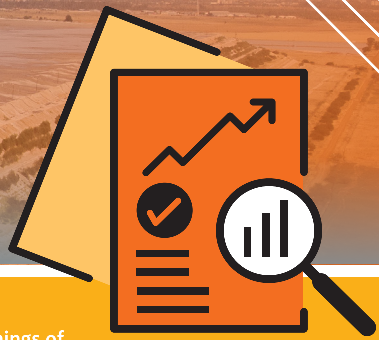
CONDENSED CONSOLIDATED UNAUDITED INTERIM RESULTS

for the six months ended 31 December 2021 and **cash dividend declaration**

DRDGOLD LIMITED

HIGHLIGHTS



Gold production decreased by 3% to **2 886 kilograms**	Operating profit decreased by 42% to **R832.0 million**	All-in sustaining costs margin of **23%**	Interim dividend **20 SA cps**	Headline earnings of **R495.9 million**

REVIEW OF OPERATIONS

		Six months ended 31 December 2021	Six months ended 31 December 2020	% change[1]
Gold production	kg	**2 886**	2 984	(3)
	oz	**92 787**	95 938	(3)
Gold sold	kg	**2 891**	3 006	(4)
	oz	**92 948**	96 645	(4)
Cash operating costs	R per kg	**576 444**	510 845	13
	US$ per oz	**1 193**	978	22
All-in sustaining costs	R per kg	**665 583**	597 605	11
	US$ per oz	**1 378**	1 144	20
Average gold price received	R per kg	**863 108**	988 998	(13)
	US$ per oz	**1 786**	1 893	(6)
Operating profit	R million	**832.0**	1 441.8	(42)
Operating margin	%	**33.3**	48.4	(31)
All-in sustaining costs margin	%	**23.0**	39.7	(42)
Headline earnings	R million	**495.9**	949.2	(48)
	SA cents per share ("**cps**")	**58.0**	111.0	(48)

[1] *Percentage change is rounded to the nearest percent and is based on the amounts as presented, which are rounded to the nearest hundred thousand Rand. Rounding of figures may result in computational discrepancies.*

SHAREHOLDER INFORMATION

DRDGOLD Limited
(Incorporated in the Republic of South Africa)
Registration number: 1895/000926/06
JSE share code: DRD
NYSE trading symbol: DRD
ISIN: ZAE000058723
("**DRDGOLD**" or the "**Company**" or the "**Group**")

Issued capital
864 588 711 ordinary shares of no par value (30 June 2021: 864 588 711)
6 612 266 treasury shares held within the Group (30 June 2021: 9 474 920)
5 000 000 cumulative preference shares (30 June 2021: 5 000 000)

Price of stock traded	**JSE (R)**	**NYSE (US$)[1]**
• 6-month intra-day high	15.80	1.11
• 6-month intra-day low	11.68	0.79
• Close	13.20	0.85

[1] *This data represents per share data and not American Depository Receipt ("**ADR**") data: one ADR reflects 10 ordinary shares*

Market capitalisation	Rm	US$m
As at 31 December 2021	11 413	733
As at 30 June 2021	12 908	942

RESULTS

The condensed consolidated unaudited interim financial statements of DRDGOLD for the six months ended 31 December 2021 are available on DRDGOLD's website as well as at the Company's registered office.

FOR FURTHER INFORMATION

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DIRECTORS *(#Independent)*
(^Lead Independent)

Executive directors
DJ Pretorius
(Chief Executive Officer)
AJ Davel (Chief Financial Officer)

Non-executive directors
TJ Cumming (Non-executive Chairman)
EA Jeneker ^
JA Holtzhausen #
TVBN Mnyango #
JJ Nel #
KP Lebina #
CD Flemming #

Company Secretary
E Beukes

Sponsor
One Capital

FORWARD LOOKING STATEMENTS

Many factors could cause the actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, adverse changes or uncertainties in general economic conditions in the markets we serve, a drop in the gold price, a sustained strengthening of the Rand against the Dollar, regulatory developments adverse to DRDGOLD or difficulties in maintaining necessary licenses or other governmental approvals, changes in DRDGOLD's competitive position, changes in business strategy, any major disruption in production at key facilities or adverse changes in foreign exchange rates and various other factors.

These risks include, without limitation, those described in the section entitled "Risk Factors" included in our annual report for the fiscal year ended 30 June 2021, which we filed with the United States Securities and Exchange Commission on 28 October 2021 on Form 20-F. You should not place undue reliance on these forward-looking statements, which speak only as of the date thereof. We do not undertake any obligation to publicly update or revise these forward-looking statements to reflect events or circumstances after the date of this report or to the occurrence of unanticipated events. Any forward-looking statements and financial information included in this announcement have not been reviewed and reported on by DRDGOLD's auditors.

DEAR SHAREHOLDER

SIX MONTHS ENDED 31 DECEMBER 2021 VS SIX MONTHS ENDED 31 DECEMBER 2020

OVERVIEW

We are pleased to report a strong finish to the half-year, attributable mainly to an increase in gold recoveries and a higher average gold price compared to the first three months of the period. These contributed to earnings per share of 58.0 SA cents and free cash inflow of R406.9 million for the half year, taking cash and cash equivalents to R2 239.1 million as at 31 December 2021. This has enabled us to declare an interim dividend of 20 SA cents per share, without inhibiting our capital investment programme and taking the number of years of uninterrupted dividend yield to 15.

