

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to the action you should take, please consult your broker, Central Securities Depository Participant ("CSDP"), banker, accountant, attorney or other professional adviser immediately.

If you have disposed of some or all of your shares in DRDGOLD Limited ("DRDGOLD shares"), or your interest in DRDGOLD shares, then a copy of this circular, together with the attached form of proxy, should be forwarded to the purchaser to whom, or the stockbroker or agent through whom, you disposed of your DRDGOLD shares or your interest in DRDGOLD shares.

Full details of the actions required by holders of DRDGOLD shares and holders of other documents of title in respect of DRDGOLD shares are set out from page 4 of this circular.

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**DRDGOLD** 

L I M I T E D

**DRDGOLD Limited**

(Incorporated in the Republic of South Africa)

(Registration number 1895/000926/06)

NASDAQ trading symbol: DROO

JSE share code: DRD ISIN: ZAE 000058723

("DRDGOLD" or "the company")

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**CIRCULAR TO DRDGOLD SHAREHOLDERS**

**relating to the acquisition by the DRDGOLD group of the 50% interest in the Elsburg Gold Mining Joint Venture held by the Mintails Limited group;**

and incorporating

- a notice of general meeting; and
  - a form of proxy (pink) (for use only by holders of certificated DRDGOLD shares, nominee companies of CSDPs and by the holders of dematerialised DRDGOLD shares with "own name" registration).
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Corporate adviser and sponsor



Australian attorneys

**middletons**

Reporting accountants  
and auditors



Independent expert



South African attorneys



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Date of issue: 3 March 2009

Copies of this circular are available in English only and may be obtained from the registered office of DRDGOLD, the address of which is set out on the inside front cover of this circular.

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## CORPORATE INFORMATION

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### Secretary and registered office

T J Gwebu  
EBSCO House 4  
299 Pendoring Avenue  
Blackheath  
Johannesburg, 2195  
(PO Box 390, Maraisburg, 1700)

### Reporting accountants and auditors

KPMG Inc  
KPMG Crescent  
85 Empire Road  
Parktown, 2193  
(Private Bag 9, Parktown, 2122)

### South African transfer secretaries

Link Market Services South Africa (Proprietary) Limited  
(Registration number 2000/007239/07)  
11 Diagonal Street  
Johannesburg, 2001  
(PO Box 4844, Johannesburg, 2000)

### United Kingdom transfer secretaries

St James's Corporate Services Limited  
6 St James's Place  
London SW1A 1NP  
United Kingdom

### French agents and Paris bearer reception office

CACEIS Corporate Trust  
14 rue Rouget de Lisle  
92862 Issy-les-Moulineaux  
Cedex 9, France

### Depository bank for American Depositary Receipts

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

### United Kingdom Registrars and Bearer Office

CAPITA IRG plc  
The Registry  
34 Beckenham Road  
Beckenham  
Kent, BR3 4TU  
United Kingdom

### Date of incorporation

16 February 1895

### Place of incorporation

Pretoria

### Corporate adviser

QuestCo (Proprietary) Limited  
(Registration number 2002/005616/07)  
The Campus, 57 Sloane Street  
1st Floor, Wrigley Field  
Bryanston, 2021  
(PO Box 98956, Sloane Park, 2152)

### Sponsor

QuestCo Sponsors (Proprietary) Limited  
(Registration number 2004/018276/07)  
The Campus, 57 Sloane Street  
1st Floor, Wrigley Field  
Bryanston, 2021  
(PO Box 98956, Sloane Park, 2152)

### Independent expert

Venmyn Rand (Proprietary) Limited  
(Registration number 1988/004918/07)  
First Floor, Block G  
Rochester Place  
173 Rivonia Road  
Sandton, 2146  
(PO Box 782761, Sandton, 2146)

### Australian attorneys

Middletons  
Level 13, BGC Centre  
28 The Esplanade, Perth  
Western Australia, 6000  
(PO Box Z5623, Perth,  
Western Australia, 6831)

### South African attorneys

Edward Nathan Sonnenbergs Inc.  
(Registration number 2006/018200/21)  
150 West Street  
Sandton, 2196  
(PO Box 783347, Sandton, 2146)

### United States attorneys

Skadden, Arps, Slate, Meagher & Flom  
(UK) LLP  
40 Bank Street  
Canary Wharf  
London, E14 5DS  
United Kingdom

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## SALIENT FEATURES

The information set out in this section of the circular is an overview only and is not intended to be comprehensive. It should be read in conjunction with the information contained in the other sections of the circular. The definitions contained in the circular also apply to these salient features.

### 1. SUMMARY OF THE TRANSACTIONS

On 7 June 2007, DRDGOLD and Mintails announced the formation of the Elsburg Joint Venture whereby DRDGOLD SA, a 74% held subsidiary of DRDGOLD, would contribute the Elsburg Tailings Complex (some 180 million tonnes) and Mintails, through its subsidiary Mintails SA, would contribute one refurbished CIL gold circuit at its Brakpan plant to the Elsburg Joint Venture in order to commence the processing of tailings on the East Rand for the recovery of gold. The Elsburg Joint Venture was constituted through the structure of a 50:50 joint venture agreement between DRDGOLD SA, through ERPM, and Mintails SA, through Mogale Gold.

In October 2008, DRDGOLD announced that DRDGOLD SA, through ERPM, would be acquiring an additional 15% interest in the Elsburg Joint Venture from Mintails, through Mogale Gold, for a cash consideration of R100 million and that ERPM had been granted an option to acquire a further 11.4% interest in the Elsburg Joint Venture for R75.9 million. In December 2008, DRDGOLD announced that it would be acquiring, directly, Mintails' remaining interest in the Elsburg Joint Venture i.e an additional 23.6% interest if the Elsburg option is exercised or an additional 35% interest if the Elsburg option is not exercised for a purchase consideration of R153.2 million and R177 million respectively.

### 2. FINANCIAL EFFECTS

A summary of the *pro forma* financial effects of the transactions is set out below for illustrative purposes only to provide information on how the transactions may have impacted on the reported financial information of the company had they been undertaken on 1 July 2008 for earnings purposes and on 31 December 2008 for net asset value purposes.

The effects of the 15% acquisition followed by the 35% acquisition are set out in the second and third columns and the effects of the 15% acquisition followed by the exercise of the Elsburg option and the 23.6% acquisition are set out in column 5.

	Before the transactions (unaudited interim financial results)	After the 15% acquisition	After the 15% acquisition and the 35% acquisition	Overall cumulative percentage change of the 15% acquisition and the 35% acquisition	After the 15% acquisition, the exercise of the Elsburg option and the 23.6% acquisition	Overall cumulative percentage change of the 15% acquisition, the exercise of the Elsburg option and the 23.6% acquisition
Attributable earnings per ordinary share for the period ended 31 December 2008 (cents)	15	14	12	(20)	12	(20)
Headline earnings per ordinary share for the period ended 31 December 2008 (cents)	24	23	21	(13)	21	(13)
Net asset and net tangible asset value per ordinary share at 31 December 2008 (cents)	334	334	334	–	334	–
Weighted average number of ordinary shares in issue for the period	376 586 057	376 586 057	376 586 057	–	376 586 057	–
Number of ordinary shares in issue at the end of the period	376 673 613	376 673 613	376 673 613	–	376 673 613	–

### 3. IMPORTANT TIMES AND DATES

Shareholders should take careful note of the following important times and dates:

<b>Activity</b>	<b>2009</b>
Last day to lodge forms of proxy at the relevant transfer secretaries of DRDGOLD for the general meeting by 10:00 on	Friday 27 March
General meeting of DRDGOLD shareholders to be held at 10:00 on	Tuesday 31 March
Results of the general meeting published on SENS and released to the relevant stock exchanges on	Tuesday 31 March

**Note:**

Unless otherwise indicated, all times are South African times.

### 4. COPIES OF THE CIRCULAR

Copies of this circular are available in English only and may be obtained from the registered office of DRDGOLD, the address of which is set out on the inside front cover of this circular.

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## ACTIONS REQUIRED

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The definitions commencing on page 6 apply, *mutatis mutandis*, to the information on the actions required by DRDGOLD shareholders.

If you are in any doubt as to what action you should take, you should consult your broker, banker, accountant, attorney, CSDP or other professional adviser immediately.

This circular contains information relating to the transactions. DRDGOLD ordinary shareholders should carefully read this circular and decide how they wish to vote on the resolutions relating to the transactions to be proposed at the general meeting.

A general meeting of DRDGOLD ordinary shareholders is to be held at 10:00 on Tuesday 31 March 2009 at the registered offices of DRDGOLD at EBSCO House 4, 299 Pendoring Avenue, Blackheath, Randburg, Johannesburg, 2195, to consider and, if deemed fit, pass the ordinary resolutions relating to the transactions. **DRDGOLD preference shareholders may attend the general meeting but are not entitled to vote.**

### **DRDGOLD ordinary shareholders who hold certificated shares or dematerialised shares in their own name:**

DRDGOLD ordinary shareholders holding share certificates in their own name and DRDGOLD ordinary shareholders who have dematerialised their DRDGOLD shares and have elected "own-name" registration in the sub-register through a CSDP are entitled to attend the general meeting in person. Alternatively if they are unable to attend the general meeting but wish to be represented thereat they may complete and return the attached form of proxy (*pink*), in accordance with the instructions contained therein, to the relevant transfer secretaries, the addresses of which are set out on the inside front cover of this circular, to be received by no later than 10:00 on Friday 27 March 2009.

### **DRDGOLD ordinary shareholders who hold other than "own-name" dematerialised shares or certificated shares through a nominee:**

DRDGOLD ordinary shareholders who have dematerialised their DRDGOLD ordinary shares through a CSDP or broker and who have not elected "own-name" registration in the sub-register maintained by a CSDP and DRDGOLD ordinary shareholders who hold certificated DRDGOLD ordinary shares through a nominee who wish to attend the general meeting must instruct their CSDP, broker or nominee to issue them with the necessary Letter of Representation to attend, or, if they do not wish to attend the general meeting but wish to be represented thereat, must provide their CSDP, broker or nominee with their voting instructions in terms of the custody agreement entered into between them and their CSDP, broker or nominee.

DRDGOLD ordinary shareholders who hold dematerialised shares must ensure that the person or entity (such as a nominee) whose name has been entered into the relevant sub-register maintained by a CSDP completes the form of proxy (*pink*) and appoints a proxy to vote at the general meeting.

### **Holders of share warrants to bearer:**

The holder of a share warrant to bearer who wishes to attend or be represented at the general meeting must deposit his share warrant at the bearer reception office of Capita IRG plc, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or must deposit his share warrant at the office of the French agents, CACEIS Corporate Trust, 14 rue Rouget de Lisle, 92862 Issy-les-Moulineaux, Cedex 9, France, in both cases not later than 48 hours before the date appointed for the holding of the general meeting (which period excludes Saturdays, Sundays and public holidays) and shall otherwise comply with the "Conditions governing share warrants" currently in force. Thereupon a form of proxy or an attendance form under which such share warrant holder may be represented at the general meeting shall be issued.

**ADR holders:**

Holders of ADRs will receive forms of proxy printed by The Bank of New York Mellon, which should be completed and returned in accordance with the instructions printed on such forms of proxy. Beneficial holders who hold their ADRs in book entry form should receive their proxy card and voting instructions from their broker/s.

**DRDGOLD does not take responsibility and will not be held liable for any failure on the part of a CSDP, nominee or broker of an ordinary shareholder holding dematerialised DRDGOLD shares to notify such shareholder of the general meeting or any business to be conducted thereat, or to validly authorise a shareholder to attend or vote thereat.**

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**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

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This circular contains certain “forward-looking” statements within the meaning of Section 21E of the U.S. Securities Exchange Act of 1934 regarding future events or other future financial performance and information relating to DRDGOLD that are based on the beliefs of management, as well as assumptions made by and information currently available to management. Some of these forward-looking statements include phrases such as “anticipates,” “believes,” “could,” “estimates,” “expects,” “intends,” “may,” “should,” or “will continue,” or similar expressions or the negatives thereof or other variations on these expressions, or similar terminology, or discussions of strategy, plans or intentions. Such statements reflect management’s current views with respect to future events and are subject to risks, uncertainties and assumptions. Many factors could cause the company’s 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 DRDGOLD serves, a drop in the price of gold, regulatory developments adverse to DRDGOLD or difficulties in obtaining and/or maintaining necessary licences or other governmental approvals, failure to obtain shareholder or regulatory approval for the transactions described in this circular, changes in DRDGOLD’s competitive position, changes in business strategy, any major disruption in production at joint venture facilities and other factors included in the section entitled “Risk Factors” in DRDGOLD’s Annual Report on Form 20-F for the fiscal year ended 30 June 2008.

