

THE NEW  
**FACE**  
OF MINING



RESULTS FOR THE QUARTER  
ENDED 30 SEPTEMBER 2013

Niël Pretorius, Chief executive officer

Craig Barnes, Chief financial officer

22 October 2013



[www.drdgold.com](http://www.drdgold.com)

# Disclaimer



Many factors could cause the actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, adverse changes or uncertainties in general economic conditions in the markets we serve, a drop in the gold price, a sustained strengthening of the Rand against the Dollar, regulatory developments adverse to DRDGOLD or difficulties in maintaining necessary licenses or other governmental approvals, changes in DRDGOLD's competitive position, changes in business strategy, any major disruption in production at key facilities or adverse changes in foreign exchange rates and various other factors. These risks include, without limitation, those described in the section entitled "Risk Factors" included in our annual report for the fiscal year ended 30 June 2012, which we filed with the United States Securities and Exchange Commission on 26 October 2012 on Form 20-F. You should not place undue reliance on these forward-looking statements, which speak only as of the date thereof. We do not undertake any obligation to publicly update or revise these forward-looking statements to reflect events or circumstances after the date of this report or to the occurrence of unanticipated events. Any forward-looking statements included in this report have not been reviewed and reported on by DRDGOLD's auditors.

## Key features for the quarter (Q1 FY14 v Q1 FY13)



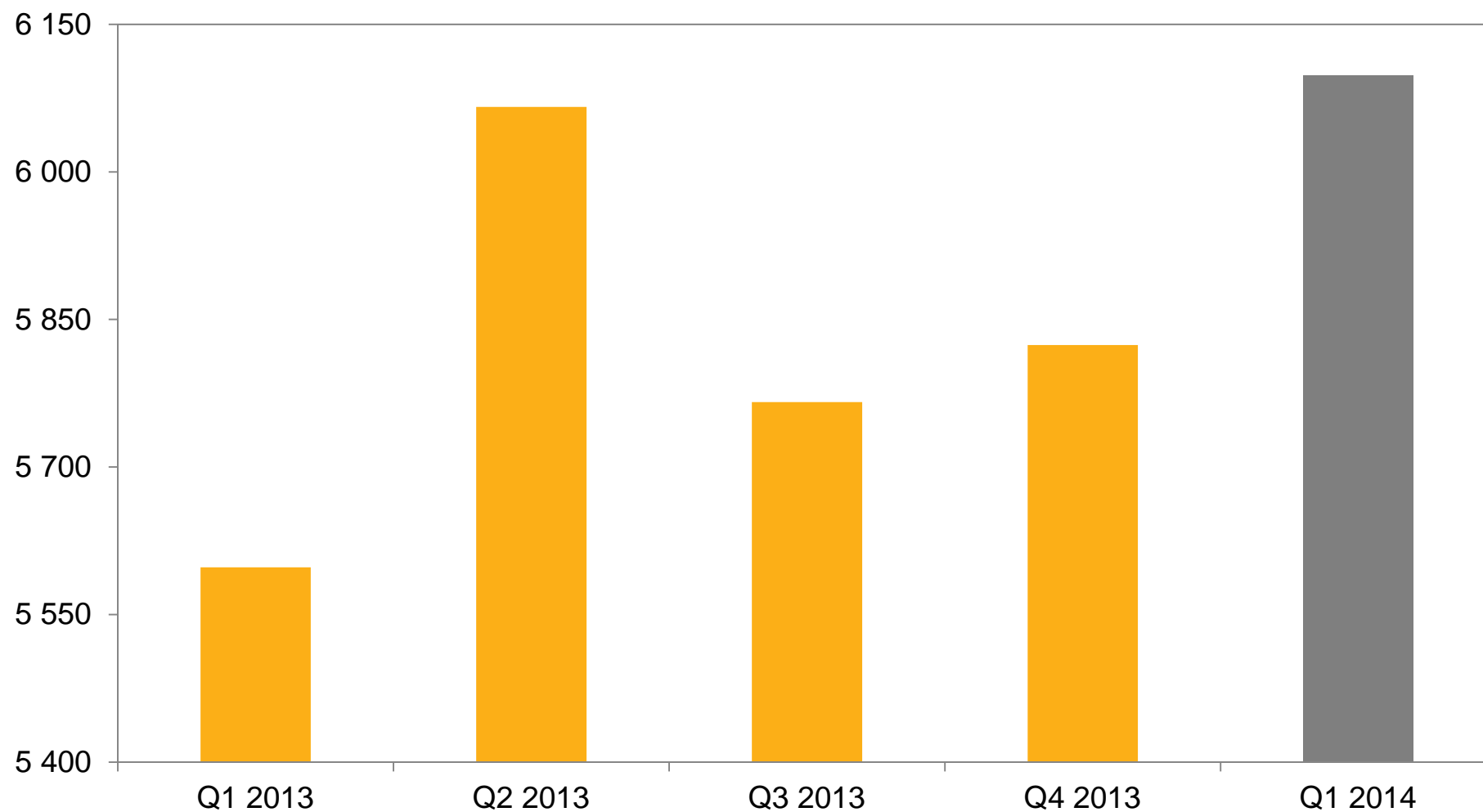
- Two-year wage settlement
- Flotation/fine-grind commissioning under way
- Gold production down 6% to 33 597oz
- Operating profit down to R72 million