Steady performances on the part of both the plants of Ergo and Far West Gold Recoveries resulted in gold production exceeding forecasts by just over 5 980oz, softening the impact of the depletion of higher-grade reserves at Ergo and setting the business up favourably to achieve full-year production guidance.

This performance is in no small part attributable to the limited impact of COVID-19 on our operations, which we in turn attribute to our staff's response to adhere to infection avoidance protocols and attitude towards getting vaccinated. At the time of writing this report 90% of staff had taken at least the J&J vaccine or a first dose of the Pfizer vaccine, and only 11% had as yet not taken their second dose of the Pfizer vaccine.

A detailed breakdown of our operating and financial performance, with period-on-period comparisons appears below.

OPERATIONAL REVIEW

Groupwide, gold production decreased by 3% to 2 886kg. Throughput was 1% higher at 14.5Mt, while the average yield was 0.008g/t (4%) lower at 0.200g/t.

Group cash operating unit costs were 13% higher at R576 444/kg.

Group all-in sustaining unit costs ("**AISC**") were 11% higher at R665 583/kg.

Ergo Mining Proprietary Limited **("Ergo")**

Gold production at Ergo decreased by 8% to 2 094kg. Although throughput was up by 1% at 11.4Mt, there was a 0.018g/t (9%) decrease in the average yield to 0.184g/t due mainly to the reduced volumes from the high-grade Knights reserves which are almost mined out. This is in line with the current mining plan and guidance.

Ergo's cash operating unit costs rose by 19% to R694 593/kg due to:

- A marginal increase in volume throughput
- An increase in the consumption of reagents, as a result of the increase in volume throughput to the Ergo plant together with the change in mineralogy of new mining sites
- Above consumer price index ("**CPI**") increases particularly for steel and reagents. We are price takers in both these markets and received import price parity corrections in the second half of the 2021 calendar year
- A reduction in yield grade

Ergo's AISC were up 16% to R756 316/kg – although capital expenditure was lower, it was offset by the higher cash operating costs.

Far West Gold Recoveries Proprietary Limited **("FWGR")**

Gold production at FWGR increased by 11% to 792kg, mainly due to the average yield being 0.025g/t (11%) higher at 0.257g/t. Throughput remained stable at 3.1Mt. The higher average yield is as a result of an increase in higher grade material due to a floor clean up at Driefontein 5 and the implementation of the previously reported copper elution circuit, which was aimed at increasing gold bullion purities and therefore improving the payable content.

FWGR's cash operating costs for the six months were well maintained increasing by only 3% (less than the expected inflationary increase). This coupled with the increase in gold production resulted in cash operating unit costs being 5% lower at R268 040/kg.

FWGR's AISC decreased slightly to R364 794/kg due to the 5% decrease in cash operating unit costs offset by an increase in sustainable capital expenditure on several capital projects, mostly the installation of the thickener to enable closed-circuit milling. Closed-circuit milling should improve the grind of the coarser material, with expected increase in extraction efficiencies and therefore the yield. This installation was completed in December 2021 and its result will therefore only begin to show in the next six months.

FINANCIAL REVIEW

Group revenue decreased by 16% to R2 498.5 million mainly due to a 13% decrease in the average Rand gold price received to R863 108/kg as well as a 4% decrease in gold sold to 2 891kg.

Group operating profit decreased by 42% to R832.0 million from R1 441.8 million, after accounting for cash operating costs, being 11% higher at R1 680.2 million.

The operating margin of the Group was 33.3%, compared to 48.4% in the comparative period.

Headline earnings of R495.9 million (58.0 SA cents per share) were reported compared with headline earnings of R949.2 million (111.0 SA cents per share) in the comparative period.

The Group ended the financial period with cash and cash equivalents of R2 239.1 million, after paying a cash dividend of R345.5 million in September 2021, and the Group remains free of bank debt as at 31 December 2021.

ENVIRONMENT, SOCIAL AND GOVERNANCE ("ESG")

For the period under review the Group spent a total of R34.7 million on environmental rehabilitation, while R51.9 million was spent during the same period last year. This comprises an amount of R30.3 million spent at Ergo and R4.4 million at FWGR. Rehabilitation was undertaken across 37.0 hectares (ha) compared to 52.5ha in the comparative period. For Ergo, this comprised 22ha vegetation at the Brakpan/Withok Tailings Storage Facility ("**TSF**") and 3ha at the Daggafontein TSF. For FWGR, this comprised 12ha vegetation at the Driefontein 4 TSF.

Some 718 dust samples were analysed for exceedance in the period under review, compared to 756 samples for the six-month period ended 31 December 2020. 21 exceedances were detected (3.0% of sample) compared to two in the six-month period ended 31 December 2020. 21 exceedances were recorded at Ergo and nil at FWGR. Exceedances at Ergo were higher particularly in the month of August. Upon investigation, most were exceedances which occurred within our dust monitoring areas but were not caused by mining operations.

The Group recorded a 10% decrease in the use of externally sourced potable water to 1 362Ml. The reduction is mainly as a result of the decrease in consumption by Ergo from 1 432Ml to 1 261Ml, as a result of more process water used in circuit and an increased level of surface water from increased rainfall.

The Group's socio-economic development spend remained relatively unchanged from R19.6 million to R19.7 million in the current period.

About 381 COVID-19 tests were conducted at Ergo for the period under review, with 110 (29%) showing a positive result. At FWGR, 61 COVID-19 tests were conducted, with 20 showing positive cases (33%). No COVID-19 fatalities were reported at either operation. 75% and 94% of employees of Ergo and FWGR respectively were fully vaccinated as at December 2021. 74% of employees were fully vaccinated at the corporate office.

