.3)	24.0
(Loss)/profit before tax	(37.2)	158.5
Income tax	(17.5)	(60.9)
(Loss)/profit for the year	(54.7)	97.6

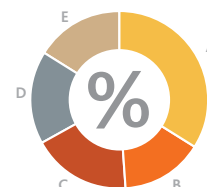
SUMMARISED GROUP STATEMENT OF FINANCIAL POSITION (R MILLION)

	2014	2013 Restated
Property, plant and equipment	1 755.5	1 756.3
Other non-current assets	214.8	308.4
Cash and cash equivalents	208.9	376.7
Other current assets	261.5	227.6
Total assets	2 440.7	2 669.0
Equity	1 481.2	1 643.7
Non-current borrowings	75.5	143.3
Other non-current liabilities	576.5	639.4
Current borrowings	73.2	24.3
Other current liabilities	234.3	218.3
Total equity and liabilities	2 440.7	2 669.0

SUMMARISED GROUP STATEMENT OF CASH FLOWS (R MILLION)

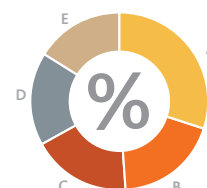
	2014	2013 Restated
Cash flow from operating activities	80.7	502.3
Cash flow from investing activities	(171.9)	(429.4)
Cash flow from financing activities	(76.6)	5.7
Net decrease in cash and cash equivalents	(167.8)	78.6
Cash and cash equivalents at the beginning of the year	376.7	298.0
Foreign exchange movements	0	0.1
Cash and cash equivalents at the end of the year	208.9	376.7

Cost breakdown 2014



A: Consumables	34
B: Specialised services	15
C: Electricity and water	18
D: Labour	17
E: Rehabilitation, administration	16

Cost breakdown 2013



A: Consumables	30
B: Specialised services	19
C: Electricity and water	18
D: Labour	17
E: Rehabilitation, administration	16

MOVEMENT IN REHABILITATION PROVISION

An amount of R86.6 million was credited to the statement of profit or loss (included in cost of sales) resulting from a decrease in the estimated cost to rehabilitate. This is based on the implementation of a different vegetation technique for the Crown complex and the increased use of 'grey water' in rehabilitation. An updated survey has indicated that the area to be vegetated has decreased.

IMPAIRMENT

The group recorded an impairment of R56.6 million for the year. The main contributing factor was the R40.2 million impairment recorded by Rand Refinery Proprietary Limited (Rand Refinery) which relates to an 87 000oz gold shortfall. As it is unlikely that this will be recovered, DRDGOLD management has estimated the fair value of the investment in Rand Refinery to be zero. The carrying value of the investment was R93.3 million before impairment. However a reserve of R53.1 million was created when the investment was revalued which was reversed on impairment, thereby reducing the impairment recognised.

BORROWINGS

Included in loans and borrowings is a Domestic Medium Term Note Programme (DMTN programme) under which DRDGOLD can issue notes from time to time. DRDGOLD raised a total of R165 million under the DMTN Programme in July and September 2012. The different unsecured notes issued mature 12 (R20.0 million), 24 (R69.5 million) and 36 (R75.5 million) months from the date of issue and bear interest at the three-month Johannesburg Inter-bank Acceptance Rate rate (5.725% as at 30 June 2014) plus a margin ranging from 4% to 5% a year.

On 3 July 2014 DRDGOLD repaid the amount of R73.5 million including capital and interest.

RESTATEMENTS

CHANGES IN ACCOUNTING POLICIES

- i) The group has adopted the new standard IFRS11 – Joint Arrangements. The group previously applied proportionate consolidation for investment in joint arrangements and applied equity accounting from 1 July 2013.
- ii) The group has adopted IFRS 10 Consolidated Financial Statements. The group previously consolidated the Guardrisk Cell Captive as a special purpose entity on a line by line basis. Effective from 1 July 2013, the Guardrisk Cell Captive is not considered to be controlled by the group and is therefore not consolidated. The group is considered to have a right to the funds held in the Guardrisk Cell Captive and therefore recognised a reimbursive right to these funds under IFRIC 5: Interest arising from Decommissioning, Restoration and Environmental Rehabilitation Funds.

CONCLUSION

Management continues to focus on factors within its control such as production and margin management. Financial support to achieve this will be concentrated on cost control and cash flow management.



Anthon Meyer
Acting CFO

LOOKING AHEAD

In the year ahead, we intend to increase our focus on achieving sustainable profits. We will also be looking to achieve our targets and – with the management of our natural and social capital in mind – to reduce our potable water usage as well as our dust emissions.

DRDGOLD regards human capital as a critical asset which includes employees and the communities surrounding our operations. Our focus is to continue empowering these people with knowledge. Personal financial knowledge has been identified as an area requiring support and we believe that by offering financial management courses to our employees, it will help address the debt problems many of them face, as well as reduce the garnishee orders that often result from badly managed debt.

Technology offers exciting opportunities to improve our performance and this remains a key focus area. We will continue to review the potential at our disposal, particularly our FFG technology, in terms of greater scale within our existing footprint.

“Our focus is to continue empowering people with knowledge”

TARGETS

For FY2015		
Ore milled	Mt	24 – 25
Production	(oz)	145 000 – 155 000
All-in sustaining costs	(\$/oz)	1 150 – 1 250
	R/kg)	395 000 – 430 000
Capital expenditure	R million	100

OPERATIONAL PERFORMANCE

DRDGOLD is a surface gold retreatment company – it mines gold that is deposited above ground – and this means the company is exposed to a different level of risk from that associated with traditional underground mining. The gold targeted is present in minute, but valuable, particles in older tailings storage dams – or mine dumps – that are the result of well over a century of mining activity.

“DRDGOLD has a single operating entity, Ergo Mining Proprietary Limited (Ergo)”

DRDGOLD has:

- a single operating entity, Ergo Mining Proprietary Limited (Ergo), based in Brakpan in the Ekurhuleni municipality, Gauteng Province and some 50km east of Johannesburg; and
- the rights to mine an 11.2Moz surface resource.

SURFACE GOLD RECOVERY: ABOUT ERGO

Ergo has an extensive footprint stretching across the central and eastern Witwatersrand of South Africa. Measuring some 62km from east to west and 25km from north to south, the area contains all DRDGOLD's current assets and properties over which it has rights and servitudes. Included in these assets are four metallurgical plants: Crown, City Deep, Knights and Brakpan – often called Ergo due to its history as the cutting-edge gold retreatment plant built by Anglo American in the 1970s; a complex network of pipelines; and one of the largest TSFs in the world, the Brakpan tailings facility (BTF).

The Crown and City Deep plants close to the Johannesburg CBD have been re-configured in recent years and now operate as milling and pump stations. The two remaining metallurgical plants – the Knights plant in Germiston and the Brakpan plant – process a targeted retreatment throughput of 2.0 million tonnes per month (Mtpm) to 2.1Mtpm in what is arguably the world's largest surface gold tailings retreatment operation.

THE GOLD SOURCE

Surface gold recovery, or the retreatment of surface tailings, is a volume-driven business that depends on the continuous operation of Ergo's reclamation sites, its plants and deposition sites. Production targets therefore rely on the regular and uninterrupted delivery of tens of thousands of tonnes of reclaimed slurry material from the tailings reclamation sites to the plants on a daily basis.

There are two types of mine dumps, sand dumps and slimes dams. Fifty years ago these were considered a permanent feature of the Johannesburg landscape. However, since reclamation activities began in the 1970s the dumps have slowly disappeared as re-mining removed these environmental liabilities, freeing up valuable land for re-use.

Sand dumps resulted from the less efficient “stamp-milling” process used in the very early mining years and usually contained higher quantities of encapsulated gold. Most of these dumps have already been reclaimed. Slime, generally originating from the tube and ball mill era, was ground more finely and these dumps therefore contain lower grades of gold.

Retreating sand and slime dumps began in the last quarter of the 20th century when a higher gold price and new technology made the process economically viable.

OPERATIONAL PERFORMANCE

(CONTINUED)

DRDGOLD considers investment in technology as essential and it is a key element of the company's strategy in the quest to increase gold recovery. Although the Ergo metallurgical team has already made significant progress, it remains focused on finding ways to extract every last particle of gold from the slurry before it is deposited on the BTF. Research therefore remains one of our key strategic focus areas.

THE RECLAMATION PROCESS: ON THE DUMPS

Sand dumps are reclaimed mechanically using front-end loaders that load sand onto conveyor belts. The sand is fed onto a screen and water is added to wash the sand into a sump from where it is pumped to the plant. The gold is recovered using cyanidation and carbon adsorption.

Reclamation of the slimes dams is achieved with monitor guns that direct jets of high-pressure water at the target area. This dislodges the slime and turns it into slurry that is then channelled to a collection point before being pumped to a metallurgical treatment plant for processing. The company retains Fraser Alexander Tailings, experts in the field, to manage this specialist reclamation activity.

THE PLANTS AND THE MATERIAL THEY TREAT

The Brakpan plant is currently treating material from a variety of sources. The majority – some 1.2Mtpm – is fed to the plant via two feeder lines from the Elsburg tailings complex. Another 600ktpm is fed to the Brakpan plant from the Crown and City Deep plants via a 50km pipeline.

The Brakpan plant currently has a total retreatment capacity of 1.8Mtpm with the potential to increase this figure to 2.4Mtpm when required. It deposits its waste on the BTF, some 12km away.

The much smaller Knights plant is currently focused on the Cason dump – one of the last remaining sand dumps in the area – which is almost depleted. The Lycaste sand dump is due to come online in FY2015. The residue from Knights is also deposited on the BTF.

The Crown and City Deep plants are currently operating as milling and pump stations, delivering important volumes from the southern and central Witwatersrand to the flagship Brakpan plant in the east. This was made possible by the completion in 2012 of a bespoke pipeline that was conceived as part of an initiative to rationalise the business model, create synergies and save costs. The 50km pipeline, which is part of a much wider network of complex, connecting pipelines, was built using a number of innovative features and at a final cost of R305 million, which included some refurbishments within the Brakpan plant to accommodate the additional tonnage to the value of R45 million.

THE RECLAMATION PROCESS: INSIDE THE METALLURGICAL PLANT

Ergo's main metallurgical plant at Brakpan uses flotation, fine-grind, and a combination of carbon-in-leach metallurgical processes to recover gold from slurry. The gold that enters the plant is dissolved with strictly controlled quantities of cyanide. The dissolved gold then settles onto activated carbon. The loaded carbon then enters an elution circuit where the gold is driven off into high-grade solution. This solution then enters a series of electro-winning cells where the dissolved gold settles onto electrodes. From there it enters the smelt furnace where it is cast into doré bars.

In calendar 2012 Ergo's research team established that some 40% of the gold could be concentrated into 4% of the mass as a pyrite flotation concentrate. The team demonstrated that if these particles could

"The company retains Fraser Alexander Tailings, experts in the field, to manage its specialist reclamation activities"

“Ergo has a target of improving recovery efficiencies by a further 20%”

be ground down to around 22 microns, the additional gold would be exposed and become soluble. Pyrite can be separated from the main run of mine using flotation cells. Testwork showed that gold recovery efficiency could be increased up to 20% by concentrating out the pyrites and grinding the concentrate down to the required fraction, before leaching it. Therefore, in FY2013 and FY2014 Ergo refurbished its float circuit and constructed four fine-grind mills which were then linked to a smaller carbon in pulp (CIP) circuit at a cost of approximately R389 million.

Construction and commissioning was completed in mid FY2014 and the first gold was poured on 27 January 2014. Although initial indications were favourable, a significant drop in metallurgical efficiencies coupled with three weeks of incessant rain, which impacted materially on the management of volume throughput and densities of slurry at various stages in the metallurgical process, resulted in suspension of the fine-grind circuit in April 2014. In subsequent studies to determine the cause of the underperformance it was established that carbon efficiencies had hit a low and that dissolved losses had peaked during this time. A number of changes were introduced to address the main causes of the reduced gold production, which included changes to the carbon management process, increasing the water storage capacity within the plant and ensuring increased flotation tailings thickener availability prior to the low-grade carbon in leach (CIL) circuit. Apart from the main causes a number of smaller engineering upgrades were also introduced.

Testwork began in September 2014 with one third of the float circuit in play. The objective is to systematically increase throughput as the performance of the FFG is proven. By December 2014 we should have enough measured data to determine whether the increase in recoveries is proportionate to the additional costs of running this circuit.

RESEARCH AND DEVELOPMENT (R&D)

Ergo has set a target of improving recovery efficiencies by 20% by the third quarter of FY2017. Therefore investment in R&D will continue throughout FY2015 as the focus on increasing and optimising the volume to be treated and the recovery of gold from the resource continues. Ergo does not have defined R&D budgets as most of this work forms part of the capital cost of new projects.

MAKING IT ALL COME TOGETHER

TECHNOLOGY

Advanced computer and communication technology is used to monitor plants, pump stations and pipelines to determine potential problems and security issues, including theft and damage, as well as optimise utilisation. Operators are able to control, divert and halt the slurry feed as necessary, and this flexibility allows managers to make informed decisions to switch feeds between reclamation sites, maximising advantages such as using different reclamation areas in order to reach production targets.

TAILINGS DEPOSITION

Retreatment is a high-volume business and access to a deposition tailings facility that can accommodate the residue from the process is essential. Ergo is fortunate to have the BTF – with its current 200Mt capacity – which can be extended to over 750Mt by incorporating the Withok TSF footprint. Unlike the earlier TSFs, the BTF is built to conform with modern safety and environmental standards.

Vast quantities of material are processed monthly through the plants and as each old dump or dam is depleted, others are brought on stream.

OPERATIONAL PERFORMANCE

(CONTINUED)

Ergo's current reserve allows for an eight-year life of mine. This could be extended to approximately 20 years but depends on factors such as the gold price and the successful commissioning of the FFG circuit.

One of DRDGOLD's strategic focus areas is to extend the range of Ergo either through acquisition from, or collaboration with, other dump owners in order to extend this life of mine. In line with this strategy, in May 2014 an agreement was reached with the owner of a higher-grade sand dump on the East Rand to acquire this material. The sand material will be delivered to City Deep for processing at a rate of between 100 000t and 120 000t a month.

OUR PRODUCT: DORÉ BARS

Ergo beneficiates its product through Rand Refinery, one of the world's foremost refiners. Ergo's crude bullion or doré bars (approximately 85% gold, 7% to 8% silver and the balance comprising copper and other common elements) are delivered twice a week on average to Rand Refinery, where the silver and other elements are removed. The gold is refined into bars (purified to 99.9%) that meet the standards of the London Bullion Market Association. Rand Refinery then sells the gold on behalf of DRDGOLD at the afternoon dollar price fixed by the London Metal Exchange.

DRDGOLD has an 11% interest in and plays an active role in Rand Refinery. Themba Gwebu, senior executive officer: compliance and company secretary is on the Rand Refinery board, and Ergo's financial director, Mark Burrell is an alternate director.

DRDGOLD does not deal in conflict gold.

OUR SUPPLY CHAIN

The Ergo supply chain business model is to purchase as close to the product origin as possible. We purchase consumables (stock and non-stock), off-site repairs and on-site services and repairs using local suppliers.

Once the operational requirements for goods and services have been identified, our centralised procurement department works in accordance with the company's policies and procedures.

"Our supply chain business model is to purchase as close to the product origin as possible"

ANNUAL PURCHASES FY2014

	% Spend with BEE
Capital	52.29
Services	60.56
Consumables	70.41
Total	64.47

“Ergo has 520 active vendors, 99% of which are local or local importers of products”

This involves calling for tenders from 'approved vendors' to determine market prices. The procurement team, in conjunction with our technical staff, will then select a vendor as the preferred supplier. Depending on the value and volume consumed, a supply agreement will be entered into with the supplier. This ensures a long-term relationship with preferential prices and a secure source of supply.

Ergo has 520 active vendors, 99% of which are local or local importers of products (e.g. activated carbon). Thus our vendors handle the administration aspects related to imported goods and carry the stock to meet our requirements.

We use approved manufacturers, wholesalers, contractors and service providers and these are determined by our requirements and by best purchasing practices. Emphasis is placed on supplier development, encouraging joint ventures for skills development, and economic development.

Any changes in our supply chain will be as a result of our BEE supplier development initiatives. Occasionally, process changes such as the introduction of the FFG circuit – which require specialised items and skills not available locally – affect the supply chain.

OUR COMPETITIVE ADVANTAGE

The acquisition in 2007 of the solidly-built Ergo plant, including the Brakpan and Withok TSFs, gave DRDGOLD an unrivalled advantage in the surface mining business in South Africa, providing the company with a full and uninterrupted series of permits, rights and licences to the land and sites required to run the operations. Today Ergo is in the unique position of owning the infrastructure and rights to possibly the largest surface gold mining operation in the world; and to providing it with a competitive edge in the local market.

DRDGOLD's competitive advantage in the local surface mining sector is unlikely to change in the short or medium term. It is estimated that our existing resources will provide sufficient reclamation material to keep us busy for the next eight to 20 years, depending on the gold price and the effectiveness of the newly constructed FFG circuit.

THE FUTURE

OPTIMISED VOLUME

The Ergo plant is capable of treating, and the BTF is capable of receiving, a maximum of 2.4Mtpm. Currently, Ergo and Knights together treat up to 2.1Mtpm. Increasing the volume throughput to maximum capacity is therefore an option, and involves only incremental cost increases. Apart from increased tonnage, Ergo will also continuously look at optimising its grade profile by incorporating higher-grade material from other mining operations.

SOCIAL CAPITAL REVIEW

The DRDGOLD board recognises that, in the South African context, social capital – and ensuring the company’s social licence to operate – has particular significance given the inequities of the past and the country’s often turbulent social history.

We see the management of our social capital as an opportunity to make a difference in the communities surrounding our operational sites. The majority of these are impoverished to varying degrees, and are often the places where our employees reside or from where new employees are recruited.

While we are serious about social interventions that will relieve hardship and improve the quality of life and the opportunities of those whom we reach, we also realise the limitations of what we can realistically achieve as a mid-tier mining company – and in a milieu where the needs are so extensive and wide-ranging.

However, the board holds fast to the view that it is the responsibility of companies such as ours to do their civic duty, and that by creating individual, albeit small, ‘pockets of stability and excellence’, corporate South Africa can – as an entity – make significant contributions to ensuring a better future for the generations to come.

CONTEXT: THE PAST 12 MONTHS

Economic growth in South Africa continued in FY2014, as it did in the previous year, to suffer from the effects of the global economic downturn that began in 2007. An unprecedented five-month platinum sector strike in the first half of calendar 2014 contributed to a contraction in the South African economy during the first quarter of that year, although some business sectors showed slight improvements. Although there were hints of a global economic recovery, the first quarter of the year also saw global growth weaken.

Unemployment in South Africa remains a major economic issue – with 5.2 million people, or 25.5%¹ of the population, unemployed. A staggering 64.8%² of young people (aged 15 to 24) are without jobs.

Poor education standards, inadequate service delivery, lack of experience and a shortage of employment opportunities are part of this complex problem. Mainly affecting underprivileged citizens, unemployment has serious social ramifications, and is regarded as a critical national issue.

WHAT WE DO

The responsibility for social investment falls under the auspices of the general manager: corporate services and the Ergo HR manager.

Our operational sites are mostly located close to communities where unemployment and hardship are prevalent. We play a role in alleviating poverty by providing infrastructure improvement, financial assistance empowerment to local communities, foodstuffs, blankets and clothing, particularly during the winter months. We also assist as far as possible in mitigating emergency or disaster situations.

