

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 6 of this Circular apply throughout this Circular, including this cover page, unless otherwise stated.

Action required:

- This Circular is important and should be read with particular attention to the section entitled "Action required by Shareholders" which commences on page 4 of this Circular.
- If you are in any doubt as to the action you should take, please consult your Broker, CSDP, banker, accountant, attorney or other professional advisor immediately.
- If you have disposed of all or any of your Shares, please forward this Circular to the purchaser of such Shares or to the Broker, CSDP, banker or other agent through whom the disposal was effected.

The Directors, collectively and individually, accept full responsibility for the accuracy of the information given herein and certify that, to the best of their knowledge and belief, no facts have been omitted which would make any statement false or misleading, and that they have made all reasonable enquiries to ascertain such facts and that this Circular contains all information required by law and the Listings Requirements.

DRDGOLD does not accept any responsibility and will not be held liable for any failure on the part of CSDPs or Brokers of Dematerialised Shareholders to notify such Shareholders of the information set out in this Circular.

This Circular is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration.



DRDGOLD Limited

(Incorporated in the Republic of South Africa)

Registration number 1895/000926/06

JSE share code: DRD

ISIN: ZAE000058723

NYSE trading symbol: DRD

("DRDGOLD" or the "Company")

CIRCULAR TO DRDGOLD SHAREHOLDERS

regarding, *inter alia*:

- the proposed acquisition by DRDGOLD of selected surface processing plants and tailings assets, by way of an acquisition of 100% shareholding in WRTRP from Sibanye-Stillwater, in exchange for the allotment and issue of new DRDGOLD Shares to Sibanye-Stillwater (amounting to approximately 38% of all DRDGOLD Shares in issue (including Treasury Shares));
- the potential future Specific Issue, pursuant to the potential exercise of the Option by Sibanye-Stillwater, of so many DRDGOLD Shares as will result in Sibanye-Stillwater holding 50.1% of all DRDGOLD Shares in issue (including Treasury Shares);
- a waiver of the Mandatory Offer; and
- an increase in the authorised but unissued ordinary share capital of DRDGOLD and proposed amendments to the DRDGOLD MOI,

and incorporating:

- the Independent Expert Report;
- the Competent Person's Report;
- Revised Listing Particulars;
- a notice convening the General Meeting; and
- a Form of Proxy in respect of the General Meeting (for use by Certificated Shareholders and Dematerialised Shareholders with "own name" registration only).

This Circular is available in English only. Copies of this Circular are available from the registered offices of DRDGOLD as set out in the "Corporate information and advisors" section of this Circular, from Monday, 26 February 2018 until Wednesday, 28 March 2018, both days inclusive. This Circular is also available on DRDGOLD's website (www.drdgold.com).

Sponsor



Attorneys



Tax Attorneys



Independent Expert



Independent Auditor and Reporting Accountant



Competent Person



CORPORATE INFORMATION AND ADVISORS

Company Secretary and Registered Office

R Masemene
DRDGOLD Limited
(Registration number 1895/000926/06)
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2nd Floor, North Tower
160 Jan Smuts Avenue
Rosebank, 2196
South Africa
(PO Box 390, Maraisburg, 1700)
Website: www.drdgold.com

Place of incorporation: South Africa

Date of incorporation: 16 February 1895

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Independent Auditor and Reporting Accountant

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Transfer Secretaries (South Africa)

Link Market Services South Africa
Proprietary Limited
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13th Floor
19 Ameshoff Street
Braamfontein, 2001
South Africa
(PO Box 4844, Johannesburg, 2000)

Transfer Secretaries (Australia)

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Sponsor

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Tax Attorneys

Edward Nathan Sonnenbergs Incorporated
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Independent Expert

Imara Corporate Finance Proprietary Limited
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Illovo, 2196
South Africa
(PO Box 701, Northlands, 2116)

Competent Person

Sound Mining Solution Proprietary Limited
(Registration number 2002/002265/07)
2A 5th Avenue
Rivonia, 2128
South Africa
(PO Box 97194, Peterville, 2151)

Transfer Secretaries (United Kingdom)

Link Asset Services
(formerly called Capita Asset Services)
The Registry PXS 34
Beckenham Road
Beckenham, BR3 4TU
United Kingdom

American Depositary Receipts

The Bank of New York Mellon, ADR
22 West, 101 Barclay Street
New York, NY 10286
United States of America

FORWARD-LOOKING STATEMENTS

Some of the information in this Circular may contain projections or other forward-looking statements reflecting the Company's current views with respect to future events and financial performance. Forward-looking statements included in this Circular include statements with respect to the Transaction with Sibanye-Stillwater, expected financial results for 2019, forecasted and *pro forma* financial information contained herein, expected tax expenses, expected production, average gold price, working cost per ton and the other assumptions upon which the *pro forma* financial information were prepared. Forward-looking statements are based on information available to management at the time, and they involve judgements, assumptions and estimates as well as assumptions made by and information currently available to its management. When used in this Circular, the words "*estimate*", "*project*", "*believe*", "*anticipate*", "*intend*", "*expect*" and similar expressions are intended to identify forward-looking statements. Such statements reflect the Company's 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, the Transaction failing to close, failing to receive expected benefits from the Transaction, incorrect assumptions, adverse changes or uncertainties in general economic conditions in the markets the Company serves, a drop in the gold price, a prolonged strengthening of the Rand against the United States 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 the Company's Form 20-F for the fiscal year ended 30 June 2017, which were filed with the United States Securities and Exchange Commission on 31 October 2017. Shareholders should not place undue reliance on these forward-looking statements, which speak only as at the Last Practicable Date. DRDGOLD does not undertake any obligation to publicly update or revise these forward-looking statements to reflect events or circumstances after the Last Practicable Date or the occurrence of unanticipated events, except as may be required by law. Any forward-looking statement included in this Circular has not been reviewed or reported on by DRDGOLD's auditors.

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ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations commencing on page 6 of the Circular apply to this section.

Please take careful note of the following provisions regarding the actions required by Shareholders

- If you are in any doubt as to what action you should take, you should consult your Broker, CSDP, banker, accountant, attorney or other professional advisor immediately.
- If you have disposed of all or some of your Shares, please forward this Circular to the purchaser of such Shares or to the Broker, CSDP, banker or other agent through whom the disposal was effected.

VOTING, ATTENDANCE AND REPRESENTATION AT THE GENERAL MEETING

The General Meeting will be held at the Company's boardroom, 1 Sixty Jan Smuts Building, 2nd Floor, North Tower, 160 Jan Smuts Avenue, Rosebank, Johannesburg, South Africa at 12:00 (South African time) on Wednesday, 28 March 2018 to consider and if deemed fit, pass the Resolutions set out in the Notice of General Meeting, with or without modification.

1. IF YOU ARE A DEMATERIALISED SHAREHOLDER WITHOUT "OWN NAME" REGISTRATION

(i) Voting at the General Meeting

If you are a Dematerialised Shareholder, your Broker or CSDP will contact you in the manner stipulated in the custody agreement entered into between yourselves to ascertain how you wish to cast your vote at the General Meeting (or any adjournment or postponement thereof) and will thereafter cast your vote in accordance with your instructions.

If you do not wish to, or are unable to, attend or appoint a proxy to represent you at the General Meeting and you have not been contacted by your Broker or CSDP, it is advisable that you contact your Broker or CSDP and furnish it with your voting instructions.

If your Broker or CSDP does not obtain voting instructions from you, it will be obliged to vote in accordance with the provisions of the custody agreement concluded between you and your Broker or CSDP.

You must **NOT** complete the Form of Proxy.

(ii) Attendance and representation at the General Meeting

In accordance with the mandate between you and your Broker or CSDP, you must advise your Broker or CSDP if you wish to:

- attend, speak and vote at the General Meeting in person; and / or
- appoint a proxy (including the chairman of the General Meeting) to represent you at the General Meeting.

Your Broker or CSDP will procure that the necessary letter of representation is issued for you to attend, speak and vote in person or for a proxy to represent you at the General Meeting.

You will not be permitted to attend, speak or vote at the General Meeting, nor send a proxy to represent you at the General Meeting, without the necessary letter of representation being issued to you.

DRDGOLD and its transfer secretaries take no responsibility and will not be held liable for any failure on the part of any CSDP or Broker to notify a DRDGOLD Shareholder of the information contained in this Circular and / or to obtain instructions from a DRDGOLD Shareholder timeously.

2. IF YOU ARE A CERTIFICATED SHAREHOLDER OR IF YOU ARE A DEMATERIALISED SHAREHOLDER WITH "OWN NAME" REGISTRATION

You may attend, speak and vote at the General Meeting (or any adjournment or postponement thereof) in person. Alternatively, you may appoint a proxy (including the chairman of the General Meeting) to represent you at the General Meeting by completing the Form of Proxy in accordance with the instructions

contained therein and it is recommended that the completed Form of Proxy be delivered to the respective transfer secretaries, as follows:

- Shareholders registered on the South African register, to Link Market Services South Africa Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein, Johannesburg 2001 (PO Box 4844, Johannesburg, 2000), or email at meetfax@linkmarketservices.co.za, to reach them by no later than 12:00 (South African Time) on Tuesday, 27 March 2018;
- Shareholders holding Shares in the form of American Depositary Receipts, to The Bank of New York Mellon, ADR, Proxy, 22 West, 101 Barclay Street, New York, NY 10286 to reach them by no later than 02:00 (Eastern Standard Time) on Monday, 26 March 2018; and
- Shareholders registered on the United Kingdom register, to Link Asset Services (formerly called Capita Asset Services), The Registry PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU to reach them by no later than 11:00 (Greenwich Mean Time) on Monday, 26 March 2018.

Should the Form of Proxy not be delivered to the respective transfer secretaries (as recommended above), you will be entitled to furnish your Form of Proxy to the chairman of the General Meeting before the appointed proxy exercises any of your Shareholder rights at the General Meeting.

If you hold Certificated Shares and wish to Dematerialise such Shares, please contact the transfer secretaries or your Broker or CSDP.

3. **IF YOU ARE AN ADR HOLDER**

You will receive forms of proxy printed by The Bank of New York Mellon, which should be completed and returned in accordance with the instructions printed on such forms of proxy.

4. **IF YOU ARE HOLDERS OF SHARE WARRANTS TO BEARER**

If you wish to attend or be represented at the General Meeting you must deposit your share warrant at the bearer reception office of Link Asset Services (formerly called Capita Asset Services), The Registry PXS, 34 Beckenham Road, Beckenham, BR3 4TU, United Kingdom, no later than 48 hours before the date appointed for the holding of the General Meeting (which period excludes Saturdays, Sundays and public holidays), and shall otherwise comply with the "*conditions governing share warrants*" currently in force. Thereupon a form of proxy or an attendance form under which such share warrant holder may be represented at the General Meeting shall be issued.

ELECTRONIC PARTICIPATION IN THE GENERAL MEETING

DRDGOLD Shareholders or their proxies may participate in (but not vote at) the General Meeting by way of telephone conference call. If they wish to do so they:

- must contact Leonie Marupen (by email at the address leonie.marupen@drdgold.com) by no later than 12:00 on Tuesday, 27 March 2018 in order to obtain dial-in and other relevant details for the conference call;
- will be required to provide reasonably satisfactory identification; and
- will be billed separately by their own telephone service providers for their telephone call to participate in the General Meeting.

If you are a Dematerialised Shareholder without "*own name*" registration and you wish to attend the General Meeting by electronic participation you must procure from your Broker or CSDP the necessary letter of representation and you must provide the letter of representation to the transfer secretaries by no later than 12:00 on Tuesday, 27 March 2018.

DRDGOLD Shareholders and their proxies will not be able to vote telephonically at the General Meeting and will still need to appoint a proxy or representative to attend the General Meeting in person and to vote on their behalf at the General Meeting (refer to the section titled "*Voting, Attendance and Representation at the General Meeting*" commencing on page 4 of this Circular).

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless otherwise stated or the context so requires, the words and expressions in the first column have the meanings stated opposite them in the second column, words in the singular shall include the plural and *vice versa*, words denoting one gender include the other and expressions denoting natural persons include juristic persons and associations of persons and *vice versa*:

"Acquisition"	the proposed acquisition of the WRTRP Assets, by way of an acquisition of a 100% shareholding in WRTRP from Sibanye-Stillwater, in terms of the DRD Exchange Agreement, in exchange for the allotment and issue of the Consideration Shares to Sibanye-Stillwater, as more fully described in paragraph 5 of this Circular;
"Acquisition Conditions"	the conditions precedent to the implementation of the Acquisition, as set out in paragraph 5.3 of this Circular;
"Active Tailings Dams"	the following currently active tailings dams will also be transferred to WRTRP, for no additional consideration, once they have been decommissioned by Sibanye-Stillwater: <ul style="list-style-type: none">• Driefontein 1 and 2;• Kloof 2; and• Leeudoorn, in accordance with the provisions of clause 9 of the First Exchange Agreement, as summarised in paragraph 5.4.5.1.1 of this Circular;
"ADR"	American Depositary Receipts;
"Ancillary Agreements"	collectively, the Gold Purchase / Smelting Agreement, the Lease Agreement, the Toll Treatment Agreement and the Use and Access Agreement, or any one or each of them as the context may require;
"Announcement"	the terms announcement published by DRDGOLD on SENS on Wednesday, 22 November 2017 in regard to the Transaction;
"Broker"	a " <i>stockbroker</i> " as defined in the Financial Markets Act;
"Business Day"	any day other than a Saturday, a Sunday or an official public holiday in South Africa;
"Certificated Shareholders"	holders of Certificated Shares;
"Certificated Shares"	DRDGOLD Shares that have not been Dematerialised and are represented by share certificates;
"Circular"	this circular to DRDGOLD Shareholders, dated Monday, 26 February 2018, including all annexures hereto and incorporating the Revised Listing Particulars, the Notice of General Meeting and the Form of Proxy;
"CIPC"	the Companies and Intellectual Property Commission established by section 185 of the Companies Act;
"Companies Act"	the Companies Act, No. 71 of 2008, as amended from time to time;
"Competition Act"	the Competition Act, No. 89 of 1998, as amended from time to time;
"Competition Authorities"	the Competition Commission of South Africa and / or the Competition Tribunal of South Africa and / or the Competition Appeal Court of South Africa, being regulatory and / or judicial authorities established in terms of the Competition Act;

“Competent Person”	Sound Mining Solution Proprietary Limited (registration number 2002/002265/07) a private company duly incorporated and registered in accordance with the laws of South Africa;
“Competent Person’s Report”	the report prepared by the Competent Person, in compliance with section 12 of the Listings Requirements;
“Consideration Shares”	such number of DRDGOLD Shares to be issued to Sibanye-Stillwater, pursuant to the implementation of the Acquisition, as will result in Sibanye-Stillwater holding approximately 38% of all DRDGOLD Shares in issue (including Treasury Shares) following the allotment and issue of such DRDGOLD Shares, which, as at the Last Practicable Date, amounts to approximately 265 million DRDGOLD Shares;
“CPP”	the Central Processing Plant forming part of the WRTRP Assets;
“CSDP”	a “ <i>participant</i> ”, as defined in section 1 of the Financial Markets Act, being a person authorised by a licensed central securities depository to perform custody and administration services or settlement services or both in terms of the central depository rules;
“Delivery Date”	the fifth Business Day after the day on which the last of the Acquisition Conditions is fulfilled or waived, or such later date as may be agreed between DRDGOLD, Sibanye-Stillwater and WRTRP;
“Dematerialise” or “Dematerialisation” or “Dematerialised”	the process by which securities which are evidenced by a certificate are converted to securities that are held in collective custody by a CSDP or its nominee in a separate central securities account and are transferable by entry without a certificate or written instrument;
“Dematerialised Shareholder”	holders of Dematerialised Shares;
“Directors” or “Board”	the directors of DRDGOLD, as at the Last Practicable Date, the names of whom, are set out on page 14 of this Circular, or any one or any of them as the context may require;
“DMR”	Department of Mineral Resources;
“DRDGOLD” or “Company”	DRDGOLD Limited (registration number 1895/000926/06), a public company duly incorporated and registered in accordance with the laws of South Africa;
“DRDGOLD Exchange Agreement”	the written agreement headed “ <i>DRD Exchange Agreement</i> ” entered into between DRDGOLD and Sibanye-Stillwater simultaneously with the First Exchange Agreement in terms of which Sibanye-Stillwater will, subject to, <i>inter alia</i> , the Acquisition Conditions, exchange all WRTRP Shares held by Sibanye-Stillwater (being 100% of the WRTRP Shares) for the Consideration Shares;
“DRDGOLD Group” or “Group”	DRDGOLD and its Subsidiaries from time to time;
“DRDGOLD Guarantee”	the guarantee executed by DRDGOLD simultaneously with the First Exchange Agreement in terms of which DRDGOLD irrevocably and unconditionally guarantees, to and in favour of Sibanye-Stillwater, the obligations of WRTRP to Sibanye-Stillwater under or in terms of any of the Transaction Agreements to give effect to the Transaction, with effect from the Effective Date, as more fully described in paragraph 5.4.7 of this Circular;
“DRDGOLD MOI” or “MOI”	the memorandum of incorporation of DRDGOLD;
“DRDGOLD Share” or “Share”	an ordinary share of no par value in the authorised share capital of DRDGOLD;

“DRDGOLD Shareholder” or “Shareholder”	a registered holder or the beneficial holder of DRDGOLD Shares, as the context may require;
“Driefontein Mining Right”	the mining right with DMR reference GP 30/5/1/2/2 (55) MR;
“Effective Date”	the first Business Day after the Delivery Date;
“EMO”	Ergo Mining Operations Proprietary Limited (registration number 2005/033662/07), a private company duly incorporated and registered in accordance with the laws of South Africa and a wholly-owned Subsidiary of DRDGOLD;
“Environmental Licences to Operate”	<p>the Environmental Authorisations and Waste Management Licences bearing DMR reference numbers GP30/5/1/2/2/07MR, GP30/5/1/2/2/55MR and GP35/1/2/2/38MR, issued in terms of section 24 and / or Section 24L of National Environmental Management Act, 107 of 1998; and</p> <p>the Environmental Authorisation and Waste Management Licence being DMR reference number GP30/5/1/2/2/66MR, issued in terms of section 24L of National Environmental Management Act, 107 of 1998, read together with the provisions of National Environmental Management: Waste Act, 59 of 2008;</p>
“ERGO”	Ergo Mining Proprietary Limited (registration number 2007/004886/07), a private company duly incorporated and registered in accordance with the laws of South Africa and a wholly-owned Subsidiary of EMO;
“ERPM”	East Rand Proprietary Mines Limited (registration number 1893/000773/06), a public company incorporated and registered in accordance with the laws of South Africa and a wholly-owned Subsidiary of EMO;
“Exchange Control Regulations”	the Exchange Control Regulations, 1961, as amended from time to time, promulgated in terms of section 9 of the South African Currency and Exchanges Act, No. 9 of 1933, as amended from time to time;
“Exchange”	the securities exchange operated by the JSE;
“Exercise Date”	the date on which a written notice, in regard to Sibanye-Stillwater’s exercise of the Option, is delivered by Sibanye-Stillwater to DRDGOLD;
“Financial Markets Act”	the Financial Markets Act, No. 19 of 2012, as amended from time to time;
“First Exchange Agreement”	the written agreement headed “ <i>Exchange Agreement</i> ” entered into between DRDGOLD, Sibanye-Stillwater and WRTRP on Wednesday, 22 November 2017, which agreement, <i>inter alia</i> , sets out the said parties’ respective rights and obligations under and in respect of the Transaction, as read with the remaining Transaction Agreements;
“Form of Proxy”	the form of proxy incorporated into this Circular for use by Certificated Shareholders and Dematerialised Shareholders with “ <i>own name</i> ” registration only, for purposes of appointing a proxy to represent such DRDGOLD Shareholder at the General Meeting;
“General Meeting”	the general meeting of DRDGOLD Shareholders to be held at the Company’s boardroom, 1 Sixty Jan Smuts Building, 2nd Floor, North Tower, 160 Jan Smuts Avenue, Rosebank, Johannesburg, South Africa at 12:00 (South African time) on Wednesday, 28 March 2018 (or any postponement or adjournment thereof), to consider and, if deemed fit, pass the Resolutions, with or without modification, as set out in the Notice of General Meeting;

“Gold Purchase / Smelting Agreement”	an Ancillary Agreement headed <i>“Gold Purchase / Smelting Agreement”</i> to be entered into in terms of the First Exchange Agreement, which agreement, <i>inter alia</i> , will regulate the smelting of, and gold recovery from gold loaded carbon produced at the Processing Plants at Driefontein 1 Gold Plant, owned and operated by Sibanye-Stillwater, as more fully described in paragraph 16.1.6 of this Circular;
“Income Tax Act”	the Income Tax Act, No. 58 of 1962, as amended from time to time;
“Independent Expert”	Imara Corporate Finance Proprietary Limited (registration number 2003/010330/07), a private company duly incorporated and registered in accordance with the laws of South Africa;
“Independent Expert Report”	the report prepared by the Independent Expert, providing DRDGOLD Shareholders with the opinion of the Independent Expert, in accordance with Regulation 90 as read with Regulation 86(7);
“Issue Price”	the cash price payable by Sibanye-Stillwater to DRDGOLD for each Issue Share, being equal to a 10% discount to the 30-day VWAP immediately preceding the Exercise Date;
“Issue Shares”	such number of DRDGOLD Shares to be issued to Sibanye-Stillwater pursuant to Sibanye-Stillwater exercising the Option and implementation of the Specific Issue, as will result in Sibanye-Stillwater holding 50.1% of all DRDGOLD Shares in issue (including Treasury Shares) following the allotment and issue of such DRDGOLD Shares, which, as at the Last Practicable Date and in addition to the approximate 265 million Consideration Shares to be issued to Sibanye Stillwater pursuant to the implementation of the Acquisition, amounts to approximately 168 million DRDGOLD Shares;
“JSE”	JSE Limited (registration number 2005/022939/06), a public company duly incorporated and registered in accordance with the laws of South Africa and licensed to operate an exchange under the Financial Markets Act;
“Kloof Mining Right”	the mining right with DMR reference number GP 30/5/1/2/2 (66) MR;
“KPMG”	KPMG Inc. (registration number 1999/021543/21), a company duly incorporated and registered in accordance with the laws of South Africa;
“Last Practicable Date”	Friday, 9 February 2018, being the last practicable date prior to the finalisation of this Circular;
“Lease Agreement”	an Ancillary Agreement headed <i>“Lease Agreement”</i> to be entered into in terms of the First Exchange Agreement, in terms of which the Leased Land will be leased to WRTRP by Sibanye-Stillwater by way of a long-term lease, as more fully described in paragraph 16.1.7 of this Circular;
“Leased Land”	namely, Farm Blyvooruitzicht No 116, Registration Division I.Q., Portion 6 and Farm Driefontein No 113, Registration Division I.Q., Remainder of Portion 1, Gauteng Province;
“Listings Requirements”	the JSE Limited Listings Requirements, as amended from time to time;
“Long Stop Date”	31 August 2018, or such other date as may be agreed to in writing between DRDGOLD, Sibanye-Stillwater and WRTRP in accordance with the provisions of the First Exchange Agreement;
“Mandatory Offer”	the mandatory offer which Sibanye-Stillwater would, if the Acquisition is implemented and the Consideration Shares are allotted and issued to Sibanye-Stillwater, be obliged to make to the remaining DRDGOLD Shareholders to acquire their Shares in terms of section 123(3) of the Companies Act;

“Material Adverse Change”	with specific reference to the Acquisition, any circumstance, event or matter, or combination of circumstances, events or matters which has a material adverse effect on the affairs, business, financial condition (including assets, liabilities, prospects, results of operations and revenues), operations or property of DRDGOLD excluding the following circumstances, events or matters: <ul style="list-style-type: none"> • changes in the price of DRDGOLD Shares on any licensed stock exchange, financial or securities markets, interest rates, exchange rates, commodity prices or other general economic or financial conditions; • changes in conditions generally affecting the mining industry; • changes in applicable laws or the interpretation thereof or accounting practices or the interpretation thereof; • compliance with the terms of, or the taking of any action required by, the First Exchange Agreement; or • the Transaction itself;
“Moz”	million ounces;
“MPRDA”	Mineral and Petroleum Resources Development Act, No. 28 of 2002, as amended from time to time;
“Notice of General Meeting”	the notice convening the General Meeting, incorporated into this Circular;
“Option”	the irrevocable right and option granted by DRDGOLD to Sibanye-Stillwater in terms of which, if exercised, DRDGOLD will allot and issue the Issue Shares to Sibanye-Stillwater, by way of the Specific Issue, at the Issue Price, as more fully described in paragraph 6 of this Circular;
“Option Agreement”	the written agreement headed <i>“DRD Option Agreement”</i> entered into between DRDGOLD and Sibanye-Stillwater simultaneously with the First Exchange Agreement, in terms of which Sibanye-Stillwater is granted the Option;
“Option Period”	the period commencing on the Delivery Date and expiring 24 months thereafter;
“Ordinary Resolution”	a resolution adopted by Shareholders with the support of more than 50% of the voting rights exercised on the resolution or such higher threshold as may be required by the Listings Requirements;
“Processing Plants”	the selected processing plants, comprising DP2 Plant and DP3 Plant, as detailed and defined in annexure 1 to this Circular, or any one or each of them as the context may require;
“R” or “Rand”	South African Rand and cents, the official currency of South Africa;
“Rand Revolving Credit Facility”	the revolving credit facility agreement, dated 14 November 2016, entered into among, <i>inter alia</i> , Sibanye-Stillwater, Kroondal Operations Proprietary Limited and Sibanye Rustenburg Platinum Mines Proprietary Limited as borrowers and guarantors, and Rand Uranium Proprietary Limited as a guarantor, Nedbank Limited, FirstRand Bank Limited, Absa Bank Limited, The Standard Bank of South Africa Limited and Bank of China Limited Johannesburg branch as mandated lead arrangers, and Nedbank Limited as agent, as such agreement may be amended, modified, supplemented, extended, renewed, refinanced or replaced or substituted from time to time;
“Register”	collectively, the register of Shareholders holding Certificated Shares maintained by the transfer secretaries and the sub-register of Shareholders who hold Dematerialised Shares maintained by the relevant CSDPs, in accordance with section 50 of the Companies Act;

“Regulations”	the Companies Regulations, 2011 promulgated in terms of sections 120 and 223 of the Companies Act;
“Resolutions”	the Ordinary Resolutions and the Special Resolutions to be proposed at the General Meeting, as contained in the Notice of General Meeting;
“Revised Listing Particulars”	the revised listing particulars of DRDGOLD, as required by paragraph 9.22 of the Listings Requirements and as set out in annexure 14 to this Circular;
“Section 102 Applications”	the applications made by Sibanye-Stillwater in terms of section 102 of the MPRDA for the: <ul style="list-style-type: none"> • the inclusion of certain areas (commonly referred to as the “<i>Venterspost North and Dormant Mine Dump</i>” and the “<i>Venterspost South Dormant Mine Dump</i>”) into the mining right bearing DMR reference GP30/5/1/2/2/66MR as lodged with the DMR in March 2016; • the inclusion of certain areas (commonly referred to as the “<i>Driefontein 4 Working Mine Dump</i>”) into the mining right bearing DMR reference GP30/5/1/2/2/51MR as lodged with the DMR in March 2016;
“SENS”	the Stock Exchange News Service of the JSE;
“Sibanye-Stillwater”	Sibanye Gold Limited (trading as Sibanye-Stillwater) (registration number 2002/031431/06), a public company duly incorporated and registered in accordance with the laws of South Africa;
“South Africa”	the Republic of South Africa;
“Special Resolution”	a resolution adopted by Shareholders with the support of at least 75% of the voting rights exercised on the resolution;
“Specific Issue”	the potential future specific issue of the Issue Shares, at the Issue Price, to Sibanye-Stillwater following the exercise of the Option, as more fully described in paragraph 6 of this Circular;
“Specific Issue Conditions”	the conditions precedent to the implementation of the Specific Issue, as set out in paragraph 6.2 of this Circular;
“Subsidiary”	a subsidiary company, as defined in section 3 of the Companies Act;
“Tailings Assets”	the selected movable surface tailings dams comprising the Additional Mine Dumps and Driefontein 4, as detailed and defined in annexure 1 to this Circular;
“Toll Treatment Agreement”	an Ancillary Agreement headed “ <i>Toll Treatment Agreement</i> ” to be entered into in terms of the First Exchange Agreement, which agreement, <i>inter alia</i> , will regulate the toll treatment of gold bearing material supplied by Sibanye-Stillwater or third parties it may procure to the Processing Plants;
“Transaction”	collectively, the Acquisition and the Specific Issue;
“Transaction Agreements”	collectively, the First Exchange Agreement, the DRDGOLD Exchange Agreement, the DRDGOLD Guarantee, the Option Agreement, or any one or each of them as the context may require;
“Treasury Shares”	the DRDGOLD Shares held by EMO, from time to time, which as at the Last Practicable Date amounts to 9 361 071 Shares;
“TRP”	the Takeover Regulation Panel established by section 196 of the Companies Act;

“USD Revolving Credit Facility”	the revolving credit facility agreement, dated 24 August 2015 entered into among, <i>inter alia</i> , Sibanye-Stillwater, Kroondal Operations Proprietary Limited and Sibanye Rustenburg Platinum Mines Proprietary Limited, as borrowers and guarantors, and Rand Uranium Proprietary Limited as a guarantor, the Bank of America Merrill Lynch International as agent and Bank of America Merrill Lynch International and HSBC PLC as arrangers, as such agreement may be amended, modified, supplemented, extended, renewed, refinanced or replaced or substituted from time to time;
“Use and Access Agreement”	an Ancillary Agreement headed “ <i>Use and Access Agreement</i> ” to be entered into in terms of the First Exchange Agreement, which agreement, <i>inter alia</i> , regulates WRTRP’s rights of use of and access to the WRTRP Assets and to regulate the Access Rights (as defined in annexure 1 to the Circular), use and access to the Transferring Land (as defined in annexure 1 to the Circular), use of and access to utilities and use and access to the Licences to Operate (as defined in annexure 1 to the Circular);
“VWAP”	the volume weighted average traded price of a DRDGOLD Share on the Exchange;
“Waiver”	the waiver of the Mandatory Offer, as more fully described in paragraph 8 of this Circular;
“WRTRP”	K2017449061 (South Africa) Proprietary Limited (registration number 2017/449061/07) (to be renamed WRTRP Proprietary Limited), a private company duly incorporated and registered in accordance with the laws of South Africa and a wholly-owned Subsidiary of Sibanye-Stillwater;
“WRTRP Assets”	the Processing Plants and Tailings Assets, as further detailed and defined in annexure 1 to this Circular, comprising: <ul style="list-style-type: none"> • the Additional Mine Dumps; • the DP2 Plant; • the DP3 Plant; • Driefontein 4; • the Pilot Plant; • the Employees; • the Plan and Materials; • the Transferring Land; • the Licences to Operate, to the extent that they are transferable; and • the Access Rights, to the extent that they are transferable; and
“WRTRP Shares”	ordinary shares in the share capital of WRTRP.

SALIENT DATES AND TIMES¹

The definitions and interpretations commencing on page 6 of the Circular apply to this section.

2018

Record date to determine which DRDGOLD Shareholders are entitled to receive this Circular, on	Friday, 16 February
Posting of this Circular to DRDGOLD Shareholders, on	Monday, 26 February
Notice of posting of this Circular published on SENS, on	Monday, 26 February
Last day to trade in DRDGOLD Shares in order to be recorded in the Register and thereby be eligible to attend, speak and vote at the General Meeting (" General Meeting LDT "), on ^{2,3,4}	Tuesday, 13 March
Date on which a DRDGOLD Shareholder must be recorded in the Register to be eligible to attend, speak and vote at the General Meeting (" General Meeting Record Date "), on	Friday, 16 March
Forms of Proxy for DRDGOLD Shareholders holding Shares in the form of American Depositary Receipts to be lodged by 02:00 (Eastern Standard Time), on ^{5,6}	Monday, 26 March
Forms of Proxy for DRDGOLD Shareholders registered on the United Kingdom Register to be lodged by 11:00 (Greenwich Mean Time), on ^{5,6}	Monday, 26 March
Forms of Proxy for DRDGOLD Shareholders registered on the South African Register to be lodged by 12:00 (South African Time), on ^{5,6}	Tuesday, 27 March
General Meeting to be held at 12:00 (South African Time), on	Wednesday, 28 March
Results of the General Meeting published on SENS, on or about	Wednesday, 28 March

Notes:

1. The abovementioned dates and times set out in this Circular are subject to change, with the approval of the JSE and the TRP, if required. Any change in the dates and times will be published on SENS as well as published in the press.
2. Shareholders should note that as trades in DRDGOLD Shares are settled in the electronic settlement system used by Strate Proprietary Limited, settlement of trades will take place three Business Days after such trade, therefore, persons who acquire DRDGOLD Shares after the General Meeting LDT, namely, Tuesday, 13 March 2018, will **not** be entitled to attend, speak and vote at the General Meeting.
3. No Dematerialisation or rematerialisation of DRDGOLD Shares may take place between the date after the General Meeting LDT and the General Meeting Record Date.
4. Dematerialised Shareholders, other than those with "*own name*" registration, must provide their Broker or CSDP with their instructions for voting at the General Meeting by the cut-off date and time stipulated by their Broker or CSDP in terms of their respective custody agreements.
5. Any Form of Proxy not lodged by the recommended date and time may be handed to the chairman of the General Meeting (or any adjournment or postponement thereof) before such DRDGOLD Shareholder's rights are exercised at the General Meeting (or any adjournment or postponement thereof).
6. If the General Meeting is adjourned or postponed, the Forms of Proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.



DRDGOLD Limited

(Incorporated in the Republic of South Africa)

Registration number 1895/000926/06

JSE share code: DRD

ISIN: ZAE000058723

NYSE trading symbol: DRD

("DRDGOLD" or the "Company")

Directors

GC Campbell*[^] (*Chairman*)

EA Jeneker* (*Lead independent*)

JA Holtzhausen*

J Turk+*

TBVN Mnyango*

DJ Pretorius (*Chief Executive Officer*)

AJ Davel (*Chief Financial Officer*)

**Independent non-executive*

[^] *British*

+ *American*

CIRCULAR TO DRDGOLD SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

- 1.1 DRDGOLD Shareholders are referred to the Announcement published on SENS on Wednesday, 22 November 2017, wherein Shareholders were advised of, *inter alia*:
 - 1.1.1 the proposed acquisition by DRDGOLD of the WRTRP Assets, by way of the acquisition of a 100% shareholding in a special purpose vehicle, WRTRP, from Sibanye-Stillwater in exchange for the allotment and issue by DRDGOLD of the Consideration Shares to Sibanye-Stillwater, such that Sibanye-Stillwater will hold approximately 38% of all DRDGOLD Shares in issue (including Treasury Shares) following the issue of the Consideration Shares;
 - 1.1.2 the irrevocable right and option granted by DRDGOLD to Sibanye-Stillwater to subscribe for the Issue Shares for cash during the Option Period, such that, at its election, in the event the Option is exercised, Sibanye-Stillwater will hold 50.1% of all DRDGOLD Shares in issue (including Treasury Shares) following the issue of the Consideration Shares and the Issue Shares; and
 - 1.1.3 the proposed waiver of the requirement for Sibanye-Stillwater to extend a mandatory offer to the remaining Shareholders to acquire any DRDGOLD Shares held by such persons, which results from Sibanye-Stillwater holding in excess of 35% of the voting securities of the Company, following the implementation of the Acquisition.
- 1.2 The Acquisition is classified as a category 1 transaction in terms of paragraph 9.5(b) of the Listings Requirements and the Option, if exercised, is classified as a specific issue of shares for cash in terms of paragraph 5.51 of the Listings Requirements. Accordingly, implementation of the Acquisition and the Specific Issue is subject to, *inter alia*, the approval of the relevant Resolutions by Shareholders at the General Meeting.
- 1.3 The Waiver is subject to independent holders of more than 50% of the general voting rights of all issued DRDGOLD Shares waiving the benefit of the Mandatory Offer, by way of the approval of an Ordinary Resolution by Shareholders at the General Meeting.
- 1.4 Furthermore, in order to, *inter alia*, give effect to the Acquisition and the Specific Issue, DRDGOLD is required to increase the authorised ordinary share capital of the Company, by way of an amendment

to the DRDGOLD MOI, which is subject to, *inter alia*, the approval of a Special Resolution by Shareholders at the General Meeting.

- 1.5 Pursuant to the implementation of the Acquisition, a representative of Sibanye-Stillwater will be appointed as a director to the DRDGOLD Board.
- 1.6 The purpose of this Circular is to, *inter alia*:
 - 1.6.1 provide Shareholders with all relevant information regarding the terms and conditions of the Acquisition and Specific Issue and the manner in which they will be implemented, so as to enable Shareholders to make an informed decision as to how they wish to exercise their votes in respect of the Resolutions;
 - 1.6.2 provide Shareholders with all relevant information regarding the Waiver, the proposed amendments to the DRDGOLD MOI and the proposed appointment of a representative of Sibanye-Stillwater to the DRDGOLD Board;
 - 1.6.3 provide Shareholders with the Board's opinion and recommendation regarding the Acquisition, the Specific Issue and the Waiver having, *inter alia*, obtained and given due consideration to the Independent Expert Report; and
 - 1.6.4 convene the General Meeting to consider and, if deemed fit, approve (with or without modification) the Resolutions.
- 1.7 To obtain a full understanding of the terms and conditions of the Acquisition and the Specific Issue and the details pertaining to the Waiver, the amendments to the DRDGOLD MOI and the proposed Board appointment, this Circular should be read in its entirety.

2. RATIONALE FOR THE TRANSACTION

- 2.1 The Acquisition is in line with DRDGOLD's strategy of growing its gold surface tailings retreatment operations and to continue to optimally and sustainably mine its resources. This represents a meaningful entry by DRDGOLD into the West Rand region and provides the Company with the opportunity to apply the industry specific expertise and experience gained over the years to the WRTRP Assets.
- 2.2 The Acquisition and the Specific Issue are expected to provide the following benefits to DRDGOLD:
 - an increase of about 91% in gold reserves from 2.99 Moz to 5.71 Moz;
 - the acquisition of surface assets capable of providing cash flows in the short term, with low initial capital expenditure, to support future growth and development of the project;
 - the potential to increase production, revenue and increase DRDGOLD's reserve base which extends the life of mine;
 - the RTSF (as detailed and defined in annexure 1 to this Circular) large enough to receive all of the Tailings Assets and most of the tailings of the West Rand, therefore providing a competitive advantage in the region;
 - a reduction in overhead unit costs through increased production;
 - addressing the Company's single asset operating risk;
 - securing significant long-term growth in a new operating region;
 - providing strategic positioning for further growth;
 - providing an opportunity to leverage proven experience to optimally develop the West Rand Tailings Retreatment Project;
 - through Sibanye-Stillwater, the introduction of a supportive and substantial shareholder with proven transactional capacity and an international footprint, to enhance further corporate development and growth; and
 - the Specific Issue, if implemented, will provide additional capital which will be utilised for purposes of, *inter alia*, funding DRDGOLD's capital requirements to develop the WRTRP Assets as envisaged in paragraph 4.3 of this Circular.
- 2.3 It is expected that the Directors of DRDGOLD will continue in office.

3. **OVERVIEW AND PROSPECTS OF DRDGOLD**

- 3.1 DRDGOLD is a mid-tier, unhedged gold producer and a world leader in surface gold tailings retreatment. In the 2017 financial year, the Company produced 137 114 ounces and declared mineral resources of 50.64 Moz and mineral reserves of 2.99 Moz.
- 3.2 DRDGOLD has a proud history and its 19th century origins can be traced back to the prospecting and business activities that followed the discovery of gold in Johannesburg in the mid-1880s.
- 3.3 Founded in 1895 alongside other mining entities which have come and gone, DRDGOLD remains the oldest, continuously listed company on the JSE. It is registered with the United States Securities and Exchange Commission and its Shares are represented by ADRs which are listed on the New York Stock Exchange. The ADR programme is administered by the Bank of New York Mellon.
- 3.4 This 120-year old mining business is staying the course, evolving and refining its strategy and deploying resources, to mine profitably and sustainably. The Company over time disposed of most of its underground assets, and DRDGOLD now focuses exclusively on surface gold reclamation.
- 3.5 DRDGOLD conducts its business to be profitable and to create value in the longer-term. In order to do this it has adopted the goals of sustainable development as its primary strategic consideration. Integrated thinking informs the deployment of its resources and capital in order to create overlapping value in respect of each of financial, human, social, natural and manufactured capital.
- 3.6 DRDGOLD's strategic thinking is informed by principles of sustainable development, thereby seeking sustainable benefits with respect to the capitals. With this in mind, we focus our efforts on realising our vision to sustainably grow our business while minimising our environmental impact. This includes increasing the positive effect of our socio-economic development spend, particularly for the benefit of youth, with education and poverty alleviation within our surrounding communities in mind.
- 3.7 DRDGOLD will continue to pursue its strategy of optimally exploiting its large surface gold resource, controlling costs and maximising margins to enable its business to generate cash. DRDGOLD has realigned itself operationally and has rigorously addressed costs for the longer term by investing in manufactured and natural capital during the 2017 financial year and expect the returns of this investment during the 2018 financial year and onwards.
- 3.8 DRDGOLD is encouraged that gold production in the final quarter of the 2017 financial year and first half of the 2018 financial year met the production target, which indicates that DRDGOLD's ERGO plant during this period has achieved the planned level of operational consistency.
- 3.9 During the 2018 financial year, DRDGOLD is planning gold production of between 147 000 and 153 000 ounces at cash operating costs of approximately R475 000/kg.
- 3.10 Shareholders are referred to the integrated annual report for the year ended 30 June 2017, which can be accessed on DRDGOLD's website: www.drdgold.com, for further details on DRDGOLD.

4. **WRTRP AND THE WRTRP ASSETS**

4.1 **WRTRP**

- 4.1.1 WRTRP, the subject of the Acquisition, is a special purpose vehicle newly incorporated by Sibanye-Stillwater to house the WRTRP Assets, which has not conducted any business since incorporation.
- 4.1.2 Following the implementation of the Acquisition, WRTRP will be a wholly-owned subsidiary of DRDGOLD and its primary purpose will be to operate the WRTRP Assets.
- 4.1.3 DRDGOLD assures that the provisions of WRTRP's memorandum of incorporation do not frustrate or relieve the Company in any way from compliance with its obligations in terms of the Listings Requirements.

4.2 WRTRP Assets

- 4.2.1 The WRTRP Assets comprise of, *inter alia*, the following:
- 4.2.1.1 the Tailings Assets, being the movable surface tailings dams comprising the Additional Mine Dumps and Driefontein 4 (as defined in annexure 1 to this Circular);
 - 4.2.1.2 the Processing Plants, being the DP2 Plant and DP3 Plant (as defined in annexure 1 to this Circular); and
 - 4.2.1.3 other assets, including the Pilot Plant, Plan and Materials, Transferring Land, Licences to Operate and Access Rights (as defined in annexure 1 to this Circular) ("**Other Assets**").
- 4.2.2 The Processing Plants are currently used for surface rock processing (i.e. hard rock processing), however, they are reaching the end of their useful lives for Sibanye-Stillwater and will be decommissioned if the Acquisition does not conclude.
- 4.2.3 A Carbon-in-Leach ("**CIL**") circuit was commissioned in 2014 at DP2 Plant to improve recoveries by replacing the aging Carbon-in-pulp circuit.
- 4.2.4 DRDGOLD currently does not have a processing plant in the vicinity of the Tailings Assets, and, therefore, would require a CPP equipped for the purposes of surface gold tailings retreatment, the construction of which the Company intends to carry out via a strategically phased approach, as detailed in paragraph 4.3 of this Circular.

4.3 DRDGOLD's strategy for the WRTRP Assets

- 4.3.1 DRDGOLD is focused on optimising its assets in order to increase gold production and extend its operational life. It has accumulated and is successfully processing on the Central and East Rand a network of surface assets that is unrivalled in South Africa. The acquisition of the WRTRP Assets is the first step in realising the potential from creating a similar regional network encompassing the significant amount of surface assets on the West Rand. To this end DRDGOLD's vision is to establish an infrastructure that provides the strategic advantage and opportunity that potentially can be realised from a regional consolidation. To achieve this goal DRDGOLD envisions rehabilitating a much larger footprint beyond the Driefontein 3 and Driefontein 5 resource base over time.
- 4.3.2 DRDGOLD intends on developing the WRTRP Assets through a phased approach. Whilst the Transaction represents a large and meaningful opportunity, the Company has carefully considered project execution risk and value accretion in deciding to pursue the Transaction. It therefore envisages a phased approach, whilst the combination of resources and infrastructure also allows for lower risk execution options, as set out in paragraphs 4.3.9 to 4.3.11 of the Circular.
- 4.3.3 The first phase ("**Phase 1**") is envisaged as a design and planning stage, and will include upgrading the existing Processing Plants to process tailings from the Driefontein 5 dump and depositing residues on the Driefontein 4 surface tailing dam, which form part of the Tailings Assets. Phase 1 is estimated to be commissioned within 12 months after implementation of the Acquisition and will provide for the:
- 4.3.3.1 construction of a reclamation pump station and slurry pipeline at the Driefontein 5 dump and associated process water pump station and pipeline; and
 - 4.3.3.2 viable upgrading of the Processing Plants from their name plate capacity of 315 000 tonnes per month ("**tpm**") to between 400 000 tpm and 600 000 tpm to treat additional tailings.
- 4.3.4 Further evaluation of all dumps through the Pilot Plant (as defined in annexure 1 to this Circular) will occur within 24 months of implementation of the Acquisition. The evaluation of each resource will include:
- 4.3.4.1 bulk samples to be trucked to DP3 Plant (as defined in annexure 1 to this Circular) for evaluation;

- 4.3.4.2 CIL, milling, flotation and concentrate leaching; and
- 4.3.4.3 blending of various resources to determine the optimal combination and ratio.
- 4.3.5 Phase 1 is expected to be cash generative with modest upfront capital investment required. These cash flows will be prioritised for the development of subsequent phases. It is envisaged that outputs from Phase 1 will enable DRDGOLD to refine the original West Rand Tailings Retreatment Project process and engineering design as well as financial and capital models for the second phase ("**Phase 2**").
- 4.3.6 Phase 2 is expected to deliver a central, high-volume, CPP capable of processing at least 1 million tpm of tailings and development of a new RTSF including associated pipeline infrastructure, within an additional 24-month period. Phase 2 also provides for the possibility of:
 - 4.3.6.1 introducing source material from Driefontein 3, Libanon and Kloof 1 into the production circuit (reserve of c.151 million tons) ("**Phase 2A**"); and
 - 4.3.6.2 layout infrastructure to access and blend material from Venterspost North and South (potential resource of 67.2 million tonnes) ("**Phase 2B**").
- 4.3.7 A graphical representation of the different phases is depicted in the executive summary of the Competent Person's Report set out in annexure 12 of this Circular.
- 4.3.8 Phase 1 is capable of being extended, either as an alternative to Phase 2 or in the event that the construction of Phase 2 is postponed, by blending material from Driefontein 3 into Phase 1. This will involve a further upgrade to the Driefontein 4 surface tailing dam to increase the tailings storage capacity. This "phase" envisages the treatment of 77.7 million tonnes from Driefontein 3 and 5.
- 4.3.9 The Competent Person performed an independent economic analysis of WRTRP in accordance with the SAMVAL Code. The discounted cash flow ("**DCF**") model was used to examine the distribution of value between the respective phases of the project and resulted in the following:
 - 4.3.9.1 Net present value ("**NPV**") of the WRTRP: R2.1 billion.
 - 4.3.9.2 NPV of Phase 1 alone: R1.3 billion – this is similar to the value of the Consideration Shares as at the date of the Announcement of the Transaction, based on the share price as at the date of the Announcement, of R4.96 (R1.3 billion). In other words, the value "paid" by the Consideration Shares is covered by only Phase 1 of the WRTRP. Further, in relation to the value of the overall WRTRP of R2.1 billion, management believes that this upside sufficiently compensates Shareholders for the 10% discount on the Issue Shares.
- 4.3.10 The "alternative option" which in essence involves an extension of Phase 1 by also treating Driefontein 3 through DP2 Plant and DP3 Plant over a further eight-year period and depositing its residues on existing, albeit upgraded tailings deposition infrastructure (Driefontein 4 tailings dam) indicated a NPV of approximately R2.7 billion due to the higher yield from Driefontein 5 and Driefontein 3 and significantly lower additional capital expenditure of only R397 million compared to the combined Phase 1 and Phase 2 of the project.
- 4.3.11 The "alternative option", to which DRDGOLD will default in the event that Phase 2 proves not to be capable of immediate execution following the 24-month test period, presents a high NPV at lower risk in the short term as it can operate without constructing the CPP and RTSF. However, consistent with DRDGOLD's strategy, its primary goal remains to exploit the larger regional mineral resource; produce more gold over a longer period and; to rehabilitate a much larger footprint than just the Driefontein 3 and Driefontein 5 footprints. To this end, it aims to establish infrastructure that achieves this goal and that provides the strategic advantage and opportunity of a regional consolidation far beyond the existing resource base. DRDGOLD believes that this larger and longer-term focus renders the risk of exposure to the long-term gold price less significant and could provide a much greater degree of optionality and gold price exposure. Upside potential for Phase 2 that has not been considered in the valuation include the following:

- 4.3.11.1 conservative recoveries applied to Phase 2B due to less metallurgical testwork performed;
 - 4.3.11.2 unscheduled closure included in the DCF model, although only the cash flows relating to scheduled closure will be required; and
 - 4.3.11.3 project services of 13% was applied throughout the capital expenditure which may be largely absorbed by DRDGOLD's management capacity.
- 4.3.12 A summary of the Competent Person's Report on the WRTRP Assets is set out in annexure 12 to this Circular.

5. DETAILS OF THE ACQUISITION

5.1 Terms of the Acquisition

- 5.1.1 The Acquisition consists of, *inter alia*, two separate, but indivisible, simultaneous transactions, as follows:
- 5.1.1.1 A disposal by Sibanye-Stillwater of the WRTRP Assets to WRTRP, a wholly-owned Subsidiary of Sibanye-Stillwater, in exchange for new WRTRP Shares.
 - 5.1.1.2 A subsequent acquisition by DRDGOLD of all the WRTRP Shares held by Sibanye-Stillwater, constituting 100% of the WRTRP Shares in issue, in exchange for the Consideration Shares.
- 5.1.2 Details on Sibanye-Stillwater and WRTRP, the parties to the Acquisition, are set out in the paragraph 4 of the Circular; and paragraph 15 and appendix 3 to the Revised Listing Particulars contained in annexure 14 to this Circular.
- 5.1.3 Each of the above transactions are inter-conditional and will be implemented as an asset-for-share transaction, as contemplated in section 42 of the Income Tax Act.
- 5.1.4 The Acquisition contains warranties customary for a transaction of this nature and will be subject to the fulfilment or waiver of the Acquisition Conditions, as contained in paragraph 5.3 of this Circular.

5.2 Purchase consideration and categorisation

- 5.2.1 The purchase consideration payable by DRDGOLD to Sibanye-Stillwater, pursuant to the implementation of the Acquisition ("**Purchase Consideration**"), will be settled, by way of an exchange, through the allotment and issue by DRDGOLD of so many DRDGOLD Shares, being the Consideration Shares, as will result in Sibanye-Stillwater holding approximately 38% of all DRDGOLD Shares in issue (including Treasury Shares) following the issue of the Consideration Shares.
- 5.2.2 The total number of Consideration Shares to be issued to Sibanye-Stillwater, as settlement of the Purchase Consideration, by way of an exchange, is dependent on the total number of DRDGOLD Shares in issue (including Treasury Shares) on the Effective Date.
- 5.2.3 As at the Last Practicable Date, the Purchase Consideration amounts to approximately R940.8 million, based on:
- 5.2.3.1 the issue of approximately 265 million Consideration Shares;
 - 5.2.3.2 the closing price of R3.55 per DRDGOLD Share immediately prior to the Last Practicable Date.
- 5.2.4 No goodwill is expected to be recognised in respect of the Acquisition.
- 5.2.5 The Consideration Shares (as detailed in paragraph 5.2.3.1 of this Circular) amount to approximately 63% of the DRDGOLD Shares currently in issue (excluding Treasury Shares). Accordingly, the Acquisition is considered to be a category 1 transaction, as contemplated in paragraph 9.5(b) of the Listings Requirements.
- 5.2.6 Furthermore, as the Acquisition results in an issue of DRDGOLD Shares that would increase the Shares in issue by more than 50% of the current total issued share capital, Revised Listing Particulars, in terms of paragraph 9.22 of the Listings Requirements, are required to

be prepared and are contained in annexure 14 to this Circular. The JSE has confirmed that it will continue to grant a listing of DRDGOLD Shares, following the implementation of the Acquisition.

- 5.2.7 Following the implementation of the Acquisition, application will be made to the JSE for the listing of the Consideration Shares on the Exchange.

5.3 **Conditions precedent to the Acquisition**

- 5.3.1 Implementation of the Acquisition is subject to the fulfilment or waiver (to the extent permitted, as more fully set out below), by no later than the Long Stop Date, of the following conditions precedent:

5.3.1.1 all of the Transaction Agreements and Ancillary Agreements become unconditional in accordance with their respective provisions;

5.3.1.2 the approval by Shareholders of all Ordinary Resolutions and Special Resolutions required to implement the Acquisition and the Specific Issue at the General Meeting;

5.3.1.3 the Shareholders, by way of an Ordinary Resolution at the General Meeting, in accordance with the provisions of Regulation 86(4), waiving the benefit of the Mandatory Offer (as detailed in paragraph 8 of this Circular);

5.3.1.4 the Environmental Licences to Operate having been granted to Sibanye-Stillwater;

5.3.1.5 the Section 102 Applications have been granted to Sibanye-Stillwater;

5.3.1.6 the DRDGOLD Guarantee (as detailed in paragraph 5.4.7 of this Circular) becomes unconditional in accordance with its provisions;

5.3.1.7 WRTRP is registered as a Value Added Tax vendor in terms of section 23 of the Value Added Tax Act, No 89 of 1991, as amended;

5.3.1.8 by the date on which the last of the Acquisition Conditions referred to in this paragraph 5.3 is fulfilled or waived, as the case may be, no Material Adverse Change shall have occurred;

5.3.1.9 the approval required by the Competition Authorities for the implementation of the Acquisition shall have been granted, either unconditionally or subject to such conditions as have been approved in writing by that date, by DRDGOLD, Sibanye-Stillwater and WRTRP (to the extent such conditions are imposed on it, it being agreed that such approval shall not be unreasonably withheld or delayed); and

5.3.1.10 to the extent required, the lenders under the Rand Revolving Credit Facility and the USD Revolving Credit Facility approve the conclusion and implementation of the Acquisition.

- 5.3.2 Waiver of the Acquisition Conditions

5.3.2.1 The Acquisition Conditions set out in paragraphs 5.3.1.2 and 5.3.1.9 may not be waived.

5.3.2.2 DRDGOLD and Sibanye-Stillwater are entitled to waive the Acquisition Condition set out in paragraph 5.3.1.1 by written agreement.

5.3.2.3 Sibanye-Stillwater may waive the Acquisition Conditions set out in paragraphs 5.3.1.3, 5.3.1.6, 5.3.1.7 and 5.3.1.8, upon written notice to DRDGOLD.

5.3.2.4 DRDGOLD may waive the Acquisition Conditions set out in paragraphs 5.3.1.4 and 5.3.1.5, upon written notice to Sibanye-Stillwater.

- 5.3.3 For avoidance of doubt, in the event that Sibanye-Stillwater waives the Acquisition Condition set out in paragraph 5.3.1.3 in terms of paragraph 5.3.2.3, Sibanye-Stillwater will be required to make a Mandatory Offer.

- 5.3.4 The Acquisition Condition set out in paragraph 5.3.1.8 of the Circular in respect of a Material Adverse Change applies to the Acquisition and does not apply to the proposed Waiver of Mandatory Offer detailed in paragraph 8 of the Circular.

- 5.3.5 As at the Last Practicable Date, the Competition Authorities have approved the Transaction, subject to the conditions set out in paragraph 6.2.3 of the Circular.
- 5.3.6 The date on which the Acquisition Conditions should be fulfilled or waived may be amended by DRDGOLD, Sibanye-Stillwater and WRTRP, by written agreement.

5.4 **Ancillary arrangements**

DRDGOLD, Sibanye-Stillwater and WRTRP are in the process of determining the arrangements ancillary to the Transaction, which include the Ancillary Agreements, to be concluded pursuant to the First Exchange Agreement and the implementation of the Acquisition. As at the Last Practicable Date, the ancillary arrangements which will be regulated by the Ancillary Agreements (as detailed in paragraphs 5.4.3, 5.4.6, 16.1.6, and 16.1.7 of the Circular), are subject to finalisation and signature by the relevant parties. Pursuant to the First Exchange Agreement, these Ancillary Agreements must be signed by no later than the Long Stop Date and will be signed prior to the General Meeting. The ancillary arrangements to the Transaction entail the following:

5.4.1 **Board appointment**

Subject to the implementation of the Acquisition, a director nominated by Sibanye-Stillwater, will be appointed as a non-executive director of the Board. The appointment of the Sibanye-Stillwater nominee will be subject to the terms of DRDGOLD's MOI and shareholders' approval, obtained in general meeting / annual general meeting, following such appointment of the director to the Board.

5.4.2 **Transfer of Employees**

5.4.2.1 In terms of the First Exchange Agreement, upon implementation of the Acquisition, approximately 159 Employees (as defined in annexure 1 to this Circular) will be transferred as part of the Acquisition in terms of section 197 of the Labour Act, No. 66 of 1995 ("**Labour Act**") to WRTRP, on the Delivery Date.

5.4.2.2 Subject to the provisions contained in the First Exchange Agreement, with effect from the Delivery Date, WRTRP, *inter alia*:

5.4.2.2.1 will assume the obligations of Sibanye-Stillwater in respect of the Employees in terms of the Labour Act;

5.4.2.2.2 shall recognise and give effect to the length of service and the service record of the Employees to be taken over by WRTRP for the purposes of determining their remuneration packages, any awards for long service and the implementation of any retrenchment programmes which might be instituted by WRTRP at any time after the Delivery Date; and

5.4.2.2.3 be responsible for the costs and company contributions in respect of the Employees (e.g. the employer's contributions to the respective pension and / or provident fund/s).

5.4.2.3 Subject to the provisions contained in the First Exchange Agreement, WRTRP is indemnified from any claim and / or cost arising out of a claim for salary, wages or otherwise in respect of any Employee's employment with Sibanye-Stillwater or the termination thereof, for the period of the Employee's employment with Sibanye-Stillwater until the Delivery Date.

5.4.3 **Toll Treatment Arrangement**

5.4.3.1 In terms of the First Exchange Agreement and the Toll Treatment Agreement, in the event that DRDGOLD, through WRTRP, is unable to commence the processing of the Tailings Assets on the Delivery Date, then Sibanye-Stillwater shall, from the Delivery Date until the Long Stop Date ("**Interim Period**"), be allowed to utilise the Processing Plants, operated by WRTRP, to continue to toll treat hard-rock gold bearing material at the Processing Plants ("**Toll Treatment Process**").

- 5.4.3.2 All revenue generated from the Toll Treatment Process will remain with Sibanye-Stillwater and Sibanye-Stillwater will pay WRTRP a toll treatment fee equivalent to the operating costs of the Processing Plants.
- 5.4.3.3 To the extent that Sibanye-Stillwater does not procure any gold bearing material to toll treat or if Sibanye-Stillwater elects not to toll treat gold bearing material, Sibanye-Stillwater will be responsible for the operating costs or care and maintenance costs (if applicable) of the Processing Plants during the Interim Period. Accordingly, the Toll Treatment Process will be undertaken on a zero revenue and zero cost basis for DRDGOLD ("**Toll Treatment Arrangement**").
- 5.4.3.4 Following the Long Stop Date, DRDGOLD will be responsible for all costs associated with the Processing Plants.

5.4.4 **Other interim arrangements**

Subject to the provisions contained in the First Exchange Agreement including the Acquisition Condition set out in paragraph 5.3.1.9 of this Circular, DRDGOLD shall commence with Phase 2 as set out in paragraph 4.3 of this Circular, at its own cost, prior to the Delivery Date.