DIVIDEND

The DRDGOLD board of directors (**"Board"**) has declared an interim cash dividend of 20 South African (**"SA"**) cents per ordinary share for the six months ended 31 December 2021 as follows:

- The dividend has been declared out of income reserves
- The local Dividend Withholding Tax rate is 20% (twenty per cent)
- The gross local dividend amount is 20 SA cents per ordinary share for shareholders exempt from Dividend Withholding Tax
- The net local dividend amount is 16 SA cents per ordinary share for shareholders liable to pay Dividend Withholding Tax
- DRDGOLD currently has 864 588 711 ordinary shares in issue (which includes 6 612 266 treasury shares)
- DRDGOLD's income tax reference number is 9160/013/60/4

In compliance with the requirements of Strate Proprietary Limited ("**Strate**") and the JSE Limited Listings Requirements, given the Company's primary listing on the exchange operated by the JSE Limited ("**JSE**"), the salient dates for payment of the dividend are as follows:

- Last date to trade in ordinary shares *cum*-dividend: Tuesday, 8 March 2022
- Ordinary shares trade *ex*-dividend: Wednesday, 9 March 2022
- Record date: Friday, 11 March 2022
- Payment date: Monday, 14 March 2022

On payment date, dividends due to holders of certificated securities on the SA share register will either be electronically transferred to such shareholders' bank accounts or, in the absence of suitable mandates, dividends will be held in escrow by the Company until suitable mandates are received to electronically transfer dividends to such shareholders.

Dividends in respect of dematerialised shareholdings will be credited to such shareholders' accounts with the relevant Central Securities Depository Participant (CSDP) or broker.

To comply with the further requirements of Strate, between Wednesday, 9 March 2022 and Friday, 11 March 2022, both days inclusive, no transfers between the SA share register and any other share register will be permitted and no ordinary shares pertaining to the SA share register may be dematerialised or rematerialised.

The currency conversion date for the Australian and United Kingdom share registers will be Monday, 14 March 2022. The holders of American Depositary Receipts ("**ADRs**") should confirm dividend details with the depository bank.

ADR information is tentative and subject to confirmation by the depositary bank. Assuming an exchange rate of R15.00/$1, the dividend payable on an ADR is equivalent to 11 United States ("**US**") cents for ADR holders liable to pay dividend withholding tax. However, the actual rate of payment will depend on the exchange rate on the date for currency conversion.

CHANGES TO THE BOARD

With effect from 1 December 2021, Timothy Cumming, a non-executive director of the Company, was appointed as chairman of the Board of directors and the nominations committee. He is also an independent non-executive director of Sibanye-Stillwater Limited. This was after Geoff Campbell retired, with effect from 1 December 2021 after a tenure of 20 years as non-executive director, the last 16 years of which was served as chair of the Board.

LOOKING AHEAD

Carbon Footprint and Power Supply Risk

We experience the impact of climate change on our operations first-hand. In the last decade weather patterns have become increasingly volatile – droughts are drier and longer, and rainstorms more frequent and fiercer. We are also operating in an environment of power supply and cost uncertainty.

We have now resolved to construct a solar power plant and a power storage facility. Capital expenditure has been approved by the Board for the first phase of the project. This comprises an upgrade to the existing supply line to our Brakpan/Withok TSF to an 88KVA line, the construction of an initial 20MW PV plant and the first ten power storage facilities of 10MW each.

FWGR Phase II

The definitive feasibility study on FWGR Phase II was completed in FY2021 and we are encouraged by the robustness of the model. Our approach in these matters is to explore the feasibility of a design as extensive and ambitious as the footprint, accessible resource and available services will allow, and then incrementally implement in accordance with our capacity and risk appetite, careful not to compromise the ultimate model in the process.

Key to Phase II is a regional tailings facility designed to receive more than 800 million tonnes of displaced mine waste over its operating lifespan. Although this is far more than our 250 million tonne resource, it has been designed to receive most of the tailings deposited in the region, most of which are built over dolomitic structures.

The Department of Water and Sanitation has however rejected the new design proposed for the regional TSF to be constructed without a liner. We are reluctant to build a TSF of this magnitude on a composite liner, for reasons based both on safety and efficiency and have started a regulatory process to amend the licence conditions of the existing design.

Pending this, we are now investigating the feasibility of an interim phase to, at considerably reduced capital expenditure, extend and consolidate existing deposition capacity and upgrade our existing Driefontein 2 plant to 1 million tonnes per month, doubling its current volume capacity. We are confident that this is a step in the right direction, consistent with our philosophy to plan big and implement carefully.

Niël Pretorius
Chief Executive Officer

16 February 2022

CONDENSED CONSOLIDATED INTERIM
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Six months ended 31 Dec 2021 Rm Unaudited	Six months ended 31 Dec 2020 Rm Unaudited
Revenue		**2 498.5**	2 977.4
Cost of sales		**(1 831.1)**	(1 701.7)
Gross profit from operating activities		**667.4**	1 275.7
Other income		**–**	0.2
Administration expenses and other costs	2	**(82.0)**	(19.8)
Results from operating activities		**585.4**	1 256.1
Finance income		**114.8**	102.8
Finance expenses		**(30.9)**	(30.1)
Profit before tax		**669.3**	1 328.8
Income tax		**(173.4)**	(379.4)
Profit for the period		**495.9**	949.4
Other comprehensive income			
Items that will not be reclassified to profit or loss, net of tax			
Net fair value adjustment on equity investments at fair value through other comprehensive income	4, 6	**(11.4)**	29.8
Total other comprehensive income for the period		**(11.4)**	29.8
Total comprehensive income for the period		**484.5**	979.2
Basic earnings per share [1]	3	**58.0**	111.0
Diluted basic earnings per share [1]	3	**57.6**	110.3