# Ergo trends



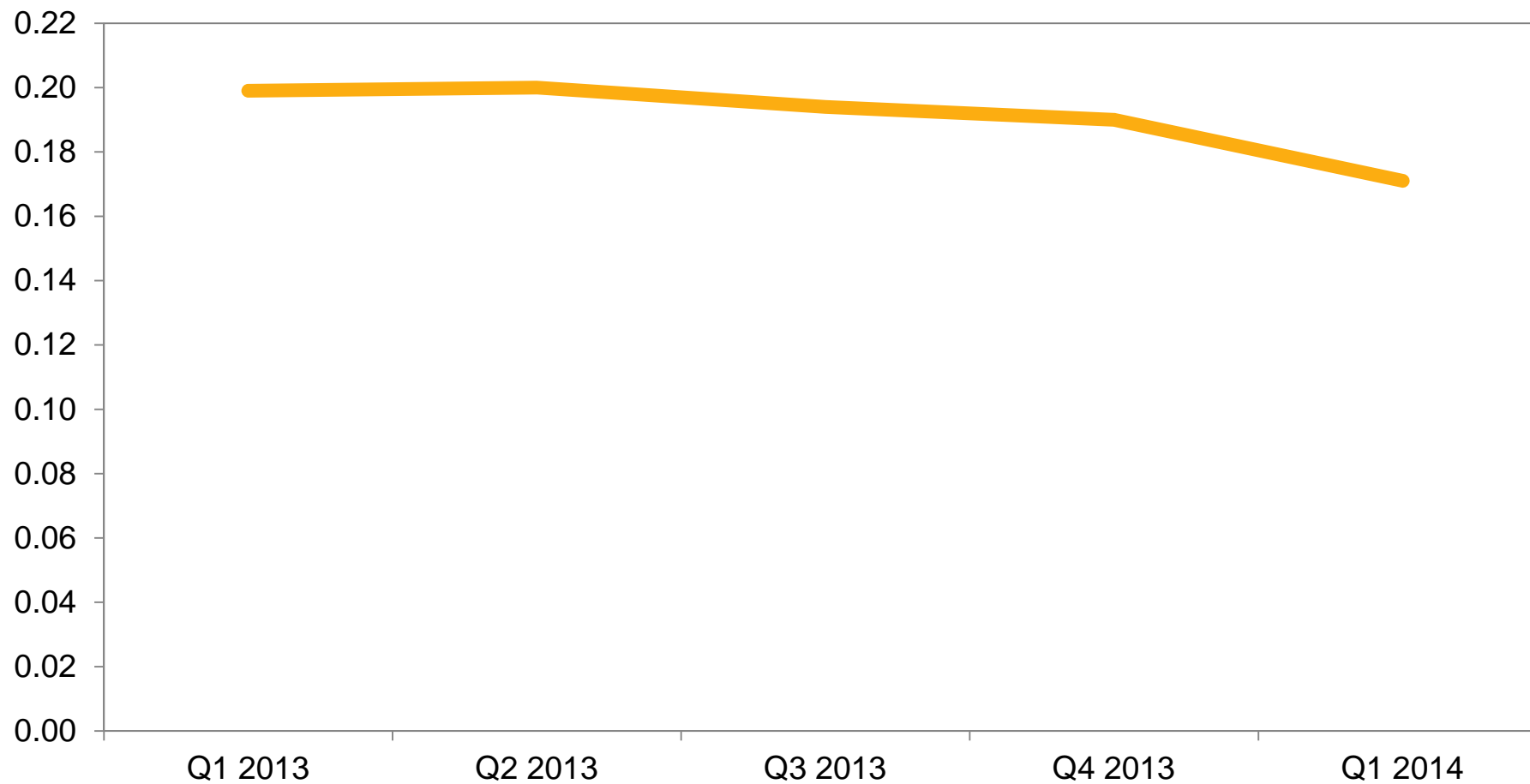
# Volume (000t)



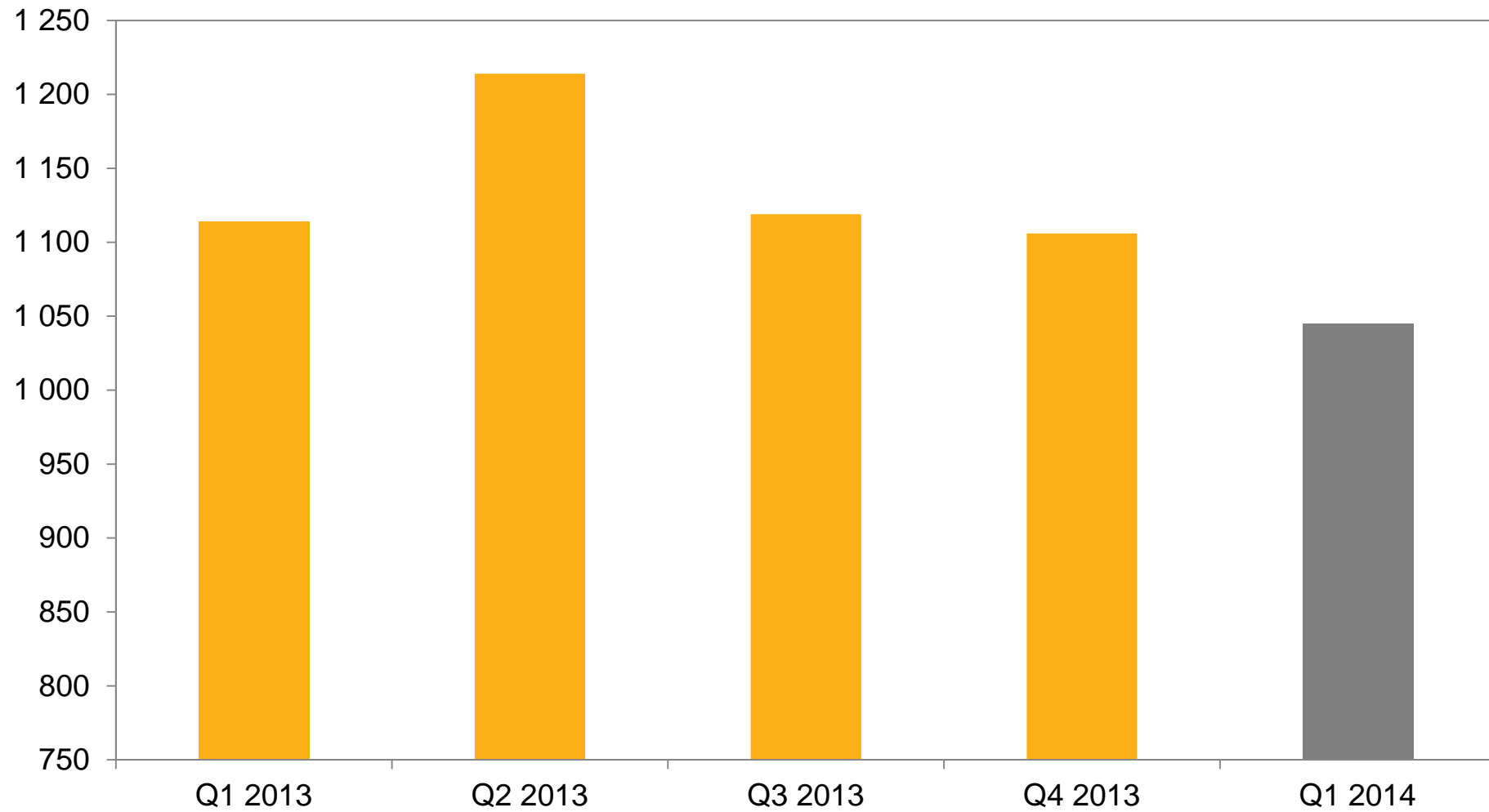
# Yield (g/t)