“We are serious about social interventions that will relieve hardship and improve the quality of life and the opportunities of those whom we reach”

¹ StatsSA - http://beta2.statssa.gov.za/?page_id=737&id=1 – accessed 19 August 2014

² African Economic Outlook <http://www.africaneconomicoutlook.org/en/countries/southern-africa/south-africa/> – accessed 19 August 2014

“For the most part, we align our CSI projects with the commitments in our social and labour plans”

We attempt to address our role pro-actively, but in reality the demands for assistance are so extensive that we receive numerous unsolicited requests for help. Project applications are generally considered on merit, by determining whether any potential support is likely to contribute to the sustainability of the project and if it is in line with the following aspects of the DRDGOLD philosophy:

- to alleviate hardship through empowerment;
- to mobilise the potential of young people;
- to create emotional and financial independence through self-realisation of worth, own potential and skills development; and
- to leave a lasting legacy.

Our main focus areas are:

- life after employment – own employee development (Vuselela and Best Life);
- young people – (maths, science, accounting classes, Enterprise Clubs); and

Although our communities need many types of support, at DRDGOLD we have decided to focus on:

- education – particularly maths, science and, recently, accounting;
- skills development;
- sustainable job creation;
- health;
- housing; and
- the overall improvement of the environment surrounding our operations.

In line with our HR strategy, a broad-based community investment strategy has been formulated.

For the most part, we align our CSI projects with the commitments in our social and labour plans (SLPs). However, we do occasionally assist in areas that fall outside our SLP.

It should be noted that there is an area of overlap between human and social capitals, and there is some cross-referencing of information in this report.

Apart from our education initiatives in the communities near our operations, our social capital initiatives are largely community-based and are best summarised in the following table.

SOCIAL CAPITAL REVIEW

(CONTINUED)

FY2014: DRDGOLD'S SOCIAL PROJECTS – PROGRESS AND CONTRIBUTIONS

Project	Outcome	Progress and expenditure
<p>Clean fuel project: complaints received from community in connection with respiratory health problems among residents in the area DRDGOLD conducted a survey in FY2013 in response to these complaints</p> <p>Aim: to determine the causes of air pollution and the extent to which dust from our TSFs was contributing to the health issues</p> <p>Finding: dust was not involved. Instead, research showed that coal-and-wood-fired cooking and heating methods were the underlying cause</p>	<p>DRDGOLD resolved to assist and introduced the Riverlea clean fuel project to the community</p> <p>This involves providing subsidised liquid petroleum gas stoves for cooking as well as the involvement of local entrepreneurs to provide gas and maintain equipment</p>	<p>500 gas stoves and 6kg gas canisters to be distributed to households without electricity before the end of calendar 2014. Project delayed due to service delivery protests earlier in FY2014.</p> <p>Amount spent: R687 140</p>
Vegetation rehabilitation project	Local youth employed to assist in rehabilitating Crown tailings complex	R1 440 000
School uniform donation	To underprivileged children at selected Soweto and Riverlea schools	R80 000
Technogirl	Exposing girls to the workplace to assist them in making informed career choices	–
Palesa Primary School – Meadowlands, Soweto	Construction of an administration block for school: nearing completion	R862 500
Buhlebemfundo Secondary School, Geluksdal/Tsakane	Purchase of steel for the fabrication of steel security doors to secure classrooms	R70 800
Funukukhanya Primary School, Geluksdal/Tsakane	Tiling of 11 classrooms	R98 367
Geluksdal High School, Geluksdal/Tsakane	Painting of classrooms	R78 716
Geluksdal Primary School Geluksdal/Tsakane	Painting of 11 classrooms	R131 971
Twelve grade 10 learners from each of three schools as well as a group of 14 recent school leavers are exposed to the fundamentals of starting and successfully implementing revenue generating projects in their communities. The purpose of this project is to create an understanding and passion for self employment as a viable alternative to employment in the formal sector. The programme is based on experiential learning that makes use of business simulations. Ergo, as the sponsor, makes small amounts of start-up capital available to the learners who are required to report on their profitability and cash flow. Projects are implemented on a group and individual basis	<p>This is the second year of the project. It has proved very successful. Retention rates of learners in excess of 90% achieved.</p> <p>All start-up capital issued has generated a positive return. Most importantly, the learners are invested in the programme and benefit significantly from it</p>	R452 828

FY2014: DRDGOLD'S SOCIAL PROJECTS – PROGRESS AND CONTRIBUTIONS (continued)

Project	Outcome	Progress and expenditure
Maths, science and accountancy classes are offered to learners in six schools in the Ekurhuleni and West Rand regions. In addition workshops are also held once a month with educators. The focus is to help learners and educators with problematic components of the syllabus	A total of 927 children were exposed to maths and science classes and a further 133 received accountancy tuition	R636 228
Community learners who lack the required educational levels to enter a technical field of study (for example at an academy such as EBDA) are enrolled for ABET classes either at EBDA or at the City Deep campus	32 community learners were exposed to ABET classes	R1 212 090
In order to improve community learners' prospects to qualify for learnerships offered by EBDA, Ergo committed in its SLP to fund learners from its sending areas to attend N-courses	146 learners have enrolled for N1- and N2-courses at EBDA	R536 100

DONATIONS FY2014

Name of beneficiary	Description	Committed expenditure (R)
COMPASS (abandoned/abused children)	Annual donation towards operating expenses plus kiddies' fleece-lined tracksuits	R30 000
Alexandra Youth Crisis Centre	Bi-annual support for community events	R50 000
Riverlea community	Support for Youth Day and Mandela Day events	R80 000
MES, BHCC, Abraham Kriel Children's Home, Make-a-Difference Foundation	Distribution of warm clothing and blankets	R450 000
Learners at the following schools: East Rand: • Tsakane Secondary School; • Tlakula High School; and • Langaville Secondary School West Rand • Namedi Madibane	Scientific calculators donated by EBDA to all grade 10 to grade 12 learners at the listed schools. A total of 1 757 calculators were donated	R114 104

SOCIAL CAPITAL REVIEW

(CONTINUED)

BEYOND MINING

EBDA does not simply support the mining industry, which is the business of DRDGOLD and its operating company Ergo. Realising that simply creating jobs is no longer sufficient to solve the problems of unemployment, EBDA has developed a comprehensive skills development initiative to focus on job 'creators', an approach that is central to building longer-term sustainable businesses.

ENTREPRENEURSHIP

As developing entrepreneurs is an important means of generating jobs, EBDA has signed a service level agreement with Lepharo that offers a three-year part-time entrepreneurship course that covers the ins and outs of a small business start-up. The aim of the programme is to empower participants so they are able to establish sustainable small, medium and micro enterprises (SMMEs). Graduates of the programme are also offered business coaching and support during this period. Thirty-two SMMEs are currently on the incubation programme. In addition, Ergo committed in its SLP to identifying and developing local HDSA SMMEs with the aim of linking them to our supply chain. Eight vendor applications were returned and logged on the system. These included Delrian Plumbing, currently used on a regular basis, and Ditihe Business Enterprise – now also providing services.

ENTERPRISE CLUBS

The EBDA Enterprise Clubs programme is another project designed to promote the development of small businesses. The concept was launched in January 2013 at three secondary schools on the East Rand. The first phase project was completed successfully with all 36 learners successfully implementing their revenue generating projects. The programme was repeated in FY2014 with the same three schools for a further 36 learners. At the time of writing, the learners had completed about 60% of the programme. In addition, a group of 14 school leavers has also been exposed to the programme at the Tsakane Business Park campus. The group is about to embark on the final project implementation module.

The programme focuses on the basics of running a small business and includes simulations of business-related issues and problems, presentations by successful entrepreneurs from the local townships and visits to places such as the JSE. The purpose of the programme is to instil an understanding of, and passion for, entrepreneurship and self-employment. The nine-month programme is followed by a further two-year period of coaching and support.

MATHS AND SCIENCE CENTRE OF EXCELLENCE

DRDGOLD's business relies on engineers and metallurgists and these disciplines all require a strong grasp of mathematics and/or science. In an effort to address the critical shortage of these skills in South Africa, as well as the declining standards that have been measured among maths and science graduates, EBDA has instituted a Maths and Science Centre of Excellence. This centre provides maths, science and, more recently, accounting support to students and teachers at schools on the East and West Rand.

East Rand:

- Tsakane Secondary School – maths, science and accounting;
- Tlakula High School – maths, science and accounting;
- Langaville Secondary School – maths, science and accounting; and
- Nkambula High School – accounting.

West Rand

- Namedi High School – maths and science; and
- Madibane High School – maths, science and accounting.

The 2013 matric results demonstrate significant improvements.

"We believe that entrepreneurship is the key to generating jobs"

COMPARATIVE MATRIC RESULTS: MATHS AND SCIENCE

School name	Subject	Pass % in 2012	Pass % in 2013
Langaville	Mathematics	83	85
Langaville	Science	27	70
Tlakula	Mathematics	56	58
Tlakula	Science	53	70
Tsakane	Mathematics	61	70
Tsakane	Science	61	75

MATHS AND SCIENCE CENTRE OF EXCELLENCE: STUDENT NUMBERS FY2014

	Grade 10	Grade 12	Total
Maths and science	531	396	927
Accountancy	–	133	133

The accountancy support programme began during the 2013 academic year. Comparative matric statistics are not yet available for accountancy.

In FY2014, 927 learners from the six schools enrolled for these classes.

A decision to begin the academic support programme at grade 10 level has been agreed with the school principals, and this additional year was added for the 2014 academic year.

The Maths and Science Centre of Excellence also provides learners with the opportunity to attend bridging classes to help them obtain the necessary minimum qualifications to qualify for technical fields of study. Those individuals who matriculated with maths literacy and are therefore unable to enter into the trades may take advantage of the pre-N1 classes in maths, engineering science and accounting at no cost, providing they adhere to the conditions set out by the administrators of the course.

A total of 35 learners graduated into either the N-course funding programme or into full learnerships via this developmental channel during 2014.

NATURAL CAPITAL REVIEW

Our unique model ensures that our activities result – to a large extent – in an environmental clean-up as the numerous mine dumps of yesteryear are slowly recycled or reclaimed.

Unlike the discarded material of the past, modern 'waste' is deposited according to more stringent environmental rules and on a 1 474ha footprint some 12km from our flagship plant in Brakpan. As a result of our re-mining activities, valuable – and often strategically located – pieces of real estate are, after clean up and rehabilitation, released into the economy for development and re-use.

The corollary of our mining activities in the 'backyard' of the cities of Johannesburg and Ekurhuleni is that there is no place to hide. As a result what we do, or fail to do, is visible not only to the regulators but also to the communities surrounding our operations who are sometimes inconvenienced by our activities, most significantly by dust.

As we aim to work in harmony with, and even assist in developing, these communities it goes without saying that our approach to managing our natural capital – water, land, air, renewable and non-renewable resources – is stringent and focused and integral to our sustainable economic performance. Regular stakeholder engagement underpins our policies and we value the relationships with community leaders and engage with them on a regular basis. For more information on this aspect of our business refer to page 21.

At DRDGOLD we believe that not only do we have a responsibility to manage our environmental impact, but also to be pro-active and to continually work at improving the environmental measures we have in place and the policies that govern our approach.

COMPLIANCE

We comply with the existing environmental legislation and we have environmental management plans (EMPs) in place at all operations to address the impacts of mining.

The EMPs outline details of closure arrangements, including the financial provisions that have been made to implement the plans.

We recently consolidated the above EMPs for City Deep, Crown, Knights and Ergo into one document that has been submitted to the DMR for approval. This document will assist in auditing and monitoring our activities.

As part of the management and mitigation processes, we monitor, audit and review our environmental impacts to evaluate the success of our systems as well as appropriate mitigation measures, should they be required.

Environmental management is an integral feature of our project planning because prevention is more efficient than mitigation or rehabilitation. Before we embark on any project which will affect our stakeholders, we engage in a public participation process with I&APs. This approach seeks to identify, address and minimise the effects of our activities on the environment. Risk, including environmental risk, is carefully monitored in our business and is managed by procedures identified in the risk register.

ERPM has an EMP as well as three detailed closure plans addressing the three phases of closure of the mine. However on 24 July 2014 DRDGOLD announced the disposal of these mining rights, subject to certain conditions. More information on the ERPM sale can be found on page 13.

“What we do, or fail to do, is visible not only to the regulators but also to the communities surrounding our operations”

DRDGOLD did not receive any fines in respect of non-compliance with laws and regulations during FY2014.

COMPLIANCE AUDITS

The following audits took place during the FY2014:

- DMR Environmental Compliance Audit at ERPM – November 2013 – no major findings;
- DMR Environmental Compliance Audit at ERPM – June 2014 – no major findings;
- Department of Water Affairs (DWA) Water Use Licence Audit – June 2014 – some minor findings were established and action plans have been implemented;
- National Nuclear Regulator (NNR) Compliance Audit of COR53 – February 2014 – achieved 81% score; and
- Government Notice (GN) 704 Water Audit – November 2013.

OUR ENVIRONMENTAL ISSUES

South Africa's environmental legislation is governed by the National Environmental Management Act, 1998 and numerous other related acts. Our environmental management systems comply with these and other relevant legislation. We manage compliance using the following tools:

- internal audits and self-inspections;
- external audits;
- identifying non-conformances and developing mitigation procedures and deadlines;
- regular production/management meetings to discuss recommendations;
- measuring progress for tabling at formal, monthly environmental co-ordination meetings; and
- managing a compliance management tool.

Management recognises that water and dust are our key issues.

DUST

Dust is one of the challenges we have to manage year-round to ensure that in windy periods its effects on the surrounding communities are minimised. Our dust suppression measures comply with GN R827 National Environmental Management: Air Quality Act No 39 of 2004, National Dust Control Regulations (dated 1 November 2013).

We outsource our dust monitoring to an independent service provider, SGS Environmental Services, which measures dust according to the American Society of Testing and Materials Standard Method for collection and analysis of dust fall (ASTM D 1739). A quarterly open dust forum is facilitated by Ergo and attended by regulators, councillors, NGOs and community members in order to review the data and discuss progress and challenges.

Dust complaint registers where we log and register all complaints for attention are kept at each of the operational sites. Two dust complaints were received during the FY2014 period. Both of these complaints were caused by on-going removal of dumps in close vicinity to the complainants. Mitigation measures included spraying dust suppressant.

MITIGATION MEASURES

We have a well-established re-vegetation programme in place on the exposed areas of our tailings dams and these form part of our broader dust control measures.

Significant progress has been made in the re-vegetation of the Crown and Ergo TSFs. The re-vegetation programme will be advanced in FY2015. Numerous trials using chemical dust suppressants have been undertaken on the Ergo complex.

“We recognise that water and dust are our key concerns”



We vegetate the dumps and will irrigate using grey water in future

NATURAL CAPITAL REVIEW

(CONTINUED)

“Dust fall out has reduced significantly in recent years”

Windblown dust from tailings facilities is also suppressed through the use of the following:

- **water bowsers:** water bowsers spray binding chemicals (e.g. RDC20) on all active haul and access roads;
- **water spraying and irrigation:** water is sprayed on exposed mining surfaces (exposed slopes);
- **netting:** this reduces wind velocity, decreasing airborne dust created from exposed surfaces as well as supporting vegetation growth;
- **vegetation:** vegetation is established on open surfaces of the tailings dams as well as the side slopes of tailings dams;
- **cladding:** main access roads are clad with suitable material for dust control;
- **mining method:** we mine sand dumps in the prevailing wind direction to prevent open faces being exposed to the wind; and
- **new research:** Ergo is constantly searching for new methods of dust suppression.

Dust fall-out results have reduced significantly over the last three years and those for FY2014, when compared to FY2013, indicate the measures have been effective.

We engage with the community on dust issues and are represented on the local dust forum which meets quarterly.

DUST SITES MONITORED

	FY2014	FY2013	FY2012
CROWN			
Total	984	827	942
Exceedances	21	31	105
%	2.13	3.75	11
ERPM			
Total	252	247	258
Exceedances	3	11	40
%	1.19	4.45	14
ERGO			
Total	276	206	264
Exceedances	3	9	40
%	1.09	4.37	15.15
TOTAL			
Total sites monitored	1 512	1 297	1 464
Exceedances	27	51	182
%	1.78	3.93	12.43
% improvement year-on-year	47	72	n/a

NATURAL CAPITAL REVIEW

(CONTINUED)

VEGETATION OF TSFs

	Total ha	FY2014 ha	Completed prior to FY2014 ha	%
Mooifontein				
Top	30	–	30	100
Side	75	–	27	36
GMTS				
Top	51	–	32	63
Side	109	–	17	16
Diepkloof				
Top	20	–	20	100
Homestead				
Top	26	–	0	0
Side	100	24	20	44
Rooikraal				
Top	112	10	102	100

“We are investigating alternative water sources so we can reduce our consumption of potable water”

WATER

WATER: A CRITICAL RESOURCE

Water is a critical resource and from an operational viewpoint it is a necessity as Ergo's business and reclamation activities depend on water. Our supplies are well-controlled and no water discharges took place in FY2014.

WATER LICENCES

The status of our integrated water use licences (IWULs) is as follows:

- the Ergo WUL has been approved;
- WUL applications for Crown, City Deep and Knights are still awaiting approval;
- an internal audit of the Ergo IWUL was conducted during FY2014 as required;
- an external audit of the IWUL was conducted during FY2014 as required;
- the DWA performed an audit during June 2014; and
- as a result of the above audits, an action plan has been compiled and implemented to ensure compliance with all IWUL conditions.

WATER MANAGEMENT AND RECYCLING

We manage our water consumption in a number of ways including a closed loop process.

Ergo recycles some 20% of water from its tailings dam for re-use in the metallurgical process. We are currently able to recycle 60% to 70% of water pumped to the dam as slurry. Rain water captured on the dam is also harvested. The desilting of the return water dams at all TSFs has been elevated to project status and will be undertaken in the next three years. This will ensure that run-off rain water is contained and re-used.

All our sites have in place clean/dirty water separation measures and a water quality monitoring programme. The results of this monitoring programme are submitted to the DWA each quarter. GN 704 audits are undertaken by independent consultants and submitted to the DWA annually.

DRDGOLD has received authorisation from the DWA to utilise nearby waste water treatment works to replace potable water in its circuits and to irrigate the vegetation on its tailings dams. Once we have received the various authorisations, expected later this year, we will begin construction of the pipelines that link our workings with the plants. This source will bring about a significant saving in water costs and also reduce our usage of potable water. It is anticipated that the final NEMA authorisations will be granted in September 2014. Construction will begin immediately and May 2015 is the target date for commissioning the project. The planned off-take is 10Ml/d.

We are also investigating alternative water sources, including treated acid mine drainage (AMD) and waste water to address our future requirements. More information on the AMD-treated water can be found on page 79.

TOTAL WATER USED AND RECYCLED (000m³)

	2014	2013	2012	2011
Potable water externally sourced	5 762	5 748	8 301	8 491
% water externally sourced	22	20	23	26
Surface water used	3 079	1 800	15 198	6 299
% surface water	12	6	43	19
Water recycled in process	17 194	21 773	15 154	17 674
% recycled water	66	74	43	55
Total water used	26 035^{LA}	29 321^{LA}	35 508	32 464

^{LA} Limited assurance

Figures include Blyvoor until end May 2012

We liaise regularly with all stakeholders and I&APs and are represented on the Klip River and Blesbok Spruit water forums.

LAND MANAGEMENT AND REHABILITATION ACTIVITIES

All mining companies are, by law, required to rehabilitate the land on which they work to a determined standard for alternative use (e.g. development). DRDGOLD's business involves the reclamation of previously discarded material deposited, in many cases, by other companies, most of which have since closed their doors. As a result, some of the issues we deal with are legacy issues. Nevertheless, we view our environmental responsibilities seriously and are steadily rehabilitating land previously sterilised by mine residue dumps.

We have a structured programme to gradually clean up historical slime spills and our environmental team is also responsible for sealing disused mine shafts on our properties (specifically at ERPM) and making them safe.