[1] *All per share financial information is presented in South African cents per share (cps) and is rounded to the nearest one decimal point based on the results as presented, which are rounded to the nearest million Rand.*

These condensed consolidated unaudited interim financial statements for the six months ended 31 December 2021 have not been audited or reviewed by DRDGOLD's auditors and have been prepared under the supervision of DRDGOLD's Chief Financial Officer, Mr AJ Davel CA(SA). The condensed consolidated unaudited interim financial statements were authorised by the directors on 10 February 2022 for issue on 16 February 2022.

CONDENSED CONSOLIDATED INTERIM
STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 Dec 2021 Rm Unaudited	As at 30 Jun 2021 Rm Audited	As at 31 Dec 2020 Rm Unaudited
Assets				
Non-current assets		**3 737.0**	3 675.3	3 615.7
Property, plant and equipment		**2 854.5**	2 809.7	2 697.1
Investments in rehabilitation obligation funds		**666.4**	652.2	638.8
Payments made under protest		**49.5**	40.5	41.2
Other investments	4, 6	**150.7**	167.1	230.3
Deferred tax assets		**15.9**	5.8	8.3
Current assets		**2 821.4**	2 672.7	2 671.3
Inventories		**420.3**	340.0	322.7
Tax receivables		**–**	8.6	4.9
Trade and other receivables		**162.0**	144.1	174.3
Cash and cash equivalents		**2 239.1**	2 180.0	2 169.4
Total assets		**6 558.4**	6 348.0	6 287.0
Equity and liabilities				
Equity		**4 972.2**	4 820.4	4 726.9
Non-current liabilities		**1 032.4**	996.1	967.4
Provision for environmental rehabilitation		**577.8**	570.8	567.9
Deferred tax liability		**413.7**	377.1	355.7
Employee benefits		**10.3**	10.3	10.2
Lease liabilities		**30.6**	37.9	33.6
Current liabilities		**553.8**	531.5	592.7
Trade and other payables		**501.0**	509.8	435.8
Current portion of lease liabilities		**16.7**	16.9	9.8
Current tax liability		**36.1**	4.8	147.1
Total liabilities		**1 586.2**	1 527.6	1 560.1
Total equity and liabilities		**6 558.4**	6 348.0	6 287.0

CONDENSED CONSOLIDATED INTERIM
STATEMENT OF CHANGES IN EQUITY

	Notes	Six months ended 31 Dec 2021 Rm Unaudited	Six months ended 31 Dec 2020 Rm Unaudited
Balance at the beginning of the period		**4 820.4**	4 040.2
Total comprehensive income			
Profit for the period		**495.9**	949.4
Other comprehensive income	4, 6	**(11.4)**	29.8
Transactions with the owners of the parent			
Dividend on ordinary share capital		**(342.0)**	(299.3)
Equity-settled share-based payment		**9.3**	6.8
Balance at the end of the period		**4 972.2**	4 726.9

CONDENSED CONSOLIDATED INTERIM
STATEMENT OF CASH FLOWS

	Notes	Six months ended 31 Dec 2021 Rm Unaudited	Six months ended 31 Dec 2020 Rm Unaudited
Net cash inflow from operating activities		**605.4**	982.3
Cash generated from operations		**618.0**	1 085.0
Finance income received		**52.0**	53.6
Dividends received		**41.0**	32.1
Finance expense paid		**(3.8)**	(3.8)
Income tax paid		**(101.8)**	(184.6)
Net cash outflow from investing activities		**(198.5)**	(222.7)
Acquisition of property, plant and equipment		**(182.5)**	(202.1)
Proceeds on disposal of property, plant and equipment		**–**	0.2
Environmental rehabilitation payments to reduce decommissioning liabilities		**(16.0)**	(20.8)
Net cash outflow from financing activities		**(353.7)**	(305.3)
Dividends paid on ordinary shares		**(345.5)**	(299.1)
Initial fees incurred on borrowings		**–**	(1.0)
Repayment of lease liabilities		**(8.2)**	(5.2)
Net increase in cash and cash equivalents		**53.2**	454.3
Effect of exchange rate fluctuations on cash		**5.9**	–
Opening cash and cash equivalents		**2 180.0**	1 715.1
Closing cash and cash equivalents	5	**2 239.1**	2 169.4
Reconciliation of cash generated by operations			
Profit for the period		**495.9**	949.4
Adjusted for			
Income tax		**173.4**	379.4
Depreciation		**138.5**	127.6
Movement in gold in process		**(13.7)**	16.8
Environmental rehabilitation payments to reduce restoration liabilities		**(1.4)**	(4.3)
Gain on disposal of property, plant and equipment		**–**	(0.2)
Share-based payment expense	2	**9.3**	(37.5)
Finance income		**(114.8)**	(102.8)
Finance expenses		**30.9**	30.1
Other non-cash items		**0.6**	(0.5)
Changes in		**(100.7)**	(273.0)
Change in trade and other receivables		**(19.3)**	(24.6)
Change in payments made under protest		**(8.6)**	(5.5)
Change in inventories		**(66.8)**	(16.1)
Change in trade and other payables and employee benefits		**(6.0)**	(226.8)
Cash generated from operations		**618.0**	1 085.0

The accompanying notes are an integral part of the condensed consolidated unaudited interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The condensed consolidated unaudited interim financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements ("**Listings Requirements**") for interim reports and the requirements of the Companies Act of South Africa.