- Yield down 14% on Q1 FY2013



# Production (kg)

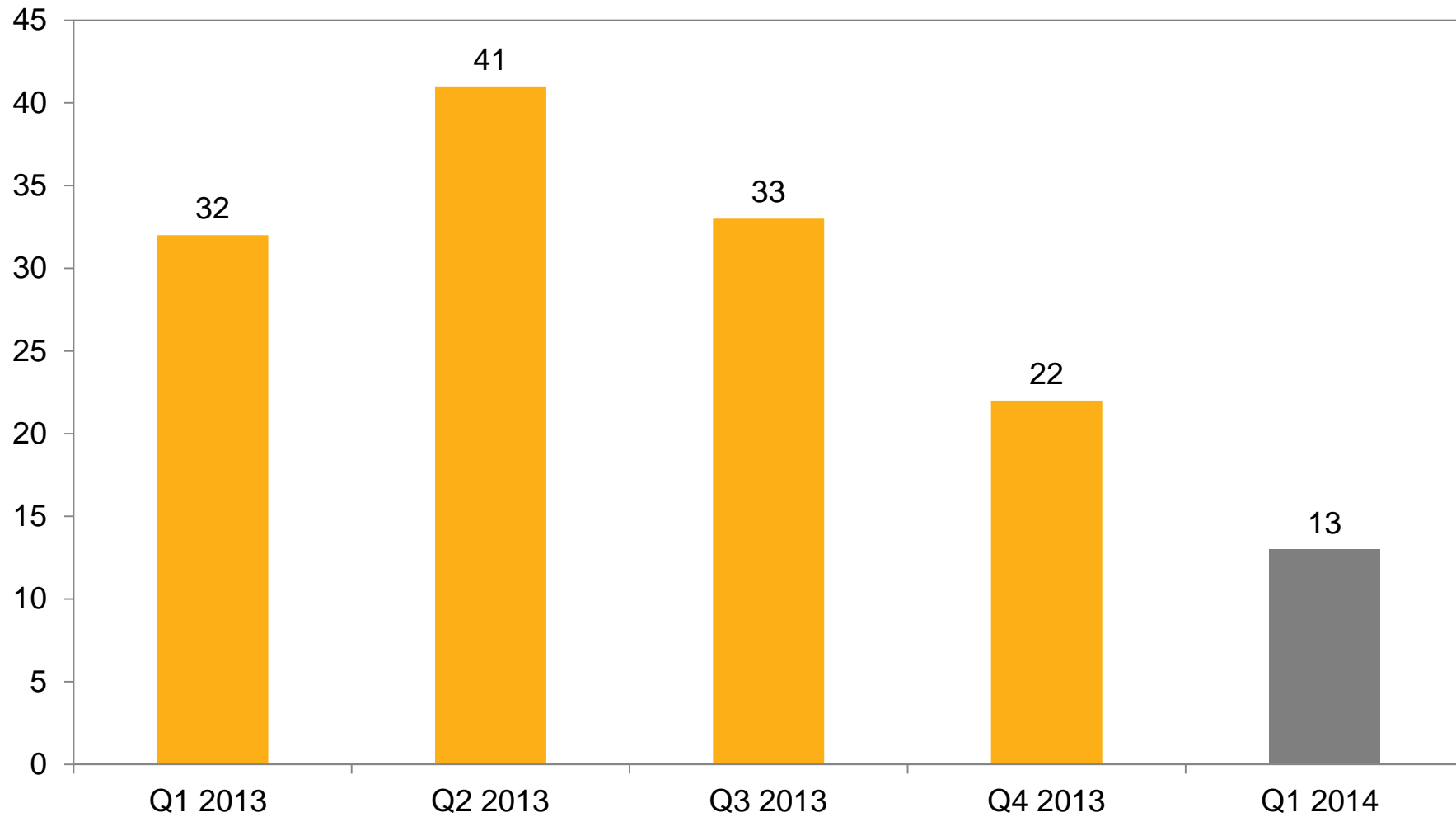