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## DEFINITIONS

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In the circular, unless otherwise indicated, or unless the context indicates a contrary intention, references to the singular shall include the plural and *vice versa*, words denoting one gender include the other genders, expressions denoting natural persons include juristic persons and associations of persons and *vice versa* and words in the first column have the meanings stated opposite them in the second column as follows:

“ADRs”	American Depositary Receipts;
“the 15% acquisition”	the acquisition by ERPM of a 15% interest in the Elsburg Joint Venture from Mogale Gold for a purchase consideration of R100 million;
“the 15% acquisition agreement”	the Mogale Sale of Part Venture Interest agreement between Mogale Gold and ERPM, dated 29 September 2008, relating to the 15% acquisition and the Elsburg option;
“the 23.6% acquisition”	the acquisition by DRDGOLD of a 23.6% interest in the Elsburg Joint Venture from Mogale Gold, in the event that ERPM exercises the Elsburg option prior to the implementation of the 35% acquisition, for a purchase consideration of R177 million less R23 817 470 in recognition of ERPM having already advanced that amount to Ergo Mining at the time of exercising the Elsburg option in accordance with its obligations under clause 10 of the 15% acquisition agreement;
“the 35% acquisition”	the acquisition by DRDGOLD of: <ul style="list-style-type: none"><li>• the remaining 35% interest held by Mogale Gold in the Elsburg Joint Venture; and</li><li>• all of the shareholder’s loans from the Mintails group to the Elsburg Joint Venture</li></ul> for a purchase consideration of R177 million;
“the 35% acquisition agreement”	the Heads of Agreement amongst DRDGOLD, ERPM, Mintails, Mogale Gold and Ergo Mining, dated 8 December 2008, relating to the 35% acquisition and the 23.6% acquisition;
“the ASX”	the Australian Stock Exchange Limited;
“Au”	gold;
“Blyvooruitzicht”	Blyvooruitzicht Gold Mining Company Limited (registration number 1937/009743/06), a public company incorporated in South Africa and a wholly-owned subsidiary of DRDGOLD SA;
“the board”	the board of directors of DRDGOLD;
“business day”	any day other than a Saturday, Sunday or official public holiday in South Africa;
“CIL”	carbon in leach;
“this circular” or “the circular”	this circular, dated 3 March 2009, incorporating the notice of general meeting and form of proxy;
“Crown”	Crown Gold Recoveries (Proprietary) Limited (registration number 1988/005115/07), a private company incorporated in South Africa and a wholly-owned subsidiary of DRDGOLD SA;
“CSDP”	Central Securities Depository Participant;
“dematerialised shareholder”	a shareholder whose shares have been dematerialised through a CSDP or broker and are held in terms of the Securities Services Act, Act 36 of 2004, on the sub-register of shareholders;

“the directors”	the directors of DRDGOLD, whose names are given on page 10 of this circular;
“the DRDGOLD group” or “the group”	DRDGOLD and its subsidiary companies;
“DRDGOLD” or “the company”	DRDGOLD Limited (registration number 1895/000926/06), a public company incorporated in Pretoria, South Africa, on 16 February 1895, with a primary listing on the JSE and a secondary listing on NASDAQ;
“DRDGOLD SA”	DRDGOLD South African Operations (Proprietary) Limited (registration number 2005/033662/07), a private company incorporated in South Africa, and a 74% held subsidiary of DRDGOLD which holds all of DRDGOLD’s South African operations;
“DRDGOLD ordinary shareholders”	registered holders of DRDGOLD ordinary shares;
“DRDGOLD preference shareholders”	registered holders of DRDGOLD preference shares;
“DRDGOLD shareholders”	DRDGOLD ordinary shareholders and DRDGOLD preference shareholders;
“DRDGOLD shares” or “DRDGOLD ordinary shares”	ordinary shares of no par value in the stated capital of DRDGOLD, of which 377 005 373 were in issue at the last practicable date;
“DRDGOLD preference shares”	cumulative preference shares having a par value of R0.10 (ten cents) each in the share capital of DRDGOLD, of which 5 000 000 were in issue at the last practicable date;
“the Elsburg Joint Venture”	the unincorporated joint venture formed through the DRDGOLD group contributing the Elsburg Tailings Complex (some 180 million tonnes) and the Mintails group contributing one refurbished CIL gold circuit at its Brakpan plant in order to commence the processing of tailings on the East Rand for the recovery of gold and constituted in terms of a joint venture agreement dated 15 August 2008 between ERPM and Mogale Gold;
“the Elsburg option”	the option granted to ERPM by Mogale Gold in terms of the 15% acquisition agreement for ERPM to acquire, subsequent to the implementation of the 15% acquisition, a further 11.4% interest in the Elsburg Joint Venture during the period between 1 and 15 January 2009 for a price of R75 948 489; the expiry date of the Elsburg option was subsequently extended to 31 March 2009 by agreement between ERPM and Mogale Gold;
“Ergo Mining”	Ergo Mining (Proprietary) Limited (registration number 2007/004886/07), a private company incorporated in South Africa and held 50% by Crown and 50% by Ergo Uranium;
“Ergo Uranium”	Ergo Uranium (Proprietary) Limited (registration number 2007/017509/07), a private company incorporated in South Africa and a wholly-owned subsidiary of the Mintails group;
“ERPM”	East Rand Proprietary Mines Limited (registration number 1893/000773/06), a public company incorporated in South Africa and a wholly-owned subsidiary of DRDGOLD SA;
“the general meeting of shareholders” or “the general meeting”	the general meeting of DRDGOLD ordinary shareholders (at which the DRDGOLD preference shareholders shall be entitled to attend but not to vote) to be held at EBSCO House 4, 299 Pendoring Avenue, Blackheath, Randburg, Johannesburg, 2195, at 10:00 (South African time) on Tuesday 31 March 2009, for the purposes of considering and, if deemed fit, passing the resolutions approving the transactions;
“IFRS”	International Financial Reporting Standards;

“Indicated Resource”	that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed;
“Inferred Resource”	that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability;
“the JSE”	JSE Limited (registration number 2005/022939/06), a public company duly registered and incorporated with limited liability under the company laws of South Africa, licensed as an exchange under the Securities Services Act, 2004;
“KB Gold”	Khumo Bathong Gold (Proprietary) Limited (registration number 2005/029832/07), a private company incorporated in South Africa, which has a 20% indirect interest in DRDGOLD SA through Khumo Gold;
“Khumo Gold”	Khumo Gold SPV (Proprietary) Limited (registration number 2005/029595/07), a private company incorporated in South Africa and a wholly-owned subsidiary of KB Gold;
“the last practicable date”	23 February 2009, being the last practicable date prior to the finalisation of this circular;
“the Listings Requirements”	the JSE Limited Listings Requirements, as amended from time to time by the JSE;
“Mineral Reserve”	the economically mineable part of a Measured or Indicated Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Mineral Reserves are sub-divided, in order of increasing confidence, into Probable Reserves and Proven Reserves;
“Measured Resource”	that portion of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through workings and drill holes. The locations are spaced closely enough to confirm geological and/or grade continuity;
“Mineral Resource”	a concentration or occurrence of material of intrinsic economic interest in or on the Earth’s crust in such a form and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred Resources, Indicated Resources and Measured Resources;

“Mintails”	Mintails Limited (registration number ABN 45 008 740 672), a public company incorporated in Australia and listed on the ASX;
“the Mintails group”	Mintails and its subsidiary companies;
“Mintails SA”	Mintails South Africa (Proprietary) Limited (registration number 2004/007547/07), a private company incorporated in South Africa and a wholly-owned subsidiary of Mintails;
“Mogale Gold”	Mogale Gold (Proprietary) Limited (registration number 1996/010274/07), a private company incorporated in South Africa and a wholly-owned subsidiary of Mintails SA;
“NASDAQ”	Nasdaq Capital Market;
“Probable Reserve”	the economical mineable part of an Indicated Mineral Resource and, in some cases, Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out and include consideration of and modification by realistically assumed, mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified;
“Proven Reserve”	the economically mineable part of a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out and include consideration of and modification by realistically assumed, mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified;
“R”	South African Rand;
“SENS”	the Securities Exchange News Service of the JSE;
“SEC”	United States Securities and Exchange Commission;
“South Africa”	the Republic of South Africa;
“the transactions”	the 15% acquisition, the 35% acquisition, the exercise of the Elsburg option and the 23.6% acquisition;
“the Trust”	the DRDSA Empowerment Trust, an <i>inter vivos</i> trust established by oral agreement between Khumo Gold, Masechaba Palesa Moletsane Ncholo and Mervin Percival Thulo Mogotsi, on 7 September 2006; and
“Venmyn”	the independent expert which has provided an opinion to the board as to the fairness of the transactions insofar as DRDGOLD ordinary shareholders are concerned, which opinion is included in a letter which is set out in this circular as Annexure 2.

# DRDGOLD

L I M I T E D

## DRDGOLD Limited

(Incorporated in the Republic of South Africa)  
(Registration number 1895/000926/06)  
NASDAQ trading symbol: DROO  
JSE share code: DRD ISIN: ZAE 000058723  
("DRDGOLD" or "the company")

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### Directors

G C Campbell<sup>^\*</sup> (*Non-Executive Chairman*)

D J Pretorius (*Chief Executive Officer*)

C C Barnes (*Chief Financial Officer*)

J Turk<sup>^^\*\*</sup>

R P Hume<sup>^</sup>

E J Jeneker<sup>^</sup>

<sup>^</sup> Independent Non-executive

<sup>^^</sup> Non-executive

<sup>\*</sup> British

<sup>\*\*</sup> American

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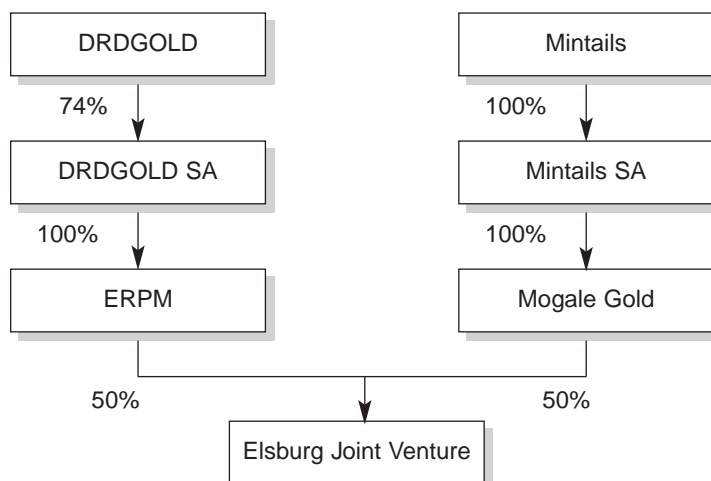
## CIRCULAR TO DRDGOLD SHAREHOLDERS

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### 1. INTRODUCTION

#### 1.1 Description of the joint venture arrangements between the DRDGOLD group and the Mintails group

On 7 June 2007, DRDGOLD and Mintails announced the formation of the Elsburg Joint Venture whereby DRDGOLD SA, which is 74% held by DRDGOLD and 26% by black economic empowerment shareholders, Khumo Gold and the Trust, would contribute the Elsburg Tailings Complex (some 180 million tonnes) and Mintails, through its subsidiary Mintails SA, would contribute one refurbished CIL gold circuit at its Brakpan plant to the Elsburg Joint Venture in order to commence the processing of tailings on the East Rand for the recovery of gold. The Elsburg Joint Venture was constituted through the structure of a 50:50 joint venture agreement between DRDGOLD SA, through ERPM, and Mintails SA, through Mogale Gold. The structure of the Elsburg Joint Venture is set out below:



On 26 November 2007, DRDGOLD and Mintails announced a significant expansion of their joint activities through the planned refurbishment of infrastructure at the Brakpan plant and an increase in available tailings material for processing to approximately 1.7 billion tonnes, including the Elsburg Tailings Complex. This expansion was consummated through the creation of a 50:50 joint venture entity, namely Ergo Mining. Ergo Mining plans to explore, evaluate and process up to 1.7 billion tonnes of surface gold, uranium and sulphur bearing tailings from the East and Central Rand goldfields of South Africa.

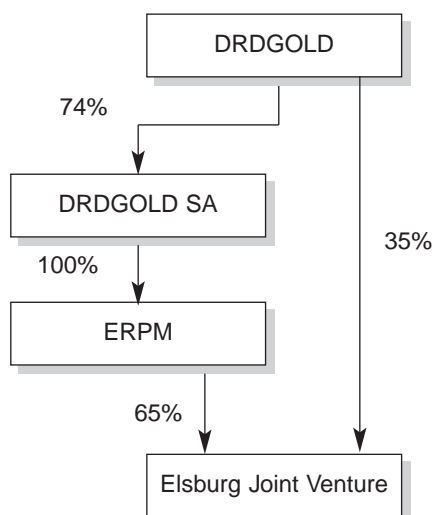
## 1.2 Overview of the transactions

In October 2008, DRDGOLD announced that DRDGOLD SA would be acquiring, through its subsidiary ERPM, an additional 15% interest in the Elsburg Joint Venture from the Mintails group and that ERPM had been granted an option to acquire a further 11.4% interest in the Elsburg Joint Venture.