5.4.5 **Post Delivery Date and Effective Date arrangements**

- 5.4.5.1 Subject to the provisions contained in the First Exchange Agreement, after the Delivery Date:
 - 5.4.5.1.1 In the event that Sibanye-Stillwater proposes the decommissioning of the Active Tailings Dams ("**Decommissioned Dumps**"), Sibanye-Stillwater and WRTRP shall attempt to reach an agreement as to how to deal with the Decommissioned Dumps, failing which WRTRP shall have an election to (i) take ownership and transfer of the Decommissioned Dumps for no consideration ("**Option 1**") or (ii) require Sibanye-Stillwater to, *inter alia*, vegetate the Decommissioned Dumps to a standard that provides an effective and adequate control of dust emissions, following which WRTRP will take ownership and transfer of the Decommissioned Dumps for no consideration ("**Option 2**"). The rehabilitation provisions transferred in respect of the Decommissioned Dumps shall be reduced by the costs incurred by Sibanye-Stillwater should WRTRP elect Option 2. In the event that WRTRP fails to make an election in regard to Option 1 or Option 2, WRTRP shall be deemed to have elected Option 2.
 - 5.4.5.1.2 Sibanye-Stillwater shall have the right to require WRTRP, against payment by Sibanye-Stillwater of a reasonable fee, to (i) grant Sibanye-Stillwater use of, and access to, the Pilot Plant (as detailed and defined in annexure 1 to this Circular) and (ii) permit Sibanye-Stillwater to deposit and store tailings from its workings on the RTSF (as detailed and defined in annexure 1 to this Circular).
 - 5.4.5.1.3 WRTRP shall not, without prior written consent of Sibanye-Stillwater, be permitted to toll treat surface materials of any third party (not being a member of the DRDGOLD Group) at the Processing Plants, Driefontein 4 (as defined in annexure 1 to this Circular) or the RTSF or allow third parties (not being a member of the DRDGOLD Group) to deposit materials on RTSF or Driefontein 4.
 - 5.4.5.1.4 DRDGOLD and WRTRP shall consult with Sibanye-Stillwater in respect of the design and construction of the RTSF, and provided that Sibanye-Stillwater contributes additional capital and costs required and that all further legal and third party contractual approvals and consents are in place, ensure that the RTSF is designed so as to suit the requirements of all such parties.

- 5.4.5.1.5 WRTRP shall commence with Phase 2 substantially in accordance with the outline and time-frames specified in paragraph 4.3 of this Circular.
- 5.4.5.1.6 In regard to the pipeline infrastructure for the WRTRP Assets, should Sibanye-Stillwater not be able to negotiate the relevant servitudes with the relevant parties on whose land the pipeline infrastructure will extend over, it will be necessary to re-route the pipeline infrastructure over land owned by Sibanye-Stillwater. This will require an amendment to the Environmental Management Programmes obtained from the DMR by Sibanye-Stillwater in terms of the Licences to Operate ("**EMP**"). To the extent that the approval of the amendment to the EMP delays Phase 2, the time-frames in the development of the WRTRP Assets shall be adjusted accordingly to cater for the delay in obtaining the approval to the amendment of the EMP.
- 5.4.5.2 Subject to the provisions contained in the First Exchange Agreement, after the Effective Date, Sibanye-Stillwater shall procure that the trustees of the Sibanye Rehabilitation Trust (Master's reference IT 2637/99) transfer the total amount standing in the credit of the Sibanye Rehabilitation Trust in respect of the WRTRP Assets to the trustees of a DRD Rehabilitation Trust, currently being the trustees of the Ergo Rehabilitation Trust Fund (Master's reference IT 4158/94), or the trustees of another trust nominated by DRDGOLD.
- 5.4.6 ***Use and Access Agreement***
 - 5.4.6.1 The WRTRP Assets are situated on the area, covered by the Kloof Mining Right and the Driefontein Mining Right, on which Sibanye-Stillwater will continue its operations.
 - 5.4.6.2 The Use and Access Agreement regulates:
 - 5.4.6.2.1 WRTRP's rights of use of the WRTRP Assets in order to conduct business and operate the WRTRP Assets and to regulate the Access Rights (as detailed in annexure 1 to the Circular), use and access to the Transferring Land (as detailed in annexure 1 to the Circular), use and access to utilities and use and access to the Licences to Operate (as detailed in annexure 1 to the Circular); and
 - 5.4.6.2.2 the ongoing working relationship between Sibanye-Stillwater and WRTRP in the context of Sibanye-Stillwater's continued operations at its Kloof Mine and the Driefontein Mine and WRTRP's continued operation of the WRTRP Assets.
 - 5.4.6.3 The Use and Access Agreement will be effective from the signature date of such agreement and will be applicable to DRDGOLD, WRTRP and Sibanye-Stillwater for the course of WRTRP's existence and operation as a business (i.e. until the end of life of WRTRP) or until such time Sibanye-Stillwater permanently terminates its operations at the Kloof Mine and the Driefontein Mine.
- 5.4.7 ***DRDGOLD Guarantee***
 - 5.4.7.1 Pursuant to the implementation of the Acquisition, DRDGOLD, in terms of and subject to the provisions of the DRDGOLD Guarantee, irrevocably and unconditionally guarantees and undertakes to and in favour of Sibanye-Stillwater the due, punctual and full payment and performance of the obligations of WRTRP to Sibanye-Stillwater under or in terms of any of the Transaction Agreements, to give effect to the Transaction ("**Guaranteed Obligations**"). These Guaranteed Obligations include, but are not limited to, the obligations of WRTRP in terms of the First Exchange Agreement and the Use and Access Agreement.
 - 5.4.7.2 The DRDGOLD Guarantee shall be effective from the Effective Date and expire upon all of the Guaranteed Obligations having been fully and finally discharged.

5.4.8 **Silicosis claims**

In terms of the DRDGOLD Exchange Agreement and with reference to the silicosis litigation as detailed in paragraph 19.1.4 of this Circular, if a court judgement or award is made against DRDGOLD within a period of eight years from the Delivery Date for an amount exceeding R100 000 000 that is not capable of being appealed or reviewed by DRDGOLD and which requires DRDGOLD to pay an amount exceeding R100 000 000, then DRDGOLD shall pay to Sibanye-Stillwater an amount equal to the excess of the awards over R100 000 000, multiplied by the percentage of the total DRDGOLD Shares held by Sibanye-Stillwater as at the date of such payment.

6. **DETAILS OF THE OPTION AND THE SPECIFIC ISSUE**

6.1 **Terms of the Option and Specific Issue**

- 6.1.1 In terms of the Option Agreement, DRDGOLD will grant Sibanye-Stillwater an irrevocable right and option to subscribe for the Issue Shares, which, if exercised, will result in Sibanye-Stillwater holding 50.1% of the DRDGOLD Shares in issue (including Treasury Shares), following the issue of the Consideration Shares and the Issue Shares.
- 6.1.2 Sibanye-Stillwater shall be entitled, subject to Sibanye-Stillwater not having disposed of all or any of the Consideration Shares, to exercise the Option during the Option Period, being any time during the period commencing on the Delivery Date and expiring 24 months thereafter. The Option must be exercised in whole anytime within the Option Period.
- 6.1.3 In the event the Option is exercised, the Issue Shares will be issued at a cash price per Issue Share calculated with reference to a 10% discount to the 30-day VWAP of a DRDGOLD Share on the Exchange immediately preceding the Exercise Date.
- 6.1.4 The Option (if exercised) will constitute a specific issue of shares for cash by DRDGOLD, as contemplated in paragraph 5.51 of the Listings Requirements.
- 6.1.5 In the event that the Option is exercised, it is intended that the cash proceeds pursuant to the Specific Issue will be utilised for purposes of funding DRDGOLD's capital requirements to develop the WRTRP Assets. As at the Last Practicable Date, the cash proceeds would amount to approximately R578.4 million, calculated based on a maximum number of approximately 168 million Issue Shares to be issued at the Issue Price of R3.44 per Issue Share.
- 6.1.6 Following the implementation of the Specific Issue, application will be made to the JSE for the listing of the Issue Shares on the Exchange.

6.2 **Conditions precedent to the Specific Issue**

- 6.2.1 Implementation of the Specific Issue is subject to the fulfilment or waiver (to the extent permitted, as more fully set out below), by no later than the Long Stop Date, of the following conditions precedent:
 - 6.2.1.1 the Acquisition becoming wholly unconditional and being implemented;
 - 6.2.1.2 the approval by Shareholders of an Ordinary Resolution required to implement the Specific Issue, subject to a 75% majority of votes of Shareholders being cast in favour thereof, at the General Meeting;
 - 6.2.1.3 Sibanye-Stillwater exercising the Option; and
 - 6.2.1.4 the regulatory approvals required for the implementation of the Specific Issue shall have been granted, either unconditionally or subject to such conditions as have been approved in writing by that date, by DRDGOLD, Sibanye-Stillwater and WRTRP (to the extent such conditions are imposed on it, it being agreed that such approval shall not be unreasonably withheld or delayed).
- 6.2.2 None of the Specific Issue Conditions may be waived.

- 6.2.3 As at the Last Practicable Date, the Competition Authorities have approved the Transaction which includes the Acquisition and the Specific Issue, in terms of the Competition Act, subject to the following:
- 6.2.3.1 Should Sibanye-Stillwater elect to exercise the Option within a period of 24 months from the date on which the Competition Authorities issued the requisite clearance certificate, being Wednesday, 7 February 2018 (“**Approval Date**”), Sibanye-Stillwater shall inform the Competition Authorities of its decision within 20 Business Days of exercising the Option.
- 6.2.3.2 Should Sibanye-Stillwater elect to exercise the Option after a period of 24 months from the Approval Date, Sibanye-Stillwater shall notify the Competition Authorities of such decision for consideration by the Competition Authorities as a merger in terms of section 13A of the Competition Act.
- 6.2.4 The date on which the Specific Issue Conditions should be fulfilled may be amended by DRDGOLD and Sibanye-Stillwater, by written agreement.

6.3 **Ancillary arrangements**

- 6.3.1 To ensure that the shareholding of Sibanye-Stillwater is not diluted during the Option Period, DRDGOLD shall not issue any DRDGOLD Shares and / or any securities convertible into DRDGOLD Shares and / or grant any options and / or rights to require the issue of DRDGOLD Shares or securities convertible into DRDGOLD Shares at any time on or after the issue of the Consideration Shares to Sibanye-Stillwater until the earlier of the Exercise Date or the date on which the Option lapses (“**Dilution Restriction**”).
- 6.3.2 DRDGOLD shall also not issue any DRDGOLD Shares during the period between the Exercise Date and the later of (i) the tenth Business Day after the Exercise Date and (ii) if it is not possible to credit the securities account in respect of Sibanye-Stillwater (“**Sibanye Securities Account**”) with the Issue Shares on the date referred to in (i), the first Business Day after that date on which it is possible to credit the Sibanye Securities Account with the Issue Shares.
- 6.3.3 The Dilution Restriction shall not apply to an issue of any DRDGOLD Shares pursuant to a rights issue in terms of which Sibanye-Stillwater (and the other DRDGOLD Shareholders) are given an opportunity to follow their rights.

7. **INCREASE IN AUTHORISED SHARE CAPITAL OF DRDGOLD AND AMENDMENTS TO THE MOI**

7.1 **Increase in the authorised share capital**

- 7.1.1 Details regarding DRDGOLD’s authorised and issued share capital is contained in paragraph 11 of this Circular.
- 7.1.2 In order to implement the Transaction, as well as to provide the Company with flexibility for any future Share issuances, DRDGOLD is required to increase the authorised ordinary share capital of the Company from 600 million DRDGOLD Shares to 1.5 billion DRDGOLD Shares, by the creation of a further 900 million DRDGOLD Shares and to reflect such increased authorised share capital in the DRDGOLD MOI, by way of an amendment to the DRDGOLD MOI.

7.2 **Other amendments to the MOI**

Subject to approval by Shareholders at the General Meeting and registration thereof with CIPC, DRDGOLD further proposes the following amendments to the DRDGOLD MOI (as detailed in annexure 3 to this Circular):

7.2.1 **Amendment of definitions**

Certain definitions and clauses will be amended to align with changes to applicable legislation.

7.2.2 **Payment of distributions to Shareholders**

Clause 38.5 of the MOI will be amended to require payment of any distributions or amount payable in respect of a Share to a Shareholder to be paid only in terms of an electronic funds transfer.

7.2.3 **Shareholders acting other than at a meeting**

Clause 21.4 of the MOI will be amended to permit the adoption of written resolutions, as contemplated in section 60 of the Companies Act, and to the extent permitted by the Listings Requirements.

7.2.4 **Share warrants**

The inclusion of provisions in the MOI pertaining to share warrants and the rights and obligations of holders thereof.

7.3 Shareholders are referred to annexure 3 to this Circular for details of all the proposed amendments to the MOI.

8. **WAIVER OF THE MANDATORY OFFER**

8.1 As at the Last Practicable Date, Sibanye-Stillwater does not hold any DRDGOLD Shares.

8.2 Following the issue of the Consideration Shares, pursuant to the implementation of the Acquisition, Sibanye-Stillwater will hold approximately 38% of all the DRDGOLD Shares in issue (including Treasury Shares).

8.3 Accordingly, Sibanye-Stillwater will, following the implementation of the Acquisition, hold in excess of 35% of the voting securities of the Company and, in accordance with section 123 of the Companies Act, be required to extend a mandatory offer to the remaining Shareholders to acquire any DRDGOLD Shares held by such persons unless the Mandatory Offer is waived in accordance with Regulation 86(4).

8.4 The TRP has advised that it will consider granting the application by Sibanye-Stillwater for exemption from the obligation to make the Mandatory Offer if the majority of independent Shareholders waive their entitlement to receive the Mandatory Offer from Sibanye-Stillwater in accordance with Regulation 86(4).

8.5 A copy of the Independent Expert Report provided by the Independent Expert in accordance with Regulation 86(7) is set out in annexure 2 to this Circular.

8.6 Any Shareholder who wishes to make representations relating to the exemption shall have 10 Business Days from the date of this Circular to make such representations to the TRP before the ruling is considered. Representations should be made in writing and delivered by hand, posted or faxed to:

8.6.1 **by hand:** The Executive Director, Takeover Regulation Panel, 1st Floor, Block 2, Freestone Park, 135 Patricia Road, Atholl, 2196.

8.6.2 **by post:** The Executive Director, Takeover Regulation Panel, 1st Floor, Block 2, Freestone Park, 135 Patricia Road, Atholl, 2196.

8.6.3 **by fax:** The Executive Director, Takeover Regulation Panel, +27 11 784 0062.

8.6.4 **by email:** The Executive Director, Takeover Regulation Panel, at admin@trpanel.co.za.

8.7 The representations should reach the TRP by no later than close of business on Monday, 12 March 2018, for the TRP to consider the merits thereof before making a ruling.

8.8 The Ordinary Resolution to waive the Mandatory Offer is included in the Notice of General Meeting. Should the requisite majority of Shareholders vote in favour and approve the Waiver, Sibanye-Stillwater will approach the TRP to grant Sibanye-Stillwater exemption from the obligation of making a Mandatory Offer.

8.9 Shareholders will be advised of the TRP's ruling in an announcement on SENS.

9. **PRO FORMA FINANCIAL INFORMATION ON DRDGOLD AND FORECAST INFORMATION OF WRTRP**

9.1 The *pro forma* financial effects on DRDGOLD and the reporting accountant's reports thereon and the forecast information of WRTRP and the reporting accountant's report thereon are set out in annexures 4 and 5 and annexures 6 and 7 to this Circular, respectively.

10. HISTORICAL FINANCIAL INFORMATION

- 10.1 The extracts of the audited historical financial statements for DRDGOLD for the three years ended 30 June 2015, 30 June 2016 and 30 June 2017 and the six months ended 31 December 2017 are set out in annexure 8 to this Circular.
- 10.2 The historical financial information of the WRTRP Assets for the three years ended 31 December 2014, 31 December 2015 and 31 December 2016 and the six months ended 30 June 2017 and the reporting accountant's reports thereon are set out in annexures 9 and 10 to this Circular, respectively.

11. DRDGOLD SHARE CAPITAL

- 11.1 The authorised and issued share capital of DRDGOLD as at the Last Practicable Date is set out below:

	R'million
Authorised share capital	
600 000 000 ordinary shares of no par value	
5 000 000 cumulative preference shares of 10 cents each	0.5
Issued ordinary share capital	
431 429 767 ordinary shares of no par value	4 227.9
9 361 071 Treasury Shares*	(50.7)
	4 177.2
Issued preference share capital	
5 000 000 cumulative preference shares of 10 cents each	0.5
Total	4 177.7

*As at the Last Practicable Date, EMO held 9 361 071 Shares.

- 11.2 Following the approval of the increase in the authorised share capital of DRDGOLD and implementation of the Acquisition, the authorised and issued share capital of DRDGOLD will be as follows:

	R'million
Authorised share capital	
1 500 000 000 ordinary shares of no par value	
5 000 000 cumulative preference shares of 10 cents each	0.5
Issued ordinary share capital	
696 429 767 ordinary shares of no par value	6 476.5
9 361 071 Treasury Shares*	(50.7)
	6 425.8
Issued preference share capital	
5 000 000 cumulative preference shares of 10 cents each	0.5
Total	6 426.3

*As at the Last Practicable Date, EMO held 9 361 071 Shares.

- 11.3 Following the exercise of the Option and implementation of the Specific Issue, on the assumption that a maximum of 167 733 616 Issue Shares will be issued, the authorised and issued share capital of DRDGOLD will be as follows:

	R'million
Authorised share capital	
1 500 000 000 ordinary shares of no par value	
5 000 000 cumulative preference shares of 10 cents each	0.5
Issued ordinary share capital	
864 163 383 ordinary shares of no par value	7 054.7
9 361 071 Treasury Shares*	(50.7)
	7 004.0
Issued preference share capital	
5 000 000 cumulative preference shares of 10 cents each	0.5
Total	7 004.5

*As at the Last Practicable Date, EMO held 9 361 071 DRDGOLD Shares.

12. DRDGOLD SHARE INFORMATION

The price and trading history of the DRDGOLD Shares on the Exchange is set out in annexure 13 to this Circular.

13. MAJOR DRDGOLD SHAREHOLDERS

- 13.1 In so far as it is known by the Directors, the Shareholders that, directly or indirectly, are beneficially interested in 5% or more of the issued share capital of DRDGOLD, together with each of such Shareholder's interest, as at the Last Practicable Date are as follows:

	Number of Shares	Percentage shareholding*
Bank of New York Mellon ("BNYM")**	224 769 156	52.10
Khumo Gold SPV (Pty) Limited ("Khumo")***	35 000 000	8.11
Bank of New York Mellon SA/NV	22 011 823	5.10
Total	281 780 979	65.31

*Percentage shareholding is calculated as a percentage of the total issued share capital of DRDGOLD, including Treasury Shares, as at the Last Practicable Date.

** These Shares are held by BNYM in terms of an ADR programme. ADRs are issued by BNYM as depository and an ADR is a certificate that represents shares of a foreign stock owned and issued by a U.S. bank. The foreign shares are usually held in custody overseas, but the certificates trade in the United States of America ("U.S."). Through this system, a large number of foreign-based companies are actively traded on one of the three major U.S. equity markets (the NYSE, AMEX or Nasdaq). It should be noted that BNYM acts as an agent on behalf of all individual Shareholders. These individual Shareholders hold voting rights and therefore BNYM holds no rights. The ADR holders who beneficially own 5% or more of DRDGOLD Shares, at a ratio of 1 ADR = 10 DRDGOLD Shares, are Van Eck Associates Corporation (3 031 617 ADRs) and Ruffer LLP (4 319 676 ADRs). The information provided in respect of holders of ADRs is based on Schedule 13G public filings made to the Securities and Exchange Commission by Van Eck Associates Corporation on 9 February 2018 and Ruffer LLP on 1 June 2017. DRDGOLD Shareholders who beneficially own 5% or more of DRDGOLD Shares, at a ratio of 1 ADR = 10 DRDGOLD Shares, are required to disclose their holdings with the US Securities and Exchange Commission. As at the Last Practicable Date, DRDGOLD is not aware of any ADR holder owning 5% or more of DRDGOLD Shares other than as described above.

***Khumo entered into a securities lending arrangement with a financial institution to hedge up to 13 million of its DRDGOLD Shares, but will continue to hold a beneficial interest in all 35 million of its DRDGOLD Shares until the expiry of the lock-in period. Refer to the SENS announcement dated 16 March 2017 for more detail regarding this arrangement. As at the Last Practicable Date, Khumo hedged 11 687 003 of its DRDGOLD Shares. Khumo is 100% held by Khumo Bathong Gold Proprietary Limited, whose shareholders are Ncholo Trust (62.5%), Richmond Trust (34.5%) and Afterguard Investments Limited (3.0%).

- 13.2 Following the implementation of the Acquisition, the beneficial interests of the persons detailed in paragraph 13.1, will be as follows:

	Number of Shares	Percentage shareholding*
Sibanye-Stillwater	265 000 000	38.1
Bank of New York Mellon**	224 769 156	32.3
Khumo	35 000 000	5.0
Bank of New York Mellon SA/NV	22 011 823	3.2
Total	546 780 979	78.6

*Percentage shareholding is calculated as a percentage of the total issued share capital of DRDGOLD, including Treasury Shares, following issue of the Consideration Shares.

**These Shares are held by BNYM in terms of an ADR programme. ADRs are issued by BNYM as depository and an ADR is a certificate that represents shares of a foreign stock owned and issued by a U.S. bank. The foreign shares are usually held in custody overseas, but the certificates trade in the U.S. Through this system, a large number of foreign-based companies are actively traded on one of the three major U.S. equity markets (the NYSE, AMEX or Nasdaq). It should be noted that BNYM acts as an agent on behalf of all individual Shareholders. These individual Shareholders hold voting rights and therefore BNYM holds no rights. The ADR holders who beneficially own 5% or more of DRDGOLD Shares, at a ratio of 1 ADR = 10 DRDGOLD Shares, are Van Eck Associates Corporation (3 031 617 ADRs) and Ruffer LLP (4 319 676 ADRs). The information provided in respect of holders of ADRs is based on Schedule 13G public filings made to the Securities and Exchange Commission by Van Eck Associates Corporation on 9 February 2018 and Ruffer LLP on 1 June 2017. DRDGOLD Shareholders who beneficially own 5% or more of DRDGOLD Shares, at a ratio of 1 ADR = 10 DRDGOLD Shares, are required to disclose their holdings with the US Securities and Exchange Commission. As at the Last Practicable Date, DRDGOLD is not aware of any ADR holder owning 5% or more of DRDGOLD Shares other than as described above.

- 13.3 Following the exercise of the Option and implementation of the Specific Issue, on the assumption that a maximum of 167 733 616 Shares will be issued, the beneficial interests of the persons detailed in paragraph 13.1, will be as follows:

	Number of Shares	Percentage shareholding*
Sibanye-Stillwater	432 733 616	50.1
Bank of New York Mellon**	224 769 156	26.0
Khumo	35 000 000	4.1
Bank of New York Mellon SA/NV	22 011 823	2.6
Total	714 514 595	82.8

*Percentage shareholding is calculated as a percentage of the total issued share capital of DRDGOLD, including Treasury Shares, following issue of the Consideration Shares and the Issue Shares.

** These Shares are held by BNYM in terms of an ADR programme. ADRs are issued by BNYM as depository and an ADR is a certificate that represents shares of a foreign stock owned and issued by a U.S. bank. The foreign shares are usually held in custody overseas, but the certificates trade in the U.S. Through this system, a large number of foreign-based companies are actively traded on one of the three major U.S. equity markets (the NYSE, AMEX or Nasdaq). It should be noted that BNYM acts as an agent on behalf of all individual Shareholders. These individual Shareholders hold voting rights and therefore BNYM holds no rights. The ADR holders who beneficially own 5% or more of DRDGOLD Shares, at a ratio of 1 ADR = 10 DRDGOLD Shares, are Van Eck Associates Corporation (3 031 617 ADRs) and Ruffer LLP (4 319 676 ADRs). The information provided in respect of holders of ADRs is based on Schedule 13G public filings made to the Securities and Exchange Commission by Van Eck Associates Corporation on 9 February 2018 and Ruffer LLP on 1 June 2017. DRDGOLD Shareholders who beneficially own 5% or more of DRDGOLD Shares, at a ratio of 1 ADR = 10 DRDGOLD Shares, are required to disclose their holdings with the US Securities and Exchange Commission. As at the Last Practicable Date, DRDGOLD is not aware of any ADR holder owning 5% or more of DRDGOLD Shares other than as described above.

- 13.4 As at the Last Practicable Date DRDGOLD does not have a controlling shareholder.
- 13.5 Following implementation of the Acquisition and Specific Issue, Sibanye-Stillwater will become a controlling Shareholder.

14. DIRECTORS' INFORMATION AND BENEFICIAL INTERESTS

14.1 DRDGOLD Directors' information

The full details of the Directors are set out in the Revised Listing Particulars incorporated in annexure 14 to this Circular.

14.2 DRDGOLD Directors' beneficial interest in DRDGOLD Shares

14.2.1 As at the Last Practicable Date, the beneficial interests of the Directors (current and those who resigned during the last 12 months), directly and indirectly, in the issued share capital of DRDGOLD, are as follows:

	Direct beneficial interest	Indirect beneficial interest	Total	Percentage share- holding (%) ¹	% After the Acquisition ²	% After the Acquisition and Specific Issue ³
Number of Shares						
Non-executive						
GC Campbell	200 000	–	200 000	0.05	0.03	0.02
J Turk	–	243 000	243 000	0.06	0.04	0.03
Executive						
DJ Pretorius	5 108	–	5 108	–	–	–
Total	205 108	243 000	448 108	0.11	0.07	0.05

1. Percentage shareholding is calculated as a percentage of the total issued share capital of DRDGOLD, excluding Treasury Shares, as at the Last Practicable Date.

2. Percentage shareholding is calculated as a percentage of the total issued share capital of DRDGOLD, excluding Treasury Shares, following implementation of the Acquisition and issue of the Consideration Shares.

3. Percentage shareholding is calculated as a percentage of the total issued share capital of DRDGOLD, excluding Treasury Shares, following the exercise of the Option and implementation of the Specific Issue, on the assumption that a maximum of 167 733 616 Issue Shares will be issued.

14.2.2 As at the Last Practicable Date, none of the Directors' associates have a beneficial interest in the issued share capital of DRDGOLD.

14.2.3 There have been no changes in the interests of the Directors and their associates between the year ended 30 June 2017 and the Last Practicable Date.

14.3 DRDGOLD Directors' beneficial interest in transactions

The Directors have not had any material beneficial interest, whether direct or indirect, in transactions that were effected by DRDGOLD during the current or immediately preceding financial year or during an earlier financial year which remain in any respect outstanding or unperformed.

15. DIRECTORS' REMUNERATION AND DIRECTORS' AND EMPLOYEE SERVICE CONTRACTS

15.1 DRDGOLD Directors' remuneration

15.1.1 The remuneration paid to the executive and non-executive Directors and prescribed officers for the year ended 30 June 2017 is as follows:

	Salaries/ Board fees R'000 ²	Group life contributions R'000	Encashed leave R'000	Total Remuneration related to this cycle R'000
Executive Directors¹				
DJ Pretorius	5 539	192	–	5 731
AJ Davel	3 112	108	–	3 220
Total	8 651	300	–	8 951
Non-executive Directors				
G Campbell	1 487	49	–	1 536
J Turk	655	–	–	655
EA Jeneker	742	25	–	767
JA Holtzhausen	684	–	–	684
T Mnyango ³	349	12	–	361
Total	3 917	86	–	4 003
Prescribed Officers¹				
CM Symons ^{4,5}	222	10	–	232
WJ Schoeman	2 942	108	–	3 050
R Masemene	2 259	66	46	2 371
Total	5 423	184	46	5 653

1. The executive Directors and prescribed officers of the Company receive salaries whereas non-executive Directors of the Company receive service fees.
2. No short-term incentives accrued relating to the 2017 cycle and no pre-tax gain on share options exercised was paid.
3. Mrs Mnyango was appointed as a non-executive Director on 1 December 2016.
4. Service contract concluded on 31 July 2016.
5. Includes pension scheme contributions of R28 263.

15.2 Subsidiary directors' remuneration

15.2.1 The remuneration paid to the executive and non-executive directors of the Subsidiaries for the year ended 30 June 2017 is as follows:

	Salaries/ Board fees R'000 ²	Group life contributions R'000	Encashed leave R'000	Total Remuneration related to this cycle R'000
EMO: Non-executive Directors				
T Mogotsi-Moletsane	581	21	–	602
CM Symons ³	615	19	–	644
MP Ncholo ⁵	48	2	–	50
Total	1 244	42	–	1 296
ERGO: Executive Directors¹				
H Gouws ⁴	2 764	80	–	2 844
M Burrell	1 964	67	–	2 031
Total	4 728	147	–	4 875

1. The executive directors of the Subsidiaries receive salaries whereas non-executive directors of the Subsidiaries receive service fees.
2. No short-term incentives accrued relating to the 2017 cycle.
3. Remuneration paid during the year includes group life cover and medical aid contributions of R61 685.
4. Remuneration paid during the year includes pension contributions of R315 498.
5. Resigned on 10 July 2016

- 15.2.2 The Company does not administer any pension, retirement or other similar scheme in which the Directors receive a benefit.
- 15.2.3 There have been no fees paid or accrued as payable to a third party *in lieu* of Directors' fees. The Directors did not receive any bonuses or performance related payments and did not receive any expense allowance.
- 15.2.4 For the year ended 30 June 2017, none of the Directors received remuneration from any company, directly or indirectly, related to or associated with DRDGOLD and none of the Directors have received any commission, gain or profit-sharing arrangements.
- 15.2.5 There will be no variation in the remuneration receivable by the Directors as a direct consequence of the Transaction.
- 15.2.6 The remuneration of Messrs DJ Pretorius and WJ Schoeman, who will be appointed as executive directors of WRTRP, will not be varied following implementation of the Transaction.

15.3 **Directors' participation in long-term incentive scheme**

- 15.3.1 DRDGOLD has a long-term incentive scheme which is a phantom share scheme and does not issue shares to employees. The terms of the awards granted under the DRDGOLD Group's amended long-term incentive scheme are:
 - 15.3.1.1 The scheme has a finite term of five years and thus no top-up awards are made when the phantom shares vest;
 - 15.3.1.2 The phantom shares are issued at a zero exercise price and will vest after three years (20%), four years (30%) and five years (50%) respectively subject to individual service and performance conditions being met; and
 - 15.3.1.3 The phantom shares will be settled at the value of the seven day VWAP of the DRDGOLD Share on vesting date.
 - 15.3.1.4 The fair value of the liability for the long-term incentive scheme is mostly influenced by the DRDGOLD Share price. Other inputs influencing the fair value are the forward dividend yield and estimates of staff retention and performance conditions.

15.3.2 As at the Last Practicable Date, the Directors' and prescribed officers' participation in the DRDGOLD long-term incentive scheme was as follows:

Directors/ Prescribed Officers	Opening balance	Granted	Vested and exercised options	Proceeds from exercised options ⁽²⁾	Exercise price	Forfeited/ Lapsed	Closing balance
	Number			Number			
Executive Directors							
DJ Pretorius							
2015 grant	2 323 009	-	-	-	-	-	2 323 009
AJ Davel							
2014 grant	171 006	-	(85 503)	560 079	6.55	-	85 503
2015 grant	1 305 033	-	-	-	-	-	1 305 033
Total	3 799 048	-	(85 503)	560 079		-	3 713 545
Prescribed Officers							
CM Symons							
2014 grant	170 633	-	(85 314)	558 847	6.55	(85 319)	-
WJ Schoeman							
2013 grant	74 502	-	(74 502)	446 202	5.99	-	-
2014 grant	153 906	-	(51 303)	474 851	9.26	-	102 603
2015 grant	1 305 033	-	-	-	-	-	1 305 033
R Masemene							
2013 grant	25 000	-	(25 000)	149 724	5.99	-	-
2014 grant	84 458	-	(42 230)	276 624	6.55	-	42 228
2015 grant	796 460	-	-	-	-	-	796 460
Total	2 609 992	-	(278 349)	1 906 448		(85 319)	2 246 324

⁽¹⁾ No long-term incentive allocations were made in the 2017 financial year.

⁽²⁾ These proceeds were included in the calculation of the incentives related to the 2016 cycle and is therefore excluded from remuneration related to the 2017 cycle as disclosed in 15.1 and 15.2.

Directors of major Subsidiaries	Opening balance	Granted	Vested and exercised options	Proceeds from exercised options ⁽²⁾	Exercise price	Forfeited/ Lapsed	Closing balance
	Number			Number			
ERGO: Executive Directors							
H Gouws							
2013 grant	52 771	-	(52 771)	316 040	5.99	-	-
2014 grant	170 387	-	(85 193)	558 049	6.55	-	85 194
2015 grant	1 176 079	-	-	-	-	-	1 176 079
M Burrell							
2013 grant	30 037	-	(30 037)	179 897	5.99	-	-
2014 grant	97 564	-	(48 782)	319 541	6.55	-	48 782
2015 grant	779 461	-	-	-	-	-	779 461
Total	2 306 299	-	(216 783)	1 373 527		-	2 089 516

⁽¹⁾ No long-term incentive allocations were made in the 2017 financial year.

⁽²⁾ These proceeds were included in the calculation of the incentives related to the 2016 cycle and is therefore excluded from remuneration related to the 2017 cycle as disclosed in 15.1 and 15.2.

15.4 **Directors' service contracts**

Service contracts have been concluded with the executive as well as the non-executive Directors as stated below:

- 15.4.1 The Company's current executive Directors, Messrs DJ Pretorius and AJ Davel, entered into agreements of employment with the Company, on 1 May 2003 and 1 January 2015, respectively. These agreements regulated the employment relationship with Messrs DJ Pretorius and AJ Davel during the year ended 30 June 2017.
- 15.4.2 On 1 July 2015 Mr Pretorius entered into a new agreement of employment for a period of three years and thereafter it continues indefinitely until terminated by either party on not less than three months' written notice. Under the employment agreement effective up to 30 June 2018 Mr Pretorius received a guaranteed remuneration package of R5.5 million per annum from DRDGOLD. Mr Pretorius was eligible under his employment agreement, for an incentive bonus of up to 100% of his annual remuneration package in respect of one bonus cycle per annum over the duration of his appointment, on condition that DRDGOLD achieves certain key performance indicators. In addition, Mr Pretorius is eligible to participate in the long-term incentive scheme and was awarded 2 323 009 phantom shares during November 2015.
- 15.4.3 Mr Davel entered into an employment agreement effective from 1 January 2015 for a period of three years and thereafter it continues indefinitely until terminated by either party on not less than three months' prior written notice. Mr Davel received a guaranteed remuneration package of R3.1 million per annum from the Company. Mr Davel is eligible under his employment agreement, for a short term incentive of up to 100% of his annual remuneration package in respect of one bonus cycle per annum over the duration of his appointment, on condition that DRDGOLD achieves certain key performance indicators. Mr Davel is eligible to participate in the long-term incentive scheme. Mr Davel was issued 205 207 phantom shares under the long-term incentive scheme upon joining DRDGOLD and 1 305 033 phantom shares during November 2015.
- 15.4.4 Messrs GC Campbell and EA Jeneker each have service agreements which run for fixed periods until 31 October 2019. Mr J Turk has a service agreement which runs for a fixed period until 31 October 2018. Mr JA Holtzhausen has a service agreement which runs for a fixed period until 25 April 2018. Mrs TVBN Mnyango has a service agreement which runs for a fixed period until 30 November 2018. After expiration of the initial two-year periods, the agreements continue indefinitely until terminated by either party on not less than three months' prior written notice, save for the agreement in respect of Mr J Turk, which will continue indefinitely for the initial one year period, until terminated by either party on not less than three months' notice.
- 15.4.5 Each service agreement with the Directors provides for the provision of benefits to the Director where the agreement is terminated by DRDGOLD in the case of the executive Directors, except where termination is a result of certain action on the part of the Director, upon the Director reaching a certain age, or the Director upon the occurrence of a change of control. A termination of a Director's employment upon the occurrence of a change of control is referred to as an "eligible termination." Upon an eligible termination, the Director is entitled to receive a payment equal to at least one year's salary or fees, but not more than three years' salary for executive Directors or two years' fees for non-executive Directors, depending on the period of time that the Director has been employed.
- 15.5 Each service agreement with the directors of the Subsidiaries provides for the provision of the continuance of the service contract for an indefinite period until terminated by either party on not less than three month's prior written notice provided that the Company undertakes not to give such notice until after the expiry of at least two years, calculated from date of commencement.

16. **AGREEMENTS AND OTHER ARRANGEMENTS**

16.1 Pursuant to implementation of the Transaction, the following agreements have been or will be entered into by DRDGOLD and / or WRTRP with Sibanye-Stillwater:

- 16.1.1 The First Exchange Agreement, further details of which are contained in paragraph 5 of this Circular.

- 16.1.2 The DRDGOLD Exchange Agreement, further details of which are contained in paragraph 5 of this Circular.
- 16.1.3 The Option Agreement, further details of which are contained in paragraph 6 of this Circular.
- 16.1.4 The DRDGOLD Guarantee, further details of which are contained in paragraph 5 of this Circular.
- 16.1.5 The Use and Access Agreement, further details of which are contained in paragraph 5 of this Circular.
- 16.1.6 The Gold Purchase /Smelting Agreement will set out the terms, obligations and commitments which will regulate the smelting of, and gold recovery from, gold loaded carbon produced at the Processing Plants at Driefontein 1 Gold Plant.
- 16.1.7 The Lease Agreement will set out the terms on which the Leased Land will be leased to WRTRP by Sibanye-Stillwater by way of a long-term lease.
- 16.1.8 The Toll Treatment Agreement, further details of which are contained in paragraph 5 of this Circular.

16.2 Other

- 16.2.1 Save for the agreements set out in paragraphs 16.1.1 to 16.1.5 above, no other arrangements or agreements exist, which could be considered material to the Transaction.
- 16.2.2 Furthermore, other than the agreements mentioned in this paragraphs 16.1.1 to 16.1.5 of this Circular and contracts entered into in the ordinary course of business, there were no material contracts entered into by DRDGOLD, either verbally or in writing, within the two preceding years and there were no contracts entered into at any time which contain an obligation or settlement that is material to DRDGOLD or its Subsidiaries.
- 16.2.3 As the Last Practicable Date, DRDGOLD does not have any material loans owing or receivable. There is no material loan capital outstanding.

17. EXPENSES

The expenses relating to the Transaction, payable by DRDGOLD, including costs of the professional advisors, all of which are exclusive of any applicable value added tax payable in terms of the Value Added Tax Act, No 89 of 1991, as amended, and disbursements, are estimated to be R7.842 million, comprised as follows:

Description	Payable to	Estimated fee (R'000)
Sponsor	One Capital Sponsor Services Proprietary Limited	1 000
Attorneys	Malan Scholes Inc.	1 100
Tax advisor	Edward Nathan Sonnenbergs Inc.	500
United States Law Attorneys	Skadden, Arps, Slate, Meagher & Flom LLP	120
Independent auditor and reporting accountant	KPMG Inc.	1 400
Independent Expert	Imara Corporate Finance Proprietary Limited	750
Competent person	Sound Mining Solutions Proprietary Limited	1 295
JSE documentation fees	JSE	255
TRP documentation fees	TRP	200
JSE listing fees	JSE	617
Competition Commission fees	Competition Commission	250
Printing and publishing costs	Ince Proprietary Limited	350
Transfer secretaries	Link Market Investor Services Proprietary Limited	5
Total		7 842

18. SOUTH AFRICAN EXCHANGE CONTROL REGULATIONS

The required exchange control approval for South Africa in respect of the Transaction has been obtained in terms of the Exchange Control Regulations.

19. MATERIAL LEGAL MATTERS

19.1 In the previous 12 months DRDGOLD has been involved in the following proceedings in respect of the Ekurhuleni Metropolitan Municipality ("**Ekurhuleni**") electricity tariff dispute:

19.1.1 **Ekurhuleni Metropolitan Municipality Electricity Tariff Dispute – Main Application**

19.1.1.1 In December 2014, an application in the South Gauteng High Court of South Africa, Johannesburg ("**Johannesburg High Court**") was filed and served on, *inter alia*, the Ekurhuleni Metropolitan Municipality ("**Municipality**") and Eskom Holdings SOC Limited ("**Eskom**") in terms of which ERGO contends, amongst other things, that the Municipality does not "*supply*" electricity to ERGO from a "*supply main*" as contemplated in the Municipality's Electricity By-Laws of 2002 ("**By-Laws**") ("**Main Application**"), for the following reasons:

19.1.1.1.1 The Municipality is not licensed to supply electricity to ERGO in terms of the Municipality's Temporary Distribution Licence.

19.1.1.1.2 The Municipality is not entitled to render tax invoices to ERGO for the supply and consumption of electricity from the substation.

19.1.1.1.3 The Municipality is furthermore not competent to add a surcharge or premium of approximately 40% of the rate at which Eskom ordinarily charges ERGO on its Megaflex rate.

19.1.1.1.4 ERGO is not indebted to the Municipality for the supply and consumption of electricity and is not obliged to tender payment for any amounts claimed in the invoices rendered by the Municipality in excess of its actual consumption therefore as determined by Eskom on a monthly basis.

19.1.1.1.5 The Municipality is indebted to ERGO in the amount of approximately R43 million in respect of the surcharges and premiums that were erroneously paid to the Municipality in the *bona fide* and reasonable belief that the Municipality was competent to supply electricity to it.

19.1.1.2 The hearing in respect of the Main Application has been set down for hearing on 5 December 2018.

19.1.1.3 Subsequent to December 2014 up to 31 December 2017, the Municipality has invoiced ERGO for approximately R114.8 million in surcharges of which R111.1 million has been paid into an attorney's trust account at 31 December 2017, pending the final determination of the Main Application.

19.1.2 **Ekurhuleni Metropolitan Municipality Electricity Tariff Dispute – Urgent Application**

19.1.2.1 Subsequent to ERGO electing to pay the surcharge levied by the Municipality into the trust account of its attorneys, the Municipality, on 25 May 2015, threatened to terminate the electricity supply at the substation in terms of the provisions of the By-Laws described above.

19.1.2.2 The Municipality was, furthermore, contending that ERGO was allegedly in arrears of its account and was seeking to employ its debt collection and credit control measures in relation to the alleged arrears. ERGO proceeded to launch an urgent application at the Johannesburg High Court to interdict the Municipality from terminating the electricity supply at the substation.

19.1.2.3 On 3 May 2016, the Court found in favour of ERGO and interdicted and prohibited the Municipality from terminating or otherwise interfering with the supply of electricity at the substation.

- 19.1.2.4 The Municipality subsequently, and ultimately, petitioned the Supreme Court of Appeal (“**SCA**”) for leave to appeal against the judgment. The appeal hearing was heard by a full bench of 3 judges (“**Full Bench**”) of the Johannesburg High Court on 20 and 21 June 2017.
- 19.1.2.5 Judgment in respect thereof was handed down on 29 August 2017 and the Full Bench found in favour of the Municipality.
- 19.1.2.6 ERGO subsequently sought special leave to appeal (against the judgement of the Full Bench) to the SCA on 26 September 2017.
- 19.1.2.7 The application for special leave to appeal against the decision of the Full Bench was dismissed by the SCA on 27 November 2017.
- 19.1.2.8 On 13 December 2017, ERGO filed its application for leave to appeal to the Constitutional Court against the decision of the Full Bench in terms whereof the Municipality’s appeal against the judgement of 3 May 2016 in the court of first instance was upheld with costs as described above.
- 19.1.2.9 On 31 January 2018 the Constitutional Court dismissed the application for special leave to appeal (“**CC Order**”). The CC Order was received by the parties on 9 February 2018.
- 19.1.2.10 As a consequence of the CC Order, the interdict restraining the Municipality has been set aside and ERGO may now have to pay the Municipality the amounts which are held in the attorneys’ trust account as described in detail in paragraph 19.1.1.3 of the Circular in order to prevent the possible discontinuation of power supply to the ERGO Plant.

19.1.3 **Ekurhuleni Metropolitan Municipality Electricity Tariff Dispute – Summons**

- 19.1.3.1 On 8 June 2017, the Municipality served summons on ERGO in terms of which an amount of R74 million is sought to be recovered from ERGO. The amount represents the monies that are currently in the trust account of ERGO’s attorneys of record and pertain to the surcharge that the Municipality has been levying in respect of the electricity tariff dispute between the parties as described in detail in the Main Application.
- 19.1.3.2 The summons was served to arrest prescription, i.e. to avoid the claim for the alleged arrear surcharge amounts from becoming extinguished, as envisaged in the Prescription Act, No. 68 of 1969, by virtue of the expiration of a period of 3 years from 30 November 2014, being the date from which ERGO stopped paying the surcharge levied by the Municipality thereto and from which date the Municipality alleges that ERGO was making partial payments of the full account rendered to it by the Municipality.
- 19.1.3.3 ERGO entered its appearance to defend the matter on 23 June 2017.

19.2 **Silicosis Litigation**

- 19.2.1 In January 2013, DRDGOLD, ERPM (“**DRDGOLD Respondents**”) and 23 other mining companies (collectively referred to as “**Respondents**”) were served with a court application issued in the High Court of South Africa (“**Court**”) for a class certification (“**Certification Application**”) on behalf of former mineworkers and dependants of deceased mineworkers (“**Applicants**”). In the application the Applicants allege that the Respondents conducted underground mining operations in a negligent and complicit manner causing the former mineworkers to contract occupational lung diseases. The Applicants have as yet not quantified the amounts which they are demanding from the Respondents in damages.
- 19.2.2 On 13 May 2016, the Court granted an order for, *inter alia* (1) certification of two industry-wide classes: a silicosis class and a tuberculosis class, both of which cover current and former underground mineworkers who have contracted the respective diseases (or the dependants of mineworkers who died of those diseases); and (2) that the common law be developed to provide that in instances where a claimant claiming general damages passed away, the claim for general damages will be transmitted to the estate of the deceased claimant.

- 19.2.3 The DRDGOLD Respondents served a notice of appeal against the aforementioned findings on 22 July 2016 and 27 September 2016 respectively. The appeal was initially set down for hearing from 13 to 19 March 2018. However, on 15 December 2017, correspondence from the Respondents was sent to the SCA requesting a postponement of the appeal *sine die*. On 9 January 2018, the SCA granted approval of the postponement of the appeal *sine die*.
- 19.2.4 The Respondent companies formed a Working Group consisting of representatives from each company to consider and discuss issues pertaining to the action.
- 19.2.5 DRDGOLD withdrew from the Working Group in January 2016. The remaining members of the Working Group have since indicated that they would be seeking a possible settlement of the class action and have all raised an accounting provisions at 30 June 2017 due to progress made by the Working Group towards settlement of the claims.
- 19.2.6 DRDGOLD took the view that it is premature to consider settlement of the matter, mainly for the following reasons:
- 19.2.6.1 the Applicants have as yet not issued and served a summons (claim) in the matter;
- 19.2.6.2 there is no indication of the number of potential claimants that may join the class action against the DRDGOLD Respondents; and
- 19.2.6.3 many principles upon which legal responsibility is founded, are required to be substantially developed by the trial court (and possibly subsequent courts of appeal) to establish liability on the bases alleged by the Applicants.
- 19.2.7 In light of the above there is inadequate information to determine if a sufficient legal and factual basis exists to establish liability, and to quantify such potential liability.

19.3 **ERPM Valuation of Surface Right Permits Summons**

- 19.3.1 The Municipality issued summons in 2010 for the recovery of the amount of R42 million against ERPM in respect of the valuation of various surface right permits (“**SRPs**”) of which ERPM is the registered holder in terms of the Municipal Property Rates Act. ERPM entered an appearance to defend the matter within the requisite time-frames.
- 19.3.2 The matter was not further pursued by the Municipality and appears to now be dormant.
- 19.3.3 ERPM believes that this claim was without merit and therefore that an outflow of resources was remote. ERPM deferred payment of rates and taxes for which it recognised an accrual of R22.7 million.
- 19.3.4 Since February 2016, the account statements issued by the Municipality reflected that all rates and taxes and interest thereon had been written off and the balance owing by ERPM was reduced to zero. The statements issued by the Municipality up to the date of this report continue to reflect a zero balance. As a result, the accrual was reversed during financial year 2016.
- 19.4 Save for the above, the Group is not aware of any legal or arbitration proceedings, including the proceedings that are pending or threatened, that may have or have had in the recent past, being the previous 12 months, a material effect on the financial position of the Group.

20. **CORPORATE GOVERNANCE AND APPLICATION OF KING IV**

Shareholders are referred to the DRDGOLD integrated annual report for the year ended 30 June 2017, which can be accessed on DRDGOLD’s website: www.drdgold.com, for details of the application of the King IV Report on Corporate Governance for South Africa, 2016 (“**King IV**”) and other corporate governance principles of DRDGOLD.

21. **MATERIAL CHANGES**

There have been no material changes to the financial and trading position of DRDGOLD since the publication of its interim financial results for the six months ended 31 December 2017 to the Last Practicable Date.

22. DRDGOLD MINERAL RESOURCES AND RESERVES STATEMENT AND COMPETENT PERSON'S REPORT ON THE WRTRP ASSETS

22.1 There have been no material changes to the DRDGOLD mineral resources and reserves statement provided in the DRDGOLD integrated annual report for the year ended 30 June 2017, which can be accessed on DRDGOLD's website: www.drdgold.com. An extract of the DRDGOLD mineral resources and reserves statement is set out in annexure 11 to this Circular.

22.2 Shareholders are referred to annexure 12 to this Circular for an executive summary of the Competent Person's Report on the WRTRP Assets. The full document can be accessed on DRDGOLD's website: www.drdgold.com.

23. WORKING CAPITAL STATEMENT

23.1 The Directors are of the opinion that, following the implementation of the Acquisition, the working capital available to the DRDGOLD Group, as enlarged by the Acquisition, is sufficient for the Group's present requirements, that is, for at least the next 12 months from the date of this Circular.

23.2 The Directors are of the opinion that:

23.2.1 the DRDGOLD Group will be able, in the ordinary course of business, to pay its debts for a period of 12 months after the date of this Circular;

23.2.2 the assets of the DRDGOLD Group will be in excess of the liabilities of the DRDGOLD Group for a period of 12 months after the date of this Circular; the share capital and reserves of the DRDGOLD Group will be adequate for ordinary business purposes for a period of 12 months after the date of this Circular;

23.2.3 the share capital and reserves of the DRDGOLD Group will be adequate for ordinary business purposes for a period of 12 months after the date of the issue of this Circular; and

23.2.4 the working capital of the DRDGOLD Group will be adequate for ordinary business purposes for a period of 12 months after the date of the Circular.

24. DIRECTORS' RESPONSIBILITY STATEMENTS AND RECOMMENDATION

24.1 DRDGOLD Board's responsibility statement

24.1.1 The members of the DRDGOLD Board, collectively and individually, insofar as any information in this Circular relates to DRDGOLD and the Transaction:

24.1.1.1 have considered all statements of fact and opinion in this Circular;

24.1.1.2 accept full responsibility for the information contained in this Circular and the accuracy thereof;

24.1.1.3 certify that, to the best of their knowledge and belief, the information contained in this Circular is true and correct;

24.1.1.4 certify that this Circular does not omit anything that is likely to affect the importance of any information contained in this Circular;

24.1.1.5 confirm that they have made all reasonable enquiries to ascertain such facts in this regard; and

24.1.1.6 confirm that this Circular contains all information (to the extent appropriate) required by the Companies Act, the Regulations and the Listings Requirements (where applicable).

24.1.2 No member of the DRDGOLD Board is excluded from the statements above.

24.2 DRDGOLD Board's opinion and recommendation

The Directors unanimously recommend that DRDGOLD Shareholders vote in favour of the Resolutions at the General Meeting. Each of the Directors who hold DRDGOLD Shares intends to vote his or her DRDGOLD Shares in favour of the Resolutions at the General Meeting.

25. CONSENTS

Each of the sponsor, independent auditor and reporting accountant, Competent Person, Independent Expert, attorneys and the transfer secretaries have consented and have not, prior to the Last Practicable Date, withdrawn their written consent to the inclusion of their names and, where applicable, reports in the form and context in which they appear in this Circular.

26. GENERAL MEETING

26.1 The General Meeting of DRDGOLD Shareholders will be held at the Company's boardroom, 1 Sixty Jan Smuts Building, 2nd Floor, North Tower, 160 Jan Smuts Avenue, Rosebank, Johannesburg, South Africa at 12:00 (South African time) on Wednesday, 28 March 2018 (or any postponement or adjournment thereof) to consider and, if deemed fit, pass the Resolutions set out in the Notice of General Meeting attached to this Circular, with or without modification.

26.2 Implementation of the Transaction is subject to, *inter alia*, the approval of the Resolutions at the General Meeting.

26.3 The Notice of General Meeting and a Form of Proxy for use by Certificated Shareholders and Dematerialised Shareholders with "own name" registration who are unable to attend the General Meeting in person, are attached to this Circular.

26.4 It is recommended that a duly completed Form of Proxy be received by the respective transfer secretaries by the times stipulated in the section titled "Action Required by Shareholders" commencing on page 5 of this Circular.

26.5 Should the Form of Proxy not be delivered to the respective transfer secretaries (as recommended above), a Shareholder will be entitled to furnish its Form of Proxy to the chairman of the General Meeting before the appointed proxy exercises any of the Shareholder's rights at the General Meeting.

26.6 For purposes of the Resolutions, save for the Treasury Shares (being 9 361 071 Shares as at the Last Practicable Date), there are no voting rights in respect of the DRDGOLD Shares which cannot be taken into account in calculating the percentage of voting rights required:

26.6.1 to determine whether the applicable quorum of Shareholders is present at the General Meeting; and

26.6.2 to approve the Resolutions.

27. DOCUMENTS INCORPORATED BY REFERENCE

The following information has been incorporated by reference and is available for viewing on the Company's website at www.drdgold.com. Such information will be available for inspection at the registered office of DRDGOLD as detailed in paragraph 28 below:

Circular paragraph reference	Information	Website
20	DRDGOLD's application of King IV;	http://www.drdgold.com/investors-and-media/annual-reports/2017
10.1	DRDGOLD's annual financial statements for the year ended 30 June 2017;	http://www.drdgold.com/investors-and-media/annual-reports/2017
10.1	DRDGOLD's annual financial statements for the year ended 30 June 2016;	http://www.drdgold.com/investors-and-media/annual-reports/2016
10.1	DRDGOLD's annual financial statements for the year ended 30 June 2015;	http://www.drdgold.com/investors-and-media/annual-reports/2015

Circular paragraph reference	Information	Website
10.1	DRDGOLD's interim financial results for the six months ended 31 December 2017;	http://www.drdgold.com/investors-and-media/financials/2018
22.1	DRDGOLD mineral resources and reserves statement, and	http://www.drdgold.com/investors-and-media/annual-reports/2017
22.2	The Competent Person's Report on the WRTRP Assets.	http://www.drdgold.com

28. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or copies thereof, are available for inspection at the registered office of DRDGOLD from the date of issue of this Circular until 10 Business Days after the General Meeting:

- 28.1 the First Exchange Agreement, the DRDGOLD Exchange Agreement, the Option Agreement, the Use and Access Agreement and the DRDGOLD Guarantee;
- 28.2 the DRDGOLD MOI and proposed amended MOI (marked-up) and the memoranda of incorporation of its Subsidiaries;
- 28.3 the Directors' service agreements entered into in the last three years;
- 28.4 the audited financial statements of DRDGOLD for the three years ended 30 June 2015, 30 June 2016 and 30 June 2017;
- 28.5 the unaudited interim financial results for the six months ended 31 December 2017;
- 28.6 the historical financial information of the WRTRP Assets for the three years ended 31 December 2016, 31 December 2015 and 31 December 2014 and the six months ended 30 June 2017;
- 28.7 the independent reporting accountant's report on the historical financial information of the WRTRP Assets, the text of which is included as annexure 10 to this Circular;
- 28.8 the independent reporting accountant's report on the *pro forma* financial information on DRDGOLD, the text of which is included as annexure 5 to this Circular;
- 28.9 the independent reporting accountant's report on the forecast financial information on the WRTRP Assets, the text of which is included as annexure 6 to this Circular;
- 28.10 the Independent Expert Report in respect of the Waiver, the text of which is included as annexure 2 to this Circular;
- 28.11 the mineral resources and reserves report of DRDGOLD, the text of which is included as annexure 11 to this Circular;
- 28.12 the Competent Person's report on the WRTRP Assets, an executive summary of which is included as annexure 12 to this Circular;
- 28.13 letter of approval of the Circular issued by the TRP;
- 28.14 the written consents of the professional advisors to DRDGOLD; and
- 28.15 signed copy of this Circular.

Signed on behalf of the DRDGOLD Board, who is duly authorised hereto in terms of a resolution passed by the DRDGOLD Board.

Friday, 16 February 2018

WRTRP ASSETS

The definitions and interpretations commencing on page 6 of the Circular to which this annexure is attached apply to this annexure.

The WRTRP Assets comprise the assets as detailed and defined as follows:

“Access Rights”	Sibanye-Stillwater’s grant of access to DRDGOLD to: <ul style="list-style-type: none"> • the Kloof 10 shaft located in the Kloof Mining Area that is subject to the Kloof Mining Right, for the purpose of pumping and supplying, at the cost of WRTRP, the required quantities of water to WRTRP for the WRTRP Assets; • rights, servitudes and agreements for installation, supply and distribution and maintenance of power supply; existing and proposed pipeline routes; servitudes; wayleaves and surface right permits; and • Driefontein 1 Gold Plant for the purpose of accessing the Pilot Plant;
“Additional Mine Dumps”	the following movable surface tailings dumps which form the part of the gold assets of the WRTRP Assets: <ul style="list-style-type: none"> • Driefontein Dumps 3 and 5; • Kloof 1; • Venterspost North and South; and • Libanon Dump;
“CPP Land”	the land upon which the CPP will be located being the Farm Rietfontein No 347 Registration Division I.Q. Portions 35 and 73, Gauteng Province;
“DP2 Plant”	the Driefontein 2 Plant which is located on Farm Blyvooruitzicht No 116 Registration Division I.Q. Portion 6 and Farm Driefontein No 113 Registration Division I.Q., Remainder of Portion 1, Gauteng Province; <p>The DP2 Plant currently processes surface rock dumps (“SRD”) material, which is delivered by rail and truck. Throughput is achieved through two Semi-Autogenous Grinding (“SAG”) mills and a ball milling circuit, cyanide leaching and a Carbon-in-pulp (“CIP”) plant. A Carbon-in-leach circuit was commissioned in 2014 at DP2 Plant to improve recoveries by replacing the aging CIP circuit;</p>
“DP3 Plant”	the Driefontein 3 Plant which is located on Farm Blyvooruitzicht No 116, Registration Division I.Q., Portion 6 and Farm Driefontein No 113, Registration Division I.Q., Remainder of Portion 1, Gauteng Province; <p>The DP3 Plant was originally designed as a uranium plant, but was converted to process low-grade surface rock in 1998. Similar to DP2 Plant, SRD ore is delivered by rail and truck. This plant has four SAG mills followed by cyanide leaching and a CIP circuit;</p>
“Driefontein 4”	the moveable working surface tailing dam which forms part of the gold assets of WRTRP;
“Employees”	those employees of Sibanye-Stillwater who are employed in respect of the WRTRP Assets and who will be transferred as part of the WRTRP Assets to WRTRP on the Delivery Date;
“Licences to Operate”	all the licences, permits, permissions, management plans and reports, as well as amendments, variations or modifications thereof from time to time necessary for Sibanye-Stillwater to operate the WRTRP Assets lawfully;

"Pilot Plant"	the moveable LogiProc pilot plant established to test the processes, techniques and assumptions made in the definitive level design of the full scale retreatment of dumps as part of the WRTRP Assets, located at Driefontein 1 Plant;
"Plan and Materials"	any and all drawings, plans, studies (including feasibility studies of a geological or geotechnical nature), surveys, reports (including sampling and assaying reports), maps (including geophysical, geological and / or drill maps), statements, schedules and other data in whatever form of a financial, technical, labour, marketing, administrative, accounting or other matters pertaining to the project known as the " <i>West Rand Tailings Retreatment Project</i> ," which Sibanye-Stillwater owns and / or has commissioned in furtherance of the WRTRP Assets;
"RTSF Land"	<p>the land upon which the RTSF and the Return Water Dam will be located, comprised of:</p> <ul style="list-style-type: none"> • the Farm Cardoville No 647 Registration Division I.Q., Gauteng Province, measuring: 364.6338 hectares, as described more fully in, and subject to all conditions of title as reflected in Deed of Transfer T39184/2009 (in terms of which it is held by Sibanye-Stillwater); • Remaining Extent of Portion 6 (a portion of Portion 1) of the farm Cardoville No 364 Registration Division I.Q., Gauteng Province, measuring: 20.4620 hectares, as described more fully in, and subject to all conditions of title as reflected in the Deed of Transfer T58927/2009 (in terms of which it is held by Sibanye-Stillwater); • Portion 8 (a portion of Portion 6) of the farm Cardoville No 364 Registration Division I.Q., Gauteng Province, measuring: 128.2710 hectares, as described more fully in, and subject to all conditions of title as reflected in Deed of Transfer T39147/2009 (in terms of which it is held by Sibanye-Stillwater); • Portion 13 (a portion of Portion 1) of the farm Cardoville No 364 Registration Division I.Q., Gauteng Province, measuring: 364.0503 hectares, as described more fully in, and subject to all conditions of title as reflected in Deed of Transfer T39147/2009 (in terms of which it is held by Sibanye-Stillwater); • Portion 50 of the farm Kalbasfontein 365 Registration Division I.Q., Gauteng Province, measuring: 175.4749 hectares, as described more fully in, and subject to all conditions of title as reflected in Deed of Transfer T58927/2009 (in terms of which it is held by Sibanye-Stillwater); • Remaining extent of Portion 3 of the farm Cardoville No 364 Registration Division I.Q., Gauteng Province, measuring: 358.1697 hectares, as described more fully in, and subject to all conditions of title as reflected in Deed of Transfer T72983/1999 (in terms of which it is held by Sibanye-Stillwater); • Remaining extent of Portion 5 (a portion of Portion 3) of the farm Cardoville No 364 Registration Division I.Q., Gauteng Province, measuring: 139.4110 hectares, as described more fully in, and subject to all conditions of title as reflected in Deed of Transfer T72983/1999 (in terms of which it is held by Sibanye-Stillwater); and • Portion 11 of the farm Cardoville No 364 Registration Division I.Q., Gauteng Province, measuring: 173.1207 hectares, as described more fully in, and subject to all conditions of title as reflected in Deed of Transfer T72983/1999 (in terms of which it is held by Sibanye-Stillwater);
"RTSF"	the Regional Tailing Storage Facility and Return Water Dam proposed to form part of the WRTRP Assets pursuant to the execution of the project known as the " <i>West Rand Tailings Retreatment Project</i> "; and
"Transferring Land"	collectively, the CPP Land and the RTSF Land.

