DRDGOLD LIMITED

INTEGRATED REPORT 2015

SCOPE AND BOUNDARY

APPROACH TO INTEGRATED REPORTING

This is our fifth annual integrated report. We have produced a comprehensive and simple report that addresses the sustainability of our business in a holistic and integrated way, and is compliant with the requirements of a JSE- and NYSE-listed company. We address our business in terms of the five[1] capitals, speaking principally to the material issues.

Our accompanying annual financial statements for the year ended 30 June 2015 (AFS) and the Notice of annual general meeting for the year ended 30 June 2015 (Notice of meeting), which includes summary consolidated financial statements, can be found on the DRDGOLD annual report suite webpage: www.drdgold.com.

This integrated report has been produced in line with the International <IR> Framework published by the International Integrated Reporting Council (IIRC) in December 2013. DRDGOLD has adopted the Global Reporting Initiative (GRI) G4 guidelines, and reports in line with the 'core' format.

As we have prepared a concise report, the detail on our performance in terms of G4 is provided in appendices in the supplementary information to the DRDGOLD Integrated Report 2015, also on the above webpage.

Selected information in this report has been assured by independent assurance provider KPMG Services Proprietary Limited.

[1] IIRC recognises six capitals; DRDGOLD combines manufactured and intellectual capital into a single capital.

SCOPE AND BOUNDARY

This report covers the FY2015 performance of Ergo Mining Proprietary Limited, the reclamation operation owned and managed by DRDGOLD Limited (DRDGOLD). Historical information is supplied for context and comparison where appropriate, along with future outlook, where this supports an understanding of the strategy of the business. However, this information should not be construed as forward-looking statements. We have looked beyond the boundary of our reporting entity to identify the risks and opportunities directly associated with our business, as well as our primary stakeholders, as we recognise that these have an influence on our strategy and the way in which we create value.

REPORT AUDIENCES

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

We also have important stakeholders on whom we have an influence and who, in turn, influence the business, its success and its direction. We identify and report on our engagement with our primary stakeholders on pages 10 and 11, and are mindful of the need for maintaining these crucial relationships.

We constantly strive to improve our stakeholder engagement, and the policies that guide our actions, as we are mindful that it is through our stakeholders that our material issues are determined.

RESPONSIBILITY FOR REPORTING

The DRDGOLD board, together with the Audit Committee, holds responsibility for the DRDGOLD Integrated Report 2015. All directors have had the opportunity to review and comment on the contents and to ensure its integrity. The board formally approved this report, our AFS and Notice of meeting at a special meeting held on 17 September 2015.

AUDITING AND ASSURANCE

DRDGOLD is committed to accurate, timeous and meaningful reporting. As this is a process of continual improvement, each year selected sustainability indicators are externally assured. The report of our external assurers for the FY2015 sustainability information can be found in Appendix 6.

REPORT QUERIES

Riaan Davel

Email: riaan.davel@drdgold.com | Tel: +27 11 470 2608

FORWARD-LOOKING STATEMENTS

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

These risks include, without limitation, those described in the section entitled "Risk Factors" included in our Form 20-F for the fiscal year ended 30 June 2014, which we filed with the United States Securities and Exchange Commission (SEC) on 31 October 2014. You should not place undue reliance on these forward-looking statements, which speak only as of the date thereof. We do not undertake any obligation to publicly update or revise these forward-looking statements to reflect events or circumstances after the date of this report or the occurrence of unanticipated events. Any forward-looking statement included in this report has not been reviewed or reported on by DRDGOLD's auditors.

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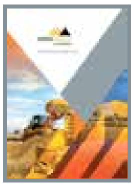
For more information on our business performance

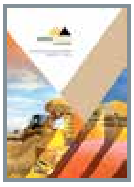
Scan the QR code below and link to our online financials

Download the QR code reader for your smartphone

Reporting suite consists of the following



Integrated Report 2015



8 supporting appendices can be referenced online at www.DRDGOLD.co.za

APPENDIX 1 – STAKEHOLDER ENGAGEMENT
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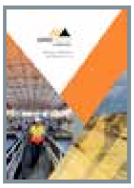


Annual Financial Statements 2015

Notice of Annual General Meeting and Summary Consolidated Financial Statements 2015

CHAIRMAN'S LETTER

The highlight of my year at DRDGOLD was the official opening of our state-of-the-art flotation and fine-grind (FFG) circuit at the Ergo plant.

The event marked the culmination of a R389 million investment programme and 18 months of construction and painstaking development work. In February this year, we felt that the time was right to reflect on our achievements and celebrate the fact that this complex assembly of delicately balanced, interdependent processes was running effectively and efficiently.

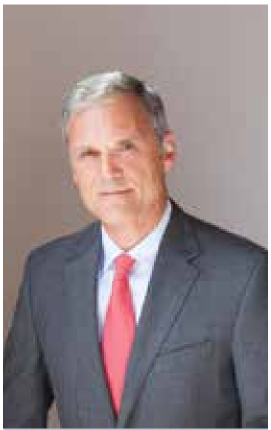
It was a privilege to see first-hand the enthusiasm and pride that everyone at Ergo rightly feels. We know from painful experience how difficult it can be to get complicated systems to work as planned and it is a demonstration of the commitment and dedication of our workforce that the Ergo plant is now achieving its design parameters. We have successfully built a world-class processing facility which, combined with the extensive mine dumps throughout Johannesburg and a favourable economic environment, has the potential to generate wealth for our shareholders and the surrounding communities for many decades.

These milestones are not achieved by accident. We have a great team with a wealth of experience and I want to thank everyone at DRDGOLD for their contribution. You will see in this report how getting it right impacts the bottom line. We have ended the year with a healthy cash balance, we have paid off all the Medium Term Notes, the company is cash flow positive and we have declared a dividend of 10 cents per share.

Completion of the FFG circuit is just one step on the journey, it is by no means the end. Since February there has been more expansion of capacity at the Ergo plant and further changes to the process to tease yet more gold out of the huge amounts of material that we are processing. The team is busy working out how to achieve continuous improvements to the margin. Not only is this a very cost effective way to increase shareholder value but it also makes our business more robust and sustainable. Times are tough in the mining industry and this is compounded by challenges in South Africa, most notably the lack of reliable power. To some extent we have been helped by the weakness of the rand but it is a risky strategy to rely on a weak currency to keep our company profitable; we prefer to focus on efficiency and innovation.

To this end we built a plant to treat sewage water to replace the use of potable water in our process. This initiative saves on a valuable natural resource and protects the environment. We are also investigating initiatives to generate more of our own electricity in an environmentally sound way, helping to make our operations more sustainable and alleviate South Africa's power shortage. These are just a few of the initiatives that will continue to improve the outlook for DRDGOLD. Nobody knows what the future will bring and so, not only are we positioning the company to take full advantage of any upturn in the gold price, we are also building in flexibility that will allow us to maintain a sustainable business even if the gold price weakens.

During all the work on expanding and improving our operations, work continues on protecting the environment. While we are actively reclaiming dumps, we strive to keep disruptions to a minimum and always within the prescribed limits. When we have finished working on an area, land that was covered with mine waste becomes available for productive use. It is something of which we can be justifiably proud and we will continue to change the face of Johannesburg for the better.



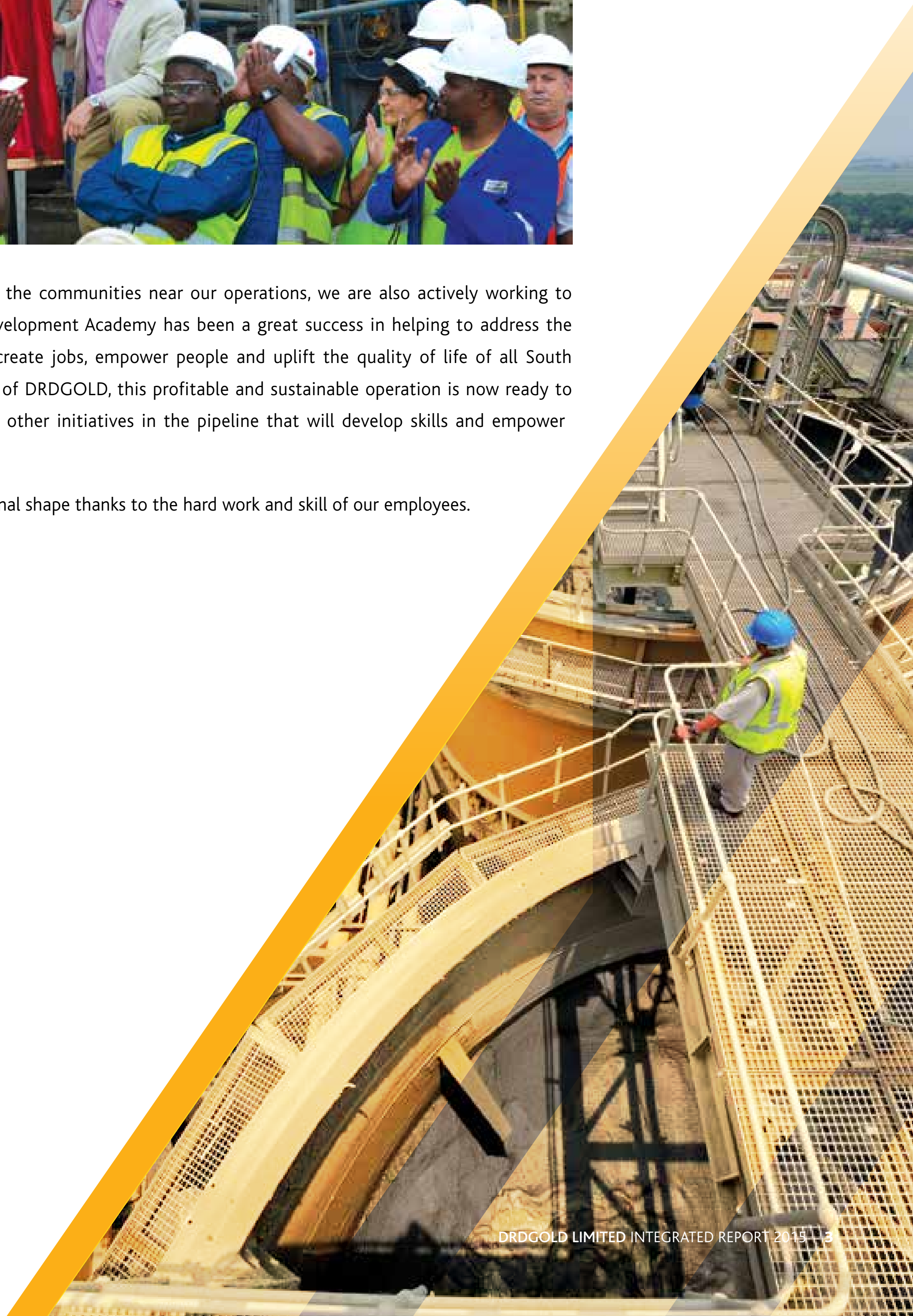
We prefer to focus on efficiency and innovation

DRDGOLD is in great financial and operational shape thanks to the hard work and skill of our employees

It's not enough to minimise disruption to the communities near our operations, we are also actively working to improve conditions. The Ergo Business Development Academy has been a great success in helping to address the critical shortage of skills in the country, create jobs, empower people and uplift the quality of life of all South Africans. Having been developed as a part of DRDGOLD, this profitable and sustainable operation is now ready to become a stand-alone business. There are other initiatives in the pipeline that will develop skills and empower people to create sustainable enterprises.

DRDGOLD is in great financial and operational shape thanks to the hard work and skill of our employees.

Geoff Campbell
Chairman
17 September 2015

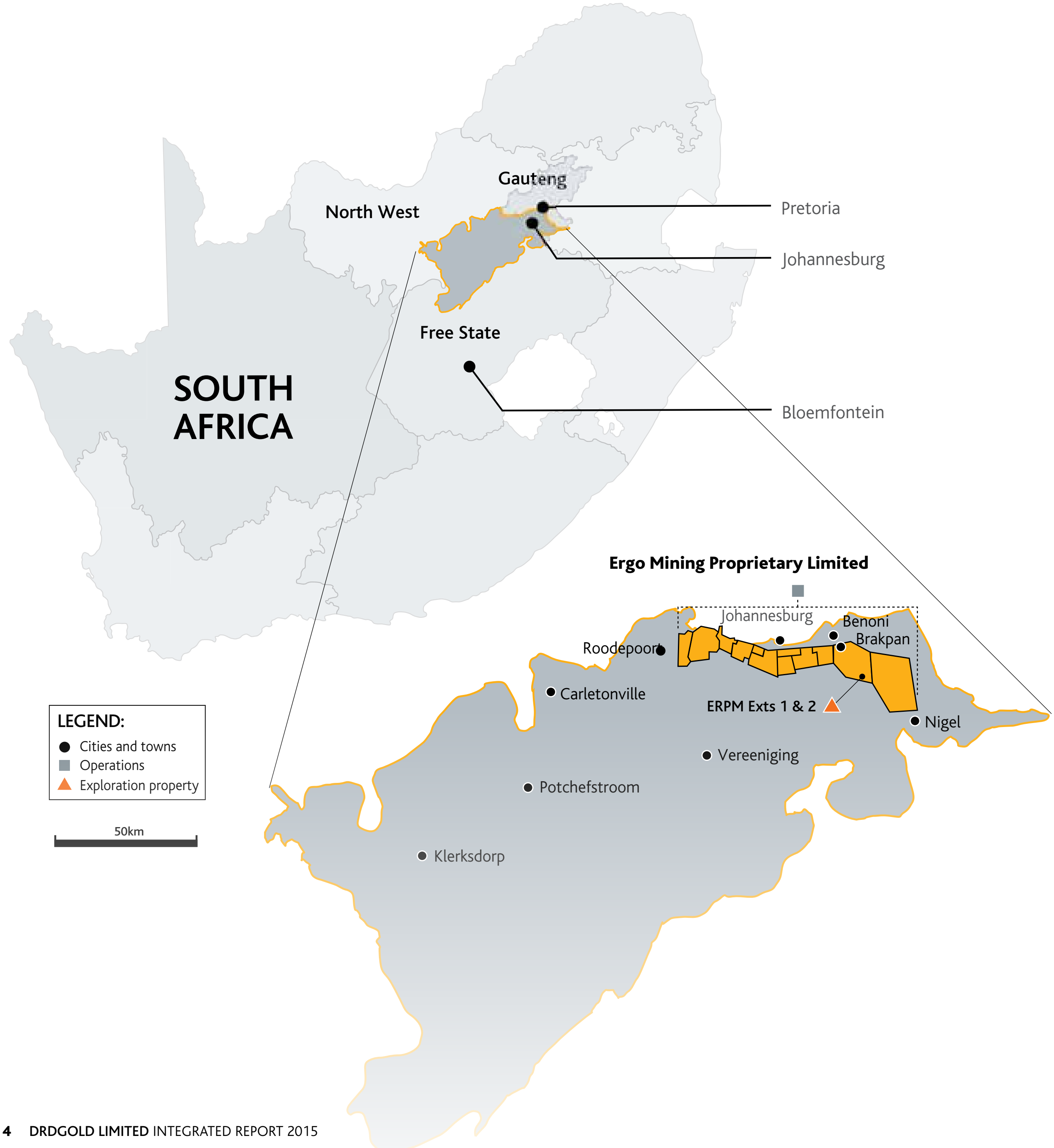


CORPORATE PROFILE

OUR BUSINESS

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

DRDGOLD's annual production target is 145 000oz to 155 000oz from its 11.8Moz resource. More information on the group's reserves and resources can be found on page 50 of this report.



OUR PEOPLE; OUR LEADERSHIP

At the end of FY2015, DRDGOLD employed 941 (FY2014: 989) full-time employees. In addition, specialist service providers deployed a further 1 426 (FY2014: 1 340) employees to our operations bringing the total number of inhouse and outsourced employees to 2 367 (FY2014: 2 329).

DRDGOLD's board comprises six individuals. Four members, including the chairman, are independent non-executive directors (NEDs). The two executive directors are the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO). The board has three subcommittees: the Audit and Risk Committee, the Nominations and Remuneration Committee and the Social and Ethics Committee.

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

> DRDGOLD's BBBEE partners now hold an interest in the listed company

OUR LISTINGS; OUR SHAREHOLDERS

DRDGOLD is the oldest continuously-listed mining company on the JSE Limited (JSE), its primary listing. DRDGOLD holds a secondary listing on the New York Stock Exchange (NYSE). The company's shares are also traded on the Marché Libre in Paris, the Regulated Unofficial Market of the Frankfurt Stock Exchange, and the Berlin and Stuttgart OTC markets.

At the end of FY2015 the company had 430 883 767 ordinary shares in issue and a market capitalisation of R1 008.3m (US$79.7m).

OUR COMPANY STRUCTURE

The company has a simple, efficient structure. All operations are consolidated into one operating entity, Ergo Mining Proprietary Limited (Ergo). Ergo is wholly owned by Ergo Mining Operations Proprietary Limited (EMO). Following the roll-up of the stake of our black economic empowerment (BBBEE) partners in EMO into DRDGOLD, EMO is now a wholly-owned subsidiary of DRDGOLD. The roll-up involved the substitution by our BBBEE partners, Khumo Gold SPV Proprietary Limited (Khumo) and the DRDSA Empowerment Trust (the Trust) for a direct holding in DRDGOLD. The agreement provided Khumo with an 8.1% interest and the Trust with a 2.4% interest in DRDGOLD.

GROUP STRUCTURE

OUR VALUE CHAIN

DRDGOLD's business is simple and the value chain is correspondingly straightforward. We mine 'waste' and produce dóre bars.

DRDGOLD has:

- a single operating entity, Ergo Mining Proprietary Limited (Ergo), based in Brakpan in the Ekurhuleni municipality, Gauteng Province and some 50km east of Johannesburg; and
- the rights to explore and mine an 11.8Moz surface resource.

Ergo has a remarkably simple value chain and the company occupies a unique risk niche in the South African mining sector, with significant competitive advantages.

These include the plant and pipeline infrastructure; the rights, licences and permits to access an 11.8Moz surface resource and a world-class, tailings storage facility (TSF), with capacity for expansion. Importantly, DRDGOLD also has the technology to fine-grind gold-bearing material to achieve recovery efficiencies that were previously outside the reach of typical metallurgical processing, and employs a dedicated research and development (R&D) team working to refine its processes until a minimum amount of gold is returned to the dumps. This unique combination of infrastructure and technology provides a compelling competitive advantage in the market.

SOME HISTORY

The DRDGOLD story really begins in the mid-1880s, when gold was discovered in the Wits basin in the then Republic of Transvaal. The early mining camp of the late 19th century soon developed into a city – Johannesburg – today one of the largest on the African continent.

Underground mining creates large deposits of 'waste' material or tailings, colloquially known as mine dumps. By the 1970s, after almost 100 years of mining, Johannesburg was surrounded by these geographic landmarks. Although classified as residue, this tailings material contained millions of minute, but precious, gold particles.

The historic mine dumps comprised either sand or slime. Sand dumps resulted from the early 'stamp-milling' process and usually contained higher amounts of encapsulated gold than the slimes dams of later years, when recovery processes had advanced. Most of the sand dumps have already been reclaimed.

Slime, on the other hand, is the product of the tube and ball mill recovery process. It tends to be ground more finely and contains lower grades of gold. Hundreds of millions of tonnes of slime are still located in the Wits basin.

THE EMERGENCE OF SURFACE MINING

Surface mining, or the extraction of gold from mine dumps only became a viable option in the early 1970s when the price of gold rose and technology had sufficiently advanced.

In the ensuing decades, the landmark dumps gradually disappeared as surface mining began to systematically displace these remnants of underground mining, freeing up valuable land for reuse. Additionally, this bygone mining waste is now, as a result of reclamation, repositioned in better-designed, modern tailings deposition sites. It is also managed in terms of an approved environmental management programme which requires environmental rehabilitation at closure.

Despite the surface reclamation of the past 40 years, all the tailings deposition sites on the Witwatersrand – reclaimed or yet to be reclaimed – contain some percentage of gold. This is because the metallurgical processes used for reclamation have not been developed to extract every last particle of the precious metal.

USING TECHNOLOGY TO UNLOCK FUTURE GOLD

Further attempts to access this gold depend, to a large extent, on the gold price over which DRDGOLD has no control. However, the technology involved in reclamation is also critical and potentially provides another solution to economically accessing the gold and extending the life of the operation.

The Ergo R&D team has already addressed the issue of gold encapsulated in larger fraction pyrites, and additional circuits were commissioned in January 2014 to improve recoveries. Despite some early challenges, steady progress continues to be made.

The R&D team is dedicated to advancing and refining extraction technology even further. If successful, and in the longer-term, many of the TSFs could potentially be exploited a second time by reclamation.

OUR STRATEGY IN A NUTSHELL

The success of DRDGOLD's long-term goal to extract as much gold as possible from its assets depends, to a large extent, on how effectively it continues to manage its resources.

DRDGOLD uses sustainable development to direct its strategic thinking. Our goal is to optimally utilise an entire resource over the long term, thereby seeking sustainable benefits in respect to the following capitals, each of which is essential to our operation: financial, manufactured, natural, social and human capital.

We also aim to align and overlap the interests of each of these capitals in such a manner that an investment in any one translates into value-added increases in as many of the others as possible. We therefore seek to achieve an enduring and harmonious alignment between them, and we pursue these criteria in the feasibility analysis of each investment.

The board intends to explore the opportunities made possible by technology, which means further investment in R&D to improve gold recoveries even further over the long term.

BUSINESS MODEL

INTEGRATED USE OF OUR CAPITALS

INPUTS

FINANCIAL CAPITAL
- NYSE/JSE listing
- Minimal debt on balance sheet
- Cash of R324 million
- Free cash flow generated by operations
- Major capital projects complete

MANUFACTURED CAPITAL
- Four plants
  - Flagship Ergo plant in Brakpan
  - Satellite Knights plant
  - Two pump/milling stations
- Extensive pipeline infrastructure
- Servitudes
- Tailings storage facility
- Water reticulation system
- 11.8Moz resource
- Improving recoveries
- Successful flotation/fine-grind process

NATURAL CAPITAL
- Water used
- Electricity used
- Reagents used
- Containment and remediation of the impacts of our business on the environment

HUMAN CAPITAL
- Experienced team
- Small, skilled workforce (941 employees)
- Specialist service providers (1 426 people)

SOCIAL CAPITAL
- 26% BBBEE ownership successfully restructured
- EBDA – Flagship development and training academy established in the community
- Best Life, employee wellness programme, Independent Counselling and Advisory Service
- Local economic development programmes

BUSINESS ACTIVITIES

PLANNING AND MODELLING
- Development of detailed mining plan
- Detailed modelling of available surface resources

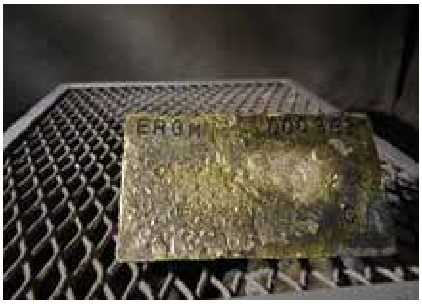
INFRASTRUCTURE DESIGN AND CONSTRUCTION
- Business development team responsible for design and construction
- Stringent capital allocation and management

DELIVERY OF GOLD-BEARING MATERIAL
- Specialised service provider delivers volumes to plant in uninterrupted flow 24/7/365
- Sophisticated systems in place to detect challenges
- Automated, remote, computer-driven volume, density, power consumption and pressure management systems

GOLD EXTRACTION
- Extraction through combination of flotation, milling, CIP and CIL processes
- Production of doré bars (85% purity)

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

OUTPUTS



PRODUCTS
- Doré bars delivered to Rand Refinery; refined into gold bars (99.9% purity)
- Rand Refinery on sells gold to authorised bullion banks, investors, the jewellery industry and technology sectors
- Foreign export contributor for South Africa

RESIDUE
- After gold extraction, residue deposited on world-class Brakpan tailings facility
- CO_2 emissions (direct)

THREE-YEAR REVIEW

		2015	2014	2013
Summarised group operating results				
Ore milled	(t'000)	**23 750**	23 908	23 254
Yield	(g/t)	**0.197**	0.173	0.196
Gold produced	(kg)	**4 670**	4 134	4 553
Gold produced	(oz)	**150 145**	132 909	146 381
Gold sold	(t'000)	**4 665**	4 181	4 533
Gold sold	(oz)	**149 984**	134 420	145 738
Average gold price received	(R/kg)	**451 297**	432 775	458 084
Average gold price received	($/oz)	**1 226**	1 298	1 613
Cash operating costs	(R/kg)	**372 932**	372 671	310 763
Cash operating costs	($/oz)	**1 013**	1 118	1 094
Sustaining capital expenditure	(R million)	**113.3**	68.3	104.2
All-in-sustaining costs	(R/kg)	**411 548**	401 691	362 599
All-in-sustaining costs	($/oz)	**1 118**	1 205	1 192
Reserves and resources				
Attributable ore reserves	Moz	**1.9**	1.5	1.7
Attributable mineral resources	Moz	**50.7**	37.0	37.3
Group performance indicators				
Profitability				
Operating margin	(%)	**18.3**	14.4	32.7
All-in sustaining costs margin	(%)	**8.7**	8.3	19.9
Headline earnings per share	(cents)	**10**	0	66
EBITDA	(R million)	**296.1**	204.0	516.3
EBITDA margin	(%)	**14**	11	25
Return on equity	(%)	**2.5**	0.1	18
Asset and debt management				
Current ratio	times	**2.0**	1.5	2.5
Debt to equity ratio		**0.03:1**	0.1:1	0.1:1
Interest cover	times	**27.9**	11.5	26.6
Net asset value per share	(cents)	**355**	384	427
Market value and shareholder returns				
Market price per share	(cents)	**234**	305	528
Ordinary shares in issue		**430 883 767**	385 383 767	385 383 767
Market capitalisation	(R million)	**1 008.3**	1 175.4	2 034.8
Price earnings ratio	times	**23.6**	1 656.6	8.0
Market/book ratio	times	**0.7**	0.8	1.2
Dividend declared per share	(cents)	**10.0**	2.0	28.0
Dividend yield	(%)	**4.3**	0.7	5.3
Group sustainability indicators				
Total economic value distributed	(R million)	**1 872** [LA]	1 756*	1 685*
Value distributed to employees - salaries, wages and benefits	(R million)	**365** [LA]	302*	283*
Fatalities		**–** [LA]	– [LA]	– [LA]
Lost time injury frequency rate (LTIFR)		**2.27** [LA]	2.16 [LA]	4.35 [LA]
Reportable injury frequency rate (RIFR)		**1.06** [LA]	0.93 [LA]	1.68 [LA]
Cyanide consumption	(tonnes)	**7 195** [LA]	7 527 [LA]	5 712 [LA]
CO_2 emissions (direct)	(tonnes)	**3 444** [LA]	4 134 [LA]	4 090 [LA]
CO_2 emissions (indirect)	(tonnes)	**396 882** [LA]	353 158 [LA]	325 509 [LA]
Electricity consumption	(MWh)	**370 767** [LA]	353 159 [LA]	325 509 [LA]
Diesel consumption	(litres)	**1 285 118** [LA]	1 542 467 [LA]	1 526 098 [LA]
Potable water consumption	('000m³)	**5 682** [LA]	5 762*	5 748*
Dust exceedances		**31** [LA]	27*	53*
Socio economic development spend	(R million)	**19.5** [LA]	25.5 [LA]	2.2 [LA]
Exchange rates				
Average rate	(R:US$)	**11.4475**	10.3706	8.8328
Closing rate	(R:US$)	**12.1649**	10.5784	9.8675

[LA] Limited assurance

* No assurance provided

STAKEHOLDER ENGAGEMENT AND RELATIONSHIPS

Stakeholders are the individuals, groups and entities affected by the activities of an organisation. DRDGOLD has a variety of stakeholders, all of whom are affected in different ways – directly, indirectly, positively or negatively. We consider responsible and reliable communication with stakeholders as integral to the success of our business strategy.

ENGAGING WITH STAKEHOLDERS

This integrated report is primarily for our shareholders and providers of capital, although we believe that it will also be of use to other stakeholders.

Our stakeholder groups include: shareholders; employees and their representatives; customers; suppliers and specialist service providers; government and regulating authorities; communities, community groups and non-governmental organisations; media; peer companies and partners.

We aim to operate a sustainable business and developing and maintaining relationships with our stakeholders is a key objective. Our stakeholders raise issues in different ways, and these are addressed by DRDGOLD in a timely and appropriate manner.

Our shareholders invest in DRDGOLD to secure returns on their investments and the board works diligently to this end and within the constraints placed on us by our market listings, and the regulatory environments in which we operate. Information on operating, financial and other performance is provided to the relevant parties in an unbiased, timely manner. Our formal investor relations calendar aims to ensure participation in key investor conferences, mainly in SA, Europe, North America and the Far East. These are usually linked to investor road shows that take the form of small groups and one-on-one meetings.

We announce financial information and strategic decisions on the JSE's Stock Exchange News Service (SENS). Immediately thereafter the information is posted in a news release on our website and all parties registered on our database are advised via a web alert. The release is simultaneously distributed to a second database of analysts, investors and media. Information is also communicated in other ways when necessary (e.g. presentations, briefings, and webcasts) to reach as wide an audience as possible.

We have systems in place to brief employees and employee representatives. These include a company-wide workplace briefing system, workplace meetings and an SMS (short message system) communication tool which has enhanced communication with our employees.

Asikhulume, the company newsletter, is produced twice a year. If possible, printed copies are distributed to all DRDGOLD employees with salary advice slips. Alternatively, copies are available at designated pick-up points. An editorial panel of employees and management decides on content, and the layout and design of the publication is aimed at ensuring reader appeal.

The company encourages open communication and consultation. Conflict is dealt with as necessary at workplace forums.

DRDGOLD uses an independent Tip-offs Anonymous Line so employees can report fraud or crime. They can do this by providing or withholding their identities. Information on how to make use of this service is provided in the workplace and in *Asikhulume*.

DRDGOLD believes that a sustainable business needs to empower its workforce as well as the communities in which it operates. Social and labour plans, developed in compliance with South African mining legislation and other relevant stakeholders, are in place to guide the company in creating job opportunities, educational support and projects to benefit local communities.

Management liaises with its neighbours through community leadership structures, ward councillors and interested and affected parties (I&APs) in various ways and on a broad range of issues. Although some of the liaison is required or mandated, the management teams at our operations recognise the value of community support and attempt to co-operate with communities at a more informal level.

Effective communication with government at a national, regional and local level is essential in the mining sector and company representatives from both the group and the operations interact with a number of departments including mining, water, environmental affairs, education and labour.

OUR PRIMARY STAKEHOLDER GROUPS AND THEIR KEY INTERESTS

SHAREHOLDERS AND INVESTORS

Operating and financial performance, share price performance and dividends, governance, sustainability of company, management of risk, identification of business opportunities. Other concerns include stability within the industry, labour issues, safety performance and the gold price

EMPLOYEES

Job security, training and development, wages and benefits, housing, health and safety, company performance

SUPPLIERS AND SPECIALIST SERVICE PROVIDERS

Sustainability of company, company's financial performance, employment practices, local procurement, preferential procurement, performance of service providers, business training and support, quality control

GOVERNMENT AND REGULATORY AUTHORITIES

Licence to operate, water licence, environmental management plan (EMP), social and labour plans (SLP), broad-based black economic empowerment (BBBEE) compliance, labour relations, conditions of employment, health and safety, employment equity, education and training, local economic development, environmental impact and rehabilitation, taxation and royalties

COMMUNITIES AND NGOs

Local economic development, employment and local job creation, corporate social investment (CSI) projects, dust control, health-, safety- and security-related issues, environmental impact and rehabilitation, skills development and training programmes

MEDIA

Financial results, corporate activity, environmental issues, health and safety, marketing, community-related topics

More information on stakeholder engagement and relationships can be found in Appendix 1 of the supplementary information on the DRDGOLD annual report suite webpage.

KEY OPPORTUNITIES AND RISKS

DRDGOLD defines risk as an uncertain future event that may be caused by controllable or non-controllable circumstances. Risk events threaten the ability of the company to achieve its objectives.

The board of directors determines the company's risk appetite and creates management protocols to respond to challenges and risks. Although risk management is delegated to executive management on a day-to-day basis, the executive and the board are ultimately responsible.

The management of risk is central to operating a sustainable business. Risk must be assessed to determine capital investment strategy, reduce uncertainty as well as ensure resilience to changes in the operating environment.

Management reviews events for potential risk and also for potential opportunities, including the group's internal control systems, assurance issues, health, safety and environmental compliance. These are all monitored and documented for reporting to the board.

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

RISK MANAGEMENT PROCESS

DRDGOLD has had an Enterprise Wide Risk Management process in place for over a decade and this helps inform an integrated approach to the operation of its business. The aim is to provide the board with a complete, informed view of the business environment in which the group operates to ensure its strategic objectives are achieved.

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

Risks are allocated to 'owners' who are responsible for mitigating the risks. These action plans are used to create a risk map that is presented quarterly to the board.

In addition, an independent risk management process assesses operational risks in three categories:

- **baseline:** this covers the risk profile of the entire operation in a systematic way;
- **issues-based:** prior to a new event or activity, a specific assessment is performed; and
- **continuous:** health, safety and environmental issues are assessed on an ongoing basis in the daily work programme.

BENCHMARKING

Even the best systems require review. DRDGOLD uses external advisers to improve the Enterprise Wide Risk Management process, and this is achieved through surveys, benchmarking exercises and other reviews throughout the year. These are important aspects of the risk management programme and assist in the improvement of the operational risk profile of the company.

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

OPPORTUNITIES AND RISKS MATRIX

The following matrix identifies the key opportunities and risks that are specific to DRDGOLD.

OPPORTUNITIES	RISK CONSIDERATIONS
INTERNAL	

Large surface gold resource	• Infrastructure failure
	• Denied access due to:
	  • community demands/demonstrations
	  • criminality
	  • regulatory action
	  • natural disaster

Ergo is a leading surface retreatment operator; established infrastructure and network provides significant competitive advantage	• Access to and availability of water and power • Regulatory compliance • Community instability
Minimal long-term debt on balance sheet	• Delivery on and execution of strategic plan • Gold price • Cost inflation
Strong, experienced management team	• Loss of critical experience • Limited availability of required skills
Relatively small workforce	• Labour unrest
Lower health and safety risks than traditional mining	• Regulatory compliance
Automated, 24/7/365 operation, extensive use of technology	• Unforeseen/unplanned stoppages • Natural disaster • Infrastructure failure
Flexibility of operational model	• Diminishing head grades • Gold price • Single facility operation
EXTERNAL	
Relatively good political stability (democracy)	• Social unrest and demonstrations • Political uncertainties • Regulatory interpretations • Cost of compliance
Solid country infrastructure	• Currency volatility • Economic policies • Cost increases
Sophisticated capital markets	• Systemic failure • Cyber attacks

KEY OPPORTUNITIES AND STRATEGIC FOCUS AREAS

We make integrated use of our capitals to create value for our stakeholders. We do this by determining the strategic focus areas which flow from the key opportunities below.