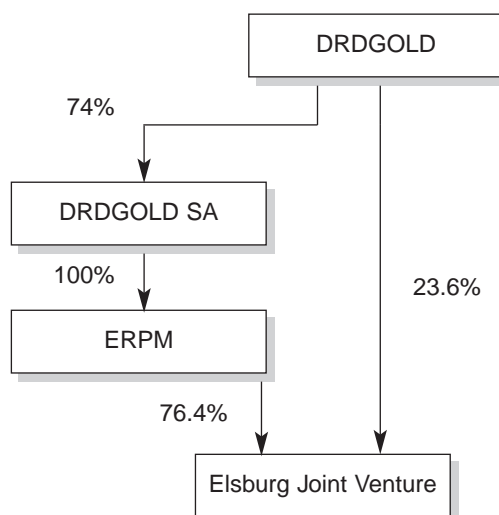
In December 2008, DRDGOLD announced that it would be acquiring, directly, Mintails' remaining interest in the Elsburg Joint Venture, that is, by acquiring the remaining 23.6% interest if ERPM exercises the Elsburg option prior to the implementation of the 35% acquisition or the remaining 35% interest if ERPM does not exercise the Elsburg option.

The two possible structures illustrating the implementation of the transactions are set out below:

Assuming the Elsburg option is not exercised



Assuming the Elsburg option is exercised



The JSE considers the transactions to be related party transactions due to the joint venture relationships between the DRDGOLD and Mintails groups. The transactions are therefore subject to shareholder approval. The purpose of this circular is to provide DRDGOLD shareholders with all the relevant information relating to the transactions, so as to enable them to make an informed decision as to whether they should vote in favour thereof, as well as to convene a general meeting at which resolutions to approve and implement the transactions will be proposed.

DRDGOLD shareholders should note that the 50:50 interests of the DRDGOLD and Mintails groups in Ergo Mining are not affected by the transactions.

## 2. TERMS OF THE TRANSACTIONS

### 2.1 The 15% acquisition

On 3 October 2008, DRDGOLD announced that, pursuant to the terms of the 15% acquisition agreement, DRDGOLD SA had agreed to acquire, through its subsidiary ERPM, a further 15% interest in the Elsburg Joint Venture from the Mintails group for a purchase consideration of R100 million, to be settled in cash. The implementation of the 15% acquisition would result in DRDGOLD SA, through its subsidiary, ERPM, holding a 65% interest and Mintails SA, through Mogale Gold, a 35% interest in the Elsburg Joint Venture.

In addition, Mintails SA, through Mogale Gold, granted DRDGOLD SA, through ERPM, a conditional option exercisable between 1 and 15 January 2009 to acquire a further 11.4% interest in the Elsburg Joint Venture for an amount of approximately R75.9 million, payable in cash. The Elsburg option had not been exercised by its expiry date and DRDGOLD SA and Mintails have accordingly agreed to extend the original expiry date of the Elsburg option to 31 March 2009.

The effective date of the 15% acquisition is the date upon which the transaction becomes unconditional.

The conclusion and implementation of the 15% acquisition agreement is subject to ratification by and the approval of DRDGOLD shareholders.

## 2.2 The 35% acquisition

In a further announcement dated 9 December 2008, DRDGOLD advised that, in terms of the 35% acquisition agreement, it had agreed to acquire:

- the remaining 35% interest in the Elsburg Joint Venture; and
- all of the shareholder's loans from the Mintails group to the Elsburg Joint Venture

for a purchase consideration of R177 million, to be settled in cash. The effective date of the 35% acquisition is 8 December 2008 although the risk and title only passes to the DRDGOLD group on completion of the 35% acquisition.

In terms of the 35% acquisition agreement, if the Elsburg option is exercised prior to implementation of the 35% acquisition, DRDGOLD will only acquire a further 23.6% interest for a purchase consideration of approximately R153.2 million reflecting a reduction in the total consideration of approximately R23.8 million which represents the portion of the Elsburg option exercise price which will have already been advanced by ERPM to Ergo Mining in accordance with the terms of the 15% acquisition agreement.

The 35% acquisition is subject to the following conditions precedent:

- no significant adverse changes occurring in respect of the Elsburg Joint Venture, the gold price or DRDGOLD's market capitalisation prior to completion of the 35% acquisition;
- the approval of the relevant regulatory bodies in South Africa; and
- the approval of DRDGOLD shareholders.

Unless agreed otherwise by the parties to the 35% acquisition agreement, the conditions precedent have to be fulfilled or waived by the date that is 6 months after the date of signature of the 35% acquisition agreement, failing which either party may terminate the 35% acquisition agreement by giving written notice to that effect to the other parties thereto.

The purchase price of R177 million assumes that completion will occur within 4 months of signature of the 35% acquisition agreement. If completion does not occur within that period, the parties have agreed to re-negotiate in good faith the purchase price adjustment mechanism relating to the exercise of the Elsburg option set out above.

The implementation of the 15% acquisition and either the 35% acquisition or the exercise of the Elsburg option and the implementation of the 23.6% acquisition will result in the DRDGOLD group holding 100% of the Elsburg Joint Venture.

## 3. NATURE OF DRDGOLD'S BUSINESS

DRDGOLD is a mid-tier, unhedged gold producer with underground mines and surface re-treatment operations, as well as exploration programmes in South Africa. The company's head office is situated in Johannesburg and the group has its primary listing on the JSE and its secondary listing on NASDAQ.

DRDGOLD has a 74% interest in DRDGOLD SA, the balance of which is held by its Black Economic Empowerment partners Khumo Gold (20%) and the Trust (6%). DRDGOLD SA wholly owns Blyvooruitzicht, ERPM and Crown and operates the Blyvooruitzicht and ERPM gold mining operations, and the Crown surface re-treatment operations. DRDGOLD currently holds 50% of the Elsburg Joint Venture through ERPM and 50% of Ergo Mining through Crown.

### 3.1 Technical information relating to the Elsburg Joint Venture

The Elsburg Tailings Complex comprises five tailings dams near the township of Reiger Park, Boksburg-20 kilometres east of Johannesburg. An Independent Competent Person's Report was prepared by RSG Global Consulting (Proprietary) Limited in compliance with the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves ("the SAMREC Code") in July 2008 on the Elsburg Tailings Complex and is available in full on the DRDGOLD web site ([www.drdgold.com](http://www.drdgold.com)).

An extract from such Competent Person's Report showing the Mineral Resource estimate for gold is set out below:

Measured Mineral Resource Statement for Elsburg Tailings Complex – Gold (July 2008)

Dam	Tonne (Mt)	Grade (g/t)	Au (Tonne)
4/L/48	66.1	0.38	25.12
4/L/49	47.4	0.29	13.75
4/L/47 and 4/L/47A	34.2	0.26	8.89
4/L/50	23.4	0.25	5.85
<b>Total</b>	<b>171.1</b>	<b>0.30</b>	<b>53.61</b>

## 4. GROUP PROSPECTS, RATIONALE FOR AND BENEFITS OF THE TRANSACTIONS

### 4.1 Group prospects and rationale for the transactions

DRDGOLD has successfully regained its focus on opportunities in South Africa following the disposal of its various offshore operations. As part of this process, the company has focused on stabilising and improving the performance of existing mines, expanding its surface treatment activities and investigating the potential for uranium and sulphuric acid production. The strategy has allowed DRDGOLD to build a strong base from which the company can grow.

During these times of steeply rising underground production costs, coupled with the safety concerns associated with deep level mining, the acquisition of low cost surface dump retreatment assets and operations in South Africa is seen as having significant strategic advantages to the DRDGOLD group.

### 4.2 Benefits of the transactions

The implementation of the 15% acquisition and either the 35% acquisition or the exercise of the Elsburg option together with the implementation of the 23.6% acquisition will:

- result in DRDGOLD having outright management control over the Elsburg Joint Venture, which DRDGOLD believes will expedite the advancement of the project and will allow for greater flexibility and optimisation of all dump retreatment operations conducted by the DRDGOLD group;
- result in the DRDGOLD group being entitled to 100% of the gold produced and cash flows from the retreatment of tailings by the Elsburg Joint Venture, which has a twelve year life of mine; and
- assist in positioning the DRDGOLD group to take advantage of further growth opportunities.

## 5. PRO FORMA FINANCIAL EFFECTS

The unaudited *pro forma* financial effects of the transactions are presented in Annexure 1 and are summarised below. Such *pro forma* financial effects are the responsibility of the directors and are presented for illustrative purposes only to provide information on how the transactions may have impacted on the reported financial information of the company if they had been implemented in the six months ended 31 December 2008. Because of their nature, the *pro forma* financial effects may not give a fair indication of the company's financial position at 31 December 2008 or its future earnings. This *pro forma* financial information has not been prepared in accordance with SEC regulations and has not been audited. KPMG has issued a limited assurance report on this *pro forma* financial information which is set out in Annexure 1A to this circular.

**Financial effects of the 15% acquisition and the 35% acquisition**

	Before the transactions (i)	After the 15% acquisition (ii)	Percentage change (viii)	After the 35% acquisition (iii)	Overall percentage change (viii)
Attributable earnings per ordinary share for the six months ended 31 December 2008 (cents) (vi)	15	14	(7)	12	(20)
Headline earnings per ordinary share for the six months ended 31 December 2008 (cents) (vi)	24	23	(4)	21	(13)
Net asset value per ordinary share at 31 December 2008 (cents) (vii)	334	334	–	334	–
Net tangible asset value per ordinary share at 31 December 2008 (cents) (vii)	334	334	–	334	–
Weighted average number of ordinary shares in issue for the period	376 586 057	376 586 057	–	376 586 057	–
Number of ordinary shares in issue at the end of the period	376 673 613	376 673 613	–	376 673 613	–

**Financial effects of the 15% acquisition, the exercise of the Elsbury option and the 23.6% acquisition**

	Before the transactions (i)	After the 15% acquisition (ii)	After the exercise of the Elsbury option (iv)	Percentage change (viii)	After the exercise of the Elsbury option and the 23.6% acquisition (v)	Overall percentage change (viii)
Attributable earnings per ordinary share for the six months ended 31 December 2008 (cents) (vi)	15	14	14	(7)	12	(20)
Headline earnings per ordinary share for the six months ended 31 December 2008 (cents) (vi)	24	23	22	(8)	21	(13)
Net asset value per ordinary share at 31 December 2008 (cents) (vii)	334	334	334	–	334	–
Net tangible asset value per ordinary share at 31 December 2008 (cents) (vii)	334	334	334	–	334	–
Weighted average number of ordinary shares in issue for the period	376 586 057	376 586 057	376 586 057	–	376 586 057	–
Number of ordinary shares in issue at the end of the period	376 673 613	376 673 613	376 673 613	–	376 673 613	–

**Notes:**

- (i) The figures in these columns are extracted from the published unaudited interim financial results of the company for the six months ended 31 December 2008.
- (ii) The figures in these columns are based on the figures set out in the previous columns, having adjusted for the effects of the 15% acquisition.
- (iii) The figures in this column are based on the figures set out in the column entitled "After the 15% acquisition", having further adjusted for the effects of the 35% acquisition.
- (iv) The figures in this column are based on the figures set out in the previous column, having further adjusted for the effects of the exercise of the Elsbury option.
- (v) The figures in this column are based on the figures set out in the column entitled "After the exercise of the Elsbury option", having further adjusted for the 23.6% acquisition.
- (vi) For purposes of the *pro forma* attributable and headline earnings per ordinary share it was assumed that:
  - the 15% acquisition and the 35% acquisition were implemented and the Elsbury option was exercised and the 23.6% acquisition implemented with effect from 1 July 2008;
  - earnings were reduced by the interest which would have been earned on the purchase considerations at an interest rate of 11% per annum, adjusted for tax at a rate of 28%.
- (vii) For purposes of net asset value and net tangible asset value per ordinary share, it was assumed that the 15% acquisition and the 35% acquisition were implemented and the Elsbury option was exercised and the 23.6% acquisition implemented on 31 December 2008.
- (viii) The figures in these columns reflect the percentage change between the figures set out in the preceding column and in the column entitled "Before the transactions".

### Assumptions and basis of preparation:

The International Financial Reporting Standard on Business Combinations requires that the acquiring entity ascertain the fair value of all the underlying assets and liabilities of the acquired business undertaking on the date that control passes. A final purchase price allocation could not be made at the date of this circular as the transactions are dependent on future regulatory and shareholder approval. A provisional purchase price allocation was undertaken in accordance with IFRS 3. The current fair values of the underlying assets and liabilities were based on the amounts paid and any excess was allocated to mineral rights.

Upon completion of the transactions, the fair value of the underlying assets and liabilities will be calculated and allocated. Should any goodwill arise from this future allocation it is the DRDGOLD group's policy to immediately write off any negative goodwill to the income statement and in the case of positive goodwill the DRDGOLD group will annually test for any impairment.

Deferred tax is calculated and recognised based on the difference between the tax base of the underlying assets and liabilities, and the fair value at the date of acquisition.

## 6. SHARE CAPITAL

DRDGOLD's share capital comprised the following authorised and issued share capital at the last practicable date:

Share capital	R'000
<b>Authorised</b>	
600 000 000 ordinary shares of no par value	
5 000 000 cumulative preference shares of 10 cents each	
<b>Issued</b>	
377 005 373 ordinary shares of no par value	4 120 319
5 000 000 cumulative preference shares of 10 cents each	500

## 7. MAJOR SHAREHOLDERS

The name and shareholding of the only shareholder (excluding the directors of DRDGOLD) who, insofar as is known to DRDGOLD, at the last practicable date was beneficially interested, directly or indirectly, in 5% or more of the issued share capital of DRDGOLD is set out below. The holding of the Bank of New York Mellon, representing ADR clients, is also presented:

	Number of DRDGOLD shares held	Percentage of issued DRDGOLD shares
Soges Fiducem SA (Brussels)	25 949 620	6.9
Bank of New York Mellon (on behalf of ADR clients)	218 960 158	58.1

## 8. MATERIAL CHANGES AND MATERIAL CONTRACTS

### 8.1 Material changes

There have been no material changes in the financial or trading position of the DRDGOLD group since the publication of the unaudited quarterly and interim results for the three and six months ended 31 December 2008.