INDEPENDENT EXPERT REPORT

*The definitions and interpretations commencing on page 6 of the Circular to which this annexure is attached **do not** apply to this annexure.*

"The Board of Directors
DRDGOLD Limited
1 Sixty Jan Smuts Building
2nd Floor, North Tower
160 Jan Smuts Avenue
Rosebank
Johannesburg
2196

16 February 2018

Dear Sirs and Madam

FAIR AND REASONABLE OPINION IN RESPECT OF THE WAIVER OF THE OBLIGATION TO MAKE A MANDATORY OFFER TO THE SHAREHOLDERS OF DRDGOLD LIMITED ("DRDGOLD" OR THE "COMPANY")

1. INTRODUCTION

Shareholders of DRDGOLD were advised in an announcement published on SENS on Wednesday, 22 November 2017 by DRDGOLD that the Company had entered into an exchange agreement with Sibanye Gold Limited (trading as Sibanye-Stillwater) ("**Sibanye-Stillwater**") to acquire selected surface processing plants and tailings assets ("**the WRTRP Assets**"), ("**the Acquisition**").

The Acquisition will be structured such that DRDGOLD will acquire, from Sibanye-Stillwater, a 100% shareholding in a special purpose vehicle, K2017449061 (South Africa) Proprietary Limited (registration number 2017/449061/07) (to be renamed WRTRP Proprietary Limited) ("**WRTRP**"), which will hold the WRTRP Assets (following the disposal by Sibanye-Stillwater of the WRTRP Assets to WRTRP), the consideration for which will be settled through the issuance of approximately 265 million new ordinary shares in DRDGOLD ("**Consideration Shares**") to Sibanye-Stillwater.

Upon implementation of the Acquisition, Sibanye-Stillwater will hold 38.05% of all ordinary shares in the share capital of DRDGOLD ("**DRDGOLD Shares**") in issue (including treasury shares).

Furthermore, DRDGOLD will grant an irrevocable right and option to Sibanye-Stillwater to subscribe for additional DRDGOLD Shares for cash ("**the Option**"), such that, in the event the Option is exercised, Sibanye-Stillwater will hold 50.1% of all DRDGOLD Shares in issue (including treasury shares).

The issuance of the Consideration Shares to Sibanye-Stillwater results in Sibanye-Stillwater holding in excess of 35% of the voting securities of DRDGOLD. Consequently, in terms of section 123 of the Companies Act, No 71 of 2008 ("**the Companies Act**") and the Companies Regulations, 2011 ("**the Regulations**"), Sibanye-Stillwater is obligated to make a mandatory offer to all DRDGOLD shareholders ("**Shareholders**") to acquire their shares at the equivalent price of the Consideration Shares unless granted a waiver from such obligation in terms of Regulation 86(4) ("**the Waiver**").

In order to propose and obtain the Waiver, Regulation 86(7) requires that a fair and reasonable opinion be obtained.

2. PURPOSE AND RESPONSIBILITY

The board of directors of DRDGOLD ("**the Board**") has requested Imara Corporate Finance (Proprietary) Limited ("**Imara**") to act as independent expert in terms of the Companies Act and the Regulations and to provide an opinion as to whether the terms and conditions of the Acquisition are fair and reasonable, and therefore, whether the granting of the Waiver is fair and reasonable to Shareholders.

This opinion and the results of our work will be used by the Board solely to satisfy the requirements of the Companies Act and the Regulations and we confirm that it has been provided to the Board for the sole purpose of assisting them in forming and expressing an opinion for the benefit of Shareholders.

3. **EXPLANATION AS TO HOW THE TERMS “FAIR” AND “REASONABLE” APPLY IN THE CONTEXT OF THE ACQUISITION AND THE WAIVER**

The “fairness” of a transaction is primarily based on quantitative issues. A transaction may be said to be fair if the benefits received are equal to or greater than the value ceded.

The Acquisition, and therefore the Waiver, may be said to be fair if the underlying value of the Consideration Shares would be less than or equal to the fair value of the WRTRP Assets or unfair if the underlying value of the Consideration Shares would be greater than the fair value of the WRTRP Assets.

The “reasonableness” of the Acquisition, and therefore the Waiver, is based on qualitative issues, including the prevailing trading price of a DRDGOLD Shares as at the time of the Acquisition and the long-term prospects for the Company in the event that the Waiver is not granted. Hence, the Acquisition, and therefore the Waiver, may be considered to be reasonable, even if the underlying value of the Consideration Shares would be greater than the fair value of the WRTRP Assets, due to the long-term prospects for the Company following the Acquisition.

4. **DETAILS AND SOURCES OF INFORMATION**

In arriving at our opinion, we have relied upon the following principal sources of information:

- The terms and conditions of the Acquisition, as set out in the circular to Shareholders to be dated on or about Monday, 26 February 2018 (“**Circular**”);
- Audited consolidated financial statements for DRDGOLD for the years ended 30 June 2017 and 30 June 2016;
- The Competent Persons Report on the West Rand Tailings Retreatment Project for DRDGOLD Limited (“**CPR**”) dated Thursday, 18 January 2018 by Sound Mining Solution (Pty) Limited (“**CP**”);
- The mineral resources and reserves statement of DRDGOLD as at 30 June 2017;
- DRDGOLD’s life of mine plan as prepared by management;
- The life of mine plan relating to the WRTRP Assets, the different phases of development and underlying assumptions as prepared by DRDGOLD management;
- Discussions with the Directors of DRDGOLD and management and their advisors regarding the rationale for the Acquisition and the different phases of development;
- Discussions with the Directors of DRDGOLD and management regarding the historical and forecast financial information of DRDGOLD;
- Discussions with the Directors of DRDGOLD and management on prevailing market, economic, legal and other conditions which may affect underlying value; and
- Publicly available information relating to DRDGOLD and the markets in which the Company operates.

The information above was secured from:

- Directors of DRDGOLD and management and their advisors; and
- Third party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing DRDGOLD.

5. **PROCEDURES PERFORMED**

In arriving at our opinion we have undertaken the following procedures and taken into account the following factors in evaluating the fairness and reasonableness of the Acquisition, and therefore the Waiver:

- Obtained an understanding of the terms and conditions of the Acquisition;
- Obtained an understanding of the future financing requirements of the Company for the development of the WRTRP Assets and the impact on Shareholders;
- Reviewed the CPR in respect of the WRTRP Assets and DRDGOLD’s mineral resources and reserves statement, as detailed above;

- Held discussions with the Directors of DRDGOLD and their advisors and considered such other matters as we consider necessary, including assessing the prevailing economic and market conditions and trends;
- Assessed the market value of DRDGOLD Shares by applying various methodologies in compliance with the approach and methodology of the South African Code for the Reporting of Mineral Asset Valuation (“**the SAMVAL Code**”), including:
 - The Market Approach,
 - Discounted Cash flow Analysis (Income Approach),
 - Consideration of historical prices, volumes and the volatility of DRDGOLD Shares traded on the JSE and NYSE;
 - Assessment of the long-term potential of DRDGOLD;
 - Evaluation of the relative risks associated with DRDGOLD and the general gold industry;
 - Reviewed certain publicly available information relating to DRDGOLD and the gold sector that we deemed to be relevant, including company announcements, research reports and media articles;
- Assessed the net present value of WRTRP by reviewing underlying assumptions and forecasts prepared by DRDGOLD management and the CP;
- Given the stage of development, we believe the net present value approach to be the most appropriate for the valuation of WRTRP;
- Performed sensitivity analysis relating to the fluctuations of the gold price and USD/ZAR exchange rate; and
- Held discussions with the Directors of DRDGOLD and management as to the long-term strategy of the Company and the rationale for the Acquisition and considered such other matters as we considered necessary, including assessing the prevailing economic and market conditions and trends in the gold sector and specifically in the tailings retreatment sector.

6. MATERIAL ASSUMPTIONS

We have arrived at our opinion based on the following assumptions:

- That the legal status of DRDGOLD’s rights and statutory obligations were fairly stated;
- That the legal status of WRTRP’s rights and statutory obligations were fairly stated;
- That the corporate structure and ongoing activities are fairly presented;
- That reliance can be placed on the audited and reviewed financial statements of DRDGOLD;
- That reliance can be placed on the CPR in respect of the WRTRP Assets and DRDGOLD’s underlying mineral resource properties; and
- That reliance can be placed on management’s expectations of future capital requirements for the development of the WRTRP Assets.

Imara made due enquiry into these issues so as to be satisfied as to their potential impact on the valuation of DRDGOLD and WRTRP and their respective underlying mineral assets.

7. OTHER CONSIDERATIONS

In arriving at our opinion, we have considered, in addition to the matters referred to herein, other key qualitative factors, which may be difficult to quantify or are unquantifiable, as set out below:

- High quality head grade in WRTRP Assets will increase DRDGOLD’s current yields;
- The Acquisition will extend DRDGOLD’s life of mine by more than 11 years;
- The DRDGOLD management team has significant expertise and skills and has refined the Ergo operations to ensure high level of recovery – being able to leverage off this experience will add significant value to the Company and Shareholders;
- Sibanye-Stillwater will be a strong major shareholder for DRDGOLD, with proven transactional capacity and an international footprint;
- Whilst Sibanye-Stillwater and DRDGOLD have performed detailed research and feasibility studies, the capital expenditure estimates and rehabilitation estimates may be understated and these may be a liability on DRDGOLD in the future; and

- As with any transaction of this nature, there will a number of unknown issues surrounding the Acquisition. This could include fluctuations in the gold price, USD/ZAR exchange rate, operating costs or other items which were not identified in the feasibility studies and pilot projects.

8. **APPROPRIATENESS AND REASONABLENESS OF UNDERLYING INFORMATION AND ASSUMPTIONS**

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by:

- Conducting analytical reviews on the historical financial results and forecast financial information, such as key ratio and trend analyses; and
- Determining the extent to which representations from management were confirmed by documentary evidence as well as our understanding of:
 - DRDGOLD;
 - The WRTRP Assets;
 - Future capital requirements; and
 - The economic environment in which DRDGOLD operates.

9. **LIMITING CONDITIONS**

This opinion is provided to the Board in connection with and for the purposes of the Acquisition and the Waiver. This opinion is prepared solely for the Board and for the benefit of Shareholders and therefore should not be regarded as suitable for use by any other party or give rise to third party rights. This opinion does not purport to cater for each individual Shareholder's circumstances and / or risk profile, but rather that of a general body of Shareholders taken as a whole. Each individual Shareholder's decision will be influenced by such Shareholder's particular circumstances and, accordingly, a Shareholder should consult with an independent advisor if the Shareholder is in any doubt as to the merits or otherwise of the Acquisition and the Waiver.

We relied upon the accuracy of the information used by us in deriving our opinion, albeit that where practicable, we have corroborated the reasonableness of such information and assumptions through, amongst other things, reference to historic precedent and our knowledge and understanding of the business carried on by DRDGOLD. Whilst our work has involved an analysis of the annual financial statements, budgets, forecasts, and other information provided to us, our engagement does not constitute nor does it include an audit or a review conducted in accordance with applicable auditing standards. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided to us in respect of DRDGOLD and WRTRP.

Where relevant, forward-looking information on DRDGOLD and WRTRP relates to future events and is based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of DRDGOLD will correspond to those projected. We have however, compared the forecast financial information to past trends as well as discussed the assumptions inherent therein with the management of DRDGOLD.

The opinion expressed above is necessarily based upon information available to us, the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us up to the date of this opinion letter. We have furthermore assumed that all conditions precedent, including any material regulatory and other approvals required in connection with the Acquisition would have been properly fulfilled. Subsequent developments may affect our opinion; however, we are under no obligation to update, revise or re-affirm such.

10. **INDEPENDENCE, COMPETENCE AND FEES**

We confirm that neither Imara nor any related person with us have a direct or indirect interest in DRDGOLD or the Acquisition nor any relationship as contemplated in section 114(2)(b) of the Companies Act, and specifically declare, as required by Regulation 90(3)(a) of the Companies Regulations, that we are independent in relation to the Acquisition and will reasonably be perceived to be independent taking

into account other existing relationships and appointments. We also confirm that we have the necessary competence to provide the Fair and Reasonable Opinion on the Waiver and meet the criteria set out in section 114(2)(a) of the Companies Act.

Furthermore, we confirm that our professional fees of R750 000 (excluding VAT) are payable in cash and are not contingent upon the success of the Acquisition.

11. **ADDITIONAL DISCLOSURE REQUIRED IN ACCORDANCE WITH SECTION 114(3) OF THE COMPANIES ACT**

In accordance with section 114(3) of the Companies Act we disclose the following information:

- The prescribed information relevant to the value of the securities affected by the Acquisition has been documented in paragraph 1 above.
- Prior to the implementation of the Acquisition the Company has 431 429 767 DRDGOLD Ordinary Shares and 5 000 000 DRDGOLD Preference Shares in issue (based on information available at the Last Practicable Date, as defined in the Circular).
- After the implementation of the Acquisition the Company will have 696 429 767 Ordinary DRDGOLD Shares and 5 000 000 DRDGOLD Preference Shares in issue and therefore all holders of DRDGOLD Shares will be affected by the Acquisition.
- After the implementation of the Acquisition, Sibanye-Stillwater will hold a direct interest of 38.05% in the issued share capital of DRDGOLD.
- The qualitative and quantitative benefits of the Acquisition to DRDGOLD are set out in paragraphs 2 and 10 of the Circular.
- The direct and indirect beneficial holdings of DRDGOLD Shares by the Directors of the Company (and their associates) as at the Last Practicable Date, including any directors who have resigned during the last 18 months, before the implementation of the Acquisition is set out in paragraph 14 of the Circular.
- The direct and indirect beneficial holdings of DRDGOLD Shares by the Directors of the Company (and their associates) based on information as at the Last Practicable Date, including any directors who have resigned during the last 18 months, after the implementation of the Acquisition is set out in paragraph 14 of the Circular.

12. **VALUATION RESULTS**

Imara is of the opinion that the proposed Acquisition creates more value for Shareholders than can be achieved from either:

- (i) DRDGOLD continuing in its current form; or
- (ii) DRDGOLD's entire outstanding share capital being sold to a third party, after including a premium for control.

We have reviewed DRDGOLD's financial and operating forecasts and are of the view that a value of R3.50 – R4.00 per share in its current form can be supported.

Imara is not aware of any process that has been conducted to secure a third-party purchaser of 100% of DRDGOLD's outstanding share capital, nor are we aware of any *bona fide* approaches to DRDGOLD or to its Shareholders from third party purchasers to acquire 100% of DRDGOLD's outstanding share capital within the last 12 months. Nevertheless, we are of the view that a third-party purchaser for 100% of DRDGOLD's outstanding share capital will be prepared to pay a premium for control of DRDGOLD. The magnitude of the control premium will depend on the strategic value of DRDGOLD to the third-party purchaser and the synergies achievable. In our view, given the nature of DRDGOLD's assets and after a review of the transaction precedents on the Johannesburg Stock Exchange, a premium for control of up to 15% to the value of DRDGOLD continuing in its current form could potentially be achieved. Therefore, after including a potential 15% control premium in the event of the sale of 100% of DRDGOLD's share capital to a third party, we have arrived at a value of R4.03 – R4.60 per DRDGOLD share.

For the purposes of the valuation of the Acquisition and for determining the value created for DRDGOLD Shareholders from the Acquisition, Imara has based its analysis on the CPR dated 18 January 2018. We have focused our valuation on the basis that Phase 1 is extended (the "**Alternative Option**"). The Alternative Option is cash-generative with lower risk and modest upfront capital investment required. DRDGOLD will default to the Alternative Option in the event that the decision to postpone Phase 2 is made.

The extension of Phase 1 will involve a further upgrade to the Driefontein 4 surface tailing dam. This extended phase envisages the treatment of 78.8mt from Driefontein 3 and 5. We understand, however, that DRGOLD's strategic intent is to proceed with Phase 2 depending on being satisfied with the process and engineering design for the West Rand Tailing Retreatment Project as well as market conditions prevailing at the time.

We recognise that the CP indicated for the Alternative Option, a Net Present Value (at a 6% real discount rate) of approximately R2.7 billion. We have, however, based on our judgement, adjusted certain of the CP's financial assumptions to derive a valuation for the Alternative Option from the Shareholders' perspective. We made the following adjustments to the CP's financial assumptions:

- Our financial model is based on nominal values, adjusted for inflation;
- Assumed annual devaluation of the Rand to the USD and a lower exchange rate based on the current exchange rate and the average exchange rate for the 7 months to 31 January 2018;
- Assumed a USD/oz gold price based on the current price and average price for the 7 months to 31 January 2018;
- Applied a discount rate of 12.6% to determine a Net Present Value based on conventional weighted average cost of capital analysis of DRDGOLD; and
- To provide DRDGOLD Shareholders with value creation uplift in recognition of the Alternative Option's pre-production risks, we have discounted our derived at Net Present Value by 16.66% in order to provide for the achievement of a 20% uplift in the Alternative Option's value for Shareholders.

On the basis of the above adjustments to the CPR, we estimate a valuation range for the Alternative Option of R1.4 billion to R1.7 billion which is equivalent to R5.23 to R6.40 per Consideration Share (with a mid-point of R5.82). After completion of the Acquisition, Imara estimates the value of DRDGOLD per issued share will exceed the value (i) if the Company continues in its current form or (ii) if 100% were to be sold to a third party.

Imara's valuation does not take into consideration any potential additional value from the development of Phase 2 as envisioned by DRDGOLD. The potential development of Phase 2 represents an important intangible option value which is not reflected in our valuation. Moreover, should Phase 2 not proceed WRTRP will remain with resources of 168.42mt which we have not included in our valuation.

The valuation ranges above are provided solely in respect of this opinion and should not be used for any other purposes.

13. **OPINION**

Imara has considered the proposed terms and conditions of the Acquisition and is of the opinion that it is fair and reasonable for Shareholders to approve the Waiver.

We are of the opinion that the Waiver is fair as the estimated value created from the Acquisition will be greater than if:

- (i) DRDGOLD continues in its current form; or
- (ii) DRDGOLD's entire outstanding share capital were sold to a third party, after including a premium for control.

We are of the opinion that the Waiver is reasonable as the Acquisition provides DRDGOLD with a substantial increase in mineral resources and secures significant long-term growth for the Company. The Acquisition:

- (i) Will reduce risk associated with DRDGOLD's reliance on a single asset with limited life.
- (ii) Will lower cash operating costs which will reduce exposure to adverse movements in the gold price and USD/ZAR exchange rates.
- (iii) Has the potential to provide significant additional value from the development of Phase 2; and
- (iv) Provides the strategic advantage and opportunity of regional consolidation beyond the existing WRTRP mineral resource base.

Our opinion is necessarily based upon the information available to us up to 31 January 2018, including in respect of the financial, market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory and other approvals and consents required in connection with the Acquisition have been fulfilled or obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

14. **CONSENT**

We hereby consent to the inclusion of this letter and our opinion, in whole or in part, and references thereto in the form and context in which it will appear in the Circular and in any required regulatory announcement or documentation.

Yours faithfully

Tom Gaffney
Managing Director

Imara Corporate Finance Proprietary Limited
Illovo Edge, 3rd Floor
Corner Harries Road and Fricker Road
Illovo, 2196
South Africa
(PO Box 701, Northlands, 2116)“

MOI EXTRACT AND AMENDMENTS

The definitions and interpretations commencing on page 6 of the Circular to which this annexure is attached **do not** apply to this annexure, unless a word or a term is otherwise defined herein.

This annexure contains an extract of certain paragraphs of the DRDGOLD MOI and illustrates the proposed amendments to the DRDGOLD MOI. The proposed amendments to DRDGOLD's MOI, as contemplated in paragraph 7 of the Circular, are underlined as per the extract of the MOI below.

1. DEFINITIONS AND INTERPRETATION

14.1 In this Memorandum of Incorporation, unless the context clearly indicates a contrary intention, the following words and expressions bear the meanings assigned to them and cognate expressions bear corresponding meanings:

- 1.1.3 "**Central Securities Depository**" has the meaning set out in section 1 of the ~~Securities Services Act~~ Financial Markets Act;
- 1.1.8 "**CSDP**" means any "participant" defined as such in section 1 of the ~~Securities Services Act~~ Financial Markets Act;
- 1.1.13 "**independent non-executive director**" means a director who meets the requirements set out in section 94 (4) of the Companies Act, the King Code of Governance Principles, the King Report on Governance and applicable United States legislation, as they are all amended from time to time;
- 1.1.14 "**JSE**" means the securities exchange, licensed under the ~~Security Services Act~~ Financial Markets Act, operated by JSE Limited, registration number 2005/022939/06, a limited liability public company duly incorporated in accordance with the company laws of the Republic;
- 1.1.16 "**King Code**" means the King Code on Corporate Governance of South Africa;
- 1.1.23 "**securities**" means:
 - 1.1.23.1 in terms of section 1 of the Companies Act, any shares, debentures or other instruments, irrespective of their form or title, issued, or authorised to be issued or authorised to be issued by the company; or
 - 1.1.23.2 anything falling within the meaning of "securities" as set out in section 1 of the ~~Securities Services Act~~ Financial Markets Act;
- 1.1.25 "**Securities Services Act**" means the ~~Securities Services Act, No. 36 of 2004, as amended, consolidated or re-enacted from time to time~~ "**Financial Markets Act**" means the Financial Markets Act, No 19 of 2012;
- 1.1.26 "**SENS**" means the ~~Securities~~ Stock Exchange News Service established and operated by the Issuer Regulation Division, as renamed from time to time, of the JSE;
- 1.1.33 "**uncertificated securities**" means any "securities" defined as such in section 29 of the ~~Securities Services Act~~ Financial Markets Act; and

4. ISSUE OF SHARES AND VARIATION OF RIGHTS

4.1 The company is authorised to issue ~~600,000,000 (six hundred million)~~ 1 500 000 000 (one billion five hundred million) no par value ordinary shares, of the same class, each of which ranks *pari passu* in respect of all rights and entitles the holder to:

- 4.1.1 1 (one) vote on any matter to be decided by the shareholders in any annual or general meeting of the company;
- 4.1.2 participate proportionally in any distribution made by the company; and
- 4.1.3 receive proportionally the net assets of the company upon its liquidation.

- 4.8 The board may, subject to clause 4.11 and the further provisions of this clause 4.8, resolve to issue shares of the company at any time, but only –
- 4.8.1 within the classes and to the extent that those shares have been authorized by or in terms of the JSE Listings Requirements, the Companies Act and this Memorandum of Incorporation; and
 - 4.8.2 unissued authorised securities of any class are always under the power of the directors and may be issued by the directors at their discretion at any time subject to any necessary compliance requirements required by such security class terms and rights and compliance with the Companies Act, the JSE Listings Requirements and / or this Memorandum of Incorporation.
 - 4.8.3 ~~All~~ issues of shares for cash and ~~all~~ issues of options and convertible securities granted or issued for cash must be effected in compliance with Section 5 of the JSE Listings Requirements and, to the extent applicable, approved by shareholders in accordance with the provisions of the Companies Act, the JSE Listings Requirements and / or this Memorandum of Incorporation.

14. ACQUISITION OF OWN SHARES BY THE COMPANY

- 14.2 Any decision by the company or any subsidiary company/ies (defined as “the group” for purposes of this clause), to acquire the company’s shares ~~shares~~ must satisfy the JSE Listings Requirements and the provisions of the Companies Act and, accordingly, the group may not acquire the company’s shares unless:
- 14.2.1 for as long as it is required in terms of the JSE Listings Requirements, the acquisition has been approved by a special resolution of the shareholders of the company, whether in respect of a particular repurchase or generally approved by shareholders and unless such acquisition otherwise complies with Section 5 of the JSE Listings Requirements (and / or such other sections as may be applicable from time to time);

16. SHAREHOLDERS MEETINGS

- 16.6 Subject to the provisions of the Companies Act, any shareholders meeting convened in terms of the JSE Listings Requirements –
- 16.6.1 shall be capable of being held by electronic communication in accordance with the further provisions of this Memorandum of Incorporation and the Companies Act; and
 - 16.6.2 ~~must be held in person and shall not be capable of being held in accordance with the provisions of section 60 of the Companies Act set out in clause 21~~ must be held in person and shall not be capable of being held in accordance with the provisions of section 60 of the Companies Act as set out in clause 21, unless the JSE Listings Requirements specifically allow for such meeting to be convened in accordance with section 60 of the Companies Act.

24. DISQUALIFICATION OF DIRECTORS

- 24.8 if he shall pursuant to the provisions of the Companies Act, JSE Listings Requirements, ~~Securities Services Act~~ Financial Markets Act or any other statute or regulation be disqualified or cease to hold office or be prohibited from acting as director.

33. COMMITTEES OF THE BOARD

- 33.1 The board may –
- 33.1.1 appoint committees of directors and delegate to any such committee any of the authority of the board as contemplated in the Companies Act and the JSE Listings Requirements; and / or
 - 33.1.2 include in any such committee persons who are not directors, as allowable by and contemplated in the Companies Act and the JSE Listings Requirements, and the power of the board in this regard is not limited or restricted by this Memorandum of Incorporation. No person shall be appointed as a member of a Board committee, if he / she is ineligible or

disqualified in terms of the Companies Act, JSE Listings Requirements, ~~Securities Services Act~~ Financial Markets Act or other statute or regulation; and any such appointment shall be a nullity. A person who is ineligible or disqualified must not consent to be appointed as a member of a Board committee, nor act as such a member. A Person placed under probation by a court must not serve as a member of a Board committee unless the order of court so permits.

- 33.3 If and for as long as it is required to do so in terms of the Companies Act, unless the company is exempted from doing so by the Tribunal, the JSE Listings Requirements or any other applicable law, the board must appoint any and all such committees constituted in accordance with and having the powers and functions prescribed in terms of the Companies Act and JSE Listings Requirements, including without limitation the following committees –
- 33.3.1 an audit committee, in compliance with the Companies Act and in terms of the JSE Listings Requirements, in compliance with ~~King III~~ King Code;
 - 33.3.2 a social and ethics committee, in compliance with the Companies Act; and the JSE Listings Requirements and in accordance with the King Code; and
 - 33.3.3 a remuneration committee, which is in terms of the JSE Listings Requirements, in compliance with ~~King III~~ King Code.
- 33.4 The meetings and proceedings of any such committee, consisting of ~~2 (two)~~ 3 (three) or more directors, shall be governed by the provisions herein contained for regulating the meetings and proceedings of the directors so far as the same are applicable thereto.

34. SHARE WARRANTS

- 34.1 The directors or, if so authorised, any local committee appointed by them, may issue warrants relating to fully paid-up shares, stating that the bearer is entitled to the shares therein specified, and may provide, by coupons or otherwise, for the payment of future dividends on the shares represented by such warrants. The directors may from time to time determine the terms and conditions upon which share warrants shall be issued.
- 34.1.1 The bearer of a share warrant may at any time deposit the warrant at the transfer office of the Company, and while the warrant remains deposited the depositor shall have the same right to sign a requisition to call a meeting of the Company, and to attend, vote and exercise the other privileges of a member at a meeting as if his name were inserted in the register of members as the holder of the shares included in the deposited warrant, provided that such share warrant shall be deposited at the transfer office not later than 48 (forty-eight) hours (Saturdays, Sundays and public holidays excluded) before the meeting. Not more than one person shall be recognised as depositor of the share warrant. The Company shall, on written request, return the deposited share warrant to the depositor.
 - 34.1.2 Except in terms of paragraph 34.1.1, no bearer of a share warrant shall sign a requisition to call a meeting of the Company, or shall attend, vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notices from the Company; but the bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holder of the shares included in the warrant.
 - 34.1.3 The bearer of a share warrant shall be entitled, on surrendering it for cancellation, to have his name entered as a member in the register of members.
- 34.2 The directors may from time to time determine:
- 34.2.1 the conditions upon which any new share warrants or coupons may be issued in place of warrants worn out, defaced or destroyed; provided, however, that no new share warrant shall be issued in place of one alleged to be lost unless the Company is satisfied beyond reasonable doubt that the original has been destroyed; and
 - 34.2.2 the conditions upon which any share warrant may be surrendered for cancellation with a view of entering the name of the holder in the register of members and issuing in place of such share warrant a share certificate or certificates in respect of the shares in question.

The holder of a share warrant shall be bound by any determination by the directors in terms of this article 34 for the time being in force whether made before or after the issue of such warrant.

34.3 A share warrant shall be transferred by delivery of the warrant and not by instrument of transfer, and the provisions of clause 7 (of this MOI) inclusive shall not apply to share warrants.

34.4 A meeting of warrant holders may not begin until sufficient persons are present at the meeting to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the meeting. A matter to be decided at a meeting of warrant holders may not begin to be decided unless sufficient persons are present at the meeting to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter at the time the matter is called on the agenda."

36. ANNUAL FINANCIAL STATEMENTS

36.2 The company shall each year prepare annual financial statements in accordance with clause 35.6 within ~~6 (six)~~ 4 (four) months after the end of its financial year, or such shorter period as may be appropriate to provide the required notice of an annual general meeting in terms of the Companies Act or the JSE Listings Requirements.

39. DISTRIBUTIONS

39.5 Any distribution, interest or other sum payable in cash to a shareholder may be paid by electronic transfer for credit to an account nominated in writing by the shareholder. Subject to clause 39.6 below, the company shall transmit any distribution or sum payable in cash in respect of a share by electronic bank transfer to such bank account as the registered holder thereof may have notified the company in writing for this purpose, and the company shall not be responsible for any loss in transmission. Subject to clause 39.8 and clause 39.6 below, in the event that a shareholder has failed to furnish the company with a valid bank account as envisaged in this clause, the distribution or other amount payable shall be deemed unclaimed distributions in accordance with clause 39.4.

39.6 If and to the extent that the company is legally restricted from transmitting any distribution or sum payable in cash by electronic bank transfer to a shareholder, then the company shall be entitled to transmit such distribution or sum payable to such shareholder by way of any lawful means available to the company, including (but not limited to) by way of cheque, and the company shall not be responsible for any loss in transmission in this regard.

49. ADOPTION

This amendment of the Memorandum of Incorporation was adopted by special resolution of the shareholders on ~~30 November 2012~~ 28 March 2018.

PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF DRDGOLD

The definitions and interpretations commencing on page 6 of the Circular to which this annexure is attached apply to this annexure, unless a word or a term is otherwise defined herein.

The *pro forma* statement of financial position of DRDGOLD ("**Pro Forma Financial Information**") has been prepared to illustrate the effect of the Acquisition and the Specific Issue on the published, unaudited interim statement of financial position of DRDGOLD as at 31 December 2017, had the Acquisition and the Specific Issue been implemented on 31 December 2017.

The *Pro Forma* Financial Information has been compiled using the accounting policies that comply with International Financial Reporting Standards ("**IFRS**") and that is consistent with those applied in the published, unaudited interim financial statements of DRDGOLD for the six months ended 31 December 2017. The *Pro Forma* Financial Information has not been prepared to comply with the Securities and Exchange Commission ("**SEC**") rules and regulations as set out in Article 11 of Regulation S-X.

The *Pro Forma* Financial Information is the responsibility of the DRDGOLD Directors and, is provided for illustrative purposes only and because of its nature, may not fairly present the financial performance, financial position, changes in equity or cash flows of DRDGOLD after the implementation of the Acquisition and the Specific Issue.

The *Pro Forma* Financial Information should be read along with the independent reporting accountant's report thereon as set out in annexure 5 to the Circular.

Pro forma statement of financial position
of DRDGOLD Limited as at 31 December 2017

R million	Before Actual ¹	WRTRP historical information		Consolidation entries		Acquisition Adjustment		After the Acquisition Pro forma	Exercise of option Pro forma	Transaction cost Pro forma	After the Acquisition and the Specific Issue Pro forma	
		Pro forma ²	Pro forma	Pro forma	Pro forma	Pro forma	Specific Issue adjustment Pro forma				Specific Issue Pro forma	
ASSETS												
Non-current assets	1 753.9	677.3	1 797.4	2 474.7	4 228.6							4 228.6
Property, plant and equipment	1 502.0	323.6	1 797.4	2 121.0 ³	3 623.0							3 623.0
Investments in rehabilitation obligation funds	235.6	353.7	-	353.7	589.3							589.3
Investment in other entities	11.3	-	-	-	11.3							11.3
Deferred tax asset	5.0	-	-	-	5.0							5.0
Current assets	625.7	-	(7.4)	(7.4)	618.3			578.4	(0.4)	578.0		1 196.3
Inventories	242.7	-	-	-	242.7							242.7
Trade and other receivables	88.4	-	-	-	88.4							88.4
Cash and cash equivalents	294.6 ¹⁰	-	(7.4) ⁴	(7.4)	287.2			578.4 ⁸	(0.4) ⁹	578.0		865.2
TOTAL ASSETS	2 379.6	677.3	1 790.0	2 467.3	4 846.9			578.4	(0.4)	578.0		5 424.9
EQUITY AND LIABILITIES												
Equity												
Equity	1 344.4	273.5	1 968.1 ⁷	2 241.6	3 586.0			578.4 ⁸	(0.4) ⁹	578.0 ⁹		4 164.0
Non-current liabilities	742.6	400.6	(178.1)	222.5	965.1							965.1
Provision for environmental rehabilitation	546.5	294.3	(71.8) ⁵	222.5	769.0							769.0
Deferred tax liability	154.2	106.3	(106.3) ⁶	-	154.2							154.2
Employee benefits	26.4	-	-	-	26.4							26.4
Finance lease obligation	15.5	-	-	-	15.5							15.5
Current liabilities	292.6	3.2	-	3.2	295.8							295.8
Trade and other payables	275.8	3.2	-	3.2	279.0							279.0
Current tax liability	6.6	-	-	-	6.6							6.6
Employee benefits	10.2	-	-	-	10.2							10.2
TOTAL LIABILITIES	1 035.2	403.8	(178.1)	225.7	1 260.9							1 260.9
TOTAL EQUITY AND LIABILITIES	2 379.6	677.3	1 790.0	2 467.3	4 846.9			578.4	(0.4)	578.0		5 424.9
Net asset value per share (SA cents per share)	318.5			845.9	521.9							487.1
Tangible net asset value per share (SA cents per share)	318.5			845.9	521.9							487.1
Number of shares in issue	431 429 767			265 000 000 ⁷	696 429 767					167 733 616 ⁸		864 163 383
Treasury shares held by Ergo Mining Operations	9 361 071			-	9 361 071					-		9 361 071
Number of Shares in issue less treasury shares	422 068 696			265 000 000⁷	687 068 696					167 733 616⁸		854 802 312

Notes to the *Pro Forma* Financial Information

1. The “*Before*” financial information has been extracted without adjustment and / or derived from the published, unaudited interim financial statements of DRDGOLD as at 31 December 2017.
2. The “*WRTRP historical information*” has been extracted without adjustment and / or derived from the reviewed historical financial information of WRTRP as at and for the six months ended 30 June 2017, as contained in annexure 9 to this Circular.
3. Property, plant and equipment has been adjusted to take into account the fair value of the WRTRP Assets as contained in the Competent Persons Report, a summary of which is contained in annexure 12 to this Circular. The fair value of the WRTRP Assets is based on management’s strategic intent of developing the long-term project over a 20-year life-of-mine and was based on a forecast gold price of R564 245 per kilogram and a real discount rate of 6%.
4. The payment of transaction costs directly attributable to the Acquisition amounting to R7.4 million, of which R0.4 million is capitalised to share capital and R7.0 million is recognised as an expense.
5. The provision for the environmental rehabilitation was adjusted to allow for a market participant’s views in settling the liability. The *pro forma* includes adjustments to the estimated timing and manner of settling the expected environmental liability relating to the WRTRP Assets. The provision for environmental rehabilitation excludes the Active Dumps that will only be transferred after being decommissioned by Sibanye-Stillwater.
6. The deferred tax liability for the asset acquisition of the WRTRP Assets has been adjusted to Rnil in line with IAS 12 *Income Tax* initial recognition exemption.
7. The issue of 265 million Consideration Shares to Sibanye-Stillwater as consideration for the Acquisition.
8. The issue of approximately 168 million Issue Shares for cash to Sibanye-Stillwater, following the exercise of the Option, based on 30 day VWAP of 383.20 cents less a 10% discount as at the Last Practicable Date. Sibanye-Stillwater shall be entitled, subject to Sibanye-Stillwater not having disposed of all or any of the Consideration Shares, to exercise the Option during the Option Period, being any time during the period commencing on the Delivery Date and expiring 24 months thereafter. The Option must be exercised in whole anytime within the Option Period. The issue price shall be the 30-day VWAP at the time of the exercise of the Option less 10%.
9. The payment of transaction costs directly attributable to the Specific Issue amounting to R0.4 million, of which R0.2 million is capitalised to share capital and R0.2 million is recognised as an expense.
10. Subsequent events:
 - 10.1 On 31 January 2018, the Constitutional Court dismissed (“**CC Order**”) ERGO’s application for leave to appeal against the judgement of August 2017 of the Full Bench of the South Gauteng High Court (“**Full Bench Order**”). The Full Bench Order overturned the Municipality’s appeal against the order of the South Gauteng High Court of May 2016 (“**Interim Order**”) in terms of which ERGO was successful in seeking to have the Municipality restrained from exercising self-help and its alleged credit control and debt collection measures by threatening to terminate the electricity supply at the ERGO Central Substation (“**Substation**”). As a consequence of the CC Order, the interdict restraining the Municipality has been set aside and ERGO may now have to pay to the Municipality the surcharges levied by the Municipality plus interest thereon which were paid under protest into the trust account of ERGO’s attorneys in order to prevent the possible discontinuation of power supply to ERGO Plant (R111.1 million at 31 December 2017). Full details are set out in paragraph 19.1.2 of the Circular.
 - 10.2 On 9 February 2018, a dividend of 5 cents per qualifying share (R21.1 million) was approved by the directors as an interim dividend for 2018. The dividend was not adjusted for in the *Pro Forma* Financial Information and does not have any tax impact on the Company.
11. Other than disclosed in note 10, there are no subsequent events that require adjustment to the *Pro Forma* Financial Information.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF DRDGOLD

*"The Directors
DRDGOLD Limited
1 Sixty Jan Smuts Building
2nd Floor, North Tower
160 Jan Smuts Avenue
Rosebank
2196*

Independent Reporting Accountant's Report on the Compilation of the *Pro Forma* Financial Information of DRDGOLD Limited

The definitions and interpretations commencing on page 6 of the Circular to which this letter is attached apply, *mutatis mutandis*, to this report.

Introduction

We have completed our assurance engagement to report on the compilation of the net asset value and net tangible asset value per share of DRDGOLD Limited ("**the Company**" or "**DRD**"), the *pro forma* statement of financial position of the Company, and the related notes, including a reconciliation showing all of the *pro forma* adjustments to the share capital, reserves and other equity items relating to the Company, (collectively "**Pro forma Financial Information**"). The *Pro forma* Financial Information is set out in the Salient Features, paragraph 9 and annexure 4 of the Circular.

The *Pro forma* Financial Information has been compiled by the directors of the Company to illustrate the impact of:

1. the acquisition of WRTRP Proprietary Limited ("**WRTRP**") in terms of the Exchange Agreement, the purchase of the Option in terms of the Option Agreement and the transaction costs relating to the acquisition (collectively the "**Transactions**"); and
2. the conversion of the option in terms of the Option Agreement ("**Conversion**")

on the Company's financial position for the six months ended 31 December 2017.

As part of this process, the Company's net asset value and net tangible asset value per share, and statement of financial position have been extracted by the directors of the Company ("**Directors**") from the Company's unaudited interim published financial information ("**Unaudited Financial Information**").

Directors' responsibility for the *Pro forma* Financial Information

The Directors are responsible for compiling the *Pro forma* Financial Information on the basis of the applicable criteria as detailed in paragraphs 8.15 to 8.33 of the Listings Requirements and the SAICA Guide on *Pro forma* Financial Information, revised and issued in September 2014 ("**Applicable Criteria**").

Independent reporting accountant's independence and quality control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Part A and B).

The firm applies International Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent Reporting Accountant's Responsibility

Our responsibility is to express an opinion about whether the *Pro forma* Financial Information of the Company has been compiled, in all material respects, by the Directors on the basis of the Applicable Criteria, based on our procedures performed.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the *Pro forma* Financial Information of the Company on the basis of the Applicable Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on the Unaudited Interim Financial Information used in compiling the *Pro forma* Financial Information of the Company. We have reviewed the financial information of WRTRP used in compiling the *Pro forma* Financial Information of the Company in terms of paragraph 8.29(c) of the JSE Listings Requirements. We have not, in the course of this engagement, performed an audit or review of any other financial information used in compiling the *Pro forma* Financial Information of the Company.

The purpose of the *Pro forma* Financial Information of the Company included in the Circular is solely to illustrate the impact of the Transactions and Conversion on the unadjusted Unaudited Interim Financial Information as if the Transactions and Conversion had been undertaken on 31 December 2017 for purposes of the *Pro forma* net asset value and net tangible asset value per share and *Pro forma* statement of financial position. Accordingly, we do not provide any assurance that the actual outcome of the Transactions and Conversion, subsequent to its implementation, will be as presented in the *Pro forma* Financial Information of the Company.

A reasonable assurance engagement to report on whether the *Pro forma* Financial Information of the Company has been properly compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the *Pro forma* Financial Information of the Company provide a reasonable basis for presenting the significant effects directly attributable to the Transactions and Conversion and to obtain sufficient appropriate evidence about whether:

- The related *Pro forma* adjustments give appropriate effect to the Applicable Criteria; and
- The *Pro forma* Financial Information of the Company reflects the proper application of those *Pro forma* adjustments to the unadjusted Unaudited Interim Financial Information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the Company, the Transactions and Conversion in respect of which the *Pro forma* Financial Information of the Company has been compiled and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the *Pro forma* Financial Information of the Company.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *Pro forma* Financial Information of the Company has been compiled, in all material respects, on the basis of the Applicable Criteria.

KPMG Inc.

Registered Auditor

Per Riegert Stoltz

Chartered Accountant (SA)

Registered Auditor

Director

16 February 2018

Suite 301
Medforum Building
Heunis Street, Secunda
2302
(PO Box 904, Secunda, 2302)

FORECAST FINANCIAL INFORMATION OF WRTRP

The definitions and interpretations commencing on page 6 of the Circular to which this annexure is attached apply to this annexure, unless a word or a term is otherwise defined herein.

The current application and use of the WRTRP Assets by Sibanye-Stillwater is significantly different to the intended application and use of the WRTRP Assets by DRDGOLD, following the reconfiguration thereof as detailed in paragraph 4.3 of this Circular. Accordingly, the revenue and cost profiles of the WRTRP Assets following the reconfiguration thereof by DRDGOLD will be significantly different to the historic revenue and cost profiles (the financial information of which is contained in annexure 9 to this Circular).

In the circumstances, and for purposes of illustrating the expected financial performance of WRTRP following the implementation of the Acquisition and reconfiguration of the WRTRP Assets by DRDGOLD, forecast financial information of WRTRP has been prepared.

The forecast financial information of WRTRP for the six months ending 30 June 2019, six months ending 31 December 2019 and twelve months ending 31 December 2019 ("**Forecast Financial Information**"), including the assumptions on which it is based and the financial information from which it is prepared, is the responsibility of the Directors and should be read in conjunction with the reporting accountant's report thereon, as set out in annexure 7 to this Circular. The Forecast Financial Information has not been prepared to comply with the SEC requirements of Article 11 of Regulation S-X.

The Forecast Financial Information has been prepared in compliance with International Financial Reporting Standards ("**IFRS**") and in accordance with the accounting policies applied in the published, audited consolidated annual financial statements of DRDGOLD for the year ended 30 June 2017.

WRTRP Forecast Financial Information

Forecast statement of profit or loss and other comprehensive income for the 12 months ending 31 December 2019:

R million	Forecast financial information of WRTRP for the six months ending 30 June 2019 ²	Forecast financial information of WRTRP for the six months ending 31 December 2019 ²	Forecast financial information of WRTRP for the 12 months ending 31 December 2019
Revenue	508.7 ^A	502.0 ^A	1 010.7
Cost of sales	(312.0) ^B	(308.9) ^B	(620.9)
Gross profit from operating activities	196.7	193.1	389.8
Finance income	13.9 ^C	14.4 ^C	28.3
Finance expense	(25.4) ^D	(13.1) ^D	(38.5)
Profit before tax	185.2	194.4	379.6
Income tax	(73.3) ^E	(76.9) ^E	(150.2)
Profit for the year	111.9	117.5	229.4
Other comprehensive income	–	–	–
Total comprehensive income for the year	111.9	117.5	229.4

Notes:

- The Forecast Financial Information has been prepared based on the assumption that the Acquisition becomes unconditional on 30 April 2018, and that the re-configuration of the infrastructure acquired and related ramp-up (including gold lock-up) to obtain steady-state production is obtained 8 months thereafter, being 31 December 2018.
- The Forecast Financial Information is further determined, *inter alia*, on the following material assumptions which has been extracted from the Competent Person's Report ("CPR"), a summary of which is contained in annexure 12 to this Circular:

A: Revenue

- Forecast gold price of R564 245 per kilogram based on available market forecasts. The forecast gold price is subject to fluctuations in both the US\$ price of gold and the rand/dollar exchange rate. The historic gold price has fluctuated widely and the gold price is affected by a number of factors over which the Directors have no control. *
- Throughput of approximately 500 000 tonnes per month (allowing for the design capacity of the plant).#
- An average recovered grade of 0.294 g/tonne. The recovered grade is a function of both an average head grade assumption based on Mineral Reserves and a recovery efficiency based on metallurgical test work. The studies as contained in the CPR are performed on controlled laboratory conditions and do not consider operational challenges. *

B: Costs of Sales consists of:

- Working costs per tonne processed of R63.97 (excluding contingency) inflated at 6%. A breakdown of the working costs per tonne is detailed in the CPR.#
- A contingency of 15% added to the working costs per tonne.#
- Depreciation calculated as follows: Fair value allocated to assets acquired and capital expenditure incurred of R283 million (initial capital) depreciated over the estimated useful life.#

C: Finance income recognised on the Rehabilitation Trust Funds calculated at a market related rate of 7% per annum compounded annually based on the expected opening balance of the Rehabilitation Obligation Fund at 1 January 2019.*

D: Finance expense consists of the following:

- (a) the unwinding of the provision for environmental rehabilitation at a pre-tax rate of 9% compounded annually on the expected opening balance of the provision at 1 January 2019 *; and
- (b) the interest charge recognised on the financing of the initial capital, calculated at an expected market related rate of 12% per annum compounded monthly, and allowing for the settlement of the liability with the initial forecasted cash flows generated from the WRTRP operations.*

E: Income tax expense was calculated as 30% of taxable income based on the formula for the taxation of gold mining companies.*

Material assumptions that can be influenced by the Directors.

* **Material assumptions that cannot be influenced by the Directors and which are subject to risks and uncertainties outside the control of the Directors.**

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE FORECAST FINANCIAL INFORMATION OF THE WRTRP ASSETS

*"The Directors
DRDGOLD Limited
1 Sixty Jan Smuts Building
2nd Floor, North Tower
160 Jan Smuts Avenue
Rosebank
2196*

Independent Reporting Accountant's Report on The Forecast Statements of Profit or Loss and other Comprehensive Income of the WRTRP Assets

The definitions and interpretations commencing on page 6 of the Circular to which this letter is attached apply, *mutatis mutandis*, to this report.

Introduction

We have undertaken a reasonable assurance engagement in respect of the profit forecasts of the WRTRP Assets ("**the Company**" or "**WRTRP**") for the six months ending 30 June 2019, six months ending 31 December 2019 and 12 months ending 31 December 2019, as set out in annexure 6 of the Circular, comprising the forecast statement of profit or loss and other comprehensive income (the "**Forecast Information**"), as required by the JSE Listings Requirements ("**Listings Requirements**").

We have also undertaken a limited assurance engagement in respect of the directors' of the Company ("**Directors**") assumptions used to prepare and present the Forecast Information, disclosed in the notes to the Forecast Information presented in annexure 6, as required by the Listings Requirements.

Directors' responsibility for the Forecast Information and for the assumptions used to prepare the Forecast Information

The Directors are responsible for the preparation and presentation of the Forecast Information and for the reasonableness of the assumptions used to prepare the Forecast Information as set out in notes 1 and 2 to the Forecast Information. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Forecast Information on the basis of those assumptions that is free from material misstatement, whether due to fraud or error.

Inherent limitations

Actual results are likely to be different from the Forecast Information since anticipated events frequently do not occur as expected and the variation may be material. Consequently, readers are cautioned that the Forecast Information may not be appropriate for purposes other than described in the purpose of the report paragraph below.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (Parts A and B).

The firm applies International Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Part A – Limited assurance engagement on the reasonableness of the Directors’ assumptions

Reporting accountant’s responsibility

Our responsibility is to express a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the assumptions do not provide a reasonable basis for the preparation and presentation of the Forecast Information in accordance with the Listings Requirements for forecast information, based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE 3400), *The Examination of Prospective Financial Information* (ISAE 3400), issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the Directors’ assumptions provide a reasonable basis for the preparation and presentation of the Forecast Information.

A limited assurance engagement undertaken in accordance with ISAE 3400 involves assessing the source and reliability of the evidence supporting the Directors’ assumptions. Sufficient appropriate evidence supporting such assumptions would be obtained from internal and external sources including consideration of the assumptions in the light of historical information and an evaluation of whether they are based on plans that are within the entity’s capacity. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the 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, observations of processes performed, inspection of documents, analytical procedures, evaluating the reasonableness of best-estimate assumption and agreeing or reconciling with underlying records.

Our procedures included evaluating the Directors’ best-estimate assumptions on which the Forecast Information is based for reasonableness.

The procedures performed in a limited assurance engagement are less in extent than for, and vary in nature from, 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 Directors’ assumptions provide a reasonable basis for the preparation and presentation of the Forecast Information.

Limited assurance conclusion on the reasonableness of the Directors’ assumptions

Based on the procedures we have performed and evidence we have obtained, nothing has come to our attention that causes us to believe that the Directors’ assumptions do not provide a reasonable basis for the preparation and presentation of the Forecast Information.

Part B – Reasonable assurance engagement on the Forecast Information

Reporting accountant’s responsibility

Our responsibility is to express an opinion based on the evidence we have obtained about whether the Forecast Information is properly prepared and presented on the basis of the Directors’ assumptions disclosed in notes 1 and 2 to the Forecast Information (the assumptions) and in accordance with the Listings Requirements for forecast information. We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE 3400), *The Examination of Prospective Financial Information* (ISAE 3400), issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether such Forecast Information is properly prepared and presented on the basis of the Directors’ assumptions disclosed in notes 1 and 2 to the Forecast Information and in accordance with the Listings Requirements for forecast information.

A reasonable assurance engagement in accordance with ISAE 3400 involves performing procedures to obtain evidence that the Forecast Information is properly prepared and presented on the basis of the assumptions and in accordance with the Listings Requirements for forecast information. The nature, timing and extent of procedures selected depend on the reporting accountant’s judgement, including the assessment of the risks of material misstatement, whether due to fraud or error, of the forecast information. In making those risk assessments, we considered internal control relevant to the WRTRP Assets preparation and presentation of the Forecast Information.

Our procedures included:

- Inspecting whether the Forecast Information is properly prepared on the basis of the assumptions;
- Inspecting whether the Forecast Information is properly presented and all material assumptions are adequately disclosed, including a clear indication as to whether they are best-estimate assumptions; and
- Inspecting whether the forecast statement of profit or loss and other comprehensive income is prepared on a consistent basis with the historical financial statements of DRDGOLD, using appropriate accounting policies.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion on the Forecast Information

In our opinion, the Forecast Information is properly prepared and presented on the basis of the assumptions and in accordance with the Listings Requirements for forecast information.

Purpose of the report

This report has been prepared for the purpose of satisfying the requirements of the Listings Requirements and for no other purpose.

Report on other legal and regulatory requirements

In accordance with our responsibilities set out in the Listings Requirements, we have performed the procedures set out therein. If, based on the procedures performed, we detect any exceptions, we are required to report those exceptions. We have nothing to report in this regard.

KPMG Inc.

Registered Auditor

*Per: **Riegert Stoltz***

Chartered Accountant (SA)

Registered Auditor

Director

16 February 2018

Suite 301

Medforum Building

Heunis Street, Secunda

2302

(PO Box 904, Secunda, 2302)

HISTORICAL FINANCIAL INFORMATION OF DRDGOLD FOR THE FINANCIAL YEARS ENDED 30 JUNE 2017, 30 JUNE 2016 AND 30 JUNE 2015 AND UNAUDITED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

This annexure provides the summarised historical annual financial statements of DRDGOLD, as extracted from the audited consolidated annual financial statements of DRDGOLD for the financial years ended 30 June 2017, 30 June 2016 and 30 June 2015 and the unaudited interim financial results for the six months ended 31 December 2017. Shareholders are referred to the DRDGOLD website (<http://www.drdgold.com/investors-and-media/financials/2017>) for the full annual financial statements in full.

GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED 30 JUNE 2017, 30 JUNE 2016 AND 30 JUNE 2015

Amounts in R million	2017	2016	2015
Revenue	2 339.9	2 433.1	2 105.3
Cost of sales	(2 307.9)	(2 236.8)	(1 946.3)
Operating costs	(2 109.3)	(2 030.2)	(1 786.9)
Depreciation	(179.8)	(180.2)	(193.3)
Retrenchment costs	(23.0)	–	(7.1)
Change in estimate of environmental rehabilitation	(0.6)	(19.3)	20.4
Movement in gold in process and finished stock	4.8	(7.1)	20.6
Gross profit from operating activities	32.0	196.3	159.0
Impairments	–	–	(7.9)
Other income	12.9	10.5	13.2
Administration expenses and other costs	(69.4)	(87.2)	(69.4)
Results from operating activities	(24.5)	119.6	94.9
Finance income	40.0	36.8	51.5
Finance expenses	(52.2)	(47.6)	(49.6)
(Loss)/profit before tax	(36.7)	108.8	96.8
Income tax	50.4	(46.9)	(28.6)
Profit for the year	13.7	61.9	68.2
Attributable to:			
Equity owners of the parent	13.7	61.9	67.8
Non-controlling interest	–	–	0.4
Profit for the year	13.7	61.9	68.2

Amounts in R million	2017	2016	2015
Other comprehensive income			
Items that are or may be reclassified to profit or loss, net of tax			
Net fair value adjustment on available-for-sale investments	(0.3)	4.4	(0.8)
Fair value adjustment on available-for-sale investments	(0.3)	4.4	19.1
Fair value adjustment on available-for-sale investment reclassified to profit or loss	–	–	(19.9)
Foreign exchange translation reserve reclassified to profit or loss	–	–	(5.9)
Items that will never be reclassified to profit or loss, net of tax			
Actuarial loss	–	–	(0.5)
Total comprehensive income for the year	13.4	66.3	61.0
Attributable to:			
Equity owners of the parent	13.4	66.3	60.6
Non-controlling interest	–	–	0.4
Total comprehensive income for the year	13.4	66.3	61.0
Earnings per share attributable to equity owners of the parent			
Basic earnings per share (cents)	3.2	14.7	17.4
Diluted earnings per share (cents)	3.2	14.7	17.4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEARS ENDED 30 JUNE 2017, 30 JUNE 2016 AND 30 JUNE 2015

Amounts in R million	2017	2016	2015
ASSETS			
Non-current assets	1 739.1	1 818.4	1 894.1
Property, plant and equipment	1 497.6	1 600.5	1 698.8
Investments in rehabilitation obligation funds	227.7	202.1	190.9
Investments in other entities	8.8	9.0	3.2
Deferred tax asset	5.0	6.8	1.2
Current assets	548.3	600.7	608.9
Inventories	180.3	160.7	168.7
Trade and other receivables	114.3	66.5	93.2
Cash and cash equivalents	253.7	351.8	324.4
Current tax asset	–	6.7	13.2
Assets held for sale	–	15.0	9.4
TOTAL ASSETS	2 287.4	2 419.1	2 503.0
EQUITY AND LIABILITIES			
EQUITY OF THE OWNERS OF THE PARENT	1 302.4	1 339.6	1 529.9
Non-current liabilities	728.1	775.0	669.5
Provision for environmental rehabilitation	531.8	522.9	493.3
Deferred tax liability	140.5	194.7	147.8
Employee benefits	39.0	38.2	9.2
Finance lease obligation	16.8	19.2	19.2
Current liabilities	256.9	304.5	303.6
Trade and other payables	251.7	288.9	258.3
Current tax liability	5.2	–	–
Finance lease obligation	–	–	2.0
Loans and borrowings	–	–	23.1
Post-retirement and other employee benefits	–	–	2.6
Liabilities held for sale	–	15.6	17.6
TOTAL LIABILITIES	985.0	1 079.5	973.1
TOTAL EQUITY AND LIABILITIES	2 287.4	2 419.1	2 503.0
Net asset value per share (cents)	309	317	360
Net tangible asset value per Share (cents)	309	317	360
Number of Shares in issue	431 429 767	431 429 767	430 883 767

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEARS ENDED 30 JUNE 2017, 30 JUNE 2016 AND 30 JUNE 2015

Amounts in R million	Share capital	Available for sale and other reserves ⁽¹⁾	Retained earnings	Non-controlling interest	Total equity
Balance at 30 June 2014	4 089.0	172.9	(3 012.8)	232.1	1 481.2
Total comprehensive income					
Profit for the year	–		67.8	0.4	68.2
Other comprehensive income	–	(6.7)	(0.5)	–	(7.2)
Transactions with the owners of the parent					
Acquisition of non-controlling interest without a change in control					
Share issue	96.4	–	135.2	(232.5)	(0.9)
Transaction costs	(4.0)				(4.0)
Dividend on ordinary share capital	–	–	(7.6)	–	(7.6)
Share-based payments	–	0.2	–	–	0.2
Share option reserve transferred to retained earnings ⁽²⁾	–	(30.6)	30.6	–	–
Balance at 30 June 2015	4 181.4	135.8	(2 787.3)	–	1 529.9
Total comprehensive income					
Profit for the year	–	–	61.9	–	61.9
Other comprehensive income	–	4.4	–	–	4.4
Transactions with the owners of the parent					
Dividend on ordinary share capital	–	–	(252.9)	–	(252.9)
Shares issued for cash	2.8	–	–	–	2.8
Treasury shares acquired through subsidiary	(6.5)	–	–	–	(6.5)
Balance at 30 June 2016	4 177.7	140.2	(2 978.3)	–	1 339.6
Total comprehensive income					
Profit for the year	–	–	13.7	–	13.7
Other comprehensive income	–	–	(0.3)	–	(0.3)
Transactions with the owners of the parent					
Dividend on ordinary share capital	–	–	(50.6)	–	(50.6)
Available for sale and other reserves transferred to retained earnings	–	(140.2)	140.2	–	–
Balance at 30 June 2017	4 177.7	–	(2 875.3)	–	1 302.4

(1) Revaluation and other reserves at 30 June 2016 comprise asset revaluation reserves.