During FY2014 our operational activities covered 4 803 hectares (ha) of land and we spent R44 million (FY2013: R67.9 million) on rehabilitation.

The following is a list of FY2014 highlights.

- The process for closure at a number of historical sites associated with Crown Gold Recoveries and Ergo were initiated. Rehabilitation of the following sites has been completed and closure is being applied for:
 - 3L19 and 20 : 23.6ha;
 - Mennels (3A19): 13.4ha;
 - 6L18: 86.46ha;
 - 6L19: 94.07ha;
 - 3L10: 14.5ha;
 - 3L11: 4.12ha; and
 - 3L12: 26.32ha.

“We are currently able to recycle 60% to 70% of water pumped to the dam as slurry”

NATURAL CAPITAL REVIEW

(CONTINUED)

- The following sites are in the process of being rehabilitated and will be completed in FY2015 and FY2016:
 - 4L8;
 - 4L10; and
 - 4L13.
- At ERPM four redundant shafts were capped and sealed as required by the DMR and we are currently rehabilitating the South East Vertical shaft area. This will be completed during FY2015 leaving only Far East Vertical and South West Vertical as active open shafts.
- On the Rooikraal and Crown tailings complexes, long-term sustainable vegetation cover was established. A total of 10ha of the top surface of Rooikraal was vegetated and a total of 24ha on the side slopes of the Crown complex.
- The dust control measures now in place have resulted in a 47% reduction in dust fall-out compared to FY2013.
- Alien vegetation is actively controlled and removed where possible.
- A total of 161.5ha was cleared of radiation and removed from NNR control during FY2014:
 - 11ha Central Hostel;
 - 10ha Sid Sideski;
 - 15ha Cinderella Hostel;
 - 1.5ha Cason Cinderella;
 - 3ha Blue Sky;
 - 25ha Leeupoort;
 - 90ha Van Dyk Park; and
 - 6ha Piccadilly.

“We employ members of the local community in our revegetation initiatives”

DRDGOLD has two nurseries in the Crown and Brakpan areas where indigenous plants, suitable for the prevailing conditions on mine dumps, are cultivated and cared for by members of the local communities. The combined cost of these projects is R2.7 million (FY2013: R3.1 million). A total of 10ha (FY2013: 75ha) of top surfaces and 24ha (FY2013: 46ha) of side slopes were vegetated during FY2014.

The following challenges, among others, were encountered during FY2014:

- ensuring an adequate and consistent water supply to irrigate the vegetated areas on the tailings dams, as well as sufficient water for active dust suppression in operational areas;
- effective pollution control and water management at the Crown tailings complex, especially with regard to the silting of the return water/pollution control dams after heavy rain events;
- theft of equipment and infrastructure used to manage rehabilitation activities;
- damage on vegetated and rehabilitated areas due to fires;
- storm damage to access ramps at the various tailings dams which, on occasion, restricted access to the sites for rehabilitation work;
- dust from active reclamation sites during windy periods;
- proximity of local communities; and
- spillage from burst pipelines. The Knights residue pipeline is currently being replaced and is due for completion in December 2014.

LAND DISTURBED BY MINING AND PROCESSING ACTIVITIES (HA)

Plants	Reclamation			Total
	Plant area	sites	Tailings	
Crown	15	992	341	1 348
City Deep	10	560	–	570
Knights	4	583	–	56
Brakpan tailings facility	56	400	1 500	1 956
Elsburg slimes dams	–	342	–	342
Total	85	2 877	1 841	4 803

REHABILITATION CLOSURE

Operation	Current liability assessment		Trust funds		Guarantees	
	FY2014 (R'000)	FY2013 (R'000)	FY2014 (R'000)	FY2013 (R'000)	FY2014 (R'000)	FY2013 (R'000)
Crown	152 274	219 359	66 110	62 758	7 753	7 753
Ergo	144 352	155 456	–	–	238 598	305 735
ERPM	77 577	77 149	24 865	23 599	59 392	59 392
Total	374 203	451 964	90 975	86 357	305 745	372 880

“Our deployment to each new mine site follows a stringent public consultation process”

COMMUNITY INVOLVEMENT

Community and stakeholder engagement is a focus for our environmental management team. Numerous meetings and consultations take place during the year including the following:

- community meetings;
- meetings with authorities;
- water catchment forums;
- youth forums;
- business forums;
- landowner meetings; and
- development companies.

Our deployment to each new mine site follows a stringent public consultation process during which the project is announced to I&APs. This approach allows them an opportunity to raise concerns which we then consider before implementing mitigating measures, should they be required.

Ergo also has a grievance mechanism facilitating contact with our environmental manager. Complaints received are recorded in a complaints register along with the mitigation measures taken. This is submitted to the Ergo MD for review and sign off.

Ergo facilitates a quarterly open forum where dust monitoring results from the past quarter are presented to regulators, municipalities, NGOs, councillors and any other interested persons. At these meetings I&APs are able to raise issues related to dust fallout. The meetings are minuted and any issues raised are followed up.

NATURAL CAPITAL REVIEW

(CONTINUED)

MATERIALS USAGE

The FFG circuit requires power and therefore the start-up of this additional circuit has increased Ergo's electricity consumption. Energy efficiency remains a priority and new 'power factor correction' equipment will be installed during FY2015 to improve the power factor above 98%. The company also uses other methods in its quest for energy efficiency. These include soft starts, sizing pumps for maximum efficiency, making use of variable-speed drives and energy efficient motors. Electricity consumption is unlikely to decrease in the foreseeable future, not only because of the introduction of the FFG circuit but also because some of the new sites coming on line are located further from the plants than previous sites, and therefore increased pumping pressure is required to get the material to its destination. The table below indicates our energy and fuel usage.

ENERGY CONSUMPTION

	Unit	Year	Crown	ERPM	Ergo	Total*
Electricity	MWh	FY2014			353 159	353 159 ^{LA}
		FY2013	–	–	325 509	325 509 ^{LA}
		FY2012	168 591	11 386	124 119	304 096
		FY2011	169 210	7 003	115 378	291 591
Diesel	litre	FY2014			1 542 467	1 542 467 ^{LA}
		FY2013			1 526 098	1 526 098 ^{LA}
		FY2012	1 203 675	–	246 533	1 450 208
		FY2011	1 373 314	–	60 000	1 433 314

* FY2011 total includes Blyvoor. FY2012 total includes Blyvoor until end May 2012

^{LA} Limited assurance

“Energy efficiency remains a priority”

EMISSIONS: SCOPE 1, SCOPE 2 AND SCOPE 3

The use of fossil fuels contributes to direct or scope 1 emissions and is measured as carbon dioxide or CO₂. DRDGOLD makes use of these fuel types at its operations and is directly responsible for these as the company owns the means of combustion.

Total scope 1 emissions measured in FY2014 comprised 4 134 tonnes of CO₂ and equivalents (FY2013: 4 227 tonnes). The introduction of carbon taxation is planned but details have not yet been finalised by the South African government.

Indirect CO₂ (scope 2) emissions are those emissions generated in the production of the electricity used by DRDGOLD. We used 353 158 tonnes in FY2014 (FY2013: 390 611).

DRDGOLD employees are entitled to claim kilometres travelled on official business and these form the basis of our travel (scope 3) emissions. We used 121 tonnes in FY2014 (FY2013: 146) and these are included in total CO₂ emissions. Air miles are unreported and are excluded from these calculations.

The overall increase in emissions year-on-year is explained above under materials usage. We forecast that consumption will increase in future as the FFG circuit ramps up and we bring more sites online that require more pumping effort.

In South Africa, electricity is supplied by Eskom, which generates approximately 89% of its power at coal-fired power stations, resulting in significant indirect emissions for South African customers. The emission factors related to the use of Eskom power change subtly year-on-year.

“Although we strive for energy efficiency, our electricity consumption is unlikely to decrease in the near future”

EMISSIONS AND INPUTS PER UNIT OF ESKOM ELECTRICITY CONSUMED

		Units	Ergo (incl ERPM)	Corporate
Electricity consumption FY2014			353 159 ^{LA}	
Electricity consumption FY2013	Factor	MWh	325 509 ^{LA}	0
Coal use FY2014	0.56	t	197 768	
Coal use FY2013	0.56	t	182 285	0
Water use FY2014 *	1.42	kl	501 484	
Water use FY2013	1.42	kl	462 223	0
Particulate emissions FY2014 *	0.32	t	113	
Particulate emissions FY2013	0.32	t	104	0
CO ₂ emissions FY2014*	1.00	t	353 159	
CO ₂ emissions FY2013	1.00	t	325 509	0
CO ₂ emissions FY2014 ^{®*} (international standard factor: clean development mechanism – CDM)	1.20	t	423 790	
CO ₂ emissions FY2013 [®] (international standard factor: clean development mechanism – CDM)	1.20	t	390 611	0
SOx emissions FY2014 *	8.23	t	2 906	
SOx emissions FY2013	8.23	t	2 679	0
NOx emissions FY2014 *	4.35	t	1 536	
NOx emissions FY2013	4.35	t	1 416	0

^{LA} Limited assurance

* For more information, see tables below

[®] The emission factor for CO₂ of 1.2kg per kWh has been used as recommended by the United Nations Framework Convention on Climate Change

SUMMARY TABLE OF TOTAL OF EMISSIONS (TONNES)

Measure	2014	2013	2012*	2011*
Direct CO ₂ (scope 1)	4 134 ^{LA}	4 090 ^{LA}	8 159	8 472
Indirect CO ₂ (scope 2)	353 158 ^{LA}	390 611 ^{LA}	697 796	682 666
Travel emissions (scope 3)	121	146	265	234
Total CO ₂ emissions	357 413	394 847	706 220	691 372
NOx	1 642	1 521	3 096	3 050
SOx	2 913	2 686	5 586	5 355
VOC	9	9	13	14
Carbon monoxide	23	23	35	36
Methane	0	0	2	2
Particulate emissions	120	112	217	228

^{LA} Limited assurance

* FY2011 figure includes Blyvoor. FY2012 figure includes Blyvoor until end May 2012

NATURAL CAPITAL REVIEW

(CONTINUED)

PRIMARY MATERIALS USED (TONNES)

Measure	2014	2013	2012 #	2011 #
Cyanide	7 527 ^{LA}	5 712 ^{LA}	6 574	6 682
Steel (grinding)	4 350	5 757	8 098	9 274
Hydrochloric acid	1 845	1 312	1 656	1 482
Caustic soda	3 407	2 721	2 465	2 403
Lime	45 145	38 463	29 306	42 973
Carbon	1 228	859	1 267	1 114
VOC	9	9	13	14
Carbon monoxide	23	23	35	36
Methane	0	0	2	2
Particulate emissions	120	112	217	228

^{LA} Limited assurance

FY2011 figure includes Blyvoor. FY2012 figure includes Blyvoor until end May 2012

CYANIDE USE

DRDGOLD uses cyanide in the gold liberation process. In accordance with the requirements of Section 9 of the MHSA, mandatory Codes of Practice on cyanide management are in place at all DRDGOLD operations. The transport, offloading and use of cyanide, as well as training and safety requirements to ensure its safe handling are managed according to the Code of Practice which is strictly adhered to. The company accepts responsibility for the safe storage and use of cyanide at all operations. The tailings from the Ergo retreatment process, which may contain traces of cyanide, are deposited according to the Code of Practice.

SPILLS AND LEAKAGES

Ergo has an extensive pipeline infrastructure delivering tonnes of material to the plants and pumping the discarded residue – from which as much of the gold as is currently possible has been removed – to the TSF. Therefore substantial resources are deployed to the monitoring and maintenance of these pipelines.

We have a programme in place to systematically replace any old and/or worn pipes. To mitigate the risks of leakage, new pipes have been installed along the route from Crown to Ergo via City Deep. We are in the final stages of replacing the entire 27km Knights residue pipeline and the project is due for completion in December 2014. Sections of the Cason sand line were replaced during FY2014. An advanced 24/7 telemetric pressure- and flow-monitoring system is also in place to indicate leaks. The spill management programme involves security patrols along the major pipeline routes on a daily basis and a preventative maintenance team is on 24/7 standby to attend to leaks so that minor problems are prevented from escalating and also to pro-actively address problems that are detected.

“Mandatory Codes of Practice on cyanide management are in place at all DRDGOLD operations”

“We deploy significant resources to the monitoring and maintenance of our pipeline network”

POLLUTION: ACID MINE DRAINAGE

The central basin, created during decades of mining on the Witwatersrand, is currently flooding and water is expected to decant around ERPM Cinderella Shaft unless preventative measures are taken. The water, known as AMD, is contaminated with metal sulphides. At the time of writing, the water level in the basin had risen to 120m below surface at the SWV shaft.

Government has rejected the proposal to contain the situation which was submitted by various mining companies, including DRDGOLD, opting instead to contain the situation itself and appointing the Trans Caledon Tunnel Authority (TCTA) as the main contractor to implement its plan. DRDGOLD is collaborating with the TCTA and has placed both land and infrastructure at its disposal from where it can pump AMD and construct a treatment plant. The TCTA pump station and plant were completed in June 2014 and are being commissioned. The plant will treat water to a 'grey' standard before releasing it into the environment. The plant's potential and performance is unknown at present. DRDGOLD has negotiated an option to purchase up to 30ML grey water a day from the TCTA should it need to do so.

ENVIRONMENTAL MANAGEMENT EXPENDITURE FINANCIAL EXPENDITURE FOR FY2014

Areas	Amount (R)
Brakpan tailings	1 579 823
Crown tailings	23 291 478
Rooikraal tailings	1 953 060
Daggafontein tailings	1 125 836
Crown sites	10 189 380
Spill cleanup	5 873 641
Total	44 013 218



The flotation plant at Ergo

ORE RESERVES AND MINERAL RESOURCES

RESERVES AND RESOURCES

DRDGOLD's attributable mineral resources decreased from 37.3Moz in FY2013 to 37.04Moz in FY2014. At the end of FY2014 attributable mineral reserves contained 1.5Moz of gold (FY2013: 1.7Moz). Normal depletions and reconciliations account for movements at the operations.

EVALUATION METHODOLOGY

Different methodologies are used for the evaluation of underground and surface mineral resources and mineral reserves. In the case of underground mineral resources, the sampling database is continually updated with verified sampling results. From the database, the results for each face area are put through the standard statistical and geostatistical process. Thereafter, a block model is generated and used to overlay the potential mining areas, which are then evaluated accordingly. This results in a resource being defined for each resource category. From here, the relevant modifying factors are applied and the appropriate portion converted to reserves. The whole process is reviewed by independent consultants to ensure that the accepted industry and deposit-type norms and procedures have been followed.

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 any mining starts. As material is removed from the slimes dams for retreatment, the resources and reserves for that operation are adjusted accordingly. Continual checks on modifying factors and ongoing surveys are conducted to monitor the rate of depletion and the accuracy of factors used for conversion.

INDEPENDENT REVIEW

DRDGOLD's statements of its mineral resources and mineral reserves were independently reviewed by Coffey Mining South Africa Proprietary Limited (Coffey Mining) for compliance with the SAMREC Code, the National Instrument 43-101 and the United States Securities and Exchange Commission (SEC) Industry Guide 7. Coffey Mining is an exploration, mining and resource consulting firm, which has been providing services and advice to the international mineral industry and to various financial institutions since 1987.

The review report for the operations was compiled by Dave Whittaker, BSc (Hons) (Geology) (Pr Sci Nat) and Kathleen Body (Pr Sci Nat). Coffey Mining has the appropriate qualifications, experience, competence and independence to be considered independent "competent persons" or "qualified persons" in terms of the definitions provided in the codes and instruments.

Coffey Mining staff members carried out quality control analysis of the data during numerous site visits to the different surface and underground operations. They reviewed the geological models, grade estimation techniques, the conversion from resources to reserves, underground operations and transport systems, and assessed the procedures and parameters used in the preparation of these mineral resources and mineral reserves statements.

ORE RESERVES AND MINERAL RESOURCES

(CONTINUED)

COMPETENT PERSON

The information in this Integrated Report relating to mineral resources, mineral reserves or exploration results is based on information compiled by the competent person.

Gary John Viljoen (PLATO) is the competent person responsible for the compilation and reporting of DRDGOLD's mineral resources and mineral reserves.

This person has extensive (more than five years) relevant experience in the mining industry and in working with the type of deposits mined. He is the designated competent person in terms of the SAMREC Code, and is a registered member of the recognised statutory organisations.

DECLARATION

The gold price used for declaration is R438 575/kg (US\$1 289/oz) as at 30 April 2014. For compliance with the SEC, DRDGOLD's Form 20-F (to be filed with the SEC) will also quote the mineral reserves using the three-year average gold price of R431 098/kg (US\$1 539/oz and R8.7126/US\$).

All mineral resources declared in this report are inclusive of mineral reserves.

EXPLORATION AND PROJECT DEVELOPMENT

Exploration and project development during the year continued to enhance DRDGOLD's strategy to extend and replace existing production ounces.

ERPM EXTENSIONS 1 AND 2

DRDGOLD has a new order mining right covering an area of 1 252ha of the adjacent Sallies mine, referred to as ERPM Extension 1. The estimated total resource for ERPM Extension 1 is 25.1Mt containing 7.27Moz of gold.

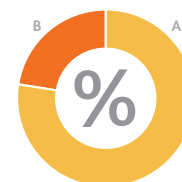
In 2007 ERPM's prospecting right over ERPM Extension 1 was extended eastwards into the Rooikraal/Withok area, incorporating the southern section of the old Van Dyk mining lease area and a small portion of Sallies. Known as ERPM Extension 2, the additional area is 5 500ha in size and is recognised as 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 Ext 2 is currently held under a new order prospecting licence. The total estimated resource for Ext 2 is 63.4Mt containing 13.82Moz of gold.

The ERPM asset has been placed on the market and is for sale.

DRDGOLD also confirms that the company has the legal entitlements to the minerals being reported on together with any known impediments. Any material risk factors that could impact on the mineral resource and reserve statements are discussed in the Managing Risk section of this report on page 102. The directors are not aware of any legal proceedings or other material conditions that may impact on the company's ability to continue operations other than those discussed in this report.