### 8.2 Material contracts

Details of the material contracts which have been entered into by the DRDGOLD group (either verbally or in writing) otherwise than in the ordinary course of business within the two years prior to the date of issue of this circular or earlier and which contain an obligation or settlement which is material to the DRDGOLD group at the date of issue of this circular are set out in Annexure 3 to this circular.

## 9. EXPENSES RELATING TO THE TRANSACTIONS

No preliminary expenses have been incurred within the three years prior to the last practicable date.

The estimated costs and fees (excluding Value Added Tax) in respect of the transactions incurred or to be incurred by DRDGOLD are set out in the table below:

Description of costs/fees	R'000
Edward Nathan Sonnenbergs Inc. (legal fees)	107
Middletons (legal fees)	242
Feinsteins (legal fees)	250
KPMG (accounting fees)	60
QuestCo (corporate advisory and sponsorship fees)	1 108
JSE (documentation fees)	11
Printing, publication and distribution costs (estimated)	100
Venmyn (fairness opinion)	260
<b>Total</b>	<b>2 138</b>

## 10. DIRECTORS' OPINION

The directors are of the opinion that the transactions are fair insofar as the shareholders of DRDGOLD are concerned. The board has been so advised by Venmyn, an independent expert acceptable to the JSE, and a letter to that effect is set out in Annexure 2 to this circular.

## 11. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are given on page 10 of this circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that they have made all reasonable enquiries to ascertain such facts, and that this circular contains all the information required by the Listings Requirements.

## 12. GENERAL MEETING OF SHAREHOLDERS

A general meeting of DRDGOLD ordinary shareholders will be held at 10:00 on Tuesday 31 March 2009, at the registered offices of DRDGOLD at EBSCO House 4, 299 Pendoring Avenue, Blackheath, Randburg, Johannesburg, 2195, for the purpose of considering and if deemed fit, passing, with or without modification, the necessary ordinary resolutions to approve the transactions. A notice convening the general meeting is enclosed with, and forms part of, this circular. DRDGOLD preference shareholders may attend the general meeting but are not entitled to vote.

A form of proxy for use by certificated shareholders and "own name registered" dematerialised shareholders who are unable to attend the general meeting, but who wish to be represented thereat, is attached to and forms part of this circular.

Dematerialised shareholders (other than "own name registered" dematerialised shareholders) who wish to attend the general meeting should obtain from their CSDP or broker the necessary letter of representation to attend the general meeting or advise their CSDP or broker as to what action they wish to take in respect of voting at the general meeting.

The holder of a share warrant to bearer who wishes to attend or be represented at the general meeting must deposit his share warrant at the bearer reception office of Capita IRG plc, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or must deposit his share warrant at the office of the French agents, CACEIS Corporate Trust, 14 rue Rouget de Lisle, 92862 Issy-les-Moulineaux, Cedex 9, France, in both cases not later than 48 hours before the date appointed for the holding of the general meeting (which period excludes Saturdays, Sundays and public holidays) and shall otherwise comply with the "Conditions governing share warrants" currently in force. Thereupon a form of proxy or an attendance form under which such share warrant holder may be represented at the general meeting shall be issued.

Shareholders should note that, in terms of the Listings Requirements, related parties and their associates may be taken into account in determining a quorum for a shareholders meeting but the votes of such parties may not be taken into account in determining the results of the voting on the relevant resolution. The validity of the resolutions relating to the transactions is therefore conditional upon securing the approval of a simple majority of votes of DRDGOLD ordinary shareholders other than those of Mintails and its associates. Shareholders should also note that DRDGOLD is not aware that Mintails or any of its associates holds shares in DRDGOLD.

### 13. EXPERTS' CONSENT

The reporting accountants, KPMG Inc., whose report is set out in Annexure 1A to this circular, and the independent expert, Venmyn, whose fairness opinion letter is set out in Annexure 2 to this circular, have both given their consents and have not, prior to the date of issue of this circular, withdrawn their consents to the inclusion of their report and/or letter and to the inclusion of their name in this circular in the form and context in which they appear.

### 14. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection during normal office hours on any business day from 2 March 2009 to 31 March 2009, both days inclusive, at the registered offices of DRDGOLD, EBSCO House 4, 299 Pendoring Avenue, Blackheath, Randburg, Johannesburg, 2195:

- DRDGOLD's memorandum and articles of association;
- the trust deed in respect of the Trust;
- the 15% acquisition agreement and the 35% acquisition agreement;
- the material contracts;
- the Competent Person's Report on the Elsburg Tailings Complex dated July 2008;
- the latest Competent Person's Report on DRDGOLD;
- directors', managers', company secretary's, underwriter's and promoter's service contracts entered into in the last three years;
- the report by the reporting accountant set out in Annexure 1A;
- the fairness opinion letter from the independent expert set out in Annexure 2;
- the audited annual financial statements of DRDGOLD for the three financial years ended 30 June 2008; and
- a signed copy of this circular.

By order of the board  
**DRDGOLD LIMITED**

#### **D J Pretorius**

*Chief Executive Officer and duly authorised agent by way of powers of attorney from each of the other directors*

Randburg  
3 March 2009

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**PRO FORMA BALANCE SHEETS AND INCOME STATEMENTS SHOWING THE EFFECTS OF THE TRANSACTIONS**

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The unaudited *pro forma* financial effects of the transactions are presented below. Such *pro forma* financial effects are the responsibility of the directors and are presented for illustrative purposes only to provide information on how the transactions may have impacted on the reported financial information of the company had the transactions been undertaken on 1 July 2008 for income statement purposes and on 31 December 2008 for balance sheet purposes. Because of their nature, the *pro forma* financial effects may not give a fair indication of the company's financial position at 31 December 2008 or its future earnings.

This *pro forma* financial information has not been prepared in accordance with SEC regulations and has not been audited.

KPMG has issued a limited assurance report on this *pro forma* financial information which is set out in Annexure 1A to this circular.

## Pro forma balance sheets

Balance sheets setting out the effects of the 15% acquisition and the 35% acquisition are set out below. The accompanying notes are set out on page 21.

	Unaudited 31 December 2008 R'000 (i)	Adjustments relating to the 15% acquisition R'000	After the 15% acquisition R'000	Adjustments relating to the 35% acquisition R'000	After the 35% acquisition R'000
<b>ASSETS</b>					
<b>Non-current assets</b>	<b>1 138 504</b>	168 205	<b>1 306 709</b>	347 205	<b>1 485 709</b>
Property, plant and equipment (ii)	891 170	168 205	1 059 375	347 205	1 238 375
Non-current investments and other assets	185 508	–	185 508	–	185 508
Deferred tax	61 826	–	61 826	–	61 826
<b>Current assets</b>	<b>944 886</b>	(36 351)	<b>908 535</b>	(215 351)	<b>729 535</b>
Inventories (iii)	97 427	10 812	108 239	10 812	108 239
Trade and other receivables (iv)	223 459	7 373	230 832	7 373	230 832
Cash and cash equivalents (v)	609 000	(54 536)	554 464	(233 536)	375 464
Assets classified as held for sale	15 000	–	15 000	–	15 000
<b>TOTAL ASSETS</b>	<b>2 083 390</b>	131 854	<b>2 215 244</b>	131 854	<b>2 215 244</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>	<b>1 285 364</b>	112 667	<b>1 398 031</b>	112 667	<b>1 398 031</b>
Shareholders' equity	1 257 324	–	1 257 324	–	1 257 324
Minority shareholders' interest (vi)	28 040	112 667	140 707	112 667	140 707
<b>Non-current liabilities</b>	<b>523 616</b>	–	<b>523 616</b>	–	<b>523 616</b>
Provision for environmental rehabilitation	405 742	–	405 742	–	405 742
Post retirement and other employee benefits	24 079	–	24 079	–	24 079
Long-term liabilities	93 795	–	93 795	–	93 795
<b>Current liabilities</b>	<b>274 410</b>	19 187	<b>293 597</b>	19 187	<b>293 597</b>
Trade and other payables (vii)	262 200	19 187	281 387	19 187	281 387
Short-term liabilities	9 606	–	9 606	–	9 606
Taxation payable	1 072	–	1 072	–	1 072
Bank overdraft	1 532	–	1 532	–	1 532
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 083 390</b>	131 854	<b>2 215 244</b>	131 854	<b>2 215 244</b>
Number of ordinary shares in issue at the end of the period	376 673 613	–	376 673 613	–	376 673 613
Net asset value per ordinary share at 31 December 2008 (cents)	334	–	334	–	334
Net tangible asset value per ordinary share at 31 December 2008 (cents)	334	–	334	–	334

Balance sheets setting out the effects of the 15% acquisition, the exercise of the Elsbury option and the 23.6% acquisition are set out below. The accompanying notes are set out on page 21.

	Unaudited 31 December 2008 R'000 (i)	Adjust- ments relating to the 15% acquisition R'000	After the 15% acquisition R'000	Adjust- ments relating to the exercise of the Elsburg option R'000	After the exercise of the Elsburg option R'000	Adjust- ments relating to the 23.6% acquisition R'000	After the 23.6% acquisition R'000
<b>ASSETS</b>							
<b>Non-current assets</b>	<b>1 138 504</b>	168 205	<b>1 306 709</b>	265 865	<b>1 404 369</b>	343 165	<b>1 481 669</b>
Property, plant and equipment (ii)	891 170	168 205	1 059 375	265 865	1 157 035	343 165	1 234 335
Non-current investments and other assets	185 508	–	185 508	–	185 508	–	185 508
Deferred tax	61 826	–	61 826	–	61 826	–	61 826
<b>Current assets</b>	<b>944 886</b>	(36 351)	<b>908 535</b>	(114 251)	<b>830 635</b>	(191 551)	<b>753 335</b>
Inventories (iii)	97 427	10 812	108 239	10 812	108 239	10 812	108 239
Trade and other receivables (iv)	223 459	7 373	230 832	7 373	230 832	7 373	230 832
Cash and cash equivalents (v)	609 000	(54 536)	554 464	(132 436)	476 564	(209 736)	399 264
Assets classified as held for sale	15 000	–	15 000	–	15 000	–	15 000
<b>TOTAL ASSETS</b>	<b>2 083 390</b>	131 854	<b>2 215 244</b>	151 614	<b>2 235 004</b>	151 614	<b>2 235 004</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>	<b>1 285 364</b>	112 667	<b>1 398 031</b>	132 427	<b>1 417 791</b>	132 427	<b>1 417 791</b>
Shareholders' equity	1 257 324	–	1 257 324	–	1 257 324	–	1 257 324
Minority shareholders' interest (vi)	28 040	112 667	140 707	132 427	160 467	132 427	160 467
<b>Non-current liabilities</b>	<b>523 616</b>	–	<b>523 616</b>	–	<b>523 616</b>	–	<b>523 616</b>
Provision for environmental rehabilitation	405 742	–	405 742	–	405 742	–	405 742
Post retirement and other employee benefits	24 079	–	24 079	–	24 079	–	24 079
Long-term liabilities	93 795	–	93 795	–	93 795	–	93 795
<b>Current liabilities</b>	<b>274 410</b>	19 187	<b>293 597</b>	19 187	<b>293 597</b>	19 187	<b>293 597</b>
Trade and other payables (vii)	262 200	19 187	281 387	19 187	281 187	19 187	281 387
Short-term liabilities	9 606	–	9 606	–	9 606	–	9 606
Taxation payable	1 072	–	1 072	–	1 072	–	1 072
Bank overdraft	1 532	–	1 532	–	1 532	–	1 532
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 083 390</b>	131 854	<b>2 215 244</b>	151 614	<b>2 235 004</b>	151 614	<b>2 235 004</b>
Number of ordinary shares in issue at the end of the period	376 673 613	–	376 673 613	–	376 673 613	–	376 673 613
Net asset value per ordinary share at 31 December 2008 (cents)	334	–	334	–	334	–	334
Net tangible asset value per ordinary share at 31 December 2008 (cents)	334	–	334	–	334	–	334

**Notes to the consolidated balance sheets:**

- (i) The figures in these columns are extracted from the published, unaudited interim financial results of the company for the six months ended 31 December 2008.
- (ii) The figures in these rows reflect the preliminary IFRS 3 purchase price allocation.
- (iii) The figures in these rows reflect the inclusion of inventories acquired.
- (iv) The figures in these rows reflect the inclusion of trade and other receivables acquired.
- (v) The figures in these rows reflect the purchase considerations in respect of the transactions, the cash acquired and transaction costs. The terms of the transactions are set out in section 2 of this circular. The expenses relating to the transactions are set out in section 9 of this circular.
- (vi) The figures in these rows represent the minority interest on acquisition, based on the preliminary IFRS 3 purchase price allocation.
- (vii) The figures in these rows reflect the inclusion of trade and other payables acquired.