The Listings Requirements require interim reports to be prepared in accordance with and containing the information required by IAS 34: *Interim Financial Reporting*, as well as the SAICA *Financial Reporting Guides* as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council.

The accounting policies applied in the preparation of the condensed consolidated unaudited interim financial statements are in terms of International Financial Reporting Standards ("**IFRS**") and are consistent with those applied in the previous consolidated annual financial statements.

	Six months ended 31 Dec 2021 Rm Unaudited	Six months ended 31 Dec 2020 Rm Unaudited
2. RESULTS FROM OPERATING ACTIVITIES		
CASH-SETTLED SHARE-BASED PAYMENT EXPENSE ("CLTI")	**–**	(44.3)
The benefit to profit or loss related to the share-based payment expense is mainly due to a decrease in the seven-day volume weighted average price ("**VWAP**") of the DRDGOLD share from R25.14 at 30 June 2020 to R18.62 at the settlement date of 5 November 2020. The CLTI scheme was fully settled on 5 November 2020 and replaced by the equity-settled share-based payment.		
EQUITY-SETTLED SHARE-BASED PAYMENT EXPENSE	**9.3**	6.8
On 2 December 2019, the shareholders approved a new Equity-Settled Long-Term Incentive Scheme to replace the CLTI established in November 2015.		
The first grant was made on 2 December 2019. 50% of the grant vested on 2 December 2021. The remaining 50% will vest on the 3rd anniversary of the grant. DRDGOLD used 2 862 654 of the treasury shares held within the Group to settle the grant. Therefore, there is no impact on the statement of cash flows for the six-months ended 31 December 2021.		
The second and third grant was made on 22 October 2020 and 20 October 2021 and will vest on their respective 3rd anniversaries, depending on performance conditions.		
Total share-based payment expense	**9.3**	(37.5)
3. EARNINGS PER SHARE		
Reconciliation of headline earnings		
Profit for the period	**495.9**	949.4
Adjusted for:		
Gain on disposal of property, plant and equipment, net of tax	**–**	(0.2)
Headline earnings	**495.9**	949.2
Weighted average number of ordinary shares in issue adjusted for treasury shares	**855 564 970**	855 113 791
Diluted weighted average number of ordinary shares adjusted for treasury shares	**860 484 901**	860 365 088
Basic earnings per share [1]	**58.0**	111.0
Diluted basic earnings per share [1]	**57.6**	110.3
Headline earnings per share [1]	**58.0**	111.0
Diluted headline earnings per share [1]	**57.6**	110.3

[1] All per share financial information is presented in SA cents per share (cps) and is rounded to the nearest one decimal point based on the results which are rounded to the nearest million Rand.

4. INVESTMENT IN RAND REFINERY PROPRIETARY LIMITED ("Rand Refinery")

	Six months ended 31 Dec 2021 Rm	Six months ended 31 Dec 2020 Rm
Balance at the beginning of the period	**119.3**	178.4
Fair value adjustment on equity investments at fair value through other comprehensive income	**9.3**	8.6
Balance at the end of the period	**128.6**	187.0
Dividend received	**39.6**	28.3

The investment is designated as an equity instrument at fair value through other comprehensive income. Majority of the fair value is driven by cash on hand and the valuation of the forecasted dividend income received through Prestige Bullion.

The enterprise value of the refining operations of Rand Refinery decreased as a result of an increase in budgeted operating costs and capital expenditure.

The value of the forecasted dividends for Prestige Bullion decreased as a result of a decrease in the expected demand for Krugerrands. A risk premium has been added to the discount rate to account for the volatility in the demand for Krugerrands in the medium- to long-term.

In accordance with IFRS 13: *Fair Value Measurement*, the income approach has been established to be the most appropriate basis to estimate the fair value in the current period. This method relies on the future budgeted cash flows as determined by Rand Refinery. Management used a model developed by an external expert to perform the valuation. The Rand Refinery operations (excluding Prestige Bullion) were valued using the Free Cash Flow model, whereby an enterprise value using a Gordon Growth formula for the terminal value was estimated. The dividends received by Rand Refinery from joint venture with Prestige Bullion were valued using a finite life dividend discount model as Rand Refinery's shareholding will be reduced to nil in 2032. The fair value measurement uses significant unobservable inputs and relates to a fair value hierarchy level 3 financial instrument.

Key observable/unobservable inputs into the model include:

Rand Refinery operations

Average gold price	Observable input	R846 099/kg
Average silver price	Observable input	R11 366/kg
Average South African CPI	Observable input	4.3%
Terminal growth rate	Unobservable input	4.2%
South African long-term government bond rate	Observable input	9.3%
Weighted average cost of capital	Unobservable input	15.5%

Investment in Prestige Bullion

Discount period	Unobservable input	11 years
Weighted average cost of capital	Unobservable input	16.6%

Marketability and minority discounts (both unobservable inputs) were also applied of 16.5% and 17% respectively.

The latest approved long-term budget was provided by Rand Refinery and therefore is classified as an unobservable input into the models.