# FINANCIAL INDICATORS

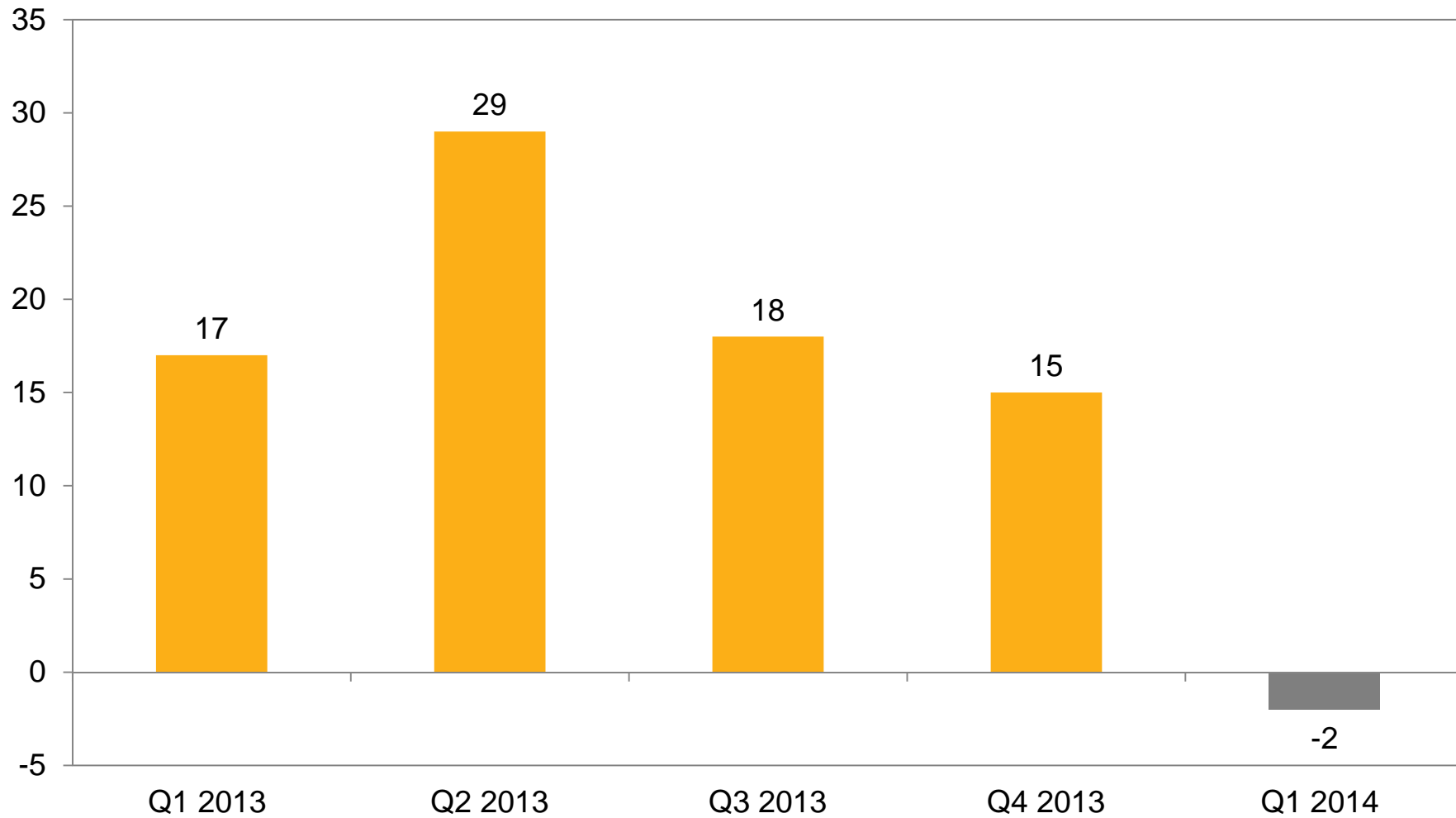




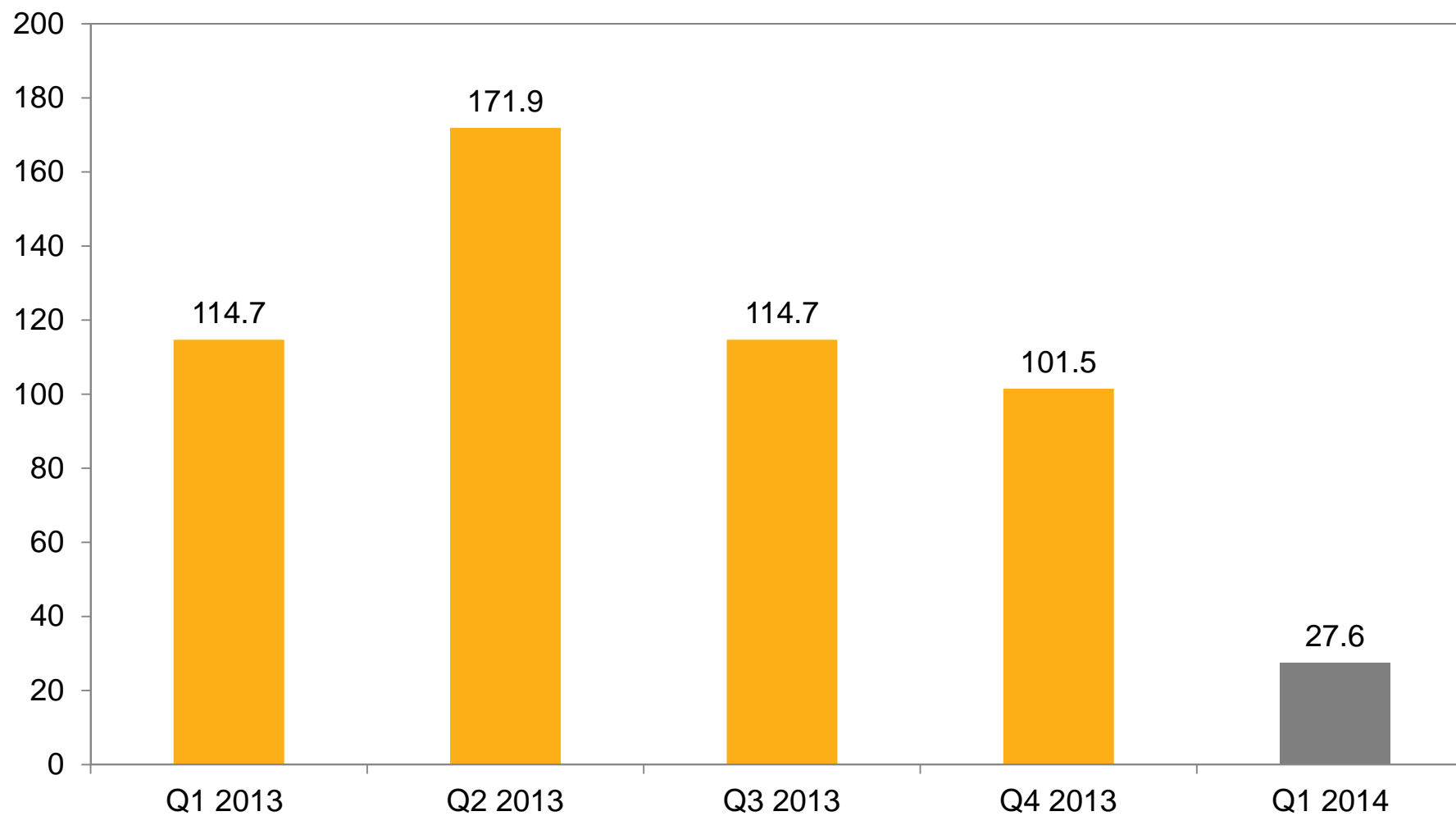