## Pro forma income statements

Income statements setting out the effects of the 15% acquisition and the 35% acquisition are set out below. The accompanying notes are set out on page 23.

	Unaudited six months ended 31 December 2008 R'000 (i)	Adjustments relating to the 15% acquisition R'000	After the 15% acquisition R'000	Adjustments relating to the 35% acquisition R'000	After the 35% acquisition R'000
Revenue (ii)	953 457	462	953 919	462	953 919
Cost of sales	(892 491)	(3 837)	(896 328)	(3 837)	(896 328)
Operating costs (iii)	(823 400)	(11 981)	(835 381)	(11 981)	(835 381)
Depreciation	(34 072)	–	(34 072)	–	(34 072)
Retrenchment costs	(35 331)	–	(35 331)	–	(35 331)
Movement in provision for environmental rehabilitation	(21 083)	–	(21 083)	–	(21 083)
Movement in gold in progress (iv)	21 395	8 144	29 539	8 144	29 539
<b>Gross profit from operating activities</b>	<b>60 966</b>	<b>(3 375)</b>	<b>57 591</b>	<b>(3 375)</b>	<b>57 591</b>
Impairments	(52 385)	–	(52 385)	–	(52 385)
Administration expenses and general costs (v)	(39 840)	(73)	(39 913)	(73)	(39 913)
<b>Operating loss before finance income and finance expenses</b>	<b>(31 259)</b>	<b>(3 448)</b>	<b>(34 707)</b>	<b>(3 448)</b>	<b>(34 707)</b>
Finance income (vi)	58 568	(5 500)	53 068	(15 235)	43 333
Finance expenses	41 279	–	41 279	–	41 279
<b>Profit/(loss) before taxation</b>	<b>68 588</b>	<b>(8 948)</b>	<b>59 640</b>	<b>(18 683)</b>	<b>49 905</b>
Income tax (vii)	(43 988)	1 540	(42 448)	4 266	(39 722)
<b>Profit/(loss) after taxation</b>	<b>24 600</b>	<b>(7 408)</b>	<b>17 192</b>	<b>(14 417)</b>	<b>10 183</b>
Profit on disposal of discontinued operations	–	–	–	–	–
<b>Profit/(loss) for the year</b>	<b>24 600</b>	<b>(7 408)</b>	<b>17 192</b>	<b>(14 417)</b>	<b>10 183</b>
<b>Attributable to:</b>					
Ordinary shareholders of the company	57 806	(3 695)	54 111	(12 491)	45 315
Minority interest (viii)	(33 206)	(3 713)	(36 919)	(1 926)	(35 132)
<b>Profit/(loss) for the year</b>	<b>24 600</b>	<b>(7 408)</b>	<b>17 192</b>	<b>(14 417)</b>	<b>10 183</b>
Weighted average number of ordinary shares in issue for the period	376 586 057	–	376 586 057	–	376 586 057
Attributable earnings per ordinary share for the six months ended 31 December 2008 (cents)	15	(1)	14	(3)	12
Headline earnings per ordinary share for the six months ended 31 December 2008 (cents)	24	(1)	23	(3)	21

Income statements setting out the effects of the 15% acquisition, the exercise of the Elsburg option and the 23.6% acquisition are set out below. The accompanying notes are set out below.

	Unaudited six months ended 31 December 2008 R'000 (i)	Adjustments relating to the 15% acquisition R'000	After the 15% acquisition R'000	Adjustments relating to the exercise of the Elsburg option R'000	After the 15% acquisition and the exercise of the Elsburg option R'000	Adjustments relating to the 23.6% acquisition R'000	After the 15% acquisition, the exercise of the Elsburg option and the 23.6% acquisition R'000
Revenue (ii)	953 457	462	953 919	462	953 919	462	953 919
Cost of sales	(892 491)	(3 837)	(896 328)	(3 837)	(896 328)	(3 837)	(896 328)
Operating costs (iii)	(823 400)	(11 981)	(835 381)	(11 981)	(835 381)	(11 981)	(835 381)
Depreciation	(34 072)	–	(34 072)	–	(34 072)	–	(34 072)
Retrenchment costs	(35 331)	–	(35 331)	–	(35 331)	–	(35 331)
Movement in provision for environmental rehabilitation	(21 083)	–	(21 083)	–	(21 083)	–	(21 083)
Movement in gold in progress (iv)	21 395	8 144	29 539	8 144	29 539	8 144	29 539
<b>Gross profit from operating activities</b>	<b>60 966</b>	<b>(3 375)</b>	<b>57 591</b>	<b>(3 375)</b>	<b>57 591</b>	<b>(3 375)</b>	<b>57 591</b>
Impairments	(52 385)	–	(52 385)	–	(52 385)	–	(52 385)
Administration expenses and general costs (v)	(39 840)	(73)	(39 913)	(73)	(39 913)	(73)	(39 913)
<b>Operating loss before finance income and finance expenses</b>	<b>(31 259)</b>	<b>(3 448)</b>	<b>(34 707)</b>	<b>(3 448)</b>	<b>(34 707)</b>	<b>(3 448)</b>	<b>(34 707)</b>
Finance income (vi)	58 568	(5 500)	53 068	(9 675)	48 893	(13 926)	44 642
Finance expenses	41 279	–	41 279	–	41 279	–	41 279
<b>Profit/(loss) before taxation</b>	<b>68 588</b>	<b>(8 948)</b>	<b>59 640</b>	<b>(13 123)</b>	<b>55 465</b>	<b>(17 374)</b>	<b>51 214</b>
Income tax (vii)	(43 988)	1 540	(42 448)	2 709	(41 279)	3 899	(40 089)
<b>Profit/(loss) after taxation</b>	<b>24 600</b>	<b>(7 408)</b>	<b>17 192</b>	<b>(10 414)</b>	<b>14 186</b>	<b>(13 475)</b>	<b>11 125</b>
Profit on disposal of discontinued operations	–	–	–	–	–	–	–
<b>Profit/(loss) for the year</b>	<b>24 600</b>	<b>(7 408)</b>	<b>17 192</b>	<b>(10 414)</b>	<b>14 186</b>	<b>(13 475)</b>	<b>11 125</b>
<b>Attributable to:</b>							
Ordinary shareholders of the company	57 806	(3 695)	54 111	(6 502)	51 304	(10 768)	47 038
Minority interest (viii)	(33 206)	(3 713)	(36 919)	(3 912)	(37 118)	(2 707)	(35 913)
<b>Profit/(loss) for the year</b>	<b>24 600</b>	<b>(7 408)</b>	<b>17 192</b>	<b>(10 414)</b>	<b>14 186</b>	<b>(13 475)</b>	<b>11 125</b>

Weighted average number of ordinary shares in issue for the period	376 586 057	–	376 586 057	–	376 586 057	–	376 586 057
Attributable earnings per ordinary share for the six months ended 31 December 2008 (cents)	15	(1)	14	(1)	14	(3)	12
Headline earnings per ordinary share for the six months ended 31 December 2008 (cents)	24	(1)	23	(2)	22	(3)	21

**Notes to the consolidated income statements:**

- (i) The figures in these columns are extracted from the published unaudited interim financial results of the company for the six months ended 31 December 2008.
- (ii) The figures in these rows reflect revenue included on acquisition.
- (iii) The figures in these rows reflect operating costs included on acquisition.
- (iv) The figures in these rows reflect movement in gold in progress included on acquisition.
- (v) The figures in these rows reflect administration costs included on acquisition.
- (vi) The figures in these rows reflect the interest income lost due to the cash outflow on the transactions calculated at the DRGOLD current call rate of 11%.
- (vii) The figures in these rows reflect income tax which was calculated at 28% on the interest income lost.
- (viii) The figures in these rows reflect the minority interest in the transactions.

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## REPORTING ACCOUNTANTS' REPORT ON THE *PRO FORMA* FINANCIAL EFFECTS OF THE TRANSACTIONS

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The report by KPMG, the reporting accountant in respect of the transactions and the auditor of DRDGOLD, is set out below.

"The Directors  
EBSCO House 4  
299 Pendoring Avenue  
Blackheath  
Johannesburg, 2195

25 February 2009

Dear Sirs

### **Independent reporting accountants' limited assurance report on the unaudited *pro forma* financial information**

#### **Introduction**

We have performed our limited assurance engagement with regard to the unaudited *pro forma* financial effects ("the *pro forma* financial information") of DRDGOLD Limited ("DRDGOLD") set out in section 5 and in Annexure 1 of the circular to shareholders, to be dated on or about 2 March 2009 ("the circular"), and to be issued in connection with the acquisition by the DRDGOLD group of, firstly, a 15% interest in the Elsburg Gold Mining Joint Venture ("the Elsburg Joint Venture"), being a 50:50 joint venture between the DRDGOLD group and the Mintails group, as well as an option to acquire an additional 11.4% interest in the Elsburg Joint Venture and, subsequently, a 35% interest (or 23.6% interest in the case of the option being exercised) in the Elsburg Joint Venture such that the DRDGOLD ultimately holds 100% of such joint venture ("the transactions").

The *pro forma* financial information has been prepared for purposes of complying with the requirements of the JSE Limited ("JSE"), for illustrative purposes only, to provide information about how the transactions might have affected the reported financial information had the transactions been undertaken on 1 July 2008 for income statement purposes and on 31 December 2008 for balance sheet purposes.

Because of its nature, the *pro forma* financial information may not present a fair reflection of the financial position, changes in equity, results of operations or cash flows of DRDGOLD, after the transactions.

#### **Directors' responsibility**

The directors of DRDGOLD are solely responsible for the compilation, contents and presentation of the *pro forma* financial information contained in the circular and for the financial information from which it has been prepared.

Their responsibility includes determining that the *pro forma* financial information contained in the circular has been properly compiled on the basis stated, the basis is consistent with the accounting policies of DRDGOLD and the *pro forma* adjustments are appropriate for the purposes of the *pro forma* financial information as disclosed in terms of the JSE Listings Requirements.

#### **Reporting accountants' responsibility**

Our responsibility is to express a limited assurance conclusion on the *pro forma* financial information included in the circular. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements applicable to Assurance Engagements Other Than Audits or Reviews

of Historical Financial information and the Guide on *pro forma* Financial Information issued by The South African Institute of Chartered Accountants.

This standard requires us to comply with ethical requirements and to plan and perform the assurance engagement to obtain sufficient appropriate audit evidence to support our limited assurance conclusion, expressed below.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the *pro forma* financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

### **Sources of information and work performed**

Our procedures consisted primarily of comparing the unadjusted unaudited interim financial information of DRDGOLD for the six months ended 31 December 2008, which has been prepared in accordance with International Financial Reporting Standards, with the source documents, considering the *pro forma* adjustments in light of the accounting policies of DRDGOLD, considering the evidence supporting the *pro forma* adjustments, recalculating the amounts based on the information obtained and discussing the *pro forma* financial information with the directors of DRDGOLD.

In arriving at our conclusion, we have relied upon financial information prepared by the directors of DRDGOLD, and other information from various public, financial and industry sources.

Whilst our work performed involved an analysis of the unaudited interim financial information and other information provided to us, our limited assurance engagement does not constitute either an audit or review of any of the underlying financial information undertaken in accordance with the International Standards on Auditing or the International Standards on Review Engagements and, accordingly, we do not express an audit or review opinion.

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe that our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

### **Opinion**

Based on our examination of the evidence obtained, nothing has come to our attention that causes us to believe that, in terms of Sections 8.17 and 8.30 of the JSE Listings Requirements:

- the *pro forma* financial information has not been properly compiled on the basis stated;
- such basis is inconsistent with the accounting policies of DRDGOLD;
- the adjustments are not appropriate for the purposes of the *pro forma* financial information as disclosed pursuant to Section 8.30 of the JSE Listings Requirements.

### **Consent**

We consent to the inclusion of this letter and the reference to our opinion in the circular in the form and context in which it appears.

Yours faithfully

**KPMG Inc.**

*Per Mickey Bove*  
*Chartered Accountant (SA)*  
*Registered Auditor*  
Director"

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## FAIRNESS OPINION LETTER FROM VENMYN

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The letter from Venmyn, the independent expert, regarding the fairness of the transactions insofar as the ordinary shareholders of DRDGOLD are concerned is set out below.

“The Directors  
DRDGOLD Limited  
EBSCO House 4  
299 Pendering Avenue, Blackheath, Randburg  
South Africa

25 February 2009

The Directors

### REPORT OF THE INDEPENDENT PROFESSIONAL EXPERT TO DRDGOLD LIMITED REGARDING THE ACQUISITION OF THE REMAINING 50% INTEREST IN THE ELSBURG GOLD MINING JOINT VENTURE FROM MINTAILS LIMITED FOR CASH

#### 1. INTRODUCTION

Venmyn Rand (Pty) Limited (Venmyn) was appointed by the board of directors of DRDGOLD Limited (DRDGOLD) to provide an independent fairness opinion to the shareholders regarding the acquisition of the remaining 50% interest in the Elsburg Gold Mining Joint Venture (Elsburg JV). The Elsburg JV was originally constituted as a 50:50 joint venture between DRDGOLD South Africa Operations (Pty) Limited (DRDGOLD SA), which is 74% held by DRDGOLD, and Mintails Limited (Mintails).