- Large surface gold resources
- Low health and safety risks
- Competitive advantage provided by a combination of resources; plant, infrastructure and pipeline network, deposition capacity, water, technology and skills set
- Strong, experienced management team
- Relatively small workforce
- Automated 24/7/365 operation, advanced technology

Optimal exploitation of large surface gold resource through:

- Controlling costs and maximising margins, enabling business to generate cash (financial capital)
- Embracing technology and innovation (manufactured capital)
- Looking after the environment (natural capital), our people (human capital) and the communities we operate in (social capital)

STRATEGY AND RESOURCE ALLOCATION

DRDGOLD has a proud history and its undisputed 19th century origins can be traced back to the frenzied prospecting and business activities that followed the discovery of gold in Johannesburg in the mid-1880s.

We mine our 11.8Moz resource for profit and also to create a sustainable business

Founded in 1895 alongside other mining giants which have come and gone, DRDGOLD remains the oldest, continuously-listed company on the JSE.

This 120 year old mining business is staying the course – developing and refining our strategy and deploying our resources – to mine not only profitably, but also optimally – ensuring that the business remains sustainable well into the 21st century. Achieving this requires bold decisions, such as our decision to dispose of our last underground assets, thereby allowing us to focus on surface gold reclamation.

We conduct our business to be profitable, but more importantly, to create value in the longer-term. We aim to add economic value over a sustained period, rather than a hit-and-run approach, which could potentially enrich fewer people for a shorter period. We seek to achieve this by using integrated thinking in our decisions to deploy resources and capital.

We actively seek synergies between the financial, human, social, natural and manufactured aspects of our business as we create value for all our stakeholders in the short-, medium-, and longer-term. The following paragraphs provide a simple summary of our business to illustrate this concept.

We generate cash (financial capital) through the sale of our product (doré bars) and we use this to develop our people (human capital) and our infrastructure (manufactured capital) as well as to reward our providers of capital (shareholders).

By developing our people, we ensure that our workforce is trained and motivated to reach production targets, to ensure extraction efficiencies and to maintain and develop our technology and infrastructure.

We have invested in innovative technology and implemented projects to address extraction efficiencies, energy saving and the use of potable water (natural capital) which results in cost savings (financial capital) and an improved environmental footprint.

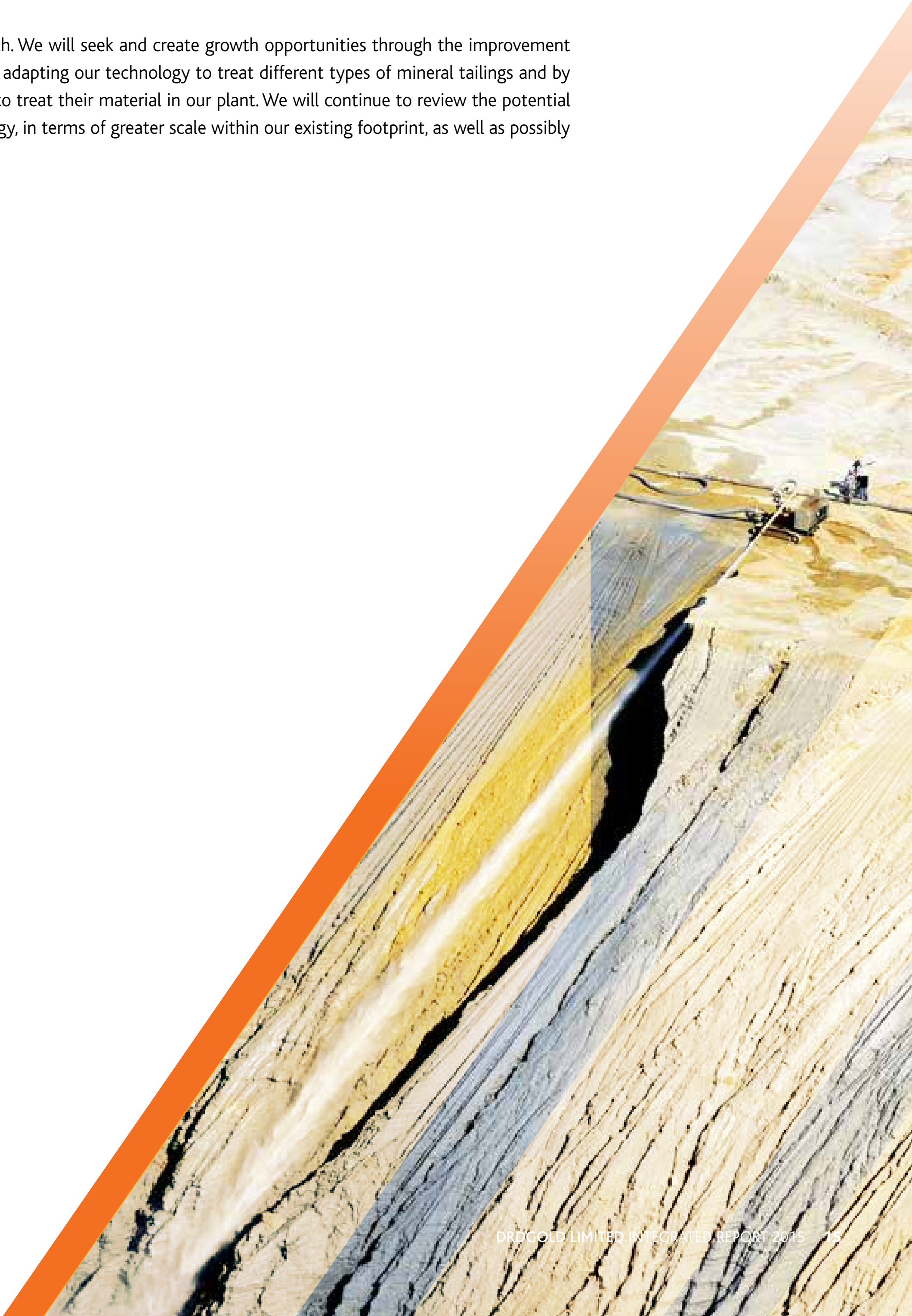
We communicate with and invest in our communities (social capital) and address the issues that are of concern to them. We do this partly because these neighbourhoods accommodate our workforce, but also because it is the right thing to do.

Community concerns can generally be distilled to the essence – better education and training – as knowledge and skills lead to job opportunities, career development and better chances of promotion. From our side, investing in the education of communities is insurance for the future as we are securing the skills and capabilities that will be required to lead our business – and the economy of the country – through the decades ahead.

We deposit the tailings from our reclamation activities away from the urban hub in a world-class facility located in a less-densely populated area. The combined effect of this integrated strategy is a company that is creating value for all stakeholders: a return on investment for our shareholders, a product to the market, jobs for more than 2 000 individuals and projects that benefit the community. In the process, we remove mine dumps, a potential source of dust pollution, more often than not situated in environmentally sensitive areas. These large tracts of valuable land are rehabilitated to the required standard before release to the market.

We have learnt important lessons along the way and we have gained valuable knowledge. We have acquired expertise in moving millions of tonnes of material over considerable distances. We have developed the technology to extract gold from very low grade resources at a very high processing rate – up to 2.1Mtpm. We are world-leaders in our field, and our model is unique.

We are ideally positioned to expand our reach. We will seek and create growth opportunities through the improvement and development of innovative technologies, adapting our technology to treat different types of mineral tailings and by concluding agreements with other licensees to treat their material in our plant. We will continue to review the potential at our disposal, particularly our FFG technology, in terms of greater scale within our existing footprint, as well as possibly extending our footprint in the future.



STRATEGY

STRATEGIC OBJECTIVES

STRATEGIC FOCUS AREA	WHAT THIS ENTAILS	INDICATORS
Optimal exploitation of large surface gold resource	Exploit 11.8Moz surface gold resource sustainably, enabling DRDGOLD to stay in business as long as possible	1) Total value distributed 2) Share price – in comparison to gold index
To achieve this we do the following:		
Control costs, maximise margins – enabling business to generate cash (financial capital)	Ensure full value is realised from product. Maintain consistent volumes, manage costs – enabling positive cash generation	1) All-in sustaining costs (AISC) margin 2) Free cash flow generated
Embrace and develop technology, innovation (manufactured capital)	Improve gold recovery, operational efficiencies through continued R&D, use of new technologies. Encourage culture of innovation	1) Recovered gold
Conserve environment (natural capital)	Reduce impact on natural and environmental resources	1) Potable water usage 2) Dust exceedances from tailings
Look after our people (human capital)	Ensure safety, well-being of employees and development of capacity through research, learning and skills transfer	1) Safety (fatalities, LTIFR, RIFR) 2) Value distributed to employees
Support neighbouring communities (social capital)	Develop business, social partnerships based on mutual value creation	1) Socio-economic development spend

MATERIAL ISSUES

At DRDGOLD our aim is the optimal exploitation of our 11.8Moz surface gold resource in a sustainable and responsible manner. We consider the strategic areas listed in the above table as our material issues.

These are:

- controlling costs, maximising margins – enabling the business to generate cash (financial capital);
- looking after our people (human capital);
- embracing and developing technology and focusing on innovation (manufactured capital);
- conserving the natural environment (natural capital); and
- supporting neighbouring communities (social capital).

OUTCOMES (SHORT TERM)	FY2015	FY2014
1) 7% increase in total value distributed, year-on-year	R1 872 million[LA]	R1 756 million*
2) Share price outperformed JSE gold index	Outperformed JSE gold index	Performance lower than gold index
1) Slight improvement year-on-year in AISC margin	8.7%	8.3%
2) Significant improvement in free cash flow generation	R246.0 million	(R91.2 million)
1) Gold recoveries improved by 14%	0.197g/t	0.173g/t
1) 1% year-on-year reduction in potable water use	5 682Ml[LA]	5 762ML*
2) Slight increase in dust exceedances year-on-year	31 [LA] exceedances: 2.1%	27* exceedances: 1.8%
1) Stable safety performance year-on-year	Fatalities: zero[LA] LTIFR: 2.27[LA] RIFR: 1.06[LA]	Fatalities: zero[LA] LTIFR: 2.16[LA] RIFR: 0.93[LA]
2) 21% increase year-on-year – economic value distributed to employees	R365 million[LA]	R302 million*
1) 24% decrease year-on-year in socio-economic development spend. Important projects in the pipeline	R19.5 million[LA]	R25.5 million[LA]

[LA] Limited assurance

* No assurance provided

CEO'S STRATEGIC REVIEW

I am pleased that the FFG is now meeting the desired outcomes

In my FY2014 report I reflected on our commitment to sustainable development, how we seek to create value in respect of each of the capital stocks and how we try to achieve integration and value overlap in the deployment of resources and investment capital. I also gave perspective on the operational challenges we faced in commissioning the FFG circuit during that period and the process we were following to get it back on line.

The reality, however, is that social, human and natural capital do not generate revenue. As much as they are a contemporary business imperative, the most robust and intelligent of these programmes are unlikely to succeed if the business they form part of does not generate income. It is on this, the 'money' part of sustainable development, that I reflect in this report, as well as on some of the risks and circumstances that influence our ability to turn a profit.

I wrote last year's report under very different circumstances. We had just suspended the FFG circuit and, while the low-grade circuit had recovered and cash flows were positive, we were still figuring out exactly what had gone wrong and what needed to be done to get back on line and achieve the outcomes that underscored the initial investment decision.

This year I am looking back on an entirely different 12-month period. FY2015 saw the successful recommissioning of the plant, the repayment of all but R25 million of short-term debt and a net increase of R116 million in our cash position to R324 million. (Remarkably, as I write, this represents more than a third of our market cap.)

So, reflecting on those events and circumstances that directly impact production and the generation of income, I am pleased that the FFG is now meeting the desired outcomes. Production is consistent with life-of-mine assumptions, our balance sheet 'passed' the annual impairment test on the back of it, and the promise of a potential drop in cut-off grade has turned the reserves and resources statement into an interesting read.

Our operating model remains very sensitive to volume and we are only able to deliver into the legitimate expectations of DRDGOLD's shareholders if we manage to continuously fill the plant to capacity. Therefore our risk focus is very much on those factors that could inhibit our ability to achieve target volumes. An interruption in the supply of water, inadequate or unreliable electricity supply, labour instability and disruptive regulatory conduct are all risks that could do serious harm to the business.

This year saw the return of load shedding. Because our operational footprint overlaps four electricity supply zones we were initially badly affected as power outages took effect in different zones at different times. Power dips and surges associated with the instability of the grid introduced a further risk, which particularly affected the performance of the Ergo plant thickeners. Generators with a combined generating capacity of 7.5MW were installed to keep the plant in steady state during these events. The conclusion of a load-curtailment agreement with Eskom, in terms of which we reduce power consumption by between 10% and 20% when the grid is under pressure, has enabled us to maintain continuous operations and very little reduction in volume. The 13% increase in gold production, and its impact on the financial bottom line, bears testimony to the success of this risk avoidance measure.

All the material delivered to our plants through our pipeline network is in slurry format, requiring a continuous supply of water. Water availability is a risk lurking below the surface and not yet fully on the public radar. The significance of the now commissioned 8Ml/d Rondebult water treatment plant cannot be over-emphasised. We were also very pleased to note the successful commissioning of the TCTA's AMD water treatment plant. This was built on land that we supplied and is pumped through the shaft infrastructure that we provided. Additionally, the slurry by-product from this plant is being deposited on our tailings facility. The TCTA has agreed to sell us, upon request, up to 30 million litres of water per day at cost-price. Both these sources are significantly cheaper than water from Rand Water Board.

The potential risk of disruptive mass-action among our labour complement was significantly reduced by the extension – into a third year – of our wage agreement with organised labour. This has placed us outside the current wage negotiation cycle that is threatening to disrupt the mining industry in South Africa at the moment.

My own experience of the regulatory dispensation in South Africa is not negative – we have successfully navigated our way between the new rules and policies over the last ten years, and in cases where it became too onerous, restructured the business. However, one significant risk that recently emerged relates to the Mining Charter issue of black ownership of minerals. This condition was due for compliance in May 2014 and is now being audited and enforced by the regulator. A considerable difference in opinion has sprung up between the regulator and the industry as to how to measure the percentage ownership of HDSAs in mining companies. We therefore consider the successful roll-up agreement with our BBBEE partners – which occurred with the regulators' express consent and contained an explicit acknowledgement that the new structure complied with the BBBEE ownership condition of our mining licence – as a very positive development.

The successful roll-up agreement with our BBBEE partners was a very positive development

The risks I have discussed are all potentially troublesome. However, by introducing measures to mitigate or avoid their effect, the platform off which we pursue monetary yield is just so much more secure. In addition, it offers us the means to pursue and increasingly achieve our sustainable development ambitions, as the rest of this report illustrates.

In the immediate future, we will focus on further enhancing volume capacity and fine-tuning our metallurgical infrastructure to achieve better extraction efficiencies. We are now at a place where improvements do not involve big leaps, but rather a multitude of incremental advances. When you are multiplying everything by 2.1 million – the number of tonnes flowing through our circuits each month – for us the means to achieve big is, paradoxically, to think small.

I am grateful to the board, the management team and all employees for their perseverance, sacrifice and hard work during the past year. As we look ahead, I think everyone will agree that we find ourselves in a very exciting place.

Niël Pretorius

CEO

17 September 2015

BUSINESS PERFORMANCE: FINANCIAL CAPITAL

Delivering a financial return on capital is what qualifies us as a business and what enables us to pursue integrated, sustainable value-add. These include manufactured capital – our infrastructure, research and technology; human and social capital – our people and our communities and natural capital – our use of water and energy and the management of the environment in which we operate.

CREATING AND ADDING VALUE

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

VALUE-ADDED STATEMENT

Value 'added' is defined as the value created by activities of a business and its employees. At DRDGOLD it is determined as predominantly the sale of gold and any income from investments. The value-added statement then reports on value 'added' among the various stakeholders in the group and how it was distributed, taking into account the amounts reinvested for the replacement of assets and further development of operations.

2014 Rm	%		2015 Rm	%
		VALUE 'ADDED'		
1 809	99	Sale of precious metals	**2 105**	98
28	1	Income from investments	**51**	2
1 837[LA]	100	Total value 'added'	**2 156**	100
		VALUE DISTRIBUTED		
		Suppliers		
1 350	73	Paid to suppliers for materials and services	**1 463**	68
		Employees		
302*	16	Salaries, wages and other benefits	**365**[LA]	17
		Community		
26	1	Social investment expenditure	**20**	1
		Government		
7	–	Current taxation	**4**	–
		Providers of capital		
53	3	Dividends to ordinary shareholders	**8**	–
–	–	Acquisition of NCI	**1**	–
18	1	Interest on borrowings	**11**	1
1 756*	94	**Total value distributed**	**1 872**[LA]	87
81	6	**Reinvested in the group**	**284**	13
1 837[LA]	**100**	**Total value added**	**2 156**	**100**

[LA] Limited assurance

* No assurance provided

The total value distributed increased by 7% year-on-year, illustrating the increased value-distributions among various stakeholders. This specifically included an increase of 21% in value distributed to DRDGOLD employees.

CFO REVIEW

At DRDGOLD we aim to put our financial capital to best use by concentrating on those areas of the business that enable us to control costs, maximise margins and ultimately, to generate cash.

These areas, linked to other capitals, include:

MANUFACTURED CAPITAL

- The successful operation of the FFG circuit;
- The overhaul and co-ordination of the maintenance system to avoid interruptions to production;
- The refurbishment of the remaining five carbon-in-leach tanks at Ergo to increase volume capacity by approximately 300 000t a month – including reclamation from the Van Dyk site for increased flexibility; and
- The conversion of the high-grade CIP circuit to CIL to optimise the high-grade circuit.

NATURAL CAPITAL

- Construction of the Rondebult sewage plant and pipeline to supplement water supply to our operations – an excellent example of integrating financial and natural capital, saving money and reducing our potable water use.

	2015	2014	2013
Summarised group income statement (R million)			
Revenue	**2 105.3**	1 809.4	2 076.5
Cost of sales	**(1 946.3)**	(1 687.2)	(1 639.4)
Gross profit from operating activities	**159.0**	122.2	437.1
Impairments	**(7.9)**	(56.6)	(187.9)
Administration expenses and general costs	**(56.2)**	(78.2)	(64.6)
Share of losses of equity accounted investment	**–**	(0.3)	(50.1)
Finance income/(expenses) – net	**1.9**	(24.3)	24.0
Profit/(loss) before tax	**96.8**	(37.2)	158.5
Income tax	**(28.6)**	(17.5)	(60.9)
Profit/(loss) for the year	**68.2**	(54.7)	97.6
Summarised group statement of financial position (R million)			
Non-current assets	**1 894.0**	1 970.3	2 064.7
Current assets	**609.0**	470.4	604.3
Total assets	**2 503.0**	2 440.7	2 669.0
Equity	**1 529.9**	1 481.2	1 643.7
Non-current borrowings	**19.2**	75.5	143.3
Other non-current liabilities	**650.3**	576.5	639.4
Current borrowings	**25.1**	73.2	24.3
Other current liabilities	**278.5**	234.3	218.3
Total equity and liabilities	**2 503.0**	2 440.7	2 669.0
Summarised group statement of cash flows (R million)			
Cash flows from operating activities	**283.7**	80.7	502.3
Cash flows from investing activities	**(37.7)**	(171.9)	(429.4)
Cash flows from financing activities	**(130.5)**	(76.6)	5.7
Net increase/(decrease) in cash and cash equivalents	**115.5**	(167.8)	78.6
Cash and cash equivalents at the beginning of the year	**208.9**	376.7	298.0
Foreign exchange movements	**–**	–	0.1
Cash and cash equivalents at the end of the year	**324.4**	208.9	376.7

BUSINESS PERFORMANCE: FINANCIAL CAPITAL

continued

KEY DRIVERS:

PRODUCTION

While throughput year-on-year was slightly down by 1% – a consequence of heavy summer rainfall and load shedding, yield increased by 14% to 0.197g/t, reflecting a sharp turnaround in the performance of the Ergo plant. Consequently, gold production rose by 13% to 150 145oz.

REVENUE

Higher gold production and sales and a 4% increase in the average gold price received, resulted in a 16% increase in revenue to R2 105 million.

OPERATING PROFIT

Cash operating costs were stable at R372 932/kg. Increased gold production helped offset the cost of running all three streams of the float circuit and of general inflationary increases averaging 7.4% year-on-year.

ALL-IN SUSTAINING COSTS MARGIN

All-in-sustaining costs increased by 2% to R411 548/kg, a consequence of a R45 million increase in sustaining capital expenditure to R113 million, and a reduction in the decrease in environmental provision from R87 million to R20 million, off-set by higher gold production.

FREE CASH FLOW GENERATED

As a result, DRDGOLD generated free cash flow of R246 million in FY2015, compared to negative free cash flow of R91 million in FY2014. This enabled the company to settle debt and pay dividends of R131 million. The free cash flow generated included an amount of R46 million from the sale of Village Main Reef shares.

DIVIDEND YIELD

Excellent free cash flow generation enabled DRDGOLD to return surplus cash to shareholders and the directors declared a final dividend of 10 cents per share. While market conditions remain favourable, the company may consider the buy-back of shares.

We realised our strategy of rewarding shareholders where possible, but as part of our prudent approach, we have judiciously retained a working capital buffer.

CONCLUSION

The generation of free cash flow remains our key objective. It enables us to distribute value to all our stakeholders, including our employees and shareholders. Maintaining consistent volumes and managing costs help us to achieve healthy margins, recognising that our high-volume, low-yield operation is highly-geared to increases in the gold price.

Riaan Davel
CFO
17 September 2015

BUSINESS PERFORMANCE: MANUFACTURED CAPITAL

DRDGOLD's operating entity – Ergo – mines an 11.8Moz surface resource at our flagship Ergo plant and the satellite Knights plant – supported by two milling and pumping stations and a vast network of pipelines. We create value by removing old mine dumps, which frees up land and removes a potential source of dust pollution. We treat the material to extract the gold, and deposit the residue on a modern tailings storage facility (TSF) that complies with 21st century environmental and safety protocols.

OPERATIONAL REVIEW

Ergo has a vast footprint on South Africa's central and eastern Witwatersrand. The company's assets are located within an area extending over at least four municipal boundaries, including a large portion within the city of Johannesburg. It includes properties over which we have rights and servitudes, two metallurgical plants, two milling and pump stations, a complex network of pipelines and one of the largest tailings facilities in the world, the Brakpan tailings facility (BTF).

Surface gold recovery is a volume-driven business that depends on the regular and uninterrupted delivery of tens of thousands of tonnes of reclaimed slurry material from the tailings reclamation sites to the plants each day. The entire operation works on a 24/7/365 basis.

The Ergo plant in Brakpan is Ergo's flagship metallurgical plant which, together with the satellite Knights plant in Germiston, currently target throughput of 2.0 million tonnes per month (Mtpm) to 2.1Mtpm. This will increase to 2.4Mtpm by the end of Q2 FY2016 as the Van Dyk project (discussed below) comes on line at the Ergo plant.

At Crown and City Deep, two former plants have been reconfigured to operate as milling and pump stations. Together, this infrastructure supports one of the world's largest surface gold tailings retreatment operations.

The reclaimed, slurry material is delivered via an extensive pipeline network. This includes a 50km bespoke pipeline built to create synergies. Using innovative technology, and featuring an HDPE lining that offers lower friction, the pipeline uses less energy and therefore has the added benefit of cost saving.

Making use of available technology is important to DRDGOLD and our investments in this area have proved integral to our strategy to increase gold recovery. The R&D pilot project to access encapsulated gold is now a reality in the plant, and the FFG circuit is operating successfully.

BUSINESS PERFORMANCE: MANUFACTURED CAPITAL

continued

Other advances that have been made using available technology include round-the-clock pipeline monitoring and the ability to monitor power usage on a minute-by-minute basis.

This has enabled the company to reach a consumption curtailment agreement with the power utility, Eskom, to avoid load shedding and its negative effects on production. For example, in December 2014, the company lost 67 hours of production due to the size of our operating footprint which extends over four different load-shedding zones.

An unplanned power interruption not only halts production at the plant, it brings with it other challenges. Certain equipment – such as thickeners – need to be operational at all times and are adversely affected by a power outage.

Under the agreement, when Eskom experiences pressure on the national grid, Ergo receives an alert. The operations team is then able to reduce consumption by between 10% and 20%. To do this, certain non-essential equipment is taken off line. As a result, Ergo is able to meet the terms of the agreement and maintain uninterrupted tonnage to the plant. Although recoveries are marginally affected during such periods, the end result is far less damaging to the overall operation as demonstrated by the year-on-year increase in gold production.

Another important risk-mitigating measure implemented in the first half of FY2015 involved the installation of back-up generators to keep the circuit stable on the few occasions that power to the Ergo plant was interrupted prior to the curtailment agreement. This measure maintained the plant in a state of readiness during power outages, enabling full production to resume without any delay.

YESTERDAY'S MINE DUMPS: WHERE IT BEGINS

The majority of Ergo's reclamation involves slime. The process uses monitor guns operated by trained individuals who 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. Vast quantities of material are delivered monthly to the plants and as each old dump or dam is depleted, others are brought on stream. The company retains Fraser Alexander Tailings and Stefanutti Stocks, experts in the field, to manage this specialist reclamation activity.

JOURNEY: MINE DUMP TO PLANT

A metallurgical plant can treat material from more than one source. The majority of the material being treated by the Ergo plant – currently around 1.2Mtpm – arrives via two feeder lines from the Elsburg tailings complex. The Crown and City Deep milling and pump stations partly process 600ktpm of critical volume from the southern and central Witwatersrand. This material is then fed to the Ergo plant via the 50km pipeline.

The Ergo plant has a total retreatment capacity of 1.8Mtpm at present. Its five remaining CIL tanks have been refurbished and have raised capacity in the plant by some 300 000tpm to 2.1Mtpm. The refurbishment will be completed in September 2015. This capacity will be utilised by tailings from the 21Mt Van Dyk site near Carnival City.

The Knights satellite plant is processing approximately 200 000 to 300 000tpm from various sites.

INSIDE THE METALLURGICAL PLANT

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.

The DRDGOLD board tasked Ergo's R&D team to investigate extraction efficiencies, which resulted in the refurbishment of the plant's float circuit and the construction of four fine-grind mills.

Construction and commissioning were followed by the first gold pour at the end of January 2014. A number of unanticipated problems presented the operations team with early challenges, necessitating a number of modifications. These included changes to the carbon management process, increasing the water storage capacity within the plant and ensuring increased flotation tailings thickener availability prior to the low grade CIL circuit. A number of minor engineering upgrades were also introduced.

Following the upgrades, test work on one set of float cells began in September 2014. In January 2015 the second and third sets of float cells came on line, and were fully operational by February 2015.

Although there is room for improvement in gold adsorption within the CIP circuit, overall targeted residue grade is being achieved and in March 2015 contributed to record gold production.

The plant continues performing to expectations and Q4 production was the highest since DRDGOLD took ownership of the operation.

ERGO/ESKOM LOADSHEDDING AGREEMENT

STAGES 1 and 2

Reduce baseload by

10%

Stage 1 and Stage 2 load-shedding scenarios shedding of up to 3.8MW

STAGE 3

Reduce baseload by

20%

Stage 3 requires a reduction of 20%

BUSINESS PERFORMANCE: MANUFACTURED CAPITAL

continued

R&D REMAINS KEY FOCUS

The Ergo strategy to achieve optimal exploitation of its resource necessitates an R&D team and the use of available technology.

The board has determined that investment in R&D will continue throughout FY2016 as the focus on increasing and optimising the volume to be treated, and the recovery of gold from the resource, continues. Investment in research is a key strategic focus area as the company works to find ways of extracting every last particle of gold from the slurry before it is deposited on the BTF.

USING TECHNOLOGY WISELY

In addition to the various uses of technology already discussed in connection with power saving and research initiatives, Ergo puts technology to use in other ways. Advanced computer and communication technology is used to monitor plants, pump stations and pipelines to determine potential problems and security issues, including theft and damage, as well as optimise utilisation. Operators are able to control, divert and halt the slurry feed as necessary, and this flexibility allows managers to make informed decisions to switch feeds between reclamation sites in order to reach production targets.

TODAY'S MINE DUMPS: WHERE IT ENDS

Retreatment is a high-volume business and access to a deposition tailings facility that can accommodate the residue from the process is essential. Ergo is fortunate to have the Brakpan tailings facility (BTF), situated some 12km from the Ergo plant, in a less densely populated area than some of the other deposition sites that are closer to the city and residential areas.

Unlike earlier TSFs, the BTF is built to conform to modern safety and environmental standards.

The Ergo and Knights plants both deposit their residue on the world-class BTF, which has the capacity to be extended to over 750Mt by incorporating the Withok TSF footprint.

TOMORROW: WHERE THE ROAD LEADS

Once the current refurbishments to the five remaining CIL tanks at the Ergo plant are complete, the Ergo operation will have the capacity to treat 2.4Mtpm – including the additional feed from the Van Dyk reclamation site. This is within the BTF's current receiving capacity.

Increasing volume throughput to maximum capacity, which involves only incremental cost increases – along with other measures – provides Ergo with critical opportunities to increase monthly throughput and production, making optimal use of its resources. As part of its strategy to mine optimally, Ergo is continuously assessing opportunities to optimise its grade profile by incorporating higher-grade material from other mining operations. One such agreement, concluded in May 2014, has 100 000t to 120 000t a month of sand material from another owner being delivered to City Deep for processing.

Such arrangements, coupled with the work of the R&D team (the continued success of the FFG circuits and the outcome of the R&D team's ongoing work into improving extraction efficiencies) are likely to hold the key to the future of the company. The current 10-year plan could extend for many more years, with any gold price increase adding further value.

OUR PRODUCT: DORÉ BARS

Ergo beneficiates its crude bullion (approximately 85% gold, 7% to 8% silver, some copper and other elements) at its own smelter. The resulting doré bars are transported to Rand Refinery Proprietary Limited (Rand Refinery) where the silver and other elements are removed, the gold is purified to 99.9% and refined into bars that meet the standards of the London Bullion Market Association. Rand Refinery then sells the gold on DRDGOLD's behalf at the afternoon dollar price fixed by the London Metal Exchange.

DRDGOLD does not deal in conflict gold.

OUR SUPPLY CHAIN

Ergo's procurement takes place as close as possible to product origin. Local suppliers are used for consumables (stock and non-stock), off-site repairs and on-site services and repairs.

The company's centralised procurement department adheres to company policies and procedures to secure the goods and services for Ergo's operational requirements. Approved vendors (manufacturers, wholesalers, contractors and service providers) are invited to tender for the supply of stock as part of the company's best purchasing practices. Once a supplier is identified, long-term relationships offering preferential prices and a secure source of supply are ensured.

We place importance on supplier development and pursue skills and economic development initiatives as joint ventures where possible.

Changes in our supply chain are usually the result of our BBBEE supplier development initiatives. However, the introduction of the FFG circuit – which required specialised items and skills not available locally – is an example of our having to tweak the supply chain.

Annual purchases FY2015	**% BBBEE spend**
Capital	68
Services	86
Consumables	82
Total	83

BUSINESS PERFORMANCE: NATURAL CAPITAL

DRDGOLD, like most mining companies, has an 'environmental footprint'. Our approach is to be responsible, as well as proactive, in managing our impact. In addition to restoring land affected by mining, we endeavour to minimise the impact of our operations on the environment. Our dust suppression and water management initiatives and our focus on alternative sources of water and power are examples of our commitment to natural capital.

There are those who would argue that the interests of mining and the environment are invariably opposed. However, while Ergo's operations do involve the environmental implications listed below:

- water
- energy usage – electricity, diesel, coal
- materials usage – chemicals, steel, milling beads
- emissions – carbon, SOx and NOx emissions, methane
- dust from tailings facilities

there can be no doubt that the company's operations simultaneously contribute to environmental clean up.

The cities on the Witwatersrand, where gold was discovered in the 19th century, grew up around the mining camps. This meant that over the years, residential suburbs, industrial parks and commercial hubs found themselves cheek by jowl with the waste dumps created by mining companies who have long since closed their doors, and the related inconvenience.

DRDGOLD has, through Ergo, acquired the rights to mine many of these dumps and is systematically reclaiming and treating them, before depositing the waste on a modern tailings deposition facility, some distance from formal housing, commercial and industrial areas. In so doing, valuable – and often strategically located – pieces of real estate are, after rehabilitation, released into the economy for development and reuse.

DRDGOLD's material environmental concerns are:

- water; and
- dust

and these topics will be discussed in the following pages. Additional information on DRDGOLD's environmental performance is addressed in Appendix 2.

DRDGOLD's FY2015 environmental spend was R40.7 million.

COMPLIANCE

South Africa's environmental legislation is governed by the National Environmental Management Act, 1998 and a number of related acts. Our environmental management systems and our policies are designed to achieve compliance with the environmental standards set by legislation. We manage compliance using the following tools: internal audits and self-inspections; external audits; identifying non-conformances and developing mitigation procedures and deadlines; regular production/management meetings to discuss recommendations; measuring progress for tabling at formal, monthly environmental co-ordination meetings; stakeholder engagement; and managing an information system/compliance database.

We recently consolidated our EMP to address all Ergo sites as one operation. The EMP assesses the environmental impacts of mining at reclamation sites, plants and tailings deposition facilities. It outlines details for closure, including the financial provisions. This document will assist in auditing and monitoring our activities in a more systematic manner. Regulation 55 audits are undertaken by independent consultants and submitted to the DMR as required.

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

DRDGOLD did not receive any significant fines of monetary value or non-monetary sanctions for non-compliance with environmental laws and regulations.

ENVIRONMENTAL PRIORITIES

Water and dust management are priorities and we manage these through various initiatives.

DUST

Dust from tailings facilities is a nuisance, particularly to nearby households and businesses in the area. Until such time as we have removed these dumps, created by mining companies – large and small – since the 1880s – we use the following measures to suppress dust:

- water bowsers: to spray binding chemicals (e.g. RDC20) on all active haul and access roads;
- water spraying and irrigation: on exposed mining surfaces (slopes);
- netting: to reduce wind velocity, decrease airborne dust created from exposed surfaces, support vegetation growth;
- vegetation: established on open surfaces of tailings dams as well as side slopes of tailings dams;
- cladding: applied to main access roads; material suitable for dust control has been used;
- mining methods: planned to reduce dust (e.g. sand dumps are mined into the direction of the prevailing wind to prevent open faces being exposed); and
- research: ongoing as we search for new methods of dust suppression.