(2) The share option reserve was transferred to retained earnings upon the last of the outstanding options vesting during the year ended 30 June 2015.

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED 30 JUNE 2017, 30 JUNE 2016 AND 30 JUNE 2015

Amounts in R million	2017	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from sales of precious metals	2 305.4	2 476.1	2 087.9
Cash paid to suppliers and employees	(2 283.9)	(2 077.9)	(1 802.7)
Cash generated by operations	21.5	398.2	285.2
Finance income	23.8	22.3	13.8
Finance expenses	(3.7)	(5.0)	(11.9)
Income tax received/(paid)	10.0	0.4	(3.5)
Net cash inflow from operating activities	51.6	415.9	283.6
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	(110.6)	(99.8)	(90.9)
Proceeds on disposal of property, plant and equipment	20.5	7.0	17.4
Environmental rehabilitation payments	(11.6)	(10.6)	(9.0)
Other	5.0	(3.8)	0.1
Proceeds on disposal of non-current investments and other assets	–	–	46.4
Contribution to environmental obligation funds	–	–	(0.8)
Acquisition of non-controlling interest	–	–	(0.9)
Net cash outflow from investing activities	(96.7)	(107.2)	(37.7)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of loans and borrowings	–	(22.5)	(122.5)
Repayment of finance lease obligation	(2.4)	(2.0)	(0.4)
Dividends paid on ordinary share capital	(50.6)	(252.9)	(7.6)
Proceeds from the issue of shares	–	2.8	–
Acquisition of treasury shares	–	(6.5)	–
Net cash outflow from financing activities	(53.0)	(281.1)	(130.5)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
	(98.1)	27.6	115.4
Cash and cash equivalents at the beginning of the year	351.8	324.4	208.9
Foreign exchange movements	–	(0.2)	–
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	253.7	351.8	324.4

ACCOUNTING POLICIES

Reporting entity

The DRDGOLD Group is primarily involved in the retreatment of surface gold. The consolidated financial statements comprise the company and its subsidiaries who are all wholly owned and have only South African operations (collectively, the “**Group**” and individually “**Group Companies**”). DRDGOLD Limited is domiciled in South Africa with a registration number of 1895/000926/06. The registered address of the company is 1 Sixty Jan Smuts Building, 2nd Floor, North Tower, 160 Jan Smuts Avenue, Rosebank, 2196.

Basis of accounting

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

**UNAUDITED OPERATING AND FINANCIAL RESULTS FOR THE SIX MONTHS ENDED
31 DECEMBER 2017**

CONDENSED CONSOLIDATED INTERIM

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Six months to 31 Dec 2017 Rm Unaudited	Six months to 31 Dec 2016 Rm Unaudited
Revenue		1 254.8	1 188.8
Cost of sales		(1 139.6)	(1 153.9)
Gross profit from operating activities		115.2	34.9
Other income		0.2	12.9
Administration expenses and other costs		(31.9)	(45.5)
Results from operating activities		83.5	2.3
Finance income		18.7	19.9
Finance expenses		(25.0)	(22.5)
Profit/(loss) before tax		77.2	(0.3)
Income tax		(16.6)	3.0
Profit for the period		60.6	2.7
Other comprehensive income			
Items that are or may be reclassified to profit or loss, net of tax			
Net fair value adjustment on available-for-sale investments		2.5	3.0
Total comprehensive income for the period		63.1	5.7
Basic earnings per share ⁽¹⁾		14.4	0.6
Diluted basic earnings per share ⁽¹⁾		14.4	0.6

⁽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 is rounded to the nearest hundred thousand Rand.

CONDENSED CONSOLIDATED INTERIM

STATEMENT OF FINANCIAL POSITION

	As at 31 Dec 2017 Rm Unaudited	As at 30 Jun 2017 Rm Audited	As at 31 Dec 2016 Rm Unaudited
Assets			
Non-current assets	1 753.9	1 739.1	1 786.3
Property, plant and equipment	1 502.0	1 497.6	1 560.2
Investments in rehabilitation obligation funds	235.6	227.7	209.4
Investments in other entities	11.3	8.8	12.0
Deferred tax asset	5.0	5.0	4.7
Current assets	625.7	548.3	579.7
Inventories	242.7	180.3	186.7
Trade and other receivables	88.4	114.3	92.4
Cash and cash equivalents	294.6	253.7	290.3
Assets held for sale	–	–	10.3
Total assets	2 379.6	2 287.4	2 366.0
Equity and liabilities			
Equity	1 344.4	1 302.4	1 294.7
Non-current liabilities	742.6	728.1	779.4
Provision for environmental rehabilitation	546.5	531.8	527.7
Deferred tax liability	154.2	140.5	41.7
Employee benefits	26.4	39.0	191.9
Finance lease obligation	15.5	16.8	18.1
Current liabilities	292.6	256.9	291.9
Trade and other payables	275.8	251.7	270.5
Current tax liability	6.6	5.2	5.2
Employee benefits	10.2	–	–
Liabilities held for sale	–	–	16.2
Total liabilities	1 035.2	985.0	1 071.3
Total equity and liabilities	2 379.6	2 287.4	2 366.0

These condensed consolidated interim financial statements for the six months ended 31 December 2017 have been prepared under the supervision of DRDGOLD's Chief Financial Officer, Mr AJ Davel CA(SA). The condensed consolidated interim financial statements were authorised for issue by the directors on 9 February 2018.

CONDENSED CONSOLIDATED INTERIM

STATEMENT OF CHANGES IN EQUITY

	Six months to 31 Dec 2017 Rm Unaudited	Six months to 31 Dec 2016 Rm Unaudited
Balance at the beginning of the period	1 302.4	1 339.6
Total comprehensive income		
Profit for the period	60.6	2.7
Other comprehensive income		
Fair-value adjustment on available-for-sale investments	2.5	3.0
Transactions with the owners of the parent		
Dividends paid	(21.1)	(50.6)
Balance as at the end of the period	1 344.4	1 294.7

CONDENSED CONSOLIDATED INTERIM

STATEMENT OF CASH FLOWS

	Six months to 31 Dec 2017 Rm Unaudited	Six months to 31 Dec 2016 Rm Unaudited
	Notes	
Net cash inflow from operating activities	155.8	39.2
Cash generated by operations	147.5	17.7
Interest received	11.3	12.3
Interest paid	(1.5)	(1.8)
Tax (paid)/received	(1.5)	11.0
Net cash outflow from investing activities	(92.8)	(48.9)
Acquisition of property, plant and equipment	(86.6)	(61.6)
Proceeds on disposal of property, plant and equipment	1.5	17.9
Environmental rehabilitation payments	(7.7)	(10.2)
Other	–	5.0
Net cash outflow from financing activities	(22.1)	(51.8)
Repayment of finance lease obligation	(1.3)	(1.2)
Dividends paid on ordinary share capital	(20.8)	(50.6)
Increase/(decrease) in cash and cash equivalents	40.9	(61.5)
Opening cash and cash equivalents	253.7	351.8
Closing cash and cash equivalents	294.6	290.3

	Six months to 31 Dec 2017	Six months to 31 Dec 2016
	Rm	Rm
Notes	Unaudited	Unaudited
Reconciliation of cash inflow from operations		
Profit / (loss) before tax	77.2	(0.3)
Adjusted for:		
Depreciation	82.3	101.9
Movement in gold in process	(40.9)	(13.9)
Environmental rehabilitation payments	(0.6)	(5.0)
Profit on disposal of property, plant and equipment included in other income	(0.2)	(12.9)
Share-based payment expense	0.2	16.1
Finance income	(18.7)	(19.9)
Finance expenses	25.0	22.5
Other non-cash items	(1.0)	(0.3)
Working capital changes	24.2	(70.5)
Change in trade and other receivables	25.0	(33.5)
Change in inventories	(21.5)	(12.1)
Change in trade and other payables	20.7	(24.9)
Cash generated by operations	147.5	17.7

BASIS OF PREPARATION

The condensed consolidated interim financial statements are prepared in accordance with the JSE Limited Listings Requirements ("**Listings Requirements**") and the requirements of the Companies Act, No. 71 of 2008 of South Africa. The Listings Requirements require that interim reports 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 Reporting Pronouncements as issued by the Financial Reporting Standards Council. The accounting policies applied in the preparation of the condensed consolidated 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.

These condensed consolidated interim financial statements of DRDGOLD for the six months ended 31 December 2017 have not been reviewed by an independent auditor.

SPECIAL PURPOSE CARVE-OUT HISTORICAL FINANCIAL INFORMATION OF WRTRP FOR THE THREE YEARS ENDED 31 DECEMBER 2016, 31 DECEMBER 2015 AND 31 DECEMBER 2014 AND THE SIX MONTHS ENDED 30 JUNE 2017

INTRODUCTION

The definitions and interpretations commencing on page 6 of the Circular apply, *mutatis mutandis*, to this report.

As detailed in the Circular, DRDGOLD Limited (“**DRDGOLD**”) and Sibanye Gold Limited (“**Sibanye-Stillwater**”) have entered into a Business Agreement where DRDGOLD will acquire selected surface processing plants and tailings assets (“**WRTRP Assets**”), by way of the acquisition of a 100% shareholding in a special purpose vehicle, K2017449061 (South Africa) Proprietary Limited (to be renamed WRTRP Proprietary Limited) (“**WRTRP**”) from Sibanye-Stillwater (“**Transaction**”).

BASIS OF PREPARATION

The historical statement of direct income and expenses for the three years ended 31 December 2016, 2015 and 2014, and the six months ended 30 June 2017 (“**Reporting Period**”), the historical statements of financial position as at 31 December 2016, 2015 and 2014, and 30 June 2017, the related accounting policies and the notes thereto of the WRTRP Assets has been prepared for JSE Listings Requirements only, in order to comply with section 8 of the JSE Listings Requirements (respectively the “**Special Purpose Carve-Out Historical Financial Information**”). This Special Purpose Carve-Out Historical Financial Information has been extracted from the audited special purpose financial statements of the WRTRP Assets for the year ended 31 December 2016 (“**Audited Carve-Out Financial Statements**”) and the reviewed special purpose financial statements of the WRTRP Assets for the years 31 December 2015 and 2014 and the six months ended 30 June 2017 (“**Reviewed Carve-Out Financial Statements**”). The Audited Carve-Out Financial Statements and the Reviewed Carve-Out Financial Statements were extracted from the statutory audited financial statements of Sibanye-Stillwater for the years ended 31 December 2016, 31 December 2015 and 31 December 2014 (“**Audited Financial Statements**”) and the reviewed consolidated condensed financial statements of Sibanye-Stillwater for the six months ended 30 June 2017 (“**Reviewed Financial Statements**”).

The Audited Financial Statements were prepared in accordance with the International Financial Reporting Standards (IFRS) and the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by Financial Reporting Standards Council.

The Reviewed Financial Statements of Sibanye-Stillwater have been prepared in accordance with IAS 34: *Interim Financial Reporting* and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by Financial Reporting Standards Council.

The preparation of the Special Purpose Carve-Out Historical Financial Information, the Audited Carve-Out Financial Statements and the Reviewed Carve-Out Financial Statements is in accordance with section 8.2(e) of the JSE Listings Requirements which requires, *inter alia*, that the Special Purpose Carve-Out Historical Financial Information, the Audited Carve-Out Financial Statements and the Reviewed Carve-Out Financial Statements be presented in respect of the subject of the Category 1 transaction, namely, the WRTRP Assets.

The additional disclosure required in terms of paragraphs 8.11 and 8.12 of the JSE Listings Requirements has been included in the Report of Historical Financial Information of the WRTRP Assets.

The WRTRP Assets do not constitute a separate legal entity.

The Special Purpose Carve-Out Historical Financial Information has been prepared based on the accounting policies of DRDGOLD.

Cash flow statements and statements of changes in equity have not been presented in this report as this is not considered to be meaningful.

The Audited Financial Statements of Sibanye-Stillwater and the Audited Carve-Out Financial Statements have been audited by KPMG Inc. who expressed unmodified audit opinions thereon. The Reviewed Carve-Out

Financial Statements have been reviewed by KPMG Inc. and unqualified review conclusions have been issued thereon. KPMG Inc. is also the independent reporting accountant to Sibanye-Stillwater and has issued the reporting accountant's report on this Report of Historical Financial Information of the WRTRP Assets which is included as annexure 10 to this Circular.

The directors of DRDGOLD are responsible for the Special Purpose Carve-Out Historical Financial Information of the WRTRP Assets included in this Circular.

DIRECTORS' COMMENTARY

2016 FINANCIAL PERFORMANCE COMPARED WITH 2015 AND 2014

Revenue

Revenue increased by 36% to R1 298 million in 2016 from R954 million in 2015 driven by the average rand gold price, which increased by 23%, and the level of gold produced sold, which increased by 6%. The increase in the average rand gold price was due to an increase in the average realised US dollar gold price to US\$1 242/oz in 2016 from US\$1 160/oz in 2015 and the 15% weaker rand of R14.68/US\$ in 2016 compared with R12.75/US\$ in 2015.

Revenue increased by 53% to R954 million in 2015 from R621 million in 2014 driven by the average rand gold price, which increased by 8%, and the level of gold produced and sold, which increased by 30%. The increase in the average rand gold price was due to the 18% weaker rand of R12.75/US\$ in 2015 compared with R10.82/US\$ in 2014. This, however, was partly offset by the decrease in the average realised US dollar gold price to US\$1 160/oz in 2015 from US\$1 267/oz in 2014.

Cost of sales

Cost of sales increased by 2% to R621 million in 2016 from R611 million in 2015, and increased by 28% in 2015 from R477 million in 2014. The increase in cost of sales in 2015 was mainly due to the increase in amortisation and depreciation, which increased by R107 million due to accelerated depreciation of DP2 and DP3.

Net direct income and expenses for the year

As a result of the factors discussed above, the profit in 2016 was R467 million compared with R227 million in 2015 and R89 million in 2014.

HISTORICAL STATEMENT OF DIRECT INCOME AND EXPENSES

for the six months ended 30 June 2017, and years ended 31 December 2016, 31 December 2015 and 31 December 2014:

Figures in million – SA Rand	Notes	Reviewed Six months ended 30 June 2017	Audited Year ended 31 December 2016	Reviewed Year ended 31 December 2015	Reviewed Year ended 31 December 2014
Revenue	2	483.8	1 297.9	953.5	621.3
Cost of sales	3	(296.9)	(620.7)	(611.1)	(476.9)
Interest income	4	11.2	20.4	17.5	14.6
Finance expense	5	(12.1)	(22.2)	(20.1)	(19.7)
Gain on financial instruments	8	1.6	1.8	1.3	9.9
Loss on disposal of property, plant and equipment	7	–	–	–	(0.1)
Profit before royalties and tax		187.6	677.2	341.1	149.1
Royalties	6.1	(4.4)	(20.5)	(18.3)	(18.6)
Profit before tax		183.2	656.7	322.8	130.5
Mining and income tax	6.2	(52.5)	(189.6)	(95.5)	(41.7)
Net direct income and expenses for the period		130.7	467.1	227.3	88.8

HISTORICAL STATEMENT OF FINANCIAL POSITION

As at 30 June 2017, 31 December 2016, 31 December 2015 and 31 December 2014:

Figures in million – SA Rand	Notes	Reviewed Six months ended 30 June 2017	Audited Year ended 31 December 2016	Reviewed Year ended 31 December 2015	Reviewed Year ended 31 December 2014
ASSETS					
Non-current assets		677.3	656.9	587.5	724.9
Property, plant and equipment	7	323.6	316.0	273.6	439.9
Environmental rehabilitation obligation funds	8	353.7	340.9	313.9	285.0
Total assets		677.3	656.9	587.5	724.9
EQUITY AND LIABILITIES					
Total capital		273.5	267.6	257.5	335.7
Owner's capital		142.8	(199.5)	30.2	246.9
Net direct income and expenses		130.7	467.1	227.3	88.8
Non-current liabilities		400.6	386.4	327.8	387.3
Environmental rehabilitation obligation	9	294.3	282.2	227.6	256.6
Deferred tax liability	6.3	106.3	104.2	100.2	130.7
Current liabilities		3.2	2.9	2.2	1.9
Leave pay accrual	10	3.2	2.9	2.2	1.9
Total equity and liabilities		677.3	656.9	587.5	724.9

NOTES TO THE HISTORICAL STATEMENTS OF DIRECT INCOME AND EXPENSES AND FINANCIAL POSITION

1. ACCOUNTING POLICIES

The selected surface gold processing assets and tailings storage facilities (TSF) are assets of Sibanye Gold Limited (trading as “**Sibanye-Stillwater**”) (the Company), a public company registered in South Africa. The selected surface gold processing assets and TSF (together referred to as the “**WRTRP Assets**”) includes:

- TSF
 - Driefontein 3 and 5
 - Kloof 1
 - Venterspost North and South
 - Libanon
- Active TSF: Driefontein 4
- The land required for future development of:
 - A Central Processing Plant (CPP)
 - Regional Tailings Storage Facility (RTSF) and return water dam
- Surface processing plants
 - Driefontein 2 plant (DP2)
 - Driefontein 3 plant (DP3)
 - West Rand Tailings Retreatment Project (WRTRP) pilot plant (for ongoing WRTRP gold recovery optimisation)

The following currently active TSF will also be transferred, for no additional consideration, once they have been decommissioned by Sibanye-Stillwater:

- Driefontein 1 and 2
- Kloof 2
- Leeudoorn

Statement of changes in equity

The special purpose carve-out historical financial information does not include a statement of changes in equity, as the WRTRP Assets do not constitute a separate legal entity and it is not considered meaningful to disclose a historical analysis of share capital and accumulated loss balances.

Share capital and retained earnings / accumulated loss

The WRTRP Assets do not constitute a separate legal entity, and, therefore, it is not meaningful to disclose historical analysis of share capital and retained earnings / accumulated loss balances. The total capital as disclosed in the Special Purpose Carve-Out Historical Financial Information represents the cumulative “investment” of the Company in the WRTRP Assets. The net direct income and expenses are cleared through the owner’s capital on an annual basis.

Statement of cash flows

The Special Purpose Carve-Out Historical Financial Information does not include a statement of cash flows, as the WRTRP Assets did not have a bank account.

Related party transactions

The WRTRP Assets do not constitute a separate legal entity and there are, therefore, numerous transactions between the WRTRP Assets, and other assets and divisions of the Company as the WRTRP Assets did not have a bank account.

Transactions and balances owing to other assets and divisions of the Company, therefore, are not disclosed as related party transactions and balances as these assets and divisions are not considered to be related parties.

Key management personnel

During the Reporting Period, those persons having the authority and responsibility for planning, directing and controlling the activities of the WRTRP Assets were represented by the Company's key management personnel as the WRTRP Assets' activities were managed as part of Sibanye-Stillwater Group. For this reason it is not relevant to disclose historical financial information relating to those individuals who will not be the key management personnel of the WRTRP Assets post acquisition by DRDGOLD.

Intercompany transactions and funding

Transactions and balances between the WRTRP Assets, and other assets and divisions of the Company have been included in owner's capital in the Special Purpose Carve-Out Historical Financial Information. As the WRTRP Assets are assets of the Company, it did not have cash balances and borrowings. The balances with the Company, therefore, are representative of the net funding of the WRTRP Assets for the Reporting Period and reflected in owner's capital as it represents the cumulative "investment" of the Company in the WRTRP Assets.

Direct costs (included in cost of sales)

The special purpose carve-out historical financial information for the WRTRP Assets include only costs directly attributable to the WRTRP Assets. These costs include costs as presented in note 3, that is directly attributable to the WRTRP Assets.

Centralised costs (not included in cost of sales)

The WRTRP Assets, previously, did not operate independently, and the WRTRP Assets benefited from centralised functions during the Reporting Period. The special purpose carve-out historical financial information for the WRTRP Assets, however, excludes the allocated central costs from the Sibanye-Stillwater Group relating to certain central services, which were previously charged to the WRTRP Assets. These central services include human resources and employee, and financial and accounting services.

Other indirect costs (not included in cost of sales)

Other indirect costs include various costs incurred by the Sibanye-Stillwater Group centrally, on behalf of all the operations in the Sibanye-Stillwater Group. These include, *inter alia*, corporate costs, share-based payment charges, and research and development costs. The Special Purpose Carve-Out Historical Financial Information for the WRTRP Assets, however, excludes these other indirect costs, which were previously allocated to the various assets and divisions (including the WRTRP Assets) using various methods applicable to the type of costs.

Royalties

Royalties are calculated at a legal entity level for the Company. The royalties of the WRTRP Assets has been calculated by applying the effective rate of royalty tax payable by the Company to the revenue that is directly attributable to the WRTRP Assets.

Mining and income tax

Income tax is calculated at a legal entity level for Sibanye-Stillwater. Ordinarily, the allocation of the mining and income tax to the WRTRP Assets would not be meaningful as it is not necessarily representative of the tax that would have been reported had the WRTRP Assets operated as a separate legal entity, as the Company is subject to certain income tax provisions that would not apply to the WRTRP Assets. Since the WRTRP Assets have no permanent differences, the mining and income tax has been calculated as 28% of the loss before tax.

Deferred tax

Deferred tax is calculated at a Sibanye-Stillwater statutory level applying tax rules and accounting principles that apply at that level which will not result in the same balances had the WRTRP Assets been a stand-alone entity. The deferred tax balance of the WRTRP Assets has been calculated using the carrying values on the historical statement of financial position, including:

- property, plant and equipment;
- environmental rehabilitation obligation funds;
- environmental rehabilitation obligation; and
- other payables.

The deferred tax balance may not be fully representative of the balances that would have been recognised had the WRTRP Assets been a separate entity in the Reporting Period.

VAT

VAT is payable at a statutory level. VAT on transactions is not recorded by each asset or cost centre but centrally for the Company's divisions, and direct and indirect costs, and capital expenditure is charged to the WRTRP Assets excluding VAT. The Company's total net VAT receivable, therefore, has not been allocated to the WRTRP Assets.

Environmental rehabilitation obligation funds

The Company's total environmental rehabilitation obligation funds was allocated to the WRTRP Assets based on the environmental rehabilitation obligation for the TSF, Active TSF: Driefontein 4, DP2 and DP3. The environmental rehabilitation obligation funds for the other active TSF remains with the Company for now and was not included in this Special Purpose Carve-Out Historical Financial Information. The interest income and gain on financial instruments recognised in the statement of direct expenses relates to the allocated environmental rehabilitation obligation funds.

Cash-generating unit

For Sibanye-Stillwater the smallest identifiable group of assets (that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets) represents an operating mine. An impairment review at a Sibanye-Stillwater Company level is not necessarily reflective of the impairment review that may have been performed for the WRTRP Assets.

Segment reporting

The special purpose carve-out historical financial information does not include specific segment reporting as the WRTRP Assets, as a whole, comprise one operating segment.

1.1 Significant accounting judgements and estimates

Use of estimates: The preparation of the Special Purpose Carve-Out Historical Financial Information requires Sibanye-Stillwater's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the Special Purpose Carve-Out Historical Financial Information, and the reported amounts of expenses during the Reporting Period. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions, and in some cases actuarial techniques. Actual results could differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the Reporting Period are discussed under the relevant note of the item affected.

1.2 Functional and presentation currency

The Special Purpose Carve-Out Historical Financial Information is presented in South African Rand (SA Rand), which is the WRTRP Assets' functional currency.

2. REVENUE

Accounting policy

Revenue is recognised to the extent that it is probable that economic benefits will flow to the WRTRP Assets and the amount of revenue can be reliably measured.

Revenue arising from gold sales is recognised at the fair value of the consideration received or receivable, once the significant risks and rewards of ownership have passed to the buyer. The price of gold is determined by market forces.

Figures in million – SA Rand	Reviewed Six months ended 30 June 2017	Audited Year ended 31 December 2016	Reviewed Year ended 31 December 2015	Reviewed Year ended 31 December 2014
Revenue from gold mining activities	483.8	1 297.9	953.5	621.3

3. COST OF SALES

Accounting policy

The following accounting policies relates to some costs that are included in operating costs:

Short-term employee benefits

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

Pension and provident funds

The Company operates a defined contribution retirement plan and contributes to a number of industry based defined contribution retirement plans. The retirement plans are funded by payments from employees and the Company. Contributions to defined contribution funds are expensed as incurred.

Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to present value.

Figures in million – SA Rand	Reviewed Six months ended 30 June 2017	Audited Year ended 31 December 2016	Reviewed Year ended 31 December 2015	Reviewed Year ended 31 December 2014
Salaries and wages	(24.9)	(47.9)	(53.1)	(52.9)
Consumable stores	(100.4)	(212.7)	(162.5)	(142.8)
Utilities	(40.7)	(81.9)	(68.8)	(81.3)
Mine contracts	(95.0)	(192.0)	(141.8)	(119.9)
Other	(31.3)	(54.5)	(45.5)	(48.0)
Amortisation and depreciation	(4.6)	(31.7)	(139.4)	(32.0)
	(296.9)	(620.7)	(611.1)	(476.9)

4. INTEREST INCOME

Accounting policy

Interest income comprises interest income on funds invested. Interest income is recognised on a time proportion basis taking account of the principal outstanding and the effective rate over the period to maturity.

Figures in million – SA Rand	Reviewed Six months ended 30 June 2017	Audited Year ended 31 December 2016	Reviewed Year ended 31 December 2015	Reviewed Year ended 31 December 2014
Interest income on: Environmental rehabilitation obligations funds	11.2	20.4	17.5	14.6

5. FINANCE EXPENSE

Accounting policy

Finance expense comprises interest on environmental rehabilitation obligation.

Figures in million – SA Rand	Reviewed Six months ended 30 June 2017	Audited Year ended 31 December 2016	Reviewed Year ended 31 December 2015	Reviewed Year ended 31 December 2014
Interest charge on: Environmental rehabilitation obligations	(12.1)	(22.2)	(20.1)	(19.7)

6. MINING AND INCOME TAX

Accounting policy

Deferred tax is provided by the Company on temporary differences existing at each reporting date between the tax values of assets and liabilities and their carrying amounts.

These temporary differences are expected to result in taxable or deductible amounts in determining taxable profits for future periods when the carrying amount of the asset is recovered or the liability is settled. The principal temporary differences arise from depreciation of property, plant and equipment and provisions.

Deferred tax assets and liabilities are offset by the Company if there is a legally enforceable right to offset current tax liabilities and assets, and relate to taxes levied by the same tax authority on the same taxable entity.

No provision is made for any potential tax liability on the distribution of retained earnings by the Company.

6.1 Royalties

The Mineral and Petroleum Resource Royalty Act 2008 (Royalty Act) imposes a royalty on refined (mineral resources that have undergone a comprehensive level of beneficiation such as smelting and refining as defined in Schedule 1 of the Royalty Act) and unrefined (mineral resources that have undergone limited beneficiation as defined in Schedule 2 of the Royalty Act) minerals payable to the State. The royalty in respect of refined minerals (which include gold refined to 99.5% and above) is calculated by dividing earnings before interest and taxes (EBIT) for the Company by the product of 12.5 times gross revenue calculated as a percentage, plus an additional 0.5%. EBIT refers to taxable mining income (with certain exceptions such as no deduction for interest payable and foreign exchange losses) before assessed losses but after capital expenditure. A maximum royalty of 5% of mining revenue has been introduced on refined minerals. The effective rate of royalty tax payable for the six months ended 30 June 2017 was approximately 0.9% (31 December 2016: 1.6%, 31 December 2015: 1.9% and 31 December 2014: 3.0%) of gold mining revenue.

Figures in million – SA Rand	Reviewed Six months ended 30 June 2017	Audited Year ended 31 December 2016	Reviewed Year ended 31 December 2015	Reviewed Year ended 31 December 2014
Current year charge	(4.4)	(20.5)	(18.3)	(18.6)

6.2 Mining and income tax

Figures in million – SA Rand	Reviewed Six months ended 30 June 2017	Audited Year ended 31 December 2016	Reviewed Year ended 31 December 2015	Reviewed Year ended 31 December 2014
Tax calculated at a tax rate of 28%:				
Deferred tax:	(52.5)	(189.6)	(95.5)	(41.7)

6.3 Deferred tax liability

The detailed components of the net deferred tax liability which results from the differences between the amounts of assets and liabilities recognised are:

Figures in million – SA Rand	Reviewed Six months ended 30 June 2017	Audited Year ended 31 December 2016	Reviewed Year ended 31 December 2015	Reviewed Year ended 31 December 2014
Mining assets	90.6	88.5	76.6	123.2
Environmental rehabilitation obligation funds	99.0	95.5	87.9	79.8
Environmental rehabilitation obligation	(82.4)	(79.0)	(63.7)	(71.8)
Leave pay accrual	(0.9)	(0.8)	(0.6)	(0.5)
Net deferred tax liability	106.3	104.2	100.2	130.7

7. PROPERTY, PLANT AND EQUIPMENT

Significant accounting judgements and estimates

Carrying value of property, plant and equipment

All mining assets are amortised using the units-of-production method where the mine operating plan calls for production from proved and probable Mineral Reserves.

The calculation of the units-of-production rate of amortisation could be impacted to the extent that actual production in the future is different from current forecast production based on proved and probable Mineral Reserves. This would generally result from the extent that there are significant changes in any of the factors or assumptions used in estimating Mineral Reserves.

These factors could include:

- Changes in proved and probable Mineral Reserves;
- Differences between actual commodity prices and commodity price assumptions;
- Unforeseen operational issues at mine sites;
- Changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates; and
- Changes in Mineral Reserves could similarly impact the useful lives of assets depreciated on a straight-line basis, where those lives are limited to the life of the mine.

The recoverable amounts of individual assets have been determined based on the higher of value-in-use calculations and fair value less cost to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the gold price assumption may change which may then impact the WRTRP Assets estimated life of mine determinant and may then require a material adjustment to the carrying value of property, plant and equipment.

The Sibanye-Stillwater Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable by comparing expected future cash flows to these carrying values. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows of each group of assets. Expected future cash flows used to determine the value in use and fair value less costs to sell of property, plant and equipment are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as spot and future gold prices, discount rates, foreign currency exchange rates, estimates of costs to produce reserves and future capital expenditure.

Mineral Reserves estimates

Mineral Reserves are estimates of the amount of product that can be economically and legally extracted from the Company's properties. In order to calculate the reserves, estimates and assumptions are required about a range of geological, technical and economic factors, including but not limited to quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates.

Estimating the quantity and grade of the Mineral Reserves requires the size, shape and depth of orebodies to be determined by analysing geological data such as the logging and assaying of drill samples. This process may require complex and difficult geological judgements and calculations to interpret the data.

The Mineral Reserves are determined and reporting in accordance with the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC).

Estimates of Mineral Reserves may change from period to period due to the change in economic assumptions used to estimate Mineral Reserves and due to additional geological data becoming available during the course of operations. Changes in reported proven and probable Reserves may affect the Company's financial results and position in a number of ways, including the following:

- Asset carrying values may be affected due to changes in estimated cash flows;
- Depreciation and amortisation charges to the statement of direct expenses may change as these are calculated on the units-of production method, or where the useful lives of assets change; and
- Decommissioning site restoration and environmental provisions may change where changes in ore Reserves affect expectations about the timing or cost of these activities.

Mine infrastructure

Mining assets, including mine infrastructure costs and mine plant facilities, are recorded at cost less accumulated depreciation and accumulated impairment losses.

These costs which include the purchase price of assets used in the construction of the mine, expenditure incurred to evaluate and develop new ore bodies, to define mineralisation in existing ore bodies and to establish or expand productive capacity, are capitalised until commercial levels of production are achieved, at which times the costs are amortised as set out below.

Land

Land is shown at cost and is not depreciated.

Amortisation and depreciation of mining assets

Amortisation and depreciation is determined to give a fair and systematic charge in the statement of direct expenses taking into account the nature of a particular ore body and the method of mining that ore body. To achieve this, the following calculation methods are used:

- Mining assets, including mine infrastructure costs, mine plant facilities and evaluation costs, are amortised over the life of the mine using the units-of-production method, based on estimated proved and probable Mineral Reserves above infrastructure.
- Proved and probable Mineral Reserves reflect estimated quantities of economically recoverable reserves, which can be recovered in future from known mineral deposits.
- Certain mining plant and equipment included in mine infrastructure is depreciated on a straight-line basis over their estimated useful lives.

The assets' useful lives, depreciation methods and residual values are reassessed at each reporting date and adjusted if appropriate.

Impairment

Recoverability of the carrying values of long-term assets are reviewed whenever events or changes in circumstances indicate that such carrying value may not be recoverable. To determine whether a long-term asset may be impaired, the higher of value in use (defined as: the present value of future cash flows expected to be derived from an asset) or fair value less costs to sell (defined as: the price that would be received to sell an asset in an orderly transaction between market participants at the measured rate, less the costs of disposal) is compared to the carrying value of the asset.

Impairment losses are recognised in profit or loss.

When any infrastructure is closed down or placed on care and maintenance during the period, any carrying value attributable to that infrastructure is impaired. Expenditure incurred on care and maintenance is recognised in profit or loss.

When the review of the events or changes in circumstances of an asset that was previously impaired indicate that such historical carrying value is recoverable, the impairment is reversed. The impairment is only reversed to such an amount that the new carrying amount does not exceed the historical carrying amount. Reversal of impairment losses are recognised in profit or loss.

Derecognition of property, plant and equipment

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment (calculated as the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Exploration and evaluation expenditure

All exploration and evaluation expenditure, prior to obtaining the legal rights to explore a specific area, is recognised in profit or loss. After the legal rights to explore are obtained, exploration and evaluation expenditure, comprising the costs of acquiring prospecting rights and directly attributable exploration expenditure, is capitalised as a separate class of property, plant and equipment or intangible assets, on a project-by-project basis, pending determination of the technical feasibility and commercial viability.

The technical feasibility and commercial viability of extracting a mineral resource is generally considered to be determinable through a feasibility study and when proven reserves are determinable to exist. Upon determination of proven reserves, exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to another appropriate class of property, plant and equipment. Subsequently, all costs directly incurred to prepare an identified mineral asset for production is capitalised to mine development assets. Amortisation of these assets commences once these assets are available for use, which is expected to be when the mine is in commercial production. These assets will be measured as cost less accumulated amortisation and impairment losses.

Figures in million – SA Rand	Total	Mine infrastructure, land and rehabilitation	Exploration and evaluation asset
30 June 2017 (reviewed)			
Cost			
Balance at beginning of the period	841.0	529.1	311.9
Additions	12.2	0.5	11.7
Balance at the end of the period	853.2	529.6	323.6
Accumulated depreciation			
Balance at beginning of the period	525.0	525.0	–
Amortisation and depreciation	4.6	4.6	–
Balance at the end of the period	529.6	529.6	–
Carrying value at the end of the period	323.6	–	323.6
31 December 2016 (audited)			
Cost			
Balance at beginning of the year	766.9	495.7	271.2
Additions	41.7	1.0	40.7
Change in estimate of rehabilitation assets	32.4	32.4	–
Balance at the end of the year	841.0	529.1	311.9
Accumulated depreciation			
Balance at beginning of the year	493.3	493.3	–
Amortisation and depreciation	31.7	31.7	–
Balance at the end of the year	525.0	525.0	–
Carrying value at the end of the year	316.0	4.1	311.9
31 December 2015 (reviewed)			
Cost			
Balance at beginning of the year	794.0	540.4	253.6
Additions	22.2	4.6	17.6
Change in estimate of rehabilitation assets	(49.1)	(49.1)	–
Disposals	(0.2)	(0.2)	–
Balance at the end of the year	766.9	495.7	271.2
Accumulated depreciation			
Balance at beginning of the year	354.1	354.1	–
Amortisation and depreciation	139.4	139.4	–
Disposals	(0.2)	(0.2)	–
Balance at the end of the year	493.3	493.3	–
Carrying value at the end of the year	273.6	2.4	271.2
31 December 2014 (reviewed)			
Cost			
Balance at beginning of the year	656.8	412.5	244.3
Additions	152.3	143.0	9.3
Change in estimate of rehabilitation assets	(10.5)	(10.5)	–
Disposals	(4.6)	(4.6)	–
Balance at the end of the year	794.0	540.4	253.6
Accumulated depreciation			
Balance at beginning of the year	326.6	326.6	–
Amortisation and depreciation	32.0	32.0	–
Disposals	(4.5)	(4.5)	–
Balance at the end of the year	354.1	354.1	–
Carrying value at the end of the year	439.9	186.3	253.6

8. ENVIRONMENTAL REHABILITATION OBLIGATIONS FUND

Accounting policy

The Company's rehabilitation obligation funds consists of equity-linked investments that are fair valued at each reporting date. The fair value is calculated with reference to underlying equity instruments using industry valuation techniques and appropriate models. While management believes that these assumptions are appropriate, the use of different assumptions could have a material impact on the fair value of the investments.

Annual contributions are made to dedicated environmental rehabilitation obligation funds to fund the estimated cost of rehabilitation during and at the end of the life of the relevant mine. The amounts contributed to these funds are included under non-current assets and are measured at fair value through profit or loss. Interest earned on monies paid to rehabilitation funds is accrued on a time proportion basis and is recorded as investment income.

In addition, bank guarantees are provided for funding shortfalls of the environmental rehabilitation obligations.

	Reviewed Six months ended 30 June 2017	Audited Year ended 31 December 2016	Reviewed Year ended 31 December 2015	Reviewed Year ended 31 December 2014
Figures in million – SA Rand				
Balance at beginning of the period	340.9	313.9	285.0	250.7
Contributions	–	4.8	10.1	9.8
Interest income	11.2	20.4	17.5	14.6
Fair value adjustment	1.6	1.8	1.3	9.9
Balance at end of the period	353.7	340.9	313.9	285.0
Environmental rehabilitation obligation funds comprise:				
Restricted cash ¹	23.8	23.8	19.0	14.7
Funds	329.9	317.1	294.9	270.2

¹ The funds are set aside to serve as collateral against the guarantees made to the Department of Minerals and Resources for environmental rehabilitation obligations.

9. ENVIRONMENTAL REHABILITATION OBLIGATION

Significant accounting judgements and estimates

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The WRTRP Assets recognise management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

Accounting policy

Provisions are recognised when the Company has a present obligation, legal or constructive resulting from past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation and is allocated to the WRTRP Assets on this basis.

Long-term environmental obligations are based on the WRTRP Assets' environmental management plans, in compliance with applicable environmental and regulatory requirements.

The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant clean up at closure.

Based on disturbances to date, the net present value of expected rehabilitation cost estimates is recognised and provided for in full in the financial statements. The estimates are reviewed annually and are discounted using a risk-free rate that is adjusted to reflect the current market assessments of the time value of money and the risks specific to the obligation.

Annual changes in the provision consist of finance costs relating to the change in the present value of the provision and inflationary increases in the provision estimate, as well as changes in estimates. Changes in estimates are capitalised or reversed against the relevant asset. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in profit or loss. The present value of environmental disturbances created is capitalised to mining assets against an increase in the environmental rehabilitation obligation.

Rehabilitation projects undertaken, included in the estimates are charged to the provision as incurred. The cost of ongoing current programmes to prevent and control environmental disturbances is charged against income as incurred. The unwinding of the discount due to the passage of time is recognised as finance cost, and the capitalised cost is amortised over the remaining lives of the mines.

Figures in million – SA Rand	Reviewed Six months ended 30 June 2017	Audited Year ended 31 December 2016	Reviewed Year ended 31 December 2015	Reviewed Year ended 31 December 2014
Balance at beginning of the period	282.2	227.6	256.6	247.4
Interest charge ¹	12.1	22.2	20.1	19.7
Change in estimate ²	–	32.4	(49.1)	(10.5)
Balance at end of the period	294.3	282.2	227.6	256.6

¹ The provision is calculated based on the discount rates of 7.8% – 9.7% (31 December 2016: 7.8% – 9.7%, 31 December 2015: 9.2% – 10.2% and 31 December 2014: 7.2% – 8.0%).

² Changes in estimates are defined as changes in reserves and corresponding changes in life of mine, changes in discount rates, and changes in laws and regulations governing environmental matters.

The WRTRP Assets' operations are required by law to undertake rehabilitation works as part of its ongoing operations. The WRTRP Assets make contributions to environmental rehabilitation obligations funds (refer to note 8) and holds guarantees to fund the estimated costs.

10. OTHER PAYABLES

Accounting policy

Provision is made for employee entitlement benefits accumulated as a result of employee rendering services up to the reporting date. Liabilities arising in respect of wages and salaries, annual leave and other benefits due to be settled within twelve months of the reporting date are measured at rates which are expected to be paid when the liability is settled.

All other employee entitlement liabilities are measured at the present value of estimated payments to be made in respect of services rendered up to reporting date.

11. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES, AND RISK MANAGEMENT ACTIVITIES

Accounting policy

Financial instruments recognised in the historical statement of financial position include environmental rehabilitation obligation funds.

Financial assets (including assets designated at fair value through profit or loss) are recognised initially on trade date, which is the date that the WRTRP Assets becomes a party to the contractual provisions of the instrument. The WRTRP Assets derecognises a financial asset when the contractual rights to the cash flows in a transaction in which substantially all the risks and rewards of the ownership of the financial asset are transferred. Any interest in such transferred financial asset that is created or retained by the WRTRP Assets is recognised as a separate asset or liability. The particular recognition and measurement methods adopted are disclosed in the individual policy statements associated with each item.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of the consideration received and cumulative gains recognised in equity is recognised in profit or loss.

Refer to the note 8 for the accounting policy of the following environmental rehabilitation obligation funds (financial assets).

11.1 Accounting classifications and measurement of fair values

The following methods and assumptions were used to estimate the fair value of each class of financial instrument.

- **Environmental rehabilitation obligation funds**

The environmental rehabilitation obligation funds are stated at fair value based on the nature of the funds' investments.

The WRTRP Assets use the following hierarchy for determining and disclosing the fair value of financial instruments:

- **Level 1:** unadjusted quoted prices in active markets for identical asset or liabilities;
- **Level 2:** inputs other than quoted prices in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following tables set out the WRTRP Assets' significant financial instruments measured at fair value by level within the fair value hierarchy:

Figures in million – SA Rand	Fair value through profit or loss	Level 1	Level 2	Level 3	Total
30 June 2017 (reviewed)					
Environmental rehabilitation obligation funds	353.7	270.9	82.8	–	353.7
31 December 2016 (audited)					
Environmental rehabilitation obligation funds	340.9	261.3	79.6	–	340.9
31 December 2015 (reviewed)					
Environmental rehabilitation obligation funds	313.9	273.7	40.2	–	313.9
31 December 2014 (reviewed)					
Environmental rehabilitation obligation funds	285.0	224.9	60.1	–	285.0

11.2 Risk management activities

In the normal course of its operations, the Company is exposed to market risks, including commodity price, foreign currency, interest rate, liquidity and credit risk associated with underlying assets, liabilities and anticipated transactions. In order to manage these risks, the Company has developed a comprehensive risk management process to facilitate control and monitoring of these risks. There are no specific commodity price, foreign currency, interest rate, liquidity and credit risks relating to the WRTRP Assets. The Company did not manage any of these risks at the WRTRP Assets level.

12. RELATED PARTY TRANSACTIONS

As noted in the basis of preparation the WRTRP Assets do not constitute a separate legal entity, therefore, there are numerous transactions between the WRTRP Assets and other assets and divisions of the Company as the WRTRP Assets did not have a bank account. Accordingly, transactions and balances owing to other assets and other divisions of the Company have not been disclosed as these are not considered to be related parties. There are no other related party transactions.

13. EVENTS SUBSEQUENT TO YEAR-END

On 22 November 2017, Sibanye-Stillwater announced that it has entered into various agreements with DRDGOLD in terms of which, Sibanye-Stillwater will exchange selected surface gold processing assets and TSF for approximately 265 million newly issued DRDGOLD shares (the Transaction). The Transaction requires various regulatory approvals, including approval by the South African competition authorities and the Department of Mineral Resources. Fulfilment of the conditions precedent to the Transaction is expected before the end of March 2018.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF WRTRP

*"The Directors
DRDGOLD Limited
1 Sixty Jan Smuts Building
2nd Floor – North Tower
160 Jan Smuts Avenue
Rosebank
2196*

Dear Sirs

Independent Reporting Accountant's Report on the Special Purpose Carve-Out Historical Financial Information of the WRTRP Assets (the "WRTRP Assets") of Sibanye-Stillwater for the six months ended 30 June 2017 and the three years ended 31 December 2016, 31 December 2015 and 31 December 2014

The definitions and interpretations commencing on page 6 of the Circular to which this letter is attached apply, *mutatis mutandis*, to this report.

Introduction

At your request, and for the purposes of the Circular, we have audited the Historical Financial Information of the WRTRP Assets of Sibanye-Stillwater ("**Sibanye-Stillwater**") for the year ended 31 December 2016 and reviewed the Historical Financial Information of the WRTRP Assets of Sibanye-Stillwater for the six months ended 30 June 2017 and the years ended 31 December 2015 and 31 December 2014 presented in the Report of Historical Financial Information presented in annexure 9 to the Circular (collectively "**Special Purpose Carve-out Historical Financial Information**").

The Historical Financial Information includes the historical statement of financial position as at 30 June 2017, 31 December 2016, 31 December 2015 and 31 December 2014, and the historical statement of direct income and expenses for the six months ended 30 June 2017 and the years ended 31 December 2016, 30 December 2015 and 31 December 2014, and notes to the historical statements of direct income and expenses and financial position of the WRTRP Assets of Sibanye-Stillwater, including a summary of significant accounting policies (collectively "**the Special Purpose Carve-Out Historical Financial Information**") as presented in annexure 9 to the Circular which is prepared in accordance with the basis of preparation paragraph included in annexure 9 to the Circular and the Listings Requirements.

The directors of Sibanye-Stillwater are responsible for the preparation of the Special Purpose Carve-Out Historical Financial Information. The directors of DRDGOLD Limited ("**DRD**") ("**Directors**") are responsible for the compilation, contents and preparation of the Circular which includes the Special Purpose Carve-Out Historical Financial Information for the six months ended 30 June 2017 and the three years ended 31 December 2016, 31 December 2015 and 31 December 2014 in accordance with the Listings Requirements.

KPMG Inc. is the independent reporting accountant to Sibanye-Stillwater.

Part A – Special Purpose Carve-Out Historical Financial Information for the six months ended 30 June 2017

Independent Reporting Accountant's Review Report on the Special Purpose Carve-Out Historical Financial information

We have reviewed the Special Purpose Carve-Out Historical Financial Information of the WRTRP Assets of Sibanye-Stillwater, which comprise the historical statement of financial position as at 30 June 2017, the historical statement of direct income and expenses for the six month period ended 30 June 2017 and the notes to the historical statements of direct income and expenses and financial position, including a summary of significant accounting policies as presented in annexure 9 to the Circular (collectively the "**Special Purpose Carve-Out Historical Financial Information**").

Responsibilities of the Directors of Sibanye-Stillwater for the Special Purpose Carve-Out Historical Financial Information

The directors of Sibanye-Stillwater are responsible for the preparation of the Special Purpose Carve-Out Historical Financial Information in accordance with the basis of preparation paragraph included in annexure 9 to the Circular and the Listings Requirements, for determining that the basis of preparation is acceptable in the circumstances and for such internal control as the directors of Sibanye-Stillwater determine is necessary to enable the preparation of the Special Purpose Carve-Out Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Independent Reporting Accountant's Responsibility for the Special Purpose Carve-Out Historical Financial Information

Our responsibility is to express a conclusion on the Special Purpose Carve-Out Historical Financial Information. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the Special Purpose Carve-Out Historical Financial Information is not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of the Special Purpose Carve-Out Historical Financial Information in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluating the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the Special Purpose Carve-Out Historical Financial Information.

Conclusion on the Special Purpose Carve-Out Historical Financial Information

Based on our review, nothing has come to our attention that causes us to believe that the Special Purpose Carve-Out Historical Financial Information of the WRTRP Assets of Sibanye-Stillwater for the six-month period ended 30 June 2017 are not prepared, in all material respects, in accordance with the basis of preparation paragraph included in annexure 9 to the Circular and the Listings Requirements.

Emphasis of Matter – Basis of Preparation

We draw attention to the basis of preparation paragraph to the Special Purpose Carve-Out Historical Financial Information of the WRTRP Assets of Sibanye-Stillwater, which describes the basis of preparation, including the approach to and the purpose for preparing the financial information. Our opinion is not modified in respect of this matter.

Part B – Special Purpose Carve-Out Historical Financial Information for the year ended 31 December 2016

Independent Reporting Accountant's Audit Report on the Special Purpose Carve-out Historical Financial Information

Opinion

We have audited the Special Purpose Carve-Out Historical Financial Information of the WRTRP Assets of Sibanye-Stillwater, which comprise the historical statement of financial position as at 31 December 2016 and the historical statement of direct income and expenses for the year ended 31 December 2016, and notes to the historical statements of direct income and expenses and financial position, including a summary of significant accounting policies, as presented in annexure 9 to the Circular (collectively the “**Special Purpose Carve-Out Historical Financial Information**”).

In our opinion, the Special Purpose Carve-Out Historical Financial Information of the WRTRP Assets of Sibanye-Stillwater for the year ended 31 December 2016, is prepared, in all material respects, in accordance with the basis of preparation paragraph included in annexure 9 to the Circular and the Listings Requirements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the *Independent Reporting Accountant’s Responsibilities for the Special Purpose Carve-out Historical Financial Information* section of our report. We are independent of Sibanye-Stillwater in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Basis of preparation

We draw attention to the basis of preparation paragraph to the Special Purpose Carve-out Historical Financial Information of the WRTRP Assets of Sibanye-Stillwater, which describes the basis of preparation, including the approach to and the purpose for preparing the financial information. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors of Sibanye-Stillwater for the Special Purpose Carve-Out Historical Financial Information

The directors of Sibanye-Stillwater are responsible for the preparation of the Special Purpose Carve-Out Historical Financial Information in accordance with the basis of preparation paragraph included in annexure 9 to the Circular and the Listings Requirements, for determining that the basis of preparation is acceptable in the circumstances and for such internal control as the directors of Sibanye-Stillwater determine is necessary to enable the preparation of the Special Purpose Carve-Out Historical Financial Information that is free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Carve-Out Historical Financial Information the directors of Sibanye-Stillwater are responsible for assessing the ability of the WRTRP Assets’ to continue as a going concern as if the assets had operated as an independent entity, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of Sibanye-Stillwater either intend to liquidate the WRTRP Assets or to cease operations, or have no realistic alternative but to do so.

Independent Reporting Accountant’s Responsibilities for the Audit of the Special Purpose Carve-Out Historical Financial Information for the year ended 31 December 2016

Our objectives are to obtain reasonable assurance about whether the Special Purpose Carve-Out Historical Financial Information as a whole is free from material misstatement, whether due to fraud or error, and to issue an independent reporting accountant’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Special Purpose Carve-Out Historical Financial Information for the year ended 31 December 2016.

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

- Identify and assess the risks of material misstatement of the Special Purpose Carve-Out Historical Financial Information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sibanye-Stillwater’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of Sibanye-Stillwater.

- Conclude on the appropriateness of the directors of Sibanye-Stillwater's use of the going-concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the WRTRP Assets to continue as a going concern as if the assets had operated as an independent entity. If we conclude that a material uncertainty exists, we are required to draw attention in our independent reporting accountant's report to the related disclosures in the Special Purpose Carve-Out Historical Financial Information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent reporting accountant's report. However, future events or conditions may cause the WRTRP Assets to cease to continue as a going concern.

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

Part C – Special Purpose Carve-Out Historical Financial Information for the years ended 31 December 2015 and 2014

Independent Reporting Accountant's Review Report on the Special Purpose Carve-out Historical Financial Information

We have reviewed the Special Purpose Carve-Out Historical Financial Information of the WRTRP Assets of Sibanye-Stillwater, which comprise the historical statement of financial position as at 31 December 2015 and 31 December 2014, the historical statement of direct income and expenses for the years ended 31 December 2015 and 31 December 2014 and notes to the historical statements of direct income and expenses and financial position, including a summary of significant accounting policies as presented in annexure 9 to the Circular (collectively the "**Special Purpose Carve-Out Historical Financial Information**").

Responsibilities of the Directors of Sibanye-Stillwater for the Special Purpose Carve-Out Historical Financial Information

The directors of Sibanye-Stillwater are responsible for the preparation of the Special Purpose Carve-Out Historical Financial Information in accordance with the basis of preparation paragraph included in annexure 9 to the Circular and the Listing Requirements, for determining that the basis of preparation is acceptable in the circumstances and for such internal control as the directors of Sibanye-Stillwater determine is necessary to enable the preparation of the Special Purpose Carve-Out Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Independent Reporting Accountant's Responsibility for the Special Purpose Carve-Out Historical Financial Information

Our responsibility is to express a review conclusion on the Special Purpose Carve-Out Historical Financial Information. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the Special Purpose Carve-Out Historical Financial Information, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of the Special Purpose Carve-Out Historical Financial Information in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluating the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the Special Purpose Carve-Out Historical Financial Information.

Conclusion on the Special Purpose Carve-Out Historical Financial Information

Based on our review, nothing has come to our attention that causes us to believe that the Special Purpose Carve-Out Historical Financial Information of the WRTRP Assets of Sibanye-Stillwater for the years ended 31 December 2015 and 31 December 2014 are not prepared, in all material respects, in accordance with the basis of preparation paragraph included in annexure 9 to the Circular and the Listings Requirements.

Emphasis of matter – basis of Preparation

We draw attention to the basis of preparation paragraph to the Historical Financial Information of the WRTRP Assets of Sibanye-Stillwater, which describes the basis of preparation, including the approach to and the purpose for preparing the financial information. Our opinion is not modified in respect of this matter.

KPMG Inc.

Registered Auditor

*Per: **Henning Opperman***

Chartered Accountant (SA)

Registered Auditor

Director

16 February 2018

KPMG Crescent

85 Empire Road

Johannesburg

2193

(Private Bag 9, Parkview, 2122)“

DRDGOLD MINERAL RESOURCES AND RESERVES REPORT AS AT 30 JUNE 2017

The definitions and interpretations commencing on page 6 of the Circular to which this annexure is attached apply to this annexure.

There has been no material change 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 the Company's integrated annual report for the year ended 30 June 2017 ("**Mineral Reserve and Mineral Resource Statement**").

The information contained below is extracted from the Mineral Reserve and Mineral Resource Statement. Shareholders are advised that Mineral Resource estimates are inherently imprecise in nature and the results tabulated in this report must be read as estimates and not as calculations and Inferred Mineral Resources in particular are qualified as approximations.

All figures in this report are expressed in metric units unless otherwise stated (e.g. all references to tonnage are to the metric unit, all references to ounces are troy and the factor used was 31.10348 metric grams per ounce). All geographic coordinates are UTM WGS84 system or LO 29 Meridian. Elevation Datum is mean sea level.

All monetary figures expressed in this report are in South African Rand (R) unless otherwise stated.

ABOUT DRDGOLD

DRDGOLD is a low-risk South African gold producer recovering gold from the retreatment of surface tailings. DRDGOLD owns a wide range of gold-bearing tailings dumps and dams across the Central Witwatersrand gold field. These are operated as a single entity and DRDGOLD is focused on optimising them to increase gold production.

ERGO was re-established in 2007 as Ergo Mining Proprietary Limited – a joint venture between DRDGOLD and Mintails Limited ("**Mintails**"). The primary aim was to recover and treat – over a period of 12 years – some 186Mt of surface tailings contained in the Elsburg tailings complex and the 5L/29 dump. These tailings were estimated to contain some 1.7Moz of gold. DRDGOLD acquired part of the Mintails' stake in 2008, and the remainder in 2010.

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

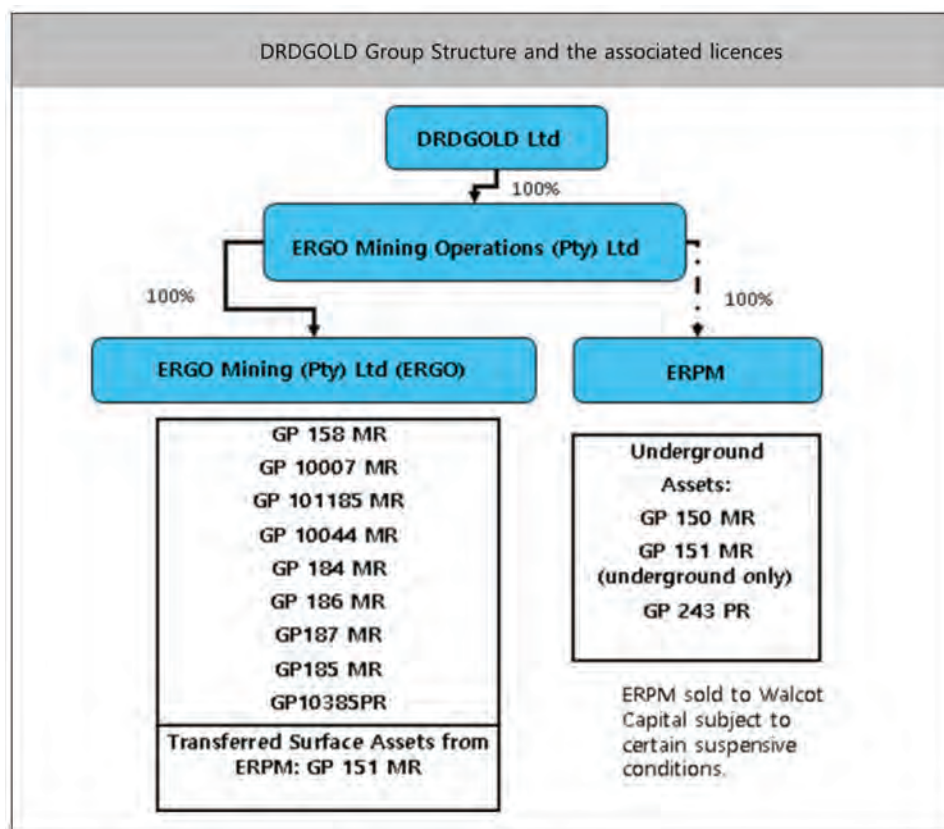
As one of the world's largest surface gold tailings retreatment operations, the majority of the material treated by the ERGO plant – currently around 1.2Mtpm – is delivered via two feeder lines from the Elsburg tailings complex, Van Dyk and Ezekiel reclamation sites. A further 0.6Mtpm is delivered from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

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

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

LEGAL ASPECT AND PERMITTING

Mining Rights and Prospecting Rights held are listed under the Ergo Mining Operations Proprietary Limited (EMO) subsidiary. DRDGOLD has numerous Surface and Prospecting Rights that are summarised in different reports. As at the Last Practicable Date, the sale of ERPM had not been finalised.



Ownership of the surface rights and mine dumps vests in various legal entities. DRDGOLD and its subsidiaries own the rights to some of the properties that have dumps. In other cases, agreements are in place with the landowners to mine the dump material and rehabilitate the land for other uses. The details of these surface rights are not material to this current review and are not documented in this report. The necessary agreements are in place for all properties in the Life-Of-Mine (LOM) plan. There are currently no legal actions / impediments that would prevent operations on any of the current mineral rights.

SUMMARY

DRDGOLD's Mineral Resources remained stable at 50.6Moz in Financial Year ("FY") 2017, in comparison to 50.7Moz in FY2016, after depletion for the year (see reconciliation table below). At the end of FY2017, Mineral Reserves contained 3.0Moz of gold (FY2016: 1.8Moz).

FEASIBILITY STUDIES

DRDGOLD began a drilling programme and pre-feasibility study ("PFS") in September 2016, aimed at re-evaluating its surface gold tailings. The PFS focused on tailings on the East Rand, to the east of the ERGO plant, with the aim of adding these to the Mineral Reserve base. This included the evaluation of 7L15, Grootvlei (6L16, 6L17 and 6L17A), 5A10, 5L27 and 4L3 – some of which require substantial capital investment. Measured Mineral Resources from surface resources increased by 97% from 1.5Moz (161.9Mt at 0.29g/t Au) in FY2016 to 3.0Moz (299.2Mt at 0.31g/t Au) in FY2017.