The transaction involves firstly the acquisition by DRDGOLD SA of a further 15% interest in the Elsburg JV from Mintails, taking DRDGOLD SA's effective interest in the Elsburg JV to 65%, for a cash consideration of ZAR100m (the 15% acquisition). Two options exist to acquire the remaining 35%:

- **Option 1:** The acquisition by DRDGOLD of the remaining 35% interest held by Mintails in the Elsburg JV, resulting in DRDGOLD's and DRDGOLD SA's effective interests in the Elsburg JV to be respectively 35% and 65%, for a cash consideration of ZAR177m (the 35% acquisition); and
- **Option 2:** Mintails granted DRDGOLD SA a conditional option to acquire a further 11.4% interest in the Elsburg JV, which would take DRDGOLD SA's effective interest in the Elsburg JV to 76.4%, for a cash consideration of ZAR75.9m between 1 January 2009 and 15 January 2009 (the Elsburg option).

It should be noted that the Elsburg option had not been exercised by its expiry date and DRDGOLD SA and Mintails have accordingly agreed to extend the original expiry date of the Elsburg option to 31 March 2009. If the Elsburg option is exercised prior to the implementation of the 35% acquisition, DRDGOLD would undertake the acquisition of a 23.6% interest in the Elsburg JV (the 23.6% acquisition), resulting in DRDGOLD and DRDGOLD SA's interests in the Elsburg JV to be respectively 23.6% and 76.4%. Consequently, the total purchase price for the 23.6% acquisition by DRDGOLD would be reduced by ZAR23.8m, from ZAR177m, to a cash consideration of ZAR153.2m, in recognition of the amounts that would have been paid by the DRDGOLD group on exercise of the Elsburg option.

#### 2. FAIRNESS OPINION REQUIRED IN TERMS OF SECTION 5 OF THE JSE LISTINGS REQUIREMENTS

In order for the directors of DRDGOLD to provide a statement that the transactions are fair insofar as the shareholders of DRDGOLD (excluding any related parties) are concerned, the directors of DRDGOLD are required, in terms of Section 5.51 of the JSE Listings Requirements, to obtain an independent fairness opinion before making this statement.

The fairness opinion will be available for inspection at the offices of DRDGOLD during normal business hours for 28 days from the date of this opinion.

### 3. RESPONSIBILITY

Compliance with the JSE Listings Requirements is the responsibility of the directors of DRDGOLD. Our responsibility is to report to the shareholders on the fairness of the terms and conditions of the transactions.

### 4. EXPLANATION AS TO HOW THE TERM “FAIR” APPLIES IN THE CONTEXT OF THE TRANSACTIONS

Schedule 5.7 of the JSE Listings Requirements states that the “fairness” of a transaction is based on quantitative issues.

Broadly speaking the transactions would be considered fair to the shareholders of DRDGOLD if the value received in terms of the transactions is equal to or greater than the cash consideration, or unfair if the value received in terms of the transactions is less than the value of the cash consideration.

The transactions would be considered fair to the shareholders of DRDGOLD if:

- **For Option 1:** the cash consideration of ZAR277 million is equal or less than the total value of the assets acquired in the 15% acquisition and 35% acquisition; or if
- **For Option 2:** the cash consideration of the ZAR329.1 million is equal or less than the total value of the assets acquired in the 15% acquisition, the 11.4% acquisition when exercising the Elsburg Option and the 23.6% acquisition.

In this particular case, it was important to be mindful of the requirements of the SAMVAL Code prepared under the auspices of the Southern African Institute of Mining and Metallurgy (SAIMM) and the Geological Society of Southern Africa (GSSA) which is specifically relevant to mineral companies. To this end, Venmyn not only has Competent Persons and Competent Valuers but has also prepared numerous fairness opinions for mineral companies. However, this fairness opinion is not a SAMVAL Code valuation, as defined.

### 5. DETAILS AND SOURCES OF INFORMATION

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

- DRDGOLD annual reports (2008, 2007 and 2006);
- the DRDGOLD interim report for the six months ended 31 December 2008;
- Mintails annual reports (2008, 2007 and 2006);
- corporate structures of the Elsburg JV and ERGO Mining;
- media releases relating to the intended acquisition;
- production analysis of the Brakpan process plant for December 2008 (first production month);
- independent Competent Persons’ Report prepared by RSG Global on the Elsburg Tailings Dams Complex (SAMREC Code compliant Mineral Resources and Reserves Statement);
- Brakpan plant site visit by Messrs Andy Clay and Derick de Wit from Venmyn on 26 January 2006;
- DRDGOLD pro-forma, unaudited, balance sheet for 31 December 2008;
- Elsburg JV’s actual versus forecasted capital expenditure as of 31 December 2008;
- facilities agreement between DRDGOLD and Investec for ZAR250m;
- materially related agreements between related parties:
  - Elsburg JV agreement;
  - ERGO Uranium sale agreement of Brakpan plants to ERGO Mining;
  - ERGO Mining shareholders’ agreement;
  - Mining user contract;
  - Facilities letter agreements;
  - Memorandum of agreement relating to Mogale sale of part venture interest in the Elsburg JV;
  - Elsburg JV financial forecast;
- discussions with DRDGOLD management with respect to head grades, mining and production rates, recoveries and metal price forecasts;

- discussions with DRDGOLD directors and management on prevailing market, economic, legal and other conditions which may affect underlying value;
- the draft circular to DRDGOLD shareholders which is to be dated on or about 2 March 2009;
- publicly available information relating to the mining sector; and
- publicly available information relating to DRDGOLD, DRDGOLD SA, Mintails, ERGO Mining and the Elsburg JV that we deemed to be relevant, including company announcements, analysts' reports and media articles.

The information above was sourced from:

- directors and management of DRDGOLD and their advisors; and
- third party sources, insofar as such information related to publicly available economic, market and other data applicable to or potentially influencing DRDGOLD.

## 6. ASSUMPTIONS

We arrived at our opinion based upon the following assumptions:

- reliance can be placed on the audited financial statements of DRDGOLD;
- reliance can be placed on the Mineral Resources and Reserves Statements in respect of the Elsburg Tailings Dams Complex;
- reliance can be placed on Elsburg JV's actual versus forecasted capital expenditure;
- reliance can be placed on the metallurgical gold recovery as obtained as the actual gold recovery during December 2008 (first production month); and
- reliance can be placed on the provided operating costs of the Elsburg JV as per the financial forecast.

## 7. APPROPRIATENESS AND REASONABLENESS OF UNDERLYING INFORMATION AND ASSUMPTIONS

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

- reliance on financial statements in the annual reports of DRDGOLD and Mintails;
- review of the Competent Persons' Report on the Elsburg Tailings Dams Complex;
- review of the Elsburg JV financial forecast and the separate compilation of the cash flow model;
- review of the metallurgical gold recovery and comparison with standard industry values of similar tailings recovery operations;
- review of the operating costs of the process plant and comparison with standard industry values of similar tailings recovery operations; and
- determining the extent to which representations from management of DRDGOLD was confirmed by third party and documentary evidence as well as our understanding of DRDGOLD, the Elsburg JV and the economic environment in which it operates.

## 8. GOING CONCERN

The Going Concern assumption is the assumption that an entity will continue to operate for the foreseeable future. Where there is a reasonable expectation that a company will be unable to meet its current obligations as they become due, the Going Concern assumption may not apply.

Factors effecting the liquidity position of the Elsburg JV include, inter alia:

- a significant decline in the price of gold;
- delays in commissioning and production ramp-up;
- capital expenditure overruns resulting in further funding requirements; and
- the inability to internally fund significant capital and working capital requirements.

Venmyn is of the opinion that, except for the unlikely scenario that the gold price will significantly deteriorate in the medium-term, all of the remaining factors, as listed above, have and will be adequately addressed by DRDGOLD on or before the acquisition of the remaining 50% interest in the Elsburg JV.

Venmyn's review has indicated that DRDGOLD is adequately capitalised over the medium- to long-term and that the ZAR250 million facilities agreed between DRDGOLD and Investec should be more than adequately sufficient.

The continued applicability of the Going Concern assumption to DRDGOLD depends on the assumption that the facilities agreed between DRDGOLD and Investec will be implemented.

## 9. LIMITING CONDITIONS

This opinion is provided to the board of directors and shareholders of DRDGOLD in connection with and for the purposes of the transactions. The opinion does not purport to cater for each individual shareholder's perspective, but rather that of the general body of DRDGOLD's shareholders.

An individual shareholder's decision as to whether to vote in favour of the transactions may be influenced by his particular circumstances. The assessment as to whether or not the directors of DRDGOLD decide to recommend the transactions is a decision that can only be taken by the directors of DRDGOLD. Should a DRDGOLD shareholder be in doubt as to what action to take, he or she should consult an independent adviser.

We have relied upon and assumed the accuracy of the information provided to us in deriving our opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management of DRDGOLD, by reference to publicly available or independently obtained information.

While our work has involved an analysis of, inter alia, the annual financial statements, the underlying technical and cash flow valuation information for the Elsburg JV, together with other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

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

We have also assumed that the transactions will have the legal consequences described in discussions with, and materials furnished to us by, representatives and advisors of DRDGOLD and we express no opinion on such consequences.

Our opinion is based upon the current economic, regulatory and market conditions which for the minerals industry are particularly unusual and exceptional. Subsequent developments may affect this opinion, and we are under no obligation to update, review or re-affirm our opinion based on such developments.

### **Independence**

In terms of schedule 5.1(a) of the JSE Listings Requirements, we confirm that Venmyn has no equity interest in DRDGOLD or in any other party to the transactions.

In terms of schedule 5.1(a) of the JSE Listings Requirements, we confirm that there is no existing relationship between Venmyn and DRDGOLD or in any other party to the transactions.

Furthermore, we confirm that our professional fees are not contingent upon the successful implementation of the transactions.

## 10. VALUATION METHODS

Being mindful of the SAMVAL Code, Venmyn performed a valuation of the Elsburg JV, specifically the mineral assets together with the other financial assets and liabilities of the Elsburg JV to determine whether the cash consideration to be made for the remaining 50% interest in terms of the transactions represents a fair value.

The valuation of the Elsburg JV has been based upon:

- the mineral asset of the Elsburg Tailings Dams Complex;
- the forecasted capital expenditure to complete the refurbishment of the Brakpan plant and other Elsburg JV commitments;
- a medium term gold price as per the Merrill Lynch Commodity Price Review (5 December 2008);
- metallurgical recovery as obtained during December 2008 (first production month);
- future economic information based upon analysts' forecasts and most recent Reuters consensus views as determined by various contributing economists; and
- operating costs as supplied by DRDGOLD and reviewed and accordingly adjusted by Venmyn.

There are three generally accepted valuation approaches as defined in the SAMVAL Code used in the valuation of mineral properties. These include the following:

- income approach;
- market approach; and
- cost approach

#### *Operating assets*

The valuation of operating mineral assets has been determined based upon the Income Approach. The Income Approach has been based on net present values (NPVs) that have been derived using discounted cash flow (DCF) techniques applied on the pre- and post-tax un-escalated cash flows.

The NPV of the post-tax pre-finance cash flows, applying an appropriate discount rate of 7.5%, was then taken as the value for the Elsburg JV. DRDGOLD's existing 50% stake in the Elsburg JV was then used to determine the value of the additional 50% stake in the Elsburg JV.

The most important value driver to the DCF was the gold price which, to a lesser degree, is subject to the current world economic crisis. Other factors that were reviewed were the mineral resources and mineral reserves and their ability to sustain the relevant cash flows together with head grades, the discount rate, working capital and future capital expenditure requirements.

Prevailing market and industry conditions were also considered in assessing the risk profile of the Elsburg JV. The valuations were performed taking cognisance of risk and other market and industry factors affecting the Elsburg JV. Additionally, sensitivity analyses were performed considering the key value drivers.

## **11. VALUATION RESULTS**

Venmyn performed a valuation of the Elsburg JV using the income approach. The valuation was undertaken as prescribed by the SAMVAL Code in determining a "fair value" and range of values.

Venmyn considers the income approach as the most appropriate method to value a mining asset in keeping with international calculation methodology. Ultimately, the price of any asset is largely a question of market demand, market sentiment and competing assets at the time of the sale.

The income valuation approach range takes into account varying discount rates, the revenue generated, the capital as well as the operating expenditures.

Using the income approach Venmyn recommends a "fair value" for the remaining 50% interest in the Elsburg JV of ZAR371 million with an upper and lower limit range of ZAR446 million and ZAR296 million respectively, using a real discount rate of 7.5%, producing 79 255 ounces of gold from June 2009 for a 12 year life of mine.

The valuation exercise above was undertaken solely in respect of the fairness opinion and should not be used for any other purposes.