Most of these initiatives have been in place for some years, and are yielding good results. The indigenous planting to cover the exposed areas of our tailings dams is now well-established and has proved to be a very successful aspect of our strategy to control dust. In FY2015 we vegetated a total of 34ha at the Crown complex and are on track to complete the programme at Crown in 2022. This could be accelerated if additional water is secured. Another key contributor is the land we clear for redevelopment – in FY2015 the NNR approved 194ha of rehabilitated land for alternative use. The removal of these sites from the mining area by the DMR, so that they can be developed, is now in progress.

Keeping track

In FY2015 we achieved good results for dust monitoring and containment. Of the 1 500 measurements recorded, 31[LA] exceedances (2%) were recorded over the entire operation.

We outsource dust monitoring to an independent service provider, SGS Environmental Services, which measures dust according to the American Society of Testing and Materials Standard Method for collection and analysis of dust fall (ASTM D 1739). A quarterly open dust forum attended by regulators, councillors, NGOs and community members, and chaired by an independent expert, is facilitated by Ergo. Data is reviewed, and progress and challenges discussed at these meetings. Dust complaint registers are kept at each of the operations and all complaints are registered for attention. In FY2015, we were invited to share our knowledge and experience on air quality management and mitigation with two peer groups. The first presentation was to the Ekurhuleni municipality's integrated task team on air quality, and the second to a meeting on Highveld Priority Areas Air Quality in Mpumalanga. These were well-received.

Dust fall-out results have reduced steadily over recent years. Figures for FY2015, when compared to FY2014, remain consistent even though wind velocities in August, September and October of 2014 were far greater than experienced during the same period in 2013.

[LA] Limited assurance

BUSINESS PERFORMANCE: NATURAL CAPITAL

continued

We have prioritised vegetation programmes on the Crown tailings complex, and the top surfaces have been completed. We expect this remedial action to result in a further decrease in dust exceedances.

Crown	2015	2014	2013
Total sites monitored	**1020**	984	827
Exceedances	**26**	21	31
Percentage	**2.55**	2.13	3.75

ERPM	2015	2014	2013
Total sites monitored	**252**	252	247
Exceedances	**3**	3	11
Percentage	**1.19**	1.19	4.45

Ergo	2015	2014	2013
Total sites monitored	**228**	276	206
Exeedances	**2**	3	11
Percentage	**0.88**	1.09	5.34

WATER

Water is a scarce resource in this country. DRDGOLD therefore takes the use and management of water seriously.

Water is key to the Ergo reclamation process and the effective management of water consumption has a direct impact on the financial bottom line.

Our supplies are well-controlled and no water discharges took place in FY2015.

WATER MANAGEMENT AND RECYCLING

Ergo water circulates in a closed circuit process and consumption is managed in a number of ways. Despite factors such as evaporation, seepage and the retention of some water on the dam, between 60% to 70% of water pumped to the dam as slurry is currently recycled. Rain water on the dam is also harvested.

Our water management processes includes active desilting of return water and pollution control dams and storm water control measures where necessary. This ensures that run-off rain water is contained and reused. In addition, reclamation sites have clean/dirty water separation measures in place.

We have a water quality monitoring programme and the results of this monitoring programme are submitted to the Department of Water and Sanitation (DWS) every quarter. GN 704 audits are undertaken by independent consultants and submitted to the DWS annually. We liaise regularly with all stakeholders and I&APs and are represented on the Klip River and Blesbok Spruit water forums.

TOTAL WATER USED AND RECYCLED ('000M³)

	FY2015	FY2014	FY2013
Potable water externally sourced	**5 682[LA]**	5 762*	5 748*
% water externally sourced	**21**	22	20
Surface water extracted	**3 650**	3 079	1 800
% groundwater	**14**	12	6
Water recycled in process	**17 225**	17 194	21 773
% recycled water	**65**	66	74
Total water used	**26 557[LA]**	**26 035[LA]**	**29 321[LA]**

[LA] Limited assurance

* No assurance provided

PUTTING WASTE WATER TO WORK

EFFLUENT WATER

As part of a strategy to conserve the natural environment and, specifically, to reduce the use of potable water, the DRDGOLD board authorised an important water and cost saving initiative in FY2014. The project, which first required authorisation from the DWS and the Gauteng Department of Agriculture and Rural Development, involved the construction of a plant to treat sewage water to replace the use of potable water.

The R22 million filtration plant, constructed at the Rondebult Waste Water Works and operated by the East Rand Water Care Company, took ten months to construct and was commissioned in early FY2016. It provides Ergo with 10 mega litres (Ml) a day from the Rondebult[1] sewage treatment facility for our reclamation activities. Water from the sewage works discharge sump is pumped to the fully automated plant through a series of sand and carbon filters before it is discharged into a transfer tank. Treated water is pumped from the transfer tank through a 7 200 metre, 350mm, underground HDPE-lined pipe into the Elsburg process water tank. This translates into a considerable cost saving for the company as well as reducing the company's use of potable water.

[1] Rondebult is a 'Green Drop' accredited facility which means it complies to rigorous standards for municipal wastewater plants to ensure they do not negatively affect the environment into which they discharge their product. The programme was launched by the then Department of Water and Environmental Affairs in 2008.

ACID MINE DRAINAGE

Acid mine drainage (AMD) is a good example of both a risk and an opportunity. Although not a direct risk to DRDGOLD, a surface mining operation that is not conducting underground mining activities, it is in DRDGOLD's best interests as a significant water consumer, and as part of risk mitigation, to co-operate with government in initiatives to contain the impacts of AMD.

DRDGOLD has therefore, for some years, collaborated with government's agent, the Trans-Caledon Tunnel Authority (TCTA) and has placed both land and infrastructure at the latter's disposal. This has enabled the TCTA to construct a treatment plant to pump AMD. The TCTA pump station and plant was completed in June 2014 and has been commissioned. The plant treats water to a 'grey' standard before releasing it into the environment.

As part of its strategy to source non-potable water, DRDGOLD has secured the right to source up to 30Ml of treated AMD a day from the TCTA facility to its operations, if required.

BUSINESS PERFORMANCE: HUMAN CAPITAL

The value-add in respect of human capital lies in the creation of a knowledge-based labour force, the preservation of intellectual capital through skills transfer and mentorship and the creation of a stable and content workforce.

DRDGOLD believes in the importance of a healthy, diverse, knowledge-based workforce and our policies and practices are designed to reinforce this aspect of our strategy. We invest a significant amount of time and money to achieve this goal. We also roll out systems and policies that are designed to achieve compliance with legislation; promote historically disadvantaged South Africans (HDSAs) and women; encourage and support our employees to pursue all and any educational, training and skills development opportunities; and place emphasis on health and safety.

The DRDGOLD human resource (HR) strategy is aligned with its business strategy which is to ensure employee well being and safety. The HR department's goals are to put into effect the company's strategy for transformation, employment and sustainability in order to mitigate key business risks.

The HR manager holds overall responsibility at an operational level and, at board level, most HR matters are monitored by the Social and Ethics Committee.

Attracting and, especially, retaining talent remains a challenge. We offer competitive remuneration packages and incentive schemes and are committed to being an employer of choice.

OUR PEOPLE

At the end of FY2015, our operations provided full-time employment for 941 employees while our main service providers deployed an additional 1 426 employees to our operations.

The 941 direct employees at the operational and corporate level represent a relatively small staff complement. The workforce size is fit for purpose however, as surface reclamation requires significantly fewer people to run the operation than traditional mines.

Reclamation also requires a different set of skills and our people tend to be more literate than traditional miners. Our employees are fully integrated into Johannesburg society, and live mostly with their families closer to the workplace than the majority of migrant workers employed in the traditional underground mining sector.

WAGE AGREEMENT

In October 2014 we agreed with organised labour to extend the existing 2013/2014 wage settlement by a further one year (July 2015 – June 2016). As a result, the DRDGOLD wage review cycle does not correspond with that of the industry. The industrial relations climate at our operational sites therefore remains constructive and we do not anticipate the mining sector wage negotiations currently underway to have any effect on our workforce or our operations.

Our agreement provides for a 10% basic wage increase for entry level employees in job categories four and five, 9% in job categories six and seven and 8% to employees in job categories eight to fifteen.

We make use of specialist, annual surveys to ensure our remuneration packages are market-related.

DEVELOPING OUR PEOPLE

EDUCATION AND TRAINING

At DRDGOLD we believe that education is integral to solving the socio-economic problems that plague the country, including unemployment and poverty. Education and training is thus a key element of our human capital strategy.

We invest substantial funds and resources on developing our people in ways that not only provide them with market-related skills, but also to ensure that we run our business efficiently and cost-effectively and with our shareholders' interests in mind.

EBDA

We established the Ergo Business Development Academy NPC (EBDA) in 2009, to ensure that quality training opportunities for our employees were easily accessible. EBDA also formed part of a broader vision to contribute to the communities surrounding our operations.

Employees are able to acquire additional work place skills and training for career opportunities that might arise. In this way we address the longer term sustainability of our business by ensuring continuity in the supply of skills for our future employment needs.

Members of our surrounding communities, on the other hand, often lack skills and many have not completed their schooling. EBDA therefore offers a measure of empowerment to those who would otherwise have no means to redress their circumstances.

EBDA is accredited by a number of organisations including the Mining Qualifications Authority (MQA). It offers a wide range of courses in all the engineering trades including diesel and motor mechanics, metallurgy and minerals processing, safety, health and environment and generic management. It also offers an adult basic education and training (ABET) programme and portable (construction) skills.

EBDA also provides training for other companies and organisations, including the Department of Mineral Resources (DMR), demonstrating its overall success and ability to serve a broader purpose.

The total investment in EBDA at the end of FY2014 was R48.7 million.

A DRDGOLD prerequisite when establishing EBDA was for the entity to become self-sustaining within five years. This was part of a strategy to ensure EBDA became a permanent community asset outlasting the DRDGOLD operation. This goal has been achieved and DRDGOLD was not required to make a financial contribution to EBDA in FY2015. The academy now functions as a sustainable independent trading entity and EBDA recorded a profit and a positive cash balance at the end of the financial year. Discussions to finalise the EBDA exit strategy are currently underway with the DMR.

BEST LIFE

We have initiated a number of other campaigns to develop our employees over the years, the most recent being the Best Life initiative. This includes a service provided by ICAS, an independent service provider, which offers employees counselling on financial, health and a range of life issues. It includes a financial literacy programme which is aimed at providing financial know-how to employees. The intention behind this initiative is to encourage employees to avoid poor borrowing and buying behaviours as well as advice on how to build up a retirement nest egg.

OTHER INITIATIVES

DRDGOLD also offers a range of internships, learnerships, bursaries, mentorships and coaching opportunities to its employees and to suitable external candidates. The company also emphasises financial literacy and regular workshops enable employees to understand the importance of financial planning. The courses cover a range of topics including saving for retirement, budgeting, debt avoidance and garnishee orders.

BUSINESS PERFORMANCE: HUMAN CAPITAL

continued

FY2015: GROUP SOCIO-ECONOMIC DEVELOPMENT EXPENDITURE

	R'000
CSI	**6 767**
LED	**682**
HR development	**12 011**
	19 460 LA

LA Limited assurance

HEALTH AND SAFETY

Employees have a constitutional right to a safe working environment and DRDGOLD is a signatory to the 10-year health and safety targets set at the 2003 summit of the Mine Health and Safety Council.

DRDGOLD has in place a health and safety policy, the provisions of which are reviewed annually to ensure they remain pertinent to company strategy. Health and safety is a priority at DRDGOLD because ensuring people are safe in the workplace, and in good health, makes good business sense. Healthy, alert employees are less likely to have accidents, suffer injuries or breach safety rules because they are fatigued or unable to concentrate on the task at hand. A target of zero-harm might be difficult to achieve in a factory-type environment, but it is a goal towards which DRDGOLD strives.

SAFETY PERFORMANCE

FY2015 was once again fatality free[LA].

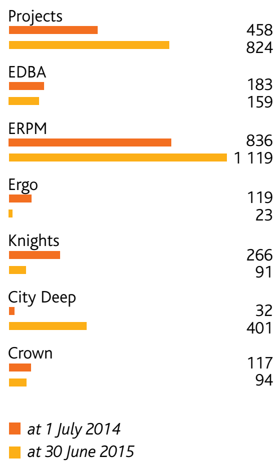
Thirty-three minor injuries and seven reportable injuries were recorded at Ergo, along with the causes and remedial action.

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

In FY2015, 329 shifts were lost due to injuries compared with 213 shifts the previous year.

Because the industry's stringent health and safety laws have the potential to adversely affect financial results, company policy requires employees to participate in health and safety initiatives appropriate to their specific workplace. On-the-job safety has, since FY2013, been regarded as a joint management and workforce responsibility. This approach initially yielded positive results – serious injuries were reduced by 50% and lost time injuries (LTIs) by 53% between FY2013 and FY2014. However, LTIs increased by one to 15 in FY2015 compared to the previous year.

FY2015 v FY2014
Ergo LTI-free days



MANAGING SAFETY

Ergo has an agreement with organised labour to meet every two months on health, safety and environmental issues. Matters including workplace conditions, compliance and occupational hygiene are brought to the table and resolved whenever possible. This meeting is also a forum for introducing new procedures and codes of practice.

Health and safety meetings and programmes of various kinds, involving employees at different levels, and including line managers and health and safety representatives, take place on a daily, weekly, monthly and quarterly basis at the operational sites.

There are 113 part-time health and safety representatives at Ergo, and this translates into a favourable 1:25 ratio of health and safety representatives to employees and specialist service providers. Matters addressed include general health, safety, environmental and community issues as well as topics specific to regular safety campaigns.

A 10- to 15-minute daily 'toolbox' talk conducted by a supervisor and aimed at all employees covers any incidents that have occurred in the workplace. Staff are reminded of their right, in terms of section 23 of the MHSA, to refuse to enter an unsafe workplace as well as the need to complete a risk assessment before beginning a task.

Specialist service providers have their own health and safety structures in place, which are monitored for compliance.

All operational sites are reviewed monthly for hazards/risks which are ranked, and mitigation measures are put in place. Employees are therefore aware of any risks in the workplace as well as areas that require improved performance.

Job training is considered essential and employees are prohibited from carrying out work for which they are not suitably trained.

REPORTABLE INJURIES AND LTIs

	Serious injuries (actual)	Frequency rate	Total LTIs	Frequency rate	Man hours
FY2013	12	1.68[LA]	34	4.35[LA]	7 126 650
FY2014	6	0.93[LA]	14	2.16[LA]	6 468 812
FY2015	**7**	**1.06**[LA]	**15**	**2.27**[LA]	**6 008 291**

[LA] Limited assurance

BUSINESS PERFORMANCE: SOCIAL CAPITAL

The concept of an organisation's social licence to operate (SLO) began in the mining industry and has been espoused by numerous sectors of commerce and industry around the world.

Informal and tacit, DRDGOLD's social licence refers to the acceptance by stakeholders – particularly local communities – of the operation, and the extent to which their expectations are met. DRDGOLD views the responsibility for maintaining its SLO seriously and manages its social capital with this in mind.

DRDGOLD operates solely in South Africa, with its legacy of inequality and present-day socio-economic burdens of rising unemployment, inadequate education facilities and poverty. The communities surrounding our operations are impoverished to varying degrees, and are often the places where our employees reside or from where new employees are recruited. Economic growth in South Africa is stagnating and – global issues aside – the country is beset not only by the above-mentioned concerns but also poor policy, inadequate governance, labour instability and power demand problems. Despite the wide-spread nature of these national issues, we continue to operate a sustainable business and we believe that establishing 'pockets of stability and excellence', however small, can provide a springboard for raising living standards for future generations. No corporate entity can address these extensive problems alone, but together we can make a difference.

TRANSFORMATION AND SUSTAINABLE DEVELOPMENT

OUR ROLE

Hardship and unemployment are widespread in Ergo's neighbouring communities. Although an SLO is, strictly speaking, based on good relationships – mutual respect, transparency, ongoing communication, sensitivity to cultural norms and fair conflict resolution mechanisms – most companies in South Africa are also required to provide material benefits to their community stakeholders. In some instances, these include infrastructural and other projects that would normally be the responsibility of local, provincial or national government.

We address our role proactively, but in reality the demands for assistance are overwhelming. Aside from assistance in emergency or disaster situations and *ad hoc* contributions (e.g. handing out blankets and jackets during winter) we consider requests by determining whether our support will render the project sustainable, and if it is in line with our philosophy to:

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

Our main focus areas are:

- employees: skills development, information – including for retirement; Vuselela and Best Life;
- youth: maths, science, accounting classes; Enterprise Clubs;
- communities: skills development; sustainable job creation; health; housing; and
- overall improvement of the environment surrounding our operations.

Our CSI projects are mostly aligned with the commitments in our SLPs although we occasionally assist in other areas. We find that, in executing our strategy, there is some overlap between our human and social capitals, and there is some cross-referencing of information in this report. A detailed breakdown of our social capital expenditure can be found in Appendix 4.

The construction of a R1.6 million administration block at Palesa Primary School was our primary CSI project initiated in FY2014 and completed in FY2015. Two new projects were also launched during the year – a R6.9 million, three-year agricultural livelihood project on the East Rand and the R2.1 million, two-year Kapono Ke Matla sewing project in Meadowlands, Soweto.

MATHS, SCIENCE AND ACCOUNTING CENTRE OF EXCELLENCE

DRDGOLD's business relies on engineers and metallurgists, disciplines that require a strong grasp of mathematics and/or science. In an effort to address the critical shortage of these skills in South Africa, as well as the declining standards that have been measured among maths, science and accounting graduates, EBDA has instituted a Maths, Science and Accounting Centre of Excellence. This centre provides support to students and teachers at schools on the East and West Rand. In calendar 2015, 595 learners from six East and West Rand schools enrolled for extra classes.

BEYOND MINING: ENTREPRENEURSHIP

DRDGOLD understands that the solution to unemployment – in a country where unemployment was recorded by Statistics SA as reaching 30% in the first quarter of 2015 (its highest level in 12 years) – necessitates more than job creation.

EBDA AND ENTERPRISE CLUBS

EBDA was established as a training academy with further reach than mining, which is the business of DRDGOLD. Not only does EBDA serve other industry sectors, it has initiated a comprehensive skills development programme to focus on job 'creators' as DRDGOLD believes this is needed to build longer-term sustainable businesses. The EBDA Enterprise Clubs programme is another project designed to promote the development of small businesses.

More information on these social capital initiatives can be found in Appendix 4.

MAINTAINING OUR 'SOCIAL' LICENCE

DRDGOLD is aware that stakeholders' perceptions can change over time and an SLO can be withdrawn. DRDGOLD therefore works conscientiously and continuously to engage with its surrounding communities, responding to their concerns and adhering to commitments that have been made. Consultation with the communities on their needs and requests is also essential, demonstrating respect and ensuring that the company is delivering into the communities' requirements. We believe that our policies and strategy with respect to our social capital may have contributed to the relatively few problems experienced with surrounding communities in recent years. We have experienced virtually no labour unrest, and no incidents of any kind were recorded in FY2015.

The investment we make in our social capital therefore benefits our business and all our stakeholders, including our providers of capital. Social conflict, theft, vandalism, labour unrest, delays, interruptions to the business and reluctance by locals to hiring initiatives have cost implications and negative business impacts.

LOOKING AHEAD

DRDGOLD has reached a position where we are acknowledged as one of the leading tailings retreatment companies in the world. We have secured our position and, as we approach the future, we enjoy a competitive edge that would be difficult to breach. R&D is, and will continue to be integral to our strategy. We are operating profitably and we are operating sustainably. In the next 24 months we will adhere to this successful formula, tweaking it judiciously in order to obtain optimal benefits for all stakeholders.

HUMAN CAPITAL

DRDGOLD will continue to develop its human capital through the various programmes already in existence. These focus on training, skills transfer and mentorship, because we believe that knowledge is key to personal growth at all ages.

Our employees will continue to benefit from courses run by EBDA, the training academy established in the community. We aim to extend the reach of the employee talent pool and the number of individual development plans we manage.

Our people will also continue to benefit from an independent information and counselling service (ICAS) to which we subscribe. This offers information, advice and support on most life topics – including workplace issues – as well as grief counselling and legal advice.

A particular concern is the ability of our employees to manage their finances over the longer term, and the debt problems and garnishee orders that many of them face. We will continue to offer guidance and training until our employees are debt-free. Our financial management courses will support our 2018 target to reduce garnishee orders to below 1%.

We want our employees to be able to enjoy home ownership and we aim to make this a possibility for our people, especially those who are breadwinners, by 2018.

Safety is also an issue that we intend not to lose sight of in the future, and we will be satisfied, but not complacent, when we can record a year with zero harm. Safety is a journey without an end.

SOCIAL CAPITAL

DRDGOLD also intends to continue developing its social capital – neighbouring communities – in a number of ways. Although we will continue to focus on education and the provision of skills, we are implementing plans for an agricultural project as well as increasing the scope of our sewing project in Meadowlands.

Our youth education programmes will continue because in recent years we have seen good results. We are encouraged by the improved pass rates in maths, science and accountancy among the learners in our jurisdiction. We will continue to place emphasis on the importance of these subjects not only for the students, and our industry, but because we urgently need these skills in our country. Our target is to have 2 200 learners on the maths, science and accountancy programme by 2018.

MANUFACTURED CAPITAL

Technology continues to represent an important means of achieving optimal gold recovery, and we not only investigate new opportunities as they present themselves, we also work proactively to remain at the cutting edge of our business.

In the years ahead we will constantly review the potential at our disposal. We will consider economies of scale and make best use of our plant within our existing footprint and possibly beyond.

NATURAL CAPITAL

We will continue to address the issues of dust and potable water. We are looking at reducing dust exceedance measurements by 10% a year going forward and 10% a year is also our target on the reduced use of potable water.

We will continue our focus on energy usage, because it makes economic sense. We believe there are alternative and cheaper sources of power. We are already enjoying cost savings and benefits as a result of some of the projects we have implemented and as a significant, but responsible, consumer we aim to pursue all energy options.

Between 2016 and 2018 we also intend to increase the total dump area vegetated by 35ha each year.

FINANCIAL CAPITAL

Our success in managing our capitals as described above depends, of course, on how effectively we continue to offer a return on capital. We are, as a management team and a board of directors, committed to our stated aim of mining optimally, controlling costs and delivering value to our providers of capital – our shareholders – and our most important asset – our employees or human capital.

GOVERNANCE

The directors on our board are the custodians of corporate governance at DRDGOLD. They work diligently, guided by the 2007 board charter, to improve organisational performance and deliver value to all stakeholders. They act with integrity and honour and avoid conflicts of interest in executing their fiduciary duties.

DRDGOLD promotes discipline, transparency, accountability, responsibility and fairness to protect the interests of shareholders, employees and the communities in which we operate.

DRDGOLD observes the standards of corporate governance set out in the Code of and Report on Governance Principles for South Africa 2009 (King III). As far as possible and in accordance with the JSE Listings Requirements, the company enforces the provisions within the report's 'apply or explain' principle. The table can be found in Appendix 5.

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

THE BOARD OF DIRECTORS

In line with the requirements of King III, DRDGOLD has a unitary board and approximately 70% of the members are independent. The CVs of each director and a categorization of their individual capacities may be found on page 44 to page 45 of this report.

The chairman is an independent non-executive director (NED) and is impartial and objective in performing his duties. The appointment of the chairman is in full compliance with King III. Anthon Meyer, Acting CFO, completed his tenure at DRDGOLD on 31 December 2014. On 6 January 2015 Riaan Davel was appointed CFO of DRDGOLD.

The Audit and Risk Committee satisfied itself that Riaan Davel has the necessary expertise and experience. On 26 August 2015 the Audit and Risk Committee considered and confirmed the appropriateness of the expertise and experience of Riaan Davel. This determination is made on an annual basis.

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

In compliance with JSE and NYSE requirements, the policy for appointments to the board is both formal and transparent. The Remuneration and Nominations Committee identifies and interviews, and then recommends, short-listed candidates to the board. The board duly deliberates and appoints the most suitable person/persons until shareholders are able to confirm the appointment at the first AGM following the appointment.

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

BOARD FUNCTIONING

The balance of power and authority at board level is illustrated by the separation of the positions of CEO and chairman. The Board Charter sets out a clear balance of power and accountability among members on the board of directors.

The board sets policy and determines strategy. It maintains full and effective control by meeting quarterly to monitor and assess operational and financial performance and to review strategy, risk and planning. If required, the board meets on an *ad hoc* basis for urgent matters.

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

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

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

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

The names of the directors submitted for re-election are accompanied by sufficient biographical details in this report to enable shareholders to make an informed decision in respect of their re-election. All directors have access to the advice and services of the company secretary who is responsible to the board for ensuring the company's compliance with statutory procedures and regulations. Directors are entitled to seek independent professional advice concerning DRDGOLD's affairs at the group's expense, should they believe that such course of action would be in the best interests of the company. A structured and efficient procedure has been incorporated into the Board Charter.

The board's quarterly meetings are usually held in South Africa and, when possible, at Ergo's offices in Brakpan. This allows board members to undertake tours of the operations and enjoy direct access to operational management. In terms of good governance, the directors have unrestricted access to company property, information and records.

Meetings are held over two or three days, giving board members sufficient time to deal with the agenda as well as allowing the NEDs to interact with each other without executive directors being present.

Comprehensive information packs are distributed to directors prior to each board meeting. Explanations and motivations are provided to fully inform directors of agenda items requiring resolution at the meeting. In addition, the board regularly calls for presentations from external experts on material risk, operational and strategic aspects.

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

ATTENDANCE BY DIRECTORS AT THE BOARD MEETINGS HELD DURING FY2015

Director	Designation	29 July 2014	26 Aug 2014	15 Sept 2014	25 Sept 2014	22 Oct 2014	11 Feb 2015	21 Apr 2015
D J Pretorius	Chief Executive Officer	✔	✔	✔	✔	✔	✔	✔
A T Meyer*	Chief Financial Officer (acting)	✔	✔	✔	✔	✔	n/a	n/a
AJ Davel#	Chief Financial Officer	n/a	n/a	n/a	n/a	n/a	✔	✔
G C Campbell	Independent non-executive chairman	✔	✔	✔	✔	✔	✔	✔
J A Holtzhausen	Independent non-executive	✔	✔	✔	✔	✔	✔	✔
R P Hume^	Independent non-executive	✔	✔	✔	✔	✔	n/a	n/a
E A Jeneker	Independent non-executive	✔	✔	✔	✔	✔	✔	✔
J Turk	Independent non-executive	✔	✔	✔	✔	✔	✔	✔

* Resigned as Acting CFO 31 December 2014

Appointed CFO 6 January 2015

^ Resigned as non-executive director 31 October 2014

✔ Includes attendances through teleconference or video conference facilities

GOVERNANCE
continued

BOARD COMMITTEES

As recommended by King III and required by South Africa's Companies Act, No 71 of 2008, as amended and promulgated in 2011 (Companies Act), and the JSE Listings Requirements, the board has the following subcommittees, referred to hereafter as committees:

- Audit and Risk Committee;
- Remuneration and Nominations Committee; and
- Social and Ethics Committee.

All committees are governed by specific terms of reference. The duties and responsibilities of directors on these committees are outlined in a board approved charter and make use of their areas of specialisation. Each committee is delegated specific functions by the board or Companies Act, and the approved terms of reference include membership requirements, duties and reporting procedures. Minutes of the meetings are circulated to committee members and to the board.

The effectiveness of these committees is evaluated by the board on an annual basis. Remuneration of NEDs for service on the committees is determined by the shareholders on the recommendation of the board.

More detailed information on the composition, activities, roles and responsibilities of these committees can be found in Appendix 5.

CODE OF ETHICS

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

STAKEHOLDER COMMUNICATION

DRDGOLD is committed to transparency and has an integrated and sustained stakeholder communication programme which takes into account all the obligations placed on the group by the regulatory environment in which it operates. More information on stakeholder engagement can be found in Appendix 1.

HONESTY WITH REGULATORS AND OTHER GOVERNMENT OFFICIALS

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

FINES AND INCIDENTS OF CORRUPTION

DRDGOLD did not receive any significant fines of monetary value or non-monetary sanctions for non-compliance, nor was it involved in any incidents of corruption, in FY2015.

ANNUAL FINANCIAL STATEMENTS (AFS)

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

The directors are of the opinion that the financial statements for the year ended 30 June 2015 fairly present the financial position of the company and the group as at 30 June 2015. The AFS 2015 can be found in a separate document available on the DRDGOLD annual report suite webpage.

The directors have reviewed the group's business plan and cash flow forecast for the year ending FY2016. On the basis of this review, and in light of the current financial position and existing borrowing facilities, the directors are satisfied that the group is a going concern and has adequate resources to ensure its continued operational existence.

To comply with requirements for reporting by non-US companies registered with the SEC, DRDGOLD prepares its AFS on Form 20-F in accordance with IFRS.

More governance information can be found in Appendix 5.

DIRECTORS AND SENIOR MANAGEMENT

BOARD AND MANAGEMENT: NON-EXECUTIVE DIRECTORS

GEOFFREY CAMPBELL (54)

BSc (Geology)
Independent Non-executive Chairman
Chairman (Nominations): Remuneration and Nominations Committee
Member: Audit and Risk Committee

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

JOHAN HOLTZHAUSEN (69)

CA (SA)
BSc, BCompt (Hons)
Independent Non-executive Director
Chairman: Audit and Risk Committee
Member: Remuneration and Nominations Committee

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

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

JAMES TURK (68)

BA (International Economics)
Independent Non-executive Director
Member: Audit and Risk Committee
Member: Remuneration and Nominations Committee

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

EDMUND JENEKER (53) (HDSA)

IEDP (Wits), M.Inst. D., SAIPA
Independent Non-executive Director
Chairman: Social and Ethics Committee
Chairman (Remuneration): Remuneration and Nominations Committee
Member: Audit and Risk Committee

Edmund Jeneker is a Chartered Director and was appointed a Non-executive Director in November 2007. He trained as an accountant and has gained experience in finance, taxation, business strategy and corporate governance over a period of more than 25 years at Grant Thornton, SwissReSA, World Bank Competitiveness Fund and Deloitte. He is active in community development volunteer work and serves as a member of the Council of the Institute of Directors. He currently holds the position of Managing Director: AllPay Consolidated Investment Holdings at Barclays Africa Group.

BOARD AND MANAGEMENT: EXECUTIVE DIRECTORS

NIËL PRETORIUS (48)

BProc LLB
Chief Executive Officer
Member: Social and Ethics Committee

Niël Pretorius has two decades of experience in the mining industry. He was appointed Chief Executive Officer designate of DRDGOLD on 21 August 2008 and Chief Executive Officer on 1 January 2009. After joining the company on 1 May 2003 as Legal Adviser, he was promoted to the position of Group Legal Counsel on 1 September 2004 and General Manager: corporate services on 1 April 2005. Niël was appointed Chief Executive Officer of Ergo Mining Operations (formerly DRDGOLD SA) on 1 July 2006, becoming Managing Director on 1 April 2008.

RIAAN DAVEL (39)

CA (SA)
BCom (Hons), MCom
Chief Financial Officer
Member: Social and Ethics Committee

Riaan Davel was appointed Chief Financial Officer on 1 January 2015 and Executive Director on 6 January 2015. Riaan is a Chartered Accountant (South Africa), has a BCom (Hons) and an MCom (in International Accounting) from the University of Johannesburg.

Riaan has 17 years of experience in the professional services industry, mainly in Africa's mining industry. He provided assurance and advisory services, including support and training on International Financial Reporting Standards (IFRS), to clients and teams across the continent. He spent the last seven years at KPMG as an audit partner, performing, *inter alia,* audits of listed companies in the mining industry, including SEC registrants.

He 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 has also served on committees that compile or update the South African Codes for reporting and valuation of mineral reserves and resources.

TOP AND SENIOR MANAGEMENT

THEMBA GWEBU (51) (HDSA)

Bluris, LLB, LLM
Company Secretary

Themba Gwebu is an attorney of the High Court of South Africa who joined DRDGOLD in 2004 as Assistant Legal Adviser. Prior to joining DRDGOLD he served as a Magistrate in the Roodepoort Magistrates Court. He was appointed Company Secretary in April 2005. On 1 January 2007 he assumed the position of Group Legal Counsel and Compliance Officer. He served as Executive Officer: Legal, Compliance and Company Secretary from 2008 until 31 December 2014.

Since 2008 he has served as a Director of several DRDGOLD subsidiaries. He was a Director of Rand Refinery Proprietary Limited from June 2008 to September 2014. He also served as the Chairman of Rand Refinery's Social and Ethics Committee until September 2014. He currently holds the position of Company Secretary.

RENEILOE MASEMENE (34) (HDSA)

LLB, LLM
Group Legal Counsel and Prescribed Officer

Reneiloe Masemene is a attorney who joined DRDGOLD in January 2009 as Legal Adviser. She was appointed to the position of Senior Legal Adviser in October 2011 and Prescribed Officer of Ergo in June 2012. She was appointed to the position of Group Legal Counsel in August 2014.

THULO MOGOTSI MOLETSANE (47) (HDSA)

BA, LLB
Sustainable Development Director: Ergo Mining Operations Proprietary Limited
Invitee: Social and Ethics Committee

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

MOLTIN PASEKA NCHOLO (52) (HDSA)

LLB, LLM, PhD
Non-executive Director: Ergo Mining Operations Proprietary Limited

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

JACO SCHOEMAN (41)

National Diploma Analytical Chemistry, BTech (Analytical Chemistry)
Operations Director: Ergo Mining Operations Proprietary Limited
Invitee: Social and Ethics Committee

Jaco Schoeman joined DRDGOLD in 2011 as Executive Officer: business development to focus on expanding the group's surface retreatment business and extracting maximum value from existing resources. In July 2014, the roles of Chief Operating Officer (COO) and Executive Officer: business development were replaced with the position of Operations Director: Ergo Mining Operations Proprietary Limited. Jaco was appointed to that position.

CHARLES SYMONS (61)

BCom, MBL, Dip Extractive Metallurgy
Director: Ergo Mining Operations Proprietary Limited and Chairman: Oversight Committee

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

REMUNERATION REPORT

There are three main elements to the DRDGOLD remuneration policy – all inclusive salary, short-term incentives and long-term incentive rewards. Together, these are designed to ensure that our staff are adequately rewarded. They are also intended to retain key members of staff, thus ensuring the future of the business.

REMUNERATION POLICY

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

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

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

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

REMUNERATION STRUCTURE

Remuneration and reward structures comply with the remuneration philosophy and are categorised in three components:

a) Fixed remuneration

Basic salary, all company and individual contributions to medical aid, retirement fund and structured allowances where applicable in terms of tax legislation.

b) Variable remuneration: Short-term incentive scheme

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

c) Long-term incentive scheme

The long-term incentive scheme is part of the long-term retention strategy intended to grow the company and for participants to be encouraged to contribute and share in the company's long-term success.

The Remuneration and Nominations Committee have accepted a proposal to revise the long-term incentive scheme to allow all new awards to vest after a minimum period of three years. The CEO will participate in this scheme.

REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS

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

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

REMUNERATION POLICY FOR EXECUTIVE DIRECTORS

The remuneration of executive directors comprises fixed remuneration, variable remuneration and participation in the long-term share incentive scheme. The remuneration of executive directors is paid by DRDGOLD for any services rendered to DRDGOLD or its subsidiaries.

a) Fixed remuneration

Comprises of a basic salary and benefits package in accordance with the remuneration policy and as recommended by the Remuneration and Nominations Committee. Salaries are reviewed annually and the salaries of executive directors are benchmarked to external market surveys.

b) Variable remuneration – short-term incentive scheme

The service contracts of executive directors make provision for an annual performance bonus based on agreed key performance indicators which are approved by the Remuneration and Nominations Committee.

c) Long-term incentive scheme

The executive directors qualify for awards under the phantom scheme which are approved by the Remuneration and Nominations Committee.

NON-EXECUTIVE DIRECTORS' REMUNERATION

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

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

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

REMUNERATION REPORT

continued

DIRECTORS' SERVICE CONTRACTS

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

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

DRDGOLD DIRECTORS' TERMS OF SERVICE

Director	Title	Date of appointment	Unexpired term of service contract as at 30/6/2015
D J Pretorius	Chief Executive Officer	1/7/2015	**36 months**
A J Davel	Chief Financial Officer	1/1/2015	**30 months**
G C Campbell	Non-executive Chairman	1/11/2013	**4 months**
J Turk	Non-executive Director	1/11/2014	**16 months**
E A Jeneker	Non-executive Director	1/11/2013	**4 months**
J Holtzhausen	Non-executive Director	25/4/2014	**10 months**

2015	Board fees R'000	Salary and other contributions R'000	Bonuses and performance related payments R'000	Termination of contract related payments R'000	Leave encashed R'000	Total R'000
Company						
Executive directors						
D J Pretorius	–	4 775	–	–	769	5 544
F D van der Westhuizen[3]	–	133	–	1 946	–	2 079
A T Meyer	–	893	–	–	–	893
A J Davel	–	1 427	–	–	–	1 427
	–	7 228	–	1 946	769	9 943
Non-executive directors						
G C Campbell	1 453	–	–	–	–	1 453
R P Hume	262	–	–	–	–	262
J Turk	676	–	–	–	–	676
E A Jeneker	763	–	–	–	–	763
J A Holtzhausen	690	–	–	–	–	690
	3 844	–	–	–	–	3 844
Group						
Prescribed officers						
C M Symons[1]	–	2 851[4]	405	–	–	3 256
T J Gwebu[2]	–	1 610	330	1 466	40	3 446
W J Schoeman	–	2 885[5]	187	–	–	3 072
R Masemene	–	1 296	143	–	329	1 768
	–	8 642	1 065	1 466	369	11 542
Total	3 844	15 870	1 065	3 412	1 138	25 329

(1) Retrenched during FY2014. Subsequently appointed on a fixed-term contract basis
(2) Retrenched during FY2015. Ceased to function as prescribed officer effective 31 December 2014
(3) Salary earned in capacity of director only. Pre-tax gain on share options earned prior to appointment as director
(4) Includes pension scheme contributions of R309 139 (2014: R287 918)
(5) Includes payment for loss of office of R177 292

DRDGOLD PHANTOM SHARE SCHEME

2015	Opening balance Number	Granted during year Number	Exercised during year Number	Exercise price R	Forfeited/ lapsed during year Number	Closing balance Number	Fair value as at 30 June 2015 R'000
Company							
Executive directors							
F D van der Westhuizen [(4)]	172 294	–	–	–	(172 294)	–	–
2012 grant	48 565	–	–	–	(48 565)	–	–
2013 grant	123 729	–	–	–	(123 729)	–	–
A J Davel	–	205 207	–	–	–	205 207	381
2014 grant	–	205 207	–	–	–	205 207	381
Group							
Prescribed officers							
C M Symons [(1)]	106 425	204 757	(106 425)		–	204 757	381
2012 grant	83 033	–	(83 033)	1.93	–	–	–
2013 grant	23 392	–	(23 392)	–	–	–	–
2014 grant	–	204 757	–	–	–	204 757	381
T J Gwebu [(2)]	251 749	–	(85 395)		(50 600)	115 754	296
2012 grant	130 310	–	(65 155)	1.93	–	65 155	198
2013 grant	121 439	–	(20 240)	–	(50 600)	50 599	98
W J Schoeman	372 457	205 207	(126 626)		–	451 038	767
2012 grant	193 648	–	(96 824)	1.93	–	96 824	97
2013 grant	178 809	–	(29 802)	–	–	149 007	289
2014 grant	–	205 207	–	–	–	205 207	381
R Masemene [(3)]	108 564	101 351	(34 283)		–	175 632	310
2012 grant	48 565	–	(24 283)	1.93	–	24 282	24
2013 grant	59 999	–	(10 000)	–	–	49 999	97
2014 grant	–	101 351	–	–	–	101 351	189
Total	1 011 489	716 522	(352 729)	–	(222 894)	1 152 388	2 135

[(1)] Retrenched during FY2014. Subsequently appointed on a fixed-term contract basis

[(2)] Retrenched during FY2015. Ceased to function as prescribed officer effective 31 December 2014

[(3)] Granted prior to appointment as a prescribed officer during August 2014

[(4)] Granted/exercised prior to appointment as a director during January 2014

RESERVES AND RESOURCES

DRDGOLD's attributable mineral resources increased from 37.04Moz in FY2014 to 50.73Moz in FY2015 mainly as a result of the acquisition of the non-controlling interest in EMO and, to a lesser extent, the decrease in the cut-off grade. At the end of FY2015 attributable mineral reserves contained 1.86Moz of gold (FY2014: 1.52Moz).

EVALUATION METHODOLOGY

Normal depletions and reconciliations account for the remaining movements at the operations.

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

With respect to surface mineral resources and mineral reserves, drilling takes place on a predetermined grid to ascertain the average grade (grade model), density, moisture, mineral composition, expected extraction factors and ultimate financial viability before any mining starts. As material is removed from the slimes dams for retreatment, the resources and reserves for that operation are adjusted accordingly. Continual checks on modifying factors and ongoing surveys are conducted to monitor the rate of depletion and the accuracy of factors used for conversion.

INDEPENDENT REVIEW

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

The review report for the operations was carried by Kathleen Body (Pr. Sci. Nat.), Dr Steven Rupprecht (Pr. Eng.) and Frank Brainbridge (FSAIMM). Coffey Mining has the appropriate qualifications, experience, competence and independence to be considered independent 'competent persons' or 'qualified persons' in terms of the definitions provided in the codes and instruments.

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

COMPETENT PERSON

The information in this report relating to mineral resources and reserves is based on information compiled by the competent person, who has provided written consent for the disclosure as presented in this document.

Gary John Viljoen[1], an independent contractor of DRDGOLD, is the designated competent person in terms of the SAMREC Code responsible for the compilation and reporting of DRDGOLD's mineral resources and mineral reserves. He holds a Mine Surveyor's Certificate of Competency number 1704 and is a registered member of the South African Council for Professional and Technical Surveyors[2] (PLATO). He has extensive (more than five years) relevant experience in the mining industry and in working with the type of deposits mined.

DECLARATION

The gold price used for declaration is R453 276/kg (US$1 184/oz) as at 30 April 2015. For compliance with the SEC, DRDGOLD's Form 20-F (to be filed with the SEC) will also quote the mineral reserves using the three-year average gold price of R443 619/kg (US$1 385/oz and R9.9625/US$).

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

DRDGOLD also confirms that the company has the legal entitlements to the minerals being reported on together with any known impediments. The directors are not aware of any legal proceedings or other material conditions that may impact on the company's ability to continue operations other that those discussed in this report.

EXPLORATION

The group did not incur any significant expenditure on exploration activities during the year.

EXPLORATION PROPERTIES

ERPM EXTENSIONS 1 AND 2

Refer to locality maps on page 4.

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

In 2007 ERPM's prospecting right over ERPM Extension 1 was extended eastwards into the Rooikraal/Withok area, incorporating the southern section of the old Van Dyk mining lease area and a small portion of Sallies. Known as ERPM Extension 2, the additional area is 5 500ha in size and is recognised as one of the largest virtually unexplored areas on the East Rand. The reef lies at a depth of between 1 877m and 2 613m below surface. ERPM Extension 2 is currently held under a new order prospecting licence. The total estimated resource for Extension 2 is 63.4Mt containing 13.82Moz of gold.

In line with the group's strategy to exit underground mining operations, management committed to a plan to sell certain of the underground mining and prospecting rights held by ERPM including the related liabilities during the last quarter of the financial year ended 30 June 2014. These assets and liabilities have been presented as a disposal group held-for-sale from this date due to a sale being expected within 12 months.

While significant progress has been made in the fulfilment of the regulatory approvals required for the completion of this transaction since 30 June 2014, not all of the required approvals have been obtained at 30 June 2015 as a result of circumstances beyond the entity's control. Management has taken timely action and remains confident that the outstanding regulatory approvals will be obtained in due course.

1 8 Drostdy Street, Freeway Park, Boksburg 1459

2 4 Heritage Park, Lower Germiston Road, Yellow Route, Area 26, Rosherville 2094

RESERVES AND RESOURCES *continued*

MINERAL RESOURCES – 30 JUNE 2015

	Measured				Indicated			
	Tonnes Mt	Grade g/t	Contents Au tons	Contents Moz	Tonnes Mt	Grade g/t	Contents Au tons	Contents Moz
ERPM* (100%)								
Underground	4.652	7.17	33.343	1.072	11.946	8.02	95.863	3.082
Total	**4.652**	**7.17**	**33.343**	**1.072**	**11.946**	**8.02**	**95.863**	**3.082**
Ergo (100%)								
Surface	159.735	0.30	48.068	1.545	569.104	0.27	156.069	5.018
Total	**159.735**	**0.30**	**48.068**	**1.545**	**569.104**	**0.27**	**156.069**	**5.018**
EMO and DRDGOLD (100%)								
Underground	4.652	7.17	33.343	1.072	11.946	8.02	95.863	3.082
Surface	159.735	0.30	48.068	1.545	569.104	0.27	156.069	5.018
Total	**164.387**	**0.50**	**81.411**	**2.617**	**581.050**	**0.43**	**251.932**	**8.100**

	Inferred				Total			
	Tonnes Mt	Grade g/t	Contents Au tons	Contents Moz	Tonnes Mt	Grade g/t	Contents Au tons	Contents Moz
ERPM* (100%)								
Underground	160.621	6.72	1 080.173	34.728	177.219	6.82	1 209.379	38.882
Total	**160.621**	**6.72**	**1 080.173**	**34.728**	**177.219**	**6.82**	**1 209.379**	**38.882**
Ergo (100%)								
Surface	822.121	0.20	164.424	5.286	1 550.960	0.24	368.561	11.849
Total	**822.121**	**0.20**	**164.424**	**5.286**	**1 550.960**	**0.24**	**368.561**	**11.849**
EMO and DRDGOLD (100%)								
Underground	160.621	6.72	1 080.173	34.728	177.219	6.82	1 209.379	38.882
Surface	822.121	0.20	164.424	5.286	1 550.960	0.24	368.561	11.849
Total	**982.742**	**1.27**	**1 244.597**	**40.014**	**1 728.179**	**0.91**	**1 577.940**	**50.731**

* Disposed subject to regulatory approval – refer to page 51

MINERAL RESERVES – 30 JUNE 2015

	Proved Delivered to plant				Probable Delivered to plant				Total reserves Delivered to plant			
	Tonnes Mt	Grade g/t	Contents Au tons	Contents Moz	Tonnes Mt	Grade g/t	Contents Au tons	Contents Moz	Tonnes Mt	Grade g/t	Contents Au tons	Contents Moz
Ergo and DRDGOLD (100%)												
Surface	125.555	0.32	40.062	1.288	42.569	0.42	17.890	0.575	168.124	0.34	57.952	1.863
Total	**125.555**	**0.32**	**40.062**	**1.288**	**42.569**	**0.42**	**17.890**	**0.575**	**168.124**	**0.34**	**57.952**	**1.863**

ADMINISTRATION AND CONTACT DETAILS

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

OFFICES

Registered and corporate
Off Crownwood Road
Crown Mines, 2092
Johannesburg
South Africa
(PO Box 390, Maraisburg, 1700)
South Africa
Tel: +27 (0) 11 470 2600
Fax: +27 (0) 86 524 3061

OPERATIONS

Ergo Mining Proprietary Limited
PO Box 390
Maraisburg
1700
South Africa
Tel: +27 (0) 11 742 1003
Fax: +27 (0) 11 743 1544

East Rand Proprietary Mines Limited
PO Box 2227
Boksburg
1460
South Africa
Tel: +27 (0) 11 742 1003
Fax: +27 (0) 11 743 1544

DIRECTORS

Geoffrey Campbell*
Independent Non-executive Chairman [1,2#]

Niël Pretorius
Chief Executive Officer [3]

Riaan Davel
Chief Financial Officer [3]

Johan Holtzhausen
Independent Non-executive Director [1#,2]

Edmund Jeneker
Independent Non-executive Director [1,2#,3#]

James Turk**
Independent Non-executive Director [1,2]

COMPANY SECRETARY

Themba Gwebu

INVESTOR AND MEDIA RELATIONS

South Africa and North America
James Duncan
Russell and Associates
Tel: +27 (0) 11 880 3924
Fax: +27 (0) 11 880 3788
Mobile: +27 (0) 79 336 4010
E-mail: james@rair.co.za

United Kingdom/Europe
Phil Dexter
St James's Corporate Services Limited
Suite 31, Second Floor
107 Cheapside
London EC2V 6DN
United Kingdom
Tel: +44 (0) 20 7796 8644
Fax: +44 (0) 20 7796 8645
Mobile: +44 (0) 7798 634 398
E-mail: phil.dexter@corpserv.co.uk

STOCK EXCHANGE LISTINGS

JSE
Ordinary shares
Share Code: DRD
ISIN: ZAE000058723

NYSE
ADRs
Trading Symbol: DRD
CUSIP: 26152H301
Marché Libre Paris
Ordinary shares
Share Code: MLDUR
ISIN: ZAE000058723

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

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

SHARE TRANSFER SECRETARIES

South Africa
Link Market Service South Africa Proprietary Limited
13th Floor, Rennie House
19 Ameshoff Street
Braamfontein
2001 Johannesburg
South Africa
Tel: +27 (0) 11 713 0800
Fax: +27 (0) 86 674 2450

United Kingdom
(and bearer office)
Capita Asset Services (formerly called Capital IRG Plc)
The Registry PXS
34 Beckenham Road
Beckenham BR3 4TU
United Kingdom
Tel: +44 (0) 20 8639 3399
Fax: +44 (0) 20 8639 2487

Australia
Computershare Investor Service Proprietary Limited
Level 2
45 St George's Terrace
Perth, WA 6000
Australia
Tel: +61 8 9323 2000
Tel: 1300 55 2949
(in Australia)
Fax: +61 8 9323 2033

ADR depositary
The Bank of New York Mellon
101 Barclay Street
New York 10286
United States of America
Tel: +1 212 815 8223
Fax: +1 212 571 3050

French agents
CACEIS Corporate Trust
14 rue Rouget de Lisle
92862 Issy-les-Moulineaux
Cedex 9
France
Tel: +33 1 5530 5900
Fax: +33 1 5530 5910

GENERAL

JSE sponsor
One Capital

Auditor
KPMG Inc.

Attorneys
Edward Nathan Sonnenbergs Inc.
Malan Scholes
Mendelow Jacobs
Norton Rose
Skadden, Arps, Slate, Meagher and Flom (UK) LLP

Bankers
Standard Bank of South Africa Limited
ABSA Capital

Website
www.drdgold.com

* *British*
** *American*

Committee memberships during FY2014

[#] *Denotes committee chairman*
[1] *Member or the Audit and Risk Committee*
[2] *Member of the Remuneration and Nominations Committee*
[3] *Member of the Social and Ethics Committee*

RUSSELL AND ASSOCIATES 8503/15

WWW.DRDGOLD.COM

DRDGOLD LIMITED – INTEGRATED REPORT 2015

DRDGOLD LIMITED

ANNUAL FINANCIAL STATEMENTS 2015

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Annual Financial Statements

(Supervised by CFO:
Mr AJ Davel CA (SA))
(authorised for issue on 17 September 2015)

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* *Audited*

FORWARD-LOOKING STATEMENTS

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

These risks include, without limitation, those described in the section entitled "Risk Factors" included in our Form 20-F for the fiscal year ended 30 June 2014, which we filed with the United States Securities and Exchange Commission (SEC) on 31 October 2014. You should not place undue reliance on these forward-looking statements, which speak only as of the date thereof. We do not undertake any obligation to publicly update or revise these forward-looking statements to reflect events or circumstances after the date of this report or the occurrence of unanticipated events. Any forward-looking statement included in this report has not been reviewed or reported on by DRDGOLD's auditors.

DIRECTORS' REPORT

NATURE OF BUSINESS

DRDGOLD Limited (DRDGOLD or the company), which was incorporated on 16 February 1895, owns assets that are primarily involved in the retreatment of surface gold. Based in South Africa, the company does not have a major or controlling shareholder and its directors provide strategic direction on behalf of its shareholders.

DRDGOLD is a public company with its primary listing on the JSE Limited (JSE), and its secondary listing on the New York Stock Exchange Limited (NYSE). The company's shares are also traded on the Marché Libre Paris, the Regulated Unofficial Market on the Frankfurt Stock Exchange and the Berlin and Stuttgart OTC markets.

MINING RIGHTS AND PROPERTY

A schedule detailing the group's mining rights and property is available at the group's registered address.

SHARE CAPITAL

Details of the 45 500 000 new shares that were issued and listed during the financial year (2014: Nil) as well as the authorised, issued and unissued share capital of the company as at 30 June 2015 are set out in note 17.1 to the financial statements.

The control over the unissued shares of the company is vested in the directors, in specific terms with regard to allotments in terms of the DRDGOLD (1996) share option scheme (as amended) and the allotment of shares for cash, and in general terms with respect to all other allotments.

The authorities granted to directors in respect of control over unissued shares expire on the date of the annual general meeting (AGM) of members to be held on 4 November 2015. Members will, therefore, be requested to consider resolutions at the forthcoming AGM, placing under the control of the directors the then remaining unissued ordinary shares not required for purposes of the share option scheme.

DIRECTORATE

As at 30 June 2015, the board of directors comprised of two executive directors and four non-executive directors.

The following changes to the directorate were implemented during the year under review and up to the date of this report:

F D van der Westhuizen (1)	Appointed 1 January 2014, resigned 18 July 2014
A T Meyer (1) (2)	Appointed 29 July 2014, resigned 31 December 2014
R Hume (3)	Retired 31 October 2014
A J Davel (1)	Appointed 6 January 2015

(1) Executive director
(2) Acting
(3) Non-executive director

In accordance with the provisions of the company's Memorandum of Incorporation (MOI), G C Campbell and E A Jeneker will retire at the forthcoming annual general meeting. They are eligible and have offered themselves for re-election.

DIRECTORS' REPORT

continued

DIRECTORS' INTERESTS IN SHARES

The interests of the directors during the year ended, up to the date of this report, in the ordinary share capital of the company as at 30 June were as follows:

	30 JUNE 2015		30 JUNE 2014	
	Beneficial direct	Beneficial indirect	Beneficial direct	Beneficial indirect
Executive directors				
D J Pretorius [(1)] [(3)]	**401 167**	–	291 167	–
C C Barnes	–	–	–	–
F van der Westhuizen	–	–	–	–
A T Meyer	–	–	–	–
A J Davel	–	–	–	–
	401 167	–	291 167	–
Non-executive directors				
G C Campbell [(2)]	**200 000**	–	150 000	–
R P Hume	–	–	150 000	–
J Turk	–	**243 000**	–	243 000
E A Jeneker	–	–	–	–
J A Holtzhausen	–	–	–	–
	200 000	**243 000**	300 000	243 000
Total	**601 167**	**243 000**	591 167	243 000

(1) All shares acquired during the year ended 30 June 2015 were acquired in the market (2014: 50 000 shares were acquired from the treasury shares held by the group. 54 500 shares were acquired in the market)

(2) All shares acquired during the year ended 30 June 2015 were acquired in the market

(3) 100 000 shares were acquired in the market subsequent to 30 June 2015

The full details of the total executive and non-executive directors' remuneration for the year ended 30 June 2015 are provided in note 5 to the financial statements.

SHARE OPTION SCHEME AND PHANTOM SHARE SCHEME

The cash-settled phantom share scheme was approved by the board of directors at the October 2012 board meeting. This phantom share scheme has replaced the DRDGOLD (1996) share option scheme (the share option scheme) as an incentive tool for executive and senior employees whose skills and experience are recognised as being essential to the company's performance. As part of the phasing out of the share option scheme, the board of directors approved the voluntary buy-out of the then vested share options in terms of the share option scheme rules (refer note 19). The remaining number of issued and exercisable share options under the share option scheme is approximately 0.2% of the issued ordinary share capital.

The participants in the phantom share scheme and share option scheme are fully taxed, based on individual tax directives obtained from the South African Revenue Service on any gains realised on the exercise of the options.

In the current financial year, the directors have exercised Nil (2014: 198 286) share options under the share option scheme. Over the same period the directors' pre-tax gains on share options exercised were Nil (2014: R0.3 million).

2 615 207 phantom shares (2014: 1 964 033) were granted in FY2015. In the current financial year, the directors have exercised Nil (2014: 53 271) phantom shares under the DRDGOLD phantom share scheme.

Details of options held by directors are contained in note 5 to the financial statements.

DIRECTORS' REPORT

continued

REVIEW OF OPERATIONS

The performance of our operations is reviewed in the Integrated Report 2015 on pages 20 to 22.

SIGNIFICANT EVENTS

FLOTATION AND FINE-GRIND (FFG) CIRCUIT

Work to integrate the new FFG circuit with the older carbon-in-leach (CIL) circuits at the Ergo plant was rewarded with an increasingly stable operational environment during the year, and delivery of performance from the FFG circuit within the parameters of what we had anticipated at the outset.

DIVIDENDS

Dividends are proposed by, and approved by the board of directors of DRDGOLD, based on the year-end financial statements. Dividends are recognised when declared by the board of directors of DRDGOLD. The payment of future dividends will depend upon the board's ongoing assessment of DRDGOLD's earnings, after providing for long-term growth, cash and funding resources and the amount of reserves available for a dividend based on the going-concern assessment.

DIVIDENDS DECLARED SINCE 1 JULY 2013

	Final dividend number 7	Final dividend number 8	Final dividend number 9
Declaration date	20 August 2013	28 August 2014	27 August 2015
Last date to trade ordinary shares cum dividend	4 October 2013	7 November 2014	2 October 2015
Record date	11 October 2013	14 November 2014	9 October 2015
Amount per ordinary share – South African cents	14.0	2.0	10.0
Payment date	14 October 2013	17 November 2014	12 October 2015
Amount per ADS – United States cents (1)	11.76	1.6	6.5
Payment date	21 October 2013	24 November 2014	19 October 2015

1 Each American Depositary Share (ADS) represents 10 ordinary shares. The actual amount will depend on the exchange rate on the date for currency conversion

SUBSIDIARIES

A list of the company's financial interest in its subsidiaries appears in note 12 to the financial statements.

FINANCIAL STATEMENTS AND GOING CONCERN

The group financial statements include the financial position, results and cash flows of the company, its subsidiaries and equity accounted investments from the effective dates of acquisition.

The financial position, results of operations and cash flow information of the group and company are presented in the attached financial statements. The Financial Statements have been prepared by management under the supervision of A J Davel, the chief financial officer, in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa. They are based on appropriate accounting policies which have been consistently applied and which are supported by reasonable and prudent judgements and estimates. The Financial Statements have been prepared on a going-concern basis and the directors are of the opinion that the group's and company's assets will realise at least the values at which they are stated in the statement of financial position.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation and fair presentation of the consolidated and separate annual financial statements of DRDGOLD Limited, comprising the statements of financial position at 30 June 2015, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and the directors' report.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the company and its subsidiaries to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the consolidated and separate financial statements are fairly presented in accordance with the applicable financial reporting framework.

APPROVAL OF CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

The consolidated and separate annual financial statements of DRDGOLD Limited, as identified in the first paragraph, were approved by the board of directors on 17 September 2015 and signed by:

J A Holtzhausen
Chairman: Audit and Risk Committee
Authorised director

A J Davel
Chief financial officer
Authorised director

COMPANY SECRETARY'S STATEMENT

I certify, in accordance with Section 88(2)(e) of the Companies Act of South Africa, that to the best of my knowledge and belief, the company has lodged with the Companies and Intellectual Property Commission for the financial year ended 30 June 2015 all such returns as are required of a public company in terms of the Companies Act, and that all such returns appear to be true, correct and up to date.

T J Gwebu
Company secretary
17 September 2015

REPORT OF THE AUDIT AND RISK COMMITTEE

The legal responsibilities of the Audit and Risk Committee of the DRDGOLD Limited group are set out in the Companies Act. These responsibilities, together with the requirements of the JSE and compliance with appropriate governance and international best practice, are incorporated in the Audit and Risk Committee's charter. The Audit and Risk Committee has regulated its affairs in compliance with this mandate, and has discharged all of the responsibilities set out therein.

The members of the committee responsible for audit related matters were formally appointed by the shareholders at the AGM held on 28 November 2014.

The biographical details of the committee are set out on pages 44 of the Integrated Report 2015 and the members' fees are set out on page 47 of the same report.

FINANCIAL DIRECTOR

As required by the JSE Listings Requirement 3.84(h), the Audit and Risk Committee has satisfied itself that the financial director, Riaan Davel, has the appropriate expertise and experience.

EXTERNAL AUDITORS

The Audit and Risk Committee considered the matters set out in the Companies Act, and:

- is satisfied with the independence and objectivity of the external auditors;
- has approved the external auditor's fees and terms of engagement for the year ended 30 June 2014 (FY2014) and budgeted fees and terms of engagement for the year ended 30 June 2015 (FY2015) financial year; and
- has approved the non-audit related services performed by the external auditors in accordance with the policy established and approved by the board.

INTERNAL AUDITORS

The Audit and Risk Committee considered and confirmed the audit plan for the 2015 financial year as well as reviewed the results of the internal audits conducted during FY2015.

GENERAL

Separate meetings are held with management and external and internal audit representatives to discuss any problems and other matters that they wish to discuss. The head of internal audit and risk and external auditors have unlimited access to the chairman of the Audit and Risk Committee. The chairman of the Audit and Risk Committee attends AGMs and is available to answer any questions.

To the best of their knowledge, and on the basis of the information and explanations given by management and the group internal audit function as well as discussions with the independent external auditors on the results of their audits, the Audit and Risk Committee is satisfied that there was no material breakdown in the internal accounting controls during the financial year under review.

The Audit and Risk Committee has evaluated the financial statements of DRDGOLD Limited for the year ended 30 June 2015 and based on the information provided to the Audit and Risk Committee, considers that the group complies, in all material respects, with the requirements of the Companies Act, IFRS and the JSE Listings Requirements.

The Audit and Risk Committee has recommended the financial statements to the board for approval. The board has subsequently approved the financial statements which will be open for discussion at the forthcoming AGM.

J A Holtzhausen.

J A Holtzhausen
Chairman: Audit and Risk Committee
17 September 2015

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF DRDGOLD LIMITED

We have audited the consolidated and separate financial statements of DRDGOLD Limited, which comprise the statements of financial position at 30 June 2015, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 70.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of DRDGOLD Limited at 30 June 2015, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

OTHER REPORTS REQUIRED BY THE COMPANIES ACT

As part of our audit of the financial statements for the year ended 30 June 2015, we have read the directors' report, the company secretary's statement and the report of the Audit and Risk Committee for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

KPMG Inc.
Registered Auditor

Per **J Le Roux**
Chartered Accountant (SA)
Registered Auditor
Director
17 September 2015

KPMG Crescent
85 Empire Road
Parktown
Johannesburg
2193

GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 R'000	2014 R'000
Revenue	3	**2 105 298**	1 809 434
Cost of sales		**(1 946 331)**	(1 687 270)
Operating costs		**(1 786 880)**	(1 598 300)
Depreciation	10	**(193 301)**	(159 999)
Retrenchment costs	4	**(7 150)**	(6 748)
Movement in provision for environmental rehabilitation	18	**20 443**	86 605
Movement in gold in process		**20 557**	(8 828)
Gross profit from operating activities		**158 967**	122 164
Impairments	4	**(7 904)**	(56 591)
Administration expenses and general costs		**(56 162)**	(78 120)
Results from operating activities	4	**94 901**	(12 547)
Finance income	6	**51 497**	27 980
Finance expenses	7	**(49 603)**	(52 295)
Share of losses of equity accounted investments	13	**–**	(313)
Profit/(loss) before tax		**96 795**	(37 175)
Income tax	8	**(28 599)**	(17 548)
Profit/(loss) for the year		**68 196**	(54 723)
Attributable to:			
Equity owners of the parent		**67 807**	(45 808)
Non-controlling interest	17.2	**389**	(8 915)
Profit/(loss) for the year		**68 196**	(54 723)
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		**(757)**	(51 626)
Fair value adjustment on available-for-sale investments	11	**19 118**	(49 872)
Fair value adjustment on available-for-sale investment reclassified to profit or loss		**(19 875)**	–
Non-controlling interest in fair value adjustment on available-for-sale investment	17.2	**–**	(1 754)
Foreign exchange translation reserve reclassified to profit or loss	17.1	**(5 882)**	–
Items that will never be reclassified to profit or loss, net of tax			
Actuarial loss	19	**(539)**	–
Total comprehensive income for the year		**61 018**	(106 349)
Attributable to:			
Equity owners of the parent		**60 629**	(95 680)
Non-controlling interest		**389**	(10 669)
Total comprehensive income for the year		**61 018**	(106 349)
Earnings/(loss) per share attributable to equity owners of the parent			
Basic earnings/(loss) per share (cents)	9	**17**	(12)
Diluted earnings/(loss) per share (cents)	9	**17**	(12)

The accompanying notes are an integral part of these financial statements.

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 R'000	2014 R'000
Revenue	3	**10 560**	21 924
Operating costs		**(10 649)**	(21 486)
Depreciation	10	**(144)**	(149)
Retrenchment costs	4	**(2 974)**	(1 325)
Impairments	4	**(4 829)**	(41 803)
Administration expenses and general costs		**(36 236)**	(29 792)
Results from operating activities	4	**(44 272)**	(72 631)
Finance income	6	**95 145**	74 925
Finance expenses	7	**(7 468)**	(17 444)
Profit/(loss) before tax		**43 405**	(15 150)
Income tax	8	**4 185**	(7 446)
Profit/(loss) for the year		**47 590**	(22 596)
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		**(757)**	(44 881)
Fair value adjustment on available-for-sale investments	11	**19 118**	(44 881)
Fair value adjustment on available-for-sale investment reclassified to profit or loss		**(19 875)**	–
Total comprehensive income for the year		**46 833**	(67 477)

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AT 30 JUNE 2015

GROUP 2014 R'000	GROUP 2015 R'000		Note	COMPANY 2015 R'000	COMPANY 2014 R'000
		ASSETS			
1 970 344	**1 894 054**	**Non-current assets**		**1 049 806**	1 088 839
1 755 503	**1 698 774**	Property, plant and equipment	10	**84**	126
213 417	**194 082**	Non-current investments and other assets	11	**5 881**	36 860
–	**–**	Investments in subsidiaries	12	**1 042 643**	1 050 429
1 424	**1 198**	Deferred tax asset	20	**1 198**	1 424
470 402	**608 984**	**Current assets**		**249 859**	206 582
147 189	**168 729**	Inventories	14	**–**	–
99 523	**93 273**	Trade and other receivables	15	**8 051**	13 443
5 885	**13 241**	Current tax asset		**13 241**	1 480
208 932	**324 375**	Cash and cash equivalents	24	**228 567**	191 659
8 873	**9 366**	Assets held-for-sale	16	**–**	–
2 440 746	**2 503 038**	**Total assets**		**1 299 665**	1 295 421
		EQUITY AND LIABILITIES			
1 481 211	**1 529 925**	**Equity**		**1 262 594**	1 130 848
1 249 071	**1 529 925**	Equity of the owners of the parent	17	**1 262 594**	1 130 848
232 140	**–**	Non-controlling interest		**–**	–
652 062	**669 495**	**Non-current liabilities**		**454**	76 564
451 203	**493 291**	Provision for environmental rehabilitation	18	**–**	–
9 275	**9 242**	Post-retirement and other employee benefits	19	**454**	1 064
116 084	**147 801**	Deferred tax liability	20	**–**	–
–	**19 161**	Finance lease obligation	22	**–**	–
75 500	**–**	Loans and borrowings	21	**–**	75 500
307 473	**303 618**	**Current liabilities**		**36 617**	88 009
211 790	**258 353**	Trade and other payables		**12 790**	13 896
–	**2 000**	Finance lease obligation	22	**–**	–
73 195	**23 096**	Loans and borrowings	21	**23 096**	73 195
1 958	**2 557**	Post-retirement and other employee benefits	19	**731**	918
20 530	**17 612**	Liabilities held-for-sale	16	**–**	–
959 535	**973 113**	**Total liabilities**		**37 071**	164 573
2 440 746	**2 503 038**	**Total equity and liabilities**		**1 299 665**	1 295 421

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Number of ordinary shares	Number of cumulative preference shares
Group		
Balance at 30 June 2013	**385 383 767**	**5 000 000**
Total comprehensive income		
Loss for the year		
Other comprehensive income		
Fair value adjustment on available-for-sale investments		
Transactions with the owners of the parent		
Share issue expenses		
Dividend on ordinary share capital		
Share-based payments		
Share option buy-out		
Treasury shares disposed of by subsidiary		
Balance at 30 June 2014	**385 383 767**	**5 000 000**
Total comprehensive income		
Profit for the year		
Other comprehensive income		
Fair value adjustment on available-for-sale investments		
Fair value adjustment on available-for-sale investments reclassified to profit or loss		
Foreign exchange translation reserve reclassified to profit or loss		
Actuarial loss		
Transactions with the owners of the parent		
Acquisition of non-controlling interest without a change in control		
Share issue	45 500 000	
Transaction costs		
Dividend		
Share-based payments		
Share option reserve transferred to retained earnings		
Balance at 30 June 2015	**430 883 767**	**5 000 000**
Company		
Balance at 30 June 2013	**385 383 767**	**5 000 000**
Total comprehensive income		
Loss for the year		
Other comprehensive income		
Fair value adjustment on available-for-sale investments		
Transactions with the owners of the company		
Share issue expenses		
Dividend on ordinary share capital		
Share-based payments		
Share option buy-out		
Balance at 30 June 2014	**385 383 767**	**5 000 000**
Total comprehensive income		
Profit for the year		
Other comprehensive income		
Fair value adjustment on available-for-sale investments		
Fair value adjustment on available-for-sale investments reclassified to profit or loss		
Transactions with the owners of the company		
Issue of shares	45 500 000	
Transaction costs		
Dividend		
Share-based payments		
Share option reserve transferred to retained earnings		
Balance at 30 June 2015	**430 883 767**	**5 000 000**

(1) Revaluation and other reserves at 30 June 2015 comprise asset revaluation reserves (refer note 17). Revaluation and other reserves at 30 June 2014 comprise share-based payment reserves, foreign currency translation reserve and asset revaluation reserves. The foreign exchange differences arose on translation of a foreign joint venture in Zimbabwe (refer note 17).

