

Letter from Mark

George W Bush is back in the White House, and it appears that "Dubya" is good for gold. The current gold rally started three months after Bush was sworn in for his first term and has seen dollar gold prices rise by 70% over the past 42 months. Obviously, most of this is attributable to dollar weakness but now this weakness is expected to remain in place as the US is stuck with high budget and trading deficits for years to come.

Increasingly, what is happening here is structural rather than cyclical dollar weakness. In time it was bound to happen, as the claims of foreign holders of dollars on US assets far exceeds the ability of the issuing country to meet those claims. The dollar's role as a reserve currency has enabled the US to live well beyond its means by forcing its paper on its foreign liability holders. This is fine, until the overseas holders start cashing in – which they are clearly doing now – when it's 'game over'.

With so much transactional trade and foreign currency reserves now 'dollarised', diversification into other stores of value is going to accelerate into 'panic proportions'. With the Chinese keeping the RenMinBi down, and the Euro being a committee currency with a rather eclectic collection of owners, it's going to be a bit of a squeeze. This also explains the move into the 'commodity currencies' like the South African Rand and the Oz dollar, which don't normally feature on commodity traders' screens as secure havens.

It reminds me a bit of a Jack in the Beanstalk story. A young boy from a poor family tries to help his cash-strapped mother make ends meet:

Jack: Hi Mom, all our troubles will be over, I've just made a million dollars!

Mom: But Jack, that's fantastic. How did you do it?

Jack: I got rid of our cat.

Mom: You sold the cat! How much did you get for it? I wouldn't imagine you would get more than ten bucks for it.

Jack: Oh no, Mom, I didn't have to sell it. I swapped it for this million-dollar dog!

Nice one Dubya!

Regards,
Mark Wellesley-Wood
Executive Chairman

A new look, a new name

Durban Roodepoort Deep has been officially re-born as DRDGOLD Limited.

At the company's AGM last week, shareholders voted overwhelmingly in favour of the change.

Says Chief Executive Officer Ian Murray: "The name DRDGOLD reflects our focus on gold as a product, and our belief in gold as a store of value. It is also more appropriate to the international spread of our operations."

Mark Wellesley-Wood adds: "We believe the new name combines the best of the old and the new. Durban Roodepoort Deep was the world's richest known gold deposit when our company was formed to exploit it, so it makes sense to retain DRD. GOLD has been introduced to emphasise our product. Our long-term confidence in the future of gold remains intact, and we know where we are going – as shown by the arrow in our new logo."



From left, CEO Ian Murray, Company Secretary Andrea Townsend and Non-Executive Director Doug Blackmur, pictured after the AGM, at which shareholders approved overwhelmingly, the change of the company's name to DRDGOLD Limited

Safety award for CGR

On 29 October, Crown Gold Recoveries (CGR) was awarded the Mine Metallurgical Managers' Association (MMA) Safety Award. This recognised Crown's achievement of a clean record of no reportable injuries for the year ending 31 October 2004.

Charles Symons, General Manager, comments: "This is a commendable achievement considering the type of sites we run. It is pleasing to see the

team's dedication to safety rewarded in this way."

During 2004, CGR also received the National Occupational Safety Association (NOSA) four star platinum award.

CGR is a 60/40 joint venture between DRDGOLD and black economic empowerment company Khumo Bathong Holdings (Pty) Limited.

Gold Bugs on the Move

General Manager Investor Relations Ilja Graulich recently represented DRDGOLD at the New Orleans mining conference.

The conference, which has been an annual highlight of the gold investor's calendar since 1974, was founded by James U Blanchard III. Ilja comments: "Jim Blanchard was widely known as 'the champion of gold'. Nearly killed in a motor accident in his youth, he wasn't able to walk again. Despite his disability, however, he devoted himself passionately to the causes he believed in: liberty and sound money, which he saw as ultimately underpinned by gold."

Unlike South Africans, American citizens are allowed to own gold. Jim Blanchard spearheaded the committee which lobbied for this, in sometimes dramatic and unconventional fashion. For example, he arranged for a biplane to tow a 'Legalise Gold' banner over President Richard Nixon's 1973 inauguration.

The conference is attended by investors in tangible asset classes from all over the world. This year's keynote speakers included former CIA Director George Tenet and international investment guru Jim Rogers.

SOX compliance and other challenges await Amanda



It would be wrong to say that Amanda Hoosen, newly-appointed Manager of Internal Audit and Compliance, hails from the USA. It's just that she's picked up a rather strong American accent after leaving South Africa at the age of 17 nine years ago.

That was after a decision to follow in the footsteps of her two older sisters, who had both pursued collegiate careers in the States. After a year in Minnesota which was just "too cold", she moved to Philadelphia where she graduated with Bachelor of Science degrees in Accounting and International Business from Drexel University.

During this time Amanda did two six-month internships with international accounting firm Ernst and Young, which offered her a permanent position in Atlanta, on completion of her studies. A two-year stint saw her in external financial auditing, attached to the Assurance and Advisory Business Services Division, where she was introduced to a number of high profile clients, including Coca Cola, Delta and Earthlink.