SENSITIVITIES

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

Rand Refinery operations

Input		Increase/ (Decrease)	% Change in OCI, net of tax
Rand US Dollar exchange rate	Observable input	1%/(1%)	3.5%/(3.5%)
Commodity prices (gold and silver)	Observable input	1%/(1%)	2.9%/(2.9%)
Volumes	Unobservable input	1%/(1%)	3.7%/(3.7%)
Weighted average cost of capital	Unobservable input	1%/(1%)	(0.1%)/0.1%
Minority discount	Unobservable input	1%/(1%)	(1.2%)/1.2%
Marketability	Unobservable input	1%/(1%)	(1.2%)/1.2%

4. INVESTMENT IN RAND REFINERY PROPRIETARY LIMITED ("Rand Refinery") *(continued)*

Investment in Prestige Bullion

Input		Increase/ (Decrease)	% Change in OCI, net of tax
Cost of equity	Unobservable input	1%/(1%)	(1.0%)/1.0%
Prestige dividend forecast	Unobservable input	1%/(1%)	0.3%/(0.3%)

Impact of the COVID-19 pandemic

The COVID-19 pandemic continues to have an impact on the gold market and budgeted cash flows of Rand Refinery, and the assumptions as disclosed were adjusted with relevant information at the reporting date.

5. FINANCIAL RISK MANAGEMENT FRAMEWORK

Commodity price sensitivity

The Group's profitability and cash flows are primarily affected by changes in the market price of gold which is sold in US Dollars and then converted to Rand. In line with our long-term strategy of being an unhedged gold producer, we generally do not enter into forward gold sales contracts to reduce our exposure to market fluctuations in the US Dollar gold price or the exchange rate movements. However, during periods when medium-term debt is incurred to fund growth projects and hence introduce liquidity risk to the Group, we may mitigate this liquidity risk by entering into facilities to achieve price protection. No such facilities were entered into during the current reporting period.

Liquidity management

DRDGOLD ended the current reporting period with cash and cash equivalents of R2 239.1 million (30 June 2021: R2 180.0 million), with a revolving credit facility ("**RCF**") with ABSA Bank Limited of R200 million, available if needed. The Group remains free of bank debt as at 31 December 2021 (30 June 2021: Rnil). Liquidity is further enhanced by sustained high Rand gold price levels.

6. FAIR VALUES

The Groups' assets that are measured at fair value at reporting date consist of equity instruments at fair value through other comprehensive income and are disclosed as Other Investments in the statement of financial position. R17.8 million (30 June 2021: R43.5 million) relates to fair value hierarchy level 1 instruments; the decrease is mainly due to a decrease in the share price of West Wits Mining Limited. The balance of R132.9 million (30 June 2021: R123.6 million) relates to fair value hierarchy level 3 instruments, mainly the investment in Rand Refinery, refer to note 4.

7. SUBSEQUENT EVENTS

There were no subsequent events between the reporting date of 31 December 2021 and the date of issue of these condensed consolidated unaudited interim financial statements other than included in the notes above and described below:

Dividend

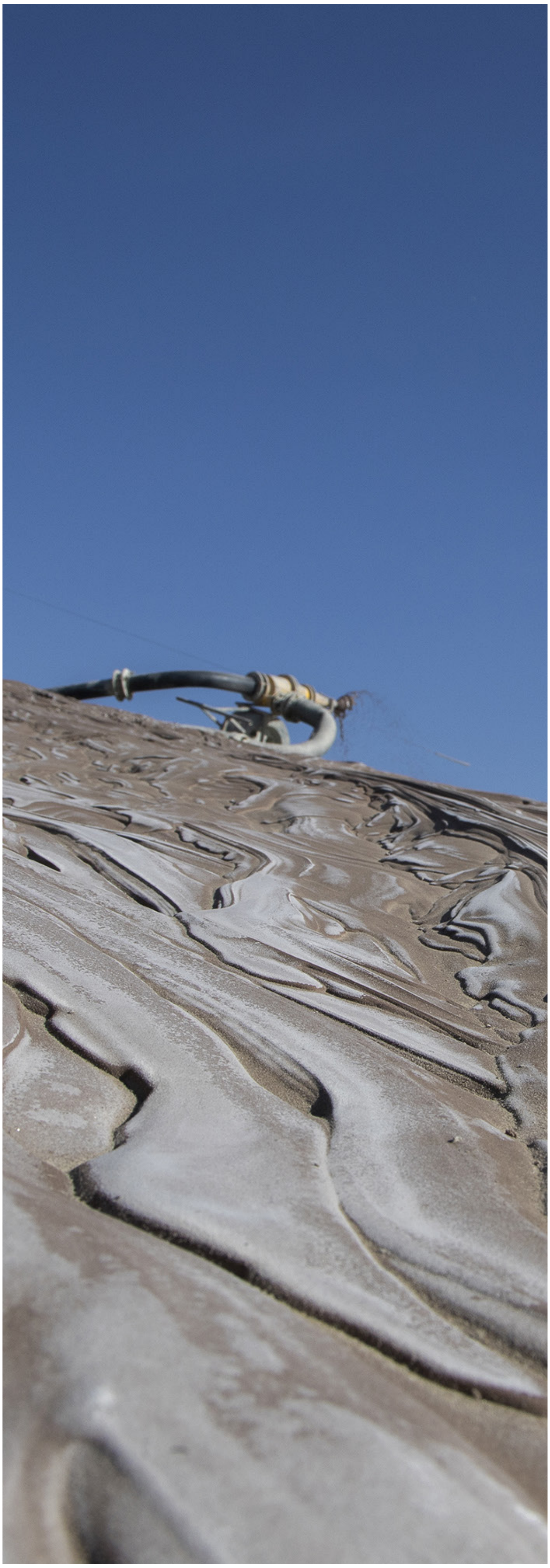
On 16 February 2022, the Board declared an interim cash dividend for the six months ended 31 December 2021 of 20 SA cents per share, payable on Monday, 14 March 2022.