Mineral Resources that have been upgraded had good historic data but required infill drilling and confirmation of grades and volumes in order to upgrade the Inferred or Indicated Mineral Resources to an Indicated or Measured Mineral Resource. Additions to the Mineral Resources are from dams, which have always been included under the ERGO mineral rights, but which have not been previously included in Mineral Resources due to lack of exploration drilling. Mineral Reserves increased from 1.8Moz (170.9Mt at 0.33g/t Au) to 3.0Moz (299.2Mt at 0.31g/t Au) in FY2017.

MINERAL RESOURCES AND MINERAL RESERVE RECONCILIATION

	Tonnes Mt	Grade Au g/t	Au ounces Moz
Mineral Resources at 30 June 2016	1 733.55	0.91	50.67
Depletion of Mineral Resources	(23.59)	0.33	(0.25)
Survey adjustments	(19.98)	0.30	(0.19)
New Mineral Resources	27.24	0.33	0.29
Mining Residue to Tailing Facilities*	25.01	0.20	0.16
Mineral Resource at 30 June 2017	1 742.24	0.90	50.64

*Total mining including purchased material deposited on the Brakpan/Withok Tailing Storage Facility.

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

	Tonnes Mt	Grade Au g/t	Au ounces Moz
Mineral Reserves at 30 June 2016	170.93	0.33	1.84
Depletion of Mineral Reserves	(23.59)	0.34	(0.19)
Survey adjustments	(19.98)	0.30	(0.26)
New Mineral Reserves	171.85	0.29	1.60
Mineral Reserves at 30 June 2017	299.21	0.31	2.99

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

Changes in the Mineral Reserves reflect both the changes in the Mineral Resources and a longer operating life than previously reported. The survey adjustments mostly includes a reduction in tonnages from the Elsburg Tailings Complex which is due to the re-evaluation of the position of the base of the dam which could not be accurately positioned in the earlier evaluations due to water saturated slimes causing drilling problems and poor quality pre-deposition topographic maps. The current Mineral Reserves reflect an operating life of 12 years rather than 10 years, as reported in FY2016.

GEOLOGICAL SETTING, MINERALISATION AND DEPOSIT TYPE

Ergo's surface deposits are the waste products of the processing of gold and uranium ores of the Witwatersrand Supergroup carried out since the 1890s. The deposits consist of gold, uranium and sulphur-bearing sand dumps and slimes dams, and the composition reflects the major constituents of the Witwatersrand Basin: quartz (70%-80%), mica (10%), chlorite and chloritoid (9%-18%) and pyrite (1%-2%). Au, U³O⁸, Zr and Cr may be minor constituents averaging < 100ppm each. Deposits possess structure determined by the geometry, material source and processing plants in which the original ores were processed.

EVALUATION METHODOLOGY

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

With respect to surface Mineral Resources and Mineral Reserves, drilling takes place on a predetermined grid to ascertain the average grade (grade model), density, moisture, mineral composition, expected extraction factors, and ultimate financial viability before mining begins. As material is removed for retreatment, the Mineral Resources and Mineral Reserves for each operation are adjusted accordingly.

Continuous checks of modifying factors and ongoing surveys are conducted to monitor the rate of depletion and the accuracy of factors used in conversion.

Underground Mineral Resources were last estimated in FY2007 and no mining has taken place since 2008. However, the Mineral Resources are reviewed annually to ensure that the reported grades and tonnages are still current. Mineral Resources were estimated from sampling data from surface boreholes and underground face sampling. Estimation methods were standard statistical and geostatistical processes (ordinary kriging) common in the Witwatersrand at the time of estimation. A block model was then generated and used to overlay the potential mining areas, which are then evaluated for inclusion into a mine plan. Classification was based on sampling density and confidence in the estimation.

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

INDEPENDENT REVIEW

DRDGOLD's statements of Mineral Resources and Mineral Reserves are independently reviewed by Red Bush Geoservices Proprietary Limited ("**Red Bush**") for compliance with the 2016 edition of the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves ("**SAMREC Code**"), the National Instrument ("**NI**") 43-101 and the United States SEC Industry Guide 7.

Red Bush is an exploration, resource and mining consulting firm, which provides services and advice to the mineral industry internationally.

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

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

COMPETENT PERSONS

The information in this report, relating to Mineral Resources and Mineral Reserves, is based on information compiled by the Competent Persons who consent to the inclusion in this report of the matters based on information in the form and context in which it appears. The Competent Persons also confirm that these disclosures are in compliance with the SAMREC Code and paragraph 12.13 of the Listings Requirements.

The designated Competent Person for the surface Mineral Resources in terms of the SAMREC Code, is Mr Mpariseni Mudau (BSc, (Hons), MSc (Eng)) Pr.Sci. Nat. 400305/12. Mr Mudau is a geologist with 11 years' experience in mineral exploration and mineral resource estimation of precious metals. The Competent Person is recognised by South African Council for Natural Scientific Professions (SACNASP) located at Management Enterprise Building, Mark, Shuttleworth Street, Innovation Hub, Pretoria, 0087, Gauteng, South Africa. Mr Mudau is a director of The RVN Group Proprietary Limited and contracted to EMO, a subsidiary of DRDGOLD. Mr Mudau is independent of DRDGOLD, its subsidiaries and related companies.

Mr Gary John Viljoen, an independent contractor to DRDGOLD, is the designated Competent Person, in terms of the SAMREC Code, responsible for compilation and reporting of DRDGOLD's Mineral Reserves and underground Mineral Resources (ERPM). He holds a Mine Surveyor's Certificate of Competency and is a registered member of the South African Council of Geomatics (SACG) as a Professional Mine Surveyor and his membership number is GPr MS 0256. The Competent Person is recognised by SACG located at Unit 4, Heritage Park, Off Lower Germiston Road, Rosherville, 2094, South Africa. Mr Viljoen has 24 years' relevant experience in the mining industry and in working with the type of deposits mined.

Competent persons	Title	Address	Qualifications	Years
Mpariseni Mudau Pr.Sci.Nat. 400305/12	Director of The RVN Group Proprietary Limited	Willowbrook Villas 21, van Hoof Str, Roodepoort, 1724	BSc, MSc (Eng)	11
Gary John Viljoen SAGC GPr MS0256	Independent contractor	Unit 65, Eden Village, 4 Brentwood Park Road, Benoni, 1505	Mine Surveyor's Certificate of Competency	24

DRDGOLD has written confirmation from the Lead Competent Person that the information disclosed in terms of this report is compliant with the SAMREC Code and, where applicable, the relevant paragraph 12 of the Listings Requirements and Table 1 requirements and has confirmed that this report may be published in the form and context in which it is presented.

OTHER KEY ASSUMPTIONS

Mineral Resources

The assumption is that the current mining method is suitable for all dumps. No selective mining will take place – the entire dump is processed (including Inferred Mineral Resources). No selective mining is the result of three conditions inherent in the operations, 1) there is nowhere on the mining sites to dump the below average grade material 2) the mining method is not conducive to selection and 3) the operation is a rehabilitation exercise and all material must be removed from site. It is therefore most efficient to process all material even low-grade. Mineral Resource and Mineral Reserves are determined by the average grade of the dump which must be above or equal to the plant feed cut-off grade. The assumption is that the current extraction process is suitable. Assumptions on cut-off per Mineral Resource area include working costs, the average plant recovery, the expected residue grade per Mineral Resource area, the required yield based on working cost and gold price, and the required head grade minimum based on the required yield and residue grade.

Source area/plant	Recovery %	Opex R/t	Estimated cut-off grade g/t
ERGO	47.4	58.25	0.20

Mineral reserves

In addition to the Mineral Resource assumptions, infrastructure must be in place or planned to access dumps and dispose of residues. The Life of Mine (“**LoM**”) includes Inferred Mineral Resources, which cannot be selected out during mining and some purchased sand. These constitute 2.7% of the tonnage included in the LoM and have been excluded from the Mineral Reserves declared.

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

EXPLORATION

The Group did not incur any significant expenditure on activities for exploration properties during the year. No expenditure on exploration properties is planned for FY2018.

DECLARATION

The gold price used for determination of Mineral Reserves and Mineral Resources under SAMREC is R565 000/kg (US\$1 280/oz and R13.73/US\$). For compliance with SEC, DRDGOLD’s Form 20-F (filed with SEC) also quotes the Mineral Reserves using the three-year average gold price of R514 785/kg (US\$1 216/oz and R13.17/US\$).

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

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

EXPLORATION PROPERTIES

ERPM Extensions 1 and 2

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

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

Management remains committed to the disposal and will continue to pursue its rights under the disposal agreement and the ultimate conclusion of the transaction. At the Last Practical Date, the sale of ERPM has not been concluded.

OUR MAJOR RISKS

Key risk	Mitigating actions	Strategic focus areas
<p>1. Commodity price</p> <p>DRDGOLD's revenue and earnings are dependent on the prevailing gold price. Historically, the gold price has fluctuated widely 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. As most of the Group's operating costs are in rand while gold is generally priced in dollars, its financial condition could be materially harmed in the future by an appreciation in the value of the rand.</p>	<p>Key gold price trends and market indicators are constantly monitored to ensure an effective response to commodity price and exchange rate fluctuations.</p> <p>In recent years, it has not been DRDGOLD's policy to enter into forward contracts to reduce its exposure to fluctuations in the dollar gold price or the exchange rate movements of the Rand.</p> <p>The Group focuses on reducing risk, controlling costs and improving margins.</p> <p>DRDGOLD continues to invest in manufactured capital to help manage recoveries and enhance extraction efficiencies, and remain resilient in the face of a volatile gold price.</p>	<p>Controlling costs and maximising margins, enabling our business to generate cash.</p> <p>Using technologies that enhance operating efficiencies and minimise impact on environment.</p>
<p>2. Cost impact</p> <p>DRDGOLD's operating costs mainly comprise labour, steel, electricity, water, reagents, fuels, lubricants, and other oil and petroleum-based products. Many of these consumables are linked to the price of oil and steel, and fluctuate accordingly.</p> <p>The majority of the South African labour force is unionised and wage increase demands have, in recent years, been above the prevailing rates of inflation.</p> <p>DRDGOLD's mining operations are dependent on electrical power supplied by Eskom, which has, over the years, imposed tariff increases that have had an adverse effect on DRDGOLD's operating costs. The winter tariff imposed by the power utility is particularly onerous. Eskom 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 implemented at the operations.</p> <p>Two new initiatives, including the gland service infrastructure and the centralised water facility, were completed successfully during the year and cost savings, as well as reliance on potable water are expected to reduce further.</p>	<p>Controlling costs and maximising margins, enabling our business to generate cash.</p> <p>Restoring mining footprint, limiting burden on natural resources, and limiting impact of ongoing operations on environment and communities.</p>

Key risk	Mitigating actions	Strategic focus areas
<p>3. Depletion of profitable reserves</p> <p>Since the early 1970s, sand dumps holding higher grades, targeted for reclamation have mostly been depleted.</p> <p>Our Mineral Resources now mostly include slime reclamation sites, which contain lower head grades. A sustained decrease in the head grade delivered to the plant could materially affect the Group's operating and financial results.</p>	<p>Our investment in technology to improve recovery efficiencies may offset the impact of diminishing head grades.</p> <p>Securing additional higher-grade surface resources within our current footprint may also offset the impact of diminishing head grades.</p>	<p>Optimal, sustainable exploitation of large surface gold resource.</p> <p>Using technologies that enhance operating efficiencies and minimise impact on environment.</p>
<p>4. Social licence to operate</p> <p>Our social licence to operate refers to the level of acceptance or approval by local communities and stakeholders (including local government) of the Group's operations and methods of conducting business. A social licence to operate is based on the principle that a company needs not only official government permits and licences to conduct its business but also the support of those living and working in its operational jurisdictions. The company may not always be able to control the circumstances that affect its social licence to operate.</p>	<p>Our ongoing commitment to improving stakeholder engagement with our employees and surrounding communities, and our strategic objective to support our neighbouring communities by improving quality of life, poverty alleviation and youth education mitigates the risk.</p>	<p>Taking care for our people.</p> <p>Supporting neighbouring communities.</p>
<p>5. Mining legislation, regulatory authorities and changes</p> <p>DRDGOLD, like other mining companies in South Africa, is subject to extensive mining regulations.</p> <p>A revised Mining Charter was published by the Department of Mineral Resources in June 2017.</p> <p>The Minister of Mineral Resources has provided a written undertaking that the revised Mining Charter will not be implemented until judgment has been handed down in respect of the Chamber's review application scheduled to be heard on 19 to 21 February 2018 by a full bench of judges in the North Gauteng High Court. The third revision of the Mining Charter, if implemented, will adversely affect the industry and our business.</p>	<p>The Group adheres to the country's laws, and applicable regulations and policies.</p> <p>DRDGOLD monitors changes, and engages with government and regulators to ensure compliance.</p> <p>The Group also maintains close relationships with authorities at regional and national level so that any issues can be addressed speedily.</p> <p>DRDGOLD is a member of the Chamber of Mines, which is currently opposing the revised Mining Charter.</p>	<p>Optimal, sustainable exploitation of large surface gold resource.</p>

Key risk	Mitigating actions	Strategic focus areas
<p>6. Power supply</p> <p>The power outages experienced in 2008 have decreased over the past few years. Future power supply security and relevant cost implications, due to various factors beyond our control, remain a risk and may have major implications for our operational processes, translating into significant production losses.</p>	<p>Generators have been installed to prevent challenges experienced from recurring when some parts of the circuits are without power.</p> <p>We began a long-term project to evaluate the feasibility of alternative power-generation technologies.</p>	<p>Using technologies that enhance operating efficiencies and minimise impact on environment.</p> <p>Restoring mining footprint, limiting burden on natural mineral resources, and limiting impact of ongoing operations on environment and communities.</p>
<p>7. Increased crime</p> <p>Employees are sometimes threatened or attacked as criminals attempt to gain access to Group property and steal assets. In most cases, this involves the theft of copper cable, production pipelines and scrap metal. These activities could adversely affect the Group's operational output and / or endanger the lives of employees.</p>	<p>DRDGOLD maintains close relationships with leaders in the communities surrounding its operations.</p> <p>The Group's security service provider and in-house security managers increase staff complements as required.</p> <p>Surveillance equipment allows for continuous monitoring of properties by security personnel.</p>	<p>Using technologies that enhance operating efficiencies and minimise impact on environment</p>
<p>8. Gold theft</p> <p>The highest risk of theft is at the last stages of production in the gold rooms where extracted gold is visible, and is a target area. Employees are recruited and trained by external parties to steal high grade material or gold.</p>	<p>Steps are taken to monitor high-risk areas and to minimise the opportunity for illegal activities.</p> <p>Sophisticated access control systems have also been introduced to identify material on a person leaving high-risk areas.</p>	<p>Using technologies that enhance operating efficiencies and minimise impact on environment</p>
<p>9. Extreme weather</p> <p>Climate change has an influence on weather patterns, which could result in a severe weather event within Ergo's area of operation, and this could adversely impact on operational output. Major property, infrastructure and / or environmental damage as well as loss of human life could be caused by extreme weather events.</p>	<p>The Group has policies and procedures in place to ensure health and safety compliance.</p> <p>A safe working environment is created for all employees.</p> <p>Tailings deposition facilities are managed to ensure that, in the event of extreme weather, storm damage to infrastructure is limited and any consequence of a major failure is restricted.</p>	<p>Restoring mining footprint, limiting burden on natural resources, and limiting impact of ongoing operations on environment and communities.</p> <p>Taking care for our people.</p>

Key risk	Mitigating actions	Strategic focus areas
10. Retention of skills		
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 Group will attract and retain the necessary personnel.	<p>The phantom share incentive scheme serves as a long-term incentive to retain senior employees.</p> <p>Certain key employees are retained with lock-in contracts.</p> <p>Competitive bonus schemes and salaries are used to attract and retain talent.</p> <p>Individual development programmes are designed to fill senior positions with high-potential employees.</p>	Taking care for our people.

ENVIRONMENTAL MANAGEMENT

Environmental management is a key aspect during the project planning phase of new reclamation sites as prevention is more effective than mitigation. Before we embark on any new mining projects, we compile an external environmental impact assessment and environmental management programme (“EMP”). These reports are discussed and reviewed by our stakeholders in a full public participation process. As a result, we are able to identify, address and minimise the effects of our activities on the environment, and recognise the potential impacts our activities may have on surrounding communities.

Our environmental management systems and policies have been designed in compliance with South Africa’s National Environmental Management Act, 107 of 1998 and related legislation. Internal and external audits are recorded in a database to ensure compliance. Our EMP treats all ERGO sites as one operation and assesses the environmental impacts of mining at reclamation sites, plants and tailings deposition facilities. It also outlines the closure process, including financial provisions.

We are, therefore, able to systematically audit and monitor our activities. Regulation 55 audits, in terms of the requirements of the Mineral and Petroleum Resources Development Act, 28 of 2002, are undertaken by independent consultants and submitted to the DMR as required.

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

DRDGOLD’s environmental spend in FY2017 was R41.9 million (FY2016: R49.6 million). A further R7.1 million (FY2016: R5.8 million) was spent on dust monitoring and suppression.

No fines of monetary value or significant non-monetary sanctions for non-compliance with environmental laws and regulations were imposed on the Group in FY2017.

Environmental management expenditure

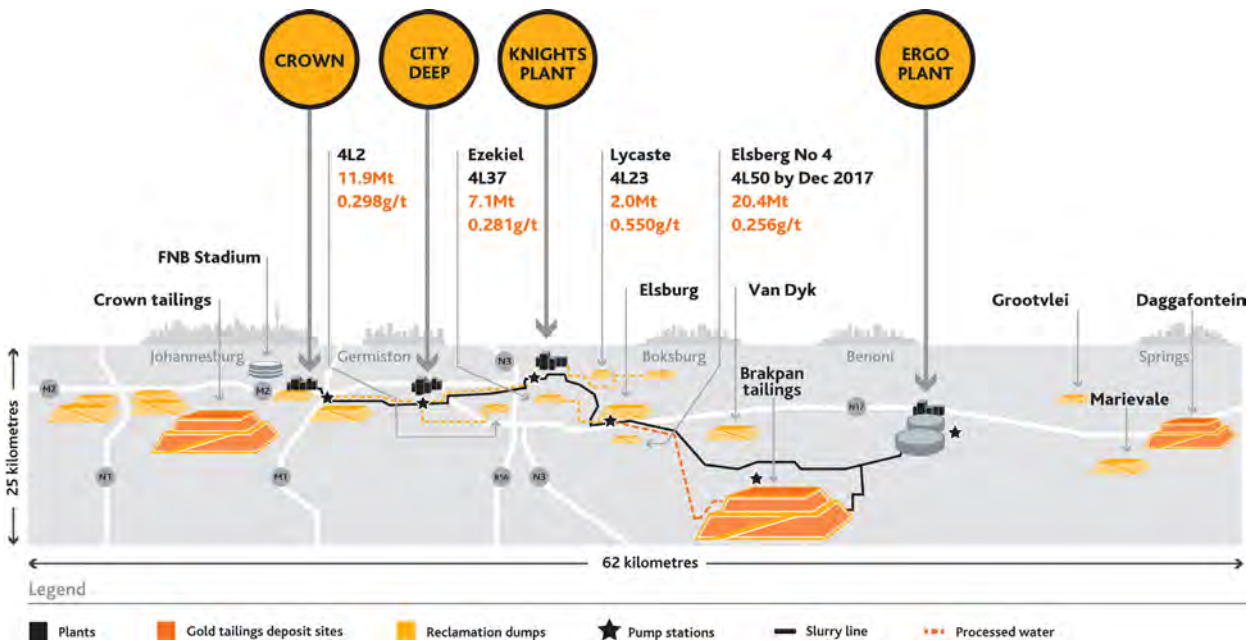
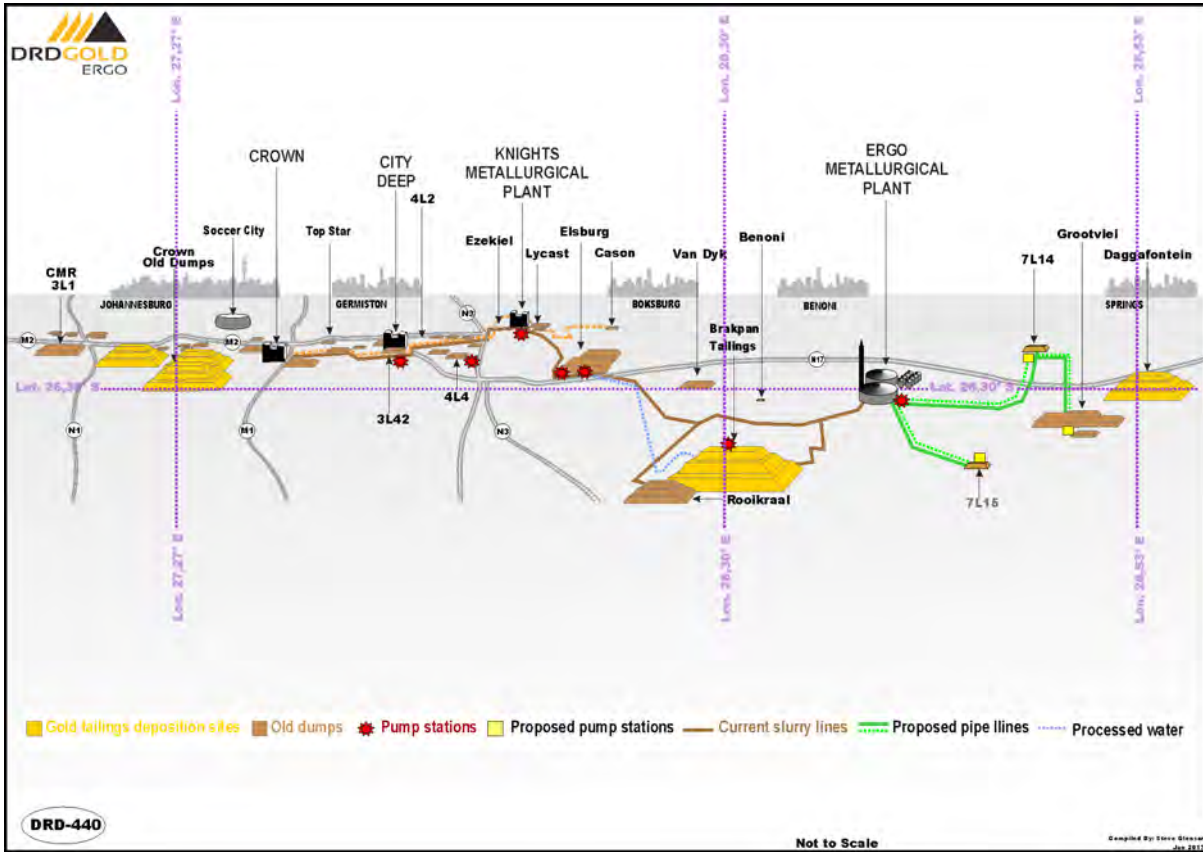
	2017	2016
Tailings complex (vegetation, dust suppression and cladding, among others)		
Crown complex	13.7	23.4
Brakpan/Withok	10.6	5.7
Daggafontein	2.3	2.0
Reclamation sites (vegetation and dust suppression, among others)		
Crown sites	9.3	2.7
Rehabilitation insurance expense	1.7	7.8
Historic spillage clean-ups	2.8	3.2
Ergo sites	0.7	3.0
Demolition of plant and infrastructure	0.8	1.8
Total	41.9	49.6

The balances of the Provision for Environmental Rehabilitation and Investments in rehabilitation obligation funds as per the annual financial statements of DRDGOLD for the year ended 30 June 2017 are set out below:

	2017 R'million	2016 R'million
Provision for environmental rehabilitation	(531.8)	(522.9)
Investments in rehabilitation obligation funds	227.7	202.1

The decommissioning and restoration liabilities are funded by a combination of funds that have been set aside in an environmental rehabilitation trust fund as well as environmental guarantees issued by Guardrisk Insurance Company Limited to the DMR amounting to R427.3 million (FY2016: R427.2 million).

LOCALITY MAPS







MINERAL RESOURCES as at 30 June 2017

	MEASURED				INDICATED			
	Tonnes Mt	Grade Au g/t	Contents Au tonnes	Contents Au Moz	Tonnes Mt	Grade Au g/t	Contents Au tonnes	Contents Au Moz
ERPm* (100%)								
Underground	4.65	7.168	33.34	1.07	11.95	8.024	95.86	3.08
Total	4.65	7.168	33.34	1.07	11.95	8.024	95.86	3.08
Ergo (100%)								
Surface	299.21	0.311	93.03	2.99	386.00	0.249	96.30	3.10
Total	299.21	0.311	93.03	2.99	386.00	0.249	96.30	3.10
EMO and DRDGOLD (100%)								
Underground	4.65	7.168	33.34	1.07	11.95	8.024	95.86	3.08
Surface	299.21	0.311	93.03	2.99	386.00	0.249	96.31	3.10
Total	303.87	0.418	126.38	4.06	397.95	0.483	192.17	6.18
Total Mineral Resources as at 30 June 2016	166.55	0.484	80.59	2.59	559.78	0.440	246.13	7.91
<i>*Disposed of – subject to regulatory approval The figures contained in the table are rounded, which may result in minor computational discrepancies which are not deemed to be significant. DRDGOLD has mineral rights to more than 100 properties across the greater Johannesburg and Ekurhuleni metropolitan areas and it is not feasible to give a detailed breakdown of all properties.</i>								
	MEASURED				INDICATED			
	Tonnes Mt	Grade Au g/t	Contents Au tonnes	Contents Au Moz	Tonnes Mt	Grade Au g/t	Contents Au tonnes	Contents Au Moz
ERPm* (100%)								
Underground	160.62	6.725	1 080.17	34.73	177.22	6.824	1 209.38	38.88
Total	160.62	6.725	1 080.17	34.73	177.22	6.824	1 209.38	38.88
Ergo (100%)								
Surface	879.80	0.200	176.26	5.67	1 565.02	0.234	365.60	11.75
Total	879.80	0.200	176.26	5.67	1 565.02	0.234	365.60	11.75
EMO and DRDGOLD (100%)								
Underground	160.62	6.725	1 080.17	34.73	177.22	6.824	1 209.38	38.88
Surface	879.80	0.200	176.26	5.67	1 565.02	0.234	365.60	11.75
Total	1040.42	1.208	1256.43	40.40	1 742.24	0.904	1 574.98	50.64
Total Mineral Resources as at 30 June 2016	1 007.22	1.240	1 249.25	40.17	1 733.55	0.909	1 575.98	50.67
<i>*Disposed of – subject to regulatory approval The figures contained in the table are rounded, which may result in minor computational discrepancies which are not deemed to be significant.</i>								

MINERAL RESERVES as at 30 June 2017

	PROVED			PROBABLE			TOTAL MINERAL RESERVES		
	Delivered to plant			Delivered to plant			Delivered to plant		
	Tonnes Mt	Grade Au g/t	Contents Au Moz	Tonnes Mt	Grade Au g/t	Contents Au Moz	Tonnes Mt	Grade Au g/t	Contents Au Moz
Ergo and DRDGOLD (100%)									
Surface	90.44	0.303	27.41	208.78	0.314	65.62	299.21	0.311	93.03
Total	90.44	0.303	27.41	208.78	0.314	65.62	299.21	0.311	93.03
Mineral Reserves									
as at 30 June 2016	127.72	0.307	39.25	43.21	0.416	17.99	170.93	0.335	57.23
									1.84
									2.99

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

THREE-YEAR REVIEW

		2017	2016	2015
Summarised Group operating results				
Ore milled	t'000	24 958	24 842	23 750
Yield	g/t	0.171	0.180	0.197
Gold produced	kg	4 265	4 462	4 670
	oz	137 114	143 457	150 145
Gold sold	kg	4 268	4 455	4 665
	oz	137 211	143 232	149 984
Average price received	R/kg	548 268	546 142	451 297
	\$/oz	1 254	1 165	1 226
Cash operating costs	R/kg	489 549	446 153	372 932
	\$/oz	1 122	958	1 013
Sustaining capital expenditure	Rm	72.9	80.5	113.3
All-in sustaining costs	R/kg	530 930	499 425	411 548
	\$/oz	1 216	1 072	1 118

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

CP Certificate

I, Mpfariseni Mudau, do hereby certify that:

1. I am a Managing Director/Resource Geology Manager employed by the RVN Group Proprietary Limited in Johannesburg since April 2016
2. I graduated with a Bachelor of Science with Honours (Geology) degree from the University of Venda, Thohoyandou, South Africa in 2006 and Master of Science Degree in Engineering (Mining-Mineral Resource Evaluation) from the University of the Witwatersrand, Johannesburg, South Africa in 2014.
3. I am a Professional Natural Scientist registered with the South African Council for Natural Scientific Professions (Pr.Sci.Nat.). – Registration Number 400305/12 – and have practiced my profession continuously since 2006.
4. I have been employed as a geologist in different positions with Anglo American, Caracle Creek International Consulting, Nkwe Platinum, Coffey and the RVN Group. I have 11 years of experience in exploration and mining including evaluation and mineral resource estimation of mineral deposits in South Africa, Zimbabwe, Namibia, Nigeria, DRC, Zambia, Mali and Ivory Coast.
5. I am responsible for the DRDGOLD's surface Mineral Resource Estimation and Reporting
6. I did visit the project areas on number of occasion during the 2017 drilling campaigns.
7. I am independent of DRDGOLD Limited and its affiliate companies.
8. I have read the definition of "Competent Person" set out in SAMREC Code and certify that by reason of my education, affiliation with a professional association (as defined in SAMREC) and past relevant work experience, I fulfil the requirements to be a "Competent Person" for the purposes of SAMREC Codes.
9. As of the effective date of the Report, to the best of my knowledge, information and belief, the parts of the report I am responsible for contain all scientific and information disclosed in terms of this report is compliant with the SAMREC Code and, where applicable, the relevant paragraph 12 of the Listings Requirements and Table 1 requirements and confirm that the report may be published in the form and context in which it is presented.

Dated at Roodepoort, South Africa, 31 December 2017.

Mpfariseni Mudau, Resource Geology Manager

BSc (Hons)(Geology), MSc Eng. (Mining), Pr.Sci.Nat.

CP Certificate

I, Gary John Viljoen, do hereby certify that:

1. I am an independent Survey Contractor and was employed as a Mine Surveyor with Harmony and ERPM Gold Mines. I have 22 years of experience in mining evaluation and estimates of mineral deposits.
2. I am a Professional Mine Surveyor registered with the South African Geometrics', . Registration Number GPr MS 0256 – and have practised my profession continuously since 1995.
3. I did visit the project areas on a number of occasions.
4. I am independent of DRDGOLD Limited and its affiliated companies.
5. I am responsible for the DRDGOLD's Mineral Reserves and underground Mineral Resource.
6. I have read the definition of "Competent Person" set out in SAMREC Code and certify that by reason of my education, affiliation with a professional association (as defined in SAMREC) and past relevant work experience, I fulfil the requirements to be a "Competent Person" for the purposes of SAMREC Codes.
7. As of the effective date of the Report, to the best of my knowledge, all information, that I am responsible for is correct and accurate and the information disclosed in terms of this report is compliant with the SAMREC Code and, where applicable, the relevant paragraph 12 of the Listings Requirements and Table 1 requirements and confirm that the report may be published in the form and context in which it is presented.

Dated at Benoni, South Africa, 31 January 2018

Gary John Viljoen – GPr MS 0256

Independent Survey Contractor



DRDGOLD Limited
1 Sixty Jan Smuts Building
2nd Floor - North Tower
160 Jan Smuts Avenue
Rosebank
2196

Attn Mr Riaan Davel

RE: ANNEXURE 11: DRDGOLD MINERAL RESOURCES AND RESERVES REPORT
ON DRDGOLDAS AT 30 JUNE 2017

Statement of the Independent Reviewer

1. I have acted as an independent reviewer for the *DRDGold Mineral Resource and Mineral Reserve Report as at 30 June 2017* and provided adhoc services in the same capacity for interim reporting including the media statement *Annexure 11: DRDGOLD Mineral Resources and Reserves Report on DRDGOLD as At 30 June 2017*.
2. I have visited the operations sites including the reclamation sites and processing plant on numerous occasions over the last 10 years.
3. I am independent of DRDGOLD Limited and its affiliate companies.
4. I have read the definition of "Competent Person" set out in SAMREC Code and certify that by reason of my education, affiliation with a professional association (as defined in SAMREC) and past relevant work experience, I fulfil the requirements to be a "Competent Person" for the purposes of SAMREC Codes, however I am acting only as an independent reviewer in the instance.
5. As of the effective date of the Document DRDGold Mineral Resource and Mineral Reserve Report as at 30 June 2017 and Annexure 11, to the best of my knowledge, information and belief, the parts of the report that I have reviewed

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Director: KATHLEEN BODY



contain all scientific and technical information that is required to be disclosed to make the Report not misleading. The final document submitted to me appears to be free of any material errors.

My Qualifications are as follows:

1. I am a Director/Principal Consultant employed by the Red Bush Geoservices (Pty) Ltd in Johannesburg since April 2016
2. I graduated with a BS Arts and Sciences (Geology) degree from the University of Massachusetts, Amherst Massachusetts USA in 1986 and Graduate Diploma in Engineering (Mining) from the University of the Witwatersrand, Johannesburg, South Africa in 2010.
3. I am a Professional Natural Scientist registered with the South African Council for Natural Scientific Professions (Pr.Sci.Nat.). - Registration Number 400071/07 - and have practiced my profession for 23 years since 1988.
4. I have been employed as a geologist in different positions with Gold Fields of South Africa, RSGGlobal/Coffey Mining and Red Bush Geoservices. I have 23 years of experience in exploration and mining including evaluation and mineral resource estimation of precious, base metals, industrial mineral and bulk commodities deposits in South Africa, Southern, Central and West Africa.

Dated at Fairland, Randburg, South Africa this 7st day of February 2018.

A handwritten signature in black ink, appearing to read "K. Body", written in a cursive style.

Kathleen Body

Director and Principal Consultant, Red Bush Geoservices (Pty) Ltd
BS Arts and Sciences (Geology), GDE(Mining), Pr.Sci.Nat.

EXECUTIVE SUMMARY OF COMPETENT PERSONS REPORT ON THE WRTRP ASSETS

*The definitions and interpretations commencing on page 6 of the Circular to which this annexure is attached **do not** apply to this annexure.*

“The Directors
DRDGOLD Limited
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COMPETENT PERSONS’ REPORT ON THE WEST RAND TAILINGS RETREATMENT PROJECT FOR DRDGOLD LIMITED

Executive Summary – introduction

Sound Mining Solution Proprietary Limited (Sound Mining) has been requested by DRDGOLD Limited (DRDGOLD) to prepare a Competent Persons’ Report (CPR) on the West Rand Tailings Retreatment Project (the WRTRP or the Project) located in the Gauteng Province of South Africa. DRDGOLD is a mid-tier gold production company focused exclusively on the retreatment and reclamation of historical surface gold tailings storage facilities (H-TSFs). DRDGOLD has its headquarters in Johannesburg, South Africa and has a primary listing on the Johannesburg Stock Exchange Limited (JSE) under the ticker JSE:DRD with its secondary listing on the New York Stock Exchange (NYSE). DRDGOLD publicly announced on the 22 November 2017 that it is in the process of a JSE Category 1 transaction with Sibanye Gold Limited (trading as Sibanye-Stillwater) (as per paragraph 9.5(b) of the JSE Listings Requirements) for which the CPR is required in fulfilment of the following disclosure requirements:

- the ‘JSE Listings Requirements for Mineral Companies’ – Section 12’s disclosure requirements in support of this transaction;
- the CPR is to be ‘South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves’ (the SAMREC Code 2016) compliant with special reference to Table 1;
- the JSE will require reporting of the environmental section in compliance with the ‘the South African Guideline for the reporting of Environmental, Social and Governance Parameters within the Mining and Oil and Gas Industries’ (the SAMESG Guideline); and
- the JSE will require a ‘South African Code for the Reporting of Mineral Asset Valuation’ (SAMVAL Code 2016) compliant mineral asset valuation. Sound Mining will undertake the valuation and incorporate it into the CPR.

DRDGOLD is a leader in the recovery of gold from the retreatment of surface tailings and has an extensive network of mineral and processing assets which are consolidated businesses operating as a single entity namely Ergo Mining Proprietary Limited (Ergo). The Ergo gold tailings retreatment operation on the Central and East Rand currently treat 2.1 million tonnes per month (Mtpm) from various assets. The CPR will not provide techno-economic information on any of the Ergo assets but will focus exclusively on the assets to be acquired as part of the transaction with Sibanye-Stillwater, as described below.

The feasibility of a project combining the reclamation of the numerous historical tailings storage facilities (H-TSFs) on the West Rand Basin of the Witwatersrand Basin has been investigated for over 15 years with numerous parties involved and considering differing combinations of assets. Sibanye-Stillwater has made the strategic decision to partner with DRDGOLD which has the necessary experience in the economic reclamation of gold bearing TSFs with proven, optimised processing methodologies and project management expertise for the execution and implementation of surface processing infrastructure development. Sibanye-Stillwater has therefore agreed to vend selected processing plants, H-TSFs and an active TSF (A-TSF), as summarised below, for a 38.05% shareholding in DRDGOLD with an option to increase the shareholding to 50.1% at a later stage.

WRTRP – assets included in the transaction with Sibanye-Stillwater

Asset type	Asset	Location	Comment
Historical tailings storage facilities (H-TSFs)	Driefontein 3 Driefontein 5	Driefontein mining right area	Moveable surface H-TSFs
	Venterspost North Venterspost South Kloof 1 Libanon	Kloof mining right area	
Currently active A-TSFs	Driefontein 4	North east of Driefontein mining right area on a Sibanye-Stillwater holding	Moveable working surface TSF
Future active tailings storage facilities (A-TSFs)	Driefontein 1, Driefontein 2, Kloof 2 and Leeudoorn	Both mining areas	To be transferred for no additional consideration once they are decommissioned
Operating surface gold processing plants	Driefontein 2 plant (DP2 plant)	Located on Farm Blyvooruitzicht 116IQ Portion (Ptn) 6 and Farm Driefontein 113IQ Remainder (Re) of Ptn 1	Processes surface rock dump material and comprises two semi-autogenous grinding mills (SAG) and a ball mill, cyanide leaching, and a new (2014) carbon-in-leach circuit to improve recoveries.
	Driefontein 3 plant (DP3 plant)	Located on Farm Blyvooruitzicht IQ116 Ptn 6	Designed to process low-grade surface material with four SAG mills followed by cyanide leaching and a CIP plant
	WRTRP pilot plant	Located at Driefontein 1 processing plant	Moveable pilot plant designed by LogiProc to test processes, methodologies and assumptions made in historical Definitive Feasibility Studies (DFSs)
Transferring land required for future development of the WRTRP	Land required for the development of the central processing plant	Located after subdivision of Farm Rietfontein 347IQ Ptns 35 and 73	
	Land required for the regional tailings storage facility and return water dam	Farm Cardoville 647IQ; RE Ptn 6 farm Cardoville 364 IQ; Ptn 8 of Ptn 6 of farm Cardoville 364IQ; Ptn 13 of Ptn1 of farm Cardoville IQ; Ptn 50 farm Kalbasfontein 365IQ; RE Ptn 3 farm Cardoville 364; RE Ptn 5 of Ptn 3 farm Cardoville 364IQ; Ptn 11 farm Cardoville 364IQ	

Asset type	Asset	Location	Comment
Licences to operate	All the licences, permits, permissions, management plans and reports which were necessary for Sibanye-Stillwater to operate the WRTRP assets		
Access rights	Access to the Driefontein 10 shaft and Kloof 10 shaft area for the purposes of pumping water for the hydro-mining	Located within the Driefontein and Kloof mining right areas	Supply and pumping of water, at the cost to WRTRP, at the required quantities licenced for the WRTRP assets
	Installation, supply, distribution and maintenance of power supply		Rights, servitudes and agreements for installation, supply and distribution and maintenance of power supply; existing and proposed pipeline routes; servitudes; wayleaves and surface right permits
	Driefontein 1 gold plant	Located at Driefontein 1 processing plant	Access for the purpose of accessing the pilot plant

Purpose of the Competent Person's Report

SVT1.2; SVT1.3; JSE 12.9(a)(d); JSE 12.9(a); JSE 12.9(h)(i)

DRDGOLD is listed on the JSE and the proposed acquisition from Sibanye-Stillwater would constitute a Category 1 transaction for which a CPR is required in terms of Chapter 12 of the JSE Listings Requirements. The CPR has been compiled in order to incorporate all the available and material information that shareholders, potential future finance providers and their advisors would reasonably require in order to make balanced and reasoned judgements regarding the techno-economic merits of the assets. Sound Mining's primary obligation in preparing mineral asset reports for the public domain is to describe mineral projects in compliance with the reporting codes applicable under the jurisdiction in which the company operates.

In this case, the CPR has been prepared in compliance with and to the extent required by the SAMREC Code 2016, published under the joint auspices of the Southern African Institute of Mining and Metallurgy (SAIMM) and the Geological Society of South Africa (GSSA) as well as the new Chapter 12 of the JSE Listings Requirements. The CPR describes the Project in terms of its historical and recent exploration data, which would have a bearing on the techno-economic value of the assets.

The disclosure in terms of the environmental and social aspects of the Project has been made according to the SAMESG Guideline published by the South African Environmental, Social and Governance Committee.

The mineral asset valuation included in the CPR has been prepared in compliance with, and to the extent required by, the SAMREC Code 2016, published under the joint auspices of the SAIMM and the GSSA.

Sound Mining consents to the publication of this CPR in the circular and to the referencing of any part of this CPR, provided that no portion is used out of context or in such a manner as to convey a meaning which differs from that set out in the whole report.

The effective date of this CPR is 31 December 2017.

Project outline

JSE 12.9(h)(ii)(iii); SR1.1(i); SV T1.2

The WRTRP does not form part of DRDGOLD's current asset portfolio but on fulfilment of the transaction with Sibanye-Stillwater, will comprise the H-TSFs, processing plants and A-TSF as described in the table above and includes the land for the development of a regional tailings storage facility (R-TSF) and a central processing plant (CPP). The WRTRP is an advanced gold reclamation project for which the components of the Project are at a Preliminary Feasibility Study (PFS) level of accuracy whilst some of the costs are at a Definitive Feasibility Study (DFS) level of accuracy.

The Project is located in the West Rand Goldfield of the Gauteng province 30 kilometres (km) from Johannesburg and is accessed via a network of national tarred roads including the local R28 highway between Randfontein and Westonaria or the N12 national road between Johannesburg and Potchefstroom (Executive Summary Figure 1). The Project includes H-TSFs within an area extending from Carletonville to Krugersdorp, and encompasses the Sibanye-Stillwater – Driefontein and Kloof operations area and mining rights as shown in the diagram overleaf (Executive Summary Figure 2). The H-TSFs in total cover an area of 412.3ha with a combined Mineral Reserve estimate tonnage of 246Mt at an average grade of 0.344g/t Au for a total gold content of 2.72Moz Au.

DRDGOLD intends developing the selected assets into a large scale (1.2Mtpm), long life (20 years) project to reclaim gold through a phased approach as follows:

- Phase 1 will include upgrading the existing Driefontein 2 (DP2) and Driefontein 3 (DP3) processing plants with carbon-in-leach (CIL) circuits to process 500ktpm of tailings hydro-mined from the high grade Driefontein 5H-TSF with re-deposition onto the currently active Driefontein 4A-TSF over a period of five years (Executive Summary Figure 3). Hydro-mining of Driefontein 5H-TSF only is undertaken in Phase 1 which is estimated to be commissioned within a year after implementation of the proposed transaction. Phase 1 is expected to be cash generative with modest upfront capital investment required with the cash flows prioritised for the development of subsequent phases;
- concurrently with Phase 1, a DFS will be conducted on the viability of Phase 2, the bulk of which has already been completed, to determine whether or not to proceed onto Phase 2 or an "alternative option";
- given a favourable outcome of the DFS, Phase 2 will proceed in two stages over a 24-month period and will develop a central, high volume processing plant (CPP) with a throughput of 1.2Mtpm redepositing onto a regional tailings storage facility (R-TSF) and will include the reclamation, firstly of the Driefontein 3H-TSF, Kloof 1H-TSF and Libanon H-TSF (Phase 2A) followed by the Venterspost North H-TSF and Venterspost South H-TSF (Phase 2B) (Executive Summary Figure 4 and 5). The total Project LoM is 20 years with some simultaneous production between various phases.
- The R-TSF will be constructed in Phase 2 and has been designed to accommodate a deposition rate of 1.4Mtpm over a LoM of 17 years. The R-TSF has been designed in two stages as a lower and upper compartment and will accommodate considerably more tailings than that required for the WRTRP. The potential total design deposition rate is 4Mtpm but for the WRTRP only the lower compartment will be required and only the capital costs for this lower compartment have been applied to the WRTRP;
- an "alternative option" should Phase 2 not proceed, is the continued use of DP2 and DP3 plants extended during Phase 1 to accommodate 500ktpm from Driefontein 3H-TSF and to extend the Driefontein 4A-TSF to contain the tailings (Executive Summary diagram 6). This option would provide a total 13-year LoM and would extend Phase 1 by eight years; and
- in addition, a set of currently active TSFs (A-TSFs) will be included in the project once they are decommissioned. No compliant Mineral Resource estimate for these A-TSFs can be determined at this stage and as the date of their eventual decommissioning is unknown and is even unguaranteed, techno-economic disclosure on these assets would be speculative at best and therefore will not form part of this CPR or the Project valuation;

Historical ownership and exploration activities

SR1.5(i)-(v); SV T1.6

Gold and uranium mining operations commenced in the late 1800s in the Witwatersrand Basin goldfields of South Africa, and have resulted in the accumulation of substantial amounts (approximately 1.3 billion tonnes of surface tailings and other mine residues). The possible re-treatment of H-TSFs in the West Rand area has a long and complex history with Gold Fields Limited (Gold Fields), Rand Uranium Limited (Rand Uranium), Harmony

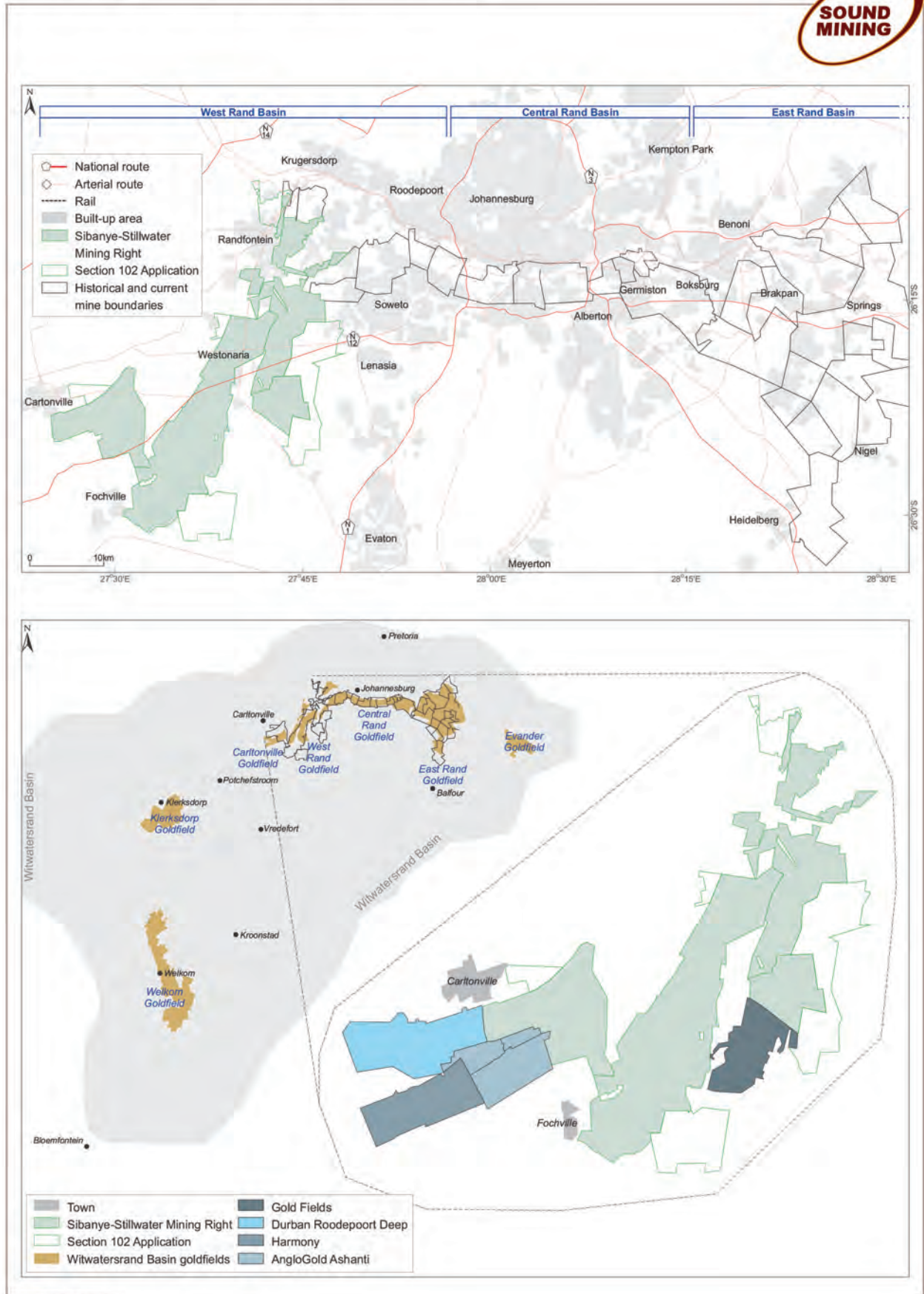
Gold Mining Company Limited (Harmony), Gold One International Limited (Gold One) and Sibanye-Stillwater completing a number of parallel, independent studies relating to the treatment of these H-TSFs. There is an approximate 15-year history of metallurgical test work and process design which has been undertaken for a variety of combinations of assets and products recovered. Whilst a substantial amount of the historical studies applied to specific combinations of assets and are not all relevant to the WRTRP in its current form, there is much historical information that has been referenced for the purposes of assessing the technical merits of the Project.

Prior to 2009 Gold Fields embarked on a project known as the West Wits Project (WWP) aimed at retreating several H-TSFs on its four mining complexes: Kloof, Driefontein, Venterspost and South Deep to recover residual gold, uranium and sulphur and storing the tailings on a new Central Tailings Storage Facility (CTSF). Similarly, Rand Uranium had embarked on the Cooke Uranium Project (CUP), which endeavoured to treat the Cooke H-TSF for gold, uranium and sulphur and ultimately deposit the tailings onto the Geluksdal TSF, located very close to the CTSF. The two independent projects had similar operational and environmental mandates, within a 25km radius of each other. In 2009, Gold Fields and Rand Uranium evaluated the potential synergy of an integrated retreatment plan for H-TSFs located within the South Deep, Cooke, Kloof, Driefontein and Venterspost mining complexes (Figure 1). Both the Rand Uranium– Cooke CUP and the Gold Fields – WWP feasibility projects were nearing completion. However, a significant amount of re-engineering and confirmatory testwork would have been required to achieve a combined DFS and the combined project was stalled because of economic circumstances at the time.

In 2012, Gold One acquired Rand Uranium and in the same year acquired the Ezulwini Mining Company Proprietary Limited (Ezulwini) in an agreement with First Uranium Corporation. During the same year, Gold One, revived the tailings retreatment project and Gold Fields entered into a joint venture partnership with Gold One to investigate the economic viability of concurrently reprocessing current arisings and historical tailings from a number of sites situated in the greater Carletonville/Westonaria/Randfontein area. A Scoping study was concluded in late 2012.

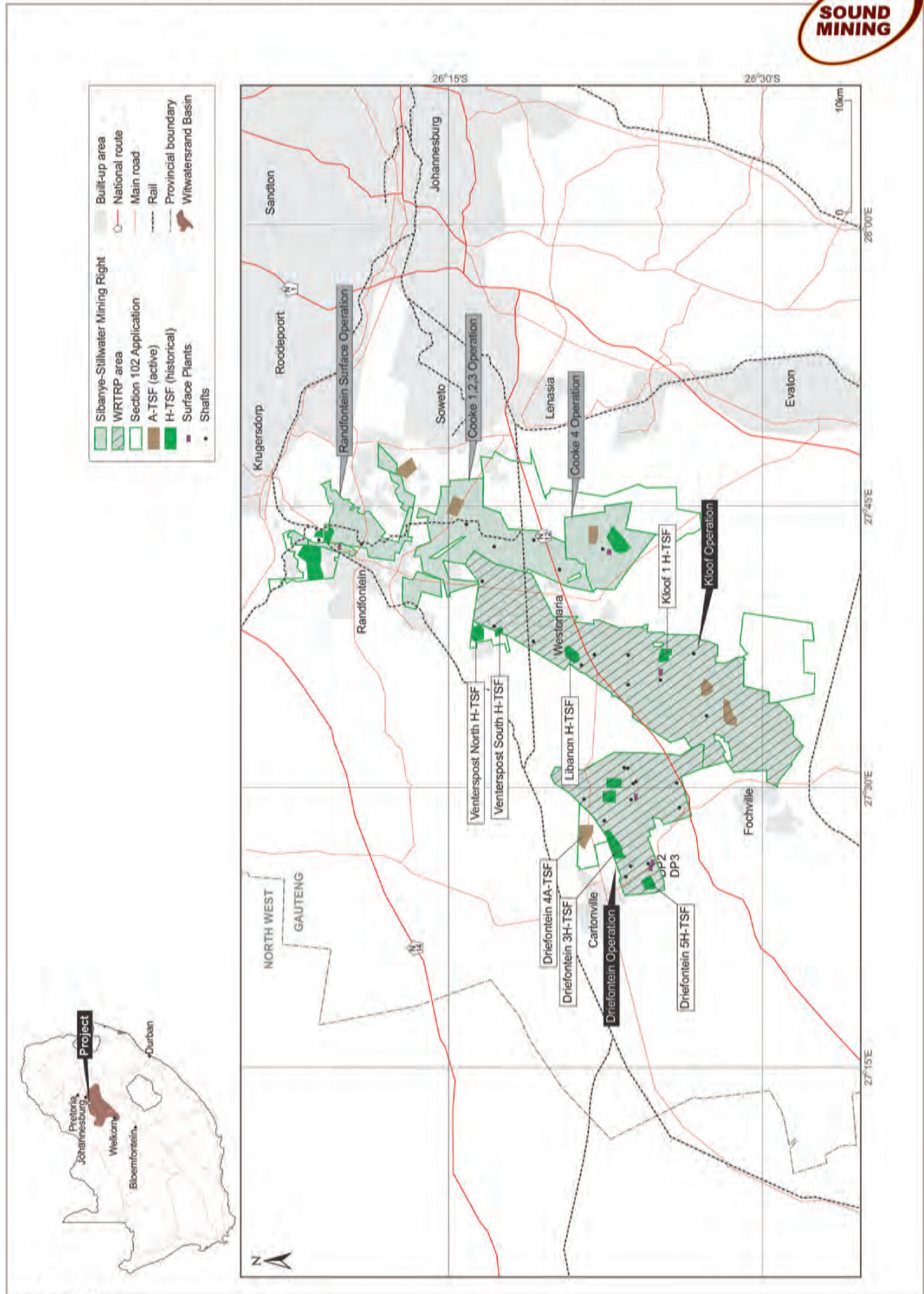
In early 2013, Gold Fields unbundled its Kloof and Driefontein Complex and Beatrix gold mines in the Free State to create a separate entity in Sibanye Gold Limited and listed Sibanye Gold Limited as a fully independent company on both the JSE and the NYSE stock exchanges in early 2013. Subsequently, in October 2013, Sibanye Gold Limited purchased the interest held by Gold One in Rand Uranium and Ezulwini.