Mineral resources FY2014

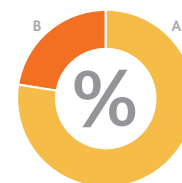
Moz (Au) (37.7Moz)



A: Underground	28.774
B: Surface	8.271

Mineral resources FY2013

Moz (Au) (37.6Moz)



A: Underground	29.0
B: Surface	8.3

MINERAL RESOURCES – 30 JUNE 2014

	Measured				Indicated			
	Tonnes Mt	Grade g/t	Contents Au tons	Contents Moz	Tonnes Mt	Grade g/t	Contents Au tons	Contents Moz
ERPM (100%)								
Underground	4.652	7.17	33.343	1.072	11.946	8.02	95.863	3.082
Total	4.652	7.17	33.343	1.072	11.946	8.02	95.863	3.082
ERGO (100%)								
Surface	176.860	0.31	53.865	1.732	414.692	0.27	109.939	3.535
Total	176.860	0.31	53.865	1.732	414.692	0.27	109.939	3.535
EMO (100%)								
Underground	4.652	7.17	33.343	1.072	11.946	8.02	95.863	3.082
Surface	176.860	0.31	53.865	1.732	414.692	0.27	109.939	3.535
Total	181.512	0.48	87.208	2.804	426.638	0.48	205.802	6.617
DRDGOLD								
Attributable								
Underground	3.443	7.17	24.674	0.793	8.840	8.02	70.938	2.281
Surface	130.876	0.31	39.860	1.282	306.872	0.27	81.355	2.616
Total	134.319	0.48	64.534	2.075	315.712	0.48	152.293	4.897

	Inferred				Total			
	Tonnes Mt	Grade g/t	Contents Au tons	Contents Moz	Tonnes Mt	Grade g/t	Contents Au tons	Contents Moz
ERPM (100%)								
Underground	160.620	6.73	1 080.173	34.730	177.218	6.82	1 209.379	38.884
Total	160.620	6.73	1 080.173	34.730	177.218	6.82	1 209.379	38.884
ERGO (100%)								
Surface	865.129	0.21	183.699	5.910	1 456.681	0.24	347.503	11.177
Total	865.129	0.21	183.699	5.910	1 456.681	0.24	347.503	11.177
EMO (100%)								
Underground	160.620	6.73	1 080.173	34.730	177.218	6.82	1 209.379	38.884
Surface	865.129	0.21	183.699	5.910	1 456.681	0.24	347.503	11.177
Total	1 025.749	1.23	1 263.872	40.640	1 633.899	0.95	1 556.822	50.061
DRDGOLD								
Attributable								
Underground	118.859	6.73	799.328	25.701	131.142	6.82	894.941	28.774
Surface	640.196	0.21	135.937	4.373	1 077.944	0.24	257.152	8.271
Total	759.055	1.23	935.265	30.074	1 209.086	0.95	1 152.093	37.045

ORE RESERVES AND MINERAL RESOURCES

(CONTINUED)

MINERAL RESERVES – 30 JUNE 2014

	Proved				Probable				Total reserves			
	Delivered to plant				Delivered to plant				Delivered to plant			
	Tonnes Mt	Grade g/t	Con-tents Au tons	Con-tents Moz	Tonnes Mt	Grade g/t	Con-tents Au tons	Con-tents Moz	Tonnes Mt	Grade g/t	Con-tents Au tons	Con-tents Moz
ERGO (100%)												
Surface	134.320	0.32	43.511	1.399	48.511	0.42	20.529	0.660	182.831	0.35	64.040	2.059
Total	134.320	0.32	43.511	1.399	48.511	0.42	20.529	0.660	182.831	0.35	64.040	2.059
DRDGOLD Attributable												
Surface	99.397	0.32	32.198	1.035	35.898	0.42	15.191	0.489	135.295	0.35	47.389	1.524
Total	99.397	0.32	32.198	1.035	35.898	0.42	15.191	0.489	135.295	0.35	47.389	1.524

TOTAL MINERAL RESERVES FY2013

146.046 Mt

0.36 g/t

52.127 Au tons

1.676 Moz

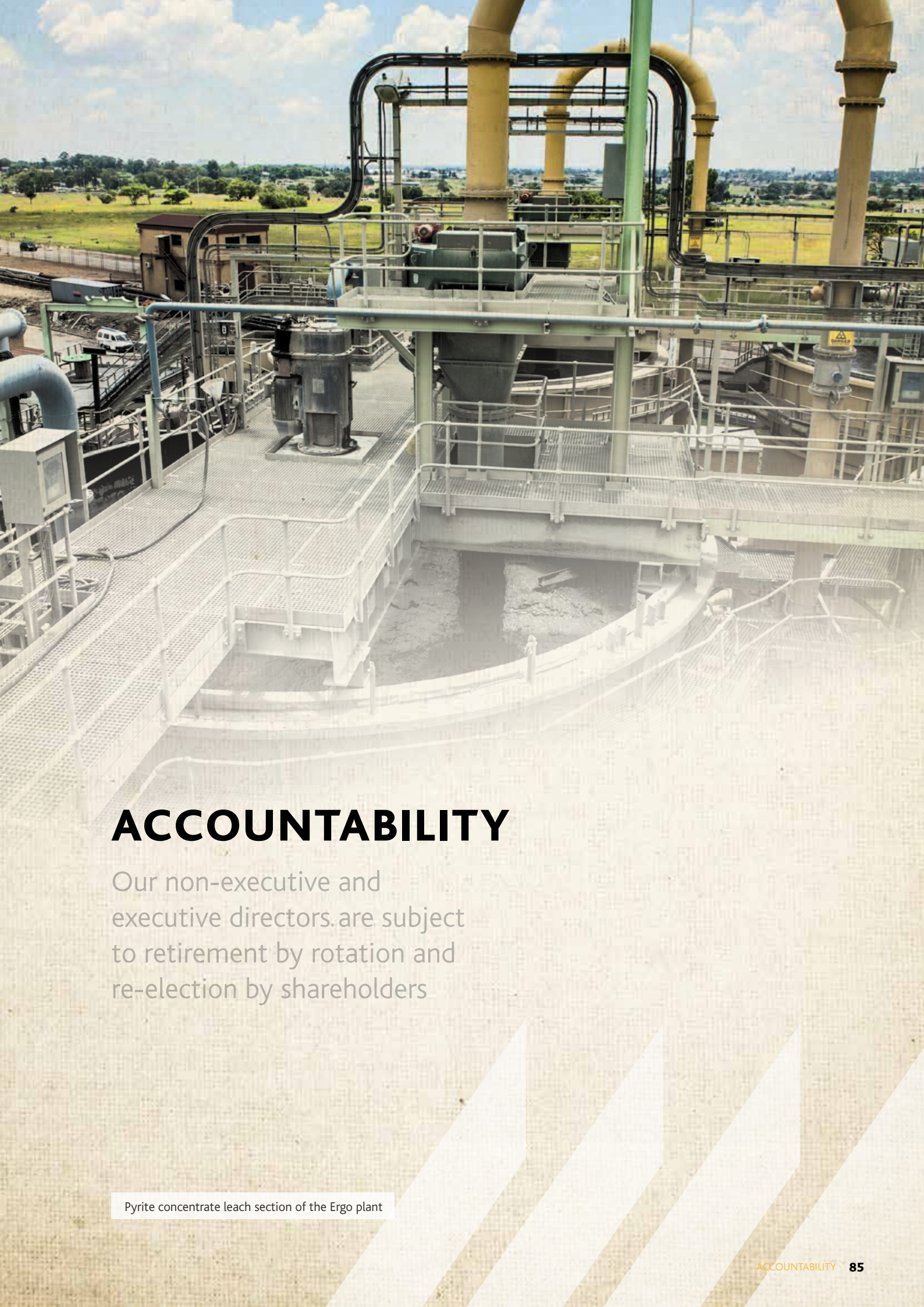
TOTAL MINERAL RESERVES FY2014

135.295 Mt

0.35 g/t

47.389 Au tons

1.524 Moz



ACCOUNTABILITY

Our non-executive and executive directors are subject to retirement by rotation and re-election by shareholders

Pyrite concentrate leach section of the Ergo plant

GOVERNANCE REPORT

As custodians of DRDGOLD's corporate governance the company's directors act diligently, with integrity and honour and by avoiding conflicts of interest in executing their fiduciary duties as they strive to improve organisational performance and deliver value to all stakeholders.

DRDGOLD promotes discipline, transparency, accountability, responsibility and fairness to protect the interests of shareholders, employees and the communities in which we operate. The directors are guided by the 2007 board charter.

The Code of and Report on Governance Principles for South Africa 2009 (King III) provides guidelines for the high standards of corporate governance that are observed by DRDGOLD. As far as possible, the company enforces the provisions within the report's 'apply or explain' principle. See the table on page 96.

DRDGOLD's primary listing is on the JSE. The company has a secondary listing in the United States – an ADR programme on the NYSE, administered by the Bank of New York Mellon. DRDGOLD is therefore subject to compliance with the Sarbanes-Oxley Act of 2002 (SOX), which is documented in the company's Form 20-F, filed annually with the SEC.

THE BOARD OF DIRECTORS

In line with the requirements of King III, DRDGOLD has a unitary board with 80% of the members both independent and non-executive. The CVs of each director and a categorisation of their individual capacities may be found on page 8 and page 9.

The chairman is an independent non-executive director (NED). The appointment of the chairman is in full compliance with King III. He is not part of the executive and is impartial and objective in performing his duties.

Following the resignation of CFO Craig Barnes, the company appointed Francois van der Westhuizen as CFO, effective 1 January 2014 subject to a six-month probation period. This was after the Audit Committee had considered his qualifications and experience to perform the required duties. On 18 July 2014, at the conclusion of Francois van der Westhuizen's probationary period, his appointment as CFO was brought to an end by mutual agreement, and the company accepted his resignation from the DRDGOLD board. Anthon Meyer, former Mintails CFO, agreed to an appointment as acting CFO while the company seeks a permanent replacement.

The Audit Committee satisfied itself that Anthon Meyer has the necessary expertise and experience. On 27 August 2014 the Audit Committee considered and confirmed the appropriateness of the expertise and experience of Anthon Meyer. This determination is made on an annual basis.

The board has satisfied all the regulatory requirements of the JSE and NYSE. DRDGOLD executed a Listing Agreement in the form designated by the NYSE as prescribed by the rules of that stock exchange.

In compliance with JSE and NYSE requirements, the policy for appointments to the board is both formal and transparent. The Nominations Committee identifies and interviews, and then recommends short-listed candidates to the board. The board duly deliberates and appoints the most suitable person or persons. Directors are elected by shareholders at the annual general meeting (AGM).

Each director brings to the board his own particular expertise, as well as appropriate professional experience. Unlike the executive directors who are involved with the day-to-day management of DRDGOLD and are salaried employees, the NEDs provide independent perspectives and judgement and do not receive salaries as remuneration.

“DRDGOLD's directors act diligently, with integrity and honour”

“The board has satisfied all the necessary regulatory requirements of the JSE and NYSE”

BOARD FUNCTIONING

An important board function is to set policy and determine strategy. The board maintains full and effective control by meeting on a quarterly and, when necessary, on an *ad hoc* basis to monitor and assess operational and financial performance and to review strategy, risk and planning.

The board's duties include authorising acquisitions and disposals, major capital expenditure, stakeholder communication and the approval of annual budgets.

In addition the board monitors and, where necessary, approves the activities of executive management, decisions on material matters, the terms of reference of the subcommittees and of any committees established to address specific tasks.

To assist directors – who are responsible for acquainting themselves with their duties, as well as operational matters – new directors undergo a formal induction programme. This includes meetings with senior management and company advisors as well as visits to operations.

In accordance with DRDGOLD's Memorandum of Incorporation (MOI) which was adopted at the 2012 AGM, NEDs are subject to retirement by rotation and to re-election by shareholders. However the shareholders have indicated a preference for executive directors to be subject to the rotation and re-election by shareholders and this resolution has been adopted with effect from FY2013.

“All directors are subject to election by shareholders at the first AGM following their appointment”

In addition, all directors are subject to election by shareholders at the first AGM following their appointment. The appointment of new directors is approved by the board as a whole. The names of the directors submitted for re-election are accompanied by sufficient biographical details in the notice of the forthcoming AGM to enable shareholders to make an informed decision in respect of their re-election. All directors have access to the advice and services of the company secretary who is responsible to the board for ensuring the company's compliance with statutory procedures and regulations. Directors are entitled to seek independent professional advice concerning the affairs of DRDGOLD at the group's expense, should they believe that such course of action would be in the best interests of the company. A structured and efficient procedure has been incorporated into the board charter.

Quarterly board meetings are held mainly in South Africa, and scheduled over two or three days. This allows board members sufficient time to discuss all items on the agenda and for the NEDs to interact with each other without executive directors being present.

Comprehensive information packs are distributed to directors prior to each board meeting. To ensure directors are properly informed, relevant facts, explanations and motivations are provided for any items of business requiring resolution at the meeting. In addition, the board regularly calls for presentations from external experts on material risk, operational and strategic aspects.

Board meetings are regularly held at Ergo's offices in Brakpan, enabling board members to undertake tours of the operations and enjoy direct access to operational management. In terms of good governance, the directors have unrestricted access to company property, information and records.

There is a provision in the company's MOI for decisions to be taken between meetings by way of written resolutions which are circulated to the directors and supported by full motivations and explanations. The directors seldom require more than five days to consider the matter at hand before they approve the resolution.

GOVERNANCE REPORT

(CONTINUED)

ATTENDANCE BY DIRECTORS AT THE BOARD MEETINGS HELD DURING FY2014

Director	Designation	18 Aug 2013	16 Sep 2013	17 Oct 2013	7 Feb 2014	13 Mar 2014	15 Apr 2014	30 Apr 2014	11 Jun 2014
D J Pretorius	Chief executive officer	✓	✓	✓	✓	✓	✓	✓	✓
C C Barnes *	Chief financial officer	✓	✓	✓	n/a	n/a	n/a	n/a	n/a
A T Meyer ®	Chief financial officer (acting)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
F D van der Westhuizen #	Chief financial officer	n/a	n/a	n/a	✓	✓	✓	✓	✓
G C Campbell	Non-executive chairman	✓	✓	✓	✓	✓	✓	✓	✓
J A Holtzhausen ■	Independent non-executive	n/a	n/a	n/a	n/a	n/a	n/a	✓	✓
R P Hume	Independent non-executive	✓	✓	✓	✓	✓	✓	✓	✓
E A Jeneke	Independent non-executive	✓	✓	✓	✓	✓	✓	✓	✓
J Turk	Independent non-executive	✓	✓	✓	✓	✓	✓	✓	✓

* Resigned 31 December 2013

Appointed CFO 01 January 2014; resigned 18 July 2014

® Appointed CFO 29 July 2014

■ Appointed non-executive director 25 April 2014

✓ Includes attendance through teleconference or videoconference facilities

BOARD COMMITTEES

As recommended by King III and required by South Africa's Companies Act, No 71 of 2008, amended and promulgated in 2011 (Companies Act) and the JSE Listings Requirements, the board has Audit¹, Risk¹, Remuneration¹, Nominations¹ and Social and Ethics committees, all governed by specific terms of reference. These terms outline the duties and responsibilities of directors in their areas of specialisation. The balance of power and authority at board level is illustrated by the separation of the positions of CEO and chairman. In 2007 the board approved a charter setting out the directors' responsibilities.

All members of the Audit Committee are independent according to the definition set out in the NYSE Rules. DRDGOLD also complies with the Companies Act, in terms of which all members of the Audit Committee must be independent NEDs. The committee's charter deals with all the aspects relating to its functioning.

Each committee is delegated specific functions by the board, and acts within approved terms of reference. These include membership requirements, duties and reporting procedures. Minutes of these committee meetings are circulated to committee members and to the board. The effectiveness of these committees is regularly evaluated by the board. Remuneration of NEDs for service on the committees is determined by the shareholders on the recommendation of the board.

The information below indicates the composition and activities of these committees.

AUDIT AND RISK COMMITTEES

The Audit and Risk committees, chaired respectively by Robert Hume and Niël Pretorius, conduct joint quarterly meetings due to considerable overlap on the matter of financial risk. The joint sitting promotes a broader overview of DRDGOLD and supports the process prescribed by SOX for the review of financial controls over financial reporting. As the risks involved in mining include matters of health and safety and

¹ In August 2014 the board restructured its committees. Refer to page 93

"The balance of power and authority at board level is illustrated by the separation of the positions of CEO and chairman"

“All significant findings arising from audit procedures are brought to the attention of the committee and, if necessary, to the board”

environmental degradation, the board’s view is that the closer day-to-day involvement by the CEO in these matters will facilitate a more hands-on and comprehensive approach by the Risk Committee to these matters.

AUDIT COMMITTEE

The members are: R P Hume (chairman), J A Holtzhausen (from 25 April 2014), E A Jeneker and J Turk

The Audit Committee is composed solely of independent NEDs.

The primary responsibilities of the Audit Committee, as set out in the Audit Committee charter, are to assist the board in carrying out its duties relating to the selection and application of accounting policies, internal financial controls, financial reporting practices, identification of exposure to significant financial risks, and the preparation of accurate financial reporting and financial statements in compliance with all applicable legal requirements and accounting standards.

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

The committee is responsible for making recommendations to appoint, re-appoint or remove the external auditors as well as determining their remuneration and terms of engagement. In accordance with its policy, the committee pre-approves all audit and non-audit services provided by the external auditors. DRDGOLD’s external audit function is currently being undertaken by KPMG Inc. after the firm was re-appointed by shareholders at the 2013 AGM. The internal audit function is performed in-house, with the assistance of Pro-Optima Audit Services Proprietary Limited. Internal audits are performed at all DRDGOLD operating units and are aimed at reviewing, evaluating and improving the effectiveness of risk management, internal controls and corporate governance processes.

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

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

Section 404 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.

ATTENDANCE BY MEMBERS AT THE AUDIT COMMITTEE MEETINGS HELD DURING FY2014

Director	18 Jul 2013	20 Aug 2013	16 Sep 2013	17 Oct 2013	6 Feb 2014	6 Mar 2014	29 Apr 2014
J A Holtzhausen *	n/a	n/a	n/a	n/a	n/a	n/a	✓
R P Hume	✓	✓	✓	✓	✓	✓	✓
E A Jeneker	✓	✓	✓	✓	✓	✓	✓
J Turk	✓	✓	✓	✓	✓	✓	✓

* Appointed 25 April 2014

✓ Includes attendance through teleconference or videoconference facilities

GOVERNANCE REPORT

(CONTINUED)

RISK COMMITTEE

The members are: D J Pretorius (chairman), C C Barnes (until 31 December 2013), G C Campbell, R P Hume, E A Jeneker, J Turk and F D van der Westhuizen (1 January to 18 July 2014)

The Risk Committee (Risco) is comprised of four NEDs and two executive directors. Its objective is to assist the board in matters relating to risk management and control responsibilities, assurance issues, health, safety and environmental compliance as well as the monitoring and reporting of all these matters. Responsibility for the quality, integrity and reliability of the group's risk management is delegated to Risco by the board of directors. Risco facilitates communication between the board, the Audit Committee, internal auditors and other parties engaged in risk management activities.

The board appointed CEO, Niël Pretorius, as chairman of Risco because it believes the risks prevailing in a mining company include those relating to safety and that these can result in loss of life. By appointing the CEO as its chairman, Risco has someone with hands-on involvement in the company to steer the meetings in the right direction so as to identify and address all the critical issues.

Risco ensures that:

- an effective risk management programme is implemented and maintained;
- risk management awareness is promoted among all employees;
- risk programmes (financing/insurance) adequately protect the company against catastrophic risks;
- regular risk assessments are conducted;
- the total cost of risk in the long term is reduced;
- the protection of DRDGOLD's assets is promoted throughout the group;
- the health, safety and well-being of all stakeholders are improved; and
- the health and safety of employees is ensured and the environment is not harmed.

Risco meets every quarter and reports back to the board. *Ad hoc* meetings may be arranged if required. DRDGOLD's manager: risk and internal audit, the group financial manager and the executive officer: legal, compliance and company secretary are among those members of management regularly invited to attend Risco meetings.

The risk-management system covers all significant business and operational risks that could affect the achievement of business objectives and the preservation of shareholder value. The significant risks facing DRDGOLD, including those at an operational level, have been identified. Individuals have been assigned to

"Risco has someone with hands-on involvement in the company to steer the meetings so as to identify and address all the critical issues"

ATTENDANCE BY MEMBERS AT THE RISK COMMITTEE MEETINGS HELD DURING FY2014

Director	20 Aug 2013	17 Oct 2013	6 Feb 2014	29 Apr 2014
D J Pretorius	✓	✓	✓	✓
C C Barnes *	✓	✓	n/a	n/a
F D van der Westhuizen #	n/a	n/a	✓	✓
G C Campbell	✓	✓	✓	✓
R P Hume	✓	✓	✓	✓
E A Jeneker	✓	✓	✓	✓
J Turk	✓	✓	✓	✓

* Resigned 31 December 2013

Appointed CFO 01 January 2014; resigned 18 July 2014

✓ Includes attendance through teleconference or videoconference facilities

“An important aspect of risk management is the transfer of risk to third parties to protect the company from disaster”

manage each risk and the results of their work to improve controls are reviewed by senior management at regular risk meetings. The aim of the internal control systems is for management to provide reasonable assurance that the objectives will be met.