8. OPERATING SEGMENTS

The following summary describes the operations in the Group's reportable operating segments:

- Ergo is a surface gold retreatment operation which treats old slime dams and sand dumps to the south of Johannesburg's central business district as well as the East and Central Rand goldfields. The operation comprises three plants. The Ergo and Knights plants operate as metallurgical plants and deposit residues on the Brakpan/Withok Tailings Storage Facility. The City Deep plant operates as a pump/milling station feeding the two metallurgical plants.
- FWGR is a surface gold retreatment operation and treats old slime dams in the West Rand goldfields. The operation comprises the Driefontein 2 plant and processes tailings from the Driefontein 5 slimes dam and deposits residues on the Driefontein 4 Tailings Storage Facility.

Corporate office and other reconciling items (collectively referred to as "**Other reconciling items**") are taken into consideration in the strategic decision-making process of the chief operating decision-maker and are therefore included in the disclosure here, even though they do not earn revenue. This includes taking into consideration the Group's adjusted earnings before interest, tax, depreciation and amortisation ("**EBITDA**") for the purpose of the covenants imposed by the Company's RCF.



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

8. OPERATING SEGMENTS *(continued)*

	Six months ended 31 Dec 2021 Unaudited				Six months ended 31 Dec 2020 Unaudited			
	Ergo Rm	FWGR Rm	Corporate office and other reconciling items Rm	Total Rm	Ergo Rm	FWGR Rm	Corporate office and other reconciling items Rm	Total Rm
Revenue (external)	1 804.7	693.8	–	2 498.5	2 268.7	708.7	–	2 977.4
Cash operating costs	(1 471.8)	(208.4)	–	(1 680.2)	(1 316.9)	(201.9)	–	(1 518.8)
Movement in gold in process	20.0	(6.3)	–	13.7	(18.0)	1.2	–	(16.8)
Operating profit	352.9	479.1	–	832.0	933.8	508.0	–	1 441.8
Administration expenses and other costs	(3.9)	(1.2)	(76.9)	(82.0)	19.1	2.8	(41.6)	(19.7)
Interest income [1]	0.6	–	56.4	57.0	0.5	–	54.9	55.4
Dividends received	3.9	–	37.1	41.0	2.8	–	29.3	32.1
Interest expense [2]	(1.9)	(0.2)	(2.2)	(4.3)	(2.2)	(0.2)	(2.1)	(4.5)
Current tax	(27.6)	(110.5)	(3.6)	(141.7)	(177.8)	(124.5)	–	(302.3)
Working profit before additions to property, plant and equipment	324.0	367.2	10.8	702.0	776.2	386.1	40.5	1 202.8
Additions to property, plant and equipment	(86.4)	(96.1)	(0.1)	(182.6)	(127.9)	(74.1)	(0.1)	(202.1)
Working profit after additions to property, plant and equipment	237.6	271.1	10.7	519.4	648.3	312.0	40.4	1 000.7

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

	Ergo Rm	FWGR Rm	Corporate office and other reconciling items Rm	Total Rm	Ergo Rm	FWGR Rm	Corporate office and other reconciling items Rm	Total Rm
Reconciliation of cost of sales to cash operating costs								
Cost of sales	(1 540.8)	(285.6)	(4.7)	(1 831.1)	(1 436.3)	(260.9)	(4.5)	(1 701.7)
Depreciation	67.8	69.9	0.8	138.5	70.8	56.1	0.7	127.6
Movement in gold in process	(20.0)	6.3	–	(13.7)	18.0	(1.2)	–	16.8
Care and maintenance	–	–	3.9	3.9	–	–	3.8	3.8
Ongoing rehabilitation expenditure	16.4	0.9	–	17.3	25.9	0.9	–	26.8
Other operating (income)/costs	4.8	0.1	–	4.9	4.7	3.2	–	7.9
Cash operating costs	(1 471.8)	(208.4)	–	(1 680.2)	(1 316.9)	(201.9)	–	(1 518.8)
Reconciliation of profit for the period to working profit before additions to property, plant and equipment								
Profit for the period	190.2	267.3	38.4	495.9	596.4	299.1	53.9	949.4
Deferred tax	12.9	23.9	(5.1)	31.7	52.4	23.8	0.9	77.1
Net other operating costs/(income) including care and maintenance costs	22.2	9.3	(22.8)	8.7	16.6	9.8	(14.8)	11.6
Ongoing rehabilitation expenditure	16.4	0.9	–	17.3	25.9	0.9	–	26.8
Discount recognised on payments made under protest including subsequent unwinding	(0.4)	–	–	(0.4)	(0.7)	–	–	(0.7)
Unwinding of provision for environmental rehabilitation	18.9	5.2	0.3	24.4	18.8	4.8	0.5	24.1
Growth in environmental rehabilitation trust funds and reimbursive right	(4.0)	(9.3)	(0.8)	(14.1)	(3.8)	(8.4)	(0.7)	(12.9)
Gain on disposal of property, plant and equipment	–	–	–	–	(0.2)	–	–	(0.2)
Depreciation	67.8	69.9	0.8	138.5	70.8	56.1	0.7	127.6
Working profit before additions to property, plant and equipment	324.0	367.2	10.8	702.0	776.2	386.1	40.5 [3]	1 202.8
Reconciliation of adjusted EBITDA								
Profit for the period				495.9				949.4
Income tax				173.4				379.4
Profit before tax				669.3				1 328.8
Finance expense				30.9				30.1
Finance income				(114.8)				(102.8)
Results from operating activities				585.4				1 256.1
Depreciation				138.5				127.6
Share-based payment expense				9.3				(37.5)
Gain on disposal of property, plant and equipment				–				(0.2)
IFRS 16 lease payments [1]				(10.4)				(7.4)
Transaction costs				8.1				0.5
Adjusted EBITDA [2]				730.9				1 339.1