The accompanying notes are an integral part of these financial statements.

	Share capital R'000	Cumulative preference share capital R'000	Revaluation and other reserves [1] R'000	Retained earnings R'000	Equity of the owners of the parent R'000	Non-controlling interest R'000	Total equity R'000
	4 089 287	**500**	**224 942**	**(2 913 866)**	**1 400 863**	**242 809**	**1 643 672**
				(45 808)	(45 808)	(8 915)	(54 723)
			(49 872)		(49 872)	(1 754)	(51 626)
			(49 872)		(49 872)	(1 754)	(51 626)
	(1 060)				(1 060)		(1 060)
				(53 085)	(53 085)		(53 085)
			520		520		520
			(2 734)		(2 734)		(2 734)
	247				247		247
	4 088 474	**500**	**172 856**	**(3 012 759)**	**1 249 071**	**232 140**	**1 481 211**
				67 807	67 807	389	68 196
			(6 639)	(539)	(7 178)		(7 178)
			19 118		19 118		19 118
			(19 875)		(19 875)		(19 875)
			(5 882)		(5 882)		(5 882)
				(539)	(539)		(539)
	96 460			135 189	231 649	(232 529)	(880)
	(4 015)				(4 015)		(4 015)
				(7 585)	(7 585)		(7 585)
			176		176		176
			(30 563)	30 563	–		–
	4 180 919	**500**	**135 830**	**(2 787 324)**	**1 529 925**		**1 529 925**
	4 133 687	**500**	**61 621**	**(2 940 079)**	**1 255 729**		**1 255 729**
				(22 596)	(22 596)		(22 596)
			(44 881)		(44 881)		(44 881)
			(44 881)		(44 881)		(44 881)
	(1 060)				(1 060)		(1 060)
				(53 954)	(53 954)		(53 954)
			344		344		344
			(2 734)		(2 734)		(2 734)
	4 132 627	**500**	**14 350**	**(3 016 629)**	**1 130 848**		**1 130 848**
				47 590	47 590		47 590
			(757)		(757)		(757)
			19 118		19 118		19 118
			(19 875)		(19 875)		(19 875)
	96 460				96 460		96 460
	(4 015)				(4 015)		(4 015)
				(7 708)	(7 708)		(7 708)
			176		176		176
			(13 012)	13 012	–		–
	4 225 072	**500**	**757**	**(2 963 735)**	**1 262 594**		**1 262 594**

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

GROUP 2014 R'000	GROUP 2015 R'000		Note	COMPANY 2015 R'000	COMPANY 2014 R'000
		CASH FLOWS FROM OPERATING ACTIVITIES			
1 814 219	**2 087 926**	Cash received from sales of precious metals/management fees		**10 560**	21 924
(1 726 835)	**(1 802 729)**	Cash paid to suppliers and employees		**(50 906)**	(69 024)
87 384	**285 197**	Cash generated by/(applied to) operations	23	**(40 346)**	(47 100)
16 359	**13 883**	Finance income		**12 779**	14 439
(16 838)	**(11 944)**	Finance expenses		**(10 568)**	(16 375)
(6 214)	**(3 523)**	Income tax paid		**(7 348)**	(5 736)
80 691	**283 613**	Net cash inflow/(outflow) from operating activities		**(45 483)**	(54 772)
		CASH FLOWS FROM INVESTING ACTIVITIES			
(7)	**–**	Acquisition of non-current investments and other assets		**–**	(7)
–	**46 387**	Proceeds on disposal of non-current investments and other assets		**46 387**	–
(158 593)	**(90 856)**	Additions to property, plant and equipment		**(102)**	(44)
992	**17 392**	Proceeds on disposal of property, plant and equipment		**–**	–
(14 170)	**(9 034)**	Environmental rehabilitation payments	18	**–**	–
–	**(803)**	Contribution to environmental obligation funds		**–**	–
–	**(851)**	Acquisition of non-controlling interest		**(851)**	–
–	**–**	Repayments of amounts owing by subsidiaries		**167 069**	17 006
–	**96**	Repayments of amounts included in non-current investments and other assets		**96**	–
(171 778)	**(37 669)**	Net cash (outflow)/inflow from investing activities		**212 599**	16 955
		CASH FLOWS FROM FINANCING ACTIVITIES			
(1 060)	**–**	Share issue expenses		**–**	(1 060)
247	**–**	Proceeds on disposal of treasury shares		**–**	–
–	**(416)**	Repayment of finance lease obligation		**–**	–
(20 000)	**(122 500)**	Repayments of loans and borrowings		**(122 500)**	(20 000)
(2 734)	**–**	Share option buy-out		**–**	(2 734)
(53 085)	**(7 585)**	Dividends paid		**(7 708)**	(53 954)
(76 632)	**(130 501)**	Net cash outflow from financing activities		**(130 208)**	(77 748)
(167 719)	**115 443**	**Net increase/(decrease) in cash and cash equivalents**		**36 908**	(115 565)
376 651	**208 932**	Cash and cash equivalents at the beginning of the year		**191 659**	307 224
208 932	**324 375**	**Cash and cash equivalents at the end of the year**	24	**228 567**	191 659

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

1 ACCOUNTING POLICIES

REPORTING ENTITY

DRDGOLD Limited (the company) is domiciled in South Africa with a registration number of 1895/000926/06. The address of the Company is Off Crownwood Road, Crown Mines, Johannesburg 2092. The Group is primarily involved in the retreatment of surface gold.

The consolidated financial statements comprise the company, its subsidiaries (collectively the "group" and individually "group companies") and interest in equity accounted investments.

BASIS OF ACCOUNTING

The consolidated and separate 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 and separate financial statements were approved by the board of directors on 17 September 2015. Details of the group's accounting policies are outlined in this note.

FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated and separate financial statements are presented in South African rands, which is the company's functional currency. All financial information presented in South African rands has been rounded to the nearest thousand, unless otherwise stated.

USE OF ESTIMATES AND JUDGEMENTS

The preparation of the consolidated and separate financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated and separate financial statements is outlined below:

(a) Recoverable amount of mining assets and depreciation

The recoverable amounts of mining assets are determined using discounted future cash flows. Management also considers such factors as the market capitalisation of the group, the quality of the individual ore body and the country risk in determining the recoverable amount. At year-end, the market capitalisation of the group was lower than its net asset value, which management has considered as an impairment indicator. During the year under review, the group calculated a recoverable amount based on updated life-of-mine plans, a gold price of R480 481 a kilogram (2014: R453 121 a kilogram) in year one escalating at an average of approximately 9.6% (2014: 7.2%) a year over the ten-year life of mine, and a weighted average cost of capital of 14.0%. The pre-tax discount rate calculated on an iterative method from the post-tax discount rate is 21.7%. The group would begin impairment of the mining assets at a 4.8 percentage points (34.4%) increase in the discount rate to 18.8%, or a 2.9% decrease in budgeted gold production or gold price over the remaining life of the operation. The above sensitivities do not include a positive terminal value, relating to the disposal of any assets at the end of the useful life.

The calculation of the units-of-production rate of depreciation could be affected if actual production in the future is different from current forecast production based on proved and probable mineral reserves. This would generally arise when there are significant changes in any of the factors or assumptions used in estimating mineral reserves and resources.

NOTES TO THE FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 30 JUNE 2015

1 ACCOUNTING POLICIES *continued*

USE OF ESTIMATES AND JUDGEMENTS *continued*

(a) Recoverable amount of mining assets and depreciation *continued*

Factors could include:

- changes in proved and probable mineral reserves (which could similarly affect the useful lives of assets depreciated on the straight-line basis, where those lives are limited to the life of the mine);
- the grade of mineral reserves may vary significantly from time to time;
- differences between actual commodity prices and commodity price assumptions;
- unforeseen operational issues at mine sites including planned extraction efficiencies; and
- changes in capital, operating, mining processing and reclamation costs, discount rates and foreign exchange rates.

(b) Estimate of exposure and liabilities with regard to rehabilitation costs

Estimated provisions for environmental rehabilitation, comprising pollution control rehabilitation and mine closure, are based on the group's environmental management plans in compliance with current technological, environmental and regulatory requirements.

An average discount rate of 8.4% (2014: 8.3%), average inflation rate of 6.0% (2014: 6.0%) and expected life-of-mine according to the life-of-mine plans were used in the calculation of the estimated net present value of the rehabilitation liability (refer to note 18).

(c) Estimate of tax

The group is subject to income tax in South Africa. Significant judgement is required in determining income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will have an impact on the income tax and deferred tax provisions in the period in which such determination is made. A 1% increase in the effective tax rate will result in an increase in the deferred tax liability at 30 June 2015 of approximately R7.3 million (2014: R6.3 million).

(d) Valuation of financial instruments

If the value of a financial instrument cannot be obtained from an active market, the group has established fair value by using valuation techniques. These include the use of recent arm's-length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis and option pricing models, refined to reflect the issuer's specific circumstances.

BASIS OF MEASUREMENT

The financial statements are prepared on the historical cost basis, unless otherwise stated.

CHANGES IN ACCOUNTING POLICIES

Except for the changes below, the group has consistently applied the accounting policies set out below to all periods presented in these consolidated and separate financial statements.

NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ADOPTED

The group adopted all the new standards, amendments to standards and interpretations, which are applicable to the group, with a date of initial application of 1 July 2014. The adoption of these standards did not have a significant impact on these financial statement other than outlined below:

IFRS 8 Operating segments – Disclosures on the aggregation of operating segments

Inter alia, this amendment clarifies that the reconciliation of the total of the reportable segments' assets to the entity's assets is required only if this information is regularly provided to the entity's chief operating decision maker. This change aligns the disclosure requirements with those for segment liabilities.

As this information is not regularly provided to the entity's chief operating decision maker, the reconciliation is not disclosed (refer note 2).

1 ACCOUNTING POLICIES *continued*

BASIS OF CONSOLIDATION

Non-controlling interests (NCI)
NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in the group's interest in a subsidiary which do not lead to loss of control are accounted for as equity transactions with equity owners in their capacity as equity owners and no profit or loss is recognised.

In the absence of an agreement with NCI shareholders, losses in subsidiaries are allocated to NCI even if doing so causes the NCI to have a deficit balance.

Subsidiaries
Subsidiaries are entities controlled by the group. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are carried at cost less any accumulated impairment in the separate financial statements of the company.

Loss of control
When the group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at the fair value when control is lost, which is deemed to be the cost price, and, depending on the nature of the remaining investment, is either recognised as an associate, joint venture or as a financial instrument.

Interest in equity accounted investments
The group's interest in equity accounted investments comprises interests in an associate and a joint venture.

Associates are those entities in which the group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the group has joint control, whereby the group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interest in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the group financial statements include the group's share of profit or loss and other comprehensive income ("OCI") of equity accounted investees, until the date on which significant influence or joint control ceases. Any losses from associates and joint ventures are brought to account in the consolidated financial statements until the interest in such associates and joint ventures are written down to zero. Thereafter, losses are accounted for only insofar as the group is committed to providing financial support to such associates and joint ventures.

Significant influence is presumed to exist when the group holds between 20% and 50% of the voting power of another entity.

Investments in associates and joint ventures are carried at cost, less accumulated impairment in the separate financial statements of the company.

Transactions eliminated on consolidation
Intra-group balances, transactions and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investments are eliminated against the investment to the extent of the group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1 ACCOUNTING POLICIES *continued*

FOREIGN CURRENCY

Foreign currency transactions

Transactions in foreign currencies undertaken by group entities are translated to the functional currency at the exchange rates ruling at the dates of these transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at historical cost are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies, measured at fair value, are translated at foreign exchange rates ruling at the date that the fair value was determined. Foreign exchange differences arising on translation are recognised in profit or loss.

Foreign currency differences arising from the translation of available-for-sale equity investments (except on impairment in which case the foreign currency differences that have been recognised in OCI are reclassified to profit or loss) are recognised in OCI.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into South African rands at the exchange rates at the reporting date. The income and expenses of foreign operations are translated to South African rands at exchange rates at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in OCI and accumulated within equity in the foreign currency translation reserve. When a foreign operation is disposed of, the relevant amount in the foreign currency translation reserve is transferred to profit or loss as part of the profit or loss on disposal. On partial disposal of a subsidiary that includes a foreign operation, the relevant portion of such cumulative amount is reattributed to NCI.

Net investment in foreign operations

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised in OCI and presented within equity in the foreign currency translation reserve in the consolidated financial statements.

FINANCIAL INSTRUMENTS

The entity classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The entity classifies non-derivative financial liabilities into the financial liabilities measured at amortised cost category.

(i) Non derivative financial assets and financial liabilities – recognition and derecognition

The entity initially recognises loans and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or to the extent that the group or company transfers substantially all the risks and rewards of ownership of the financial asset. Any interest in such derecognised financial assets that is created or retained by the entity is recognised as a separate asset or liability.

Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or has expired. Any gain or loss on derecognition is taken to profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the entity has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(ii) Non-derivative financial assets – measurement

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method less any impairment losses.

1 ACCOUNTING POLICIES *continued*

FINANCIAL INSTRUMENTS *continued*

(ii) Non-derivative financial assets – measurement *continued*

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and highly liquid investments which are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Subsequent to initial recognition, cash and cash equivalents are measured at amortised cost, which is equivalent to their fair value. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Cash and cash equivalents include restricted cash and are short-term in nature. Restricted cash which is long-term in nature is classified as non-current and is similar in nature to rehabilitation trust funds. Restricted cash would typically be long-term in nature when it is expected not to be able to be utilised for at least 12 months after the reporting date.

Available-for-sale financial assets

The group's investments in equity securities are classified as available-for-sale financial assets.

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition they are measured at fair value and changes therein, other than impairment losses are recognised in OCI and accumulated in the fair value reserve. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss. The group applies settlement date accounting to the regular way purchase or sale of financial assets.

(iii) Non-derivative financial liabilities – measurement

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

PROPERTY, PLANT AND EQUIPMENT

Recognition and measurement

The group's property, plant and equipment consist mainly of mining assets which comprise mining properties (including mineral rights), mine development costs, mine plant facilities, exploration assets and vehicles.

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

Development costs, which are capitalised, consist primarily of expenditure that gives access to proved and probable mineral reserves. Capitalised development costs include expenditure incurred to develop new ore bodies, to define future mineralisation in existing ore bodies and to expand the capacity of a mine. Mine development costs to maintain production are expensed as incurred. Where funds have been borrowed specifically to finance a project, the amount of interest capitalised represents the actual borrowing costs incurred (refer to accounting policy on borrowing costs capitalised). Mine development costs capitalised, include acquired, proved and probable mineral reserves at the acquisition date.

Exploration and evaluation costs, including the costs of acquiring licences, property and qualifying borrowing costs, are capitalised as exploration assets on a project-by-project basis, pending determination of the technical feasibility and commercial viability of the project. The capitalised costs are presented as tangible assets according to the nature of the assets acquired. When a licence is relinquished or a project is abandoned, the related costs are recognised in profit or loss immediately. Pre-licence costs are recognised in profit or loss as incurred.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing an asset to a working condition for its intended use, as well as the costs of dismantling and removing an asset and restoring the site on which it is located.

Where parts of an item of property, plant and equipment, with costs that are significant in relation to the total cost of the item, have different useful lives, they are accounted for as separate items of property, plant and equipment.

Any gains or losses on disposal of an item of property, plant and equipment are determined by comparing the net proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in profit or loss. When assets are sold which have been revalued on acquisition for consolidation purposes, the amounts included in the revaluation reserve are transferred to retained earnings (refer to note 17.1).

1 ACCOUNTING POLICIES *continued*

PROPERTY, PLANT AND EQUIPMENT *continued*

Subsequent expenditure

The group recognises in the carrying amount of an item of property, plant and equipment, the cost of replacing part of an item when that cost is incurred, if it is probable that the future economic benefits embodied within the part will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs are recognised in profit or loss as an expense incurred.

Depreciation

Depreciation of all tangible property, plant and equipment commences when the relevant item of property, plant and equipment is available for use in the manner intended by management.

Depreciation of mining properties (including mineral rights), mine development and mine plant facilities are computed using the units-of-production method based on estimated proved and probable mineral reserves, which are calculated using the group's life-of-mine business plans and a gold price at the end of each financial year. Proved and probable mineral reserves reflect estimated quantities of economically recoverable reserves which can be recovered in the future from known mineral deposits. Changes in management's estimates of the quantities of the economically recoverable reserves impact depreciation on a prospective basis.

Other assets are depreciated using the straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their estimated useful lives, unless it is reasonably certain that the group will obtain ownership by the end of the lease term. Land is not depreciated.

The current estimated useful lives for the current and comparative periods are:

- mine properties – life-of-mine, currently between six (2014: seven) and ten (2014: eight) years;
- mine development – life-of-mine, currently between six (2014: seven) and ten (2014: eight) years;
- mine plant facilities – life-of-mine, currently between six (2014: six) months and ten (2014: eight) years; and
- equipment and vehicles – three to five years.

The residual values, estimated useful lives and depreciation method are reassessed annually and adjusted if appropriate.

Leased assets

Leases in terms of which the group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset and liability are measured at amounts equal to the lower of the fair value of the leased asset and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in the same manner as owned property, plant and equipment.

IMPAIRMENT

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence (e.g. delinquency of a debtor and indications that a debtor will enter bankruptcy) that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Financial assets measured at amortised cost

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate, that is, the effective interest rate computed at initial recognition of these financial assets.

1 ACCOUNTING POLICIES *continued*

IMPAIRMENT *continued*

Available-for-sale financial assets

An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value. When a decline in the fair value of an available-for-sale financial asset has been recognised directly in OCI, and there is objective evidence (e.g. significant or prolonged decline in the fair value below the cost of the investment) that the asset is impaired, the cumulative loss that had been recognised in OCI is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. Financial assets that are individually significant are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in OCI.

Non-financial assets

The carrying amounts of the group's assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For purposes of impairment testing, assets are grouped together into the smallest group of assets which generates cash flows from continuing use that is largely independent of the cash inflows of other assets or groups of assets (cash-generating units).

An impairment loss is recognised directly against the carrying amount of the asset whenever the carrying amount of an asset, or its cash generating unit, exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated to the carrying amounts of the assets in the unit (group of units) on a pro rata basis. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

Exploration assets

Exploration assets are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For purposes of impairment testing, exploration assets are allocated to cash-generating units consistent with the determination of reportable segments.

The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proven reserves are determined to exist. Upon determination of proven reserves, exploration assets attributable to those reserves are first tested for impairment and then reclassified from exploration assets to a separate category within tangible assets.

INVENTORIES

Gold in process is stated at the lower of cost and net realisable value. Costs are assigned to gold in process on a weighted average cost basis. Costs comprise all costs incurred to the stage immediately prior to smelting, including costs of extraction and processing as they are reliably measurable at that point. Selling, refining and general administration costs are excluded from inventory valuation.

Consumable stores are stated at the lower of cost and net realisable value. Cost of consumables is based on the weighted average cost principle and includes expenditure incurred in acquiring inventories and bringing them to their existing location and condition.

Bullion is stated at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

1 ACCOUNTING POLICIES *continued*

INCOME TAX

Income tax expense comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to business combinations, or to items recognised directly in equity or OCI.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts recognised for tax purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences, based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, and based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, if these relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities, if the company intends to settle current tax liabilities and assets on a net basis, or if their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Dividends withholding tax

Dividends withholding tax is a tax on certain shareholders receiving dividends and is applicable to all dividends declared on or after 1 April 2012.

The company withholds dividends tax on behalf of certain of its shareholders at a rate of 15% on dividends declared. Amounts withheld are not recognised as part of the company's tax charge but rather as part of the dividend paid recognised directly in equity. Where withholding tax is withheld on dividends received, the dividend is recognised at the gross amount with the related withholdings tax recognised as part of tax expense unless it is otherwise reimbursable in which case, it is recognised as an asset.

SHARE CAPITAL

Ordinary share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effect.

Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the company's option, and any dividends are discretionary. Dividends on preference share capital classified as equity are recognised as distributions within equity. Preference share capital is classified as a liability if it is redeemable on a specified date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

Dividends

Dividends are recognised as a liability in the period in which they are declared.

1 ACCOUNTING POLICIES *continued*

EMPLOYEE BENEFITS

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Pension plans, which are multi-employer plans in the nature of defined contribution plans, are funded through monthly contributions to these defined contribution plans. Obligations for contributions are recognised as an employee benefit expense in profit or loss as incurred.

Long-service benefits

The group makes long-service bonus payments (long-service awards) for certain eligible employees under the Chamber of Mines of South Africa Long Service Award Scheme. The amount of the award is based on both the employee's skill level and years of service with gold mining companies that qualify for the scheme. The obligation is accrued over the service life of the employees and is calculated using a projected unit credit method. Any actuarial gains or losses are recognised in OCI in the period in which they arise.

Post-retirement medical benefits

Post-retirement medical benefits in respect of qualifying employees are recognised over the expected remaining service lives of relevant employees and the remaining life expectancies of retirees. The group has an obligation to provide medical benefits to certain of its pensioners and dependants of ex-employees. These liabilities are provided in full, calculated on an actuarial basis and discounted using the projected unit credit method. The discount rate is the yield at the reporting date on corporate bonds that have maturity dates approximating the terms of the group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. Periodic valuation of these obligations is carried out by independent actuaries using appropriate mortality tables, long-term estimates of increases in medical costs and appropriate discount rates. The fair value of any plan assets is deducted. Actuarial gains and losses are recognised immediately in OCI. When the calculation results in a benefit to the group, the recognised asset is limited to the net total of any unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

When the benefits of a plan are changed, the portion of the changed benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in OCI.

Termination benefits

Termination benefits are recognised as an expense when the group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits for voluntary redundancies are recognised as an expense if the group has made an offer for voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, they are discounted to their present value.

SHARE-BASED PAYMENT TRANSACTIONS

Equity settled share based payment awards

The group grants share options to certain employees under an employee share plan to acquire shares of the company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options.

The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest, except where forfeiture is only due to market conditions such as share prices not achieving the threshold for vesting.

1 ACCOUNTING POLICIES *continued*

SHARE-BASED PAYMENT TRANSACTIONS *continued*

Cash settled share based payment awards

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date, based on the fair value of the share appreciation rights. Any changes in the liability are recognised as employee benefit expenses in profit or loss. The fair value of the options granted is measured using the Black-Scholes option pricing model at each reporting date.

A provision is recognised in the statement of financial position when the group has present legal or constructive obligations resulting from past events that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

PROVISIONS

Decommissioning liabilities

The provision for decommissioning represents the cost that will arise from rectifying damage caused before production commenced. Accordingly, an asset is recognised and included within mining properties.

Decommissioning liabilities are measured at the present value of the expenditures expected to settle the obligation, using estimated cash flows based on current prices. The unwinding of the decommissioning obligation is included in profit or loss. Estimated future costs of decommissioning obligations are reviewed regularly and adjusted as appropriate for new circumstances or changes in law or technology. Changes in estimates are capitalised or reversed against the relevant asset.

Gains or losses from the expected disposal of assets are not taken into account when determining the provision.

Restoration liabilities

The provision for restoration represents the cost of restoring site damage after the start of production. Increases in the provision are recognised in profit or loss as a cost of production. Gross restoration liabilities are estimated at the present value of the expenditures expected to settle the obligation.

Rehabilitation obligation funds

Rehabilitation obligation funds are used to cover the estimated cost of rehabilitation at the end of the life of the relevant mine. These contributions are recognised as a right to receive a reimbursement from the fund and measured at the lower of the amount of the decommissioning obligation recognised and the fair value of the fund assets. Changes in the carrying value of the fund assets, other than contributions to and payments from the fund, are recognised in profit or loss.

REVENUE RECOGNITION

Gold bullion and by-products

The group recognises revenue from the sale of gold bullion and by-products at the fair value of the consideration received or receivable. Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. These criteria are usually met when Rand Refinery sells the refined gold (refer note 26).

Company revenue

The company recognises revenue from rendering management services to subsidiary companies when the services have been rendered and to the stage of completion thereof and is measured at fair value. Revenue from the receipt of dividends is recognised when the company's right to receive payment has been established.

1 ACCOUNTING POLICIES *continued*

GOVERNMENT GRANTS

Government grants are not recognised until there is reasonable assurance that the entity will comply with the conditions attaching to them and the grant will be received. Grants that compensate the group for expenses incurred are recognised in profit or loss as a deduction against the related expense.

FINANCE INCOME

Finance income includes dividends received (except in the company's separate financial statements where this is recognised as revenue), interest received, growth in the environmental rehabilitation obligation funds, net gains on financial instruments measured at amortised cost, net foreign exchange gains, and other profits and losses arising on disposal of investments.

Dividends are recognised when the group's right to receive payment is established. Interest is recognised on a time proportion basis, taking account of the principle outstanding and the effective rate to maturity on the accrual basis.

Operating lease payments
Payments made under operating leases are recognised in profit or loss on a straight-line basis over the period of the lease.

Finance lease payments
Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Finance expenses
Finance expenses comprise interest payable on borrowings calculated using the effective interest method, unwinding of the provision for environmental rehabilitation, net foreign exchange losses, net losses on financial instruments measured at amortised cost, and interest on finance leases.

Borrowing costs capitalised
Interest on borrowings relating to the financing of qualifying major capital projects under construction is capitalised during the construction phase as part of the cost of the project. Such borrowing costs are capitalised over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalisation ceases when construction is interrupted for an extended period or when the asset is substantially complete. Other borrowing costs are expensed as incurred.

SEGMENT REPORTING

Operating segments are identified on the basis of internal reports that the group's chief operating decision maker (CODM) reviews regularly in allocating resources to segments and in assessing their performance. The CODM for the group has been identified as the group's Executive Committee. Reportable segments are identified based on quantitative thresholds of revenue, profit or loss, and assets. The amounts disclosed for each reportable segment are the measures reported to the CODM, which are not necessarily based on the same accounting policies as the amounts recognised in the financial statements. Aggregation of operating segments is implemented where disclosure of information enables users of the group's financial statements to evaluate the nature and effects of the business activities in which it engages and the economic environment in which it operates, where the operating segments have characteristics so similar that they can be expected to have essentially the same future prospects and where they are similar in the following respects:

- the nature of products and services;
- the nature of the production process;
- the type or class of customer for the products and services;
- the methods used to distribute the products or provide the services; and
- if applicable, the nature of the regulatory environment.

NOTES TO THE FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 30 JUNE 2015

1 ACCOUNTING POLICIES *continued*

ASSETS HELD-FOR-SALE

Non-current assets, or disposal groups comprising asset and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than continuing use.

Such assets, or disposal groups are generally measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on the disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the group's other accounting policies. Impairment losses on initial application as held-for-sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment, are no longer amortised or depreciated, and any equity accounted investee is no longer equity accounted.

EARNINGS OR LOSS PER SHARE

The group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings or loss per share is calculated based on the net profit or loss after tax for the year attributable to ordinary shareholders of the company, divided by the weighted average number of ordinary shares in issue during the year. Diluted earnings or loss per share is presented when the inclusion of ordinary shares that may be issued in the future, which comprise share options granted to employees, has a dilutive effect on earnings or loss per share.

NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

At the date of authorisation of these financial statements, the following relevant standards, amendments to standards and interpretations that may be applicable to the business of the entity were in issue but not yet effective and may therefore have an impact on future financial statements. These new standards, amendments to standards and interpretations have not been early adopted by the group and an estimate of the impact of the adoption thereof for the group is yet to be completed. The group expects to adopt the standards, amendments to standards and interpretations when they become effective, except IAS 1 Presentation of Financial Statements which management is considering for early adoption for the year ending 30 June 2016.

Standard/interpretation		Effective date
IAS 1	Presentation of Financial Statements	1 January 2016
IFRS 15	Revenue from contracts with customers	1 January 2017
IFRS 9	Financial Instruments	1 January 2018

IAS 1 Presentation of Financial Statements

Key clarifications included in this amendment includes the following:

- There is an emphasis on materiality. Specific single disclosures that are not material do not have to be presented – even if they are a minimum requirement of a standard.
- The order of notes to the financial statements is not prescribed. Instead, companies can choose their own order, and can also combine, for example, accounting policies with notes on related subjects.
- It has been made explicit that companies:
  - Should disaggregate line items on the statement of financial position and in the statement of profit or loss and OCI if this provides helpful information to users; and
  - Can aggregate line items on the statement of financial position if the line items specified by IAS 1 are immaterial.
- Specific criteria are provided for presenting subtotals on the statement of financial position and in the statement of profit or loss and OCI, with additional reconciliation requirements for the statement of profit or loss and OCI.
- The presentation in the statement of OCI of items of OCI arising from joint ventures and associates accounted for using the equity method follows IAS 1's approach of splitting items that may, or that will never, be reclassified to profit or loss.

1 ACCOUNTING POLICIES *continued*

NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS NOT YET ADOPTED *continued*

IFRS 15 Revenue from contracts with customers

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

IFRS 9 Financial Instruments (2010), IFRS 9 Financial Instruments (2009)

IFRS 9 (2009) introduces new requirements for the classification and measurements of financial assets. Under IFRS 9 (2009) financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 (2010) introduces additional changes relating to the financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and add new requirements to address the impairment of financial assets and hedge accounting.

2 OPERATING SEGMENTS

The following summary describes the operations in the group's reportable operating segment:

- **Ergo** is a surface retreatment operation and treats old slime and sand dumps to the south of Johannesburg's central business district as well as the East and Central Rand goldfields. The operation comprises four plants. Ergo and Knights continue to operate as metallurgical plants but Crown and City Deep have been converted to pump/milling stations.
- **Corporate office and other reconciling items** are taken into consideration in the strategic decision-making process of the CODM and are therefore included in the disclosure here, even though they do not earn revenue. They do not represent a separate segment.

The reportable segments, as described below, are the group's strategic divisions. The strategic divisions reflect different operational locations reported on separately to the executive committee (chief operating decision maker or CODM). The group's revenue stream consists of the sale of gold bullion.

2015	Ergo R'000	Corporate office and other reconciling items R'000	Total R'000
Financial performance			
Revenue	2 105 298	–	2 105 298
Cash operating costs	(1 741 512)	–	(1 741 512)
Movement in gold in process	20 557	–	20 557
Operating profit	384 343	–	384 343
Finance income	808	13 599	14 407
Finance expense	(3 095)	(7 517)	(10 612)
Retrenchment costs	(2 794)	(4 356)	(7 150)
Administration expenses and general costs	(3 466)	(66 106)	(69 572)
Income tax [(1)]	(1 067)	4 412	3 345
Working profit/(loss) before capital expenditure	374 729	(59 968)	314 761
Additions to property, plant and equipment	(113 233)	(102)	(113 335)
Additions to reimbursive right	(803)	–	(803)
Working profit/(loss) after capital expenditure	260 693	(60 070)	200 623

[(1)] Income tax excludes deferred tax.

2 OPERATING SEGMENTS *continued*

2015 *continued*	Ergo R'000	Corporate office and other reconciling items R'000	Total R'000
Reconciliation of profit/(loss) for the year			
Working profit/(loss) before capital expenditure	374 729	(59 968)	314 761
– Depreciation	(193 144)	(157)	(193 301)
– Movement in provision for environmental rehabilitation	15 840	4 603	20 443
– Impairments	(3 075)	(4 829)	(7 904)
– Fair value adjustment on available-for-sale investment reclassified to profit or loss	–	19 875	19 875
– Profit on disposal of equity accounted investment	–	5 882	5 882
– Growth in environmental rehabilitation trust funds and reimbursive right	7 586	3 748	11 334
– Profit on disposal of property, plant and equipment	2 344	10 823	13 167
– Unwinding of provision for environmental rehabilitation	(37 306)	(1 685)	(38 991)
– Ongoing rehabilitation expenditure	(30 630)	(1 098)	(31 728)
– Net other operating costs	(961)	(12 437)	(13 398)
– Deferred tax	(31 717)	(227)	(31 944)
Profit/(loss) for the year	103 666	(35 470)	68 196
Statement of cash flows			
Cash flows from operating activities	284 961	(1 348)	283 613
Cash flows from investing activities	(98 030)	60 361	(37 669)
Cash flows from financing activities	(416)	(130 085)	(130 501)
Reportable segment assets			
Property, plant and equipment	1 676 172		
Reportable segment liabilities			
All liabilities excluding deferred tax	744 390		

GEOGRAPHICAL INFORMATION AND INFORMATION ABOUT MAJOR CUSTOMERS

Due to regulatory authority, the group has only one major gold ore customer in South Africa, being the only geographical area in which it operates.

2 OPERATING SEGMENTS *continued*

2014	Ergo R'000	Corporate office and other reconciling items R'000	Total R'000
Financial performance			
Revenue	1 809 434	–	1 809 434
Cash operating costs	(1 540 622)	–	(1 540 622)
Movement in gold in process	(8 828)	–	(8 828)
Operating profit	259 984	–	259 984
Finance income	1 011	17 279	18 290
Finance expense	(270)	(17 540)	(17 810)
Retrenchment costs	(1 074)	(5 674)	(6 748)
Administration expenses and general costs	(3 236)	(74 884)	(78 120)
Income tax [1]	(439)	(5 982)	(6 421)
Working profit/(loss) before capital expenditure	255 976	(86 801)	169 175
Additions to property, plant and equipment	(158 548)	(45)	(158 593)
Additions to listed investments	–	(5 246)	(5 246)
Additions to unlisted investments	–	(7)	(7)
Working profit/(loss) after capital expenditure	97 428	(92 099)	5 329

[1] Income tax excludes deferred tax.

Reconciliation of profit/(loss) for the year			
Working profit/(loss) before capital expenditure	255 976	(86 801)	169 175
– Depreciation	(159 836)	(163)	(159 999)
– Movement in provision for environmental rehabilitation	82 281	4 324	86 605
– Impairments	(14 788)	(41 803)	(56 591)
– Growth in environmental rehabilitation trust funds and reimbursive right	6 423	3 266	9 689
– Profit on disposal of property, plant and equipment	90	902	992
– Unwinding of provision for environmental rehabilitation	(36 300)	(1 719)	(38 019)
– Borrowing costs capitalised	3 534	–	3 534
– Ongoing rehabilitation expenditure	(29 973)	(14)	(29 987)
– Share of loss on equity accounted investments	–	(313)	(313)
– Net other operating costs	(15 005)	(13 677)	(28 682)
– Deferred tax	(9 662)	(1 465)	(11 127)
Profit/(loss) for the year	82 740	(137 463)	(54 723)
Statement of cash flows			
Cash flows from operating activities	211 270	(130 579)	80 691
Cash flows from investing activities	(171 727)	(51)	(171 778)
Cash flows from financing activities	–	(76 632)	(76 632)
Reportable segment assets			
Property, plant and equipment	1 729 521		
Reportable segment liabilities			
All liabilities excluding deferred tax	637 098		

GEOGRAPHICAL INFORMATION AND INFORMATION ABOUT MAJOR CUSTOMERS

Due to regulatory authority, the group has only one major gold ore customer in South Africa, being the only geographical area in which it operates.