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

REMUNERATION COMMITTEE

The members are: E A Jeneker (chairman), G C Campbell, R P Hume and J Turk

The Remuneration Committee (Remco) is composed of four directors each of whom is independent and non-executive. Remco is primarily responsible for approving the remuneration policies of DRDGOLD, and the terms and conditions of employment of executive directors and NEDs. Salaries, performance-based incentives and the eligibility and performance measures of the DRDGOLD phantom share scheme applicable to senior management are among the items considered by the committee.

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.

The committee meets quarterly, and on an *ad hoc* basis if required. When deemed necessary, the committee consults independent consultants to evaluate and review remuneration and related issues.

ATTENDANCE BY MEMBERS AT THE REMUNERATION COMMITTEE MEETINGS HELD DURING FY2014

Director	20 Aug 2013	17 Oct 2013	6 Feb 2014	29 Apr 2014
G C Campbell	✓	✓	✓	✓
R P Hume	✓	✓	✓	✓
E A Jeneker	✓	✓	✓	✓
J Turk	✓	✓	✓	✓

✓ Includes attendance through teleconference or videoconference facilities

SOCIAL AND ETHICS COMMITTEE

The members are: E A Jeneker (chairman), C C Barnes (until 31 December 2013), D J Pretorius and F D van der Westhuizen (1 January to 18 July 2014)

Thulo Mogotsi Moletsane, a director of EMO, attends as an invitee.

The Social and Ethics Committee was established to enable DRDGOLD to achieve the triple bottom line recommended by King III and to reach the empowerment goals to which this company is committed.

GOVERNANCE REPORT

(CONTINUED)

The Social and Ethics Committee's terms of reference were approved by the board in October 2011. The committee objectives are to:

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

The following terms of reference were approved by the board to enable the committee to function effectively. These are to make recommendations to the board:

- on the development, monitoring and implementation of the company's employment equity policy;
- on the development, monitoring and implementation of the company's procurement policy in terms, *inter alia*, of the Preferential Procurement Policy Framework Act;
- on the development, monitoring and implementation of the company's safety, health and environmental policies;
- regarding the monitoring and implementation of the social and labour plans;
- on ways and means of assisting with poverty-alleviation and social upliftment;
- to promote the engagement of management, staff and stakeholders in activities related to social responsibility;
- to monitor the record of sponsorships, donations and charitable giving;
- to promote equality, prevent unfair discrimination and corruption;
- to monitor the group's activities with regard to the 10 principles of the United Nations Global Compact Principles, the Organisation for Economic Co-operation and Development's recommendations regarding corruption and broad-based BEE; and
- to monitor the group's consumer relationship activities.

"At DRDGOLD we strive towards achieving equality at all levels of the company"

ATTENDANCE BY MEMBERS AT THE SOCIAL AND ETHICS COMMITTEE MEETINGS HELD DURING FY2014

Director	20 Aug 2013	18 Oct 2013	7 Feb 2014	29 Apr 2014
D J Pretorius	✓	✓	✓	✓
C C Barnes *	✓	✓	n/a	n/a
F D van der Westhuizen #	n/a	n/a	✓	✓
E A Jeneker	✓	✓	✓	✓

* Resigned 31 December 2013

Appointed CFO 01 January 2014; resigned 18 July 2014

✓ Includes attendance through teleconference or videoconference facilities

NOMINATIONS COMMITTEE

The members are: G C Campbell (chairman), R P Hume and E A Jeneker (from February 2014)

The Nominations Committee (Nomco) is compliant with the JSE Listing Requirements and its terms of reference were approved in August 2008. Its duties include:

- recommending the appointment of new executive and NEDs;
- reviewing board structure, size and composition on a regular basis, and recommending adjustments such as the balance between executive and NEDs;

*“DRDGOLD
has a Code of
Ethics and all
employees are
expected to
honour it”*

- identifying and nominating candidates to fill board vacancies as well as putting in place succession plans, in particular for the positions of chairman and CEO; and
- making recommendations for replacing directors who are retiring by rotation.

RESTRUCTURING OF BOARD COMMITTEES

In line with the company's commitment to reduce costs at all levels, the board resolved in August 2014 to restructure its committees as follows:

AUDIT AND RISK COMMITTEE

The Audit Committee and the Risk Committee have been combined into the Audit and Risk Committee. This newly formed committee will comprise independent NEDs. The members of the new Audit and Risk Committee are as follows:

R P Hume (chairman)
G C Campbell
J A Holtzhausen
E A Jeneker
J Turk

NOMINATIONS AND REMUNERATION COMMITTEE

The Nominations Committee and the Remuneration Committee have been combined into a committee called the Nominations and Remuneration Committee. All members of this committee will be independent NEDs. In order to satisfy the JSE Listings Requirements and the King III recommendations, this committee will be chaired by the chairman of the board when matters relating to nominations are discussed and by an independent NED when matters relating to remuneration are discussed. The members of the new Nominations and Remuneration Committee are as follows:

G C Campbell (chairman: nominations)
E A Jeneker (chairman: remuneration)
J A Holtzhausen
R H Hume
J Turk

SOCIAL AND ETHICS COMMITTEE

This committee will remain as it is and its members are as follows:

E A Jeneker (chairman)
D J Pretorius
W J Schoeman

IMPLEMENTATION AND TERMS OF REFERENCE

The restructuring of the board committees took effect on 1 September 2014. Re-alignments of the terms of reference for the Audit and Risk Committee and the Nominations and Remuneration Committee are currently underway. The terms of reference for the Social and Ethics Committee remain unchanged.

COMPETENCE, QUALIFICATIONS AND EXPERIENCE OF COMPANY SECRETARY

Themba Gwebu, company secretary of DRDGOLD, has held this position since his appointment on 1 April 2005.

GOVERNANCE REPORT

(CONTINUED)

In his capacity as company secretary, and during the period under review, his responsibilities have included the performance of the following duties:

- providing the directors with guidance about their duties, responsibilities and powers;
- making directors aware of laws relevant to or affecting the company;
- reporting to the board on any failure to comply with the company's MOI;
- ensuring that minutes of all shareholder meetings, board meetings and the meetings of any committees of the directors, or of the company's Audit Committee, are properly recorded in accordance with the Companies Act;
- ensuring dispatch to shareholders of the AFS in accordance with the law; and
- ensuring continuous compliance with the JSE Listings Requirements.

In July 2014 the company appointed an independent facilitator to evaluate the performance of the board and company secretary during FY2014. Questionnaires were completed by the directors of DRDGOLD 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 his duties. The board is satisfied that Themba Gwebu proved to be competent, qualified and experienced as company secretary of DRDGOLD. The board confirms that Themba Gwebu is not a director of DRDGOLD Limited and that there is an arms-length relationship between him and the board and which is based only on professionalism.

CODE OF ETHICS

DRDGOLD has its own Code of Ethics. Any contravention of this code is regarded as a serious matter.

STAKEHOLDER COMMUNICATION

DRDGOLD is committed to transparency and has an integrated and sustained stakeholder communication programme which takes into account all the obligations placed on the group by the regulatory environment in which it operates. More information on stakeholder engagement can be found on page 18.

“Employees and their elected representatives are considered important stakeholders”

“The company strives towards effective, two-way communication with local groups”

HONESTY WITH REGULATORS AND OTHER GOVERNMENT OFFICIALS

Directors, officers and employees must comply with laws in countries where the group does business including laws prohibiting bribery and corruption. Directors, officers and employees are required to observe and implement the provisions of the Foreign Corrupt Practices Act which prohibit DRDGOLD, its subsidiaries, associates, partners, their officers, employees and agents from giving or offering to give money or anything of value to a government or state official, political party, a party official or a candidate for political office in order to influence official acts or decisions of that person or entity, to obtain or retain business or to secure any improper advantage.

ANNUAL FINANCIAL STATEMENTS (AFS)

The directors are required by the Companies Act to maintain adequate accounting records. They are responsible for the preparation of the AFS which fairly present the state of affairs of the group at the end of each financial year, in conformity with International Financial Reporting Standards (IFRS) and the Companies Act. The AFS include amounts based on judgements and estimates made by management.

The directors are of the opinion that the financial statements for the year ended 30 June 2014 fairly present the financial position of the company and the group as at 30 June 2014. The AFS 2014 can be found in a separate document available on our website. www.drdgold.com

The directors have reviewed the group's business plan and cash flow forecast for the year ending FY2015. On the basis of this 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 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. This report is available from the Bank of New York Mellon and at www.sec.gov to holders of DRDGOLD's securities listed in the form of ADRs on the NYSE.

GOVERNANCE REPORT

(CONTINUED)

GOVERNANCE PRINCIPLES UNDER KING III

Governance principles under King III		Narration of how the King III principles were applied or explained
1.1	The board should provide effective leadership based on an ethical foundation	The board has developed a Code of Ethics which instils a culture of responsible leadership and high ethical standards. The Code of Ethics was signed by the chairman and the CEO after its last update in April 2012. Management is required to ensure that each employee who joins the team receives a copy of the Code of Ethics, signs it and is bound by its terms.
1.2	The board should ensure that the company is and is seen to be a responsible corporate citizen	The board has established the Social and Ethics Committee which monitors progress on the company's corporate citizenship responsibilities. More information on DRDGOLD's contribution to the communities around its operations can be found in the business performance section of this report.
1.3 and 2.5	The board should ensure that the company's ethics are managed effectively	To ensure the company's Code of Ethics is upheld the executive officer: legal, compliance and company secretary was mandated to conduct a Code of Ethics awareness campaign at the operations. Fraud and corruption were also addressed, including the application of the Foreign Corrupt Practices Act. In order to assess the level of understanding of the company's policies on corruption and related matters, a questionnaire was distributed to employees for completion. At the time of writing the results of the exercise were being analysed.
2.1	The board should act as the focal point for and custodian of corporate governance	The board meets at least four times a year, and has adopted a Board Charter. Senior managers are invited to the board and committee meetings where they interact, and at which management reports on stakeholder relations.
2.2	The board should appreciate that strategy, risk, performance and sustainability are inseparable	During the period under review the board conducted joint Audit Committee and Risk Committee (Risco) meetings to ensure the identification of key performance and risk areas and the alignment of controls. All directors were also invited to the joint meetings. Long-term and short-term strategies for the business are standard agenda items and discussed at all quarterly board meetings. The board has developed a board strategy scorecard which is updated on a regular basis.
2.6	The board should ensure that the company has an effective and independent Audit Committee	See page 89 and page 93 of this report.
2.7	The board should be responsible for the governance of risk	The board has delegated the risk function to Risco as outlined below and Risco reports to the board after every meeting. All members of the board are also members of Risco.
2.8	The board should be responsible for information technology (IT) governance	See principles under chapter 5 below.
2.9	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards	See principles under chapter 6 below.
2.10	The board should ensure that there is an effective risk-based internal audit	See principles under chapter 7 below.
2.11	The board should appreciate that stakeholders' perceptions affect the company's reputation	See principles under chapter 8 below.
2.12	The board should ensure the integrity of the company's Integrated Report	See principles under chapter 9 below.
2.13	The board should report on the effectiveness of the company's system of internal controls	See principles under chapter 10 below.

GOVERNANCE PRINCIPLES UNDER KING III

Governance principles under King III		Narration of how the King III principles were applied or explained
2.14	The board and its directors should act in the best interests of the company	The board refers to this fact from time to time when executing its duties. In the Code of Ethics the principles of fairness and justice are endorsed.
2.15	The board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed, and as defined in the Companies Act	To demonstrate that the board does execute this function, during the 2011 period the board determined that one of its subsidiaries was financially distressed. However, the view was that it could be rescued and a recommendation was made to the subsidiary's board that business rescue proceedings (under chapter 6 of the Companies Act) be instituted. The board continuously considers the solvency and liquidity tests.
2.16	The board should elect a chairman who is an independent NED. The CEO of the company should not simultaneously hold the role of chairman of the board	Geoffrey Campbell is chairman of the board. He is an independent NED. Niël Pretorius holds the position of CEO.
2.17	The board appoints the CEO and establishes a framework for the delegation of authority	The board has appointed a CEO, developed a Board Charter and established a framework for the delegation of authority.
2.18	The board should comprise a balance of power, with a majority of NEDs. The majority of non-executive directors should be independent	There are two executive directors. An additional NED was appointed in April 2014 and there are now five NED on the board. All are independent in accordance with the definitions of King III and the Companies Act. The board is composed of directors with a variety of skills and backgrounds and they complement each other in the execution of their duties.
2.19	Directors should be appointed through a formal process	The board established the Nominations Committee which sits on an <i>ad hoc</i> basis to recruit new directors when needed. According to the MOI, newly-appointed directors must be confirmed at the AGM. The appointment of Johan Holtzhausen, appointed on 25 April 2014, as well as Messrs Meyer and Turk, will be considered and voted on at the company's AGM on 28 November 2014.
2.20	The induction of and ongoing training and development of directors should be conducted through formal processes	Newly-appointed directors are taken through an induction programme set out in policy documents approved by the board. A formal induction programme for Johan Holtzhausen was conducted on 25 August 2014 in accordance with the company's approved policy. Our sponsors, One Capital, delivered a presentation on directors' duties and responsibilities with respect to the JSE Listings Requirements, Companies Act and King III. In February 2014 the board received a briefing from Paterson and Cooke on the workings of pipelines which form an integral part of the company's core business. An understanding of how the pipeline operates will assist directors to fulfil their duty of care, skill and diligence. On 27 August 2014 the board was given guidance on how the tailings dams operate.
2.21	The board should be assisted by a competent, suitably qualified and experienced company secretary	During the year under review the board was assisted by Themba Gwebu who has been company secretary since April 2005. The board is satisfied that he is suitably qualified and experienced. His CV can be found on page 9 of this report.
2.22	The evaluation of the board, its committees and the individual directors should be performed every year	In July 2014 the company appointed Centre for Conscious Leadership to evaluate the effectiveness of the DRDGOLD board and its committees during FY2014. Each director completed a questionnaire and was interviewed. The facilitator then submitted a written report confirming that the effectiveness of the board and its committees was satisfactory.
2.23	The board should delegate certain functions to well-structured committees but without abdicating its own responsibilities	The committees of the board and their functions are discussed on pages 86 to 95 of this report.

GOVERNANCE REPORT

(CONTINUED)

GOVERNANCE PRINCIPLES UNDER KING III

Governance principles under King III		Narration of how the King III principles were applied or explained
2.24	A governance framework should be agreed between the group and its subsidiary boards	Some of the directors of the subsidiary companies are also members of the DRDGOLD executive committee. Regular joint leadership workshops are held by senior management at the corporate office and at the operations. This helps to align the implementation of group strategy. The CEO and CFO ensure that the operational directors know the direction expected from DRDGOLD's perspective and the subsidiary directors also contribute towards group strategy through such interaction.
2.25	Companies should remunerate directors and executives fairly and responsibly	The company's remuneration policy is set out on page 110 to page 113 of this report.
2.26	Companies should disclose the remuneration of each individual director and certain senior executives	This principle is addressed on page 112 to page 113 of this report.
2.27	Shareholders should approve the company's remuneration policy	A non-binding vote on the company's remuneration policy is sought from shareholders at every AGM.
3.1	The board should ensure that the company has an effective and independent Audit Committee	The CVs of the members of the Audit Committee can be found on page 8 and page 9 of this report. The Audit Committee's report is in the AFS 2014. The board is satisfied that the Audit Committee is effective and has recommended to the shareholders that its members be re-elected at the AGM to be held on 28 November 2014.
3.2	Audit Committee members should be suitably skilled and experienced independent non-executive directors	The narration under principle 3.1 above applies here.
3.3	The Audit Committee should be chaired by an independent non-executive director	Robert Hume has been chairman of the Audit Committee from 10 October 2001. His term expires on 30 September 2014 and he has requested that his contract should not be renewed beyond this date. Johan Holtzhausen will take over as chairman of the Audit Committee from 01 October 2014. Both Robert Hume and Johan Holtzhausen are independent NEDs.
3.4	The Audit Committee should oversee integrated reporting	The Audit Committee oversees the preparation of the company's Integrated Report which will be considered by the Audit Committee during September 2014 and recommended to the board for approval.
3.5	The Audit Committee should ensure that a combined assurance model is applied to provide a co-ordinated approach to all assurance activities	The Audit Committee and management provide internal assurance. KPMG Inc. has been mandated to conduct assurance as required.
3.7	The Audit Committee should be responsible for overseeing the internal audit	The head of internal audit reports directly to the Audit Committee as far as internal audit matters are concerned. Some of the internal audit work has been outsourced to Pro-Optima Audit Services Proprietary Limited, an independent company. The budget and scope of work is approved by the Audit Committee. The internal audit report is tabled before the Audit Committee every quarter for consideration.
3.8	The Audit Committee should be an integral component of the risk management process	The risk function is performed by Risco. Members of the Audit Committee attend and participate in the Risco meetings on a quarterly basis.
3.9	The Audit Committee is responsible for recommending the appointment of the external auditors and overseeing the external audit process	The committee is satisfied that KPMG Inc. is JSE-approved. Its engagement partner is Jacques le Roux. At the 2013 AGM it recommended to shareholders that KPMG Inc. be re-appointed as the company's external independent auditors.

GOVERNANCE PRINCIPLES UNDER KING III

Governance principles under King III		Narration of how the King III principles were applied or explained
3.10	The Audit Committee should report to the board and shareholders on how it has discharged its duties	The Audit Committee report is in the AFS 2014.
4.1	The board should be responsible for the governance of risk	The board is satisfied that it has adequately dealt with governance of risk. It has established Risco which is chaired by the CEO. The board appointed the CEO as chairman of Risco because it believes the risks prevailing in a mining company include those relating to safety and these can result in loss of life. By appointing the CEO as chairman, Risco has someone with hands-on involvement in the company to steer the meetings in the right direction. This procedure ensures all critical risks are identified and addressed.
4.2	The board should determine the levels of risk tolerance	The board, at quarterly Risco meetings, and according to a previously agreed format, reviews the major risks to show the individual risk levels.
4.3	The Risk Committee (Risco) or Audit Committee should assist the board in carrying out its risk responsibilities	Risco is responsible for overseeing risk management. Its functions are set out on page 88 to page 93 of this report.
4.4	The board should delegate to management the responsibility of designing, implementing and monitoring the risk management plan	The board appointed the first group risk manager in 2002. The risk manager reports to Risco.
4.5	The board should ensure that risk assessments are performed on a continuous basis	The group risk manager conducts risk assessments for the group. These assessments are documented into a 'risk map' which is tabled before Risco every quarter for discussion. It is thus reviewed and updated regularly, and risk rankings are updated every quarter.
4.6	The board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks	The current methodology assesses all major risks considering the impact, likelihood and control efficiencies of each risk. These risks as well as potential risks are reviewed quarterly to ensure as wide as possible coverage.
4.7	The board should ensure that management considers and implements appropriate risk reports	The company's implementation of appropriate measures during the period under review included the following: quarterly meetings with Ergo's Exco and quarterly CEO meeting with senior management.
4.8	The board should ensure continual risk monitoring by management	Management tables its 'risk map' at every Risco meeting. This enables the board to monitor the implementation of measures intended to respond to areas of risk.
4.9	The board should receive assurance regarding the effectiveness of the risk management process	Risco provides assurance to the board.
4.10	The board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders	The group risk manager attends regular meetings at the operations to identify current, imminent or envisaged risks and reports these to Exco. Material and imminent risks are reported to shareholders via SENS. Risks facing the company and envisaged risks are reported in the Integrated Report and in Form 20-F, filed with the SEC.
5.1	The board should be responsible for IT governance	The board has appointed the group risk manager to report to Risco on information technology (IT) governance issues. The IT governance policies have been established and are being implemented. Risco discusses management reports on IT governance on a regular basis.