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

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

[3] *This specific amount disclosed, was casted incorrectly in the 31 December 2020 published Interim results as a loss of R111.5 million instead of a profit of R40.5 million. This incorrect disclosure is isolated to this amount only. There has been no impact on financial statement line items or basic- headline- and diluted earnings per share.*

	Six months ended 31 Dec 2021 Unaudited				Six months ended 31 Dec 2020 Unaudited			
	Ergo Rm	FWGR Rm	Corporate office and other reconciling items Rm	Total Rm	Ergo Rm	FWGR Rm	Corporate office and other reconciling items Rm	Total Rm
OPERATIONAL PERFORMANCE								
Ore milled (000t)	**11 387**	**3 079**	**–**	**14 466**	11 257	3 076	–	14 333
Yield (g/t)	**0.184**	**0.257**	**–**	**0.200**	0.202	0.232	–	0.208
Cash operating costs								
(R/t)	**129**	**68**	**–**	**116**	117	66	–	106
(US$/t)	**9**	**5**	**–**	**8**	7	4	–	7
Gold produced (kg)	**2 094**	**792**	**–**	**2 886**	2 269	715	–	2 984
Gold sold (kg)	**2 090**	**801**	**–**	**2 891**	2 296	710	–	3 006
Reconciliation of All-in sustaining costs (All amounts presented in R million unless otherwise indicated)								
Cash operating costs	**(1 471.8)**	**(208.4)**	**–**	**(1 680.2)**	(1 316.9)	(201.9)	–	(1 518.8)
Movement in gold in process	**20.0**	**(6.3)**	**–**	**13.7**	(18.0)	1.2	–	(16.8)
Administration expenses and other costs (sustaining)	**(4.7)**	**(1.3)**	**(77.4)**	**(83.4)**	(3.9)	(0.8)	(60.7)	(65.4)
Other operating (costs)/income excluding care and maintenance costs	**(22.2)**	**(9.3)**	**26.6**	**(4.9)**	(16.6)	(9.8)	18.6	(7.8)
Unwinding of provision for environmental rehabilitation	**(18.9)**	**(5.2)**	**(0.3)**	**(24.4)**	(18.8)	(4.8)	(0.5)	(24.1)
Capital expenditure (sustaining)	**(83.3)**	**(61.7)**	**(0.1)**	**(145.1)**	(120.3)	(43.1)	(0.1)	(163.5)
All-in sustaining costs	**(1 580.9)**	**(292.2)**	**(51.2)**	**(1 924.3)**	(1 494.5)	(259.2)	(42.7)	(1 796.4)
Care and maintenance costs	**–**	**–**	**(3.9)**	**(3.9)**	–	–	(3.8)	(3.8)
Ongoing rehabilitation expenditure	**(16.4)**	**(0.9)**	**–**	**(17.3)**	(25.9)	(0.9)	–	(26.8)
Administration expenses and general costs (non-sustaining)	**–**	**–**	**(8.1)**	**(8.1)**	–	–	(0.5)	(0.5)
Capital expenditure (non-sustaining)	**(3.1)**	**(34.4)**	**–**	**(37.5)**	(7.6)	(31.0)	–	(38.6)
All-in costs	**(1 600.4)**	**(327.5)**	**(63.2)**	**(1 991.1)**	(1 528.0)	(291.1)	(47.0)	(1 866.1)
Cash operating costs R/kg	**694 593**	**268 040**	**–**	**576 444**	581 402	282 676	–	510 845
Cash operating costs US$/oz	**1 438**	**555**	**–**	**1 193**	1 113	541	–	978
All-in sustaining costs [1] R/kg	**756 316**	**364 794**	**–**	**665 583**	650 915	365 070	–	597 605
All-in sustaining costs [1] US$/oz	**1 565**	**755**	**–**	**1 378**	1 246	699	–	1 144
All-in costs [1] R/kg	**765 646**	**408 864**	**–**	**688 689**	665 505	410 000	–	620 792
All-in costs [1] US$/oz	**1 585**	**846**	**–**	**1 425**	1 315	810	–	1 227

[1] *All-in sustaining costs and All-in cost definitions are based on the guidance note on non-GAAP Metrics issued by the World Gold Council on 27 June 2013.*

There have been no material changes to the technical information relating to, *inter alia*, the Group's Mineral Reserves and Mineral Resources, legal title to its mining and prospecting rights and legal proceedings relating to its mining and exploration activities as disclosed in DRDGOLD's annual report for the year ended 30 June 2021.

The technical information referred to in this report has been reviewed by Messrs Mpfariseni Mudau (SACNASP) and Vaughn Duke (ECSA) and Professor Steven Rupprecht (SAIMM)and Ms Diana van Buren (Pr.Sci.Nat). All are independent contractors of DRDGOLD. They approved this information in writing before the publication of the report.