NOTES TO THE FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 30 JUNE 2015

GROUP 2014 R'000	GROUP 2015 R'000			COMPANY 2015 R'000	COMPANY 2014 R'000
		3	**REVENUE**		
			Revenue consists of the following principal categories:		
1 807 145	**2 103 046**		Gold revenue	**–**	–
2 289	**2 252**		By-product revenue	**–**	–
–	**–**		Management fees	**10 560**	21 924
1 809 434	**2 105 298**		**Total revenue**	**10 560**	21 924
		4	**RESULTS FROM OPERATING ACTIVITIES**		
			Include the following:		
(5 787)	**(7 580)**		**Auditors' remuneration**	**(5 844)**	(4 404)
(5 787)	**(6 539)**		Audit fees – current year	**(4 878)**	(4 404)
–	**(966)**		Under provision – prior year	**(966)**	–
–	**(75)**		Fees for other services	**–**	–
(6 996)	**(7 061)**		**Management, technical, administrative and secretarial service fees**	**(3 465)**	(2 263)
			Staff costs		
(306 501)	**(366 761)**		Included in staff costs are:	**(20 273)**	(22 427)
(276 205)	**(337 235)**		Salaries and wages	**(17 052)**	(19 565)
(3 341)	**(1 753)**		Share-based payments	**(247)**	(1 365)
(6 748)	**(7 150)**		Retrenchment costs	**(2 974)**	(1 325)
(20 207)	**(20 623)**		Post-retirement and other employee benefits	**–**	(172)
992	**13 166**		**Profit on disposal of property, plant and equipment**	**–**	–
(2 531)	**(2 768)**		**Operating leases**	**(1 179)**	(1 245)
(56 591)	**(7 904)**		**(Impairments)/reversal of impairments**	**(4 829)**	(41 803)
(12 377)	**(3 075)**		Property, plant and equipment (a)	**–**	–
(46 914)	**(3 614)**		Non-current investments and other assets (b)	**(3 614)**	(44 503)
2 700	**–**		Investments in and loans to equity accounted investment (c)	**–**	2 700
–	**(1 215)**		Cash and cash equivalents	**(1 215)**	–
(16)	**–**		**Mining royalties**	**–**	–
8 813	**21 428**		**Learnership grant**	**–**	–
			Grants received from the Mining Qualifications Authority to recover costs incurred by EBDA		

4 RESULTS FROM OPERATING ACTIVITIES *continued*

Group unless stated otherwise

During the year ended 30 June 2015, the group recognised the following impairments:

(a) Property, plant and equipment (refer note 10):

R3.1 million (2014: R12.4 million) in the Ergo operating segment. The R3.1 million impairment recorded in FY2015 relate to the Soweto cluster included under mine development costs which was assessed to be uneconomically viable to mine. The R12.4 million recorded in FY2014 relates to the exploration assets associated with phase 2 of the Uranium plant that is not considered to be economically viable given the current uranium prices.

(b) Non-current investments and other assets (refer note 11):

Listed shares:

Group and Company

R3.6 million (2014: R6.7 million) due to the fair value of these shares having remained significantly lower than its original cost price for a pro-longed period. These include:

– Village Main Reef Limited: R2.3 million (2014: R5.3 million); and
– West Wits Mining Limited: R1.3 million (2014: R1.4 million).

Unlisted investments:

– **Group:** nil (2014: R40.2 million); and
– **Company:** nil (2014: R37.8 million).

Following the adoption of a new Enterprise Resource Planning (ERP) system in 2013, Rand Refinery Proprietary Limited ("Rand Refinery") experienced implementation difficulties which led to an imbalance between physical gold and silver on hand and what Rand Refinery owed its depositors and bullion bankers per the metallurgical trial balance. Rand Refinery's investigations to determine the root cause of the imbalance are still ongoing.

As a precautionary measure following the challenges experienced by the implementation of the software system, Rand Refinery's major shareholders have extended Rand Refinery an irrevocable, subordinated loan facility of up to R1.2 billion. The facility is convertible to equity after a period of two years. DRDGOLD declined the option to provide funding on a *pro-rata* basis with other major shareholders which may result in its shareholding being diluted, if the funding provided by the other shareholders are converted into equity. During late calendar 2014, Rand Refinery drew down R1.02 billion on the shareholders' loan.

During the year ended 30 June 2014, the accumulated revaluations recognised in Other Comprehensive Income was derecognised and the initial cost of the investment was impaired in profit or loss due to the imbalance identified.

(c) Equity accounted investments (refer note 13):

Group and Company

During the year ended 30 June 2014, the group recorded a reversal of an impairment of R2.7 million against the investment in West Wits SA Proprietary Limited due to the disposal of the shares for an interest in West Wits Mining Limited, at an amount in excess of the original acquisition cost.

NOTES TO THE FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 30 JUNE 2015

5 DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS

2015	Board fees R'000	Salary and other contributions R'000	Bonuses and performance related payments R'000	Termination of contract related payments R'000	Pre-tax gain on share options R'000	Leave encashed R'000	Total R'000
Company							
Executive directors							
D J Pretorius	–	4 775	–	–	–	769	5 544
F D van der Westhuizen[3]	–	133	–	1 946	–	–	2 079
A T Meyer	–	893	–	–	–	–	893
A J Davel	–	1 427	–	–	–	–	1 427
	–	7 228	–	1 946	–	769	9 943
Non-executive directors							
G C Campbell	1 453	–	–	–	–	–	1 453
R P Hume	262	–	–	–	–	–	262
J Turk	676	–	–	–	–	–	676
E A Jeneker	763	–	–	–	–	–	763
J A Holtzhausen	690	–	–	–	–	–	690
	3 844	–	–	–	–	–	3 844
Group							
Prescribed officers							
C M Symons[1]	–	2 851[4]	405	–	–	–	3 256
T J Gwebu[2]	–	1 610	330	1 466	–	40	3 446
W J Schoeman	–	2 885[5]	187	–	–	–	3 072
R Masemene	–	1 296	143	–	–	329	1 768
	–	8 642	1 065	1 466	–	369	11 542
Total	3 844	15 870	1 065	3 412	–	1 138	25 329
2014							
Group and company							
Executive directors							
D J Pretorius	–	4 832	1 359	–	–	–	6 191
C C Barnes	–	2 119	1 386	–	255	–	3 760
F D van der Westhuizen[3]	–	1 171	–	–	53	–	1 224
	–	8 122	2 745	–	308	–	11 175
Non-executive directors							
G C Campbell	1 514	–	–	–	–	–	1 514
R P Hume	747	–	–	–	–	–	747
J Turk	692	–	–	–	–	–	692
E A Jeneker	792	–	–	–	–	–	792
J A Holtzhausen	124	–	–	–	–	–	124
	3 869	–	–	–	–	–	3 869
Prescribed officers							
C M Symons[1]	–	2 653[4]	1 064	3 263	183	–	7 163
T J Gwebu	–	2 209	984	–	191	–	3 384
W J Schoeman	–	3 081	1 183	–	125	–	4 389
	–	7 943	3 231	3 263	499	–	14 936
Total	3 869	16 065	5 976	3 263	807	–	29 980

[1] Retrenched during FY2014. Subsequently appointed on a fixed-term contract basis
[2] Retrenched during FY2015. Ceased to function as prescribed officer effective 31 December 2014
[3] Salary earned in capacity of director only. Pre-tax gain on share options earned prior to appointment as director
[4] Includes pension scheme contributions of R309 139 (2014: R287 918)
[5] Includes payment for loss of office of R177 292

5 DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS *continued*

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

DRDGOLD PHANTOM SHARE SCHEME

	Opening balance	Granted during year	Exercised during year	Exercise price	Forfeited/ lapsed during year	Closing balance	Fair value as at 30 June 2015
2015	**Number**	**Number**	**Number**	**R**	**Number**	**Number**	**R'000**
Company							
Executive directors							
F D van der Westhuizen	172 294	–	–	–	(172 294)	–	–
2012 grant	48 565	–	–	–	(48 565)	–	–
2013 grant	123 729	–	–	–	(123 729)	–	–
A J Davel	–	205 207	–	–	–	205 207	381
2014 grant	–	205 207	–	–	–	205 207	381
Group							
Prescribed officers							
C M Symons (1)	106 425	204 757	(106 425)		–	204 757	381
2012 grant	83 033	–	(83 033)	1.93	–	–	–
2013 grant	23 392	–	(23 392)	–	–	–	–
2014 grant	–	204 757	–	–	–	204 757	381
T J Gwebu (2)	251 749	–	(85 395)		(50 600)	115 754	296
2012 grant	130 310	–	(65 155)	1.93	–	65 155	198
2013 grant	121 439	–	(20 240)	–	(50 600)	50 599	98
W J Schoeman	372 457	205 207	(126 626)		–	451 038	767
2012 grant	193 648	–	(96 824)	1.93	–	96 824	97
2013 grant	178 809	–	(29 802)	–	–	149 007	289
2014 grant	–	205 207	–	–	–	205 207	381
R Masemene	108 564	101 351	(34 283)		–	175 632	310
2012 grant (3)	48 565	–	(24 283)	1.93	–	24 282	24
2013 grant (3)	59 999	–	(10 000)	–	–	49 999	97
2014 grant	–	101 351	–	–	–	101 351	189
Total	1 011 489	716 522	(352 729)	–	(222 894)	1 152 388	2 135

NOTES TO THE FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 30 JUNE 2015

5 DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS *continued*

DRDGOLD PHANTOM SHARE SCHEME *continued*

2014	Opening balance Number	Granted during year Number	Exercised during year Number	Exercise price R	Forfeited/ lapsed during year Number	Closing balance Number	Fair value as at 30 June 2014 R'000
Group and company							
Executive directors							
C C Barnes	**261 350**	**–**	**(43 558)**		**(217 792)**	**–**	**–**
2012 grant	261 350	–	(43 558)	3.27	(217 792)	–	–
2013 grant	–	–	–	–	–	–	–
F D van der Westhuizen	**58 278**	**123 729**	**(9 713)**		**–**	**172 294**	**159**
2012 grant [4]	58 278	–	(9 713)	3.27	–	48 565	74
2013 grant [4]	–	123 729	–	–	–	123 729	85
Prescribed officers							
C M Symons [1]	**199 280**	**140 366**	**(33 213)**		**(200 008)**	**106 425**	**147**
2012 grant	199 280	–	(33 213)	3.27	(83 034)	83 033	134
2013 grant	–	140 366	–	–	(116 974)	23 392	13
T J Gwebu	**156 372**	**121 439**	**(26 062)**		**–**	**251 749**	**282**
2012 grant	156 372	–	(26 062)	3.27	–	130 310	198
2013 grant	–	121 439	–	–	–	121 439	84
W J Schoeman	**232 378**	**178 809**	**(38 730)**		**–**	**372 457**	**418**
2012 grant	232 378	–	(38 730)	3.27	–	193 648	295
2013 grant	–	178 809	–	–	–	178 809	123
Total	**907 658**	**564 343**	**(151 276)**	**–**	**(417 800)**	**902 925**	**1 006**

(1) Retrenched during FY2014. Subsequently appointed on a fixed-term contract basis
(2) Retrenched during FY2015. Ceased to function as prescribed officer effective 31 December 2014
(3) Granted prior to appointment as a prescribed officer during August 2014
(4) Granted/exercised prior to appointment as a director during January 2014

NOTES TO THE FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 30 JUNE 2015

5 DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS *continued*

DRDGOLD (1996) SHARE SCHEME

	Opening balance	Average strike price	Exercised during year [5]	Forfeited/ lapsed during year	Average strike price	Closing balance	Average strike price
2015	**Number**	**R**	**Number**	**Number**	**R**	**Number**	**R**
Company							
Executive directors							
F van der Westhuizen	**18 550**	**5.12**	**–**	**(18 550)**	**5.12**	**–**	**–**
	18 550		**–**	**(18 550)**		**–**	
Group							
Prescribed officers							
C M Symons [1]	**85 050**	**5.12**	**–**	**(85 050)**	**5.12**	**–**	**–**
T J Gwebu [2]	**66 750**	**5.12**	**–**	**–**	**–**	**66 750**	**5.12**
W J Schoeman	**99 175**	**5.12**	**–**	**–**	**–**	**99 175**	**5.12**
R Masemene [3]	**17 300**	**5.12**	**–**	**–**	**–**	**17 300**	**5.12**
	268 275		**–**	**(85 050)**		**183 225**	
	286 825		**–**	**(103 600)**		**183 225**	
2014							
Group and company							
Executive directors							
C C Barnes	234 504	4.56	(163 111)	(71 393)	5.12	–	–
F van der Westhuizen [4]	53 525	5.12	(34 975)	–	–	18 550	5.12
	288 029		(198 086)	(71 393)		18 550	
Prescribed officers							
C M Symons [1]	212 050	4.84	(127 000)	–	–	85 050	5.12
T J Gwebu	192 650	4.68	(125 900)	–	–	66 750	5.12
W J Schoeman	198 350	5.12	(99 175)	–	–	99 175	5.12
	603 050		(352 075)	–		250 975	
	891 079		(550 161)	(71 393)		269 525	

[1] Retrenched during FY2014. Subsequently appointed on a fixed-term contract basis
[2] Retrenched during FY2015. Ceased to function as prescribed officer effective 31 December 2014
[3] Granted prior to appointment as a prescribed officer during August 2014
[4] Granted prior to appointment as a director on 1 January 2014
[5] The share options that were exercised for the year ended 30 June 2014 related to the buy-out of vested share options under the share option scheme

GROUP 2014 R'000	GROUP 2015 R'000			COMPANY 2015 R'000	COMPANY 2014 R'000
		6	**FINANCE INCOME**		
15 740	**14 406**		Interest received	**13 297**	13 822
–	**–**		Interest received from subsidiaries	**61 973**	58 557
4 618	**5 562**		Growth in environmental rehabilitation trust funds (refer note 11 and 16)	**–**	–
5 071	**5 772**		Growth in reimbursive right (refer note 11)	**–**	–
–	**19 875**		Fair value adjustment on available-for-sale investment reclassified to profit or loss (refer note 11)	**19 875**	–
2 546	**5 882**		Profit on disposal of equity accounted investment (refer note 13)	**–**	2 546
5	**–**		Realised foreign exchange gains	**–**	–
27 980	**51 497**			**95 145**	74 925
		7	**FINANCE EXPENSES**		
(17 810)	**(10 612)**		Interest paid on bank loans and overdrafts	**(7 468)**	(17 444)
3 534	**–**		Borrowing costs capitalised (refer note 10)	**–**	–
(38 019)	**(38 991)**		Unwinding of provision for environmental rehabilitation (refer note 18)	**–**	–
(52 295)	**(49 603)**			**(7 468)**	(17 444)
		8	**INCOME TAX**		
(9 724)	**(31 805)**		Mining tax	**–**	–
(7 824)	**3 206**		Non-mining tax	**4 185**	(7 446)
(17 548)	**(28 599)**			**4 185**	(7 446)
			Comprising:		
			South African		
(6 755)	**(1 067)**		Current tax – current year	**–**	(6 315)
334	**4 412**		– prior year	**4 412**	334
(11 127)	**(28 857)**		Deferred tax – current year	**(227)**	(1 465)
–	**(3 087)**		– prior year	**–**	–
(17 548)	**(28 599)**			**4 185**	(7 446)

In South Africa, mining tax on mining income is determined based on a formula which takes into account the profit and revenue from a gold mining company during the year. The formula for determining the South African gold mining tax rate for the years ended 30 June 2015 and 30 June 2014 is: Y = 34 – 170/X where Y is the percentage rate of tax payable and X is the ratio of taxable income, net of any qualifying capital expenditure that bears to mining income derived, expressed as a percentage. Non-mining income, which consists primarily of interest, is taxed at a standard rate of 28% (2014: 28%).

For deferred tax purposes, the group applies the expected average effective tax rate. The average effective tax rates for the respective operations are based on the group's current estimate when temporary differences will reverse. Depending on the profitability of the operations, the tax rate can consequently be significantly different from year to year.

Each company is taxed as a separate entity and no tax set-off is allowed between the companies.

All mining capital expenditure is deducted to the extent that it does not result in an assessed loss and depreciation is ignored when calculating the mining income. Capital expenditure not deducted from mining income is carried forward as unredeemed capital expenditure to be deducted from future mining income. Ergo is treated as one tax paying operation pursuant to the relevant ring-fencing legislation.

GROUP 2014 R'000	GROUP 2015 R'000			COMPANY 2015 R'000	COMPANY 2014 R'000
		8	**INCOME TAX** *continued*		
			Tax reconciliation		
			Major items causing the group's income tax provision to differ from the statutory rate were:		
10 409	**(27 103)**		Tax on net (profit)/loss before tax at South African corporate tax rate of 28%	**(12 153)**	4 242
5 105	**8 580**		Rate adjustment to reflect the actual realised company tax rates	**–**	–
(4 947)	**(10 028)**		Deferred tax rate adjustment	**–**	–
(22 012)	**(3 726)**		Non-deductable expenditure (a)	**(1 646)**	(11 129)
1 276	**8 423**		Exempt income and other non-taxable income (b)	**22 917**	994
–	**1 326**		Over provided in prior periods	**4 412**	–
725	**3 126**		Tax incentives	**–**	–
475	**1 789**		Other temporary differences	**(49)**	(1 553)
(8 579)	**(10 986)**		Current year losses for which no deferred tax was recognised	**(9 296)**	–
(17 548)	**(28 599)**		**Taxation charge**	**4 185**	(7 446)
1 672 506	**1 469 638**		Estimated unredeemed capital expenditure at year-end (available for deduction against future mining income)	**131 504**	131 504
1 392 642	**1 452 383**		Estimated gross capital losses at year-end (available to reduce future capital gains)	**1 452 383**	1 392 642
137 803	**165 357**		Estimated assessed tax losses at year-end (available to reduce future taxable income)	**33 199**	–
3 202 951	**3 087 378**		Estimated tax losses and unredeemed capital expenditure carried forward	**1 617 086**	1 524 146

(a) The group's non-deductable expenditure for the year ended 30 June 2015 includes R4.8 million related to impairments of available-for-sale investments and other assets (2014: R46.9 million relating to the impairment of available-for-sale financial assets (refer to note 4) and share of losses of equity accounted investments of R0.3 million).

(b) Included in the group's exempt income and other non-taxable income for the year ended 30 June 2015 are:

- R19.8 million relating to the fair value adjustment on available-for-sale investments reclassified to profit or loss; and
- R5.9 million relating to the profit on disposal of equity accounted investment.

Included in the group's exempt income and other non-taxable income for the year ended 30 June 2014 are:

- R2.7 million relating to the reversal of the impairment of the investment in West Wits SA Proprietary Limited; and
- R0.8 million relating to the portion of the R2.5 million profit on disposal of the investment in West Wits SA Proprietary Limited which is excluded for capital gains tax. The remaining portion has been included for capital gains tax and utilised capital losses that were previously unrecognised.

Company

(a) Included in the company's non-deductible expenditure for the year ended 30 June 2015, is an amount of R4.8 million relating to the impairment of the available-for-sale investments and other assets (2014: R46.9 million relating to the impairment of the available-for-sale investments).

(b) Included in the company's exempt income for the year ended 30 June 2015 are:

- R19.8 million relating to the fair value adjustment on available-for-sale investments reclassified to profit or loss; and
- R62.0 million relating to interest received from subsidiaries that is no longer taxable due to changes in income tax legislation.

	GROUP 2015 R'000	GROUP 2014 R'000
9 EARNINGS PER SHARE		
Basic		
The calculation of earnings per ordinary share is based on the following:		
Basic earnings/(loss) attributable to equity owners of the parent	**67 807**	(45 808)
Headline		
The basic earnings has been adjusted by the following to arrive at headline earnings:		
Basic earnings/(loss) attributable to equity owners of the parent	**67 807**	(45 808)
Net impairments	**6 488**	49 517
– Gross impairment	**7 904**	56 591
– Gross impairment included in the share of losses of equity accounted investments	**–**	313
– Non-controlling interest	**(799)**	(3 845)
– Tax thereon	**(617)**	(3 542)
Net profit on disposal of property, plant and equipment	**(9 869)**	(465)
– Gross profit on disposal of property, plant and equipment	**(13 166)**	(992)
– Non-controlling interest	**2 838**	258
– Tax thereon	**459**	269
Profit on disposal of equity accounted investment	**(5 882)**	(2 546)
Fair value adjustment on available-for-sale investments reclassified to profit or loss	**(19 875)**	–
Headline earnings attributable to ordinary shareholders	**38 669**	698
Diluted		
Basic earnings/(loss) attributable to equity owners of the parent	**67 807**	(45 808)
Diluted basic earnings/(loss)	**67 807**	(45 808)
Headline earnings adjustments	**(29 138)**	46 506
Diluted headline earnings	**38 669**	698

	Number of shares	Number of shares
Reconciliation of weighted average number of ordinary shares to diluted weighted average number of ordinary shares		
Weighted average number of ordinary shares in issue	**389 699 441**	379 209 441
Diluted weighted average number of ordinary shares	**389 699 441**	379 209 441

	Cents per share	Cents per share
Basic earnings/(loss) per ordinary share (cents)	**17**	(12)
Diluted earnings/(loss) per ordinary share (cents)	**17**	(12)
Headline earnings per ordinary share (cents)	**10**	*
Diluted headline earnings per ordinary share (cents)	**10**	*

At 30 June 2015, 0.8 million options (2014: 1.2 million) were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

** Less than one cent*

GROUP 2014 R'000	GROUP 2015 R'000		COMPANY 2015 R'000	COMPANY 2014 R'000
		10 PROPERTY, PLANT AND EQUIPMENT		
		Total		
2 702 984	**2 840 335**	Cost	**3 432**	3 330
2 532 338	**2 702 984**	Opening balance	**3 330**	3 286
158 593	**113 335**	Additions	**102**	44
3 534	**–**	Borrowing costs capitalised	**–**	–
(900)	**(5 640)**	Disposals	**–**	–
10 166	**29 656**	Change in estimate of decommissioning asset	**–**	–
(747)	**–**	Transferred to non-current assets held for sale	**–**	–
(947 481)	**(1 141 561)**	Accumulated depreciation and impairment	**(3 348)**	(3 204)
(776 005)	**(947 481)**	Opening balance	**(3 204)**	(3 055)
(159 999)	**(193 301)**	Depreciation	**(144)**	(149)
(12 377)	**(3 075)**	Impairment (refer note 4)	**–**	–
900	**2 296**	Disposals	**–**	–
1 755 503	**1 698 774**	Carrying value	**84**	126
		Mine property and development		
1 325 761	**1 321 607**	Cost	**–**	–
1 266 171	**1 325 761**	Opening balance	**–**	–
–	**6 628**	Additions	**–**	–
(900)	**(3 326)**	Disposals	**–**	–
–	**(7 456)**	Change in estimate of decommissioning asset	**–**	–
61 237	**–**	Transferred from exploration assets	**–**	–
(747)	**–**	Transferred to non-current assets held-for-sale (refer note 16)	**–**	–
(525 451)	**(624 645)**	Accumulated depreciation and impairment	**–**	–
(427 617)	**(525 451)**	Opening balance	**–**	–
(98 734)	**(99 194)**	Depreciation	**–**	–
900	**–**	Disposals	**–**	–
800 310	**696 962**	Carrying value	**–**	–
		Mine plant facilities (a,b)		
1 276 207	**1 420 930**	Cost	**–**	–
1 093 574	**1 276 207**	Opening balance	**–**	–
154 582	**103 734**	Additions	**–**	–
3 534	**–**	Borrowing costs capitalised (c)	**–**	–
–	**(2 250)**	Disposals	**–**	–
10 166	**43 125**	Change in estimate of decommissioning asset	**–**	–
14 351	**–**	Transferred from exploration assets	**–**	–
(390 515)	**(481 711)**	Accumulated depreciation and impairment	**–**	–
(332 963)	**(390 515)**	Opening balance	**–**	–
(57 552)	**(90 371)**	Depreciation	**–**	–
–	**(3 075)**	Impairment	**–**	–
–	**2 250**	Disposals	**–**	–
885 692	**938 888**	Carrying value	**–**	–

NOTES TO THE FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 30 JUNE 2015

GROUP 2014 R'000	GROUP 2015 R'000		COMPANY 2015 R'000	COMPANY 2014 R'000
		10 PROPERTY, PLANT AND EQUIPMENT *continued*		
		Equipment and vehicles		
24 079	**26 988**	Cost	**3 432**	3 330
20 068	**24 079**	Opening balance	**3 330**	3 286
4 011	**2 973**	Additions	**102**	44
–	**(64)**	Disposals	**–**	–
(19 138)	**(22 828)**	Accumulated depreciation and impairment	**(3 348)**	(3 204)
(15 425)	**(19 138)**	Opening balance	**(3 204)**	(3 055)
(3 713)	**(3 736)**	Depreciation	**(144)**	(149)
–	**46**	Disposals	**–**	–
4 941	**4 160**	Carrying value	**84**	126
		Exploration assets (d)		
76 937	**70 924**	Cost	**–**	–
152 525	**76 937**	Opening balance	**–**	–
–	**(6 013)**	Change in estimate of decommissioning asset	**–**	–
(75 588)	**–**	Transferred to mine properties and development and mine plant facilities	**–**	–
(12 377)	**(12 377)**	Accumulated depreciation and impairment losses	**–**	–
–	**(12 377)**	Opening balance	**–**	–
(12 377)	**–**	Impairment	**–**	–
64 560	**58 547**	Carrying value	**–**	–

Group

(a) Flotation and fine-grind ("FFG") circuit

The FFG was commissioned in late December 2013 at a cost of R389 million. Depreciation amounting to R10.8 million was recognised from this date up to March 2014 resulting in a carrying amount of R378.2 million at this date.

Production was suspended temporarily on 2 April 2014 due to a drop in gold recovery subsequent to the commissioning of the FFG. This was done to restore the established Low Grade Section to steady state in order to isolate the cause(s) of the erratic metallurgical performance. A number of small engineering upgrades were made during this "time-out".

A depreciation charge of nil was recognised from this date up to 31 August 2014 based on zero units being produced (mine plant facilities are depreciated on a units-of-production basis (refer note 1)).

The initial estimate of the remaining useful life of the plant (based on a units-of-production basis) has therefore decreased by the amount of lost production during the temporary suspension. The carrying amount of the FFG circuit will be depreciated over the remaining units-of-production when production recommences.

(b) Plant facilities acquired under finance lease

Mine plant facilities include power generation equipment with a carrying value of R22.6 million at 30 June 2015 that was acquired during the year ended 30 June 2015 by way of a finance lease (refer note 22).

(c) Borrowing costs

Borrowing costs are capitalised to qualifying assets at the rate applicable to the specific financing obtained (refer note 21).

(d) Exploration assets

At 30 June 2014, the exploration assets relate to the tailings complex that historically formed part of phase two of the Ergo project which is currently planned to be utilised in surface gold retreatment. Property and plant associated with Phase 2 of the Ergo project that has been utilised in the construction of the FFG has been transferred to mine development costs and mine plant facilities. The remaining assets that relate to Ergo Phase 2 were impaired.

NOTES TO THE FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 30 JUNE 2015

GROUP 2014 R'000	GROUP 2015 R'000		COMPANY 2015 R'000	COMPANY 2014 R'000
		11 NON-CURRENT INVESTMENTS AND OTHER ASSETS		
34 097	**3 226**	**Listed investments (a)**	**3 226**	34 097
34 071	**34 097**	Opening balance	**34 097**	34 071
5 246	**–**	Additions	**–**	5 246
–	**(46 375)**	Disposals	**(46 375)**	–
(6 734)	**(3 614)**	Impairment (refer note 4)	**(3 614)**	(6 734)
1 514	**19 118**	Fair value adjustment	**19 118**	1 514
171	**159**	**Unlisted investments**	**159**	171
93 484	**171**	Opening balance	**171**	84 328
7	**–**	Additions	**–**	7
–	**(12)**	Disposals	**(12)**	–
(40 180)	**–**	Impairment (refer note 4)	**–**	(37 769)
(53 140)	**–**	Fair value adjustment	**–**	(46 395)
2 592	**2 496**	**Loan to DRDSA Empowerment Trust (b)**	**2 496**	2 592
93 709	**100 284**	**Reimbursive right for environmental rehabilitation guarantees (c)**	**–**	–
88 638	**93 709**	Opening balance	**–**	–
–	**803**	Contributions	**–**	–
5 071	**5 772**	Growth (refer note 6)	**–**	–
82 848	**87 917**	**Investments in environmental rehabilitation trust funds (d)**	**–**	–
86 356	**82 848**	Opening balance	**–**	–
(8 126)	**–**	Transferred to non-current assets held-for-sale (refer note 16)	**–**	–
4 618	**5 069**	Growth (refer note 6)	**–**	–
213 417	**194 082**	**Total non-current investments and other assets**	**5 881**	36 860

(a) On 11 February 2012, DRDGOLD, Village Main Reef Limited ("VMR") and Business Venture Investments No 1557 Proprietary Limited (a wholly owned subsidiary of VMR), entered into a sale of shares and claims agreement, for the disposal of DRDGOLD's entire interest in and claims against Blyvooruitzicht Gold Mining Company Proprietary Limited (Blyvoor) for R1 and 85 714 286 new ordinary shares of VMR.

The Agreement consist of two parts. Part A was completed on 1 June 2012 (date of disposal; which is the date control passed to VMR). The effective date used for recordal of the disposal was 31 May 2012 – for accounting purposes, the end of the financial month. Part B has certain conditions precedent which can be waived in full by VMR.

These include the successful conversion of Blyvoor's old order mining right to a new order mining right under the Mineral and Petroleum Resources Development Act (Act No. 28 of 2002), and obtaining the consent of the Department of Minerals and Resources for the sale.

The first of the Part B conditions precedent being the notarial execution and registration of the new order mining rights after Blyvoor successfully applied for the conversion of the rights, became due during the year ended 30 June 2014. While the fulfilment of this last condition precedent is in dispute, the parties entered into a settlement agreement by which to leave the factual dispute unresolved, not to pursue arbitration and to settle the escrow shares and dividends equally between the parties.

During the year ended 30 June 2015 all the VMR shares held were sold to Heaven-Sent Capital Management Group Company Limited as part of their offer to acquire the entire issued share capital of VMR for a cash consideration of R12.25 per VMR share. Fair value adjustments amounting to R19.9 million were reclassified to profit or loss on the disposal.

NOTES TO THE FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 30 JUNE 2015

11 NON-CURRENT INVESTMENTS AND OTHER ASSETS *continued*

(b) The terms and conditions of the loans to the DRDSA Empowerment Trust are linked to the payments of dividends from Ergo Mining Operations Proprietary Limited to the trust up to the completion of the flip-up (refer note 17.2) and thereafter the payment of dividends from DRDGOLD to the trust.

(c) Cell Captive cell # 170, to which DRDGOLD is a shareholder (refer to unlisted investments), holds funds that may only be applied towards the settlement of DRDGOLD group's environmental rehabilitation obligations under financial guarantees issued by Guardrisk Insurance Company Limited to the DMR (refer note 18).

(d) The monies in the environmental rehabilitation trust funds are held in the Crown Rehabilitation Trust (refer note 12) and are invested primarily in low-risk interest-bearing debt securities and may only be used for environmental rehabilitation purposes (refer note 18).

	% held	Number of shares	Fair value 2015 R'000	Carrying value 2015 R'000	Carrying value 2014 R'000
Listed investments consist of:					
Village Main Reef Limited	–	–	–	–	30 286
West Wits Mining Limited ("West Wits Mining")	12.07	38 250 000	**3 226**	**3 226**	3 811
			3 226	**3 226**	34 097
Unlisted investments consist of:					
Rand Mutual Assurance Company Limited	#	1	–	–	–
Rand Refinery Proprietary Limited (refer note 4)	11	44 438	–	–	–
Guardrisk Insurance Company Limited (Cell Captive #170) *	#	20	**100**	**100**	100
Chamber of Mines Building Company Proprietary Limited	3	30 160	**59**	**59**	71
			159	**159**	171

Represents a less than 1% shareholding

* Class A 170 shares are held in Guardrisk Insurance Company Limited that entitles the holder to 100% of the residual net equity of the cell captive 170 after settlement of the reimbursive right

	COMPANY 2015 R'000	COMPANY 2014 R'000
12 INVESTMENTS IN SUBSIDIARIES		
Shares at cost, less impairment loss [(1)]	**210 488**	113 177
Net indebtedness, less impairment loss	**832 155**	937 252
Interest bearing loans owing by subsidiaries directly held	**544 279**	649 498
Interest bearing loans owing by subsidiaries not directly held	**599 335**	599 213
Non-interest bearing loans owing by subsidiaries	**143 920**	143 920
Impairments	**(143 920)**	(143 920)
Amounts owing to subsidiaries	**(311 459)**	(311 459)
Interest bearing loans bear interest at the prime interest rate minus four percentage points. The loans are unsecured and without any fixed repayment arrangements unless stated otherwise.		
Net investment in subsidiaries	**1 042 643**	1 050 429

12 INVESTMENTS IN SUBSIDIARIES *continued*

The following information relates to the company's financial interest in its subsidiaries at 30 June 2015:

	Number of shares [(2)]	% Held [(2)]	Shares at cost less impairment [(2)]	Indebtedness 2015 R'000	Impairment 2015 R'000	Indebtedness 2014 R'000	Impairment 2014 R'000
Subsidiaries directly held							
Ergo Mining Operations Proprietary Limited [(1,3,5)]	1 000 000	100	210 488	**544 279**	**–**	649 498	–
Argonaut Financial Services Proprietary Limited	100	100	–	**(1 055)**	**–**	(1 055)	–
Crown Consolidated Gold Recoveries Limited	51 300 000	100	–	**(245 316)**	**–**	(245 316)	–
Hartebeestfontein Gold Mining Company Limited	1	100	–	**–**	**–**	–	–
Rand Leases (Vogelstruisfontein) Gold Mining Company Limited	118 505 000	100	–	**(42 092)**	**–**	(42 092)	–
Roodepoort Gold Mine Proprietary Limited	1	100	–	**–**	**–**	–	–
West Witwatersrand Gold Holdings Limited	99 000 000	100	–	**(22 996)**	**–**	(22 996)	–
Total			**210 488**	**232 820**	**–**	338 039	–
Subsidiaries not directly held							
Ergo Mining Proprietary Limited [(4,5)]	–	–	–	**599 335**	**–**	599 213	–
West Witwatersrand Gold Mines Limited	–	–	–	**143 920**	**(143 920)**	143 920	(143 920)
Total				**743 255**	**(143 920)**	743 133	(143 920)
Total			**210 488**	**976 075**	**(143 920)**	1 081 172	(143 920)

(1) During the year ended 30 June 2015, DRDGOLD acquired the 26% shareholding in Ergo Mining Operations Proprietary Limited ("EMO") that was not held at 30 June 2014 for 45.5 million shares in DRDGOLD at a fair value of R96.5 million plus R0.9 million cash.