GOVERNANCE REPORT

(CONTINUED)

GOVERNANCE PRINCIPLES UNDER KING III

Governance principles under King III	Narration of how the King III principles were applied or explained
5.2 IT should be aligned with the performance and sustainability objectives of the company	The IT structure and process is designed to serve the surface retreatment nature of our operations. DRDGOLD has embarked on a compliance project intended to cover the core areas of the company's business such as environmental management, surface resources etc. The testing phase of the environmental module is complete and will go live in the near future. Modules for other business performance areas are under development.
5.3 The board should delegate to management the responsibility for the implementation of an IT governance framework	Risco has delegated the day-to-day management of the IT responsibility to the CFO who has been given the responsibility to appoint the chief information officer who is responsible for the management of IT.
5.4 The board should monitor and evaluate significant IT investments and expenditure	The function of IT investment and expenditure rests with the CFO who ensures that an updated and effective IT system is in place.
5.5 IT should form an integral part of the company's risk management	This principle falls under the discussion of risk management.
5.6 The board should ensure that information assets are managed effectively	This responsibility has been undertaken by management. The company complies with the Promotion of Access to Information Act which, <i>inter alia</i> , provides that an information officer be appointed and a manual be developed. These tasks have been completed. Other records are managed by appropriate sections e.g. the company secretary's office, the finance department etc.
5.7 Risco or the Audit Committee should assist the board in carrying out its IT responsibilities	Risco has been tasked to oversee IT risks and management from a board perspective.
6.1 The board should ensure that the company complies with applicable laws and consider adherence to non-binding rules, codes and standards	The company has established a legal division which is headed by the executive officer: legal, compliance and company secretary. The executive officer and the senior legal advisor ensure continuous research so that new laws are identified for purposes of compliance. Seminars, conferences, and subscription to law journals assist in keeping the company up to date with legal developments. The company also receives updates from a panel of SA and USA law firms that provide legal advisory services from time to time.
6.2 The board and each individual director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the company and its business	When new directors are appointed they are taken through an induction process which involves training in the laws, rules, codes and standards applicable to DRDGOLD and its operations. The board meeting agendas incorporate the company secretarial report which contains regular updates on laws and rules that apply to the company.
6.3 Compliance risk should form an integral part of the company's risk management process	This forms part of DRDGOLD's risk management process.
6.4 The board should delegate to management the implementation of an effective compliance framework and process	The company currently applies the approach set out under principle 6.1 above and believes that it applies here as well. Although the company is of the view that the process stated under 6.1 above serves the purpose, the compliance framework is under development.
7.1 The board should ensure that there is an effective risk-based internal audit	The board is satisfied an effective risk-based internal audit exists. The head of the group's internal audit is also the group risk manager which enables the two functions to be properly aligned. To strengthen the internal audit function further, Pro-Optima Audit Services Proprietary Limited, an independent internal audit firm, was appointed to provide additional internal audit services.
7.2 Internal audit should follow a risk-based approach to its plan	The internal auditors also focus on risk when preparing their annual plan which is tabled before the Audit Committee for consideration and approval. Risco also has the opportunity to comment as members are invited to the Audit Committee meetings.

GOVERNANCE PRINCIPLES UNDER KING III

Governance principles under King III		Narration of how the King III principles were applied or explained
7.3	Internal audit should provide a written assessment of the effectiveness of the company's system of internal control and risk management	The system of internal controls is discussed on page 89 of this report.
7.4	The Audit Committee should be responsible for overseeing internal audit	The Audit Committee oversees internal audit by, <i>inter alia</i> , approving its audit plan on an annual basis. The board is of the view that there is no need for independent assurance because the internal auditors participate in the internal audit process.
7.5	Internal audit should be strategically positioned to achieve its objectives	The head of the internal audit reports directly to the Audit Committee. He is also the group risk manager. The Audit Committee and Risko conduct joint meetings to ensure the alignment of their functions. Internal audit reports quarterly to the Audit Committee.
8.1	The board should appreciate that stakeholders' perceptions affect a company's reputation	The board recognises the importance of stakeholder perception. Investor relations is a standard agenda item. The operational report delivered by the CEO also addresses stakeholder relations when needed. Road shows are conducted annually. The senior legal advisor is the direct contact for government relations. All material information is released on SENS and on the company website as and when it is reasonably possible. At the operational level, teams are established to interact regularly with the community. Matters addressed include the effects of surface retreatment on residents, such as dust pollution, slime spillage etc. The company also retains the services of an investor relations company.
8.2	The board should delegate to management to deal pro-actively with stakeholder relationships and the outcome of these dealings	
8.3	The board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company	
8.4	Companies should ensure the equitable treatment of shareholders	
8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence	All material information is released on SENS and the NYSE simultaneously. Immediately thereafter it is posted on the company website.
8.6	The board should ensure disputes are resolved as effectively, efficiently and expeditiously as possible	The company has structures through which disputes are resolved. For example, the company belongs to the local dust-monitoring forum – attended by, <i>inter alia</i> , community representatives, government officials and NGOs. This provides an opportunity for dust-related complaints which may be linked to our operations to be resolved. The agreement which the company enters into has dispute-resolution clauses.
9.1	The board should ensure the integrity of the company's Integrated Report	The board considers and approves the Integrated Report on an annual basis. The company has taken another step on the integrated reporting journey and sustainability information is no longer contained in a separate report as in the past, but is now woven, or 'integrated', into this Integrated Report, published in September 2014.
9.2	Sustainability reporting and disclosure should be integrated with the company's financial reporting	
9.3	Sustainability reporting and disclosure should be independently assured	The relevant sustainability information in the Integrated Report 2014 has been compiled in line with the guidelines of the Global Reporting Initiative (version 4.0) and the Mining Charter. KPMG Inc. has been engaged to provide limited assurance on agreed items and all assured information is clearly indicated.

MANAGING RISK

DRDGOLD defines risk as an uncertain known or unknown future event that is caused by controllable or non-controllable circumstances and which threatens the achievement of the organisation's objectives.

The board of directors is responsible for assessing the company's risk thresholds and creating management protocols and an adequate risk management architecture. Day-to-day management activities are delegated to executive management through the Risk Committee (Risco) and the executive.

The assessment and management of risk is central to decisions on capital investment strategies, reducing uncertainty and for ensuring resilience to changes in the operating environment. Risco reviews potential risk and opportunities, the group's internal control systems, assurance issues, health, safety and environmental compliance and the monitoring and reporting of all these matters. Responsibility for the quality, integrity and reliability of the group's risk management falls within the scope of this committee.

The requirements of King III, the Integrated Framework from the Committee of Sponsoring Organisations and the Sarbanes-Oxley Act of 2002 (SOX) (Section 404) have been incorporated into the group's internal control processes.

RISK MANAGEMENT PROCESS

As part of its integrated approach to business, DRDGOLD implemented an Enterprise Wide Risk Management process as far back as 2003. The objective was to provide the board with a complete, informed view of the business environment in which the group operates so that the company's strategic objectives can be achieved.

The DRDGOLD risk management process includes quarterly risk assessments, analysis of key risks, identification of new risks (and opportunities) and ranking of these risks.

Each risk is allocated to a person who is responsible for the implementation of actions to mitigate the risk. All risks are included in a centralised database and this data is used to draw up risk maps. These are then presented to management for review. Those risks that are material to the business are reported to Risco.

In addition, an independent risk management process has been implemented to address operational risks in three categories:

- baseline assessment which covers the whole operation in a systematic way in respect of all risks;
- issues-based assessment – where specific assessments are carried out prior to the start of an activity; and
- continued assessment – of health, safety and environmental issues which form part of the daily work programme.

“The assessment and management of risk is central to decisions on capital investment strategies, reducing uncertainty and for ensuring resilience to changes”

BENCHMARKING

In order to improve and enhance the systems used in the Enterprise Wide Risk Management process, DRDGOLD uses external advisers to conduct various surveys, benchmarking exercises, reviews and activities throughout the year. These are important aspects of the risk management programme and assist in the improvement of the operational risk profile of the company.

Employees involved in operational risk management use information and detailed analyses to assist in decision-making and the latest information and technology is used wherever it is required.

KEY OPPORTUNITIES AND STRATEGIC FOCUS AREAS




We create value for all stakeholders by determining the strategic focus areas which flow from the key opportunities referred to below.







KEY OPPORTUNITIES	STRATEGIC FOCUS AREAS
Large surface gold resources	Ongoing research to improve extraction efficiencies, reduce water and power usage in order to effectively exploit our large surface gold resources
Low health and safety risks	Optimise potential of plant infrastructure by growing volume capacity
Competitive advantage provided by combination of resources, plant infrastructure, deposition capacity, water, technology and skills set	Pursue and create overlap between key sustainable development capitals
Strong, experienced management team	Improve return on investment through intelligent application of strategic capital and by reducing risk and creating new opportunities
Relatively small workforce	Create value in respect of both social and environmental capital through reversal of negative trends and implementing programmes to enhance value
Automated 24/7/365 operation, using technology	Integrated and automated processes

MANAGING RISK

(CONTINUED)









KEY RISKS AT 30 JUNE 2014





Risk	Response	Reference
DELIVERY ON STRATEGIC AND OPERATIONAL PLAN		
<p>DRDGOLD has adopted integrated thinking in respect of its capitals – social, natural, manufactured, intellectual, financial and human – to guide its strategic thinking and determine the deployment of financial capital and resources. The objective is to sustainably exploit as large a percentage of our resource as possible and to grow the company's influence using our intellectual capital and the technology aspect of our manufactured capital.</p> <p>We aim to create overlap between the various capitals by turning risk in respect of the one, to upside in respect of the other. Thus the improvements in technology associated with lining slurry pipes, and the density and volume control systems in pumps, reduce the consumption of electricity – in certain instances by up to 18%. Equally the ongoing impact associated with Ergo's water requirements and the demands it places on natural resources are addressed by establishing relations with both government, which supplies water from its AMD treatment facility, and the local council, which has agreed to supply the operations with grey or partially treated water from the former's sewage treatment plant.</p> <p>Our technology is developed to improve efficiencies, and to extract greater value from the same number of slurry units that we pump to our plants. The FFG circuit is designed to improve extraction efficiencies by up to 20%. The technology driving this required the development of skills to oversee the management and control systems – consistent with our strategy to develop a knowledge-based labour force. Additional details on the sustainable development overlap are provided in the business performance section of this report.</p> <p>A knowledge-based labour force, the consequence of a deliberate initiative to enhance human capital, in turn reduces the risk of labour mass action and sabotage of operations, which in turn reduces the risk to financial capital.</p> <p>Because we take full exposure to the gold price, our integrated approach to risk management is designed, and offers the best likelihood, of greater resilience to volatilities in the gold price and the global and local economic dynamics that drive it.</p>	<p>The board uses a strategic scorecard to monitor the company's strategic process and to focus on key strategic issues. Operational plans, production and results information are monitored and reviewed regularly by management and the board to ensure alignment with the strategic plan. Project management controls are in place and processes are regularly reviewed.</p>	<p> Shareholders</p> <p> Employees</p> <p> Unions/organised labour</p>

Risk	Response	Reference
ACCESS TO AND AVAILABILITY OF WATER		
<p>Water is a scarce commodity and its availability will increasingly come under threat. Lagging infrastructure development to bring water into our area of operation is likely to exacerbate this pending risk. As our operational processes depend on water to transport slimes and sand to, from and within the metallurgical plants, such changes would have an adverse impact on the company.</p> <p>The plants and the pipe infrastructure were designed to carry certain minimum throughputs. Any reduction in the volumes of available water may require the company to adjust production at these operations. The use of potable water in competition with the communities of Johannesburg and Ekurhuleni further contradict our stated commitment to reduce our impact on the environment and is also not cost effective – water is not only a scarce commodity but also a very expensive one. The company has a water management programme in place which includes regular reading of flow meters at the operations to monitor water use.</p>	<p>DRDGOLD has concluded agreements with both the TCTA, representing government and the Ekurhuleni City Council for the supply of treated AMD and treated sewage water respectively to our operations. These come at a significant saving to the cost of potable water and also reduce our reliance on potable water.</p>	 Shareholders  Communities  Government and regulators
ACCESS TO AND AVAILABILITY OF POWER		
<p>The power outages experienced in the third quarter of FY2014 during an unusual period of incessant rain, had major implications for the metallurgical process in the FFG circuit, as was reported at the time and elsewhere in this report. These also translated into significant production losses.</p>	<p>A back-up power generation unit was installed in an area of high vulnerability, the so-called valve-slab. This is a pump station at the BTF, required to lift the plant residues onto the top of the tailings dam.</p>	 Shareholders  Employees  Suppliers
APPLICATION OF GOVERNMENT REGULATIONS AND POLICIES		
<p>DRDGOLD, like other mining companies in South Africa, is subject to extensive mining regulations. The manner in which these are regulated by officials is at times ambiguous and discretionary. There is also growing pressure on government to make further changes to minerals dispensation, especially in the areas of empowerment, transformation and government free-carry. The cost of compliance with the extensive and continually evolving regulations is expected to increase with time.</p>	<p>The company adheres to the country's laws and the applicable regulations and policies. DRDGOLD monitors changes to these, and engages with government and regulators, to ensure compliance. The company also maintains close relationships with authorities at both a regional and national level so that any issues that arise can be speedily addressed. DRDGOLD may, through its relationships with these parties, be in a position to influence and guide policies and frameworks.</p>	 Shareholders  Employees  Communities  Government and regulators  Unions/organised labour

MANAGING RISK







(CONTINUED)



Risk	Response	Reference
SKILLS SHORTAGES		
<p>DRDGOLD competes globally with other mining companies to attract and retain key human resources. The need to recruit, develop and retain skilled employees is critical with respect to HDSAs and women in mining in South Africa. Due to the limited availability of skills and experience, there is no guarantee that the company will attract and retain the necessary personnel.</p> <p>The phantom share scheme serves as a long-term incentive to retain senior employees. Certain key employees are retained with lock-in contracts. Competitive bonus schemes and salaries are used to attract and retain talent. Individual development programmes are designed for employees with high potential in an attempt to retain them to fill senior positions in the future.</p>	<p>The state of the South African mining industry in mid-2014, after a protracted platinum sector strike, may benefit DRDGOLD as those companies directly affected restructure themselves and as skilled, high-calibre people, pursue more "stable and sustainable" opportunities.</p>	<ul style="list-style-type: none">  Employees  Communities  Government and regulators
FRAUD, THEFT AND CRIMINALITY		
<p>Employees are sometimes threatened or attacked as criminals attempt access to company property to steal company assets. In most cases this involves the theft of copper cable and scrap metal. Such activities could adversely affect the company's operational output and/or put the lives of employees in danger.</p>	<p>DRDGOLD maintains close relationships with leaders in the communities surrounding DRDGOLD's operations. The company's security service provider and the in-house security managers increase staff complements as required. Surveillance equipment allows continuous monitoring of properties by security personnel.</p> <p>DRDGOLD also uses an independent, anonymous tip-off service run by Deloitte.</p>	<ul style="list-style-type: none">  Employees  Communities
COST INCREASES		
<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. In response to demands, wage increases 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. The power utility has, over the years, imposed tariff increases that have had an adverse effect on DRDGOLD's operating costs. The winter tariff imposed by Eskom is particularly onerous and the power utility has announced further above-inflation increases in future.</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 taken at the operations.</p> <p>Two new initiatives to reduce water costs have been put in place and are in the final stages of implementation. A government AMD treatment facility will provide a water supply option and the local municipality has agreed to supply operations with grey or partially treated water from its sewage treatment plant.</p>	<ul style="list-style-type: none">  Employees  Unions/organised labour  Suppliers

Risk	Response	Reference
ENVIRONMENTAL COMPLIANCE		
<p>The laws protecting the environment – air quality, water quality, hazardous waste management, environmental rehabilitation and reclamation – are extensive and demanding. DRDGOLD is subject to the regulations and accepts its responsibility to reduce the impact of its mining activities on the land, water and air.</p> <p>Delays, or failures, in obtaining the required permits and approvals may adversely affect operations. Changes to the regulatory environment could also substantially increase the cost of compliance, thereby affecting profitability.</p> <p>Uncontrolled water discharge from underground mining areas in the central basin is an inherent risk at some DRDGOLD properties. This water is contaminated with metal sulphides from historical mining activities and is known as AMD.</p>	<p>The company integrates environmental management into its business and planning to minimise the effects of its activities on the receiving environment. This includes carrying out internal risk and environmental impact assessments. DRDGOLD complies with the relevant environmental legislation as a minimum and adopts and applies the best environmental options with respect to current activities as well as to potential projects.</p> <p>The DWA has assumed responsibility for AMD and to assist the TCTA in constructing an AMD treatment site, accessing the underground basin and disposing of its slurry, DRDGOLD has provided access to infrastructure and deposition capacity on its tailings, estimated to have saved the TCTA R250 million. Similarly, DRDGOLD will invest R22 million in infrastructure development to access treated sewage from Ekurhuleni. An appropriate Environmental Management Programme is in place in respect of each operating site.</p> <p>DRDGOLD measures dust at a number of places and engages regularly with the community on dust-related complaints.</p> <p>The company has spent approximately R400 million over the past six years on dust and environmental containment measures at various mining and reclamation sites. Over the same period 34ha of vegetation have been established out of a total footprint of 4 803ha.</p>	 Shareholders  Employees  Communities  Government and regulators

MANAGING RISK

(CONTINUED)

Risk	Response	Reference
GOLD PRICE AND CURRENCY VOLATILITY		
<p>DRDGOLD's revenue and earnings are dependent on the prevailing gold price. Historically, the gold price has fluctuated widely and is 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. For the most part, the company's operating costs are paid in the local currency, the South African rand, while gold is generally sold in dollars. Thus our financial circumstances could be materially harmed by an appreciation in the value of the rand.</p>	<p>The company focuses on reducing risk, controlling costs and improving margins. In recent years it has not been DRDGOLD's policy to enter into forward contracts to reduce its exposure to fluctuations in the dollar gold price or the exchange rate movements of the rand, and this policy is unlikely to change in the near future. DRDGOLD's research and technology developments are designed specifically to enhance extraction efficiencies and provide resilience to a volatile gold price.</p> <p>In addition we maintain a cash buffer through very careful management of our cash balance, costs and capital expenditure as well as through the maintenance of finance instruments so as to protect ourselves against temporary negative trends in cash flows.</p>	 Shareholders  Employees
LABOUR UNREST		
<p>DRDGOLD may experience labour unrest and violent strike action for increased wages and improved employment conditions. Potential situations may be fuelled by inter-union rivalry, politics, and mineworkers' debt levels. Prolonged strike action could have a material adverse effect on the company's operating and financial results.</p>	<p>Our policy is to negotiate a two-year collective wage agreement every alternate year. We continue to engage with unions at regional and national levels but we also focus on direct communication with our workforce. We also prioritise the development of human capital. Our talent identification programme assists employees who wish to grow and develop professionally to participate in employee development and transformation programmes at EBDA, our training academy.</p> <p>Our focus is on both the personal and professional wellbeing of employees. Our Vuselela initiative – designed to bring the personal value system of employees into the workplace – has now developed into the Best Life programme. This programme provides professional support to employees for issues involving physical and emotional health as well as financial literacy information so that employees are better equipped to manage their personal finances and avoid unhealthy debt.</p> <p>A total of R19.4 million was spent on employee development programmes in FY2014 (FY2013: R13.8 million), including the cost of maintaining and providing training infrastructure at EBDA and the costs incurred in providing external counselling and advice through the ICAS service.</p>	 Shareholders  Employees  Unions/organised labour  Government and regulators

Risk	Response	Reference
DIMINISHING HEAD GRADES		
<p>Our surface resources contain relatively low grades of mineralisation and these grades decrease over the life of mine. A sustained decrease in the grade delivered to the plant (below our cut-off grade) could materially affect the company's operating and financial results.</p>	<p>Our investment in technology to improve recovery efficiencies may offset the impact of diminishing head grades. Securing additional higher-grade surface resources within our current footprint may also offset the impact of diminishing head grades.</p> <p>R2.35 million was spent on test work and research in FY2014 (FY2013: R3.9 million). R389 million was spent on capital development: construction and upgrade of plant infrastructure (FFG) and business improvement through technology and capital infrastructure enhancements.</p>	 Shareholders  Employees

TRANSFER OF RISKS

An aspect of risk management is to identify and implement, where appropriate, the transfer of risk to third parties to protect the company from any major disaster. Certain of DRDGOLD's risks are therefore covered by the group insurance policies. The majority of these policies, which encompass all the operations, are held through insurance companies in Britain, Europe and South Africa.