# Operating margin (%)



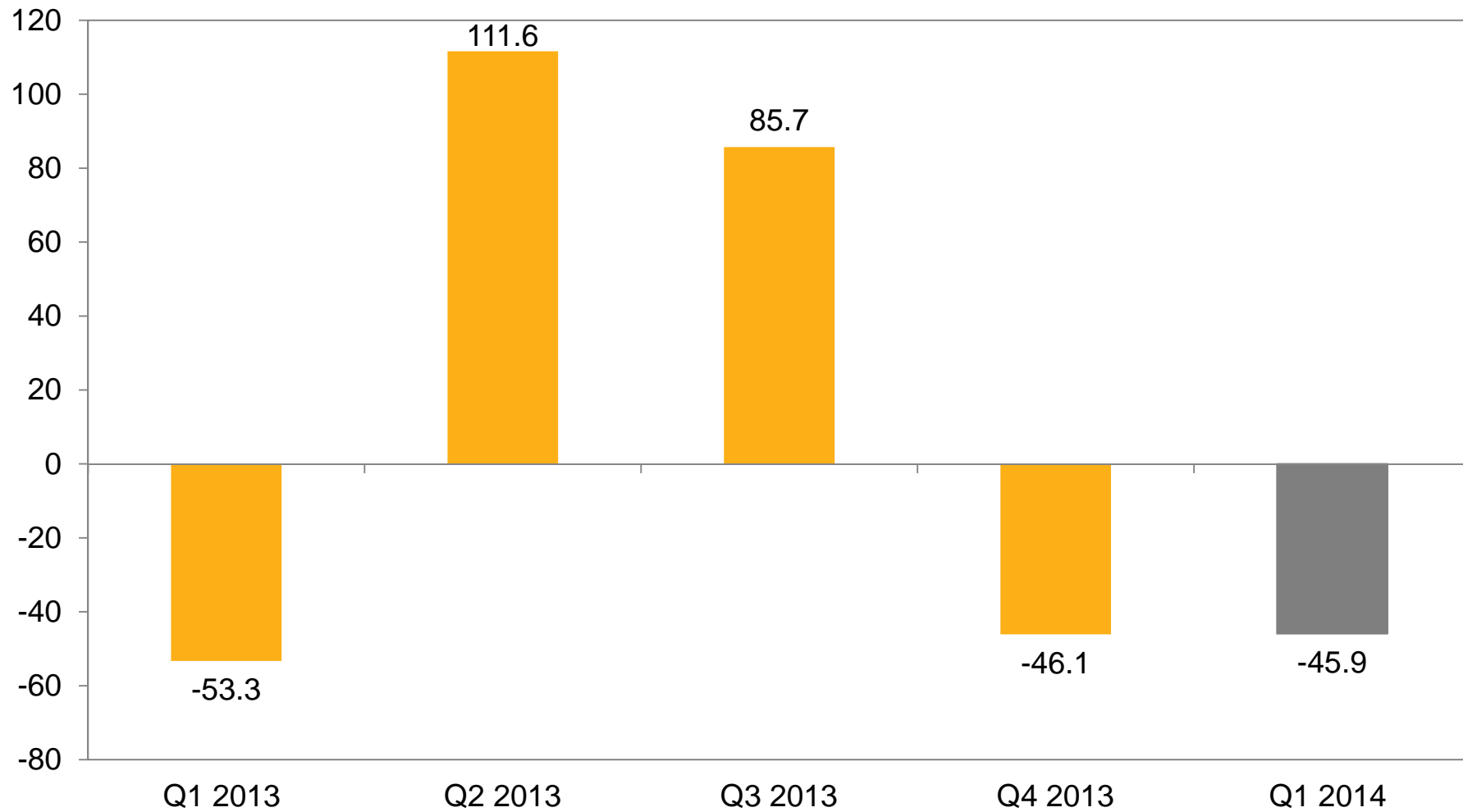
# All-in sustaining costs margin (%)