Executive Summary Figure 1: Regional location and mineral assets of Sibanye

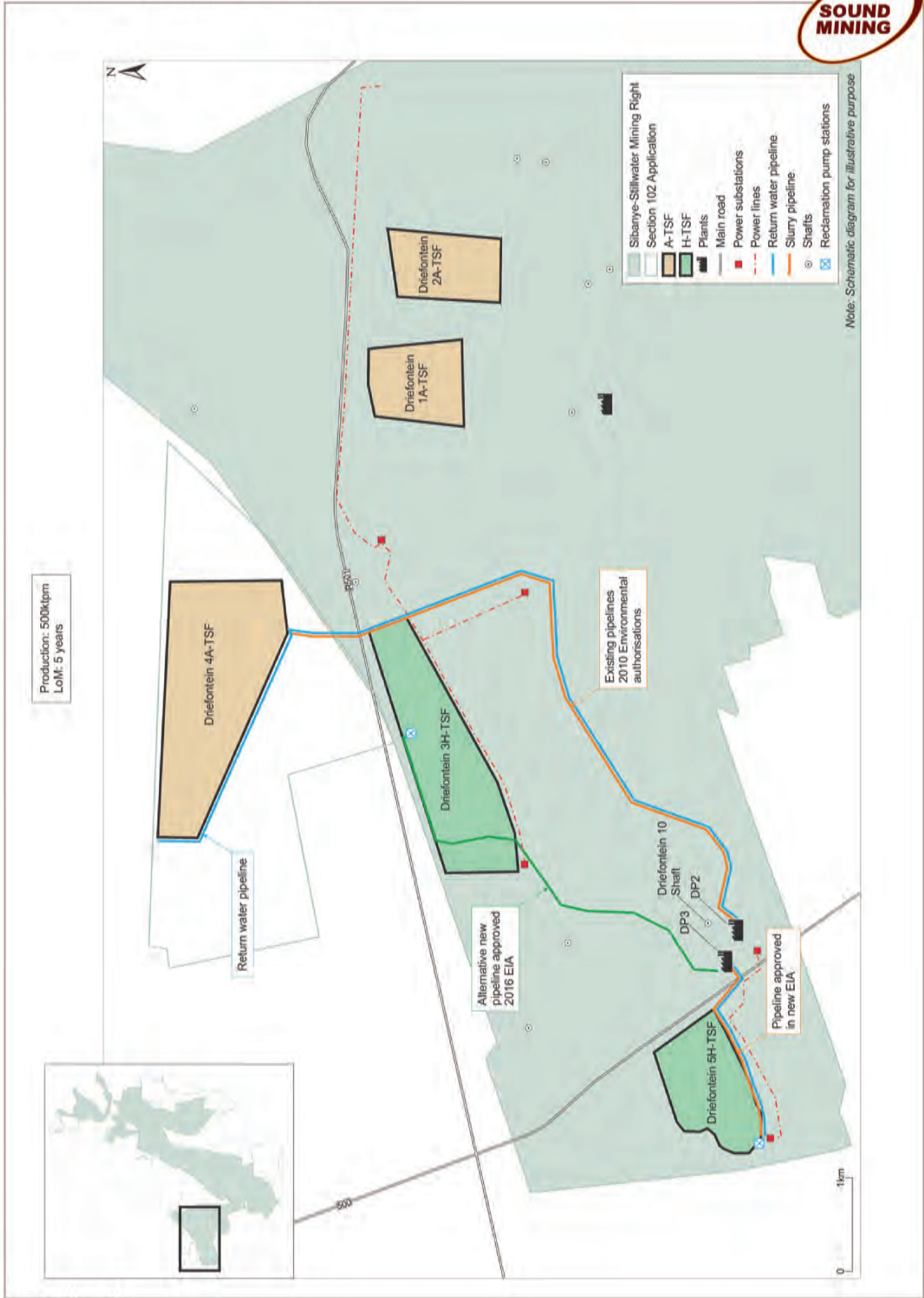


Source: Sound Mining 2017

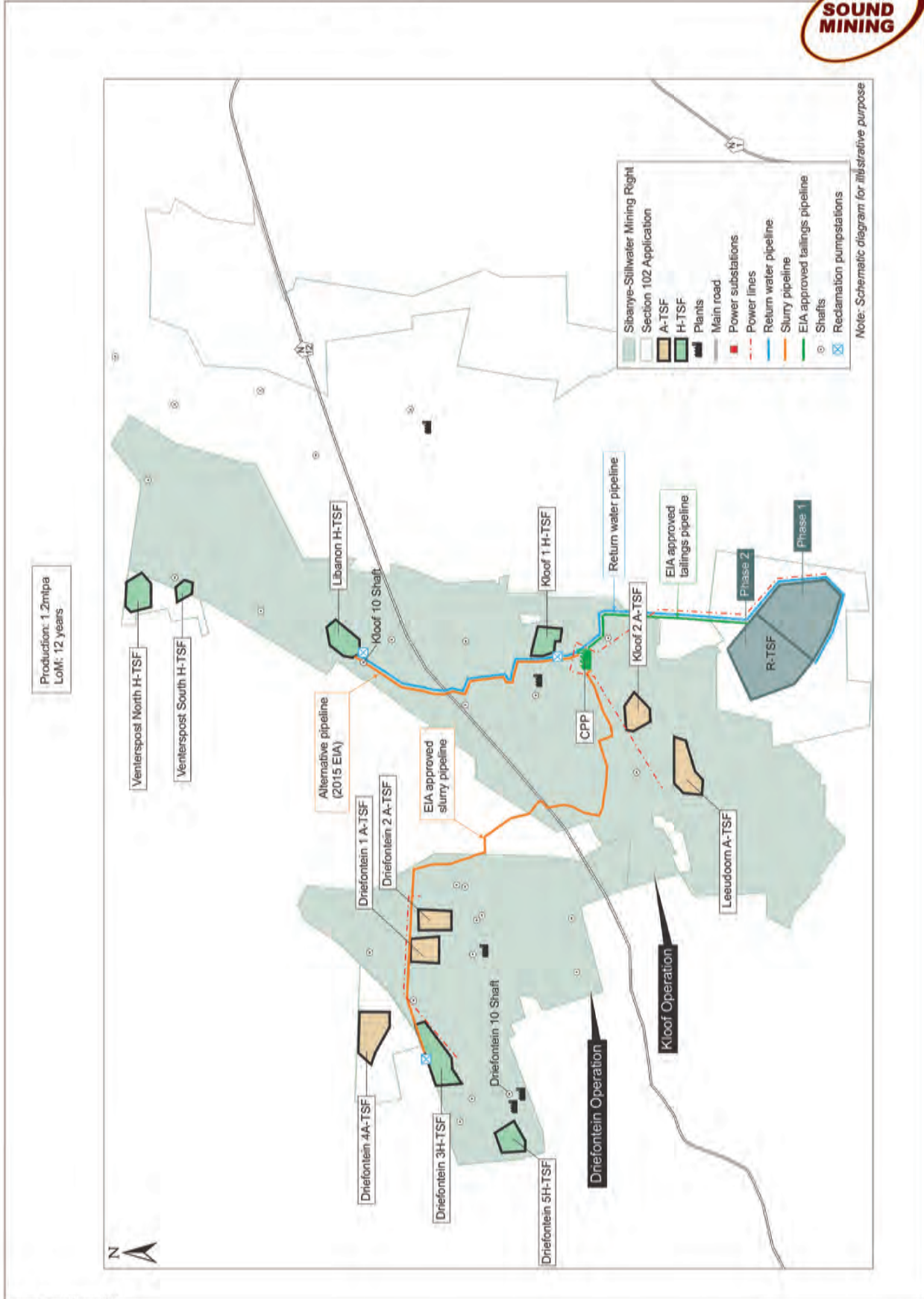
Executive Summary Figure 2: Regional and local infrastructure for the Sibanye-Stillwater West Rand operations



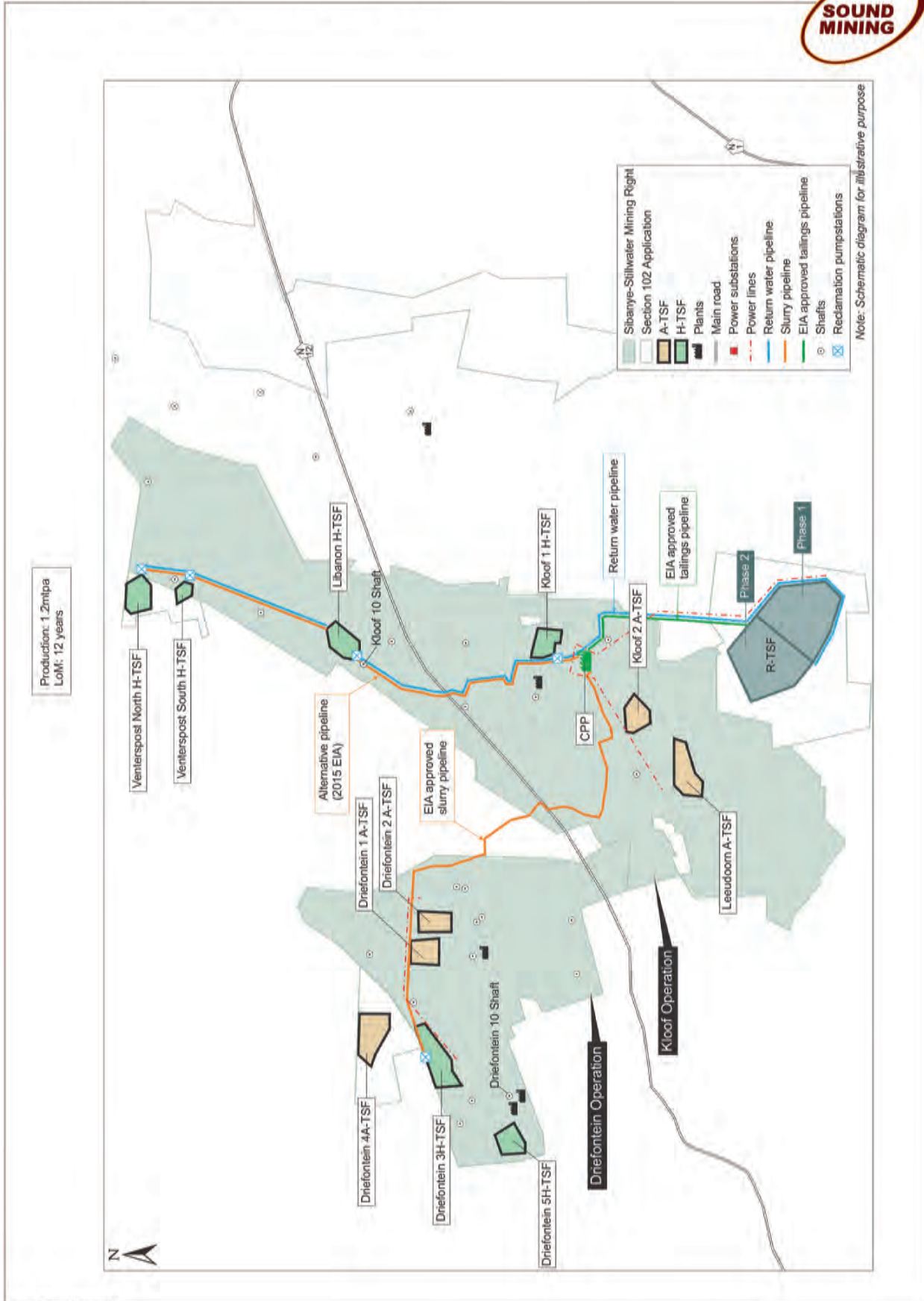
Source: Sibanye 2016



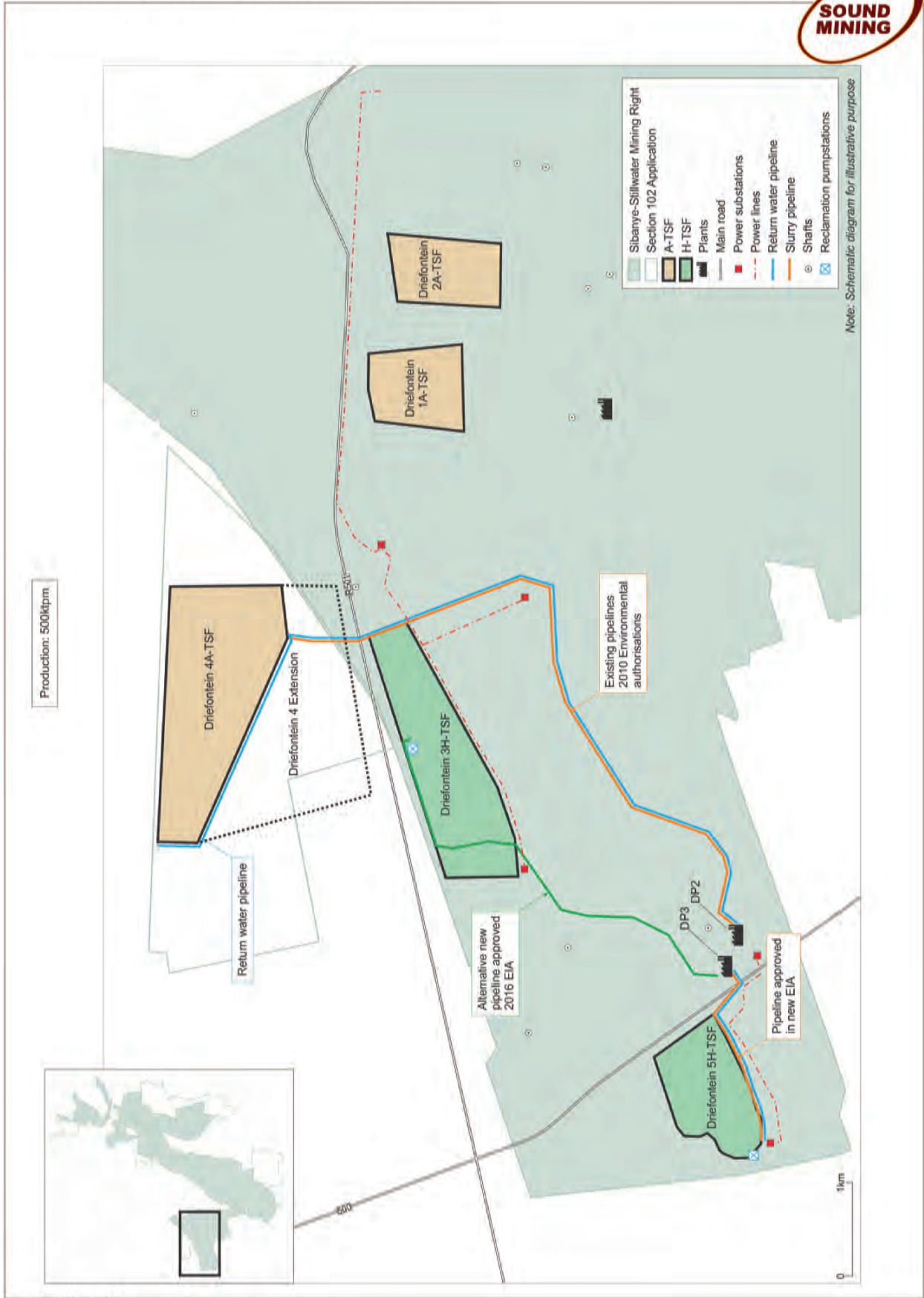
Executive Summary Figure 4: WRTRP development phases - Phase 2A



Source: Sound Mining 2017



Source: Sound Mining 2017



Source: Sound Mining 2017

The Gold One assets which became part of Sibanye Gold Limited included the Cooke Operations (underground mining and surface reclamation operations) for gold and uranium production. This transaction gave Sibanye Gold Limited control of the majority of the surface mineral resources in the region. A PFS was completed during 2013 and confirmed that there is a significant opportunity to extract value from the surface mineral resources. Subsequently a number of DFSs have been completed on various combinations of H-TSFs.

Sibanye Gold Limited acquired United States registered Stillwater Mining Company in May 2017 and began trading as Sibanye Stillwater in August 2017.

Legal aspects and tenure

SR1.5(i)-(v); SVT1.5; JSE 12.9(h)(iv)

Valid mining rights exist for the Driefontein and Kloof areas as summarised below:

- **Driefontein Mining right** – new order mining right GP30/5/1/2/2/51MR issued in 2007 and valid until January 2037 totalling 8 561 hectares(ha) located in the Magisterial District of Oberholzer in the Gauteng Province. Sibanye-Stillwater is entitled to mine all declared material situated within this mining right and has all the necessary statutory requirements in place. The submission of an Environmental Management Programme (EMP) and Environmental Impact Assessment (EIA) are required by Section 39(1) of the MPRDA; and
- **Kloof Mining right** – new order mining right GP30/5/1/2/2/66MR issued 2007 and valid until 2027. The LoM is expected to extend until 2033. The new order mining right covers a total of 20 087ha, in the Magisterial District of Westonaria, in the Gauteng Province. Sibanye-Stillwater is entitled to mine all declared material falling within this mining right and has all the necessary statutory requirements in place.

Sibanye-Stillwater will continue to operate the Kloof and Driefontein Mines under the auspices of its mining rights whilst the WRTRP conducts its business.

In respect of the WRTRP assets, Section 102 amendments to the mining rights have been made by Sibanye-Stillwater to permit the reclamation activities anticipated for the WRTRP. In correspondence between the DMR and Sibanye-Stillwater in 2016, the DMR stated it was prepared to grant the applications and indicated the extent of the financial provision for closure. The closure quantum is currently in dispute as the stated requirement for value added tax (VAT) is not confirmed and awaits a ruling by the South African Revenue Service (SARS).

The H-TSFs forming part of the WRTRP, are included of the Exchange Agreement between DRDGOLD and Sibanye-Stillwater and are to be transferred from Sibanye-Stillwater to the Special Purpose Vehicle (SPV) created to hold the WRTRP. In terms of that agreement the H-TSFs are classified as moveable assets and will be transferred to the SPV, as moveable assets and, therefore, there is no requirement to transfer any part of the mining rights to the SPV.

The current DRDGOLD owned Ergo reclamation operations are not subject to royalty payment and a similar arrangement is envisaged for the WRTRP.

The review of the environmental permitting concluded that the Section 102 amendments, once granted, will satisfy most of the requirements for the WRTRP, with some exceptions having been noted, whereby additional amendments will be required for the Driefontein 4A-TSF and various piping routes for Phase 2. These are not considered fatal flaws and sufficient time is available for the application of the appropriate additional requirements.

According to the Project agreements the rehabilitation liability of the H-TSFs is transferred to the SPV. The portion of the Sibanye-Stillwater rehabilitation trust fund related to these assets will be transferred to the special purpose vehicle rehabilitation trust with any shortfall covered by an insurance policy. The current quantum in the trust fund is approximately ZAR354 million. In addition, the SPV will assume responsibility for the approximately 169 employees that currently are in Sibanye-Stillwater employ and operate the DP2 and DP3. Sound Mining considers that DRDGOLD has made sufficient financial provision for retrenchment of this work force, should the need arise, in its overheads allocation.

The agreements provide for access to various infrastructure on the mining rights, notably water and power supply, but the status of the surface right agreements with private land owners for any newly envisaged infrastructure is unknown. Sound Mining considers this a manageable risk.

Sibanye-Stillwater has been granted two water use licences (WUL) by the Department of Water and Sanitation for a period of 20 years and the water that will be used in the reclamation workings and the process plants will be sourced from underground workings at Kloof 10 shaft and Driefontein 10 shaft to a maximum of 9 487Mℓ/a and 2 555Mℓ/a respectively. After treatment, the slurry/tailings will be disposed into the R-TSF. DRDGOLD has opted for a closed water system throughout the project life so no water treatment or discharge into the surface water courses will occur. Steps to transfer the WUL from Sibanye-Stillwater to the WRTRP will be required in accordance with the provisions of National Water Act (NWA) including Sections 25 and 51. In accordance with the Dam Safety Regulations, a DSR licence and licence to impound will be required but it is unclear whether the applications for these licences will be made by Sibanye-Stillwater or by WRTRP following the transfer of the WUL to the SPV.

Sibanye-Stillwater has received a Provisional Atmospheric Emissions Licence (PAEL) in respect of the activities required for the operation of the CPP on 30 August 2017. Atmospheric Emissions Licences in terms of NEM:AQA are not required for the elution and smelting of gold.

Heritage Impact Assessments were undertaken for both the Driefontein and Kloof areas affected by the activities of the WRTRP and submitted to the South African Heritage Resources Agency (SAHRA) and the Provincial Heritage Resources Authority Gauteng (PHRA-G). Historical grave sites and heritage buildings were identified and recommendations made to preservation of these sites in the infrastructure planning and construction.

Sibanye-Stillwater is the holder of Certificates of Registration (CoR) in terms of the National Nuclear Regulator (NNR) for both Driefontein and Kloof mining right areas but these CoRs are not transferable. At this stage it is unclear whether the special purpose vehicle will be required to apply for a CoR or a certificate of exemption in terms of Section 22 of the National Nuclear Regulation Act (NNRA).

The WRTRP will be undertaking mining activities in terms of in Section 102 of the Mine Health and Safety Act (MHSA) and consequently the provisions of the MHSA will apply to the Project. In the first exchange agreement, DRDGOLD warrants to maintain practices and procedures to ensure material compliance with the MHSA. However, the Use and Access Agreement assumes that the provisions of the MHSA do not apply to the activities to be undertaken by the SPV. The Use and Access Agreement, consequently, contemplates that, as soon as reasonably possible after the effective date, the SPV will confirm with the DMR that the activities to be undertaken are not subject to the MHSA and apply for exemption.

Geological Setting

SR2.1(i)-(vii); SVT1.7; JSE 12.9(h)(v)

The mineral assets considered in this CPR are historical surface residual tailings material from the mining of the West Witwatersrand Gold Fields and as such the nature of the underlying geology is not of direct relevance to the business of the WRTRP. However, an understanding of the scale and nature of the gold mineralisation that was targeted in the historical mining operations provides context for the investigation of the structure and composition of the H-TSFs. The surface geology is relevant to the siting of future WRTRP infrastructure.

The assets of the WRTRP are located within the Far West Rand goldfield of the gold-bearing, late Archaean (2.7Ga to 3.2Ga), Witwatersrand sedimentary basin (Witwatersrand Basin). The Witwatersrand Basin is the largest gold bearing metallogenic province globally and is unconformably overlain, by units of the Ventersdorp Supergroup (~2.7Ga), the Transvaal Supergroup (~2.6Ga) and the Karoo Supergroup (~280Ma).

Deposition in the Witwatersrand Basin is considered to have taken place along the interface between a fluvial system and a major body of still water or an inland sea with the source of the gold postulated as being a northerly Archaean Greenstone belt in which craton/plate interactions caused the development of mineralising hydrothermal activity and generated sedimentary environments where deposition could occur. The origin of the gold mineralisation in the Witwatersrand Basin has been the source of debate for over 100 years. The debate has been historically divided between the syn-genetic or placer proponents and the epigenetic or hydrothermal model. The most widely accepted model appears currently to be the modified placer model in which placer gold grains have been remobilised after burial.

The Kloof and Driefontein mining complexes located on the northwestern rim of the Witwatersrand Basin and exploit three primary reefs, namely the Ventersdorp Contact Reef (VCR) located at the top of the Central Rand Group, the Carbon Leader Reef (CLR) near the base of the Central Rand Group and the Middelvlei Reef (MR), which stratigraphically occurs 50m to 75m above the Carbon Leader. Additional minor reefs include the Kloof and Libanon Reefs exploited in some operations. The H-TSFs contain the processed waste from the mining of auriferous and uraniferous ores from Driefontein, Kloof, Libanon and Venterspost operations as follows:

- the Driefontein mining complex H-TSFs comprise primarily processed Ventersdorp Contact Reef, Carbon Leader Reef and Middelvlei Reef;
- the Kloof mining complex H-TSFs comprise primarily processed Ventersdorp Contact Reef, Middelvlei Reef and to a lesser extent the Kloof Reef;
- the Venterspost mining complex H-TSFs comprise primarily processed Middelvlei Reef and Ventersdorp Contact Reef; and
- Libanon mining complex TSFs comprises material from the Ventersdorp Contact Reef, Libanon Reef, Kloof Reef and the Middelvlei Reef.

The surface geology of the mining area comprises outliers of Karoo Supergroup shales and sandstones, followed by Pretoria Group sediments and the Chuniespoort Group dolomites of the Transvaal Supergroup. The principal elements of the Transvaal Supergroup include the clastic sediments of the Black Reef Formation, the chemical and clastic sediments of the Chuniespoort Group, and the clastic sediments and volcanics of the Pretoria Group.

In general, the composition of a TSF depends on the geochemical make-up of the material being mined and the chemicals used in the mining and extraction process. In addition, the internal structure of the TSF reflects the mining strategy and depositional methodologies employed for each operation. The bulk density of tailings material is a critical factor in the accurate estimation of tonnages and a view on the lateral and vertical variation in moisture content should be obtained. These factors can result in a considerable variation in gold content and distribution throughout a TSF and such variation has an impact on final recoveries and projected revenues for the operation.

In addition, secondary processes such as metal re-mobilisation, erosion, weathering, leaching and acid mine drainage can affect the geochemical characteristics of a TSF. These processes tend to progress faster in a TSF as weathering, erosion and oxidation are accelerated by the fine particle size of the material and leaching together with acid mine drainage occur due the large amount of water associated with TSFs. Gold can undergo mobilisation within the TSF with time and hence may exhibit areas of re-concentration and even be present in the sub-structure soil. The geochemical characteristics of the footprint geology, such as dolomites, granites, quartzites, has a bearing on the mobilisation dynamics of a TSF. Hence, depending on several factors such as footprint, age of deposition, beneficiation, primary reef origin of slimes, a TSF may exhibit areas/layers of differing grade profiles.

All of the above described factors have been taken into consideration in the characterisation and modelling of the H-TSFs.

Exploration Programmes

JSE 12.9(h)(vi), SR3.1(i)-(viii), 3.2(i)-(v)

The extent, morphology and structure of the H-TSFs is relatively simple compared to conventional mineral deposits. Consequently, the exploration programmes were also simple and straightforward, comprising:

- surveying to determine physical dimensions and volumes;
- auger drilling programmes to permit sampling for gold content and mapping of the gold distribution, independently audited;
- metallurgical and flow sheet development testwork; and
- tailings toxicity tests and specific gravity determination.

The required SAMREC Table 1 disclosure for the exploration programmes is provided in the CPR and the review by Sound Mining concluded that the drilling programmes were suitable for the deposit type and that the drilling and sampling techniques were of a high standard, with sample contamination and losses kept to a minimum.

The drilling and sampling programmes were conducted to industry standards and the results are considered SAMREC compliant and suitable for incorporation into a Mineral Resource estimate.

The analytical laboratories used in the exploration programme are all ISO certified for gold analysis and all three these laboratories follow best practice principles of quality management and have procedures of chemical analysis and assay that fulfil the requirements of international best practice. The QA/QC of the field and laboratory verification procedures were independently audited and considered appropriate. Full length samples were taken and are considered representative of the disseminated mineralisation which has no orientation or structural control other than grade variations due to deposition variations and secondary remobilisation of the gold. This gold distribution within the H-TSFs is adequately understood from the geological modelling.

Historically there has been a suggestion that the density of the H-TSFs could vary with the lithology of the basement material. The Driefontein H-TSFs, the Venterspost H-TSFs and the Libanon H-TSF are located on Malmani Subgroup dolomites whilst the remainder are located on the non-dolomitic argillaceous and arenaceous sediments of the Timeball Hill and Hekpoort Formations. An independent density study by Geostrada concluded that the basement lithology does not significantly impact the density of the tailings material. Historically, Gold Fields used an average density of 1.40t/m³ in its Mineral Resource estimations and the average value of 1.40t/m³ is confirmed by Ergo for its current operations and relies on the actual data from the processing of 2.1Mtpm of tailings material from the Witwatersrand basin over decades. Further evidence in support of the use of an average density value of 1.40t/m³ is provided by a comparison of the densities used by other companies in the business of tailings retreatment of Witwatersrand tailings. Sound Mining has used an average density of 1.40t/m³ and considers this a reliable value based on substantial empirical evidence. The use of a dry density in the estimation of an *In situ* Mineral Resource is standard best practice and the dry density value has been applied to the Sound Mining Mineral Resource estimate. However, the wet density and bulk densities are generally considered more appropriate for the conversion to Mineral Reserves and calculations of tailings tonnage production and revenues. In this case the effect of changing the density values in respect of the volume estimations shows that using a wet density of 1.45t/m³ does not have a material effect on the tonnage estimation.

The estimation of the historical exploration expenditure is impossible to determine given the numerous owners of the project area and the long history of investigation into the potential for such a large reclamation project.

Mineral Resource Estimate

SR4.1(i)-(vi), SR4.2(i)-(vi); SR4.4(i); 4.5(i)-(vi); SVT1.9; JSE 12.9(h)(ix)

The geological modelling and Mineral Resource estimation was originally undertaken for Gold Fields by Minxcon 2009. Sound Mining has independently reviewed the database, geological models, estimation methodology, classification criteria and estimation results.

The exploration database was demonstrated to comprise analytical data obtained from reliable laboratory assays on samples obtained from SAMREC compliant sampling and industry best practice drilling programmes. The drillhole grid spacing is close for typical TSFs drilling programmes and the entire depth of each H-TSF was sampled. The data density is therefore considered sufficient to assure continuity of mineralisation and structure and provides an adequate basis for estimation.

Such H-TSFs constructed from the tailings of Witwatersrand gold mining operations have been successfully and economically exploited for several decades and the geotechnical and geometallurgical characteristics are well understood from experience and from testwork on the WRTRP assets themselves. No factors of a geotechnical or geometallurgical nature have been identified that would have a significant effect on the prospects for eventual economic extraction.

The exploration database was imported into DataMine™ Studio 3 software and data validation was undertaken to ensure the integrity and validity of the imported data. Three dimensional wireframes were constructed from the LIDAR survey digital data and drillhole information.

The wireframes comprised simple 3D representations of the volume of the H-TSFs and as such are not open to alternative interpretations. As the entire deposits are to be mined no geological losses or other geotechnical considerations were applied to the models or the Mineral Resource estimates.

No sample compositing was undertaken and Ordinary Kriging was used for the gold grade estimation as this is considered the most reliable and accurate methodology for this deposit type. Capping of anomalously high grade values was applied to the assay values only of the higher grade Driefontein 5H-TSF (at 1.6g/t Au) and Kloof 1H-TSF (at 0.7g/t Au) facilities. The kriging process used applied using 50mx50mx3m (X, Y and Z directions) block size with subcells employed at a minimum of 10mx10mx3m. The spatial inter-relationships of the sample grades were investigated with variograms and were deemed best represented by omni-directional models.

The classification of the Mineral Resources was based on suitable statistical criteria and all of the Mineral Resources were classified in the Measured category. The Sound Mining review and verification confirms minimal variance between the Minxcon and Sound Mining estimates.

In compliance with the SAMREC Code, the applied Mineral Resource classification is a function of the confidence of the asset tenure and the entire process from drilling, sampling, geological understanding and geostatistical relationships. The WRTRP H-TSFs legal tenure is underpinned by the Sibanye-Stillwater mining rights, the applications for Section 102 amendments to those mining rights for the WRTRP activities, the

amended EMPs and the signed agreements with Sibanye-Stillwater covering the Project's right to access and exploit the moveable assets. The drilling, sampling, analytical processes and governance of the exploration programmes have been appropriate and in-line with industry best practice and are considered to be of high confidence. The density used in the conversion from volume to tonnage has been determined from both *In situ* measured values and empirical data and is considered reliable. Sound Mining concludes that the estimations are based on a suitable database of SAMREC compliant information. Sound Mining was able to re-produce the Minxcon variograms and was able to demonstrate that the variography and the parameters used in the kriging process are appropriate. The conclusion is that the Minxcon 2009 Mineral Resource estimate methodologies and interpretation are reasonable and can be relied upon to reflect the Mineral Resource base for the WRTRP. Sound Mining identified no material issues that would affect the overall conclusions reached by Minxcon.

Measured Mineral Resource estimate for WRTRP H-TSFs (Minxcon 2009 – as interrogated, verified and endorsed by Sound Mining 2017)

H-TSF	Volume ('000m ³)	Density (t/m ³)	Tonnage ('000t)	Au Grade (g/t Au)	Au Content ('000g)	Au content ('000oz)
Driefontein 3	35 540	1.4	49 756	0.47	23 385	752
Driefontein 5	19 956	1.4	27 938	0.47	13 103	421
Kloof 1	19 931	1.4	27 903	0.33	9 068	292
Libanon	52 351	1.4	73 291	0.27	19 935	641
Venterspost North	38 954	1.4	54 536	0.27	14 943	480
Venterspost South	9 068	1.4	12 695	0.33	4 189	135
Total	175 860	1.4	246 119	0.34	84 623	2 721

Source: Minxcon 2009; interrogated, verified and endorsed by Sound Mining 2017

Compliant with the SAMREC Code 2016

Apparent computational errors due to rounding and are not considered significant

In situ Mineral Resource estimate reported according to SAMREC Code requirements

Mineralisation widths are not relevant as the entire deposit is to be mined

Grades are not regional averages

Mineral Resource estimate reported inclusive of Mineral Reserves

No geological losses applied

Density 1.40t/m³

Mine design

SR5.2(i)-(vii)

The mining method for the WRTRP will be hydraulic mining (also known as hydro-mining), which uses high-pressure water monitors to deliver a high-pressure (25bar to 30bar) water jet to hydraulically excavate unconsolidated tailings material within the H-TSF's. The method is not new and has been tried and tested over decades of successful Ergo reclamation and re-deposition operations. No un-tested technical assumptions with regards the mining have been made for the WRTRP. Water will be delivered to the monitors through a network of pipes (RVN Group 14 December 2017).

They will remove the tailings material from the top of a H-TSF to the natural ground level in 15-metre layers. The top-down monitoring approach can be used to form consistent stable slopes that can be varied according to the material properties of the tailings that are being reprocessed. Horizontal bench widths of between 100 metres and 200 metres, inclusive of the face angle, will be created and managed to maintain safe working distances between simultaneous operations at different bench elevations. The design is for bench face angles to be in the region of 45° to 50°.

Water from the monitors mix with the tailings material to form a slurry with a high solids content. The slurry is channelled along the base of the H-TSF to a sump at the lowest elevation of the bench being mined. The position of the sump changes as mining proceeds along a bench, to limit the distance between the monitor and the sump. If too far from the active face, tailings material may drop out of suspension and reduce the solids content of the slurry pumped to the plant. The slurry will be pumped via a pipeline to a processing facility where the solids are separated from the water using a thickener. Excess water is then pumped back to the H-TSF to be re-used by the high-pressure monitors.

Hydro-mining and re-deposition, although not complicated, is a specialised activity, and will accordingly continue to be outsourced to competent and experienced service providers. The operating expenditure (opex) estimate for the mining and re-deposition operations in this CPR is supported by actual operational figures and not only by computations from the various feasibility studies that have been undertaken and completed for the WRTRP. The cost and maintenance of the mining equipment, as well as the employees required, will be for the contractor's account and will form part of the contractual agreements with DRDGOLD.

The performance assumptions in this study are based on experience and information from decades of similar tailings reclamation operations and so the equipment requirements, manning complements and necessary supporting infrastructure, in terms of water and power supply, are well understood by DRDGOLD and have been used in the planning for the WRTRP. Information, which includes an up to date bill of materials, has been used together with the planned quantities to estimate the associated costs for the WRTRP and these estimates have been endorsed by the current Ergo service provider.

The pipeline and pumping design and capex estimate has been undertaken by in-house DRDGOLD personnel and independent specialists familiar with such mining operations.

Specific mining schedules were developed for each H-TSF using the block models and grade distribution that was used for the Mineral Resource estimate. These schedules were integrated into a 20-year LoM production plan for the WRTRP which detailed how the total production of 246.12Mt would be accessed from the various H-TSFs.

The CP has checked the integrity of the mine design and associated costs and is satisfied that the level of detail and accuracy is aligned with the requirements of a PFS.

Metallurgical testwork and processing

SR5.3(i)-(vi)

The metallurgical characterisation of the H-TSFs has been included in numerous techno-economic studies from 2 000 ranging from Scoping Studies through PFS stage to DFS levels of accuracy. The metallurgical testwork included evaluation of various processing options including direct leach, grinding, ultra-fine grinding and flotation.

The most comprehensive testwork has been performed on Driefontein 3H-TSF and Driefontein 5H-TSFs with slightly less detailed testwork having been performed on the Libanon, Kloof 1 and Venterspost North and South H-TSFs. There is sufficient metallurgical testwork available to evaluate potential metallurgical performance for Phase 1 and Phase 2 and the Phase 2 information will be supplemented by pilot plant trials to be performed on the various H-TSFs during Phase 1 operations. The results from these pilot plant trails will provide the detail required for the development of the DFS on WRTRP-Phase 2.

Historically the most favourable liberation on Witwatersrand Basin gold bearing ores have been achieved at grind sizes of <75µm. Both the diagnostic leach and assay by size results confirm the need to mill the coarse fractions in order to improve recovery. The presence of preg-robbars in the tailings material is indicated and it is best industry practice to design the reclamation plants with a CIL system to mitigate the impact of preg-robbars on recovery.

Based on the metallurgical testwork, Sound Mining estimated that the following processing recoveries would be achievable on the various H-TSF feed sources:

Process recoveries determined from metallurgical testwork

H-TSF	Process recovery (%)
Driefontein 3	61.9
Driefontein 5	63.0
Kloof 1	44.6
Libanon	48.5
Venterspost North	39.3
Venterspost South	Assume similar to North

The design and capital expenditure estimates for the upgrade of the DP2 and DP3 plants were undertaken independently to a Preliminary Feasibility Study (PFS) level of accuracy. The operational expenditure has been estimated from actual operational data from the Ergo operations. The Sound Mining review of the design and costings for the plants and benchmarking against other such retreatment facilities as a test of reasonableness,

showed that the design and costings to be appropriate for the envisaged project and in-line with industry standards. The capex for the Phase 1 plant upgrades is ZAR88.87 million. The total opex for Phase 1 is ZAR63.97/t which includes contractor mining.

The process design for the CPP has been through many iterations in various PFSs and DFSs over the last 10 years. DRDGOLD has made the strategic decision to implement the simple gold extraction process that has proven successful in its Ergo operations including milling of the coarse fraction and excluding flotation. The design and capital expenditure estimates for the CPP was undertaken independently to a PFS accuracy level effective as of December 2017. The operational expenditure has been estimated from actual operational data from the Ergo operations.

The design and costings for the CPP was reviewed by Sound Mining and benchmarked against other such retreatment facilities as a test of reasonableness and the conclusion is that the design and costings are appropriate for the envisaged project and in-line with industry standards.

The design criteria included a throughout of 1.2Mtpm and is comprised of standard units, readily available which have been successfully used in the Ergo operations. The process flow includes:

- a slurry receiving and screening circuit where the pH is adjusted;
- a milling, classification and thickening circuit which includes a series of cyclones;
- a pre-conditioning and CIL circuit where material transferred from the milling, classifying and thickening circuit is preconditioned with further pH adjustments and the addition of oxygen. Oxygen levels and leach kinetics are further increased by passing the material through a bank of high shear reactors. Thereafter the material enters the first of ten CIL tanks and an online cyanide analyser is used to control the cyanide addition;
- an acid wash, elution and carbon regeneration circuit where loaded carbon transferred from CIL circuit is collected in a carbon storage hopper before being treated by a 3% hydrochloric acid solution, neutralised and the acid washed carbon is then educted to either one of two 10t elution columns containing a caustic solution of 3% sodium hydroxide (NaOH) and 1% sodium cyanide (NaCN) and the solution is heated and pressurised; and
- the electrowinning and smelting where the pregnant solution from the elution circuit is pumped through the electrowinning circuit consisting of two cells in parallel (per circuit). The electrowinning circulation continues for 18 hours, or until gold in solution value drops below a pre-set value measured by manual sampling. Sludge removed from the electrowinning cathodes cells are transferred to calcining. Product from the calcining oven is moved by hand to an induction smelting furnace. Borax, silica, potassium nitrate and sodium carbonate are added to the furnace as flux chemicals to collect impurities. Gold and slag from the furnace are poured into a mould trolley where Doré gold is recovered as the final product.

Raw water for Phase 1 will be sourced from Driefontein 10 shaft. Raw water to the CPP is to be supplied from underground sources at Kloof 10 shaft and process water generated in the thickeners and return water will be fed to a 15 000m³ lined process water pond with a dirty water compartment to allow sufficient settlement of solid particles before overflowing to a clean compartment. A detailed electrical Point of Delivery (POD) study was conducted by Tenova Bateman to identify the optimal power supply sources and upgrades required for both Phase 1 and Phase 2 of the Project.

The design for the CPP has been based on representative and adequate metallurgical testwork which will be supplemented in the DFS phase of project development by additional pilot plant trials. The plant design is based on actual operating plants and the confidence in the design will be strengthened in the trial pilot plant studies to be undertaken for the DFS. The mass balance for the plant is appropriate and the CPP has been included in the environmental permitting applications submitted by Sibanye-Stillwater to the DMR. The actual site of the CPP falls within the freehold area held by Sibanye-Stillwater. The tailings material arising from the new plant will be adequately stored in the lower compartment of the R-TSF which will have excess capacity from both a depositional rate (1.4Mtpm) and final capacity perspective (286Mt). All the necessary infrastructure requirements have been considered and are considered appropriate for the project stage of development.

Infrastructure

The WRTRP entails the reclamation of approximately 246Mt of tailings from numerous geographically separated H-TSF sites and this operation will require adequate storage facilities for the new tailings arising from the Project. Phase 1 of the WRTRP will require the processing of the Driefontein 5H-TSF and re-deposition of the new tailings onto the currently active Driefontein 4A-TSF which will be upgraded to accommodate the additional deposition.

The implementation of WRTRP-Phases 2A and 2B will require the establishment of a R-TSF to accommodate the over 200Mt of tailings material planned for Phase 2 of the Project.

The site of the R-TSF was extensively studied as part of the original Gold Fields and the Rand Uranium projects and was planned for development on the Transvaal Supergroup basement with approval under the National Environmental Management Act (NEMA) for an area of 328ha to contain 750Mt to a maximum height of 110m. Although the permitting for this site has been granted amendments will be required to facilitate the R-TSF.

Conventional TSF construction methods limit the rate-of-rise to <2.0m/yr but a combination of field and laboratory testwork and numerical modelling as part of the 2015 DFS for the Project, has indicated that a maximum allowable rate of rise-of-rise of up to 3m/year can be achieved by using a spigot deposition system and maintaining tailings slurry relative density of between 1.55t/m³ and 1.6t/m³. The increased allowable rate of rise allows for a decrease in the required footprint area of the R-TSF and the footprint has been sized for a future total tailings treatment rate of up to 4Mt/yr. In order to limit construction time prior to commissioning and to defer some capital expenditure, a phased construction of the R-TSF has been planned. The R-TSF will consist of a lower and upper compartment; with only the lower compartment constructed and developed as part of the WRTRP-Phase 2. The compartment capacity calculations were based on the assumption that the lower and upper compartments will be stand alone facilities independently constructed with the lower compartment having a capacity of 286Mt, a height of 49m, a footprint of 667ha and a tailings delivery rate of 1.4Mt/yr.

The geochemical characterisation of the tailings in accordance with the National Norms and Standards indicates that the processed tailings will classify as a Type 3 Waste requiring disposal at a facility with a prescribed Class C barrier or geomembrane. The key constituents that prevent a re-classification to a Type 4 Waste include arsenic, barium, chromium IV, copper, manganese, nickel, lead and antimony in the case of total concentrations, but more importantly arsenic in the case of leachable concentrations.

Two water use licences (WUL) have been granted for the Kloof and Driefontein components of the WRTRP. The licences permit abstraction/pumping of water from underground workings at Kloof 10 shaft and Driefontein 10 shaft to a maximum of 9 487Mℓ/a and 2,555Mℓ/a respectively. The hydro-mining and processing of the Driefontein 3H-TSF, Kloof 1H-TSF and Libanon H-TSF will require 14.3Mℓ/d; 7.2Mℓ/d and 21.4Mℓ/d respectively (a total of 42.9Mℓ/d). The remaining water supply will be sourced from the return water from the R-TSF which is planned to be 35.6Mℓ/d and underground impacted water from Kloof 10 shaft. The Kloof 10 shaft has ample available capacity (36Mℓ/d) as well as existing storage capacity underground and on surface.

Sound Mining concludes that the available water supply more than adequately meets the WRTRP requirements including the make-up water during the dry season. The supply from underground sources at Driefontein 10 shaft and Kloof 10 shaft do not exceed the permissible pumping rates approved in the WULs.

According to the WULs the return water will be treated in an advanced water treatment facility and discharged into Leeuspruit or disposed to dust suppression. Instead of this open configuration DRDGOLD has opted for a closed water system throughout the project life so no water treatment or discharge into the surface water courses will occur.

The power supply design and costing for the "original" WRTRP was included in the 2015 DFS by Bateman Tenova and whilst the Project has changed in its scope since that point, the supply quantum and points of delivery (PoDs) for those aspects that remain unchanged, are appropriate to the current WRTRP. It was assumed that power at a national level from Eskom would be available and no provision was made for alternative supplies. Power is currently supplied to the various Sibanye-Stillwater mines associated with the WRTRP from Eskom's 132kV and 44kV grid. Thereafter, the voltage is transformed down to 6.6kV. The power requirement to the various components of the WRTRP has been shown to be within the current spare capacity to the Driefontein and Kloof mining complexes, and no significant project risk is identified that could prevent exploitation of the assets. Timeous modifications to the agreements with Eskom and sufficient allowance for the rising cost of power will have to be incorporated into the Project management and economic planning.

The hydro-mining, reprocessing and re-deposition of tailings material requires a pipeline network to be constructed. Slurry pipelines will be needed from the hydro-mining sites at the H-TSFs to the processing plants and tailings pipelines from these processing plants to the Driefontein 4A-TSF and R-TSF. In addition, high pressure water pipelines are necessary to supply the mining operations from bulk storage facilities and separate low pressure water transportation pipelines are needed to provide water to the processing plants via return water dams from the A-TSFs. The pipeline and pumping circuits for the "original" WRTRP were included in the 2015 Bateman Tenova DFS and several iterations of the pipeline routes, with alternative options, have been proposed since that time based on economic considerations and environmental authorisations.

A number of existing pipelines are present for which previous authorisations in 2010 were obtained and these routes and infrastructure, will be upgraded with the necessary amendments to the previous authorisations being required. The disturbed nature of the areas implies that such authorisations are unlikely to be unreasonably withheld.

Mineral Reserve estimate

SR 6(i)-(iii); 6.2; 6.3(i)-(vi); SVT1.9; SVT1.10; JSE12.9(h)(ix)

The Mineral Reserves have been prepared in accordance with the classification criteria of the SAMREC Code. In order to declare a Mineral Reserve it is necessary to develop, to a PFS level of accuracy, a mine plan with revenue and cost forecasts to confirm that the operation will be viable. Modifying factors associated with the reclamation of tailings material have been captured in the mine design, and in the associated technical aspects that informed the capital forecast and operating cost estimates for the WRTRP. These include a mining rate of 300ktpm for each monitor with its associated equipment, a 100% mining recovery and no mining dilution. Each of the H-TSFs are to be re-mined and processed in their entirety. The mine planning has also taken cognisance of the geotechnical considerations with regard to the safety of the operation and long-term stability of the H-TSFs and the R-TSF. The hydrological aspects with regard to the H-TSFs do not impact the mining operation.

SAMREC compliant Mineral Reserves for the WRTRP – Sound Mining (Dec 2017)

Category	Tonnes (Mt)	Grade (g/t Au)	Content (t Au)	Content (Moz Au)
Driefontein 5 H-TSF	27.94	0.47	13.10	0.42
Driefontein 3 H-TSF	49.76	0.47	23.39	0.75
Kloof 1 H-TSF	27.90	0.33	9.07	0.29
Libanon H-TSF	73.29	0.27	19.94	0.64
Proved Mineral Reserve	178.89	0.37	65.49	2.10
Venterspost North H-TSF	54.54	0.27	14.94	0.48
Venterspost South H-TSF	12.70	0.33	4.19	0.13
Total Probable Mineral Reserve	67.23	0.28	19.13	0.62
Total Mineral Reserve	246.12	0.34	84.62	2.72

Source: Sound Mining Dec 2017

Apparent computational errors due to rounding and are not considered significant

Mineral Reserves are reported at the head grade and at delivery to plant

The Mineral Reserves constitute the feed to the gold plants over 20 years.

The Mineral Reserves are stated at a price of ZAR564 245/kg as at 31 December 2017.

Although stated separately, the Mineral Resources are inclusive of Mineral Reserves;

There are no Inferred or Indicated Mineral Resources included in the Mineral Resource statement. However, the Mineral Reserves for the Venterspost North and Venterspost South H-TSF have been classified as Probable due the level of uncertainty regarding the associated processing recoveries assigned in the LoM plans.

Uranium has been excluded in the mineral reserve estimate as it is not being recovered as part of the Project;

Grade and quantity measurements are reported in metric units (Mt) rounded to two decimal places.

The input studies are to the prescribed level of accuracy. The capital and operating costs are supported by quotations and zero-based costing techniques; and

The Mineral Reserve estimates contained herein may be subject to legal, political, environmental or other risks that could materially affect the potential development of such Mineral Reserves.

Key environmental aspects, social and governmental parameters

SR1.5(ii)(v), SR5.5(i-v); SG4.3(2) SG3.5(1,2,3), JSE 12.9(h)(viii)

The review of the environmental status was undertaken by independent environmental specialists. The authorisations required for listed activities under the National Environmental Management Act (NEMA), National Water Act (NWA), National Nuclear Regulator Act (NNRA), National Environmental Management: Air Quality Act (NEM:AQA), National Environmental Management: Waste Act (NEM:WA), National Heritage Resources Act (NHRA) were reviewed in detail with commentary provided for each listed activity. Environmental Impact Assessments (EIA), Environmental Management Programmes (EMPs) and environmental authorisations

exist for the Kloof and Driefontein mining areas but some aspects of these will require amendments to facilitate scope changes for the WRTRP. The potential areas requiring amendment have been sited. Sound Mining concludes that the environmental permitting is appropriate for the current PFS level of study. The Project timeline beyond the DFS decision point permits adequate time for the submission of the amendment applications and no fatal flaw is envisaged from a compliance perspective.

Some heritage and culturally significant areas have been identified and will need to be accommodated in the DFS construction plans and monitored during actual construction.

The WRTRP is expected to provide a significant socio-economic contribution to the West Rand. The unemployment rate is recorded at 42%, and approximately 2 000 jobs will be created during the construction phase and 500 during the operational phase of the WRTRP. It is expected that the capital investment and contributions to the Gross Domestic Product (GDP) associated with the WRTRP, along with the potential multiplier effects, will be significant over the life of the operation and is expected to provide a sustained contribution to the local and national economy.

The Project received widespread interest during the public participation phase of the EIA. Most of the issues and concerns raised by Interested and Affected Parties (I&APs) referred to environmental impacts that already exist such as community health, safety and security concerns, impacts on surrounding farms, water quality impacts and population influx. The Project is expected to have a long-term positive impacts that include employment creation, skills development, local procurement of goods and services, as well as local and regional economic development.

The Social Impact Assessment (SIA) indicated that unrealistic political and community demands for sharing in Project benefits can lead to community and labour unrest, political electioneering and community upheaval. The SIA also states that the existence of informal settlements in close proximity to the Project will pose a risk to the Project in terms of political stability and community. Farmers in the project area are becoming increasingly hostile towards the mining industry and their concerns may need to be addressed.

A Social Management Framework and Monitoring Plan was developed to manage the expected negative social impacts of the Project on host communities. Negative impacts on infrastructure and services, can be more effectively mitigated when the social benefits of the Project materialise. Most negative impacts can be reduced to acceptable levels, and most positive impacts will be enhanced to maximise benefits to surrounding communities.

The closure liability for the Project has been determined for two separate objectives, namely:

- the disclosure to the Department of Mineral Resources (DMR) in EIAs for mining right amendments and environmental approvals as undertaken by Digby Wells 2015. The disclosure determines the quantum of the financial obligation and the guarantees required by the DMR for the Project; and
- the estimation of closure liability for financial provisioning and planning as undertaken by Golder and Associates (Pty) Ltd (Golder) on behalf of Sibanye-Stillwater in December 2016 and audited by Sibanye-Stillwater auditors for submission to the Minister

The closure costs have been determined on both an “unscheduled” and “scheduled” basis. The unscheduled estimate is based on the costs of rehabilitating the H-TSFs in their present state without any mining activity having taken place. The disclosure to the DMR by Sibanye-Stillwater and the quantum of the financial guarantees required was based on this unscheduled estimate.

The scheduled estimate assumes that mining takes place and that the final rehabilitation will be confined to the rehabilitation of the H-TSF footprints and the R-TSF.

For the purposes of the economic analysis, the Project must ensure that the financial provision is adequate for the current liability of all the H-TSFs which is the unscheduled estimate of the entire Project. Although not currently constructed, the Project will have to make provision for the R-TSF and the CPP which are integral to the Phase 2. Therefore the unscheduled closure obligation has been applied in the financial model and this includes the R-TSF and CPP.

The unscheduled closure estimate is ZAR588.120 million and the scheduled closure estimate ZAR360.96 million. DRDGOLD is aware that as the mining of the H-TSFs progresses, the liability for the rehabilitation and closure continually decreases from the current to the final scheduled cost. DRDGOLD will make appropriate application to the DMR for adjustments to the closure obligation in the light of this decreasing liability. The annual liability updates required by the DMR will show reduced amounts as the tailings facilities decrease to only footprint rehabilitation.

According to the Project agreements the rehabilitation liability of the H-TSFs is transferred to the SPV. The portion of the Sibanye-Stillwater rehabilitation trust fund related to these assets will be transferred to the SPV rehabilitation trust with any shortfall covered by an insurance policy. It is understood that an environmental trust fund already exists with an amount of ZAR354 million as of June 2017, allocated for this Project that, once escalated to December 2017, will largely cover the current anticipated liability of ZAR360.96 million.

Market review

SVT1.18

The global gold market supply is founded on primary gold production and secondary recycling, the latter of which contributes approximately 30% to the total 3 100t produced in 2015 and 2016. Primary production decreased 2% in 2017 to 3 038t. In general, smaller gold mining operations were negatively affected by the continued lower commodity price and increasing costs with the consequential closure of some United States, Mexican and other small scales operations. In 2016, worldwide gold production was unchanged from that in 2015, because increased production in some larger producing countries such as Canada offset the decrease in production from smaller operations.

However, in 2017 production dropped precipitously in China and Australia, the world's top two producers. The amount of scrap gold also fell, helping to drive the decline in supply. The start-up of new mines in 2017 was limited but a number of new mines are expected to enter production in 2018. Such projects include the Natalka project in Russia, which began commissioning in September 2017 and is expected to ramp up to full production by the end of 2018; Canada's Rainy River project was expected to start commercial production in November 2017 and Houndé in Burkino Faso, which was expected to pour gold before the end of 2017.

Views on the market demand in the public domain are quite divergent. Demand for physical gold rose to 1 895 tons in the first half of 2017, a 17% increase over the same period last year which led to the view that the fundamentals for gold were trending in a positive direction with demand increasing and supply decreasing. However, according to the World Gold Council, overall demand in Q3 2017 fell 9% to 915(t), its lowest since 2009 and the annual demand was forecast to be 3 900t to 4 000t, compared to 4 347 tonnes in 2016. Gold demand has not been below 4 000t on an annual basis since 2009. The Exchange Traded Fund (ETF) inflows 2017 were a fraction of the inflows in 2016.

The gold price has responded to significant political events in 2016 was 9% more than the price in 2015 and was 24% lower than the record-high annual price in 2012. The price of gold (<https://goldprice.org>) in 2016 fluctuated through several cycles.

Following the United Kingdom's referendum vote to leave the European Union, the price increased to the 2016 year-to-date high (and projected annual high) of USD1 372.98/oz. In October 2016, the price dropped significantly, with an investor sell-off coinciding with improved economic data in the United States. A current upwards move in the gold price to ZAR18 500/oz (ZAR576 000/kg) has been apparent. Alternatively, the price history for gold in USD/oz for the past 10 years shows that gold has been trading at around the USD1 300/oz level since 2011. While South Africa is experiencing significant local currency fluctuations against all major currencies, the South African Rand is unlikely to trade below ZAR13.50 to the USD over the long term.

Gold produced from the WRTRP will be delivered to the Rand Refinery for sale. DRDGOLD has a long-standing offtake agreement with Rand Refinery according to which gold is sold on the prevailing spot in ZAR. When applying a long-term exchange rate of ZAR13.5/USD to a realistic USD1 300/oz gold price, it would not be unreasonable for DRDGOLD to anticipate an average real gold price of ZAR564 245/kg from Rand Refinery over the longer term.

Capital and operational expenditure

SR5.8

The capital costs for the WRTRP were based to a large extent on historical information and preliminary designs using conservative assumptions and are summarised below. Sound Mining considers the capex estimate for the WRTRP to be reasonable and in-line with estimates for similar projects in the industry.

Capex for WRTRP Phase 1 and Phase 2

Project component	Capex (ZAR million)
Phase 1 capex	
Mining/re-deposition	120
Upgrades to DP2 and DP3	38
Gold recovery plant	51
Upgrade to Driefontein 4A-TSF	16
Sub-total direct capex	225
Contingency 15%	34
Project services 13%	29
Sub-total Phase 1 direct and indirect capex	288
Phase 2 capex	
Mining/re-deposition	778
Lower compartment H-TSF	1 229
Construction of CPP	984
Sub-total Phase 2 direct capex	2 991
Contingency 15%	449
Project services 13%	389
Sub-total Phase 2 direct and indirect capex	3 828
Closure provision	215
Pilot study and DFS (Phase 1)	30
Total	4 361

Source: Sound Mining December 2017, DRDGOLD 2017

The WRTRP capex estimates have been undertaken for Phase 1 and Phase 2, however, if for any reason the DFS suggests that the “alternative option” is more favourable, the capex for the “alternative option” has been estimated at ZAR318 million.

The opex estimates for the WRTRP have been based on quantities from mine planning and feasibility studies undertaken for the Project, together with up to date information (e.g. bill of materials) from DRDGOLD’s Ergo operations on the East Rand. The CP has interrogated the sources of the various quantities used for the opex estimates and is satisfied that they collectively meet and in places exceed the level of confidence associated with a PFS. Accordingly, a contingency of 15% has been applied in the valuation to cater for any uncertainty with respect to the overall Project’s opex estimate of ZAR63.97/t for Phase 1 and ZAR48.49 for Phase 2. The overhead costs include a retrenchment provision of ZAR18 million that may be incurred over the LoM as well as training and skills development. Refining costs of ZAR1 300/kg have been included in the opex estimate under “Stores”.

Opex for Phase 1 and Phase 2

Parameter	Phase 1 (ZAR/t)	Phase 2 (ZAR/t)
Wages	8.88	3.96
Contractors	5.00	5.30
Stores	22.79	19.32
Utilities	13.50	13.81
Overhead	13.80	6.10
Total	63.97	48.49

Source: Sound Mining Dec 2017; DRDGOLD 2017

The basis of the operating cost estimates for the WRTRP is outlined below:

- wages make up 14% and 8% of the operating cost estimate for Phase 1 and Phase 2 respectively. The cost estimate was derived by using the manning schedules as planned by DRDGOLD for the WRTRP together with their latest actual salary structures;
- the mining contractors' estimate amounts to 8% and 11% of the operating cost estimate for Phase 1 and Phase 2 respectively. The estimate covers the hydro-mining operations, the re-deposition of tailings, and the operation of the pump stations at the respective mining sites. It is supported by the contracts currently in place and written confirmation from the contractor that the contracted rates would apply equally to the WRTRP. The piping routes and distances have been planned and costed in detail and included in the capital estimate. The maintenance of the pipes and pumps that do not fall under the responsibility of the contractor will be done by DRDGOLD personnel;
- stores comprise 36% and 40% of the operating costs for Phase 1 and Phase 2 respectively. DRDGOLD's latest bill of materials has been applied to the quantities as planned for the WRTRP. The cost estimate also includes ZAR1 300/kg Au to cater for the cost of refining which cost is supported by existing contracts with Rand Refinery;
- utilities constitute 21% and 28% of the operating cost estimate for Phase 1 and Phase 2 respectively. The cost for water is based on site specific information from Sibanye-Stillwater and current Eskom tariffs were applied to a detailed study completed on the overall power requirement for both Phase 1 and Phase 2; and
- overheads are estimated to amount to 22% of the combined operating costs.

Economic analysis

SR5.8 (i)-(iv); SVT1.12, SVT1.3, SVT1.4, SVT1.5, SVT1.6, SVT1.7, SVT1.8, SVT1.9, SVT1.10, SVT1.11; JSE 12.9(h)(xii)

An economic analysis of the WRTRP was undertaken according to SAMVAL principles utilising the income and market approaches.

The income approach is suitable for development and production properties and relies on the "value in use" principle and requires determination of the present value of future cash flows over the useful life of the mineral asset. A discounted cash flow model was created for the Project with the following input parameters included:

- a ZAR/USD exchange rate of 13.5; a gold price of USD1 300/oz (ZAR564 245/kg);
- a range of discount rates between 2% to 10% with 6% as the preferred metric;
- a provision of 13% was included for project services;
- a contingency of 15% has been allowed for operational unknowns and some engineering uncertainty; and
- as can be expected for a mining operation of this nature, a sustaining capital provision of 1.5% of total operating costs will be necessary and appropriate to cater for capital items for processing, future haul roads and other general requirements for the operation over its LoM.

The DCF is based on real 31 December 2017 money terms. Tax was calculated as per South African legislation. The corporate tax rate applied is based on the mining tax formula that uses capital expenditure and assessed tax losses. The assets will be part of a new entity with no unredeemed capital or assessed losses carried over as at 31 December 2017. Capital expenditures are written off in the year incurred. The assets will essentially form part of DRDGOLD's usual business, which is not subject to the Mineral Royalties Act and so the formula for unrefined metals was not included in the DCF valuation. Indeed, DRDGOLD has been in the business of tailings retreatment for many decades and has not yet been required to pay a royalty.

A discount rate of 6% (in real terms), consistent with the nature of the Project and operating company's cost of capital and risk profile, was applied to the cash flow (i.e. DRDGOLD's weighted average cost of capital is the preferred discount rate). The result is a post-tax real net present value (NPV) of ZAR2 121 million and an IRR of 38%. The change in NPV's over a range of discount factors from 2% to 10% is provided below:

NPV at different discount rates (ZAR million)

Discount rate	2.00%	4.00%	6.00%	8.00%	10.00%
NPV	3 351	2 662	2 121	1 694	1 355

Source: Sound Mining Dec 2017

The overall post-tax pre-finance cash flow confirms that the Project remains cash positive from 2018 until the final four years where there are marginal cash flows. The Project remains economically positive with decreasing gold price to a critical point of USD1 040/oz, whereafter the Project becomes negative.

The DCF model was used to also examine the distribution of this value between the respective phases of the project as shown below:

Distribution of value over the WTRP phases

Phases	Revenue (ZARm)	Opex (ZARm)	Capex (ZARm)	NPV (ZARm)	IRR (%)
Phase 1 for 5 years only	4 479	2020	343*	1 275	164
Phase 1 and Phase 2A for 16 years	20 297	10 290	4 246	2 020	36
Phase 1, Phase 2A and Phase 2B for 20 years	24 626	14 098	4 493	2 121	37

Source: Sound Mining Dec 2017

* Includes closure provision and DFS pilot plant testwork over and above the indirect capital

The Project will have recovered 60% of its value after only five years for a capital outlay of only 7% of the total budget. A total of 95% of the value accrues after Phase 1 and Phase 2A but 95% of the capital will be required. The remaining portion of the total project is marginal.

Should Phase 2 not proceed as planned, Phase 1 can simply continue by exploiting Driefontein 3H-TSF in the "alternative option". The "alternative option" indicated an NPV of approximately ZAR2.7 billion (bn) due to the higher yield from Driefontein 5H-TSF and Driefontein 3H-TSF and significantly lower capital expenditure than the combined Phase 1 and Phase 2 of the Project. The "alternative option" presents a high NPV at lower risk in the short term.

However, DRDGOLD indicated, that consistent with its strategy, it aims to exploit the large regional mineral resource; to rehabilitate a much larger footprint than just the Driefontein 3H-TSF and Driefontein 5H-TSF footprints and to establish infrastructure that provides the strategic advantage and opportunity of regional consolidation far beyond the existing resources.

This larger and longer term focus renders the risk of exposure to the long term gold price less significant. Upside potential for the Phase 2 Project that has not been considered in the valuation include the following:

- conservative recoveries applied to phase 2B due to less metallurgical testwork performed;
- unscheduled closure included in the DCF model, although only the cash flows relating to scheduled closure will be required; and
- project services of 13% was applied throughout the capital expenditure which may be largely absorbed by DRDGOLD's management capacity.