(2) As at 30 June 2014 and 30 June 2015 respectively unless stated otherwise.

(3) Ergo Mining Operations Proprietary Limited holds the following interests in other entities: 100% of East Rand Proprietary Mines Limited ("ERPM"), 100% of Crown Gold Recoveries Proprietary Limited ("Crown") and 100% of Ergo Mining Proprietary Limited ("Ergo"). EMO does not hold any ownership interest in the Crown Rehabilitation Trust or the Ergo Business Development Academy NPC ("EBDA"), but controls these entities by way of the terms of the constituting documents that grant the EMO group the ability to direct its relevant activities, as well as the group receiving substantially all of the benefits that are generated through their operation.

(4) Repayments per the loan agreements are based on free cash flows on a quarterly basis. However, DRDGOLD reserves the right to call for payment of the loan at any time.

(5) The company considers the provision of financial support to, and the subordination of the amounts owing to it by its subsidiaries annually based on the liquidity requirements of the company and the respective subsidiaries. The company has subordinated its claim against these subsidiaries in favour of all other creditors and in terms of this subordination agreements, DRDGOLD will not call for repayment of the loans:
- within 367 days from 1 October 2014; or
- until all other liabilities are paid; or
- the total assets of the lender, fairly valued, exceeds its total liabilities.

GROUP 2014 R'000	GROUP 2015 R'000		COMPANY 2015 R'000	COMPANY 2014 R'000
		13 EQUITY ACCOUNTED INVESTMENTS		
		13.1 JOINT VENTURES		
		Chizim Gold (Pvt) Limited ("Chizim Gold") – Zimbabwe		
		During the year ended 30 June 2015, DRDGOLD disposed of its Chizim Gold shares and loan account for US$1. The foreign exchange translation reserve amounting to R5.9 million was reclassified to profit or loss on the disposal.		
49%	**0%**	Percentage held	**0%**	49%
		Investment in joint venture		
313	**–**	Opening balance	**–**	–
50 448	**50 448**	Cost	**44 566**	44 566
(50 135)	**(50 448)**	Accumulated impairment	**(44 566)**	(44 566)
(313)	**–**	Share of losses of equity accounted investments (a)	**–**	–
–	**–**	Disposed at carrying value	**–**	–
–	**–**	Closing balance	**–**	–
50 448	**–**	Cost	**–**	44 566
(50 448)	**–**	Accumulated impairment	**–**	(44 566)
		13.2 ASSOCIATES		
		West Wits SA Proprietary Limited ("West Wits SA")		
		During the year ended 30 June 2014, DRDGOLD exercised its option under the agreement with various capital vendors dated 7 November 2007, to convert its 28.33% investment in West Wits SA into shares in West Wits Mining.		
		DRDGOLD therefore, reversed the R2.7 million impairment (refer note 4), derecognised the investment West Wits SA, and recognised a profit on the disposal of an equity accounted investment of R2.5 million (refer note 6), and recognised 38.25 million shares with a fair value of R5.2 million in West Wits Mining (refer note 11).		
0.00%	**0.00%**	Percentage held	**0.00%**	0.00%
		Investment in associate		
–	**–**	Opening balance	**–**	–
2 700	**–**	Cost	**–**	2 700
(2 700)	**–**	Accumulated impairment	**–**	(2 700)
2 700	**–**	Reversal of impairment	**–**	2 700
(2 700)	**–**	Disposals	**–**	(2 700)
–	**–**	Closing balance	**–**	–
–	**–**	Carrying value of equity accounted investments	**–**	–

Group

Share of losses of equity accounted investments

(a) Chizim

The share of losses of equity accounted investments relate to impairments recognised at Chizim Gold level. On 30 June 2013, the entity stopped conducting feasibility studies on certain exploration tenements in Zimbabwe. On this date, the company impaired its investment in full and the group recognised the impairment of the non-current exploration assets through its share of the equity accounted losses of the investee. The remaining net current assets were impaired during the year ended 30 June 2014.

GROUP 2014 R'000	GROUP 2015 R'000		COMPANY 2015 R'000	COMPANY 2014 R'000
		14 INVENTORIES		
43 033	**60 555**	Gold in process	**–**	–
88 541	**90 689**	Consumable stores	**–**	–
15 615	**17 485**	Finished stock – Bullion	**–**	–
147 189	**168 729**	**Total inventories**	**–**	–

Group

Inventory includes gold in process carried at net realisable value amounting to R5.3 million (2014: R2.4 million) and finished stock – bullion amounting to R15 million (2014: R1.9 million) after a R1.8 million write down to net realisable value (2014: R0.8 million).

GROUP 2014 R'000	GROUP 2015 R'000		COMPANY 2015 R'000	COMPANY 2014 R'000
		15 TRADE AND OTHER RECEIVABLES		
25 630	**43 002**	Trade receivables (gold)	**–**	–
20 609	**22 892**	Value added tax	**–**	112
3 088	**3 589**	Prepayments	**208**	2 855
2 992	**2 804**	Receivables from related parties	**2 703**	2 700
1 027	**1 545**	Interest receivable	**1 545**	1 027
53 158	**25 906**	Other receivables	**3 595**	6 749
(6 981)	**(6 465)**	Allowance for impairment	**–**	–
99 523	**93 273**		**8 051**	13 443

Group

Included in other receivables are receivables relating to property sales amounting to nil (2014: R19.9 million).

GROUP 2014 R'000	GROUP 2015 R'000		COMPANY 2015 R'000	COMPANY 2014 R'000
		16 ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE		
		Assets held-for-sale		
747	**747**	Property, plant and equipment	**–**	–
8 126	**8 619**	Non-current investments and other assets	**–**	–
–	**8 126**	Opening balance	**–**	–
–	**493**	Growth (refer note 6)	**–**	–
8 126	**–**	Transferred from non-current investments and other assets	**–**	–
8 873	**9 366**			
		Liabilities held-for-sale		
20 530	**17 612**	Provisions	**–**	–
–	**20 530**	Opening balance	**–**	–
–	**1 685**	Unwinding of provision (refer note 7)	**–**	–
–	**(4 603)**	Benefit to profit or loss	**–**	–
20 530	**–**	Transferred from provision for environmental rehabilitation	**–**	–
20 530	**17 612**			

Group

In line with the group's strategy to exit underground mining operations, management committed to a plan to sell certain of the underground mining and prospecting rights held by ERPM including the related liabilities during the last quarter of the financial year ended 30 June 2014. These assets and liabilities have been presented as a disposal group held-for-sale from this date due to a sale being expected within 12 months.

While significant progress has been made in the fulfilment of the regulatory approvals required for the completion of this transaction since 30 June 2014, not all of the required approvals have been obtained at 30 June 2015 as a result of circumstances beyond the entity's control. Management has taken timely action and remains confident that the outstanding regulatory approvals will be obtained in due course.

NOTES TO THE FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 30 JUNE 2015

GROUP 2014 R'000	GROUP 2015 R'000		COMPANY 2015 R'000	COMPANY 2014 R'000
		17 EQUITY		
		17.1 EQUITY OF THE OWNERS OF THE PARENT		
		Details of equity of the owners of the parent are provided in the Statements of Changes in Equity		
		Authorised share capital		
		600 000 000 (2014: 600 000 000) ordinary shares of no par value		
500	**500**	5 000 000 (2014: 5 000 000) cumulative preference shares of 10 cents each	**500**	500
		Issued share capital		
4 132 627	**4 225 071**	430 883 767 (2014: 385 383 767) ordinary shares of no par value (a)	**4 225 071**	4 132 627
(44 153)	**(44 153)**	6 155 559 (2014: 6 155 559) treasury shares held within the group		
–	**–**	5 000 000 (2014: 5 000 000) cumulative preference shares of (b)		
500	**500**	10 cents each	**500**	500
4 088 974	**4 181 418**		**4 225 571**	4 133 127
		Revaluation and other reserves		
5 882	**–**	Foreign exchange translation reserve (c)	**–**	–
136 587	**135 830**	Asset revaluation reserve (d)	**757**	1 515
30 387	**–**	Share-based payments reserve (e)	**–**	12 835
172 856	**135 830**		**757**	14 350
		Dividends (f)		
		The following dividends were declared and paid:		
(53 085)	**(7 585)**	2 cents per qualifying ordinary share (2014: 14 cents)	**(7 708)**	(53 954)

Group and company unless stated otherwise

(a) Share capital

Unissued shares

In terms of an ordinary resolution passed at the previous annual general meeting, the remaining unissued ordinary shares in the company are under the control of the directors until the next general meeting.

(b) Cumulative preference shares

The terms of issue of the cumulative preference shares were that they carried 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 Argonaut's mineral rights acquired from Randgold and Exploration Company Limited in September 1997. The Department of Mineral Resources ("DMR") granted DRDGOLD a prospecting right over an area which was too small to mine. When an application for a greater area was lodged, the DMR stated that as the additional area was in an urban location, the application for a prospecting right could not be granted.

(c) Foreign exchange translation reserve (Group)

This represents the cumulative translation effect arising on the translation of the financial statements of the company's foreign operations and was derecognised on DRDGOLD's disposal of the foreign operations during the year ended 30 June 2015.

(d) Asset revaluation reserve (Group)

On the acquisition of ErgoGold in the year ended 30 June 2009, an amount of R133.3 million was taken to the asset revaluation reserve. This amount represented the increase in the fair value of ErgoGold's net assets after the acquisition of the group's initial interest, which is attributable to that initial interest.

The fair value adjustment on available-for-sale investments at 30 June 2015 relate to the investment in West Wits Mining Limited amounting to R0.8 million (2014: Village Main Reef Limited amounting to R1.5 million).

17 EQUITY *continued*

17.1 EQUITY OF THE OWNERS OF THE PARENT *continued*

(e) Share-based payments reserve

During the year ended 30 June 2014, the company completed a buy-out of all the vested share options offered during the year ended 30 June 2013. The buy-out amounted to R2.7 million. The share option reserve was transferred to retained earnings upon the last of the outstanding options vesting during FY2015.

(f) Dividends

After 30 June 2015, a dividend of 10 cents per qualifying share (R43.1 million) was approved by the directors as a final dividend for 2015. The dividend has not been provided for and does not have any tax impact on the company. Dividend tax is levied at 15% (2014: 15%) (certain exemptions apply) and will be withheld from the dividend depending on the classification of the beneficial owner of the relevant share.

17.2 NON CONTROLLING INTEREST ("NCI")

All the suspensive conditions for DRDGOLD's 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, were fulfilled on 26 March 2015. As a result, DRDGOLD acquired the remaining 26% of EMO at the end of the third quarter of the year ended 30 June 2015, making it a wholly-owned subsidiary of DRDGOLD with no remaining NCI in the group subsequent to this date (refer to note 12).

The following tables summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations.

	GROUP					
	2015			2014		
	EMO R'000	Intra-group eliminations and consolidation entries R'000	Total R'000	EMO R'000	Intra-group eliminations and consolidation entries R'000	Total R'000
At 30 June 2015:						
NCI percentage	–			26%		
Non-current assets	–			1 940 218		
Current assets	–			263 818		
Non-current liabilities	–			575 498		
Current liabilities	–			1 012 419		
Net assets	–			616 119		
Carrying amount of NCI	–	–	–	160 191	71 949	232 140
Year ended 30 June 2015 up to the date of derecognition:						
Revenue	**1 545 046**			1 809 434		
Profit/(loss) for the period	**1 495**			(34 290)		
Other comprehensive income ("OCI")	–			(6 745)		
Total comprehensive income	**1 495**			(41 035)		
Profit allocated to NCI	**389**		**389**	(8 915)	–	(8 915)
OCI allocated to NCI	–		–	(1 745)	–	(1 745)
NCI derecognised	–	–	**(232 529)**	–	–	–
Cash flows from operating activities	**65 726**			132 970		
Cash flows from investing activities	**(48 805)**			(168 118)		
Cash flows from financing activities	–			(17 006)		
Net increase/(decrease) in cash and cash equivalents	**16 921**			(52 154)		
Dividends paid	–			–		

GROUP			COMPANY	
2014 R'000	2015 R'000		2015 R'000	2014 R'000
		18 PROVISION FOR ENVIRONMENTAL REHABILITATION		
524 323	**451 203**	Opening balance	**–**	–
10 166	**29 656**	Increase in provision (a)	**–**	–
38 019	**37 306**	Unwinding of provision (refer note 7)	**–**	–
(14 170)	**(9 034)**	Environmental rehabilitation payments	**–**	–
(86 605)	**(15 840)**	Benefit to profit or loss (b)	**–**	–
(20 530)	**–**	Transferred to non-current liabilities held-for-sale	**–**	–
451 203	**493 291**	Closing balance	**–**	–

Group

The group intends to fund the ultimate rehabilitation costs from the money invested in environmental rehabilitation trust funds, the Guardrisk Cell Captive and, at the time of mine closure, the proceeds on sale of remaining assets and gold from plant clean-up.

At 30 June 2015, the group held funds in rehabilitation trust funds amounting to R87.9 million (2014: R82.8 million) and in the Guardrisk Cell Captive amounting to R100.3 million (2014: R93.7 million). In addition, Guardrisk Insurance Company Limited issued environmental guarantees to the DMR amounting to R404 million (2014: R305.7 million). These guarantees are funded by the funds held in the Guardrisk Cell Captive.

The rehabilitation is expected to occur progressively towards the end-of-life of the respective dumps mined.

(a) Increase in provision

The increase in provision resulted from an increases in the estimated cost of decommissioning as follows:

2015: The R29.7 million increase in provision is mostly attributable to the increase in the capacity of the Brakpan deposition site that was debited to property, plant and equipment (refer note 10).

(b) Benefit to profit or loss

The benefit recognised to profit or loss resulted from a decrease in the estimated cost of restoration as follows:

2015: The R15.8 million benefit is mostly attributable to a decrease in the oversized material that management expects to rehabilitate.

2014: The R86.6 million benefit was based on the implementation of a different technique to vegetate the Crown complex as well as the increased use of "grey water" in rehabilitation. An updated survey and work performed during the year resulted in a decrease of the area to be vegetated.

GROUP 2014 R'000	GROUP 2015 R'000		COMPANY 2015 R'000	COMPANY 2014 R'000
		19 POST-RETIREMENT AND OTHER EMPLOYEE BENEFITS		
		Non-current post-retirement and other employee benefits		
6 657	**7 563**	Liability for post-retirement medical benefits (a)	**–**	–
2 618	**1 679**	Liability for long term employee incentive scheme (b)	**454**	1 064
9 275	**9 242**		**454**	1 064
		Current post-retirement and other employee benefits		
1 958	**2 557**	Liability for long term employee incentive scheme (b)	**731**	918
1 958	**2 557**		**731**	918
		Contribution funds		
		The group participates in a number of multi-employer, industry-based retirement plans. All plans are governed by the Pension Funds Act, 1956.		
		The group pays fixed contributions to external institutions and will have no legal or constructive obligation to pay further amounts.		
		Amount recognised in profit or loss is as follows:		
(19 611)	**(19 952)**	Contribution payments	**–**	(172)
		(a) Post-retirement medical benefits		
		A provision for post-retirement medical benefits has been raised, based on the latest calculations using a projected unit credit method, of independent actuaries performed as at 30 June 2015. Post-retirement medical benefits are actuarially valued every three years. The obligation is unfunded.		
		Amounts recognised in the statement of financial position are as follows:		
6 322	**6 657**	Opening balance	**–**	–
84	**101**	Current service cost	**–**	–
–	**539**	Actuarial loss	**–**	–
(261)	**(304)**	Benefits paid	**–**	–
512	**570**	Interest costs	**–**	–
6 657	**7 563**	Closing balance	**–**	–
		Amounts recognised in profit or loss are as follows:		
(84)	**(101)**	Current service cost and interest	**–**	–
(512)	**(570)**	Interest costs	**–**	–
(596)	**(671)**		**–**	–
		Amounts recognised in the statement of other comprehensive income are as follows:		
–	**(539)**	Actuarial loss		
–	**(539)**		**–**	–

NOTES TO THE FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 30 JUNE 2015

GROUP 2014 R'000	GROUP 2015 R'000			COMPANY 2015 R'000	COMPANY 2014 R'000
		19	**POST-RETIREMENT AND OTHER EMPLOYEE BENEFITS** *continued*		
			Principal actuarial assumptions at the statement of financial position date:		
7.8%	**7.37%**		Health care cost inflation		
8.8%	**8.16%**		Discount rate		
0.9%	**0.74%**		Real discount rate		
60.0	**60.0**		Normal retirement age		
60.3	**63.3**		Expected average retirement age		
3 years	**3 years**		Spouse age gap		
100%	**100%**		Continuation at retirement		
85%	**100%**		Proportion married at retirement		
			There are currently no long-term assets set aside in respect of post-retirement medical benefit liabilities.		
			(b) Liability for long term employee incentive scheme		
3 349	**4 576**		Opening balance	**1 982**	1 753
2 821	**1 577**		Increase in liability	**71**	1 021
(1 594)	**(1 917)**		Benefits paid	**(868)**	(792)
4 576	**4 236**		Total liability of employee incentive scheme	**1 185**	1 982
(1 958)	**(2 557)**		Short term portion of employee incentive scheme	**(731)**	(918)
2 618	**1 679**		Long term portion of employee incentive scheme	**454**	1 064

DRDGOLD PHANTOM SHARE SCHEME

i) Details of the scheme

The company operates the DRDGOLD Phantom Share Scheme, (the Phantom Share Scheme), as an incentive tool for its executive directors and senior employees whose skills and experience are recognised as being essential to the company's performance. The Phantom Share Scheme was introduced during the year ended 30 June 2013 and is classified as cash settled. In terms of the Phantom Share Scheme rules, 50% of the phantom share granted will be valued based on the group meeting certain pre-determined performance criteria and the remaining 50% to defined retention periods of which the maximum incentive pay-out per annum to any single employee may not exceed 75% of that employee's gross remuneration package. The participants in the scheme are fully taxed at their marginal tax rate on any gains realised on the exercise of their options.

The phantom share granted has a zero base value, however, the number of options granted is determined by price in respect of each share which is the subject of the option, the volume weighted average price of a share on the JSE for the seven days on which the JSE is open for trading, preceding the day on which the employee is granted the option. The allocation date will be the date when the directors approve allocation of share options. Each option remains in force until date of vesting, subject to the terms of the option plan. Options granted under the Phantom Share Scheme vest primarily according to the following schedule over a maximum of a three year period:

Percentage vested in each period grant:		Period after the original date of grant of the option:
Performance criteria	**Retention criteria**	
33%	0%	one year
33%	50%	two years
33%	50%	three years

ii) Share option activity: DRDGOLD Phantom Share Scheme

Reconciliation of outstanding shares	Number of shares	Average price per share
Balance at 30 June 2013	3 019 549	3.90
Granted	1 964 033	1.18
Exercised	(477 480)	3.27
Forfeited/lapsed	(800 000)	3.27
Balance at 30 June 2014	3 706 102	2.64
Granted	2 615 207	1.31
Exercised	(1 292 833)	1.48
Forfeited/lapsed	(502 826)	2.70
Balance at 30 June 2015	**4 525 650**	**1.89**

Analysis of phantom share options:

			Unvested			
Year granted	**Years to expiry**	**Vested 30 June 2015**	**30 June 2016**	**30 June 2017**	**30 June 2018**	**Total**
2013	1	–	763 631	–	–	763 631
2014	1 – 2	–	646 222	535 284	–	1 181 506
2015	1 – 3	–	435 870	1 072 328	1 072 315	2 580 513
		–	1 845 723	1 607 612	1 072 315	4 525 650

GROUP			COMPANY	
2014 R'000	2015 R'000		2015 R'000	2014 R'000
		19 POST-RETIREMENT AND OTHER EMPLOYEE BENEFITS *continued*		
		iii) The fair value of the phantom share options determined using the Black-Scholes option valuation model.		
		Significant inputs into the model were:		
1 – 3	**1 – 3**	**Vesting periods (years) (all grants)**	**1 – 3**	1 – 3
		Market price at date of grant (Rand per share)		
6.08	**6.08**	2012 grant	**6.08**	6.08
5.10	**5.10**	2013 grant	**5.10**	5.10
	3.04	2014 grant	**3.04**	
		Volume weighted average price at date of grant (rand per share)		
6.20	**6.20**	2012 grant	**6.20**	6.20
4.98	**4.98**	2013 grant	**4.98**	4.98
	3.27	2014 grant	**3.27**	
		Average Risk-free rate		
6.3%	**6.5%**	2012 grant	**6.5%**	6.3%
6.7%	**6.7%**	2013 grant	**6.7%**	6.7%
	7.0%	2014 grant	**7.0%**	
		Average volatility*		
17.5%	**5.2%**	2012 grant	**5.2%**	17.5%
21.9%	**13.4%**	2013 grant	**13.4%**	21.9%
	24.2%	2014 grant	**24.2%**	
3.16	**2.31**	**Volume weighted average price at reporting date (Rand per share)**	**2.31**	3.16
		iv) The minimum performance criteria of the phantom share options determined against the group performance		
		All grants:		
0.25	**0.08**	**Headline earnings per share (Rand)**	**0.08**	0.25
15%	**15%**	**Return on equity**	**15%**	15%
10%	**10%**	**Free cash flow**	**10%**	10%
		Share price performance:		
		Outperform JSE Gold index		

* The volatility is measured at the standard deviation of the expected share price returns and is based on statistical analysis of daily share prices over the last three years.

19 POST-RETIREMENT AND OTHER EMPLOYEE BENEFITS *continued*

SHARE OPTION SCHEME

i) Details of the DRDGOLD (1996) share scheme

During FY2013, the company introduced a new incentive tool called the DRDGOLD Phantom Share Scheme which will replace the DRDGOLD (1996) Share Scheme and no new share options will be granted under the replaced scheme.

During the year ended 30 June 2014, the company made an offer to buy-out only the share options that have vested at the date of the offer. This offer was made at fair value based on the Black-Scholes option valuation model amounting to R2.7 million and was accepted by all the participants.

The rules of the DRDGOLD (1996) share scheme do not grant employees the choice of settlement of their vested share options in cash or equity instruments. Communications with the participants regarding the buy-out were unambiguous in stating that no further offer to buy out share options, whether vested or unvested, were promised in the future. No intention currently exists to make any further offers to buy out any share options, whether vested or unvested. As a result, no constructive obligation for further buy-outs of share options exists for which the recognition of a liability is required.

Any options not exercised within a period of five years from the grant date will expire.

ii) Share option activity: DRDGOLD (1996) Share Scheme

Reconciliation of outstanding options	Number of shares	Average price per shares R
Balance at 30 June 2013	3 655 357	6.68
Exercised	(1 836 761)	6.98
Forfeited/lapsed	(580 568)	7.06
Balance at 30 June 2014	**1 238 028**	**5.96**
Forfeited/lapsed	(470 678)	7.81
Balance at 30 June 2015	**767 350**	**5.12**

All options outstanding at 30 June 2015 have vested, have a strike price of R5.12 and expire on 31 October 2015.

iii) The fair value of the options of the DRDGOLD (1996) share scheme are determined using the Black-Scholes option valuation model and applying the following significant inputs

GROUP			COMPANY	
2014 R'000	**2015 R'000**		**2015 R'000**	**2014 R'000**
		Market price at date of grant (rand per share)		
3.66		18 October 2010 option grant [1]		3.66
5.26	**5.26**	2 November 2011 option grant	**5.26**	5.26
		Vesting periods (years)		
3		18 October 2010 option grant [1]		3
3	**3**	2 November 2011 option grant	**3**	3
		Option strike price (rand per share)		
3.69		18 October 2010 option grant [1]		3.69
5.12	**5.12**	2 November 2011 option grant	**5.12**	5.12
		Risk-free rate		
6.74%		18 October 2010 option grant [1]		6.74%
6.75%	**6.75%**	2 November 2011 option grant	**6.75%**	6.75%
		Volatility [2]		
31%		18 October 2010 option grant [1]		31%
34%	**34%**	2 November 2011 option grant	**34%**	34%

[1] All options under this grant have vested and were exercised as part of the share option buy-out completed during the year ended 30 June 2014.

[2] The volatility is measured at the standard deviation of the expected share price returns and is based on statistical analysis of daily share prices over the last three years before grant date.

NOTES TO THE FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 30 JUNE 2015

GROUP 2014 R'000	GROUP 2015 R'000		COMPANY 2015 R'000	COMPANY 2014 R'000
		20 DEFERRED TAX		
		Balances arose from the following temporary differences:		
		Deferred tax asset		
(4)	**19**	Property, plant and equipment	**19**	(4)
1 428	**1 179**	Provisions, including rehabilitation provision	**1 179**	1 428
1 424	**1 198**		**1 198**	1 424
		Deferred tax liability		
(186 770)	**(234 709)**	Property, plant and equipment	**–**	–
69 389	**82 661**	Provisions, including rehabilitation provision	**–**	–
1 297	**4 247**	Other temporary differences [(a)]	**–**	–
(116 084)	**(147 801)**		**–**	–
(114 660)	**(146 603)**	Net deferred mining and income tax (liability)/asset	**1 198**	1 424
		Reconciliation between deferred taxation opening and closing balances		
(103 533)	**(114 660)**	Opening balance	**1 424**	2 889
(11 127)	**(31 943)**	Recognised in profit or loss	**(226)**	(1 465)
(937)	**(47 916)**	– Property, plant and equipment	**23**	1
(7 778)	**13 023**	– Provisions, including rehabilitation provision	**(249)**	(1 466)
(2 412)	**2 950**	– Other temporary differences [(a)]	**–**	–
(114 660)	**(146 603)**	Closing balance	**1 198**	1 424

[(a)] Includes the temporary differences on the finance lease obligation

Group

The group provides for deferred tax at the rates which are expected to apply for temporary differences. The group uses the expected average effective tax rates, resulting from the mining tax formula for mining income based on forecasts per individual entity.

Deferred tax assets have not been recognised in respect of tax losses of R46.3 million (2014: R38.6 million), unredeemed capital expenditure of R275.6 million (2014: R292.0 million) and capital losses of R271.1 million (2014: R260.0 million).

Company

Deferred tax assets have not been recognised in respect of tax losses of R9.3 million (2014: nil), unredeemed capital expenditure of R36.8 million (2014: 36.8 million) and capital losses of R271.1 million (2014: R260.0 million).

The deferred tax relating to the investment in subsidiaries and equity accounted investments is nil (2014: nil). These investments are to be realised through dividend distributions which are exempt under current tax legislation. As a result, there are also no temporary differences.

GROUP 2014 R'000	GROUP 2015 R'000		COMPANY 2015 R'000	COMPANY 2014 R'000
		21 LOANS AND BORROWINGS		
		Unsecured		
148 695	**23 096**	Domestic Medium Term Note Programme	**23 096**	148 695
148 695	**23 096**		**23 096**	148 695
(73 195)	**(23 096)**	Less: payable within one year included under current liabilities	**(23 096)**	(73 195)
75 500	**–**		**–**	75 500
		Loans and borrowings repayment schedule for capital amounts payable in the 12 months to:		
73 195	**–**	30 June 2015	**–**	73 195
75 500	**23 096**	30 June 2016	**23 096**	75 500
148 695	**23 096**		**23 096**	148 695
		Effective interest rates:		
8.9% – 10.6%	**10.8%–11.1%**	Domestic Medium Term Note Programme	**10.8%–11.1%**	8.9% – 10.6%

Group and Company

During June 2012, the group entered into a Domestic Medium Term Note Programme ("DMTN Programme") with ABSA Capital, a division of ABSA Bank Limited, under which DRDGOLD may from time to time issue notes and R165 million was raised in total during July 2012 and September 2012. The different notes issued mature 12 (R20.0 million), 24 (R69.5 million) and 36 (R75.5 million) months from the date of issue and bear interest at the three-month Johannesburg Inter-bank Acceptance Rate ("JIBAR") plus a margin ranging from 4% to 5% a year.

The DMTN Programme is unsecured but does have certain covenants attached to it regarding acquiring additional indebtedness, significant disposal of assets and in the form of a guarantor coverage threshold. On 3 July 2015, DRDGOLD repaid R23.1 million including capital and interest.

GROUP 2014 R'000	GROUP 2015 R'000		COMPANY 2015 R'000	COMPANY 2014 R'000
		22 FINANCE LEASE OBLIGATION		
		Secured		
–	**21 161**	Aggreko Energy Rental Proprietary Limited	**–**	–
–	**21 161**		**–**	–
–	**(2 000)**	Less: payable within one year included under current liabilities	**–**	–
–	**19 161**		**–**	–

Group

During the year ended 30 June 2015, Ergo entered into an agreement with Aggreko Energy Rental Proprietary Limited for the supply of temporary power generation through the provision of specified temporary power generation equipment and services.

The finance lease is secured by power generation equipment with a carrying value of R22.6 million at 30 June 2015. The finance lease has an effective interest rate of 17.9% and Ergo has the option to acquire the temporary power generation equipment at the end of the 5 year lease for approximately R9.9 million. Contingent rentals are payable for usage of the equipment in excess of the usage inclusive in the minimum lease payments.

Finance lease liabilities are payable as follows:

	Future minimum lease payments		Interest		Present value of minimum lease payments	
	2015 R'000	**2014 R'000**	**2015 R'000**	**2014 R'000**	**2015 R'000**	**2014 R'000**
Less than one year	**5 304**	–	**3 304**	–	**2 000**	–
Between one and five years	**27 105**	–	**7 944**	–	**19 161**	–
More than five years	**–**	–	**–**	–	**–**	–
	32 409	–	**11 248**	–	**21 161**	–

NOTES TO THE FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 30 JUNE 2015

GROUP 2014 R'000	GROUP 2015 R'000		COMPANY 2015 R'000	COMPANY 2014 R'000
		23 CASH GENERATED BY/(APPLIED TO) OPERATIONS		
(37 175)	**96 795**	Profit/(loss) before tax	**43 405**	(15 150)
		Adjusted for		
159 999	**193 301**	Depreciation	**144**	149
(86 605)	**(20 443)**	Movement in provision for environmental rehabilitation	**–**	–
8 828	**(20 557)**	Movement in gold in process	**–**	–
56 591	**6 689**	Impairments	**3 614**	41 803
(992)	**(13 166)**	Profit on disposal of property, plant and equipment	**–**	–
3 341	**1 753**	Share-based payment expense	**247**	1 365
(2 172)	**(74)**	Reversal of impairment on trade receivables	**–**	–
335	**367**	Post-retirement employee benefits	**–**	–
313	**–**	Share of loss of equity accounted investments	**–**	–
(27 980)	**(51 497)**	Finance income	**(95 145)**	(74 925)
52 295	**49 603**	Finance expenses	**7 468**	17 444
126 778	**242 771**	Operating cash flows before working capital changes	**(40 267)**	(29 314)
(39 394)	**42 426**	**Working capital changes**	**(79)**	(17 786)
(15 233)	**1 926**	Change in trade and other receivables	**1 895**	(8 504)
(17 170)	**(984)**	Change in inventories	**–**	5
(6 991)	**41 484**	Change in trade and other payables	**(1 974)**	(9 287)
87 384	**285 197**	Cash generated by/(applied to) operations	**(40 346)**	(47 100)
		24 CASH AND CASH EQUIVALENTS		
39 683	**103 888**	Bank Balances	**11 872**	26 000
169 249	**220 487**	Call deposits	**216 695**	165 659
208 932	**324 375**		**228 567**	191 659

Group

Included in cash and cash equivalents is restricted cash of R14.3 million (2014: R13.5 million) in the form of a guarantee and R11.4 million (30 June 2014: nil) relating to cash held in escrow relating to the electricity dispute with Ekurhuleni Metropolitan Municipality discussed under Note 25.

An overdraft facility of R100 million is available to the group.

NOTES TO THE FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 30 JUNE 2015

GROUP 2014 R'000	GROUP 2015 R'000		COMPANY 2015 R'000	COMPANY 2014 R'000
		25 COMMITMENTS AND CONTINGENT LIABILITIES		
		Capital commitments		
3 255	**10 119**	Contracted for but not provided for in the financial statements	**–**	–
32 979	**67 555**	Authorised by the directors but not contracted for	**–**	–
36 234	**77 674**		**–**	–
		Operating lease commitments		
		The future minimum lease payments under non-cancellable operating leases are as follows:		
2 110	**1 068**	Not later than 1 year	**–**	1 025
1 780	**1 313**	Between 1 and 5 years	**–**	–

Group and Company

The company leased its office building in terms of an operating lease up to 30 June 2015. The lease agreement included an escalation of 8% per annum and did not include an option to acquire the building at the termination of the lease. The lease was not renewed on its expiry.

Ergo leases its vehicles under various operating leases. There is an average escalation of 2.5% per annum imposed by these lease agreements.

CONTINGENT LIABILITIES

Environmental

At Durban Roodepoort Deep mine, rehabilitation and other responsibilities like the National Nuclear Regulator Certificate of Registration requirements have been taken over by DRD Proprietary Limited (a subsidiary of Mintails South Africa Proprietary Limited ("Mintails SA"). A liability transfer on the prescribed form in terms of section 43(2) of the MRPDA was submitted to the DMR in July 2010. The DRD Village was sold to a property developer (Dino Properties Proprietary Limited ("Dino Properties"). The DRD Village was registered at the Deed Office into the name of Dino Properties on 16 October 2012. The legal transfer of the liability would be dependent on the DMR's assessment of *inter alia* Mintail SAs financial capability. DRDGOLD therefore still has a contingent liability until such legal transfer is effected, amounting to R63.4 million less the trust fund amount of R28.5 million. We are still awaiting approval of the transfer of environmental liabilities from the DMR.

Mine residue deposits may have a potential pollution impact on ground water through seepage. The group has taken certain preventative actions as well as remedial actions in an attempt to minimise the group's exposure and environmental contamination.

The flooding of the western and central basins have the potential to cause pollution due to Acid Mine Drainage ("AMD") contaminating the ground water. The government has appointed Trans-Caledon Tunnel Authority ("TCTA") to construct a partial treatment plant to prevent the ground water being contaminated. TCTA completed the construction of the neutralisation plant for the Central Basin and commenced treatment during July 2014. As part of the heads of agreement signed in December 2012 between EMO, Ergo, ERPM and TCTA, sludge emanating from this plant since August 2014 has been co-disposed onto the Brakpan Tailings Storage facility. Partially treated water has been discharged by TCTA into the Elsburg Spruit.