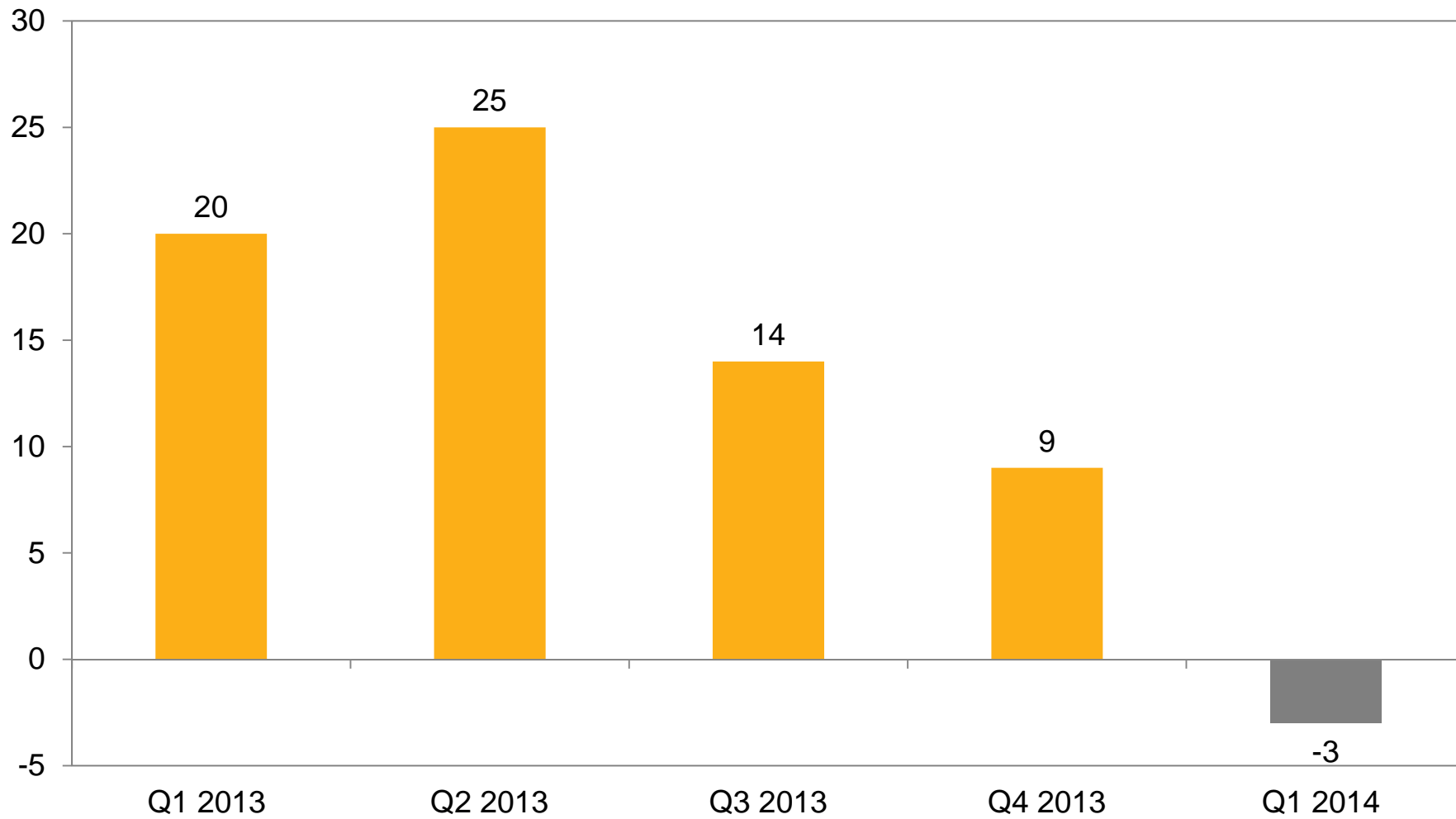
# EBITDA (Rm)



# Free cash flow (Rm)



# HEPS (SA cents)



# FINANCIALS



# Financial review: income statement for the quarter ended 30 September 2013 (Q1 FY2014)



	Q1 2014	Q1 2013	Comments
	Rm	Rm	
Revenue	484.0	526.8	Down 8%; lower gold price and gold production
Net operating costs	(412.0)	(353.1)	Up 17%; volumes up 9% and annual cost increases
<b>Operating profit</b>	<b>72.0</b>	173.7	Down 59%
Depreciation	(36.4)	(34.2)	
Movement in provision for environmental rehab	(4.0)	(10.0)	
Environmental rehab costs	(10.7)	(17.2)	
Other income and costs	(30.5)	(31.8)	
Net finance income	(6.0)	29.6	Q1 2013 includes dividend from VMR of R26 million
<b>(Loss)/profit before tax</b>	<b>(15.6)</b>	110.1	
Taxation	(4.6)	(16.8)	
<b>(Loss)/profit after tax</b>	<b>(20.2)</b>	93.3	
<b>HEPS (cents)</b>	<b>(3)</b>	20	Down 116%
<b>EBITDA</b>	<b>27.6</b>	114.7	Down 76%