The market approach valuation method requires comparison with relatively recent transactions of assets that have similar characteristics to those of the asset being valued. No comparable transactions are available in the public domain and the assets under consideration are unusual in that they are not similar to the traditional gold mining operations in South Africa. Sound Mining therefore considered Enterprise Value (EV) per ounce as an indication of the possible value for the assets. Sound Mining constructed a database from information in the public domain on gold mining able to profitably produce gold from low grade (i.e. < 1.5g/t Au) material that is close to, or on top of the surface, and which are able to operate profitably at yields below 1.5g/t Au. Twelve companies were identified and plotted against the associated Mineral Reserves to provide a basis for comparison. An assumed average recovery of 90% was applied to the Mineral Reserves so that a value for each ounce of gold likely to be recovered and sold (i.e. ZAR/oz Au sold) could be estimated for a better benchmark. The value attributed to the Project from the market approach is shown below. The indicative values generated for the WRTRP assets with a Mineral Reserve content of 2.72Moz ranges from ZAR630 million to ZAR6 510 million. A value of ZAR3 570 million can be attributed to the WRTRP by the market approach if an average is assumed.

Range of values from the market approach

Range	MV/oz (ZAR/oz)	Indicated Value (ZAR million)
High	4 650	6 510
Middle	2 550	3 570
Low	450	630

Source: Sound Mining December 2017

The economic analysis of the WRTRP was based on both the income and market approaches in accordance with the principles of the SAMREC Code. The summary of the analysis is shown below.

Summary economic analysis:

Approach	Lower value (ZAR million)	Middle value (ZAR million)	High value (ZAR million)
Market	630	3 570	6 510
Income	–	2 121	4 146

Source: Sound Mining December 2017

Income approach range from a 20% up or down adjustment in the gold price

The market approach analysis is based on a mix of listed companies that do not necessarily capture the unique makeup of the Project. Accordingly, Sound Mining does not consider it to be a true reflection of the likely market price (i.e. value) of the Project.

The income approach requires a minimum of a PFS for the declaration of Mineral Reserves and such is the case for the WRTRP. There is a high level of confidence in the Mineral Resources estimate. The operating cost estimates are well defined by information from the rest of DRDGOLD’s operations.

The capital estimates are for tried and tested exploitation methodologies and engineering structures. Sound Mining is of the opinion that the overall confidence in the WRTRP currently exceeds that normally ascribed to a PFS and accordingly, is more comfortable with the value of ZAR2 121 million as determined by the income approach as reflective of the economic merits of the Project.

Risk analysis

SR5.7(i), JSE12.9(h)(x)

A detailed risk analysis has been undertaken and is provided in Section 33 of the CPR. Apart from the normal risks inherent in mining projects and the uncertainty of conducting business in South Africa, no catastrophic risks were identified and the risks reviewed are mostly low to very low, excepting for those factors largely outside of DRDGOLD’s control such as market conditions and political stability (see Table below). The overall assessment is that the Project is low risk.

Furthermore, the “alternative option” provides an even lower risk profile should, for any reason, the full WRTRP with Phases 1 and 2, is unable to proceed.

WRTRP risk analysis

Potential risk	Comment	Likelihood	Consequence	Mitigation	Overall
Legal Tenure risk	Tenure sufficient for the Phase 1 LoM Tenure insufficient for the Phase 2 – Kloof mining right expires five years before the end of Phase 2	Unlikely Likely	Major Major	None required Application for renewal by Sibanye-Stillwater	Very Low Low
	Failure to grant Section 102 applications for the WRTRP activities and extension of the mining rights over Driefontein 4-TSF and the area for the R-TSF	Unlikely	Major	All mitigating factors have been undertaken	Low
	“Use and Access” agreement draft and unsigned	Unlikely	Major	It is in Sibanye-Stillwater’s best interests to finalise the agreement	Low
Claims over land or company	No claims over the land envisaged for the WRTRP operation	Rare	Moderate		Very low
Country Risk	South African country risk in terms of changing legislation and political instability	Possible	Moderate	Inherent medium risk taken by all companies mining in South Africa	Medium
Labour laws, strikes and union activity	Negatively affected operations. Labour contracts for the mining operation for Alexander Forbes’ account and risk.	Possible	Major	Inherent medium risk taken by all gold producers	Medium
Gold market movements	Market conditions vary according to global macroeconomic factors, investor demand, exchange rate fluctuations, inflation and interest rates. Project sensitive to gold price fluctuation	Possible	Moderate	Inherent medium risk taken by all gold producers	Medium
Geological and Resources	Geological conditions extremely well known. Mineral Resource estimates simple and based on SAMREC compliant data	Unlikely	Moderate	SAMREC compliant estimation has been undertaken	Low
Specific gravity	Could affect the tonnage estimations and classification of the Mineral Resources	Possible	Moderate	Density measurement adequate and historical data from Ergo available	Low
Flooding	Excessive rain	Possible	Minor	Adequate storm water design in the mine plan	Low

Potential risk	Comment	Likelihood	Consequence	Mitigation	Overall
Seismic activity, geotechnical failure and safety	The West Rand Basin is stable from a seismic perspective. The geotechnical aspects of the current H-TSF sites has been considered and resulted in the selection of the R-TSF site off the dolomites. DRDGOLD has an excellent safety record	Unlikely	Minor	Inherent low risk taken by all companies mining in the West Rand Basin and has been mitigated	Very low
Sampling and drilling	Compliant with SAMREC standards	Rare	Minor	Has been mitigated	Very low
QA/QC	Compliant with SAMREC standards	Rare	Minor	Has been mitigated	Very low
Audits and reviews	Several independent reviews. All deemed data suitable for Mineral resource estimation	Rare	Minor	Has been mitigated	Very low
Modeling techniques	Compliant with SAMREC standards	Rare	Minor	Has been mitigated	Very low
Grade	Grade distribution well known and mining plan and scheduling adjusted accordingly	Likely	Moderate	Has been mitigated	Very low
Mineral Resources estimation risk	The Mineral Resource estimation is compliant with SAMREC standards. All estimation of resources has inherent risk	Unlikely	Minor	Inherent in estimation methodologies and accepted in the industry	Low
Additional Ore Reserves to extend LoM	Additional resources can be identified as other H-TSF exist in the area	Possible	Major	None required	Low
Mining	Ergo has been operating successfully late 1990s. The only risk is falling gold price and economies of scale	Unlikely	Major	Adequate size of operation and economies of scale	Medium
Mining methodology inadequacy	Successful mining operation with no need to change methodology	Rare	Moderate	None required	Very low
Mining production shortfalls	Production targets being met at Ergo. Safety record excellent so unlikely health and safety stoppages. Labour contracted so stoppages for strikes low risk	Unlikely	Moderate	None required	Low
Pumping adequacy	Critical to the success of the business	Unlikely	Major	Adequate experience and design	Low
R-TSF	Design and costing based on 2015 DFS. Will require an update. Optimisation possible	Likely	Major	Confirmation of the design will be required, and costs can be optimised	Medium

Potential risk	Comment	Likelihood	Consequence	Mitigation	Overall
CPP	Full risk assessment still required	Likely	Moderate	None required at this stage	Medium
LoM plan issues	Sound Mining reviewed and satisfied with production estimates and processing recovery estimates	Unlikely	Moderate	Has been mitigated	Low
Ore Reserve estimation risks	Compliant with SAMREC standards. All Ore Reserve estimation has inherent risks	Unlikely	Minor	Has been mitigated	Inherent low risk taken by all mining companies
Processing plant	Based on fully operational examples at design criteria specifications	Rare	Moderate	Has been mitigated	Very low
Refurbishment	Will be required if additional reserves are identified and the LoM extended. No capex determined at this stage for such refurbishment	Possible	Moderate	None required	Medium
Lower recoveries	Currently operating at specified design recoveries	Possible	Moderate	None required at this stage	Medium
Higher operational costs	Based on operational information	Unlikely	Moderate	None required	Low
Regulatory challenges	Inability to proceed due to regulatory issues. Sound Mining considers that at the present status these hurdles should be easily mitigated. Typical issue facing South African mining industry	Possible	Major	Beyond DRD control	Low
Environmental permitting	WUL licence granted. 2105 EIA and EMP amended to include WRTRP activities	Very likely	Moderate	Timeous application	Low
Environmental permitting for infrastructure	Likely that further amendments required to cover plant modifications, pipeline route changes and pumping rate changes from original applications	Likely	Moderate	Timeous applications for amendments	Low
Environmental monitoring and rehabilitation risk	Full approval of EIA and EMP in place. Water monitoring on the R-TSF forms part of the operating costs. Provision of the rehabilitation costs covered by Sibanye-Stillwater trust fund with additional insurance policy. Included in the DCF	Unlikely	Moderate	None required at this stage	Low

Potential risk	Comment	Likelihood	Consequence	Mitigation	Overall
Grave relocation	Grave relocation process, consultation and compensation negotiations with Next-of Kin to be completed	Very likely	Moderate	Timeous consultation and negotiations	Medium
Capital costs	Capital costs considered acceptable estimates and staggered over the LoM	Unlikely	Moderate	None required at this stage	Low
Funding for phase	Insufficient funding available to initiate Phase 2	Possible	Major	Proceeding with "alternative route"	Medium
Operational costs	Operational costs for the LoM were compared to actual costs of production. Sound Mining considers them appropriate for a hydraulic mining operation and comparable to Witwatersrand Basin operations of a similar nature	Unlikely	Moderate	None required at this stage	Low
Labour provision	DRDGOLD taking over 164 employees from Sibanye-Stillwater retrenchment provision required	Likely	Moderate	Provision in the budget required	Medium
Project implementation timing	Dependent on approval by the Competition Commission	Unlikely	Moderate	None required at this stage	Medium
Project closure	Timing dependent on inclusion of currently active A-TSFs as per the Exchange Agreement. New legislation could affect current provision requirements	Likely	Moderate	None required at this stage	Medium
Non-governmental impact	None anticipated	Rare	Minor	None required	Very low
Compliance with host country laws	The operational status of Ergo confirms full compliance with the MPRDA, all environmental regulations and tax and royalty requirements	Rare	Major	None required	Very low
Sufficient funding for remediation and rehabilitation	Provision in the LoM adequate for current legislative requirements. Resolution of the dispute with SARS required before finalisation	Rare	Major	None required at this stage	Very low
Historical experience with host country laws	Operational status since 1990s proves experience	Rare	Major	None required	Very low

Exploration budget

SR8.1: JSE 12.9h(vi); JSE 12.9(e)(i)(ii)(iii)

The historical exploration expenditure by Sibanye-Stillwater was approximately ZAR320 million.

No additional drilling programmes are envisaged but an allowance of ZAR30 million has been provided in the Project economic analysis to fund the metallurgical testwork, pilot plant studies and the completion of the future DFS. This allowance is considered reasonable for such a study.

Overall concluding remarks

Sound Mining is of the opinion that the WRTRP is a low risk, profitable Project based on methodologies and systems that are currently effective in Ergo operations. Throughout the technical studies the input assumptions have been conservative and there is certainly opportunity for optimisation of designs. Scrutiny of the LoM completed by independent mining specialists (i.e.the RVN Group) has revealed that the sequence of extraction and rate of mining have been planned in sufficient detail. The recoveries are supported by metallurgical testwork (Section 25) and the quantities and grades planned are consistent with those estimated in the Mineral Resource estimation.

Both the DRDGOLD management team and the proposed mining contractor have considerable experience in such operations and no risks that cannot be mitigated, have been identified. Hydro-mining is well understood by DRDGOLD and it has no intention of redesigning its existing "tried and tested" processes.

The CP has checked the integrity of the mine design and associated costs and is satisfied that the level of detail and accuracy is aligned with the requirements of a PFS. The responsible contractor will be entitled to decide on various operational alternatives and to deploy capital equipment and manage costs. This will, however, be in conjunction with DRDGOLD, as part of DRDGOLD's tactical planning for each H-TSF. The cost and maintenance of the mining equipment, as well as the employees required, will be for the contractor's account and will form part of the contractual agreements with DRDGOLD.

From a health and safety perspective, hydro-mining does not create, but rather ameliorates the airborne dust problem often associated with fine tailings material. A safety burn around the perimeter of the dump will prevent slurry from escaping from the H-TSF in the event of an unplanned slope failure. Slope stability is, however, easily managed during the actual operations and the hydrological aspects affecting the H-TSFs are not significant to the operation.

The WRTRP has been devised not only as an economically viable business but also as a strategic opportunity to positively contribute to the re-organisation of the vast H-TSFs in the region and to mitigate the environmental risk in the region.

The WRTRP is fairly unique in that it has an inherent optionality unusual in mining projects of this size. Each Phase of the project is economically viable as a standalone opportunity and there are several decision points throughout the project life which permit proceeding with an alternative option should commodity prices or other consideration make the alternative more attractive.

Statement

JSE12.9(h)(xi)

The Synopsis provided herewith is a true reflection of the full CPR.

PRICE AND TRADING HISTORY OF DRDGOLD SHARES

The definitions and interpretations commencing on page 6 of the Circular to which this annexure is attached apply to this annexure, unless a word or a term is otherwise defined herein.

DAILY

The table below sets out the aggregate volumes and values traded and the highest and lowest prices of the DRDGOLD Shares for each day over the 30 trading days preceding the Last Practicable Date.

Day ended	High (cents)	Low (cents)	Volume traded (number of DRDGOLD Shares)	Value (Rand)
29/12/17	419	380	87 999	344 348
02/01/18	411	400	256 450	1 041 375
03/01/18	417	404	221 401	905 936
04/01/18	408	381	232 312	922 852
05/01/18	410	393	112 131	446 860
08/01/18	405	385	252 568	984 502
09/01/18	389	380	96 172	367 165
10/01/18	400	381	416 690	1 619 259
11/01/18	393	370	143 022	546 129
12/01/18	403	390	190 060	753 501
15/01/18	420	399	217 836	887 516
16/01/18	410	390	284 257	1 136 057
17/01/18	410	400	40 915	164 764
18/01/18	395	382	194 706	756 735
19/01/18	400	385	129 177	507 054
22/01/18	393	370	236 544	897 232
23/01/18	392	380	92 921	361 236
24/01/18	410	380	282 823	1 138 112
25/01/18	410	374	242 756	941 244
26/01/18	400	380	132 709	510 900
29/01/18	392	375	148 104	566 080
30/01/18	390	359	209 901	781 547
31/01/18	365	356	136 555	492 160
01/02/18	388	360	217 920	814 230
02/02/18	385	356	450 963	1 648 744
05/02/18	380	336	400 508	1 434 347
06/02/18	362	339	355 472	1 233 380
07/02/18	360	339	108 607	379 105
08/02/18	359	343	44 279	155 265
09/02/18	367	352	91 091	330 981

MONTHLY

The table below sets out the aggregate volumes and values traded and the highest and lowest prices of the DRDGOLD Shares for each month over the 12 (twelve) months preceding the Last Practicable Date.

Month ended	High (cents)	Low (cents)	Volume traded (number of DRDGOLD Shares)	Value (Rand)
31/03/17	738	576	31 230 975	199 999 597
30/04/17	714	512	12 807 728	80 425 972
31/05/17	559	405	12 856 846	62 976 239
30/06/17	450	370	10 978 009	44 470 883
31/07/17	438	390	5 342 307	21 886 479
31/08/17	474	402	9 654 531	42 594 638
30/09/17	544	456	13 910 121	70 980 067
31/10/17	552	446	11 343 873	56 275 163
30/11/17	530	452	7 978 181	39 369 490
31/12/17	464	359	5 467 610	21 687 957
31/01/18	420	356	4 270 010	16 728 216
28/02/09	388	336	1 668 840	5 996 051

The definitions and interpretations commencing on page 6 of the Circular to which this annexure is attached apply to this annexure, unless a word or a term is otherwise defined herein.



DRDGOLD Limited

(Incorporated in the Republic of South Africa)

Registration number 1895/000926/06

JSE share code: DRD

ISIN: ZAE000058723

NYSE trading symbol: DRD

("DRDGOLD" or the "Company")

REVISED LISTING PARTICULARS

The Revised Listing Particulars set out below should be read together with the Circular.

In terms of the Listings Requirements, the Acquisition is classified as a category 1 transaction. As the issue of the Consideration Shares will increase DRDGOLD's Shares in issue by more than 50%, DRDGOLD is required to prepare revised listing particulars in accordance with paragraph 9.22 of the Listings Requirements. This disclosure is incorporated into the Circular where practical. Requisite disclosures not covered in the body of the Circular are set out below.

These Revised Listing Particulars are not an invitation to the public to subscribe for securities, but are issued in compliance with the Listings Requirements, for the purpose of providing information to the public and Shareholders with regard to DRDGOLD following the implementation of the Acquisition and Specific Issue.

These Revised Listing Particulars have been prepared on the assumption that the ordinary resolutions and the special resolution proposed in the Notice of General Meeting forming part of the Circular to which these Revised Listing Particulars are attached will be approved at the General Meeting of Shareholders to be held on Wednesday, 28 March 2018.

As at the Last Practicable Date of these Revised Listing Particulars, the authorised share capital of DRDGOLD consists of 600 000 000 DRDGOLD Shares and the issued share capital of DRDGOLD consists of 431 429 767 DRDGOLD Shares and 5 000 000 cumulative preference shares. The total value of DRDGOLD's issued share capital is R4 177.7 million.

All DRDGOLD Shares rank *pari passu* in respect of all rights. As at the Last Practicable Date, 9 361 071 DRDGOLD Shares are held as Treasury Shares.

Following the implementation of the Transaction, the authorised and issued share capital of DRDGOLD will be as set out in paragraph 11 of the Circular.

The Directors, whose names are given on page 14 of the Circular, collectively and individually accept full responsibility for the accuracy of the information relating to the DRDGOLD Group and certify that, to the best of their knowledge and belief, there are no facts which have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made, and that these Revised Listing Particulars contain all information required by law and the Listings Requirements.

The sponsor, legal advisors, independent reporting accountant and auditor and each of the experts, whose names appear in the "Corporate Information" section of the Circular, have given and have not, prior to the formal approval of these Revised Listing Particulars by the JSE, withdrawn their written consents to the inclusion of their names, and acting in the capacities stated and, where applicable, to their reports, being included in these Revised Listing Particulars.

Copies of the Circular incorporating these Revised Listing Particulars are available in English only and may, from Monday, 26 February 2018 until Wednesday, 28 March 2018 (both days inclusive) be obtained from the registered office of DRDGOLD, during normal business hours at the address set out in the "Corporate Information" section of the Circular. A copy of the Circular incorporating these Revised Listing Particulars will also be available on DRDGOLD's website (www.drdgold.com).

SECTION ONE – INFORMATION ON DRDGOLD

1. HISTORY AND NATURE OF THE BUSINESS

The history and nature of the DRDGOLD's business are set out in paragraph 3 of the Circular. The history and nature of the business of WRTRP and ERGO ("**Major Subsidiaries**") is set out in paragraph 4 of the Circular and Appendix 1 to these Revised Listing Particulars, respectively.

2. SUBSIDIARIES

2.1 The Subsidiaries directly and indirectly held by DRDGOLD are listed below:

Subsidiaries directly held	Activity
EMO	Holding company
Crown Consolidated Gold Recoveries Limited	Dormant
West Witwatersrand Gold Holdings Limited	Dormant
Rand Leases (Vogelstruisfontein) Gold Mining Company Limited	Dormant
Argonaut Financial Services Proprietary Limited	Dormant
Roodepoort Gold Mine Proprietary Limited	Dormant
Subsidiaries indirectly held	
ERGO	Surface gold mining
ERPM	Care and maintenance
Crown Gold Recoveries Proprietary Limited	Non-operational
West Witwatersrand Gold Mines Limited	Dormant
Crown Mines Limited	Dormant
City Deep Limited	Dormant
Consolidated Main Reef and Estate Limited	Dormant
Hartebeestfontein Gold Mining Company Limited	Dormant

2.2 DRDGOLD listed on the Exchange on 25 April 1895. All its Subsidiaries are 100% owned by DRDGOLD and are unlisted entities, incorporated in South Africa.

2.3 WRTRP was incorporated on 6 October 2017 and its date of becoming a subsidiary of DRDGOLD is subject to implementation of the Transaction.

2.4 ERGO was incorporated on 15 February 2007 and it became a subsidiary of DRDGOLD on 1 May 2010.

3. PROSPECTS AND STRATEGY

DRDGOLD's prospects and strategy following implementation of the Transaction are set out in paragraphs 4.2 and 4.3 of the Circular.

4. SHARE CAPITAL

4.1 The authorised and issued share capital of DRDGOLD as at the Last Practicable Date and following the issue of the Consideration Shares and issue of the Issue Shares is set out in paragraph 11 of the Circular.

4.2 Randgold and Exploration Company Limited ("**Randgold**") owns 5 000 000 (100%) of DRDGOLD's cumulative preference shares.

4.3 The holders of cumulative preference shares do not have voting rights unless any preference dividend is in arrears for more than six months. The terms of issue of the cumulative preference shares are that they carry the right, in priority to the Company's ordinary shares, to receive a dividend equal to 3% of the gross future revenue generated by the exploitation or the disposal of the Argonaut mineral rights acquired from Randgold in September 1997. Additionally, holders of cumulative preference shares may vote on resolutions which adversely affect their interests and

on the disposal of all, or substantially all, of our assets or mineral rights. There is currently no active trading market for our cumulative preference shares. Holders of cumulative preference shares will only obtain their potential voting rights once the Argonaut Project becomes an operational gold mine, and dividends accrue to them. The prospecting rights have since expired and the Argonaut Project terminated. The development of the project is not expected to materialise and therefore no dividend is expected to be paid.

- 4.4 The cumulative preference shares are not traded on any exchange.
- 4.5 The authorised and issued share capital of ERGO as at the Last Practicable Date are 1 000 ordinary and 9 000 A ordinary authorised shares and 805 ordinary issued shares, respectively.
- 4.6 The authorised and issued share capital of WRTRP as at the Last Practicable Date are 5 000 authorised WRTRP Shares and 1 000 issued WRTRP Shares, respectively.
- 4.7 The extracts from the Company's MOI pertaining to the below are set out in Appendix 4 to these Revised Listing Particulars:
 - 4.7.1 preferential conversion and / or exchange rights of any securities;
 - 4.7.2 voting rights of the securities;
 - 4.7.3 rights to dividends, profits or capital or any other rights of each class, including redemption rights on liquidation or distribution of capital assets; and
 - 4.7.4 consents required for the variation of rights attaching to securities.

4.8 **Shares issued**

In the last three years:

- 4.8.1 DRDGOLD has issued:
 - 4.8.1.1 546 000 Shares during the year ended 30 June 2016 relating to share options exercised under the DRDGOLD (1996) share scheme. The weighted average price of these Shares was R7.83 per share. The Shares were issued to certain employee participants to the scheme.
 - 4.8.1.2 45 500 000 Shares during the year ended 30 June 2015 relating to the acquisition of the 20% and 6% interest in the issued share capital of EMO held by Khumo Gold SPV Proprietary Limited and the DRDSA Empowerment Trust respectively, EMO's broad based empowerment shareholders, at a fair value of R96.5 million, being R2.12 per Share, plus R0.9 million cash.
- 4.8.2 None of the Subsidiaries have issued shares in the last three years.

4.9 **Repurchases**

In the last three years DRDGOLD has repurchased 3 205 512 Shares in the market during the year ended 30 June 2016 which are held by EMO in treasury.

4.10 **Changes to share capital**

There have been no changes to the authorised share capital (including share consolidations or subdivisions) of DRDGOLD and its Major Subsidiaries, during the previous three years.

4.11 **Options and preferential rights in respect of Shares**

Save for the Option Agreement and the Option granted to Sibanye-Stillwater in terms of the Transaction (details of which are set out in paragraph 6 of the Circular), there is no contract or arrangement, either actual or proposed, whereby any option or preferential right of any kind has been or will be given to any person to subscribe for any Shares in DRDGOLD or any of its Subsidiaries.

4.12 **Control of authorised but unissued DRDGOLD Shares**

- 4.12.1 In terms of the MOI, the unissued authorised Shares are under the power of the Directors and may be issued by the Directors at their discretion at any time subject to any necessary compliance requirements required by such security class terms and rights and compliance with the Companies Act, the Listings Requirements and / or the MOI.

4.12.2 In terms of an ordinary resolution passed at the 2017 annual general meeting, the Directors are authorised, as a general authority, to issue, as they in their discretion think fit, authorised but unissued shares in the capital of DRDGOLD, or grant options to subscribe for an existing issued class of DRDGOLD shares, or to allot and issue instruments that are convertible to an existing issued class of DRDGOLD Shares, for cash to such person or persons as and when suitable opportunities arise therefore, but subject to the requirements from time to time of the Company, the Companies Act and the Listings Requirements, 15% of the unissued Shares, being 63 310 304 Shares, until the next annual general meeting.

4.13 Other listings

4.13.1 DRDGOLD Shares are listed on the Exchange, on the New York Stock Exchange in terms of an ADR programme, the Marche Libre on the Paris Bourse, the Over The Counter, or OTC, market in Berlin and Stuttgart and the Regulated Unofficial Market on the Frankfurt Stock Exchange.

4.13.2 None of the Major Subsidiaries are listed on any stock exchange.

5. BORROWING POWERS

5.1 In terms of the DRDGOLD MOI as set out in Appendix 4 of these Revised Listings Particulars, the Directors may from time to time:

5.1.1 borrow for the purposes of the Company such sums as they think fit; and

5.1.2 secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of securities, mortgage or charge upon all or any of the property or assets of the Company.

5.2 The Directors shall procure that the aggregate principal amount at any one time outstanding in respect of monies so borrowed or raised by the Company and all the Subsidiaries shall not exceed the aggregate amount at that time authorised to be borrowed or secured by the Company or the Subsidiaries (as the case may be).

5.3 The borrowing powers of ERGO and WRTRP are unlimited and the terms of their respective memoranda of incorporation are set out in Appendix 4 of these Revised Listing Particulars.

6. MAJOR AND CONTROLLING SHAREHOLDERS

6.1 As at the Last Practicable Date, DRDGOLD does not have a controlling shareholder.

6.2 The table in paragraph 13.1 of the Circular illustrates the DRDGOLD Shareholders who, as at the Last Practicable Date, beneficially held, directly or indirectly, an interest of 5% or more of the DRDGOLD Shares in issue.

6.3 The tables in paragraphs 13.2 and 13.3 of the Circular illustrate the DRDGOLD Shareholders who, following the Acquisition and the Specific Issue, respectively, will hold directly or indirectly, an interest of 5% or more of the DRDGOLD Shares in issue.

6.4 There has been no change in the controlling shareholder and trading objects of the Company's subsidiaries during the five years preceding the Circular.

6.5 Following implementation of the Acquisition and Specific Issue, Sibanye-Stillwater will become a controlling Shareholder.

SECTION TWO – DIRECTORS

7. DIRECTORS AND PRESCRIBED OFFICERS

7.1 Composition

- 7.1.1 The composition and details of the Directors' and prescribed officers' of the Company, and directors' of the Major Subsidiaries, relevant management expertise and experience and other directorships held by the Directors are set out in Appendix 2 to these Revised Listing Particulars.
- 7.1.2 None of the Directors and prescribed officers of the Company or directors of the Major Subsidiaries is a partner with unlimited liability.
- 7.1.3 None of the Directors and prescribed officers of the Company, directors of the Major Subsidiaries:
 - 7.1.3.1 have been declared bankrupt, insolvent or have entered into any individual voluntary compromise arrangements;
 - 7.1.3.2 have been directors with an executive function of any company put under, or proposed to be put under, any business rescue plans, or that is or was the subject of an application for business rescue, any notices in terms of section 129(7) of the Companies Act, receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangements with creditors generally or any class of creditors, at the time of such event or within the 12 months preceding any such event;
 - 7.1.3.3 have been partners in a partnership that was the subject of any compulsory liquidation, administration or partnership voluntary arrangement, at the time of such event or within the 12 months preceding any such event;
 - 7.1.3.4 have entered into any receiverships of any asset(s) or of a partnership where such directors are or were partners during the preceding 12 months;
 - 7.1.3.5 have been publicly criticised by a statutory or regulatory authority, including recognised professional bodies, or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
 - 7.1.3.6 have been involved in any offence of dishonesty;
 - 7.1.3.7 have been removed from an office of trust, on the grounds of misconduct, involving dishonesty; or
 - 7.1.3.8 have been the subject of any court order declaring him delinquent or placing him under probation in terms of section 162 of the Companies Act and / or section 47 of the Close Corporations Act, No. 69 of 1984 or been disqualified by a court to act as a director in terms of section 219 of the Companies Act.

7.2 Appointment, retirement, qualification, age restriction, remuneration and voting power of Directors

7.2.1 Appointment and election of Directors

Each director shall be appointed by election by way of an ordinary resolution of shareholders at a general or annual meeting of the Company following their appointment by directors. The appointment of a director is approved by the Board as a whole.

7.2.2 Retirement, rotation and re-election of Directors

In accordance with the MOI, one third of the directors comprising executive and non-executive directors, are subject to retirement on a rotating basis, are subject to re-election

at each annual general shareholders' meeting. All directors are subject to election at the first annual general meeting following their appointment. Retiring directors normally make themselves available for re-election.

7.2.3 **Qualification of Directors**

Apart from satisfying the qualification and eligibility requirements set out in section 69 and section 66(7) of the Companies Act, a person need not satisfy any eligibility requirements or qualifications to become or remain a director or a prescribed officer of the company.

7.2.4 **Age restrictions**

There is no age limit for directors.

7.2.5 **Remuneration of Directors**

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

7.2.6 The relevant provisions of the DRDGOLD MOI in respect of the above are set out in Appendix 4 to these Revised Listing Particulars.

7.2.7 The relevant provisions of the memoranda of incorporation relating to the term of office of directors, the manner of their appointment, rotation, retirement / non-retirement qualification, remuneration and voting powers of directors of the Major Subsidiaries are set out in Appendix 4 to these Revised Listing Particulars.

7.3 **Directors' remuneration and service contracts**

Information on the remuneration and service contracts of the Directors and directors of the Major Subsidiaries is set out in paragraph 15 of the Circular.

7.4 **Directors' interests in securities and in transactions**

7.4.1 Details of the Directors' interests in securities and in transactions are set out in paragraph 14 of the Circular.

7.4.2 The directors of the Major Subsidiaries do not have any interests in securities and transactions of the Company.

7.4.3 The Company's advisors and the prescribed officers of the Company, do not have any interests in DRDGOLD Shares.

SECTION THREE – GROUP FINANCIAL INFORMATION

8. **PRO FORMA FINANCIAL INFORMATION OF DRDGOLD**

The *pro forma* financial effects of DRDGOLD are set out in annexure 4 to the Circular and the independent reporting accountant's report thereon is set out in annexure 5 to the Circular.

9. **HISTORICAL FINANCIAL INFORMATION**

An extract of the historical financial information of DRDGOLD and WRTRP and the related independent reporting accountant's report thereon are set out in annexures 8, 9, and 10 to the Circular, respectively. The full annual financial statements of the Group are available on the Company's website at www.drdgold.com.

10. **BORROWINGS AND LOANS RECEIVABLE AND INTERCOMPANY FINANCIAL AND OTHER TRANSACTIONS**

10.1 As at the Last Practicable Date, the borrowing powers of the Directors and the directors of the Major Subsidiaries have not been exceeded since the date of incorporation of the Company or the Major Subsidiaries. There are no instances where exchange control or other restrictions have been applied on the borrowing powers of DRDGOLD or any of its Major Subsidiaries.

10.2 No debentures have been issued by or issued to the DRDGOLD Group in terms of a trust deed.

10.3 As at the Last Practicable Date, no loans have been made or security furnished by DRDGOLD or any of its Major Subsidiaries to or for the benefit of any Director, manager or any associate of a Director or manager of DRDGOLD.

10.4 ERGO leases temporary power generation equipment with a carrying value of R16.8 million from Aggreko Energy Rental Proprietary Limited under a finance lease with an outstanding balance of R16.8 million and an effective interest rate of 17.9%. The finance lease is repayable R2.8 million in 2018, R3.2 million in 2019 and R10.8 million in 2020, the latter including R9.9 million for the option to acquire the leased equipment at the end of the lease term. Interest is payable R2.5 million in 2018, R2.0 million in 2019 and R0.4 million in 2020. Save for the above, DRDGOLD does not have material commitments.

10.5 As the Last Practicable Date, DRDGOLD and its Major Subsidiaries do not have any material loans owing or receivable. There is no material loan capital outstanding.

10.6 DRDGOLD's contingent liabilities are set out in note 23 of the annual financial statements for the year ended 30 June 2017. The annual financial statements can be accessed on the Company's website, www.drdgold.com.

10.7 As at the Last Practicable Date, inter-company financial and other transactions are set out in Appendix 6 of these Revised Listing Particulars.

11. **TRADING HISTORY OF SHARES**

The prices and trading history of DRDGOLD Shares is set out in annexure 13 to the Circular.

12. **PRINCIPAL IMMOVABLE PROPERTY OWNED AND LEASED**

12.1 As at the Last Practicable Date, save for the Lease Agreement in respect of WRTRP, DRDGOLD and ERGO do not occupy any leasehold immovable property.

12.2 The principal immovable property owned by DRDGOLD and ERGO is detailed in appendix 5 to these Revised Listing Particulars.

13. **DIVIDENDS**

DRDGOLD's dividend policy is to return excess cash over and above the predetermined cash buffer to its Shareholders. Dividends are proposed by the Audit and Risk Committee and approved by the Board of Directors of DRDGOLD based on the quarterly management accounts presented to the Board.

- 13.1 There are no fixed dates on which entitlement to dividends arises.
- 13.2 Any distributions remaining unclaimed for a period of three years from the declaration date thereof are subject to the Prescription Act, No. 68 of 1969, as amended.
- 13.3 There are no arrangements in terms of which future dividends are waived or agreed to be waived.

ADDITIONAL INFORMATION ON THE GROUP

14. PARTICULARS AND PURPOSE OF THE ISSUE

The details of the particulars and purpose of the issue of DRDGOLD Shares in terms of the Transaction are set out in paragraph 3 of the Circular. The Resolutions, authorisations and approvals required for the issue of the Consideration Shares and Issue Shares are set out in the Notice of General meeting attached to the Circular. The details of the WRTRP Assets which are the subject of the Acquisition are set out in paragraph 4 of the Circular and an executive summary of the Competent Person's Report thereon is set out in annexure 12 to the Circular. The Consideration Shares and Issue Shares will be listed on the Exchange and a share certificate for each issue will be provided to Sibanye-Stillwater, as and when it occurs.

15. MATERIAL ACQUISITIONS

- 15.1 DRDGOLD is not currently contemplating any potential material acquisitions.
- 15.2 The full details of the acquisition of the WRTRP Assets by DRDGOLD are set out paragraph 5 of the Circular. The Acquisition will be implemented on the Effective Date. The WRTRP Assets will be acquired through the exchange of the Consideration Shares. None of the consideration is payable in cash and no goodwill will be recognised for this acquisition. DRDGOLD will not incur any loans to finance the Acquisition. The Acquisition will be of a 100% interest in WRTRP. The details of the vendors of the WRTRP Assets are set out in Appendix 3 to these Revised Listing Particulars.
- 15.3 As at the date immediately prior to the Last Practicable Date, the purchase consideration payable for the acquisition of the WRTRP Assets was approximately R940.8 million (265 million new DRDGOLD shares at a price of R3.55). The proportionate net asset value of WRTRP as extracted from the historical financial statements as at 30 June 2017 of WRTRP as set out in annexure 9 to the Circular is R273.5 million with a net present value of R2.1 billion as detailed in the executive summary of the Competent Person's Report set out in annexure 12 to the Circular. The difference between the purchase price and the proportionate net asset value of WRTRP is R667.3 million.
- 15.4 On 26 March 2015, DRDGOLD acquired a 20% and a 6% shareholding in EMO that it did not already hold, held by Khumo and the DRDSA Empowerment Trust. EMO became a wholly-owned subsidiary of DRDGOLD. The consideration payable for the acquisition was 45.5 million shares in DRDGOLD (35 000 000 shares to Khumo and 10 500 000 shares to the DRDSA Empowerment Trust) at a fair value of R96.5 million plus R0.9 million cash.
- 15.5 The purchase consideration paid for the acquisition of the 26% interest in EMO was R97.4 million (45.5 million new DRDGOLD shares at a price of R2.12 plus R0.9 million). The proportionate net asset value of EMO was R154.6 million as at the date of purchase. The difference between the purchase price and the proportionate net asset value of EMO was R57.2 million.
- 15.6 No goodwill was recognised for this acquisition and DRDGOLD did not incur any loans to finance the acquisition. The details of the vendors to the acquisition are set out in Appendix 3 to these Revised Listing Particulars.
- 15.7 Save for in respect of the WRTRP Assets, all of the acquired property stated above has been transferred into the name of the Company.
- 15.8 No vendor has guaranteed book debts or other assets. The agreements in terms of which the relevant material assets were or are to be acquired contain warranties standard for transactions of their nature.
- 15.9 The agreements entered into between DRDGOLD and each of the vendors do not preclude the vendors from carrying on business in competition with the Company nor do the agreements impose any other similar restrictions on the vendors and therefore no payment in cash or otherwise has been made in this regard.

15.10 There are no liabilities for accrued taxation that are required to be settled in terms of the vendor agreements.

15.11 None of the Major Subsidiaries are currently contemplating any potential material acquisitions and have not acquired material assets in the last three years.

16. PROPERTY DISPOSED OF OR TO BE DISPOSED OF

In the past three years DRDGOLD has not and none of the Major Subsidiaries have disposed of material immovable property and / or fixed assets and / or securities and / or business undertakings nor is it (or any of the Major Subsidiaries) contemplating the disposal of such material property.

17. MATERIAL CHANGES

17.1 Save for the Transaction, there have been no material changes in the financial or trading position of the DRDGOLD Group since the end of its last financial year ended 30 June 2017.

17.2 Save for the Transaction, there have been no material changes in the business or trading objects of the DRDGOLD Group within the past five years preceding these Revised Listing Particulars.

18. GOVERNMENTAL PROTECTION OR INVESTMENT ENCOURAGEMENT

There is no government protection or investment encouragement law affecting the DRDGOLD Group.

19. MATERIAL CONTRACTS

Save for the agreements pertaining to the Transaction, the details of which are set out in paragraph 16 of the Circular and the service contracts of Directors entered into the last three years, the details of which are set out in paragraph 15.4 of the Circular, no material contracts have been entered into by DRDGOLD or the Major Subsidiaries, being restrictive funding arrangement and / or contracts entered into other than in the ordinary course of business and (i) within the two years prior to the date of these Revised Listing Particulars or, (ii) at any other time where such agreement contains an obligation or settlement that is material to DRDGOLD as at the date of these Revised Listing Particulars. There are no royalties paid by or payable to the DRDGOLD Group.

20. EXPENSES

DRDGOLD has incurred no expenses (including preliminary expenses) in relation to the Transaction during the three years preceding this Circular, save for the expenses set out in paragraph 17 of the Circular.

None of the Major Subsidiaries have incurred any preliminary expenses in relation to the Transaction during the three years preceding the Circular.

21. PROMOTERS' AND OTHER INTERESTS

21.1 In the last three years there were no promoters appointed and no cash or securities amounts were paid or accrued and no benefit was given or proposed to be given within this period to any promoter or to any partnership, syndicate or other association of which any promoter is or was a member.

21.2 No commissions were paid, or have accrued, by DRDGOLD within the three years preceding the date of these Revised Listing Particulars in respect of any underwriting.

21.3 No commissions, discounts, brokerages or other special terms have been granted by DRDGOLD within the three years preceding the date of these Revised Listing Particulars in connection with the issue or sale of any securities, stock or debentures in the capital of DRDGOLD.

21.4 The interests of the Directors in DRDGOLD Shares are set out in paragraph 14.2 of the Circular. Save for being a Shareholder, no Director of DRDGOLD or any Director who has resigned in the last 18 months, has or had any material beneficial interest, directly or indirectly, in any transaction which is, or was, material to the business of DRDGOLD and which was effected by DRDGOLD during the current financial year, or in any previous financial year, which remains in any respect outstanding or unperformed.

- 21.5 Save for being a Shareholder, no Director of DRDGOLD had any material beneficial interest, either direct or indirect, in the promotion of the Company as at the date of signing of the Transaction Agreements.
- 21.6 Save for being a Shareholder, no Director of DRDGOLD had any material beneficial interest, either direct or indirect, in any material assets acquired or property acquired, or to be acquired, by DRDGOLD as at the date of signing of the Transaction Agreements.
- 21.7 DRDGOLD has within three years preceding the Circular, not paid any amounts (whether in cash or in securities), nor given any benefits to any Directors or to any company in which Directors are beneficially interested, directly or indirectly or to any partnership, syndicate or other association of which the Directors are members, or to any Director as an inducement to become a Director or otherwise, or for services rendered by Directors, or otherwise for services rendered by Directors or by the associate company or associate entity in connection with the promotion or formation of the Company.
- 21.8 The business of DRDGOLD or any of the Major Subsidiaries, or any part thereof, is not managed, or proposed to be managed, by any third party under contract or arrangement.

22. **EXPERTS' CONSENTS**

The sponsor, legal advisors and auditor and independent reporting accountant and each of the experts, whose names appear in the "*Corporate Information*" section of the Circular incorporating these Revised Listing Particulars, have given and have not, prior to the formal approval of these Revised Listing Particulars by the JSE, withdrawn their written consents to the inclusion of their names, and acting in the capacities stated and, where applicable, to their reports, being included in the Circular incorporating these Revised Listing Particulars.

23. **WORKING CAPITAL**

The working capital statement is set out in paragraph 23 of the Circular.

24. **LITIGATION**

The legal or arbitration proceedings (including any such proceedings that are pending or threatened) of which DRDGOLD is aware, which may have, or have during the 12 months preceding the Last Practicable Date had, a material effect on the financial position of the DRDGOLD Group are set out in paragraph 19 of the Circular.

25. **CORPORATE GOVERNANCE**

Details of the application of the King IV and DRDGOLD's corporate governance are set out in paragraph 20 of the Circular.

26. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors, collectively and individually accept full responsibility for the accuracy of the information contained in these Revised Listing Particulars which relates to DRDGOLD and the Group and, in this regard, certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that these Revised Listing Particulars contains all information required by the Listings Requirements.

27. **DOCUMENTS INCORPORATED BY REFERENCE**

The documents incorporated by reference are set out in paragraph 27 of the Circular.

28. DOCUMENTS AVAILABLE FOR INSPECTION

The documents listed in paragraph 28 of the Circular, or copies thereof, will be available for inspection by Shareholders during normal business hours at DRDGOLD's registered office, the details of which are provided in the "*Corporate Information*" section of the Circular, from Monday, 26 February 2018 until Wednesday, 28 March 2018 (both days inclusive).

**SIGNED AT SANDTON ON Friday, 16 February 2018 ON BEHALF OF ALL THE DIRECTORS OF DRDGOLD,
AS LISTED BELOW, IN TERMS OF POWERS OF ATTORNEY SIGNED BY SUCH DIRECTORS**

APPENDIX 1: INFORMATION ON ERGO

ERGO

Overview

DRDGOLD owns 100% of EMO, which in turn owns 100% of ERGO. ERGO is a surface tailings retreatment operation operating across central and east Johannesburg. In order to improve synergies, effect cost savings and establish a simpler group structure, DRDGOLD restructured the Group's surface operations (Crown, ERPM's Cason Dump surface operation and ERGOGold) into ERGO with effect from July 1, 2012. ERPM's Cason Dump surface tailings retreatment operation was depleted in the first half of fiscal year 2015. At 30 June 2017, DRDGOLD employed 850 full-time employees. In addition, specialist service providers deployed a further 1 365 employees to our operations bringing the total number of in-house and outsourced employees to 2 215.

Properties

The ERGO plant is located approximately 43 miles (70 kilometres) east of the Johannesburg's central business district in the province of Gauteng on land owned by ERGO. Access to the ERGO plant is via the Ergo Road on the N17 Johannesburg-Springs motorway. As of 30 June 2017, and September 2017, no encumbrances exist on ERGO's property.

The Crown operation is situated on the outskirts of Johannesburg, South Africa and consists of three separate locations, City Deep, Crown Mines and Knights. The entire mining footprint consists of the mining rights of City Deep, Consolidated Main Reef & Estates, Crown Mines ("3Cs") and Knights. Crown's mining rights have been converted to new order rights under the MPRDA and the mining rights in respect of the 3Cs and Knights were registered at the Mineral and Petroleum Titles Registration Office in January 2014. Following the restructuring of the company into a single surface retreatment business unit, these mining rights were transferred to ERGO in March 2014.

The Crown Mines operation is located on the West Wits line within the Central Goldfield of the Witwatersrand Basin, approximately six miles (10 kilometres) west of the Johannesburg central business district in the province of Gauteng. Access is via Xavier Road on the M1 Johannesburg-Kimberley-Bloemfontein highway. However, over a period of more than 30 years our ore reserves in the western Witwatersrand had become depleted. We therefore took a decision at the end of fiscal year 2016 that in fiscal year 2017 we would complete the recovery of material from a number of Crown reclamation sites and to close the Crown plant. This plant operated as a pump / milling station feeding the metallurgical plants until March 2017 when it ceased all operations. By the end of fiscal year 2017, most of the Crown sites had been cleared and substantial progress had been made on the rehabilitation of the Crown plant site.

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

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

HISTORY OF ERGO

- 2005** Anglo American Corporation commissioned the ERGO plant in Brakpan in 1977. The operation became part of AngloGold Ashanti in 1998 and was closed by that company in 2005.
-
- 2007** ERGO was founded by EMO (owned by DRDGOLD at the time) and Mintails SA as a joint venture.
- On August 6, 2007, the joint venture parties entered into an agreement with AngloGold Ashanti – pursuant to which it acquired the remaining assets of the ERGO plant for a consideration of R42.8 million.
- Additional agreements were concluded with AngloGold Ashanti on November 14, 2007 for the acquisition by ERGO of additional tailings properties and the Brakpan /Withok TDF for a consideration of R45.0 million.
-
- 2008** ERGO Phase 1 was launched comprising the refurbishment and recommissioning of the ERGO plant's first CIL circuit and the retreatment of the Elsburg and Benoni tailings complexes.
- DRDGOLD acquires Mintails SA's stake in ERGOGold for R277.0 million.
-
- 2009** ERGO Phase 1 commissioning continues; first feeder line to the ERGO Plant from Elsburg tailings complex comes into operation.
- ERGO Phase 2 exploration drilling for gold, uranium and acid completed.
-
- 2010** DRDGOLD acquired control of ERGO through the acquisition of Mintails SA's 50% in ERGO for R82.1 million.
- ERGO Phase 1 production ramp-up nears completion with the installation of the second Elsburg tailings complex feeder line to the ERGO plant. Construction of the Crown / ERGO pipeline commenced.
-
- 2011** Construction of the Crown / ERGO pipeline continued and the second CIL circuit of the ERGO plant was refurbished as part of the Crown / ERGO pipeline project.
-
- 2012** The construction of the Crown / RGO pipeline and second CIL circuit of the ERGO plant was completed.
-
- 2013** To improve synergies, effect cost savings and a simpler group structure DRDGOLD restructured the Group's surface operations into ERGO on 1 July 2012, which consisted of Crown, the surface operations of ERPM and ERGOGold. Construction and commissioning of the ERGO flotation / fine-grind plant (FFG) was completed in late December 2013.
-
- 2014** The FFG was suspended in April 2014 after metallurgical efficiencies declined. Test-work recommenced in August.
- A prospecting right in respect of surface tailings dumps on various portions of the Farm Grootvlei and a portion of the Farm Geduld was registered on 12 May 2014 for a period of five years ending on 21 April 2019.
-
- 2015** The FFG became fully operational in February 2015.
- Ministerial consent in terms of section 11 of the MPRDA for the restructuring of the Group's surface operations into ERGO were obtained.
-
- 2016** A legal review of the existing authorisations was undertaken for increasing the deposition capacity of the Brakpan /Withok TDF. The results indicated that most of the current authorisations are sufficient, however certain documentation will need to be amended.
-

APPENDIX 2: DIRECTORS' INFORMATION

The definitions and interpretations commencing on page 6 of the Circular to which this appendix to the Revised Listing Particulars is attached apply to this annexure, unless a word or a term is otherwise defined herein.

DIRECTORS OF DRDGOLD

Name and age:	Geoffrey Charles Campbell (56)
Nationality:	British
Qualification:	BSc (Geology)
Position:	Independent non-executive Chairman
Experience:	Geoffrey Campbell was appointed a non-executive Director in 2002, a senior independent non-executive Director in December 2003 and non-executive Chairman in October 2005. A qualified geologist, Geoffrey has worked on gold mines in Wales and Canada. He spent 15 years as a stockbroker before becoming a fund manager, managing the Merrill Lynch Investment Managers Gold and General Fund, one of the largest gold mining investment funds. He was also research director for Merrill Lynch Investment Managers.
Business address:	1 Sixty Jan Smuts Building, 2nd Floor – North Tower, 160 Jan Smuts Avenue, Rosebank, 2196, South Africa
Other directorships:	Geoffrey is a director of Oxford Abstracts Limited.
Previous directorships:	–

Name and age:	Johan Andries Holtzhausen (71)
Nationality:	South African
Qualification:	BSc, BCompt (Hons), CA(SA)
Position:	Independent non-executive Director
Experience:	Johan Holtzhausen was appointed as an independent non-executive Director on 25 April 2014. He has more than 42 years' experience in the accounting profession, having served as a senior partner at KPMG Services Proprietary Limited, and held the highest Generally Accepted Accounting Principles (United States), Generally Accepted Auditing Standards and Sarbanes-Oxley Act accreditation required to service clients listed on stock exchanges in the United States. His clients included major corporations listed in South Africa, Canada, the United Kingdom, Australia and the United States.
Business address:	1 Sixty Jan Smuts Building, 2nd Floor – North Tower, 160 Jan Smuts Avenue, Rosebank, 2196, South Africa
Other directorships:	Johan currently serves as a voluntary independent director and chairman of the Audit and Risk Committee of the Tourism Enterprise Partnership. He also chairs the Audit and Risk Committee of Tshipi é Ntle Manganese Mining Proprietary Limited. He is a non-executive director of Caledonia Mining Corporation Plc, a Canadian corporation listed in the United States, Canada and the United Kingdom, and he chairs its Audit and Risk Committee.
Previous directorships:	Previously a director of First Food Brands until 1 June 2016.

DIRECTORS OF DRDGOLD

Name and age:	Edmund Abel Jeneker (55)
Nationality:	South African
Qualification:	Chartered Director (SA), B.Hons, IEDP, M.Inst.D, SAIPA
Position:	Lead independent non-executive Director
Experience:	Edmund Jeneker was appointed non-executive Director in November 2007 and lead independent director in August 2017. He has more than 30 years' experience as an executive in banking, business strategy, advisory and management at Grant Thornton South Africa Proprietary Limited, Swiss Re Corporate Solutions Advisors South Africa Proprietary Limited, the World Bank Competitiveness Fund and Deloitte South Africa. More recently, he completed almost 14 years at Barclays Africa Group, where he was managing executive and served as director on the boards of several subsidiaries in the Barclays Africa Group. Edmund is active in community social upliftment and served as a member of the Provincial Development Commission of the Western Cape Provincial Government. He currently serves on the Advisory Board of the Institute of Directors Southern Africa and member of BADISA Investment Committee and is a member of the Good Governance Forum. He is a Chartered Director (SA).
Business address:	1 Sixty Jan Smuts Building, 2nd Floor – North Tower, 160 Jan Smuts Avenue, Rosebank, 2196, South Africa
Other directorships:	–
Previous directorships:	Previously held the position of managing director: AllPay Consolidated Investment Holdings, a subsidiary of Barclay Africa Group.

Name and age:	James Turk (70)
Nationality:	American
Qualification:	BA (International Economics)
Position:	Independent non-executive Director
Experience:	James Turk was appointed non-executive Director in October 2004 and in 2011 met the JSE Listings Requirements to become an independent director. He is a founder and director of Goldmoney Inc., which is traded on the Toronto Stock Exchange. Goldmoney.com is an online provider of physical gold, silver, platinum and palladium bullion to buyers worldwide and operator of a digital gold currency payment system. Since graduating from George Washington University in 1969, he has specialised in international banking, finance and investments. Having begun his career with the Chase Manhattan Bank (now 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 to become manager of the Commodity Department of the Abu Dhabi Investment Authority, that country's sovereign wealth fund. Since resigning in 1987, James has written frequently on money and banking. His latest venture is Lend & Borrow Trust Co. Ltd. a UK-based online peer-to-peer lending platform in which loans are secured by investment grade gold and silver.
Business address:	32 Commercial Street St Helier, Jersey JE2 3RU, British Channel Islands.
Other directorships:	Founder and director of Goldmoney Inc.
Previous directorships:	–

DIRECTORS OF DRDGOLD

Name and age:	Toko Victoria Buyiswa Nomalanga Mnyango (52)
Nationality:	South African
Qualification:	Dip Juris, BJuris
Position:	Independent non-executive Director
Experience:	Toko Mnyango was appointed independent non-executive Director on 1 December 2016. Toko began her career as a prosecutor for the KaNgwane homeland, before becoming a legal advisor for the Eastern Cape Development Corporation.
Business address:	Building 15, Berkley Office, 8 Bauhinia Street Highveld Park, Centurion, 0169, South Africa.
Other directorships:	She currently holds the position of CEO of Vitom Technologies (Pty) Ltd and Vitom Brands Communication (Pty) Ltd.
Previous directorships:	She has held directorships on company boards including Gijima, EOH Mthombo (Proprietary) Limited, AllPay Eastern Cape (Proprietary) Limited, a subsidiary of ABSA Limited, and the Ryk Neethling Foundation.

Name and age:	Daniël Johannes Pretorius (50)
Nationality:	South African
Qualification:	BProc, LLB
Position:	Chief executive officer
Experience:	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. Having joined the company on 1 May 2003 as legal adviser, he was promoted to Group Legal Counsel on 1 September 2004 and General Manager: Corporate Services on 1 April 2005. Niël was appointed Chief Executive Officer of EMO (formerly DRDGOLD SA) on 1 July 2006 and became Managing Director on 1 April 2008.
Business address:	1 Sixty Jan Smuts Building, 2nd Floor – North Tower, 160 Jan Smuts Avenue, Rosebank, 2196, South Africa
Other directorships:	–
Previous directorships:	–

Name and age:	Adriaan Jacobus Davel (41)
Nationality:	South African
Qualification:	Bcom (Hons), MCom, CA(SA)
Position:	Chief financial officer
Experience:	Riaan Davel joined DRDGOLD in January 2015. Before joining DRDGOLD, he gained 17 years' experience in the professional services industry, the majority obtained in the mining industry in Africa. As part of gaining that experience, Riaan provided assurance and advisory services, including support and training on IFRS to clients and teams across the African continent. He has spent seven years at KPMG as an audit partner, performing, <i>inter alia</i> , audits of listed companies in the mining industry, including SEC registrants. Riaan has also gained experience as an IFRS technical partner and represented the South African Institute of Chartered Accountants on the International Accounting Standards Board's project on Extractive Activities from 2003 to 2010. Riaan also served on committees that compile / update the South African Codes for reporting and valuation of mineral reserves and resources.

DIRECTORS OF DRDGOLD

Business address: 1 Sixty Jan Smuts Building, 2nd Floor – North Tower, 160 Jan Smuts Avenue, Rosebank, 2196, South Africa

Other directorships: –

Previous directorships: –

PRESCRIBED OFFICERS OF DRDGOLD

Name and age: Reneiloe Masemene (36)

Nationality: South African

Qualification: LLB, LLM

Position: Company Secretary, Group Legal Counsel and Prescribed Officer

Experience: Reneiloe Masemene is a qualified attorney who joined DRDGOLD in January 2009 as a 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 and Company Secretary in March 2016. With over 10 years of experience, Reneiloe has significant experience in all areas of mining law, as well as in corporate, commercial, contractual, employment and litigious aspects related to mining.

Business address: 1 Sixty Jan Smuts Building, 2nd Floor – North Tower, 160 Jan Smuts Avenue, Rosebank, 2196, South Africa

Other directorships: Independent non-executive director of ESOR Limited.

Previous directorships: –

Name and age: Jacobus Wilhelm Schoeman (43)

Nationality: South African

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

Position: Operations director: EMO

Experience: Jaco Schoeman joined DRDGOLD in 2011 as Executive Officer: Business Development to focus on expanding the Group's surface retreatment business and extracting maximum value from existing resources. In July 2014, he was appointed Operations Director: EMO.

Business address: 1 Sixty Jan Smuts Building, 2nd Floor – North Tower, 160 Jan Smuts Avenue, Rosebank, 2196, South Africa

Other directorships: –

Previous directorships: –

DIRECTORS OF SUBSIDIARIES

Name and age: Henry Gouws (48)
Nationality: South African
Qualification: National Higher Diploma (Extraction Metallurgy), MDP
Position: Managing director: ERGO
Experience: Henry Gouws graduated from Technikon Witwatersrand and obtained a National Diploma in Extracting Metallurgy in 1990 and a National Higher Diploma in Extraction Metallurgy in 1991. He completed a Management Development Programme (MDP) in 2003 through Unisa School of Business Leadership and an Executive Development Programme in 2012 through the University of Stellenbosch Business School. He was appointed Operations Manager of Crown Mining Limited in January 2006. He was appointed to his current position with effect from 1 October 2011. He has 29 years experience in the mining industry.

Business address: 1 Sixty Jan Smuts Building, 2nd Floor – North Tower, 160 Jan Smuts Avenue, Rosebank, 2196, South Africa

Other directorships: –
Previous directorships: –

Name and age: Mark Burrell (55)
Nationality: South African
Qualification: Bcom Accounting, MDP
Position: Financial director: ERGO
Experience: Mark Burrell has a Bcom Accounting degree and has completed a Management Development Programme (MDP). He joined DRDGOLD in 2004 on a consulting basis and later that year was appointed as Financial Manager of the Blyvooruitzicht operation. He was appointed as Financial Director of ERGO in January 2012 and has 19 years' experience in the mining sector.

Business address: 1 Sixty Jan Smuts Building, 2nd Floor – North Tower, 160 Jan Smuts Avenue, Rosebank, 2196, South Africa

Other directorships: Mark serves as an alternate director to Charles Symons on the board of directors of Rand Refinery Proprietary Limited.

Previous directorships: –

Name and age: Thulo Mogotsi-Moletsane (49)
Nationality: South African
Qualification: BA, LLB
Position: Non-executive director: EMO
Experience: Thulo Mogotsi-Moletsane was appointed director of EMO in August 2010, having completed a Mining Qualifications Authority executive programme.

Business address: 1 Sixty Jan Smuts Building, 2nd Floor – North Tower, 160 Jan Smuts Avenue, Rosebank, 2196, South Africa

Other directorships: He is an executive director of Khumo Bathong Holdings Proprietary Limited and a director of Khumo Mining and Investments Proprietary Limited.

Previous directorships: –

DIRECTORS OF SUBSIDIARIES

Name and age:	Charles Methley Symons (63)
Nationality:	South African
Qualification:	Bcom, MBL, Dip Extracting Metallurgy
Position:	Non-executive director: EMO
Experience:	Charles Symons joined the mining industry on 14 February 1977 and transferred to Crown Gold Recoveries Proprietary Limited in 1986. He joined DRDGOLD as General Manager in 1995 and was appointed Executive Officer: Surface Operations on 1 January 2008 before he became Executive Officer: Operations on 11 May 2010. On 1 October 2011, he was appointed Chief Operating Officer. Following restructuring of senior management in July 2014, Charles assumed the role of Chairman of the Oversight Committee: EMO. He was appointed director of EMO in August 2014. Charles fixed-term contract concluded on 31 July 2016, but Charles remains in a non-executive oversight role.
Business address:	1 Sixty Jan Smuts Building, 2nd Floor – North Tower, 160 Jan Smuts Avenue, Rosebank, 2196, South Africa
Other directorships:	Non-executive director of Rand Refinery Proprietary Limited.
Previous directorships:	

APPENDIX 3: ACQUISITION VENDORS

The definitions and interpretations commencing on page 6 of the Circular to which this appendix to the Revised Listing Particulars is attached apply to this annexure, unless a word or a term is otherwise defined herein.

WRTRP Assets Acquisition

Name of vendor:	Sibanye-Stillwater
Beneficial shareholder of vendor (direct and indirect):	Issued share capital is listed on the JSE
Address:	Libanon Business Park, 1 Hospital Street, Libanon, Westonaria, 1780, South Africa
Asset purchased:	WRTRP Assets
Price paid to vendor in cash or shares:	265 000 000 Consideration Shares at the issue price of R3.55 per share
Price paid to vendor in respect of goodwill:	N/A
Loans incurred to finance acquisition:	None
Date purchased:	Subject to implementation of the Transaction
Price paid by vendor and date of acquisition by vendor if within preceding three years:	N/A. Assets not purchased by the vendor within the preceding three years.