## **12. PROCEDURES**

In arriving at our opinion we have undertaken the following procedures and taken into account the following factors in evaluating the fairness of the transactions:

- reviewed the terms and conditions of the transactions as detailed in the draft circular;

- reviewed the audited and unaudited financial information related to DRDGOLD and the Elsburg JV;
- reviewed the Mineral Resource and Reserve Statements on the Elsburg Tailings Dams Complex;
- considered the SAMVAL Code requirements for valuation of mineral assets;
- held discussions with certain directors and management and considered such other matters as we consider necessary, including a site visit to the Brakpan plant;
- reviewed the Elsburg JV financial forecast and the basis of the assumptions therein including the prospects of the Elsburg JV operation. This review included an assessment of the recent historical performance to-date as well as the reasonableness of the future outlook based on discussions with management;
- compiled a financial model reviewing and updating the forecast financial information prepared by the management of DRDGOLD and applied Venmyn's estimates of Life-of-Mine production rates, head grades, commodity prices, capital and working capital commitments. These were sensitised and evaluated over a range of discount rates and applied to the predicted cash flows to produce a discounted cash flow valuation; and
- reviewed certain publicly available information relating to DRDGOLD and the Elsburg JV that we deemed to be relevant, including company announcements, analysts' reports and media articles.

### 13. OPINION

The following two options exist for DRDGOLD to acquire the remaining 50% interest in the Elsburg JV:

- **Option 1:** a total cash consideration of ZAR277 million for the 15% acquisition by DRDGOLD SA and 35% acquisition by DRDGOLD; or
- **Option 2:** a total cash consideration of ZAR329.1 million for the 15% acquisition by DRDGOLD SA, the 11.4% acquisition by DRDGOLD SA by exercising the Elsburg option and the 23.6% acquisition by DRDGOLD.

Venmyn has considered the terms and conditions of the transactions and, based upon and subject to the conditions set out herein, is of the opinion that the cash considerations in respect of both Option 1 and Option 2 are fair to the shareholders of DRDGOLD.

The total cash consideration of ZAR277 million for Option 1 makes this option preferred in relation to the higher cash consideration of ZAR329.1 million for Option 2.

Our opinion is necessarily based upon the information available to us up to 9 February 2009, including in respect of the financial information as well as other conditions and circumstances existing and disclosed to us. We have assumed that all conditions precedent, including any material regulatory and other approvals or consents required in connection with the transactions have been fulfilled or obtained.

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

Yours faithfully

#### **A N CLAY**

M.Sc. (Geol.), M.Sc. (Min. Eng.), Dip. Bus. M.  
Pr Sci Nat, MSAIMM, FAusIMM, FGSSA, MAIMA,  
M.Inst.D., AAPG, MCIMMP  
**MANAGING DIRECTOR**

#### **D R de Wit**

Pr Tech Eng, B Tech (Chem Eng), MAP (WBS), MSAIMM, MISS, MAusIMM  
**CORPORATE MINERALS ADVISER"**

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## MATERIAL CONTRACTS

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Details of the material contracts which have been entered into by the DRDGOLD group (either verbally or in writing) otherwise than in the ordinary course of business within the two years prior to the date of issue of this circular (or earlier and which contain an obligation or settlement which is material to the DRDGOLD group at the date of issue of this circular) are set out below:

### 1. **Agreements relating to transactions involving Emperor Mines Limited in which the DRDGOLD group used to hold a 78.72% interest**

#### **Share Sale Agreement between Emperor Mines Limited (“Emperor”) and Westech Gold (Pty) Limited (“Westech”), dated 22 March 2007, regarding the disposal of its Fijian assets.**

In terms of this agreement, Emperor sold 100% of its shares in the Australian incorporated companies which owned all of its Fijian assets, including the Vatukoula mine, to Westech for A\$1.00. With immediate effect, all the assets and liabilities of the Emperor Fijian operations were transferred to Westech.

#### **Joint Venture Interest Sale Deed – Procurement Deed between Barrick Gold Corporation (“Barrick”) and Emperor Mines Limited (“Emperor”), dated 12 April 2007.**

Under this agreement, Emperor agrees to procure that DRD (Porgera) Limited sells and transfers the 20% participating interest in the Porgera Joint Venture (“the 20% interest”) to Barrick (Niugini) Limited, and Barrick agrees to procure that Barrick (Niugini) Limited purchases and takes transfer of the 20% interest. Emperor and Barrick agree to procure that DRD (Porgera) Limited and Barrick (Niugini) Limited respectively execute the Joint Venture Interest Sale Deed for the sale of the 20% interest.

#### **Joint Venture Interest Sale Deed between Barrick Gold Corporation, Barrick (Niugini) Limited, Emperor Mines Limited and DRD (Porgera) Limited, dated 19 July 2007.**

Under this agreement, DRD (Porgera) Limited agreed to sell and transfer its 20% participating interest in the Porgera Joint Venture including certain exploration licences to Barrick (Niugini) Limited for a disposal consideration of \$250.0 million plus an interest adjustment amount of \$37,671 per day from 1 April 2007 to the date of completion of the disposal.

#### **Deed of Assignment and Assumption between Barrick (Niugini) Limited (“Buyer”), DRD (Porgera) Limited (“Seller”), Barrick (Goldfields PNG Holdings) Limited (“Goldfields”) and Minerals Resources Enga Limited (“MRE”), dated 19 July 2007.**

Under this agreement, the Seller assigns to the Buyer the 20% participating interest in the Porgera Joint Venture (“the 20% interest”) and the Buyer accepts the assignment from the Seller and assumes the obligations of the Seller that accrue from 1 April 2007. The Buyer undertakes to Goldfields and MRE that it will assume, observe, comply with and be bound by the terms of the Porgera Joint Venture.

#### **Mandate for the Placement of DRD (Offshore) Limited’s 78.72% shareholding in Emperor Mines Limited (“Emperor”), dated 28 September 2007.**

Under this agreement, DRD (Offshore) Limited appointed ABN Amro Morgan Limited and Tricom Equities Limited (together “the Brokers”) to act as placement agent of all the 823 391 603 shares (“the shares”) held by the DRD group in Emperor. The agreement provides that the sale will occur by way of book build to be jointly managed by the Brokers so as to determine demand for the shares at various sale prices. The minimum sale price for the sale of the shares was set at A\$0.068 per share. On 22 October 2007, the sale of the shares was completed.

## 2. Various agreements with the Mintails group

### 2.1 The West Rand

**Term Sheet for the joint venture agreement entered into by Acorn Gold (Proprietary) Limited, DRDGOLD, Durban Roodepoort Deep (Proprietary) Limited, Friedshelf 850 (Proprietary) Limited, Geotorm Investments Limited (“GEOTORM”), Kgosi Resource Management (Proprietary) Limited, Minerals and Mining Reclamation Services (Proprietary) Limited, Mintails SA, West Witwatersrand Gold Mines Limited, West Witwatersrand Holdings Limited, West Wits Mining Limited (“LISTCO”), West Wits Mining SA (Proprietary) Limited (“NEWCO 1”), dated 9 November 2007.**

Under this Term Sheet, DRDGOLD, GEOTORM, LISTCO and Mintails SA have agreed, through their respective subsidiaries, to consolidate their gold and uranium assets and projects in the West Rand under a joint venture company called NEWCO 1. At the initial phase of the joint venture, DRDGOLD, GEOTORM and Mintails SA will hold 45%, 10% and 45%, respectively, of the total issued share capital of NEWCO 1. The next phase of the consolidation will include further restructuring which will result in DRDGOLD and new investors lending A\$450,000 and A\$550,000, respectively, to NEWCO 1 with the right to convert such loan into equity in NEWCO 1 thus diluting the holding of DRDGOLD, GEOTORM and Mintails SA. In the event of the conversion taking place, DRDGOLD, LISTCO, GEOTORM and Mintails SA will hold 45%, 3.44%, 9.37% and 42.19% respectively of the total issued share capital of NEWCO 1. Ultimately the shareholders in NEWCO 1 intend to cause LISTCO to be listed on the Australian and Johannesburg stock exchanges and on the basis that they will exchange their shareholding in NEWCO 1 for shares in the listed entity, LISTCO.

### 2.2 The East Rand

**Memorandum of Agreement between Anglo Gold Ashanti Limited (“Anglo Gold”), Friedshelf 849 (Proprietary) Limited (renamed Ergo Mining (Pty) Limited) and DRDGOLD SA, dated 6 August 2007.**

Under this agreement, Anglo Gold sells certain assets (namely the sand and slime dumps, registered rights, old order mining rights in respect of the dumps and mining equipment) to Ergo Mining for R42.8 million (\$6.1 million). DRDGOLD SA and Mintails SA bind themselves, jointly and severally in favour of Anglo Gold, as sureties and co- principal debtors with Ergo Mining for payment by the latter of all moneys which are due or may become due and owing from time to time in terms of the agreement.

**Third Addendum to Memorandum of Agreement between AngloGold Ashanti Limited (“Anglo Gold”), Ergo Mining, DRDGOLD SA and Mintails SA dated 14 November 2007.**

Under this agreement, Anglo Gold sells, in addition to the assets already sold, certain freehold stands situated on Withok 131 IR Estates and all infrastructure situated therein. The parties agreed to amend the purchase consideration set out in the Memorandum of Agreement signed on 6 August 2007 from R42.8 million to R87.8 million.

**Fifth Addendum to Memorandum of Agreement between AngloGold Ashanti Limited (“Anglo Gold”), Ergo Mining, DRDGOLD SA and Mintails SA dated 22 May 2008.**

Under this agreement, the Memorandum of Agreement dated 6 August 2006 is amended by increasing the financial institution guarantee to be provided by Ergo Mining from R23.0 million to R63.0 million in terms whereof Anglo Gold is indemnified in respect of rehabilitation obligations associated with the East Daggafontein Tailings Storage facility.

**Mining User Contract between Crown, ERPM, the Elsberg Joint Venture, Ergo Mining, Ergo Uranium and Mogale Gold dated 15 August 2008.**

Under this agreement, ERPM and Ergo Mining have agreed that the Elsberg Joint Venture shall use the Brakpan gold circuit plant (contributed by Ergo Mining) and the Elsberg dumps, mining rights and other related rights (contributed by ERPM) to mine, recover, treat and process the Elsberg Tailings.

Crown will contribute certain resources (e.g. slimes or sand) in the event of Ergo advising Crown and Ergo Uranium that it has decided to pursue the consolidation of certain assets. In return, Crown will receive 50% of the issued share capital in Ergo Mining. For its conclusion of this contract, Ergo Mining will receive the benefits to be derived from the mining of certain assets upon the consolidation thereof. Ergo Uranium will receive 50% of equity in Ergo Mining as a quid pro quo for the conclusion of this contract. ERPM and Mogale Gold shall each receive 50% interest in the Elsburg Joint Venture for their contributions.

**Ergo Uranium Sale Agreement of Brakpan Plants to Ergo Mining between Ergo Uranium (Pty) Limited (“Ergo Uranium”) and Ergo Mining (Pty) Limited (“Ergo”) dated 15 August 2008**

Under this agreement, Ergo Uranium sold and Ergo Mining purchased the Brakpan gold circuit plants. The purchase consideration payable by Ergo Mining to Ergo Uranium for these plants shall be R40 million. The purchase consideration shall be discharged by the allocation, issue and delivery by Ergo Mining to Ergo Uranium of 150 new ordinary par value shares of R1.00 which shall be subscribed for by Ergo Uranium at par plus a premium, collectively, equal to R40 million.

**Ergo Mining Shareholders’ Agreement between Crown and Ergo Uranium dated 15 August 2008**

This agreement governs the relationship between Crown and Ergo Uranium as shareholders of Ergo Mining. It addresses matters such as financial year end, appointment of directors, meetings of the board, executive committee and loan accounts.

**Elsburg Gold Mining Joint Venture Agreement between ERPM and Mogale Gold dated 15 August 2008**

Under this agreement, each party holds 50% in the unincorporated joint venture established to conduct gold resources mining business. The Elsburg Joint Venture shall use the assets contributed by ERPM and Ergo Mining to conduct the business.

**Facility agreements**

Various facility agreements have been entered into:

- the facility agreements between DRDGOLD SA and Ergo Mining and between Ergo Uranium and Ergo Mining dated 15 August 2008 relating to the funding of Ergo Mining; and
- the facility agreements between DRDGOLD SA and the Elsburg Joint Venture and between Mogale Gold and the Elsburg Joint Venture dated 15 August 2008 relating to the funding of the Elsburg Joint Venture; and
- a facility agreement amongst Mintails, Mintails SA, Mogale, Ergo Uranium and DRDGOLD dated 8 December 2008 in terms of which DRDGOLD has made a loan facility available to Mintails SA in an amount of R65 million which monies are to be used in the ordinary course of Mintails SA’s business expenditures

**Agreements relating to the transactions**

The 15% acquisition agreement and the 35% acquisition agreement are described in more detail elsewhere in this circular.