# Financial review: balance sheet at 30 September 2013 (Q1 2014)



	Q1 2014	Q4 2013	Comments
	Rm	Rm	
Property, plant and equipment	1 775.7	1 756.3	
Non-current investments and other assets	129.2	130.1	
Environmental rehabilitation trust funds and guarantees	180.8	177.0	
Deferred tax asset	1.5	2.9	
Cash and cash equivalents	331.3	377.2	Healthy cash position
Other current assets	256.6	227.6	
<b>Total assets</b>	<b>2 675.1</b>	<b>2 671.1</b>	
Equity	1 575.7	1 648.3	
Long-term liabilities	84.6	152.0	Total borrowings of R165 million
Provision for environmental rehabilitation	537.3	524.3	
Deferred tax liability	103.3	100.7	
Current liabilities	374.2	245.8	Current borrowings (R92m); dividends (R54m)
<b>Total equity and liabilities</b>	<b>2 675.1</b>	<b>2 671.1</b>	
<b>Current ratio</b>	<b>1.6</b>	<b>2.6</b>	



# FLOTATION/FINE-GRIND PROJECT

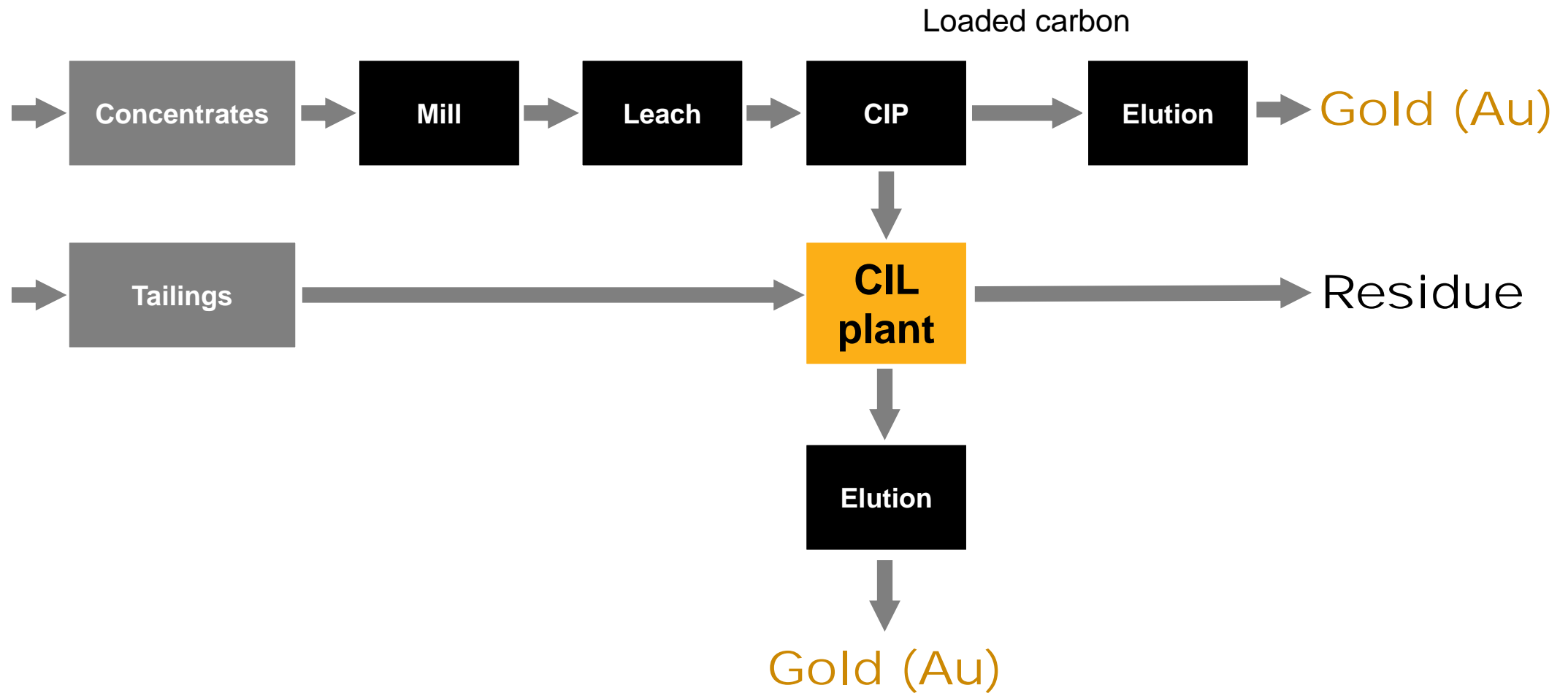


## The rationale

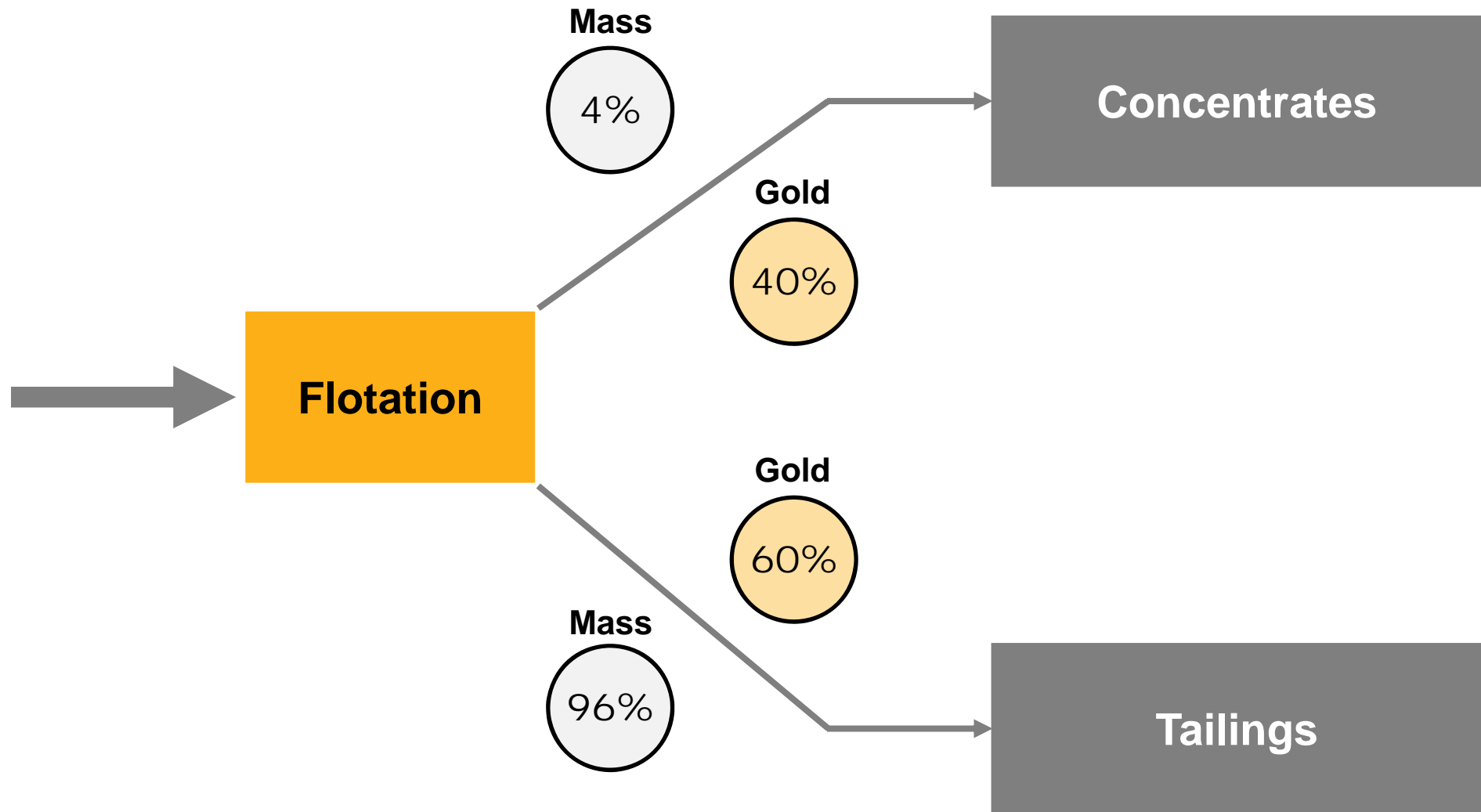
- Between 30% and 40% of sulphide-associated gold lost in final residue
- Only about 45% of sulphide-associated gold in original leach recovered
- Electron microscope evaluation shows this gold to be electrum, about 5 microns in size