Acquisition of 26% interest in EMO

Name of vendor:	Khumo Gold SPV Proprietary Limited
Beneficial shareholder of vendor:	The details of the shareholders of Khumo are set out in paragraph 13.1 of the Circular.
Address:	The Birches, Riverwoods Office Park, Johnson Road, Bedfordview, 2008, South Africa
Asset purchased:	20% interest in Ergo Mining Operations Proprietary Limited
Price paid to vendor in cash or shares:	35 000 000 Shares at the issue price of R2.12 per share and R0.7 million cash
Price paid to vendor in respect of goodwill:	N/A
Loans incurred to finance acquisition:	None
Date purchased:	26 March 2015
Price paid by vendor and date of acquisition by vendor if within preceding three years (R):	N/A. Assets not purchased by the vendor within the preceding three years.
Name of vendor:	DRDSA Empowerment Trust (Masters reference number: I/T2208/2008)
Beneficial shareholder of vendor (direct and indirect):	The trustees are: Masechaba Palesa Moletsane Ncholo Mervin Percival Thulo Mogotsi Thembinkosi Mkhabela Bulelani Solomon Jolobe Kevin Wright WN van Rooyen Jan Oscar Matlakala Mziwoxolo Handson Nkayitshana

Address:	DRDGOLD Limited, 160 Jan Smuts Avenue, Rosebank, Johannesburg, 2196
Asset purchased:	6% interest in Ergo Mining Operations Proprietary Limited
Price paid to vendor in cash or shares:	10 500 000 Shares at the issue price of R2.12 per share and R0.2 million cash
Price paid to vendor in respect of goodwill:	N/A
Loans incurred to finance acquisition:	None
Date purchased:	26 March 2015
Price paid by vendor and date of acquisition by vendor if within preceding three years (R):	N/A. Assets not purchased by the vendor within the preceding three years.

APPENDIX 4: EXTRACTS OF THE TERMS OF THE MEMORANDA OF INCORPORATION OF DRDGOLD, ERGO AND WRTRP

The definitions and interpretations commencing on page 6 of the Circular to which this appendix to the Revised Listing Particulars is attached **do not** apply to this annexure, unless a word or a term is otherwise defined herein.

The extract of the DRDGOLD memorandum of incorporation set out below does not include the proposed amendments as set out in annexure 3 of the Circular.

SALIENT PROVISIONS OF THE MEMORANDUM OF INCORPORATION OF DRDGOLD

4. ISSUE OF SHARES AND VARIATION OF RIGHTS

- 4.1 The company is authorised to issue 600 000 000 (six hundred million) no par value ordinary shares, of the same class, each of which ranks *pari passu* in respect of all rights and entitles the holder to
- 4.1.1 1 (one) vote on any matter to be decided by the shareholders in any annual or general meeting of the company;
 - 4.1.2 participate proportionally in any distribution made by the company; and
 - 4.1.3 receive proportionally the net assets of the company upon its liquidation.
- 4.2 The board may, subject to clause 4.11 and the further provisions of this clause 4.8, resolve to issue shares of the company at any time, but only:
- 4.2.1 within the classes and to the extent that those shares have been authorised by or in terms of the JSE Listings Requirements, the Companies Act and this Memorandum of Incorporation; and
 - 4.2.2 unissued authorised securities of any class are always under the power of the directors and may be issued by the directors at their discretion at any time subject to any necessary compliance requirements required by such security class terms and rights and compliance with the Companies Act, the JSE Listings Requirements and / or this Memorandum of Incorporation.
 - 4.2.3 increase or decrease the number of authorised shares of any class of shares; or
 - 4.2.4 consolidate and reduce the number of the company's issued and authorised shares of any class; or
 - 4.2.5 subdivide its shares of any class by increasing the number of its issued and authorised shares of that class without an increase of its capital; or
 - 4.2.6 reclassify any classified shares that have been authorised but not issued; or
 - 4.2.7 determine or vary the preferences, rights, limitations or other terms of any shares; or
 - 4.2.8 change the name of the company;
 - 4.2.9 amend the authorisation (including increasing or decreasing the number) and classification of Securities (including determining rights and preferences) as contemplated in section 36(2) (b) or 36(3) of the Companies Act,

and such powers shall only be capable of being exercised by the shareholders by way of a special resolution of the shareholders and in accordance with the JSE Listings Requirements.

- 4.3 Each share issued by the company has associated with it an irrevocable right of the shareholder to vote on any proposal to amend the preferences, rights, limitations and other terms associated with that share as contemplated in clause 18.2.
- 4.4 No rights, preferences, limitations and other terms attached to each class of securities of the company may (unless provided otherwise by the terms of issue of the securities of that class) whether or not the Company is being wound up, be varied in any manner, nor may any variations be made to the rights, privileges or conditions of any class of securities, unless the consent in

writing of the holders of not less than 75% (seventy five per cent) of the issued Securities of that class has been obtained, or a Special Resolution has been passed by the Holders of that affected class of Securities with the support of more than 75% (seventy five per cent) of the voting rights exercised on the special resolution at a separate meeting of the Holders of that class. The Holders of that affected class of Securities shall also be entitled to vote with the Holders of ordinary shares as regards the passing of any resolution to be passed for such variation by the Holders of ordinary shares, provided that the voting rights of the Holders of that affected class of securities may never be more than 24.99% (twenty five per cent) of the total voting rights of all persons entitled to vote at such a meeting. The provisions of this Memorandum of Incorporation relating to shareholders meetings shall, *mutatis mutandis*, apply to any such separate meeting.

- 4.5 In addition, no further securities ranking in priority to, or *pari passu* with, existing preference shares, of any class, shall be created without a special resolution passed at a separate general meeting of such preference shareholders.
- 4.6 The preferences, rights, limitations or any other terms of any class of shares of the company may not be varied, and no resolution may be proposed to shareholders for rights to include such variation, in response to any objectively ascertainable external fact or facts as contemplated in sections 37(6) and 37(7) of the Companies Act.
- 4.7 Save as otherwise provided for in the Companies Act, the JSE Listings Requirements and / or in this Memorandum of Incorporation, the company may only issue shares which are fully paid up as contemplated in the Companies Act and freely transferable and only within the classes and to the extent that those shares have been authorised by or in terms of this Memorandum of Incorporation.
- 4.8 The board may, subject to clause 4.11 and the further provisions of this clause 4.8, resolve to issue shares of the company at any time, but only:
 - 4.8.1 within the classes and to the extent that those shares have been authorised by or in terms of the JSE Listings Requirements, the Companies Act and this Memorandum of Incorporation; and
 - 4.8.2 unissued authorised securities of any class are always under the power of the directors and may be issued by the directors at their discretion at any time subject to any necessary compliance requirements required by such security class terms and rights and compliance with the Companies Act, the JSE Listings Requirements and / or this Memorandum of Incorporation.
 - 4.8.3 All issues of shares for cash and all issues of options and convertible securities granted or issued for cash must be effected in compliance with Section 5 of the JSE Listings Requirements and, to the extent applicable, approved by shareholders in accordance with the provisions of the Companies Act, the JSE Listings Requirements and / or this Memorandum of Incorporation.
- 4.9 Notwithstanding the provisions of section 40(5) of the Companies Act, all securities of the company for which a listing is sought on the JSE must be fully paid up and freely transferrable.
- 4.10 Securities of a particular class in the company which are authorised but unissued and which are intended to be issued for cash, shall be offered to existing ordinary shareholders in proportion to their shareholding on such terms and in accordance with such procedures as the board may determine, unless:
 - 4.10.1 such shares are issued for the acquisition of assets by the company;
 - 4.10.2 such shares are to be issued to an approved share incentive scheme.
- 4.11 Notwithstanding the provisions of clauses 4.2, 4.10 and 4.12, any issue of shares, securities convertible into shares, or rights exercisable for shares in a transaction, or a series of integrated transactions shall, in accordance with the provisions of the Companies Act, require the approval of the shareholders by special resolution if the voting power of the class of shares that are issued or are issuable as a result of the transaction or series of integrated transactions will be equal to or exceed 30% (thirty percent) of the voting power of all the shares of that class held by shareholders immediately before that transaction or series of integrated transactions.

- 4.12 Notwithstanding the provisions of clause 4.10, the shareholders may at a general meeting authorize the directors at any time to issue unissued shares and / or grant options to subscribe for shares as the directors in their discretion think fit, provided that such transaction(s) comply with the JSE Listings Requirements.
- 4.13 Securities issued by the company will be in certificated or uncertificated form, as shall be determined by the board from time to time. Except to the extent otherwise provided in the Companies Act, the rights and obligations of Security holders shall not be different solely on the basis of their securities being certificated securities or uncertificated securities. The provisions of this Memorandum of Incorporation apply with respect to any uncertificated securities in the same manner as they apply to certificated securities, unless otherwise stated or indicated by the context in each case.
- 4.14 A holder of uncertificated securities may withdraw all or part of its securities from the uncertificated securities register and be issued with certificates evidencing them. A holder of uncertificated securities, who elects to withdraw all or part of the uncertificated securities held by it in an uncertificated securities register, and obtain a certificate in respect of those withdrawn securities, may so notify the relevant CSDP or Central Securities Depository as required by the rules of the Central Securities Depository.
- 4.15 After receiving notice from a CSDP or Central Securities Depository, as the case may be, that the holder of uncertificated securities wishes to withdraw all or part of the uncertificated securities held by it in an uncertificated securities register, and obtain a certificate in respect thereof, the company shall:
- 4.15.1 immediately enter the relevant holder's name and details of its holding of securities in the securities register and indicate on the securities register that the securities so withdrawn are no longer held in uncertificated form; and
- 4.15.2 within 10 (ten) business days (or 20 (twenty) business days in the case of a holder of securities who is not resident within the Republic) prepare and deliver to the relevant person a certificate in respect of the securities and notify the Central Securities Depository that the securities are no longer held in uncertificated form.
- 4.16 The company may charge a holder of its securities a reasonable fee to cover the actual cost of issuing any certificate as contemplated in this clause.

22. COMPOSITION OF THE BOARD

- 22.1 It is the intention of the company to comply with corporate governance practices from time to time appropriate for JSE listed companies similarly placed to the company.
- 22.2 The board must comprise a minimum number of 4 (four) and a maximum number of 20 (twenty) directors and still satisfy any requirement in terms of the Companies Act, the JSE Listings Requirements and the American legislation when appointing or nominating members of board committees.
- 22.3 Each director shall be appointed by election by way of an ordinary resolution of shareholders at a general or annual general meeting of the company ("elected director(s)") and no appointment of a director in accordance with a resolution passed in terms of section 60 of the Companies Act shall be competent.
- 22.4 Every person holding office as a director, prescribed officer, company secretary or auditor of the company immediately before the effective date of the Companies Act will, as contemplated in item 7(1) of Schedule 5 to the Companies Act, continue to hold office until replaced or re-appointed in accordance with the provisions of clause 25.
- 22.5 In any election of directors:
- 22.5.1 the election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, with the series of votes continuing until all vacancies on the board have been filled; and
- 22.5.2 in each vote to fill a vacancy:
- 22.5.2.1 each vote entitled to be exercised may be exercised once; and
- 22.5.2.2 the vacancy is filled only if a majority of the votes exercised support the candidate.

- 22.6 The company shall only have elected directors and there shall be no appointed or *ex officio* directors as contemplated in section 66(4) of the Companies Act.
- 22.7 Apart from satisfying the qualification and eligibility requirements set out in section 69 and section 66(7) of the Companies Act, a person need not satisfy any eligibility requirements or qualifications to become or remain a director or a prescribed officer of the company.
- 22.8 If the number of directors falls below the minimum number fixed in accordance with this Memorandum of Incorporation, the remaining directors must as soon as possible and in any event not later than 3 (three) months from the date that the number falls below such minimum, fill the vacancy/ies in accordance with clause 28.1.1 or convene a general meeting for the purpose of filling the vacancies, and the failure by the company to have the minimum number of directors during the said 3 (three) month period does not limit or negate the authority of the board of directors or invalidate anything done by the board of directors while their number is below the minimum number fixed in accordance with this Memorandum of Incorporation.
- 22.9 The directors in office may act notwithstanding any vacancy in their body, but if after the expiry of the 3 (three) month period contemplated in clause 22.8, their number remains below the minimum number fixed in accordance with this Memorandum of Incorporation, they may, for as long as their number is reduced below such minimum, act only for the purpose of filling vacancies in their body in terms of section 68(3) of the Companies Act or of summoning general meetings of the company, but not for any other purpose.

23. EMPLOYMENT AND REMOVAL OF DIRECTORS

- 23.1 Subject to the provisions of the Companies Act, the company may by ordinary resolution remove any director before the expiration of his period of office and may by ordinary resolution elect another person in his stead. The person so elected shall hold office during such time only as the director in whose place he is elected would have held office.
- 23.2 A director may, before the expiration of his period of office, be removed from office by a resolution signed by a majority of the other directors.
- 23.3 A director may be employed in any other capacity in the company or as a director or employee of a subsidiary company or a company controlled by, or itself a major subsidiary of, the company and in that event, his / her appointment and remuneration in respect of such other office must be determined by a disinterested quorum of directors.

25. ROTATION OF DIRECTORS

- 25.1 At each annual general meeting referred to in clause 16.4, 1/3 (one third) of the directors (executive and non-executive) for the time being, or if their number is not 3 (three) or a multiple of 3 (three), the number nearest to one third, but not less than one third, shall retire from office.
- 25.2 The directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who were elected as directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot.
- 25.3 A retiring director shall be eligible for re-election. No person other than a director retiring at the meeting shall, unless recommended by the directors for election, be eligible for election to the office of Director at any annual general meeting or general meeting. If at any annual general meeting, the place of any retiring director is not filled, he / she shall if willing to do so, continue in office until the dissolution of the annual general meeting in the next year, and so on from year to year until his / her place is filled, unless it shall be determined at such meeting not to fill such vacancy."
- 25.4 The company, at the annual general meeting at which a director retires in the above manner, or at any other general meeting, may fill the vacancy by electing a person thereto, provided that the company shall not be entitled to fill the vacancy by means of a resolution passed in accordance with clause 21.
- 25.5 The board shall, through its nomination committee if such committee has been constituted in terms of clause 33, provide the shareholders with a recommendation in the notice of the meeting at which the re-election of a retiring director is proposed, as to which retiring directors are eligible for re-election, taking into account that director's past performance and contribution.

- 25.6 Nothing in this Memorandum of Incorporation precludes or restricts any shareholder's right of nominating any person for appointment as a director, provided the nomination resolution is received in time to be included in the notice of any annual general meeting or general meeting.
- 25.7 No director shall be appointed for life or for an indefinite period.

27. EXECUTIVE DIRECTORS

- 27.1 The directors may from time to time appoint a chief executive officer and other executive directors (with or without specific designation) of the company ("executive director"), whose conditions of employment shall be subject to the usual standard terms of employment for company employees which notice period shall not exceed 6 (six) months and whose appointment and remuneration may be determined from time to time by a quorum of disinterested directors.
- 27.2 Any director appointed in terms hereof shall be subject to retirement by rotation and shall also be taken into account in determining the rotation of retirement of directors. Such director shall be subject to the same provisions as to removal as the other directors. If he ceases to hold office as a director, his appointment to such position shall *ipso facto* terminate without prejudice to any claims for damages which may accrue to him as a result of such termination.
- 27.3 A director appointed in terms of the provisions of this clause 27 to the office of executive director of the company, or to any other executive office in the company, may not be paid any fees or remuneration in addition to his remuneration in terms of his contract of employment and company remuneration policy.

28. POWERS OF THE DIRECTORS

- 28.1 The board has the power to:
- 28.1.1 fill any vacancy on the board on a temporary basis, as contemplated in the Companies Act, provided that such appointment must be confirmed by the shareholders, in accordance with clause 22.3, at the next annual general meeting of the company, as required in terms of section 70(3)(b)(i) of the Companies Act; and
- 28.1.2 exercise all of the powers and perform any of the functions of the company, as stated in the Companies Act.
- 28.2 The management of the business and the control of the company shall be vested in the directors who may exercise all such powers as may be exercised by the company and are not hereby or by the Companies Act expressly directed or required to be exercised by the company in general meeting, but subject, nevertheless, to the provisions of this Memorandum of Incorporation and to any resolution not inconsistent with this Memorandum of Incorporation passed at any general meeting of the members in accordance therewith, provided that no resolution passed by the company in general meeting shall invalidate any prior act of the directors which would have been valid if such resolution had not been passed.
- 28.3 The directors may at any time and from time to time by power of attorney appoint any person or persons to be the attorney or attorneys and agent(s) of the company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors in terms of this Memorandum of Incorporation) and for such period and subject to such conditions as the directors may from time to time think fit. Any such appointment may, if the directors think fit, be made in favour of any company, the shareholders, directors, nominees or managers of any company or firm, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the directors. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys and agents as the directors think fit. Any such attorneys or agents as aforesaid may be authorised by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.
- 28.4 Save as otherwise expressly provided herein, all cheques, promissory notes, bills of exchange and other negotiable or transferable instruments, and all documents to be executed by the company, shall be signed, drawn, accepted, endorsed or executed, as the case may be, in such manner as the directors shall from time to time determine.

- 28.5 A director may be appointed to hold any other office or place of profit under the company (except that of auditor) or any subsidiary of the company in conjunction with the office of director, for such period and on such terms as to remuneration and otherwise as a disinterested quorum of the directors may determine. Any remuneration so paid may be in addition to the remuneration payable in terms of clause 30.1.
- 28.6 A director of the company may be or become a director or other officer of, or otherwise interested in, any company promoted by the company or in which the company may be interested as shareholder or otherwise, provided that the appointment and remuneration in respect of such other office must be determined by a disinterested quorum of directors. Each director, prescribed officer and member of any committee of the board (whether or not such latter persons are also members of the board) shall, subject to the exemptions contained and qualifications contained in the Companies Act, comply with all of the provisions of section 75 of the Companies Act in the event that they (or any person who is a related person to them) have personal financial interest in any matter to be considered by the board.
- 28.7 All acts performed by the directors or by a committee of directors or by any person acting as a director or a member of a committee shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the directors or persons acting as aforesaid, or that any of them were disqualified from or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director or member of such committee.
- 28.8 Save where the directors have obtained the prior approval of the JSE to so propose such a resolution, the proposal of any resolution to shareholders to permit or ratify an act of the directors that is inconsistent with any limitation or restriction imposed by this Memorandum of Incorporation (including any ratification contemplated in sections 20(2) and section 20(6) of the Companies Act), or the authority of the directors to perform such an act on behalf of the company, is prohibited.

30. NON-EXECUTIVE DIRECTORS' COMPENSATION

- 30.1 The company may pay remuneration to the non-executive directors for their services as directors in accordance with a special resolution approved by the shareholders within the previous 2 (two) years, as set out in the Companies Act, and the power of the company in this regard is not limited or restricted by this Memorandum of Incorporation. The remuneration for the executive directors shall be determined in accordance with the provisions of clause 27.
- 30.2 Directors and alternate directors shall be paid all their travelling and other expenses properly and necessarily incurred by them in and about the business of the company, and in attending meetings of the directors or of committees thereof from any place in the Republic or outside the Republic. If any director shall be required to perform extra service or to go or to reside abroad, or if any director shall be specially occupied about the company's business or perform services which, in the opinion of the directors, are outside the scope of the ordinary duties of a director, he may receive such extra remuneration as determined by a disinterested quorum of the directors and such extra remuneration may be either in addition to or in substitution for the remuneration provided for in clause 30.1.

31. BORROWING POWERS

- 31.1 Subject to the provisions of this Memorandum of Incorporation, the directors may from time to time:
- 31.1.1 borrow for the purposes of the company such sums as they think fit; and
 - 31.1.2 secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of securities, mortgage or charge upon all or any of the property or assets of the company.

31.2 The directors shall procure (but as regards subsidiaries of the company only insofar as by the exercise of voting and other rights or powers of control exercisable by the company they can so procure) that the aggregate principal amount at any one time outstanding in respect of monies so borrowed or raised by:

31.2.1 the company; and

31.2.2 all the subsidiaries for the time being of the company (excluding monies borrowed or raised by any of such companies from any other of such companies but including the principal amount secured by any outstanding guarantees or suretyships given by the company or any of its subsidiaries for the time being for the indebtedness of any other company or companies whatsoever and not already included in the aggregate amount of the monies so borrowed or raised),

shall not exceed the aggregate amount at that time authorised to be borrowed or secured by the company or the subsidiaries for the time being of the company (as the case may be).

SALIENT PROVISIONS OF THE ARTICLES OF ASSOCIATION OF ERGO

12. DIRECTORS

- 12.1 Until otherwise determined by a meeting of members, the number of directors shall not be less than 1 (one) nor more than 10 (ten).
- 12.2 The company may from time to time at any meeting of members increase or reduce the number of directors.
- 12.3 Unless otherwise decided by a meeting of members any casual vacancy occurring in the board of directors may be filled by the directors.
- 12.4 The company at a meeting of members or the directors shall have power at any time, and from time to time, to appoint any person as a director but so that the total number of directors shall not at any time exceed the maximum number fixed by or in terms of these Articles.

13. QUALIFICATION OF DIRECTORS

The shareholding qualification for directors and alternate directors may be fixed, and from time to time varied by the company at any meeting of members and unless and until so fixed, no qualification shall be required.

14. REMUNERATION OF DIRECTORS

- 14.1 The remuneration of the directors shall from time to time be determined by the directors. Such remuneration shall be deemed to accrue from day to day. The directors may also be paid travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as directors including those attending and travelling to and from meetings of the directors or any committee of the directors or at any meeting of members of the company.
- 14.2 The directors may pay any director who serves on any committee or who devotes special attention to the business of the company, or otherwise performs services which in the opinion of the directors are outside the scope of the ordinary duties of a director, such extra remuneration by way of salary, commission, percentage of profits or any or all of these modes or otherwise as they may determine.

16. BORROWING POWERS OF DIRECTORS

- 16.1 The directors may at their discretion, from time to time, raise or borrow from the members or other persons any sums of money for the purposes of the company without limitation.
- 16.2 The directors may secure the payment or repayment of any sums of money borrowed or raised in Article 16.1 or the payment of any debt, liability or obligation whatsoever of the company or of a third party, in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the execution of bonds or the issue of debentures or debenture stock of the company charged upon all or any part of the property and rights of the company, both present and future, including its uncalled capital.

17. GENERAL POWERS AND DUTIES OF DIRECTORS

- 17.1 The business of the company shall be managed by the directors who may pay all expenses incurred in getting up and registering the company, and may exercise all such powers of the company as are not by the Statutes or by these Articles required to be exercised by the company at any meeting of members or done by the company in general meeting (including without derogating from the generality of the foregoing or from the rights of the shareholders, the power to resolve that the company be wound up), subject nevertheless to the provisions of these Articles and of the Statutes, as may be prescribed by the company at any such meeting; but no regulation made by the company at such meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.
- 17.2 The directors may from time to time appoint one or more of their body to the office of managing director or manager for such period and at such remuneration (whether by way of salary or commission, or participation in profits or partly in one way and partly in another) and generally on

such terms as they may think fit, and it may be made a term of his appointment that he be paid a pension, gratuity or other benefit on his retirement from office. The appointment of a managing director or manager shall determine *ipso facto* if he shall cease for any reason to be a director, or if the company at any meeting of members shall resolve that his tenure of the office of managing director or manager be determined.

- 17.3 The directors may from time to time entrust to and confer upon a managing director or manager for the time being such powers vested in them as they think fit, and may confer such powers for such time and to be exercised for such objects and upon such terms and with such restrictions as they may think expedient; and they may confer such powers either collaterally or to the exclusion of, and in substitution for, all or any of the powers of the directors, and may from time to time revoke or vary all or any such powers. A managing director appointed pursuant to the provisions hereof shall not be regarded as an agent or delegate of the directors and after powers have been conferred upon him by the directors in terms hereof he shall be deemed to derive such powers directly from this Article.
- 17.4 The directors shall have the power from time to time to delegate or allocate to any of their members or to any other person, whether in the Republic or not, such of the powers as are vested in the directors pursuant to the Statutes or under these Articles, as they deem fit.
- 17.5 The directors may delegate or allocate any of their powers to committees and constituting of such member or members of their body as they think fit; any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the directors. Save as aforesaid, the meetings and proceedings of a committee consisting of more than 1 (one) member shall be governed by the provisions of these Articles regulating the meetings and proceedings of directors.
- 17.6 The directors may:
 - 17.6.1 Establish and maintain any non-contributory pension, superannuation, provident and benefit funds for the benefit of; and
 - 17.6.2 Give pensions, gratuities and allowances to and make payments for or towards the insurance of any persons who are employees or ex-employees (including directors or ex-directors) of the company, or of any company which is or was a subsidiary of the company or is or was in any way allied to or associated with it or any such subsidiary, and the wives, widows, families and dependants of such persons.

SALIENT PROVISIONS OF THE MEMORANDUM OF INCORPORATION OF WRTRP

"Article 4 –

4.1 Composition of the Board of Directors

- (1) The Board of Directors of the Company comprises at least the number of directors, and alternate directors shown on the cover sheet, each of whom is to be elected by the holders of the company's securities as contemplated in section 68.
- (2) The manner of electing directors of the Company is as set out in section 68(2), and each elected director of the Company serves for an indefinite term, as contemplated in section 68(1).

4.2 Authority of the Board of Directors

- (1) The authority of the Company's Board of Directors to manage and direct the business and affairs of the Company, as set out in section 66(1) is not limited or restricted by this Memorandum of Incorporation.
- (2) If, at anytime, the Company has only one director, as contemplated in section 57(3), the authority of that director to act without notice or compliance with any other internal formalities, as set out in that section is not limited or restricted by this Memorandum of Incorporation.
- (3) The Company's Board of Directors must not register the transfer of any shares unless the conditions for the transfer contemplated in article 2.1(2) have been met.

4.3 Directors' meetings

- (1) The right of the Company's directors to requisition a meeting of the Board, as set out in section 73(1), may be exercised by at least 25% of the directors, if the board has 12 or more members, or by 2 (two) directors, in any case.
- (2) This memorandum of incorporation does not limit or restrict the authority of the Company's Board of Directors to:
 - (a) conduct a meeting entirely by electronic communication, or to provide for participation in a meeting by electronic communication, as set out in section 73 (3); or
 - (b) determine the manner and form of providing notice of its meetings, as set out in section 73(4); or
 - (c) proceed with a meeting despite a failure or defect in giving notice of the meeting, as set out in section 73(5), or
 - (d) consider a matter other than at a meeting, as set out in section 74.

4.4 Directors compensation and financial assistance

This Memorandum of Incorporation does not limit the authority of the Company to:

- (a) pay remuneration of the Company's directors, in accordance with a special resolution approved by the Company's shareholders within the previous two years, as set out in section 66 (9) and (10);
- (b) advance expenses to a director, or indemnify a director, in respect of the defence of legal proceedings, as set out in section 78 (4);
- (c) indemnify a director in respect of liability, as set out in section 78 (5); or
- (d) purchase insurance to protect the Company, or a director, as set out in section 78 (7)."

APPENDIX 5: MATERIAL IMMOVABLE PROPERTY OF DRDGOLD AND ERGO

The definitions and interpretations commencing on page 6 of the Circular to which this appendix to the Revised Listing Particulars is attached **do not** apply.

The following properties are owned by DRDGOLD:

Location	Tenure (years)	Area (hectares)
Farm Vlakkfontein No 238, Registration Division I.Q., remainder of Portion 1, Gauteng Province	84	1.8415
Farm Vlakkfontein No 238, Registration Division I.Q., remainder of Portion 1, Gauteng Province	84	413.7381
Farm Vlakkfontein No 238, Registration Division I.Q., remainder of Portion 90, Gauteng Province	84	286.2943
Farm Vlakkfontein No 238, Registration Division I.Q., remainder of Portion 90, Gauteng Province	84	18.8274
Farm Roodepoort No 237, Registration Division I.Q., Portion 470, Gauteng Province	122	3.8349

The following properties are owned by ERGO:

Location	Tenure (years)	Area (hectares)
Farm Daggafontein, Extension 2, Erf 357, Gauteng Province	4	0.1756
Farm Glenroy No 132 Registration Division I.R. remainder of Portion 1, Gauteng Province	5	96.8899
Farm Glenroy No 132 Registration Division I.R. remainder of Portion 1, Gauteng Province	4	96.9575
Farm Klippoortje, Erf 102, Registration Division A.L. Portion 1, Gauteng Province	4	3.5096
Farm Pollak Park Extension 4 Springs, Erf 267, Gauteng Province	4	0.1023
Farm Pollak Park Extension 4 Springs, Erf 269, Gauteng Province	4	0.1822
Farm Rietfontein No 276 Registration Division I.R. Portion 5, Gauteng Province	4	749.6914
Farm Rooikraal No 156 Registration Division I.R. remainder of Portion 5, Gauteng Province	5	142.9276
Farm Rooikraal No 156 Registration Division I.R. Portion 10, Gauteng Province	5	93.4461
Farm Rooikraal No 156 Registration Division I.R. remainder of Portion 11, Gauteng Province	5	124.5298
Farm Vlakkfontein No 161, Registration Division I.R., Portion 14, Gauteng Province	5	168.0483
Farm Vlakkfontein No 161, Registration Division I.R., Portion 15, Gauteng Province	5	161.3128
Farm Vlakkfontein No 161, Registration Division I.R. Portion 20, Gauteng Province	5	126.683

Location	Tenure (years)	Area (hectares)
Farm Witpoortje No 117 Registration Division I.R. Remainder of Portion 183, Gauteng Province	4	233.0033
Farm Witpoortje No 117 Registration Division I.R. Portion 282, Gauteng Province	4	0.8862
Farm Witpoortje No 117 Registration Division I.R. Portion 283, Gauteng Province	4	69.903
Farm Witpoortje No 117 Registration Division I.R. Portion 264, Gauteng Province	4	4.3404
Farm Witpoortje No 117 Registration Division I.R. Portion 268, Gauteng Province	4	2.9783
Farm Witpoortje No 117 Registration Division I.R. Portion 300, Gauteng Province	4	0.0046
Farm Witpoortje No 117 Registration Division I.R. Portion 301, Gauteng Province	4	0.1993
Farm Witpoort Estates Holding Registration Division I.R. Portion 196, Gauteng Province	4	4.0043
Farm Witpoort Estates Holding Registration Division I.R. Portion 345, Gauteng Province	4	0.2661
Farm Witpoort Estates Holding Registration Division I.R. Portion 349, Gauteng Province	4	1.9462
Farm Withok Registration Division I.R. Portion 4, Gauteng Province	5	1.0821
Farm Withok Registration Division I.R. remainder of Portion 9, Gauteng Province	5	75.4284
Farm Withok Registration Division I.R. Portion 76, Gauteng Province	5	322.6556
Farm Withok Registration Division I.R. Portion 77, Gauteng Province	5	473.1497
Farm Withok Registration Division I.R. Portion 78, Gauteng Province	5	63.0607
Farm Withok Registration Division I.R. Portion 79, Gauteng Province	5	164.4627
Farm Withok Registration Division I.R. Portion 80, Gauteng Province	5	16.2966
Farm Withok Registration Division I.R. Portion 108, Gauteng Province	5	6.5273
Farm Withok Estates, Registration Division A.H. Portion 134, Gauteng Province	4	4.0442
Farm Withok Estates, Registration Division A.H. Portion 135, Gauteng Province	4	4.0442
Farm Withok Estates, Registration Division A.H. Portion 136, Gauteng Province	4	4.0442
Farm Withok Estates, Registration Division A.H. Portion 137, Gauteng Province	4	4.0442
Farm Withok Estates, Registration Division I.R. Portion 139, Gauteng Province	5	4.0442
Farm Withok Estates, Registration Division I.R. Portion 140, Gauteng Province	5	4.0442
Farm Withok Estates, Registration Division I.R. Portion 141, Gauteng Province	5	4.0442
Farm Withok Estates, Registration Division I.R. Portion 142, Gauteng Province	5	4.0442

Location	Tenure (years)	Area (hectares)
Farm Withok Estates, Registration Division A.H. Portion 168, Gauteng Province	4	4.0442
Farm Withok Estates, Registration Division A.H. Portion 169, Gauteng Province	4	4.0442
Farm Withok Estates, Registration Division A.H. Portion 170, Gauteng Province	4	4.0442
Farm Withok Estates, Registration Division A.H. Portion 171, Gauteng Province	4	4.0442
Farm Withok Estates, Registration Division I.R. Portion 172, Gauteng Province	5	4.0442
Farm Withok Estates, Registration Division I.R. Portion 173, Gauteng Province	5	4.0442
Farm Withok Estates (Brakpan), Registration Division A.H. Portion 203, Gauteng Province	4	4.0442
Farm Withok Estates (Brakpan), Registration Division A.H. Portion 204, Gauteng Province	4	4.0442
Farm Withok Estates (Brakpan), Registration Division A.H. Portion 205, Gauteng Province	4	4.0442
Farm Withok Estates (Brakpan), Registration Division A.H. Portion 206, Gauteng Province	4	4.0442
Farm Withok Estates, Registration Division I.R. Portion 207, Gauteng Province	5	4.0442
Farm Withok Estates, Registration Division I.R. Portion 208, Gauteng Province	5	4.0442
Farm Withok Estates (Brakpan), Registration Division A.H. Portion 240, Gauteng Province	4	4.0442
Farm Withok Estates (Brakpan), Registration Division A.H. Portion 241, Gauteng Province	4	4.0442
Farm Withok Estates (Brakpan), Registration Division A.H. Portion 242, Gauteng Province	4	4.0442
Farm Withok Estates (Brakpan), Registration Division A.H. Portion 243, Gauteng Province	4	4.0442
Farm Withok Estates, Registration Division I.R. Portion 244, Gauteng Province	5	4.0442
Farm Withok Estates, Registration Division I.R. Portion 245, Gauteng Province	5	4.0442
Farm Withok Estates, Registration Division I.R. Portion 296, Gauteng Province	5	4.0442
Farm Withok Estates, Registration Division I.R. Portion 297, Gauteng Province	5	4.0442
Farm Withok Estates, Registration Division I.R. Portion 298, Gauteng Province	5	4.0442
Farm Withok Estates, Registration Division I.R. Portion 299, Gauteng Province	5	4.0442
Farm Withok Estates, Registration Division I.R. Portion 300, Gauteng Province	5	4.0442
Farm Withok Estates, Registration Division I.R. Portion 301, Gauteng Province	5	4.0442

Location	Tenure (years)	Area (hectares)
Farm Withok Estates, Registration Division I.R. Portion 302, Gauteng Province	5	4.0442
Farm Withok Estates, Registration Division I.R. Portion 303, Gauteng Province	5	4.0442
Farm Withok Estates, Registration Division I.R. Portion 348 Gauteng Province	4	4.0442
Farm Withok Estates, Registration Division I.R. Portion 349, Gauteng Province	4	4.0442
Farm Withok Estates, Registration Division I.R. Portion 350, Gauteng Province	4	4.0442
Farm Withok Estates, Registration Division I.R. Portion 351, Gauteng Province	4	4.0442
Farm Withok Estates, Registration Division I.R. Portion 352, Gauteng Province	4	4.0442
Farm Withok Estates, Registration Division I.R. Portion 353, Gauteng Province	4	4.0442
Farm Withok Estates, Registration Division I.R. Portion 354, Gauteng Province	4	4.0442
Farm Withok Estates, Registration Division I.R. Portion 355, Gauteng Province	4	4.0442
Farm Withok Estates (Brakpan), Registration Division A.H. Portion 387/1, Gauteng Province	4	6.8562
Farm Withok Estates, Registration Division I.R. Portion 390, Gauteng Province	5	130.5255
Farm Withok Estates, Registration Division I.R. Portion 391, Gauteng Province	5	130.5241
Farm Withok Estates (Brakpan), Registration Division A.H. Portion 397/1, Gauteng Province	4	8.4255
Farm Withok Estates, Registration Division I.R. Portion 578, Gauteng Province	5	57.7359

APPENDIX 6 INTER-COMPANY FINANCIAL AND OTHER TRANSACTIONS

The definitions and interpretations commencing on page 6 of the Circular to which this appendix to the Revised Listing Particulars is attached do not apply.

As at the Last Practicable Date, inter-company financial and other transactions are as per the below extraction from the interim financial statements for the six months ended 31 December 2017.

Amounts in R million	Six months ended 31 December 2017	Six months ended 31 December 2016
Investment in subsidiaries at cost		
Ergo Mining Operations Proprietary Limited	210.5	210.5
	210.5	210.5
Amounts owing to the company		
Ergo Mining Proprietary Limited ("Ergo") ⁽¹⁾	599.9	599.9
Ergo Mining Operations Proprietary Limited ("EMO") ⁽²⁾	408.4	419.2
West Witwatersrand Gold Mines Limited	–	–
Cost	143.9	143.9
Impairment	(143.9)	(143.9)
	1 008.3	1 019.1
Amounts owing by the company		
Crown Consolidated Gold Recoveries Limited	(245.3)	(245.3)
Rand Leases (Vogelstruisfontein) Gold Mining Company Limited	(42.1)	(42.1)
West Witwatersrand Gold Holdings Limited	(23.0)	(23.0)
Argonaut Financial Services Proprietary Limited	(1.1)	(1.1)
	(311.5)	(311.5)
Net investment in subsidiaries	907.3	918.1

All loans are unsecured, interest-free and have no fixed terms of repayment, except as follows:

- (1) The loan bears interest at the prime interest rate minus four percentage points. The loan is unsecured and DRDGOLD may call for payment of the loan at any time.
- (2) The loan bears interest at the prime interest rate minus four percentage points. The loan is unsecured and without any fixed repayment arrangements. DRDGOLD subordinated its claim in favour of all other creditors and in terms of this subordination agreements, DRDGOLD will not call for repayment of the loans until the total assets of the borrower, fairly valued, exceeds its total liabilities; or all other liabilities are paid.

The company and its major subsidiary, Ergo, will jointly continue to provide EMO with the financial support required to meet its obligations incurred in the ordinary course of business, including the obligations of EMO's subsidiary ERPM. The company has also undertaken not to call for payment of such loans within 367 days commencing on the date of signature of the borrower's most recently issued financial statements.

Transactions with subsidiaries

Amounts in R million	Notes	Six months ended 31 December 2017	Six months ended 31 December 2016
Corporate services fees from Ergo Mining Proprietary Limited	2	12.6	26.9
Interest received from Ergo Mining Proprietary Limited		18.9	38.8
Interest received from Ergo Mining Operations Proprietary Limited		13.4	23.6
	4	32.3	62.4



DRDGOLD Limited

(Incorporated in the Republic of South Africa)

Registration number 1895/000926/06

JSE share code: DRD

ISIN: ZAE000058723

NYSE trading symbol: DRD

("DRDGOLD" or the "Company")

NOTICE OF GENERAL MEETING

The definitions and interpretations commencing on page 7 of the Circular to which this notice is incorporated, apply to this notice, unless a word or a term is otherwise defined herein.

Notice is hereby given that the General Meeting will be held at the Company's boardroom, 1 Sixty Jan Smuts Building, 2nd Floor – North Tower, 160 Jan Smuts Avenue, Rosebank, Johannesburg, South Africa at 12:00 (South African time) on Wednesday, 28 March 2018, the purpose of which is to consider, and if deemed fit, pass the following resolutions, with or without modification.

RESOLUTIONS

ORDINARY RESOLUTION 1 – APPROVAL OF THE ACQUISITION

"Resolved that, subject to the approval of Ordinary Resolutions 2 and 3 and Special Resolutions 1, 2, 3 and 4, in terms of paragraph 9.20(b) of the Listings Requirements, the acquisition by DRDGOLD of the WRTRP Assets, through the acquisition of 100% shareholding in WRTRP, from Sibanye-Stillwater, upon the terms and subject to the Acquisition Conditions as set out in the Circular, be and is hereby approved."

Voting in respect of Ordinary Resolution 1

The percentage of voting rights required for this Ordinary Resolution to be adopted is a simple majority of votes of Shareholders, being more than 50% of the votes of all Shareholders present or represented by proxy at the General Meeting.

Reason and effect of Ordinary Resolution 1

The reason for this Ordinary Resolution is for Shareholders to approve the Acquisition, as contemplated in paragraph 9.20(b) of the Listings Requirements. The effect of this Ordinary Resolution is that the acquisition by DRDGOLD of the WRTRP Assets, through the acquisition of 100% shareholding in WRTRP, from Sibanye-Stillwater, in exchange for the issue by DRDGOLD of the Consideration Shares to Sibanye-Stillwater in terms of section 42 of the Income Tax Act, will be approved by Shareholders. Further details pertaining to the Acquisition are contained in paragraph 5 of the Circular.

ORDINARY RESOLUTION 2 – APPROVAL OF THE WAIVER OF THE MANDATORY OFFER

"Resolved that, subject to the approval of Ordinary Resolutions 1 and 3 and Special Resolutions 1, 2, 3 and 4, and the TRP granting an exemption to Sibanye-Stillwater from the obligation to make the Mandatory Offer, in terms section 123(3) of the Companies Act as read with Regulation 86(4), the Mandatory Offer be and is hereby waived."

Voting in respect of Ordinary Resolution 2

The percentage of voting rights required for this Ordinary Resolution to be adopted is more than 50% of the general voting rights of all issued DRDGOLD Shares held by independent Shareholders present or represented by proxy at the General Meeting.

Reason and effect of Ordinary Resolution 2

The reason for this Ordinary Resolution is for Shareholders to approve the Waiver, as contemplated in Regulation 86(4). The effect of this Ordinary Resolution is that Sibanye-Stillwater, subject to the TRP granting an exemption, will not be obligated to make the Mandatory Offer. Further details pertaining to the Mandatory Offer and the Waiver are contained in paragraph 8 of the Circular.

ORDINARY RESOLUTION 3 – APPROVAL OF THE SPECIFIC ISSUE

“Resolved that, subject to the approval of Ordinary Resolutions 1 and 2 and Special Resolutions 1, 2, 3 and 4, in terms of paragraph 5.51(g) of the Listings Requirements, the Directors be authorised to issue the Issue Shares to Sibanye-Stillwater, upon the terms and subject to the Specific Issue Conditions as set out in the Circular, be and is hereby approved.”

Voting in respect of Ordinary Resolution 3

The percentage of voting rights required for this Ordinary Resolution to be adopted is a 75% majority of votes of Shareholders present or represented by proxy at the General Meeting.

Reason and effect of Ordinary Resolution 3

The reason for this Ordinary Resolution is to approve the issue of the Issue Shares to Sibanye-Stillwater in the event that Sibanye-Stillwater exercises the Option, as contemplated in paragraph 5.51(g) of the Listings Requirements. The effect of this Ordinary Resolution is that DRDGOLD will be authorised to allot and issue the Issue Shares to Sibanye-Stillwater, should Sibanye-Stillwater exercise the Option, and the Issue Shares will accordingly be listed on the main board of the Exchange. Further details pertaining to the Option and the Specific Issue are contained in paragraph 6 of the Circular.

SPECIAL RESOLUTION 1 – APPROVAL OF THE INCREASE IN THE AUTHORISED ORDINARY SHARE CAPITAL OF DRDGOLD

“Resolved that, subject to the approval of Ordinary Resolutions 1, 2 and 3 and Special Resolutions 2, 3 and 4 and the requisite filings with the CIPC having been completed, in terms of section 36(2)(a) of the Companies Act, the existing authorised ordinary share capital of the Company, being 600 million ordinary shares of no par value in the share capital of DRDGOLD, be and is hereby increased by the creation of a further 900 million ordinary shares of no par value in the share capital of DRDGOLD, such that, pursuant to such increase, the authorised ordinary share capital of the Company shall comprise 1.5 billion ordinary shares of no par value in the share capital of DRDGOLD.”

Voting in respect of Special Resolution 1

The percentage of voting rights required for this Special Resolution to be adopted is at least 75% of the votes of all Shareholders present or represented by proxy at the General Meeting.

Reason and effect of Special Resolution 1

The reason for this Special Resolution is to approve the increase in the authorised ordinary share capital of DRDGOLD, as contemplated in section 36(2)(a) of the Companies Act. The effect of this Special Resolution is to increase the authorised ordinary share capital of DRDGOLD from 600 million to 1.5 billion DRDGOLD Shares, to enable the Company to issue the Consideration Shares and Issue Shares, pursuant to the Acquisition and Specific Issue being implemented, and to provide the Company with flexibility for any future Share issuances. Further details pertaining to the increase in the authorised ordinary share capital of DRDGOLD are contained in paragraph 11 of the Circular.

SPECIAL RESOLUTION 2 – AUTHORISATION FOR THE AMENDMENT OF THE DRDGOLD MOI

“Resolved that, subject to the approval of Ordinary Resolutions 1, 2 and 3 and Special Resolutions 1, 3 and 4, in terms of section 16(1)(c) of the Companies Act, the Company’s MOI be and is hereby amended with effect from the date of filing of such amendments with the CIPC.”

Voting in respect of Special Resolution 2

The percentage of voting rights required for this Special Resolution to be adopted is at least 75% of the votes of all Shareholders present or represented by proxy at the General Meeting.

Reason and effect of Special Resolution 2

The reason for this Special Resolution is to approve the amendments to the DRDGOLD MOI, as contemplated in section 16(1)(c) of the Companies Act. The amendments pertain to an increase in the authorised but unissued shares of the Company, definitions in the MOI, payment of distributions to Shareholders, Shareholders acting other than at a meeting and inclusion of provisions pertaining to share warrants and holders thereof. The effect of this Special Resolution is that DRDGOLD will be authorised to amend the DRDGOLD MOI and the amended DRDGOLD MOI will be adopted. Further details pertaining to the amendments to the DRDGOLD MOI are contained in paragraph 7 of the Circular.

SPECIAL RESOLUTION 3 – AUTHORISATION TO ISSUE SHARES

“Resolved that, subject to the approval of Ordinary Resolutions 1, 2 and 3 and Special Resolutions 1, 2 and 4, in terms of section 41(3) of the Companies Act, the Company be and is hereby authorised to allot and issue the Consideration Shares and the Issue Shares, pursuant to the Acquisition and Specific Issue, respectively, being implemented.”

Voting in respect of Special Resolution 3

The percentage of voting rights required for this Special Resolution to be adopted is at least 75% of the votes of all Shareholders present or represented by proxy at the General Meeting.

Reason and effect of Special Resolution 3

The reason for this Special Resolution is to authorise the Company to issue the Consideration Shares and Issue Shares, which amount to an issue of DRDGOLD Shares in excess of 30% of the issued ordinary share capital of DRDGOLD, as contemplated in section 41(3) of the Companies Act. The effect of this Special Resolution is that the Company will be authorised to issue the Consideration Shares and Issue Shares, pursuant to the Acquisition and the Specific Issue, respectively, being implemented. Further details pertaining to the Acquisition and the Specific Issue are contained in paragraphs 5 and 6 of the Circular.

SPECIAL RESOLUTION 4 – AUTHORISATION TO GRANT FINANCIAL ASSISTANCE

“Resolved that, subject to the approval of Ordinary Resolutions 1, 2 and 3 and Special Resolutions 1, 2 and 3, to the extent that, the issue of the guarantee by DRDGOLD to Sibanye-Stillwater, in terms of which DRDGOLD guarantees the performance of WRTRP’s obligations to Sibanye-Stillwater under the Transaction Agreements and Ancillary Agreements gives rise to the granting by DRDGOLD of financial assistance as contemplated in sections 44 and / or 45 of the Companies Act, the provision of such financial assistance be and is hereby approved by way of special resolution in terms of sections 44(3)(a)(ii) and 45(3)(a)(ii) of the Companies Act, respectively.”

Voting in respect of Special Resolution 4

Percentage of voting rights required for this Special Resolution to be adopted is at least 75% of the votes of all Shareholders present or represented by proxy at the General Meeting.

Reason and effect of Special Resolution 4

The reason for this Special Resolution is to authorise the Company to provide direct and / or indirect financial assistance, as contemplated in sections 44 and 45 of the Companies Act. The effect of this Special Resolution is that the Company will be authorised to provide the financial assistance, as arising from the issuing of the DRDGOLD Guarantee. Further details pertaining to the DRDGOLD Guarantee are contained in paragraph 5.4.7 of the Circular.

RECORD DATE

The record date, in terms of section 59 of the Companies Act, for DRDGOLD Shareholders to be recorded in the Register in order to:

- receive the Notice of General Meeting is Friday, 16 February 2018; and
- attend, speak and vote at the General Meeting is Friday, 16 March 2018 and, accordingly, the last day to trade in order to be eligible to vote at the General Meeting is Tuesday, 13 March 2018.

PROXIES

A DRDGOLD Shareholder entitled to attend, speak and vote at the General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his or her stead. A proxy need not be a Shareholder of the Company.

For the convenience of Certificated Shareholders and Dematerialised Shareholders with “*own name*” registration, the Form of Proxy is attached.

It is recommended that duly completed Forms of Proxy be lodged with the respective transfer secretaries as follows:

- Shareholders registered on the South African register, to Link Market Services South Africa Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein, Johannesburg 2001 (PO Box 4844, Johannesburg, 2000), or email at meetfax@linkmarketservices.co.za, to reach them by no later than 12:00 (South African Time) on Tuesday, 27 March 2018;
- Shareholders holding Shares in the form of American Depositary Receipts, to The Bank of New York Mellon, ADR, Proxy, 22 West 101 Barclay Street, New York, NY 10286 to reach them by no later than 02:00 (Eastern Standard Time) on Monday, 26 March 2018; and
- Shareholders registered on the United Kingdom register, to Link Asset Services (formerly called Capita Asset Services), The Registry PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU to reach them by no later than 11:00 (Greenwich Mean Time) on Monday, 26 March 2018.

Should the Form of Proxy not be delivered to the respective transfer secretaries (as recommended above), the Form of Proxy may be handed to the chairman of the General Meeting before the appointed proxy exercises any of the Shareholder rights at the General Meeting.

Holders of American Depositary Receipts may receive a form of proxy printed by the depositary bank, which should be completed and returned in accordance with the instructions printed on the forms of proxy.

The holder of a share warrant to bearer who wishes to attend or be represented at the General Meeting must deposit his share warrant at the bearer reception office of Link Asset Services (formerly called Capita Asset Services), The Registry PXS, 34 Beckenham Road, Beckenham, BR3 4TU, United Kingdom, no later than 48 hours before the date appointed for the holding of the General Meeting (which period excludes Saturdays, Sundays and public holidays), and shall otherwise comply with the “conditions governing share warrants” currently in force. Thereupon a form of proxy or an attendance form under which such share warrant holder may be represented at the General Meeting shall be issued.

Dematerialised Shareholders without “*own name*” registration who wish to attend the General Meeting in person should request their Broker or CSDP to provide them with the necessary letter of representation in terms of their custody agreement with their Broker or CSDP. Dematerialised Shareholders without “*own name*” registration who do not wish to attend but wish to vote at the General Meeting must advise their Broker or CSDP of their voting instructions. Dematerialised Shareholders without “*own name*” registration should contact their Broker or CSDP with regard to the cut-off time for their voting instructions.

In compliance with the provisions of section 58(8)(b)(i) of the Companies Act, a summary of the rights of a Shareholder to be represented by proxy, as set out in section 58 of the Act, is set out in the Form of Proxy attached.

VOTING

On a show of hands, every Shareholder of the Company present in person or represented by proxy shall have only one vote. On a poll, every Shareholder of the Company present in person or represented by proxy shall have one vote for every DRDGOLD Share held in the Company by such Shareholder.

Pursuant to section 48(2)(b)(ii) of the Companies Act, the votes of Shares held by Subsidiaries of DRDGOLD may not be exercised with respect to the Resolutions. Accordingly, EMO will not be entitled to vote its DRDGOLD Shares in respect of any of the Resolutions.

PROOF OF IDENTIFICATION REQUIRED

In terms of section 63(1) of the Companies Act, any Shareholder or proxy who intends to attend, speak or vote at the General Meeting must be able to present reasonably satisfactory identification at the General Meeting for such Shareholder or proxy to attend and participate in the General Meeting. Forms of identification that will be accepted include original and valid identity documents, driver’s licences and passports.

ELECTRONIC PARTICIPATION BY SHAREHOLDERS

DRDGOLD Shareholders or their proxies may participate in (but not vote at) the General Meeting by way of telephone conference call. If they wish to do so they:

- must contact Ms Leonie Marupen (by email at the address leonie.marupen@drdgold.com) by no later than 12:00 on Tuesday, 27 March 2018 in order to obtain dial-in and other relevant details for the conference call;
- will be required to provide reasonably satisfactory identification; and
- will be billed separately by their own telephone service providers for their telephone call to participate in the General Meeting.

DRDGOLD Shareholders and their proxies will not be able to vote telephonically at the General Meeting and will still need to appoint a proxy or representative to attend the General Meeting in person and to vote on their behalf at the General Meeting (refer to section titled "*Action Required by Shareholders*" commencing on page 4 of the Circular).

By order of the DRDGOLD Board

R Masemene

Company secretary

Friday, 16 February 2018



DRDGOLD Limited

(Incorporated in the Republic of South Africa)

Registration number 1895/000926/06

JSE share code: DRD

ISIN: ZAE000058723

NYSE trading symbol: DRD

("DRDGOLD" or the "Company")

FORM OF PROXY (FOR USE BY CERTIFICATED SHAREHOLDERS AND DEMATERIALISED SHAREHOLDERS WITH "OWN NAME" REGISTRATION)

The definitions and interpretations commencing on page 6 of the Circular to which this form is incorporated, apply to this form, unless a word or a term is otherwise defined herein.

For use only by DRDGOLD Shareholders registered on the United Kingdom register and with regard to the South African register, for use only by DRDGOLD Shareholders holding share certificates and CSDPs, brokers' and DRDGOLD Shareholders who have dematerialised their share certificates and who have selected "own-name" registration through a CSDP at the General Meeting to be held in the Company's boardroom, 1 Sixty Jan Smuts Building, 2nd Floor North-Tower, 160 Jan Smuts Avenue, Rosebank, 2196 on Wednesday, 28 March 2018 at 12:00 (South African time).

DRDGOLD Shareholders on the South African register who have already dematerialised their share certificates through a CSDP or broker and who have not selected "own-name" registration and DRDGOLD Shareholders who hold certificated Shares through a nominee must not complete this Form of Proxy but must instruct their CSDP, broker or nominee to issue them with the necessary authority to attend the General Meeting or, if they do not wish to attend the General Meeting, they may provide their CSDP, broker or nominee with their voting instructions in terms of the custody agreement entered into between them and their CSDP, broker or nominee.

I / We _____ (name in block letters)

of _____ (address)

Telephone (work) _____ (home)

Mobile _____ (email)

being the holder(s) of DRDGOLD Shares

hereby appoint (see note 1):

1. _____ or failing him / her,

2. _____ or failing him / her,

the chairman of the General Meeting

as my / our proxy to attend, participate and vote on a show of hands or on a poll for me / us and on my / our behalf at the General Meeting to be held for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote for and / or against the Resolutions and / or abstain from voting in respect of the DRDGOLD Shares registered in my / our name as follows: (see note 2 overleaf):

	For	Against	Abstain
Ordinary Resolution 1 – Approval of the Acquisition			
Ordinary Resolution 2 – Approval of the Waiver Of the Mandatory Offer			
Ordinary Resolution 3 – Approval of the Specific Issue			
Special Resolution 1 – Approval of increase of authorised ordinary share capital of DRDGOLD			
Special Resolution 2 – Authorisation for the amendment of the DRDGOLD MOI			
Special resolution 3 – Authorisation to issue Shares			
Special resolution 4 – Authorisation to grant financial assistance			

and generally to act as my / our proxy at the said General Meeting.

(Tick whichever is applicable). If no directions are given, the proxy holder will be entitled to vote or to abstain from voting, as that proxy holder deems fit. (See note 2 overleaf).

Signed at _____ on _____ 2018

Signature(s) _____ Capacity

Assisted by (where applicable) _____ Signature

Each DRDGOLD Shareholder is entitled to appoint one or more proxies (who need not be a Shareholder/s of DRDGOLD) to attend, participate and vote in the place of that DRDGOLD Shareholder at the General Meeting. Unless otherwise instructed, the proxy may vote as he deems fit.

Please read the notes on the reverse side hereof.

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In terms of section 58 of the Companies Act:

- a shareholder of a company may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such shareholder;
- a proxy may delegate her or his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy;
- irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder;
- any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;
- if an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the relevant company;
- a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise;
- if the instrument appointing a proxy or proxies has been delivered by a shareholder to a company, then, for so long as that appointment remains in effect, any notice that is required in terms of the Companies Act or such company's Memorandum of Incorporation to be delivered to a shareholder must be delivered by such company to:
 - the relevant shareholder; or
 - the proxy or proxies, if the relevant shareholder has: (i) directed such company to do so, in writing and (ii) paid any reasonable fee charged by such company for doing so; and
- if a company issues an invitation to its shareholders to appoint 1 or more persons named by the company as a proxy, or supplies a form of proxy instrument:
 - the invitation must be sent to every shareholder entitled to notice of the meeting at which the proxy is intended to be exercised;
 - the invitation or form of proxy instrument supplied by the company must:
 - bear a reasonably prominent summary of the rights established in section 58 of the Companies Act;
 - contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name and, if desired, an alternative name of a proxy chosen by the shareholder; and
 - provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the meeting, or is to abstain from voting;
 - the company must not require that the proxy appointment be made irrevocable; and
 - the proxy appointment remains valid only until the end of the meeting at which it was intended to be used.

NOTES:

1. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space/s provided, with or without deleting "the chairman of the AGM", but any such deletion must be initialled by the Shareholder. The person whose name appears first on the form of proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A Shareholder's instruction to his proxy must be indicated in the appropriate box by inserting the number of shares in respect of which the Shareholder wishes his proxy to cast his votes.
3. Should there be no indication in the appropriate box as to how the Shareholder wishes his votes to be cast by his proxy then the proxy will be deemed to have been authorised to vote or abstain from voting at the General Meeting as the proxy deems fit.
4. A Shareholder may instruct the proxy to vote in respect of less than the total number of Shares held by inserting the relevant number of Shares in the appropriate box provided. A DRDGOLD Shareholder who gives no indication as to the number of Shares in respect of which the proxy is entitled to vote will be deemed to have authorised the proxy to vote or abstain from voting, as the case may be, in respect of all the Shareholder's votes exercisable at the General Meeting.
5. It is recommended that a complete Form of Proxy be lodged with the transfer secretaries in South Africa and the United Kingdom at least 48 hours before the time appointed for the holding of the General Meeting (which period excludes Saturdays, Sundays and public holidays) or be handed to the chairman of the General Meeting before the appointed proxy exercises any of the relevant Shareholder's rights.
6. The completion and lodging of this Form of Proxy by DRDGOLD Shareholders holding Share certificates, CSDPs, brokers and DRDGOLD Shareholders who have dematerialised their Share certificates and who have elected "own-name" registration through a CSDP or broker, will not preclude the relevant Shareholder from attending the General Meeting and participating and voting in person thereat to the exclusion of any proxy appointed in terms thereof. DRDGOLD Shareholders who have dematerialised their Share certificates and who have not elected "own-name" registration through a CSDP or broker and DRDGOLD Shareholders who hold certificated ordinary shares through a nominee who wish to attend the General Meeting must instruct their CSDP or broker to issue them with the necessary authority to attend.
7. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative or other legal capacity (such as power of attorney or other written authority) must be attached to this Form of Proxy unless previously recorded by DRDGOLD.
8. Any alteration or correction made to this Form of Proxy must be initialled by the signatory/ies.
9. When there are joint holders of shares only one of such persons may sign this Form of Proxy in respect of such Shares as if such person were the sole holder, but if more than one of such joint holders submits a Form of Proxy, the Form of Proxy, if accepted by the chairman of the General Meeting, submitted by the holder whose name appears first in the register of the Company will be accepted.
10. The holder of a share warrant to bearer who wishes to attend or be represented at the General Meeting must deposit his share warrant at the bearer reception office of Link Asset Services, The Registry PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom, not later than 48 hours before the date appointed for the holding of the General Meeting (which period excludes Saturdays, Sundays and public holidays), and shall otherwise comply with the "conditions governing share warrants" currently in force. Thereupon a Form of Proxy or an attendance form under which such share warrant holder may be represented at the General Meeting shall be issued.
11. Depository receipt holders will receive forms of proxy printed by the depository bank, which should be completed and returned in accordance with the instructions printed on the forms of proxy.