While these heads of agreement should not be seen as an unqualified endorsement of the state's AMD solution, and do not affect our right to either challenge future directives or to implement our own initiatives should it become necessary, they are an encouraging development. Through this agreement, Ergo also secured the right to purchase up to 30Mega Litres of partially treated AMD from TCTA at cost, in order to reduce Ergo's reliance on potable water for mining and processing purposes. However, due to the high sulphate levels contained in the treated water, Ergo will limit the use of this water to 10ML per day.

25 COMMITMENTS AND CONTINGENT LIABILITIES *continued*

CONTINGENT LIABILITIES *continued*

DRDGOLD, through its participation in the Western Utilities Corporation initiative, provided the government with a solution for a sustainable long-term solution to AMD. This solution would have been at no cost to the mines and government. In view of the limitation of current information for the accurate estimation of a potential liability, no reliable estimate can be made for the possible obligation.

Occupational health – Silicosis

In January 2013, DRDGOLD, ERPM ("the Companies") and 23 other mining companies ("the Respondents") were served with a court application for a class action issued in the South Gauteng High Court by alleged former mineworkers and dependants of deceased mineworkers. In the pending application the applicants allege that the Companies and the Respondents conducted underground mining operations in such a negligent manner that the former mineworkers contracted silicosis. The applicants have not yet quantified the amounts which they would like the Respondents to pay as damages.

The Companies have instructed Malan Scholes Attorneys to defend the case. The Companies are currently gathering information in preparation for the matter. An answering affidavit opposing the application for the certification of a class action was filed with the High Court on 24 June 2014. The hearing in respect of the certification of a class action is scheduled to be heard during October 2015.

Taking into account that the silicosis claim is still at certification stage and should anyone bring similar claims against the Companies in future, those claimants would need to provide evidence proving that silicosis was contracted while in the employment of the Companies and that it was contracted due to negligence on the Companies' part. The link between the cause negligence by the Companies (while in its employ) and the effect (the silicosis) will be an essential part of any case. It is therefore uncertain as to the costs the Companies would incur in the future and due to the uncertainty of the outcome of these claims, no reliable estimation can be made for the possible liability.

Ekurhuleni Metropolitan Municipality Electricity Tariff Dispute

In December 2014, an application (in the South Gauteng High Court) was filed and served on *inter alia* the Ekurhuleni Metropolitan Municipality ("Municipality") and Eskom Holdings SOC Limited 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. The Municipality is not licensed to supply electricity to Ergo in terms of the Municipality's Temporary Distribution Licence. The Municipality is not entitled to render tax invoices to Ergo for the supply and consumption of electricity from the substation. The Municipality is furthermore not competent to add a surcharge or premium of approximately 40% (forty percent) of the rate at which Eskom ordinarily charges Ergo on its Megaflex rate. 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. 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.

Subsequent to December 2014 up to 30 June 2015, the Municipality has invoiced Ergo for approximately R13.4 million in surcharges of which R11.4 million has been paid into an attorney's trust account at 30 June 2015 pending the final determination of the dispute.

Ekurhuleni rates and taxes dispute

The Municipality has brought an action against ERPM claiming an amount of R43 million in respect of outstanding rates and taxes which are allegedly owing. ERPM has employed experts to investigate the allegations and believes that this claim is unfounded. ERPM is defending this action on the belief that there are sufficient defences to repel the claim, therefore an outflow of resources is remote. At 30 June 2015, the difference between the amount claimed by the municipality and the amount accepted by ERPM as due has increased to R60 million resulting from subsequent invoices.

26 FINANCIAL INSTRUMENTS

OVERVIEW

The group (which includes the company unless the context implies differently) has exposure to credit risk, liquidity risks, as well as other market risks from its use of financial instruments. This note presents information about the group's exposure to each of the above risks, the group's objectives and policies and processes for measuring and managing risk. The group's management of capital is disclosed in note 27. Further quantitative disclosures are included throughout these consolidated and separate financial statements.

RISK MANAGEMENT FRAMEWORK

The board of directors ("Board") has overall responsibility for the establishment and oversight of the group's risk management framework. The Board has established the Audit and Risk Committee, which is responsible for developing and monitoring the group's risk management policies. The committee reports regularly to the Board on its activities.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes to market conditions and the group's activities. The group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit and Risk Committee oversees how management monitors compliance with the group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The Audit and Risk Committee is assisted in its oversight role by the internal audit function. The internal audit function undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

CREDIT RISK

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers and investment securities.

The group's financial instruments do not represent a concentration of credit risk, because the group deals with a variety of major banks and financial institutions located in South Africa after evaluating the credit ratings of the representative financial institutions. Furthermore, its trade receivables and loans are regularly monitored and assessed for recoverability. Where it is appropriate an impairment loss is raised.

In addition, the group's operations all deliver their gold to Rand Refinery, which refines the gold to saleable purity levels and then sells the gold, on behalf of the South African operations, on the bullion market. The gold is usually sold by Rand Refinery on the same day as it is delivered and settlement is made within two days.

The following represents the maximum exposure to credit risk for all financial assets at 30 June:

	Carrying value	
	2015 R'000	**2014 R'000**
Group		
Non-current investments and other assets		
Listed investments (refer note 11)	**3 226**	34 097
Unlisted investments (refer note 11)	**159**	171
Loans to black empowerment entities (refer note 11)	**2 496**	2 592
Investments in environmental rehabilitation trust funds (refer note 11)	**87 917**	82 848
Trade and other receivables (refer note 15)	**66 792**	75 826
Cash and cash equivalents	**324 375**	208 932
	484 965	404 466

NOTES TO THE FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 30 JUNE 2015

26 FINANCIAL INSTRUMENTS *continued*

CREDIT RISK *continued*

	Carrying value 2015 R'000	Carrying value 2014 R'000
Company		
Non-current investments and other assets		
Listed investments (refer note 11)	**3 226**	34 097
Unlisted investments (refer note 11)	**159**	171
Loans to subsidiaries (refer note 12)	**1 143 614**	1 248 711
Loans to black empowerment entities (refer note 11)	**2 496**	2 592
Trade and other receivables (refer note 15)	**7 843**	10 476
Cash and cash equivalents	**228 567**	191 659
	1 385 905	1 487 706

The following represents the maximum exposure to credit risk for trade and other receivables at 30 June:

	Carrying value 2015 R'000	Carrying value 2014 R'000
Group		
Trade receivables (gold) (refer note 15)	**43 002**	25 630
Receivables from related parties (refer note 15)	**2 804**	2 992
Other receivables including disposal of property debtors (refer note 15)	**20 986**	47 204
	66 792	75 826
Company		
Receivables from related parties (refer note 15)	**2 703**	2 700
Other receivables (refer note 15)	**5 140**	7 776
	7 843	10 476

The ageing of trade and other receivables at 30 June:

	Gross value 2015 R'000	Impairment 2015 R'000	Gross value 2014 R'000	Impairment 2014 R'000
Group				
Not past due	**53 630**	**(14)**	72 693	(31)
Past due 0-30 days	**1 149**	**(55)**	2 017	(128)
Past due 31-120 days	**2 754**	**(1 105)**	770	(522)
Past due more than 120 days	**15 724**	**(5 291)**	7 327	(6 300)
	73 257	**(6 465)**	82 807	(6 981)
Company				
Not past due	**4 272**	**–**	9 581	–
Past due 0-30 days	**23**	**–**	65	–
Past due 31-120 days	**23**	**–**	128	–
Past due more than 120 days	**3 525**	**–**	702	–
	7 843	**–**	10 476	–

26 FINANCIAL INSTRUMENTS *continued*

CREDIT RISK *continued*

Impairments were raised due to the uncertainty around the recoverability and timing of the cash flows.

Movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	Impairment	
	2015 R'000	**2014 R'000**
Group		
Balance at 1 July	**(6 981)**	(6 360)
Impairments reversed/(recognised)	**74**	(621)
Bad debt written off against related receivable	**442**	–
Balance at 30 June	**(6 465)**	(6 981)

No movement occurred in the allowance for impairment in respect of trade receivables during the year in the Company.

The group has no significant concentration of credit risk as the majority of the group's receivables are from debtors with a good track record. The company has no significant concentration of credit risk.

MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

Commodity risk and price sensitivity

The profitability of the group's operations, and the cash flows generated by those operations, are affected by changes in the market price of gold which is predominantly sold in US Dollar and then converted to Rand. DRDGOLD does not enter into forward sales, derivatives or other hedging arrangements to establish a price in advance for the sale of future gold production.

A change of 10% in the Rand gold price at the reporting date would have increased/(decreased) equity and profit/(loss) by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2014 and excludes income tax.

	Equity and profit or (loss)			
	10% increase	**10% decrease**	**10% increase**	**10% decrease**
	2015 R'000	**2015 R'000**	**2014 R'000**	**2014 R'000**
Group				
Gold and silver revenue	**210 530**	**(210 530)**	180 943	(180 943)
Cash flow sensitivity	**210 530**	**(210 530)**	180 943	(180 943)

26 FINANCIAL INSTRUMENTS *continued*

MARKET RISK *continued*

Interest rate risk

Fluctuations in interest rates impact on the value of short-term cash investments and financing activities, giving rise to interest rate risk. In the ordinary course of business, the group receives cash from its operations and is obliged to fund working capital and capital expenditure requirements. This cash is managed to ensure surplus funds are invested in a manner to achieve maximum returns while minimising risks. Funding deficits for the group's mining operations have been financed through the issue of additional shares and external borrowings. Lower interest rates result in lower returns on investments and deposits and also may have the effect of making it less expensive to borrow funds at then current rates. Conversely, higher interest rates result in higher interest payments on loans and overdrafts.

The following represents the interest rate risk profile for the group's interest-bearing financial instruments at 30 June:

	Carrying value	
	2015 R'000	**2014 R'000**
Group		
Variable interest rate instruments		
Financial assets	**412 292**	291 780
Financial liabilities	**(44 257)**	(148 695)
	368 035	143 085
Company		
Variable interest rate instruments		
Financial assets	**1 372 181**	1 440 370
Financial liabilities	**(23 096)**	(148 695)
	1 349 085	1 291 675

Cash flow sensitivity analysis for variable rate instruments:

A change of 100 basis points (bp) in interest rates at the reporting date would have increased/(decreased) equity and profit/(loss) by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2014 and excludes income tax.

	Equity and profit or (loss)			
	100bp increase 2015 R'000	**100bp decrease 2015 R'000**	**100bp increase 2014 R'000**	**100bp decrease 2014 R'000**
Group				
Variable interest rate instruments	**3 680**	**(3 680)**	1 431	(1 431)
Cash flow sensitivity	**3 680**	**(3 680)**	1 431	(1 431)
Company				
Variable interest rate instruments	**13 491**	**(13 491)**	12 917	(12 917)
Cash flow sensitivity	**13 491**	**(13 491)**	12 917	(12 917)

26 FINANCIAL INSTRUMENTS *continued*

MARKET RISK *continued*

Foreign currency risk

The group's reporting currency is the South African Rand. Although gold is sold in US Dollars, the group is obliged to convert this into South African Rand. The company is thus exposed to fluctuations in the US Dollar/South African Rand exchange rate. The company conducted its operations in South Africa during the current year. Foreign exchange fluctuations affect the cash flow that it will realise from its operations as gold is sold in US Dollars, while production costs are incurred primarily in South African Rands. The company's results are positively affected when the US Dollar strengthens against the Rand and adversely affected when the US Dollar weakens against the Rand. The group does not hedge against foreign currency fluctuations and considers the risk to be low due to foreign currency normally being disposed of on the same day.

The following significant exchange rates applied during the year:

	Spot rate at year end		Average rate	
	2015	**2014**	**2015**	**2014**
1 US Dollar	**12.1649**	10.5784	**11.4475**	10.3706

The following represents the exposure to foreign currency risks of the group:

	2015 USD'000	**2014 USD'000**
Trade and other receivables	**3 535**	2 423
Net statement of financial position exposure	**3 535**	2 423

Sensitivity analysis

A 10 percent strengthening of the Rand against the currencies mentioned at 30 June would have increased/(decreased) equity and profit/(loss) by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2014. A 10% weakening of the rand against the above currencies at 30 June would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

	2015 R'000	**2014 R'000**
Equity	**(4 300)**	(2 563)
Loss	**(4 300)**	(2 563)

Company

The company did not have any exposure to foreign currency movements. A sensitivity analysis is therefore not presented.

Other market price risk

Equity price risk arises from available-for-sale equity securities fair value adjustments accounted for in other comprehensive income. Investments within the portfolio are managed on an individual basis.

NOTES TO THE FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 30 JUNE 2015

26 FINANCIAL INSTRUMENTS *continued*

MARKET RISK *continued*

The following table represents the carrying amounts and net gain/(loss), finance income and finance expense recognised in profit or loss and/or equity as well as other comprehensive income per category of financial instruments at 30 June:

	Carrying value 2015 R'000	Profit/ (loss) 2015 R'000	OCI 2015 R'000	Total equity 2015 R'000	Carrying value 2014 R'000	Profit/ (loss) 2014 R'000	OCI 2014 R'000	Total equity 2014 R'000
Group								
Financial assets								
Available-for-sale financial assets	**3 385**	**16 261**	**(757)**	**15 504**	34 268	(46 914)	(51 626)	(98 540)
Loans and receivables	**481 580**	**18 754**	**–**	**18 754**	370 198	20 358	–	20 358
	484 965	**35 015**	**(757)**	**34 258**	404 466	(26 556)	(51 626)	(78 182)
Financial liabilities								
Financial liabilities measured at amortised cost	**256 130**	**(10 612)**	**–**	**(10 612)**	330 831	(14 276)	–	(14 276)
	256 130	**(10 612)**	**–**	**(10 612)**	330 831	(14 276)	–	(14 276)
Company								
Financial assets								
Available-for-sale financial assets	**3 385**	**16 261**	**(757)**	**15 504**	34 268	(44 503)	(44 881)	(89 384)
Loans and receivables	**1 382 520**	**74 055**		**74 055**	1 453 438	72 379	–	72 379
	1 385 905	**90 316**	**(757)**	**89 559**	1 487 706	27 876	(44 881)	(17 005)
Financial liabilities								
Financial liabilities measured at amortised cost	**344 321**	**(7 468)**	**–**	**(7 468)**	470 932	(17 444)	–	(17 444)
	344 321	**(7 468)**	**–**	**(7 468)**	470 932	(17 444)	–	(17 444)

26 FINANCIAL INSTRUMENTS *continued*

LIQUIDITY RISK

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Unless otherwise stated the following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount R'000	Contractual cash flows R'000	6 months or less R'000	6-12 months R'000	2-5 years R'000
Group					
30 June 2015					
Loans and borrowings	**23 096**	**(23 096)**	**(23 096)**	**–**	**–**
Finance lease obligation	**21 161**	**(32 409)**	**(2 652)**	**(2 652)**	**(27 105)**
Trade and other payables	**211 873**	**(211 873)**	**(211 873)**	**–**	**–**
	256 130	**(267 379)**	**(237 621)**	**(2 652)**	**(27 105)**
30 June 2014					
Loans and borrowings	148 695	(156 863)	(75 358)	(4 000)	(77 505)
Finance lease obligation	–	–	–	–	–
Trade and other payables	182 136	(182 136)	(182 136)	–	–
	330 831	(338 999)	(257 494)	(4 000)	(77 505)
Company					
30 June 2015					
Amounts owing to subsidiaries	**311 459**	**(311 459)**	**(311 459)**	**–**	**–**
Loans and borrowings	**23 096**	**(23 096)**	**(23 096)**	**–**	**–**
Trade and other payables	**9 766**	**(9 766)**	**(9 766)**	**–**	**–**
	344 321	**(344 321)**	**(344 321)**	**–**	**–**
30 June 2014					
Amounts owing to subsidiaries	311 459	(311 459)	(311 459)	–	–
Loans and borrowings	148 695	(156 863)	(75 358)	(4 000)	(77 505)
Trade and other payables	10 778	(10 778)	(10 778)	–	–
	470 932	(479 100)	(397 595)	(4 000)	(77 505)

26 FINANCIAL INSTRUMENTS *continued*

FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table represents the carrying amounts and fair values of the group's financial instruments at 30 June:

The classification of the group's financial instruments are discussed on page 64.

	Carrying value 2015 R'000	Fair value 2015 R'000	Carrying value 2014 R'000	Fair value 2014 R'000
Group				
Financial assets measured at fair value	**3 385**	**3 385**	34 268	34 268
Listed investments (refer note 11)	**3 226**	**3 226**	34 097	34 097
Unlisted investments (refer note 11)	**159**	**159**	171	171
Financial assets not measured at fair value	**481 580**	**481 580**	370 198	370 198
Loans to black empowerment entities (refer note 11)	**2 496**	**2 496**	2 592	2 592
Investments in environmental rehabilitation trust funds (refer note 11)	**87 917**	**87 917**	82 848	82 848
Trade and other receivables (refer note 15)	**66 792**	**66 792**	75 826	75 826
Cash and cash equivalents	**324 375**	**324 375**	208 932	208 932
	484 965	**484 965**	404 466	404 466
Financial liabilities not measured at fair value	**257 723**	**257 723**	331 453	331 453
Loans and borrowings (refer note 21)				
– non-current	**–**	**–**	75 500	75 500
– current	**23 096**	**23 096**	73 195	73 195
Finance lease obligation (refer note 22)				
– non-current	**19 161**	**19 161**	–	–
– current	**2 000**	**2 000**	–	–
Trade and other payables	**211 873**	**211 873**	182 136	182 136
	256 130	**256 130**	330 831	330 831
Company				
Financial assets measured at fair value	**3 385**	**3 385**	34 268	34 268
Listed investments (refer note 11)	**3 226**	**3 226**	34 097	34 097
Unlisted investments (refer note 11)	**159**	**159**	171	171
Financial assets not measured at fair value	**1 382 520**	**1 382 520**	1 453 438	1 453 438
Loans to subsidiaries (refer note 12)	**1 143 614**	**1 143 614**	1 248 711	1 248 711
Loans to black empowerment entities (refer note 11)	**2 496**	**2 496**	2 592	2 592
Trade and other receivables (refer note 15)	**7 843**	**7 843**	10 476	10 476
Cash and cash equivalents	**228 567**	**228 567**	191 659	191 659
	1 385 905	**1 385 905**	1487 706	1487 706
Financial liabilities not measured at fair value	**344 321**	**344 321**	470 932	470 932
Loans and borrowings (refer note 21)				
– non-current	**–**	**–**	75 500	75 500
– current	**23 096**	**23 096**	73 195	73 195
Amounts owing to subsidiaries (refer note 12)	**311 459**	**311 459**	311 459	311 459
Trade and other payables	**9 766**	**9 766**	10 778	10 778
	344 321	**344 321**	470 932	470 932

26 FINANCIAL INSTRUMENTS *continued*

FAIR VALUE OF FINANCIAL INSTRUMENTS *continued*

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial instruments measured at fair value

The financial instruments measured at fair value are measured using the following valuation methodologies.

Listed investments

The fair value of listed investments are determined by reference to published price quotations from recognised securities exchanges and adjusted with a discount factor for any liquidity constraints where appropriate.

Unlisted investments

The valuations are based on the net asset values of these investments and constitute the investments' fair value as most of the assets in these investment companies are carried at fair value. The valuations have been compared to information available in the market regarding other market participants' view on the value of the underlying investment.

FINANCIAL INSTRUMENTS MEASURED AT AMORTISED COST

The group applied the discounted cash flow valuation technique in the measurement of loans and receivables as well as financial liabilities measured at amortised cost. No significant unobservable inputs are used in this measurement.

Loans to black empowerment entities

The fair value of these loans cannot be reliably estimated due to the unavailability of market information.

Inter-company loans

The fair value of these loans cannot be reliably estimated and are therefore carried at amortised cost.

Cash and cash equivalents and investments in environmental trust funds

The carrying value of cash and cash equivalents approximates their fair value due to the short-term maturity of these deposits. The carrying value of the environmental trust funds approximate their fair value due to these investments being cash in nature.

Trade and other receivables

The fair value approximates the carrying value due to their short-term maturities.

Loans and borrowings

The loan bears interest at the three month Johannesburg Inter-bank Acceptance Rate plus a margin ranging from 4% to 5% per annum. Fair value is calculated by reference to quoted prices for floating interest instruments.

Trade and other payables

The fair value approximates the carrying value due to their short-term maturities.

FAIR VALUE HIERARCHY

The table overleaf analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 inputs other than quoted prices included within Level 1 that are observed for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 inputs for the asset or liability that are not based on observed market data (unobserved inputs).

26 FINANCIAL INSTRUMENTS *continued*

FAIR VALUE HIERARCHY *continued*

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Group				
30 June 2015				
Available-for-sale financial assets				
Listed securities	**3 226**	**–**	**–**	**3 226**
Unlisted securities	**–**	**–**	**159**	**159**
	3 226	**–**	**159**	**3 385**
30 June 2014				
Available-for-sale financial assets				
Listed securities	30 097	4 000	–	34 097
Unlisted securities	–	–	171	171
	30 097	4 000	171	34 268
Company				
30 June 2015				
Available-for-sale financial assets				
Listed securities	**3 226**	**–**	**–**	**3 226**
Unlisted securities	**–**	**–**	**159**	**159**
	3 226	**–**	**159**	**3 385**
30 June 2014				
Available-for-sale financial assets				
Listed securities	30 097	4 000	–	34 097
Unlisted securities	–	–	171	171
	30 097	4 000	171	34 268

The group applied the following unobservable inputs in the measurement of the fair value of Level 2 and Level 3 financial instruments:

	2015	2014
Level 2:		
Discount rate	–	50%
Constraints on liquidity resulting from escrow agreement (refer note 11)		
Level 3:		
Other inputs	–	refer note 4

NOTES TO THE FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 30 JUNE 2015

26 FINANCIAL INSTRUMENTS *continued*

FAIR VALUE HIERARCHY *continued*

Reconciliation of fair value measurements in Level 2 and Level 3 during the year:

Available-for-sale financial assets	2015 Level 2 R'000	2015 Level 3 R'000	2014 Level 2 R'000	2014 Level 3 R'000
Group				
Balance at beginning of the year	**4 000**	**171**	4 500	93 484
Acquired during the year	**–**	**–**	–	7
Fair value adjustment	**2 425**	**–**	200	(53 140)
Impairment	**(300)**	**–**	(700)	(40 180)
Disposed	**(6 125)**	**(12)**	–	–
Balance at end of year	**–**	**159**	4 000	171
Fair value adjustment reclassified to profit or loss	**2 625**	**–**	–	–
Impairment recognised in profit or loss	**(300)**	**–**	(700)	(40 180)
(Loss)/gain recognised in other comprehensive income	**(200)**	**–**	200	(53 140)
– Fair value adjustment recognised in other comprehensive income	**2 425**	**–**	200	(53 140)
– Fair value adjustment reclassified to profit or loss	**(2 625)**	**–**	–	–
	2 125	**–**	(500)	(93 320)
Company				
Balance at beginning of the year	**4 000**	**171**	4 500	84 328
Acquired during the year	**–**	**–**	–	7
Fair value adjustment	**2 425**	**–**	200	(46 395)
Impairment	**(300)**	**–**	(700)	(37 769)
Disposed	**(6 125)**	**(12)**	–	–
Balance at end of year	**–**	**159**	4 000	171
Fair value adjustment reclassified to profit or loss	**2 625**	**–**	–	–
Impairment recognised in profit or loss	**(300)**	**–**	(700)	(37 769)
(Loss)/gain recognised in other comprehensive income	**(200)**	**–**	200	(46 395)
– Fair value adjustment recognised in other comprehensive income	**2 425**	**–**	200	(46 395)
– Fair value adjustment reclassified to profit or loss	**(2 625)**	**–**	–	–
	2 125	**–**	(500)	(84 164)

The gain or loss on the fair value adjustment is recognised in other comprehensive income net of deferred tax.

The available-for-sale financial assets Level 2 comprises investments in listed shares which are held in escrow (refer note 11).

The available-for-sale financial assets Level 3 comprises investments in unlisted shares for which no reasonable alternative measure for fair value is available. Therefore no sensitivity analysis has been prepared.

27 CAPITAL MANAGEMENT

The primary objective of the Board in managing the group's capital is to ensure that there is sufficient capital available to support the funding requirements of the group, including capital expenditure, in a way that optimises the cost of capital, maximises shareholders' returns and ensures that the group remains in a sound financial position. There were no changes to the group's overall capital management approach during the current year. The group manages and makes adjustments to the capital structure as opportunities arise in the market place, as and when borrowings mature or as and when funding is required. This may take the form of raising equity, market or bank debt or hybrids thereof.

The board monitors the return on capital, which the group defines as net operating income divided by total shareholders' equity, excluding non-redeemable preference shares and non-controlling interest from continued operations, and seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The board also monitors the level of dividends to ordinary shareholders.

The group's net liabilities and total equity, or capital, as at June was as follows:

	2015 R'000	2014 R'000
Total liabilities	**973 114**	959 535
Less: Cash and cash equivalents	**(324 375)**	(208 932)
Net liabilities	**648 739**	750 603
Total equity (capital)	**1 529 924**	1 481 211

GROUP 2014 R'000	GROUP 2015 R'000		COMPANY 2015 R'000	COMPANY 2014 R'000
		28 RELATED PARTY TRANSACTIONS		
		Key management personnel remuneration		
		Short-term benefits		
68 939	**54 496**	– Salaries, bonusses and performance payments	**11 981**	28 758
		Long service awards		
3 341	**1 753**	– Share-based payment expense	**247**	1 365
261	**304**	– Post-retirement medical benefits	**–**	–
72 541	**56 553**		**12 228**	30 123

The group has related party relationships with its subsidiaries, equity accounted investments and with its directors and key management personnel. Details of transactions with directors are set out in note 5. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) of the company.

Post-retirement medical benefits and long term employee incentive scheme balances for key management personnel as at 30 June 2015 amounts to R7.6 million (2014: R6.7 million) and R4.2 million (2014: R4.6 million), respectively.

28 RELATED PARTY TRANSACTIONS *continued*

Prior to the awarding of a contract to a related party for the supply of goods and services, the group procurement manager reviews both the pricing, quality and the reliability of that party. The contract terms are compared to similar suppliers of goods and services to ensure that the contract is on market related terms.

The company's executive directors review the terms and conditions of all loans to ensure that the terms of the loans are similar to those offered by financial institutions.

TRANSACTIONS WITH SUBSIDIARIES AND EQUITY ACCOUNTED INVESTMENTS:

During the year ended 30 June 2015, the company earned:

– management fees from EMO amounting to R10.6 million (2014: R21.9 million)
– interest from EMO amounting to R30.7 million (2014: R30.3 million) and from Ergo Mining Proprietary Limited amounting to R31.3 million (2014: R28.5 million).

Balances outstanding at 30 June 2015:

– Subsidiaries – refer to note 12
– Equity acounted investments including associates and joint ventures – refer to note 13

During the year ended 30 June 2015, EMO disposed of nil (2014: 50 000) ordinary shares in the company (held as treasury shares for consolidation purposes) to DJ Pretorius as a mining right conversion bonus as required by his employment agreement. As at 30 June 2015, EMO held 6 155 559 (2014: 6 155 559) treasury shares.

TRANSACTIONS WITH OTHER ENTITIES IN WHICH AN OWNERSHIP INTEREST IS HELD:

Guardrisk Insurance Company Limited

During the year ended 30 June 2015, Ergo paid fees to the Guardrisk Cell Captive relating to the environmental guarantees issued by Guardrisk to the DMR as outlined on note 18 amounting to R9.9 million (2014: nil), which included a R0.8 million contribution (refer note 11).

Rand Refinery Proprietary Limited

The group has entered into an agreement with Rand Refinery Limited ("Rand Refinery"), for the refining and sale of all of its gold produced in South Africa. Under the agreement, Rand Refinery performs the final refining of the group's gold and casts it into troy ounce bars. Rand Refinery then sells the gold on the same day as delivery, for the London afternoon fixed price on the day the gold is sold. In exchange for this service, the group pays Rand Refinery a variable refining fee plus fixed marketing, loan and administration fees. Mr Gwebu, who held the position of executive: legal, compliance and company secretary of DRDGOLD up to 31 December 2014, was a director of Rand Refinery, a member of its Remuneration Committee and chairman of the Social and Ethics Committee until 5 September 2014 when he resigned as director. Mr Charles Symons has been appointed to replace him as director of Rand Refinery effective 5 September 2014. Mr Mark Burrell who is the financial director of Ergo is an alternate director of Rand Refinery and a member of Rand Refinery's Audit Committee.

- The group currently owns shares in Rand Refinery (which is jointly owned by South African mining companies) (refer note 11).
- Trade receivables to the amount of R43.0 million (2014: R25.6 million) relate to metals sold.
- The group received a dividend of R nil (2014: nil) from Rand Refinery.

Consultancy agreement

On 23 June 2008, EMO approved a consultancy agreement with Khumo Gold, which owns 20% of EMO and Blyvoor. The agreement provides for a monthly retainer of R0.3 million (2014: R0.3 million).

Sale of shares

During the year ended 30 June 2015, DRDGOLD acquired the 20% and 6% interest in the issued share capital of EMO held by Khumo and the Empowerment Trust respectively (refer to note 17.2).

SHAREHOLDER INFORMATION

AS AT 30 JUNE 2015

	No. of holders	% of total shareholders	No. of shares	% of total issued share capital
1) ANALYSIS OF SHAREHOLDINGS				
1 – 5 000	4 317	79.60	3 458 173	0.80
5 001 – 10 000	354	6.53	2 818 359	0.65
10 001 – 50 000	482	8.88	11 513 334	2.67
50 001 – 100 000	104	1.92	7 482 367	1.74
100 001 – 1 000 000	131	2.42	36 051 313	8.37
1 000 001 – and more	35	0.65	369 560 221	85.77
Totals	**5 423**	**100.00**	**430 883 767**	**100.00**
2) MAJOR SHAREHOLDERS				
(1% and more of the shares in issue)				
Bank of New York			209 240 558	48.56
Khumo Gold SPV Proprietary Limited			35 000 000	8.12
Abax Investments			16 143 630	3.75
Investec			14 051 793	3.26
Citibank			10 822 548	2.51
DRDSA Empowerment Trust			10 500 000	2.44
Clearstream Banking S.A. Luxembourg			10 381 676	2.41
KBC Securities N.V. Clients			9 508 509	2.21
State Street Bank and Trust			8 066 481	1.87
Ergo Mining Operations Proprietary Limited			6 155 559	1.43
Euroclear France S.A.			5 708 230	1.32
Peregrine Equities Proprietary Limited			5 441 143	1.26
3) SHAREHOLDER SPREAD				
Non-public:	4	0.07	6 999 726	1.62
Directors	3	0.05	844 167	0.20
Subsidiary	1	0.02	6 155 559	1.42
Public	5 419	99.93	423 884 041	98.38
Totals	**5 423**	**100.00**	**430 883 767**	**100.00**
4) DISTRIBUTION OF SHAREHOLDERS				
Individuals	4 803	88.57	32 509 704	7.54
Institutions and bodies corporate	620	11.43	398 374 063	92.46
Total	**5 423**	**100.00**	**430 883 767**	**100.00**

ADMINISTRATION AND CONTACT DETAILS

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

OFFICES

Registered and corporate
Off Crownwood Road
Crown Mines, 2092
Johannesburg
South Africa
(PO Box 390, Maraisburg, 1700)
South Africa
Tel: +27 (0) 11 470 2600
Fax: +27 (0) 86 524 3061

OPERATIONS

Ergo Mining Proprietary Limited
PO Box 390
Maraisburg
1700
South Africa
Tel: +27 (0) 11 742 1003
Fax: +27 (0) 11 743 1544

East Rand Proprietary Mines Limited
PO Box 2227
Boksburg
1460
South Africa
Tel: +27 (0) 11 742 1003
Fax: +27 (0) 11 743 1544

DIRECTORS

Geoffrey Campbell*
Independent Non-executive Chairman [1, 2#]

Niël Pretorius
Chief Executive Officer [3]

Riaan Davel
Chief Financial Officer [3]

Johan Holtzhausen
Independent Non-executive Director [1#,2]

Edmund Jeneker
Independent Non-executive Director [1,2#,3#]

James Turk**
Independent Non-executive Director [1, 2]

COMPANY SECRETARY

Themba Gwebu

INVESTOR AND MEDIA RELATIONS

South Africa and North America
James Duncan
Russell and Associates
Tel: +27 (0) 11 880 3924
Fax: +27 (0) 11 880 3788
Mobile: +27 (0) 79 336 4010
E-mail: james@rair.co.za

United Kingdom/Europe
Phil Dexter
St James's Corporate Services Limited
Suite 31, Second Floor
107 Cheapside
London EC2V 6DN
United Kingdom
Tel: +44 (0) 20 7796 8644
Fax: +44 (0) 20 7796 8645
Mobile: +44 (0) 7798 634 398
E-mail: phil.dexter@corpserv.co.uk

STOCK EXCHANGE LISTINGS

JSE
Ordinary shares
Share Code: DRD
ISIN: ZAE000058723

NYSE
ADRs
Trading Symbol: DRD
CUSIP: 26152H301
Marché Libre Paris
Ordinary shares
Share Code: MLDUR
ISIN: ZAE000058723

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

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

SHARE TRANSFER SECRETARIES

South Africa
Link Market Service South Africa Proprietary Limited
13th Floor, Rennie House
19 Ameshoff Street
Braamfontein
2001 Johannesburg
South Africa
Tel: +27 (0) 11 713 0800
Fax: +27 (0) 86 674 2450

United Kingdom
(and bearer office)
Capita Asset Services (formerly called Capital IRG Plc)
The Registry PXS
34 Beckenham Road
Beckenham BR3 4TU
United Kingdom
Tel: +44 (0) 20 8639 3399
Fax: +44 (0) 20 8639 2487

Australia
Computershare Investor Service Proprietary Limited
Level 2
45 St George's Terrace
Perth, WA 6000
Australia
Tel: +61 8 9323 2000
Tel: 1300 55 2949
(in Australia)
Fax: +61 8 9323 2033

ADR depositary
The Bank of New York Mellon
101 Barclay Street
New York 10286
United States of America
Tel: +1 212 815 8223
Fax: +1 212 571 3050

French agents
CACEIS Corporate Trust
14 rue Rouget de Lisle
92862 Issy-les-Moulineaux
Cedex 9
France
Tel: +33 1 5530 5900
Fax: +33 1 5530 5910

GENERAL

JSE sponsor
One Capital

Auditor
KPMG Inc.

Attorneys
Edward Nathan Sonnenbergs Inc.
Malan Scholes
Mendelow Jacobs
Norton Rose
Skadden, Arps, Slate, Meagher and Flom (UK) LLP

Bankers
Standard Bank of South Africa Limited
ABSA Capital

Website
www.drdgold.com

* *British*
** *American*

Committee memberships during FY2014
[#] *Denotes committee chairman*
[1] *Member or the Audit and Risk Committee*
[2] *Member of the Remuneration and Nominations Committee*
[3] *Member of the Social and Ethics Committee*