- Ultra-fine grinding of sulphides shows recovery of sulphide-associated gold can be increased to 75%



# Flow sheet



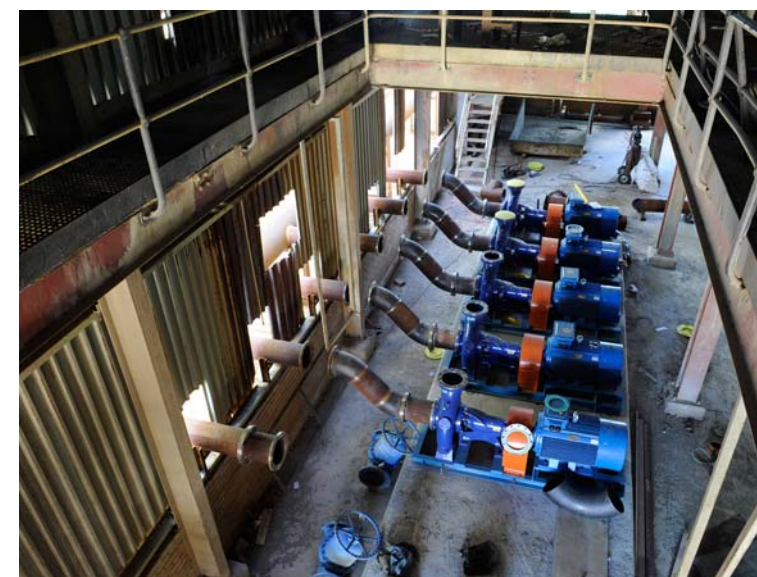
# Feasibility



# Operational statistics: actual v feasibility



Parameter	Feasibility	Actual
Feed grade (Au g/t)	0.295	0.305
Mass pull (%)	4.0	3.3
Gold recovery (%)	40.0	39.1
Concentrate (Au g/t)	3.15	3.64
Float tail (Au g/t)	0.182	0.192
Throughput (tpd/stream)	20 000	Up to 23 000
Conc dissolution (%)	75	70 to 75
Grind (80% passing size microns)	20	23
Recovery improvement (%)	16 to 20	-
Cost (R/ton of feed)	7.56	-
Marginal cost of eGold (R/kg)	224 000	-



## Current project status

- All three float streams operational
  - running two at a time due to delay in rebuild of third tailings thickener
- Four fine-grind mills operational, three running currently
- Concentrate leach fully operational
- Adsorption plant operating
  - loaded carbon sent to CIL
- Elution plant due to come on line next month
- Establishing base for plant optimisation



# Looking ahead

- Achieve stable operations for flotation/fine-grind by December 2013



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NYSE trading symbol: DRD