REMUNERATION REPORT

There are three main elements to the DRDGOLD remuneration policy. The three – basic salary, performance and retention rewards – are designed and managed to ensure that our staff are adequately rewarded and also with a view to retaining key members of staff, thus ensuring the future of the business.

REMUNERATION POLICY

DRDGOLD aims to be fair and responsible in its remuneration policies because the business depends on staff with good morale. Our people include our NEDs and our employees. The latter are broadly categorised as executive directors, senior, middle and junior management, non-unionised and unionised employees.

The DRDGOLD remuneration policy endorses the corporate governance improvements introduced by King III. The main principles of the remuneration policy are summarised below:

- a remuneration strategy aligned to the company's business strategy, performance, objectives and results;
- pay practices which motivate individuals to consistently enhance performance;
- a performance management system that recognises individual contributions to the company and guides training and development requirements;
- internal equity in remuneration practices, where differentiation between employees is based on fair and objective criteria;
- creating value for the company over the long-term;
- factors affecting company performance but outside the control of executives should be considered to a limited extent; and
- the mix of fixed and variable pay, in cash, shares and other elements must meet the company's needs and strategic objectives.

The company's MOI makes provision for directors' fees to be determined from time to time in a general meeting or by a quorum of NEDs. The Remuneration Committee (Remco) comprises directors who are independent and non-executive and is primarily responsible for approving remuneration policies. It also considers and approves the terms and conditions of employment of executive and non-executive directors. Among other things, Remco considers salaries, performance-based incentives and the eligibility and performance measures of the DRDGOLD phantom share scheme for senior management.

Remco implemented the changes below following feedback from shareholders.

SHARE OPTION SCHEME

In November 2013, Remco approved the buy-back of share options that had vested in October 2013, in terms of the rules of the suspended share option scheme.

PHANTOM SHARE SCHEME

This scheme, which replaced the suspended share option scheme in 2012, is part of the long-term retention strategy intended to grow the company. The first tranche of the 2012 allocation of phantom shares vested and were paid out to senior employees on 30 October 2013. This was the first of three tranches of phantom shares that are based on the company's performance.

The second allocation to senior employees of phantom shares was approved by Remco on 17 October 2013 in terms of the rules of the scheme. The CEO does not participate in the scheme.

SHORT-TERM INCENTIVE SCHEME

As part of its strategy to reward employee performance and optimise output even further, Remco introduced a scheme in April 2013 to align individual performances with short-term performance criteria. Annual incentive payments are based on two equal criteria – individual performance and company performance. Individuals are assessed through a performance management system. In determining company performance, Remco takes into account production, total unit costs and total costs. Incentive payments are not payable if the annual free cash flow is negative.

“DRDGOLD aims to be fair and responsible in its remuneration policies because the business depends on employees with good morale”

“The salaries of executive directors are benchmarked to external market surveys”

** Chairmen of sub-committees receive fees as both chairman and member*

REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS

On 5 February 2013 the board commissioned Deloitte, an independent professional company, to conduct a benchmarking exercise within the mining industry to obtain an objective report on the fees of NEDs. Following the Deloitte report, a remuneration policy was prepared to set the standard and give guidance on the remuneration of NEDs. Some of the features of that policy are:

- fair remuneration given the need to attract and retain the most suitably talented NEDs;
- the level of risk accompanied by the complex environment found in the mining industry should be taken into account when determining fees; and
- incentive/share schemes do not apply to NEDs.

REMUNERATION POLICY FOR EXECUTIVE DIRECTORS

The remuneration of executive directors comprises an all-inclusive remuneration package and an annual performance bonus. The remuneration of the executive directors is paid by DRDGOLD for any services rendered to DRDGOLD or its subsidiaries.

ALL-INCLUSIVE PACKAGES

Executive directors receive an all-inclusive remuneration package in accordance with remuneration policy and as recommended by Remco. Salaries are reviewed annually, and the salaries of executive directors are benchmarked to external market surveys.

ANNUAL PERFORMANCE BONUS

Executive directors have service contracts that make provision for discretionary bonuses based on agreed key performance indicators. These bonuses are approved by Remco.

OTHER BENEFITS

All directors who meet the qualification requirements are members of the Group Life Scheme. All directors are reimbursed for any reasonable business expenses they incur.

NON-EXECUTIVE DIRECTORS' REMUNERATION

The fees paid to NEDs are recommended by the board and approved by shareholders. The current fees* payable, effective 1 December 2013, are as follows:

- chairman's annual fee, R1 309 923;
- NEDs' annual fee, R582 188;
- Audit Committee chairman's annual fee, R29 110;
- Audit Committee member's annual fee, R29 110;
- Nominations Committee chairman's annual fee, R10 916;
- Nominations Committee member's annual fee, R10 916;
- chairman of Remco, Risco and Social and Ethics Committee, annual fee of R21 832 each;
- members of Remco, Risco and Social and Ethics Committee, annual fee of R21 832 each;
- daily fee, R21 832; hourly rate, R2 911;
- half-day fee for participating by telephone in special board meetings; and
- chairman of the board receives committee fees.

Fees for NEDs are considered annually and there were no increases in FY2014.

REMUNERATION REPORT

(CONTINUED)

DIRECTORS' SERVICE CONTRACTS

Service contracts have been concluded with the executive as well as the NEDs. Details of the service contracts are set out in the table below.

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

DRDGOLD PHANTOM SHARE SCHEME

2014	Opening balance	Granted during year	Exercised during year	Exercise price	Forfeited/lapsed during year	Closing balance	Estimated fair value as at 30 June 2014
Group and company	Number	Number	Number	R	Number	Number	R'000
Executive directors							
D J Pretorius	-	-	-	-	-	-	-
C C Barnes*	261 350	-	(43 558)	3.27	(217 792)	-	-
31 October 2012 grant	261 350	-	(43 558)	3.27	(217 792)	-	-
31 October 2013 grant	-	-	-	-	-	-	-
F D van der Westhuizen #	58 278	123 729	(9 713)	3.27	-	172 294	159
31 October 2012 grant	58 278	-	(9 713)	3.27	-	48 565	74
31 October 2013 grant	-	123 729	-	-	-	123 729	85
Prescribed officers							
C M Symons	199 280	140 366	(33 213)	3.27	(200 008)	106 425	147
31 October 2012 grant	199 280	-	(33 213)	3.27	(83 034)	83 033	134
31 October 2013 grant	-	140 366	-	-	(116 974)	23 392	13
T J Gwebu	156 372	121 439	(26 062)	3.27	-	251 749	282
31 October 2012 grant	156 372	-	(26 062)	3.27	-	130 310	198
31 October 2013 grant	-	121 439	-	-	-	121 439	84
W J Schoeman	232 378	178 809	(38 730)	3.27	-	372 457	418
31 October 2012 grant	232 378	-	(38 730)	3.27	-	193 648	295
31 October 2013 grant	-	178 809	-	-	-	178 809	123
Total	907 658	564 343	(151 276)	-	(417 800)	902 925	1 006

* Resigned 31 December 2013

Appointed 01 January 2014, resigned 18 July 2014

DRDGOLD DIRECTORS' TERMS OF SERVICE

Director	Title	Date of appointment	Unexpired term of service contract from 1/7/2014
D J Pretorius	Chief executive officer	1/1/2012	*
C C Barnes	Chief financial officer (until 31/12/13)	1/5/2011	-
F D van der Westhuizen	Chief financial officer (until 18/7/14)	1/1/2014	-
R P Hume	Non-executive director	1/10/2012	16 months
G C Campbell	Non-executive chairman	1/11/2011	16 months
J Turk	Non-executive director	1/11/2012	4 months
E A Jeneke	Non-executive director	1/11/2011	16 months
J Holtzhausen	Non-executive director	25/4/2014	22 months

* Minimum term contract expires 31/12/2014. Three month notice period then applies

PRESCRIBED OFFICERS' REMUNERATION

The remuneration of the prescribed officers comprises an all-inclusive salary and a bi-annual performance bonus.

ALL INCLUSIVE SALARY

Prescribed officers receive an all-inclusive salary in accordance with the remuneration policy. All salaries are reviewed annually.

BI-ANNUAL PERFORMANCE BONUS

Depending on the nature of the position of a prescribed officer, his/her service contract might make provision for the officer to be eligible for a discretionary bonus based on agreed key performance indicators. This bonus is approved by Remco.

SERVICE CONTACTS

Each of the prescribed officers has a separate service contract with a specified notice period.

DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS

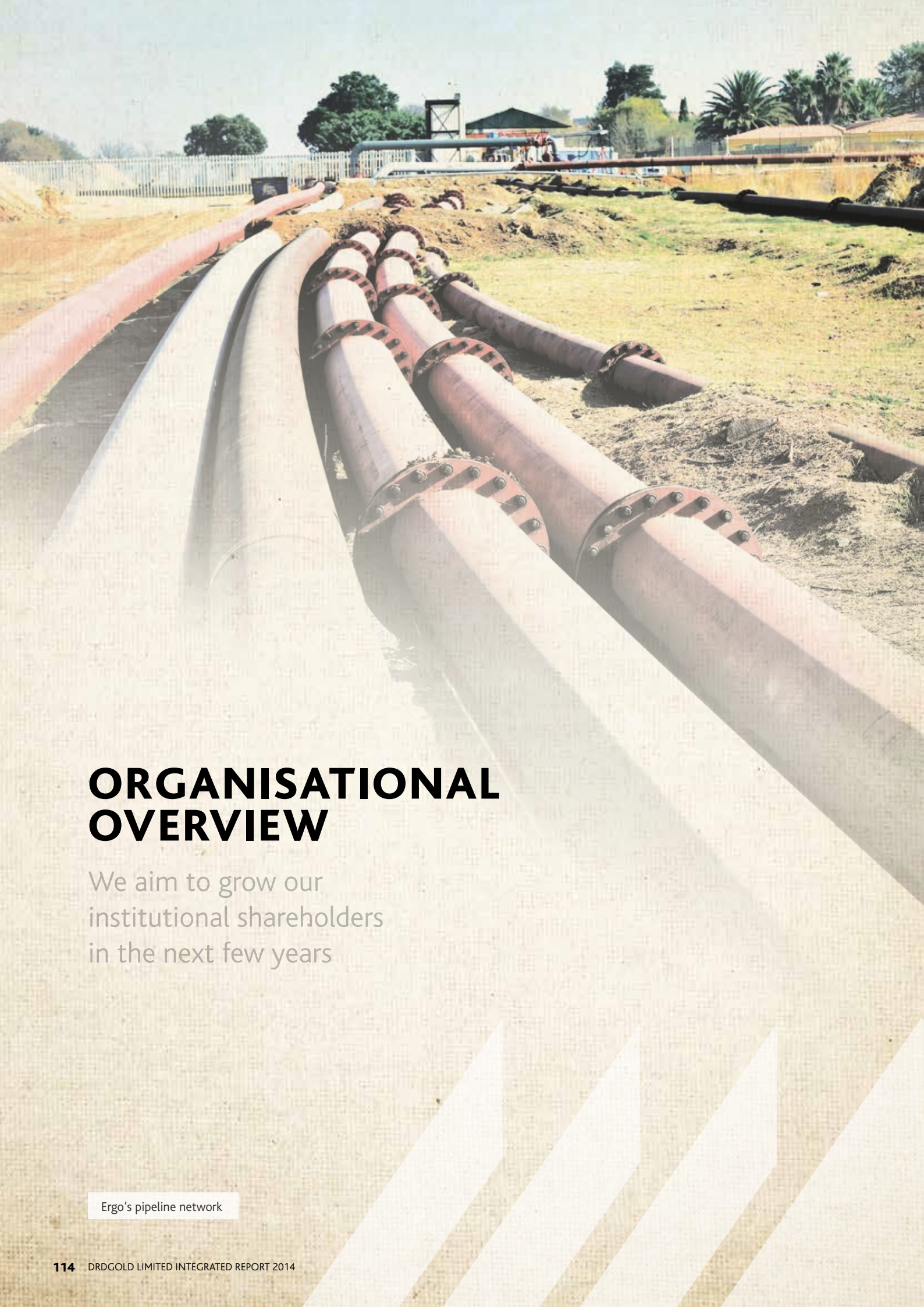
2014	Board fees	Salary	Bonuses & performance related payments	Termination of contract related payments	Pre-tax gain on share options	Pension/provident scheme contributions	Total
Group and company	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Executive directors							
D J Pretorius	–	4 832	1 359	–	–	–	6 191
C C Barnes	–	2 119	1 386	–	255	–	3 760
F D van der Westhuizen	–	1 171 ⁽²⁾	– ⁽²⁾	–	53 ⁽³⁾	–	1 224
	–	8 122	2 745	–	308	–	11 175
Non-executive directors							
G C Campbell	1 514	–	–	–	–	–	1 514
R P Hume	747	–	–	–	–	–	747
J Turk	692	–	–	–	–	–	692
E A Jeneker	792	–	–	–	–	–	792
J Holtzhausen	124	–	–	–	–	–	124
	3 869	–	–	–	–	–	3 869
Prescribed officers							
C M Symons ⁽¹⁾	–	2 365	1 064	3 263	183	288	7 163
T J Gwebu	–	2 209	984	–	191	–	3 384
W J Schoeman	–	3 081	1 183	–	125	–	4 389
	–	7 655	3 231	3 263	499	288	14 936
Total	3 869	15 777	5 976	3 263	807	288	29 980

⁽¹⁾ Continues to render services to the group on a contract basis

⁽²⁾ Earned in capacity of a director only

⁽³⁾ Exercised prior to appointment as director

The remuneration of executive directors and prescribed officers comprises a basic salary and an annual bonus for directors and bi-annual bonus for prescribed officers. NEDs receive board fees which are approved at each AGM of the company.



ORGANISATIONAL OVERVIEW

We aim to grow our
institutional shareholders
in the next few years

Ergo's pipeline network

SHAREHOLDER INFORMATION

AT 30 JUNE 2014

	No of holders	% of total share holders	No of shares	% of total issued share capital
1 Analysis of shareholdings				
1 – 5 000	4 553	79.63	3 976 687	1.03
5 001 – 10 000	404	7.07	3 187 055	0.83
10 001 – 50 000	524	9.16	12 513 054	3.25
50 001 – 100 000	87	1.52	6 406 327	1.66
100 001 – 1 000 000	117	2.05	35 920 390	9.32
1 000 001 – and more	33	0.58	323 380 254	83.91
Totals	5 718	100.00	385 383 767	100.00
2 Major shareholders (1% and more of the shares in issue)				
Bank of New York			204 969 083	53.19
Investec			15 241 927	3.95
Soges Fiducem SA			13 332 234	3.46
Citibank			12 295 104	3.19
State Street Bank and Trust			10 251 029	2.66
Clearstream Banking S.A. Luxembourg			9 658 923	2.51
Ergo Mining Operations Proprietary Limited			6 155 559	1.60
KBC Securities N.V. Clients			6 090 707	1.58
Eskom Pension Fund (Equities-lam)			5 491 601	1.42
HSBC			5 491 601	1.42
GEPF Equity			4 341 053	1.13
3 Shareholder spread				
Non-public	5	0.087	6 989 726	1.82
Directors	4	0.070	834 167	0.22
Subsidiary	1	0.017	6 155 559	1.60
Public	5 714	99.913	378 394 041	98.18
Totals	5 718	100.00	385 383 767	100.00
4 Distribution of shareholders				
Individuals	5 051	88.34	28 763 395	7.46
Institutions and bodies corporate	667	11.66	356 620 372	92.54
Total	5 718	100.00	385 383 767	100.00

NON-PUBLIC HOLDERS

	30 June 2014	
	Beneficial direct	Beneficial indirect
Executive directors		
D J Pretorius	291 167	–
C C Barnes*	–	–
F D van der Westhuizen#	–	–
A T Meyer®	–	–
	291 167	–
Non-executive directors		
G C Campbell	150 000	–
J A Holtzhausen	–	–
R P Hume	150 000	–
E A Jeneker	–	–
J Turk	–	243 000
	300 000	243 000
Total	591 167	243 000

* Resigned 31 December 2013

Appointed 1 January 2014, resigned 18 July 2014

® Appointed on 29 July 2014

SHAREHOLDER DIARY

AT 30 JUNE 2014

ANNUAL GENERAL MEETING

Date	28 November 2014
Time	09:00 (local time)
Place	Quadrum Office Park 1st Floor, Building 1 50 Constantia Boulevard Constantia Kloof Ext 28 Gauteng South Africa

QUARTERLY REPORTS

First quarter	24 October 2014
Second quarter	February 2015
Third quarter	April 2015
Fourth quarter	August 2015
Interim financial report	February 2015
Preliminary annual financial report	August 2015

Copies of the company's quarterly activity reports may be obtained by making application to the company secretary or the share transfer secretary in South Africa.

Members are requested to notify the share transfer secretaries in South Africa, Australia or the United Kingdom of any change of address.

CONVERSION TABLE

The following factors have been used in this document.

Currency: Average exchange rate during year US\$1 = R 10.3706
Closing exchange rate at 30 June 2014 US\$1 = R10.5784

Metric	Imperial	Imperial	Metric
1 tonne	1.10229 short ton	1 short ton	0.9072 tonne
1 kilogram	2.20458 pounds	1 pound	0.4536 kilograms
1 gram	0.03215 troy ounces	1 troy ounce	32.1507 grams
1 kilometre	0.62150 miles	1 mile	1.609 kilometres
1 metre	3.28084 feet	1 foot	0.3048 metres
1 litre	0.2642 gallons	1 gallon	3.785 litres
1 hectare	2.47097 acres	1 acres	0.4047 hectares
1 centimetre	0.3937 inches	1 inch	2.54 centimetres
1 gram/tonne	0.292 ounce/tonne	1 ounce/tonne	34.28 grams/tonne

KPMG ASSURANCE

INDEPENDENT ASSURANCE REPORT ON SELECTED SUSTAINABILITY INFORMATION

TO THE DIRECTORS OF DRDGOLD LIMITED

We have undertaken a limited assurance engagement on selected sustainability information, as described below, and presented in the 2014 Integrated Annual Report (the Report) of DRDGOLD Limited (referred to as DRDGOLD) for the year ended 30 June 2014. This engagement was conducted by a multi-disciplinary team of health, safety, social, environmental and assurance specialists with extensive experience in sustainability reporting.

Subject matter

We are required to provide limited assurance on the following selected sustainability information prepared in accordance with the Global Reporting Initiative (GRI) G4 Guidelines, marked with an 'LA' on the relevant pages in the Report.