In 2002 she received an offer from media conglomerate Cox Enterprises Incorporated (CEI) and joined its Audit Services Department, responsible

for the company's country-wide subsidiaries and divisions.

But feeling increasingly homesick, and with her career at a crossroads, she decided to return to South Africa. Literally within minutes of landing in September this year, she had piqued interest from Ernst and Young, Deloitte and Touche and DRDGOLD. But it was the mining company, offering diversity and challenge, which excited her most. And with operations in Australia, Fiji and Papua New Guinea, there was the opportunity for international travel, which she knew would satisfy her "nomadic" streak!

Her newly-created post was prompted largely by the introduction of the Sarbanes-Oxley Act of 2002 (SOX) in the US, established to stamp out financial fraud through more rigorous corporate governance requirements. The Act requires compliance with a comprehensive regime of accounting procedures for publicly held companies, to promote and improve the quality and transparency of financial reporting by both internal and external independent auditors. With a listing on the Nasdaq SmallCap Market, DRDGOLD is bound by SOX, and has until 2006 to comply with the Act, so this will be a key focus area.

However, just as important in establishing the position, was DRDGOLD's keenness to create its own Internal Audit Department that would serve as a link to its outsourced external auditors. Amanda will concentrate on establishing good internal control and upgrading current business processes, which will ultimately serve as a foundation for SOX compliance.

Amanda will also bring expertise in US Generally Accepted Accounting Principles (GAAP) - a widely accepted set of rules, conventions, standards, and procedures for reporting financial information to the Securities and Exchange Commission (SEC).

While she hasn't yet audited a mining company, she feels confident with the accounting model which she describes as fairly simple. What will be more of a challenge, she knows, is the company's complex payroll process which makes up 50% of DRDGOLD's income statement and which will be another area of responsibility.

Media Accolade for DRDGOLD

DRDGOLD has won recognition for its media relations in a local, South African survey of listed companies.

The survey - conducted by Idea Engineers, Axius Publishing (publishers of Convergence magazine)

and Media Tenor - covered 21 South African business and mainstream media.

DRDGOLD was placed third in the Corporate Social Investment category and second in the Human Resources category.

DRDGOLD ▶
we do what we say

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Primary school wins DRDGOLD-sponsored books

A bunch of celebrities got down and dirty recently to raise funds for an underprivileged school in one of DRDGOLD's mining communities.

Fifteen personalities from the print and electronic media, as well as from business and sport, competed in team events in the Gold Reef City/SABC3 The World Today Celebrity Charity Challenge to win prizes for one of three DRDGOLD-nominated schools

At stake, amongst other things, was R10 000s worth of educational aids, sponsored by DRDGOLD, for the winning team's school.

Three celebrity teams of five, sporting blue, yellow and red bandanas, represented Rocklands Primary School (Blyvooruitzicht), Strathvaal Primary School (Stilfontein) and Carlton Jones Secondary School (Carletonville). Team members subjected themselves to a number of gruelling tasks to win points for their charity.

The blue team, comprising Glenn Lewington (SABC producer/presenter The World Today), JC Engelbrecht (SABC weather presenter), Peter Ndoro (SABC presenter 180 Degrees); Martin Bester (dee jay Jacaranda FM) and ex-rugby player Hennie le Roux, romped home to win for Rocklands Primary School.

In receiving the prize at a post-event dinner, Rocklands Primary School headmaster Pravesh Ramtahal thanked a DRDGOLD representative for the donation, which he said would assist in buying much-needed books for the 700 children who attend the school in the Blyvooruitzicht area.

"The government subsidy we receive is only R23 000 for the year and our expenses are R1.3 million, so we are grateful for the contribution that DRDGOLD has made available in this charity event."

Louwtjie Louwrens honoured

Louwtjie Louwrens, formerly General Manager at Crown Gold Recoveries' ERPM Mine and now based in Papua New Guinea, received an award in the Boksburg Celebrity of the Year Awards on 28 October.

Louwtjie was recognised for his efforts in returning ERPM to profitability. The awards, for which nearly 700 nominations were received, are sponsored by a number of local companies.

WANT A QUICK RESPONSE TO YOUR QUESTIONS ABOUT DRDGOLD?

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Some of the information in this voluntary release may contain projections or other forward looking statements regarding future events or other future financial performance. We wish to caution you that these forward-looking statements are not guarantees or predictions of future performance, and involve known or unknown risks, uncertainties and other factors, many of which are beyond our control and which may cause actual events or results to differ materially from those expressed in the statements contained in this release. Factors that could cause or contribute to such differences are discussed in the sections entitled 'Risk Factors' included in our annual report on Form 20-F for the fiscal year ended 30 June 2003, which we filed with the United States Securities and Exchange Commission on 30 December 2003 and is available on the SEC's website at www.sec.gov. We undertake no obligation to publicly update or release results of any of these projections or forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unexpected results.