## **DRDGOLD Limited**

(Incorporated in the Republic of South Africa)

(Registration number 1895/000926/06)

NASDAQ trading symbol: DROO

JSE share code: DRD ISIN: ZAE 000058723

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### **NOTICE OF GENERAL MEETING**

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Notice is hereby given that a general meeting of the holders of ordinary shares in DRDGOLD (“ordinary shareholders”) will be held at 10:00 on Tuesday 31 March 2009, at the registered office of DRDGOLD at EBSCO House 4, 299 Pendoring Avenue, Blackheath, Randburg, Johannesburg, 2195, under the chairmanship of Mr Geoffrey Campbell, in his capacity as chairman of the board of directors of DRDGOLD or, in his absence, any other director chosen by the members present in person or by representative or agent or proxy, for the purposes of considering and, if deemed fit, passing, with or without modification, the ordinary resolutions set out below:

#### **ORDINARY RESOLUTION NUMBER 1**

“RESOLVED THAT, subject to approval by a simple majority of the votes of DRDGOLD ordinary shareholders, other than Mintails Limited and its associates:

- the entering into an agreement relating to the acquisition of and the acquisition by East Rand Proprietary Mines Limited (“ERPM”), a wholly-owned subsidiary of DRDGOLD South African Operations (Pty) Limited, of a 15% interest in the Elsburg Gold Mining Joint Venture (“Elsburg Joint Venture”) from Mogale Gold (Pty) Limited (“Mogale Gold”), a wholly-owned subsidiary of Mintails Limited, for a cash consideration of R100 million; and
- the entering into and possible exercise by ERPM of an option to acquire a further 11.4% interest in the Elsburg Joint Venture for a cash consideration of R75 948 489 (“the Elsburg option”),

all on the terms and conditions set out in the Mogale Sale of Part Venture Interest agreement concluded between ERPM and Mogale Gold dated 29 September 2008, a copy of which, initialled by the chairperson for identification purposes, was tabled at the meeting, be and are hereby ratified and approved.”

#### **ORDINARY RESOLUTION NUMBER 2**

“RESOLVED THAT, subject to the passing of ordinary resolution number 1, and subject to approval by a simple majority of the votes of DRDGOLD ordinary shareholders, other than Mintails Limited and its associates, the acquisition by DRDGOLD Limited:

- of a further 35% interest in the Elsburg Gold Mining Joint Venture (“Elsburg Joint Venture”) from Mogale Gold (Pty) Limited (“Mogale Gold”) for a cash consideration of R177 million; or
- should the option to acquire a further 11.4% interest in the Elsburg Joint Venture for a cash consideration of R75 948 489 already have been exercised, of a further 23.6% interest in the Elsburg Joint Venture from Mogale Gold for a cash consideration of R177 million, less R23 817 470

on the terms and conditions set out in the Heads of Agreement concluded between DRDGOLD, ERPM, Mintails Limited, Ergo Mining (Proprietary) Limited and Mogale Gold dated 8 December 2008, a copy

of which, initialled by the chairperson for identification purposes, was tabled at the meeting, be and are hereby approved.”

**In terms of the JSE Limited Listings Requirements, related parties and their associates may be taken into account in determining a quorum for a shareholders’ meeting but the votes of such parties may not be taken into account in determining the results of the voting on the relevant resolution. The validity of ordinary resolutions numbers 1 and 2 above are therefore conditional upon securing the approval of a simple majority of votes of shareholders, other than those of Mintails and its associates. Shareholders should note that DRDGOLD is not aware that Mintails or any of its associates holds shares in DRDGOLD.**

### **ORDINARY RESOLUTION NUMBER 3**

“RESOLVED THAT, subject to the approval of ordinary resolution number 1 and ordinary resolution number 2, any director of the company for the time being be and is hereby authorised to do all such things and sign all such documents and take all such actions as he/she considers necessary to implement the resolutions set out in the notice of general meeting convened for the purposes of considering, *inter alia*, these resolutions.”

### **VOTING AND PROXIES**

Ordinary shareholders and preference shareholders may attend but only ordinary shareholders may vote at the general meeting.

Ordinary shareholders holding certificated ordinary shares in their own name and ordinary shareholders who have dematerialised their DRDGOLD ordinary shares and have elected own-name registration in the sub-register through a Central Securities Depository Participant (“CSDP”) may attend, speak and vote in person at the general meeting, or may appoint one or more proxies (who need not be shareholders of DRDGOLD) to attend, speak and vote at the general meeting in the place of such DRDGOLD shareholder.

A form of proxy is attached to the circular to the DRDGOLD shareholders dated 2 March 2009 to which a copy of this notice of general meeting is attached. Duly completed forms of proxy must be lodged 48 hours prior to the start of the general meeting (which period excludes Saturdays, Sundays and public holidays) as follows:

- by shareholders registered on the South African register, with Link Market Services South Africa (Proprietary) Limited, 11 Diagonal Street, Johannesburg, 2001 (PO Box 4844, Johannesburg 2000) to reach them by no later than 10:00 (South African time) on Friday 27 March 2009; or
- by shareholders holding DRDGOLD ordinary shares in the form of American Depositary Receipts, with The Bank of New York Mellon, Proxy Services Department, 101 Barclay Street New York, NY 10286 to reach them by no later than 16:00 (Eastern Standard time) on Friday 27 March 2009.

Ordinary shareholders who have already dematerialised their DRDGOLD ordinary shares through a CSDP or broker and who have not selected “own-name” registration in the sub-register through a CSDP and ordinary shareholders who hold certificated ordinary shares through a nominee who wish to attend the general meeting of shareholders must instruct their CSDP, broker or nominee to issue them with the necessary letter of representation to attend or, if they do not wish to attend the general meeting of shareholders but wish to be represented thereat, they must provide their CSDP or nominee with their voting instructions in terms of the custody agreement entered into between them and their CSDP, broker or nominee.

In respect of dematerialised shares, it is important to ensure that the person or entity (such as a nominee) whose name has been entered into the relevant sub-register maintained by a CSDP completes the form of proxy in terms of which he appoints a proxy to vote at the general meeting of shareholders.

Depository receipt holders will receive forms of proxy printed by the Depository Bank, which should be completed and returned in accordance with the instructions printed on the forms of proxy.

The holder of a share warrant to bearer who wishes to attend or be represented at the general meeting must deposit his share warrant at the bearer reception office of Capita IRG plc, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or must deposit his share warrant at the office of the French agents, CACEIS

Corporate Trust, 14 rue Rouget de Lisle, 92862 Issy-les-Moulineaux Cedex 9, France, in both cases not later than 48 hours before the date appointed for the holding of the general meeting (which period excludes Saturdays, Sundays and public holidays) and shall otherwise comply with the "Conditions governing share warrants" currently in force. Thereupon a form of proxy or an attendance form under which such share warrant holder may be represented at the general meeting shall be issued.

By order of the board  
**DRDGOLD LIMITED**

**D J Pretorius**  
*Chief Executive Officer*

Randburg  
3 March 2009

**Registered office and postal address:**

*In South Africa*

EBSCO House 4, 299 Pendoring Avenue  
Blackheath, Randburg  
Johannesburg, 2195  
(PO Box 390, Maraisburg, 1700)

*Depository Bank*

American Depositary Receipts  
The Bank of New York Mellon  
101 Barclay Street  
New York, New York, 10286  
United States of America

**Transfer secretaries:**

*In South Africa*

Link Market Services South Africa (Proprietary) Limited  
11 Diagonal Street  
Johannesburg, 2001  
(PO Box 4844, Johannesburg, 2000)

*In the United Kingdom*

Capita IRG plc  
The Registry, 34 Beckenham Road  
Beckenham, Kent, BR3 4TU





**DRDGOLD Limited**

(Incorporated in the Republic of South Africa)  
(Registration number 1895/000926/06)  
NASDAQ trading symbol: DROO  
JSE share code: DRD ISIN: ZAE 000058723

**FORM OF PROXY FOR DRDGOLD ORDINARY SHAREHOLDERS**

This form is to be used only by DRDGOLD ordinary shareholders on the United Kingdom register and the South African register (this includes registered holders of certificated shares, Central Securities Depository Participants' ("CSDPs") nominee companies, and shareholders who have dematerialised their ordinary shares and who have elected own-name registration through a CSDP) at the general meeting of shareholders of DRDGOLD convened to be held at 10:00 on Tuesday 31 March 2009, at the registered office of DRDGOLD Limited at EBSCO House 4, 299 Pendoring Avenue, Blackheath, Randburg, Johannesburg, 2195 ("the general meeting of shareholders").

DRDGOLD shareholders on the South African register who have already dematerialised their ordinary shares through a CSDP or broker and who have not selected own-name registration and DRDGOLD shareholders who hold certificated ordinary shares through a nominee must not complete this form of proxy but must instruct their CSDP, broker or nominee to issue them with the necessary letter of representation to attend the general meeting of shareholders or, if they do not wish to attend the general meeting of shareholders, they may provide their CSDP, broker or nominee with their voting instructions in terms of the custody agreement entered into between them and their CSDP or nominee.

I/We (please print names in full)

of (address) (please print)

being the holder/s or custodian/s of  DRDGOLD ordinary shares hereby appoint (see note 1 overleaf):

- 1. \_\_\_\_\_ or failing him/her,
- 2. \_\_\_\_\_ or failing him/her,
- 3. the chairman of the general meeting,

as my/our proxy to attend and speak and vote on a show of hands or on a poll for me/us and on my/our behalf at the general meeting of shareholders to be held on Tuesday 31 March 2009, for the purposes of considering and, if deemed fit, passing, with or without modification, the ordinary resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote for and/or against such resolutions and/or abstain from voting in respect of the DRDGOLD shares registered in my/our name as follows (please tick whichever is applicable or fill in the relevant number of shares in respect of which you wish to vote – see notes 2 and 4 overleaf):

**TO BE COMPLETED BY DRDGOLD ORDINARY SHAREHOLDERS**

	For	Against	Abstain
Ordinary resolution 1 – approval of the acquisition of a 15% interest (and the entering into and possible exercise of an option to acquire a further 11.4% interest) in the Elsburg Gold Mining Joint Venture			
Ordinary resolution 2 – approval of the acquisition of the remaining 35% interest (or 23.6% interest if the option has been exercised) in the Elsburg Gold Mining Joint Venture			
Ordinary resolution 3 – authorisation for a director to implement the resolutions			

and generally to act as my/our proxy at the said general meeting of shareholders.

If no directions are given, the proxy holder will be entitled to vote or to abstain from voting, as that proxy holder deems fit (see note 3 overleaf). Unless otherwise instructed, my proxy may vote as he/she thinks fit.

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2009

Signature \_\_\_\_\_

Assisted by me (where applicable) \_\_\_\_\_

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder/s of DRDGOLD) to attend, speak and vote in place of that shareholder at the general meeting of shareholders.

**Please read the notes on the reverse side hereof.**

**Notes:**

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided, with or without deleting "the chairman of the general meeting", but any such deletion must be initialled by the shareholder. The person whose name stands first on this form of proxy and who is present at the general meeting of shareholders will be entitled to act as proxy to the exclusion of those whose names follow.
2. A shareholder's instruction to his/her proxy must be indicated in the appropriate box by inserting the number of shares in respect of which the shareholder wishes his/her proxy to cast his/her votes.
3. Should there be no indication in the appropriate box as to how the shareholder wishes his/her votes to be cast by his proxy then the proxy will be deemed to have been authorised to vote or abstain from voting at the meeting as the proxy deems fit.
4. A shareholder may instruct the proxy to vote in respect of less than the total number of shares held by inserting the relevant number of shares in the appropriate box provided. A shareholder who gives no indication as to the number of shares in respect of which the proxy is entitled vote will be deemed to have authorised the proxy to vote or abstain from voting, as the case may be, in respect of all the shareholder's votes exercisable at the general meeting.
5. A complete form of proxy, to be effective, must reach the transfer secretaries in South Africa at least 48 hours before the time appointed for the holding of the general meeting (which period excludes Saturdays, Sundays and public holidays).
6. The completion and lodging of this form of proxy by shareholders holding share certificates, CSDPs' nominee companies, and shareholders who have dematerialised their share certificates and who have elected own-name registration through a CSDP, will not preclude the relevant shareholder from attending the general meeting of shareholders and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof. Shareholders who have dematerialised their share certificates and who have not elected own-name registration through a CSDP and shareholders who hold certificated ordinary shares through a nominee who wish to attend the general meeting of shareholders must instruct their CSDP or broker to issue them with the necessary letter of representation to attend.
7. Documentary evidence establishing the letter of representation of a person signing this form of proxy in a representative or other legal capacity (such as power of attorney or other written authority) must be attached to this form of proxy unless previously recorded by DRDGOLD.
8. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
9. When there are joint holders of shares only one of such persons may sign this form of proxy in respect of such shares as if such person was the sole holder, but if more than one of such joint holders submits a form of proxy, the form of proxy, if accepted by the chairman of the general meeting, submitted by the holder whose name appears first in the register of the company will be accepted.
10. The holder of a share warrant to bearer who wishes to attend or be represented at the general meeting must deposit his share warrant at the bearer reception office of Capita IRG plc, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or must deposit his share warrant at the office of the French agents, CACEIS Corporate Trust, 14 rue Rouget de Lisle, 92862 Issy-les-Moulineaux, Cedex 9, France, in both cases not later than 48 hours before the date appointed for the holding of the general meeting (which period excludes Saturdays, Sundays and public holidays), and shall otherwise comply with the "Conditions governing share warrants" currently in force. Thereupon a form of proxy or an attendance form under which such share warrant holder may be represented at the general meeting shall be issued.

Depository receipt holders should receive forms of proxy printed by the Depository Bank, which should be completed and returned in accordance with the instructions printed on the forms of proxy.