Description	Page
Safety Indicators (Human Capital)	
Fatalities and Lost Time Injury Frequency Rate (LTIFR)	31 and 34
Reportable Injury Frequency Rate (RIFR)	31
Environmental Indicators (Natural Capital)	
Total water used	73
Cyanide used	78
Energy and fuel used	76
Total direct (scope 1) and indirect (scope 2) GHG emissions: tonnes CO ₂ e (Total emissions)	77
Social Indicators (Social Capital)	
Rand value spent on socio-economic development projects	49
Financial Indicators (Financial Capital)	
Value-Added Statement	52

Directors' Responsibilities

The Directors are responsible for the selection, preparation and presentation of the selected sustainability information in accordance with the GRI G4 Guidelines. This responsibility includes the identification of stakeholders and stakeholder requirements, material issues, for commitments with respect to sustainability performance and for the 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.

Our Independence and Quality Control

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

In accordance with International Standard on Quality Control 1, KPMG Services Proprietary Limited 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 information based on the procedures we have performed and the evidence we have obtained. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE 3000), 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 assurance about whether the selected sustainability information is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 involves assessing the suitability in the circumstances of DRDGOLD's use of GRI G4 Guidelines as the basis of preparation for the selected sustainability information, assessing the risks of material misstatement of the selected sustainability information whether due to fraud or error, responding to the assessed risks as necessary in

KPMG ASSURANCE

(CONTINUED)

the circumstances, and evaluating the overall presentation of the selected key performance indicators. 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 to the assessed risks. The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, 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 and senior executives 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 and senior executives in our interviews;
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected sustainability information;
- Performed a controls walkthrough;
- Inspected supporting documentation and performing analytical procedures on a sample basis to evaluate the data generation and reporting processes against the reporting criteria;
- Undertook site visits to Ergo, which was the central site;
- Evaluated whether the selected sustainability information 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 from, 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 the selected sustainability information has been prepared, in all material respects, in accordance with GRI G4 Guidelines.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected sustainability information as set out in the subject matter paragraph for the year ended 30 June 2014 is not prepared, in all material respects, in accordance with GRI G4 Guidelines.

Other Matters

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 assurance report that may have occurred since the initial date of presentation on the DRDGOLD Website. Our report does not extend to any disclosures or assertions relating to future performance plans and / or strategies disclosed in the Report.

Restriction of Liability

Our work has been undertaken to enable us to express the conclusions on the selected sustainability information 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 conclusions we have reached.

KPMG Services Proprietary Limited



NG Morris

Director
Johannesburg
September 2014
1 Albany Road
Parktown
Johannesburg
2193

REPORTING IN LINE WITH GRI

DRD GOLD has adopted the Global Reporting Initiative's G4 (GRI G4) guidelines as the basis for this report, and has reported 'in accordance' with the Core option. KPMG has provided limited assurance on selected sustainability information marked with an 'LA' on the relevant pages in this report – see the KPMG assurance report on page 117.

GENERAL STANDARD DISCLOSURES

General Standard Disclosures	Page	External assurance
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	6 - 7	–
ORGANISATIONAL PROFILE		
G4-3: Report the name of the organisation	Front cover	–
G4-4: Report the primary brands, products, and services	16, 60	–
G4-5: Report the location of the organisation's headquarters	11	–
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	11	–
G4-7: Report the nature of ownership and legal form	12, 13	–
G4-8: Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	16, 60	–
G4-9: Report the scale of the organisation, including:	12, 26 to 27	–
a. Total number of employees		
b. Total number of operations		
c. Net sales (for private sector organisations) or net revenues (for public sector organisations)		
d. Total capitalisation broken down in terms of debt and equity (for private sector organisations)		
e. Quantity of products or services provided		
G4-10: Report the composition of the workforce, including:	28 to 30	–
a. Report the total number of employees by employment contract and gender		
b. Report the total number of permanent employees by employment type and gender		
c. Report the total workforce by employees and supervised workers and by gender		
d. Report the total workforce by region and gender		
e. Report 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		
f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries)		
G4-11: Report the percentage of total employees covered by collective bargaining agreements	43	–
G4-12: Describe the organisation's supply chain	60 to 61	–

REPORTING IN LINE WITH GRI

(CONTINUED)

General Standard Disclosures	Page	External assurance
G4-13: Report any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain, including: a. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions b. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organisations) c. Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination	13	–
G4-14: Report whether and how the precautionary approach or principle is addressed by the organisation	102 to 109	–
G4-15: List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses	39, 86, 88	–
G4-16: List memberships of associations (such as industry associations) and national or international advocacy organisations in which the organisation: • Holds a position on the governance body • Participates in projects or committees • Provides substantive funding beyond routine membership dues • Views membership as strategic	68, 71, 73, 75, 101	–
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
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	12	–
G4-18: a. Explain the process for defining the report content and the aspect boundaries b. Explain how the organisation	22	–
G4-19: List all the material aspects identified in the process for defining report content	22	–
G4-20: For each material aspect, report the aspect boundary within the organisation, as follows: • Report 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: • The list of entities or groups of entities included in G4-17 for which the aspect is not material or • The list of entities or groups of entities included in G4-17 for which the aspects is material • Report any specific limitation regarding the aspect boundary within the organisation	2, 22, 28, 50, 57, 62, 68 and throughout this report	–
G4-21: For each material aspect, report the aspect boundary outside the organisation, as follows: • Report 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. In addition, describe the geographical location where the aspect is material for the entities identified • Report any specific limitation regarding the aspect boundary outside the organisation	No, 2	–
G4-22: Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	None (only in AFS), 55	–
G4-23: Report significant changes from previous reporting periods in the scope and aspect boundaries	None, 2	–

General Standard Disclosures	Page	External assurance
STAKEHOLDER ENGAGEMENT		
G4-24: Provide a list of stakeholder groups engaged by the organisation	18 - 21	–
G4-25: Report the basis for identification and selection of stakeholders with whom to engage	18 - 21	–
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 engagement was undertaken specifically as part of the report preparation process	18 - 21	–
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. Report the stakeholder groups that raised each of the key topics and concerns	18 - 21	–
REPORT PROFILE		
G4-28: Reporting period (such as fiscal or calendar year) for information provided	2	Yes, 117
G4-29: Date of most recent previous report (if any)	2	–
G4-30: Reporting cycle (such as annual, biennial)	2	–
G4-31: Provide the contact point for questions regarding the report or its contents	2	–
G4-32: "In accordance" option:	GRI index page 119 and 117	–
a. Report the 'in accordance' option the organisation has chosen		
b. Report the GRI content index for the chosen option		
c. Report the reference to the external assurance report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the guidelines		
G4-33: Assurance:	2, 101 and 117	Limited assurance on selected sustainability information, 117
a. Report the organisation's policy and current practice with regard to seeking external assurance for the report		
b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided		
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		
Governance structure and composition		
G4-34: Report the governance structure of the organisation, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts	86 to 101	–
G4-35: Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	86 to 101	–
G4-36: Report whether the organisation has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	86 to 101	–

REPORTING IN LINE WITH GRI

(CONTINUED)

General Standard Disclosures	Page	External assurance
G4-38: Report the composition of the highest governance body and its committees by: <ul style="list-style-type: none"> • Executive or non-executive • Independence • Tenure on the governance body • Number of each individual's other significant positions and commitments, and the nature of the commitments • Gender • Membership of under-represented social groups • Competences relating to economic, environmental and social impacts • Stakeholder representation 	86 to 101	–
G4-39: Report whether the chair of the highest governance body is also an executive officer (and, if so, his or her function within the organisation's management and the reasons for this arrangement)	86	–
G4-40: Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including: <ul style="list-style-type: none"> • Whether and how diversity is considered • Whether and how independence is considered • Whether and how expertise and experience relating to economic, environmental and social topics are considered • Whether and how stakeholders (including shareholders) are involved 	86 to 101	–
G4-41: Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum: <ul style="list-style-type: none"> • Cross-board membership • Cross-shareholding with suppliers and other stakeholders • Existence of controlling shareholder • Related party disclosures 	86	–
Highest governance body's role in setting purpose, values, and strategy		
G4-42: Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organisation's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	86 to 87	–
Highest governance body's competencies and performance evaluation		
G4-43: Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	86 – 92	–
G4-44: <ol style="list-style-type: none"> a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organisational practice 	97	–

General Standard Disclosures	Page	External assurance
Highest governance body's role in risk management		
G4-45: a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities	96	–
G4-46: Report the highest governance body's role in reviewing the effectiveness of the organisation's risk management processes for economic, environmental and social topics	96	–
G4-47: Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities	2	–
Highest governance body's role in sustainability reporting		
G4-48: Report the highest committee or position that formally reviews and approves the organisation's sustainability report and ensures that all material aspects are covered	12, 87	–
G4-50: Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	8 to 104	–
Remuneration and incentives		
G4-51: a. Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration: • Fixed pay and variable pay: • Performance-based pay • Equity-based pay • Bonuses • Deferred or vested shares • Sign-on bonuses or recruitment incentive payments • Termination payments • Clawbacks • Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives	110 to 113	–
G4-52: Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organisation	41, 110 - 113	–
ETHICS AND INTEGRITY		
G4-56: Describe the organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	94 - 101	–
G4-57: Report the internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organisational integrity, such as helplines or advice lines	18 - 21, 95 - 101, 106, 110, 117	–
G4-58: Report the internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organisational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	96 - 101, 106	–

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SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page	Omissions	External assurance
ECONOMIC			
Economic performance			
G4-EC1: Direct economic value generated and distributed	52		117
Indirect economic impacts			
G4-EC7: Development and impact of infrastructure investments and services supported	78, 103 to 108		–
G4-EC8: Significant indirect economic impacts, including the extent of impacts	62 to 67		–
Procurement practices			
G4-EC9: Proportion of spending on local suppliers at significant locations of operation	50 and 51		
ENVIRONMENTAL			
Materials			
G4-EN1: Materials used by weight or volume	76, 78		117
G4-EN2: Percentage of materials used that are recycled input materials	73		–
Energy			
G4-EN3: Energy consumption within the organisation	76		117
G4-EN4: Energy consumption outside of the organisation	76		–
G4-EN5: Energy intensity	76, 77		–
G4-EN6: Reduction of energy consumption	76, 77		–
Water			
G4-EN8: Total water withdrawal by source.	72, 73		117
G4-EN9: Water sources significantly affected by withdrawal of water.	72, 73		–
G4-EN10: Percentage and total volume of water recycled and reused	72, 73		–
Emissions			
G4-EN15: Direct greenhouse gas (GHG) emissions (scope 1)	76 - 77		117
G4-EN16: Energy indirect greenhouse gas (GHG) emissions (Scope 2)	76 - 77		117
G4-EN17: Other indirect greenhouse gas (GHG) emissions (Scope 3)	76 - 78		–
G4-EN18: Greenhouse gas (GHG) emissions intensity	76 - 77		–
G4-EN19: Reduction of greenhouse gas (GHG) emissions	14, 77		–

DMA and Indicators	Page	Omissions	External assurance
Effluents and waste			
G4-EN22: Total water discharge by quality and destination	72, 73 and 79		–
G4-EN23: Total weight of waste by type and disposal method	58, 68, 73 and 79		–
G4-EN24: Total number and volume of significant spills	78		–
G4-EN26: Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organisation's discharges of water and runoff	72, 73 and 79		–
Compliance			
G4-EN29: Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	69		–
G4-EN31: Total environmental protection expenditures and investments by type	79		–
SOCIAL: LABOUR PRACTICES AND DECENT WORK			
Employment			
G4-LA1: Total number and rates of new employee hires and employee turnover by age group, gender, and region	12, 28 - 29		–
G4-LA2: Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	30, 44, 110 - 111		–
Occupational health and safety			
G4-LA5: Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes	31 - 33, 43		–
G4-LA6: Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work related fatalities, by region and by gender	31, 34 and 35		117
G4-LA7: Workers with high incidence or high risk of diseases related to their occupation	37		–
Training and education			
G4-LA9: Average hours of training per year per employee by gender, and by employee category	39, 41, 44, 45 - 47		–
G4-LA10: Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	41, 45 to 49		–
G4-LA11: Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	41, 45 to 49		–

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DMA and Indicators	Page	Omissions	External assurance
Diversity and equal opportunity			
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	29		–
Supplier assessment for labour practices			
G4-LA15: Significant actual and potential negative impacts for labour practices in the supply chain and actions taken	60 - 61		–
Labour practices grievance mechanisms			
G4-LA16: Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms	42		–
SOCIAL: HUMAN RIGHTS			
Investment			
G4-HR1: Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	42 - 43		–
Non-discrimination			
G4-HR3: Total number of incidents of discrimination and corrective actions taken	42, 44 - 45		–
Freedom of association and collective bargaining			
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	42 - 43		–
Child labour			
G4-HR5: Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	42		–
Forced or compulsory labour			
G4-HR6: Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour	42		–
Assessment			
G4-HR9: Total number and percentage of operations that have been subject to human rights reviews or impact assessments	32		–

DMA and Indicators	Page	Omissions	External assurance
SOCIAL: SOCIETY			
Local communities			
G4-SO1: Percentage of operations with implemented local community engagement, impact assessments, and development programmes	39, 47, 62, 74		–
G4-SO2: Operations with significant actual or potential negative impacts on local communities	Throughout this report		–
Anti-corruption			
G4-SO3: Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	95		–
G4-SO4: Communication and training on anti-corruption policies and procedures.	95		–
G4-SO5: Confirmed incidents of corruption and actions taken	95		–
Compliance			
G4-SO8: Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	69		–

GLOSSARY

ABET	Adult basic education and training
ADR	American Depositary Receipt
AFS	Annual Financial Statements 2014
AGM	Annual general meeting
AIDS	Acquired immune deficiency syndrome
AISC	All-in sustaining costs
Amcu	Association of Mineworkers and Construction Union, a labour union
AMD	Acid mine drainage
Au	Symbol for gold
BEE	Black economic empowerment
Blyvoor	Blyvooruitzicht Gold Mining Company Limited
BTF	Brakpan tailings facility, the Ergo deposition site
Cash costs	Measurement that represents the full costs incurred inclusive of royalties and production taxes. Depreciation, rehabilitation, corporate administration and retrenchment costs are excluded
CEO/CFO/COO	Chief executive officer/chief financial officer/chief operating 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
cmgt	Centimetre grams per tonne
CO₂	Carbon dioxide
Companies Act	A piece of South African legislation: Companies Act, No 71 of 2008, amended and promulgated in 2011
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
c(ps)	Cents (per share)
Crown	A DRDGOLD plant, now operating as a pump/milling station. The name derives from Crown Gold Recoveries Proprietary Limited, incorporated into Ergo Mining Proprietary Limited (Ergo) on 3 July 2012
CSI	Corporate social investment
dB	Decibel
Debt	Borrowings, including short-term borrowings
Development	Activities required to prepare for mining activities and to maintain a planned production level, and those costs required to enable the conversion of mineral reserves to recover gold
DMR	Department of Mineral Resources
DMTN	Domestic Medium Term Note
DRDGOLD	DRDGOLD Limited
DWA	Department of Water Affairs
EBDA	Ergo Business Development Academy NPC
EBIDTA	Earnings before interest, taxes, depreciation and amortisation
EMO	Ergo Mining Operations Proprietary Limited; owns Ergo and ERPM
EMP	Environmental management plan
Ergo	Ergo Mining Proprietary Limited, an operating company owned by EMO, which includes the Crown, City Deep, Knights and Brakpan sites from 3 July 2012
ERPM	East Rand Proprietary Mines Limited, wholly-owned by EMO and the subject of a sale agreement
EWP	Employee wellness programme
FET	Further education and training
FFG	Flotation and fine-grind
FY	The DRDGOLD financial year is 1 July to 30 June. FY2014 is the year beginning 1 July 2013 and ending 30 June 2014
g	Gram
GHG	Greenhouse gas
GN	Government Notice

GRI	Global Reporting Initiative
g/t	Grammes per tonne
ha	Hectare
HDSA	Historically disadvantaged South African
HIV	Human immuno-deficiency virus
HR	Human resources
I&APs	Interested and affected parties
ICAS	Independent Counselling and Advisory Services
IDP	Individual development plan
IFRS	International Financing Reporting Standards
IIRC	International Integrated Reporting Council
IT	Information technology
IWUL	Integrated water use licence
JSE	JSE Limited, South Africa's stock exchange
kg	Kilogram
King III	Code of and Report on Governance Principles for South Africa 2009
km	Kilometre
KPMG	KPMG Inc., auditors for DRDGO
LED	Local economic development
Life of mine	Number of years that the operation is planning to mine and treat ore, taken from the current mine plan
LTI (FR)	Lost time injury (frequency rate)
m	Metre
Market capitalisation	The number of ordinary shares in issue multiplied by the closing price of the share as quoted on stock exchanges
Metallurgical plant	Processing plant used to treat ore and extract the contained metals
MHSA	Mine Health and Safety Act of 1996
Mill/milling	The comminution of the ore, although the terms have come to cover the broad range of machinery inside the treatment plant where the mineral is separated from the ore
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
ML	Megalitre
MOI	Memorandum of Incorporation
Moz	Million ounces
MPRDA	Mining and Petroleum Resources Development Act 28 of 2002
Mt	Million tonnes
Mtpm	Million tonnes per month
MWh	Megawatt hours

GLOSSARY

(CONTINUED)

NGO	Non-governmental organisation
NIHL	Noise-induced hearing loss
NOx	Nitrous oxide
NUM	National Union of Mineworkers, a labour union
NYSE	New York Stock Exchange
OEL	Occupational exposure limit
OHP	Occupational health practitioner
OMP	Occupational medical practitioner
Ore	A mixture of mineralised material from which at least one of the contained minerals can be mined and processed at an economic profit
OTC	Over the counter
Ounce/oz	One troy ounce which equals 32.1507 grams
Payshoot	Linear to sub-linear zone within a reef for which gold grades or accumulations are predominately above the cut-off grade
PPE	Personal protective equipment
Production	The day-to-day activities directed to obtaining saleable product from the mineral resource on a commercial scale. It includes extraction and other processing prior to sale
R&D	Research and development
Reclamation site	Slimes dams or sand dumps that were created from discarded material after ore processing and are being retreated to recover gold
Reef	A mineralised horizon containing economic levels of metal
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
Remco	Remuneration Committee
RIFR	Reportable injury frequency rate
Risco	Risk Committee
ROE	Return on equity
SAICA	South African Institute of Chartered Accountants
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	Stock Exchange News Service
SETA	Sector education training authority
SLP	Social and labour plan
SMME	Small, medium and micro enterprise
SO₂	Sulphur dioxide
SOX	Sarbanes-Oxley Act of 2002, a United States Law
t	Tonne/s: one tonne is equal to 1 000 kilograms (also known as a metric ton)
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
TB	Tuberculosis
TCTA	Trans-Caledon Tunnel Authority
Uasa	Uasa – The Union, formerly the United Association of South Africa, a labour union
US/USA	United States of America
VCT	Voluntary counselling and testing
VMR	Village Main Reef Limited
VOC	Volatile organic compound
Witwatersrand Basin	Wits Basin
Yield/recovered grade	The actual grade of ore realised after the mining treatment process

ADMINISTRATION AND CONTACT DETAILS

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(Incorporated in the Republic of South Africa)

(Registration Number: 1895/000926/06)

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Ordinary shares
Share Code: DRD
ISIN: ZAE000058723

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ADRs
Trading Symbol: DRD
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DRDGOLD's ordinary shares are listed on the Johannesburg Stock Exchange (JSE) and on the New York Stock Exchange (NYSE), in the form of American Depositary Receipts (ADRs). The company's shares are also traded on the Marché Libre in Paris, the Regulated Unofficial Market on the Frankfurt Stock Exchange, the Berlin and Stuttgart

OTC markets, as well as the Euronext Brussels, in the form of International Depositary Receipts.

In addition, DRDGOLD trades warrants of various denominations on the Marché Libre Paris.

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Committee memberships during FY2014

Denotes committee chairman

¹ Member of the Audit Committee

² Member of the Remuneration Committee

³ Member of the Nominations Committee

⁴ Member of the Risk Committee

⁵ Member of the Social and Ethics Committee



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