

Profile

DRDGOLD Limited (DRDGOLD) is a medium-sized, unhedged gold producer, South Africa's fourth-largest. In FY2009, the company produced 247 690oz – 107 833oz (44%) from deep-level underground mining operations and 139 857oz (56%) from the re-treatment of surface tailings.

On 29 January 2010, in a presentation to investors ahead of the release of its results for the quarter ended 31 December 2009, the company reported that total gold production was expected to be $\pm 4\%$ higher quarter on quarter, reflecting a $\pm 12\%$ increase in production from surface and a $\pm 11\%$ decrease from underground.

DRDGOLD's 74%-owned operating subsidiary is DRDGOLD SA Operations (Pty) Limited (DRDGOLD SA). Black economic empowerment partner Khumo Gold SPV (Pty) Limited holds 20% of DRDGOLD SA and an employee trust, 6%.

Strategy

Since disposing of its entire interest in Australian gold miner Emperor Mines Limited in October 2007, DRDGOLD's strategy has been to:

- reduce risk associated with its South African business, the deep-level underground mining footprint in particular;
- contain costs;
- manage margins; and
- grow cautiously, with a focus on lower-risk, lower-cost, higher-margin surface tailings re-treatment, in which the company is an established industry leader.

Notwithstanding its continued bullishness regarding gold's prospects in the medium to longer term, DRDGOLD believes this strategy to be all the more apposite in the context of:

- modest global economic recovery;
- the current strength of the South African Rand and its negative effect on South African producers' Rand gold receipts;
- externally-driven cost increases, power in particular;
- growing safety and production challenges – and tighter regulation – associated with South African deep-level underground mining.

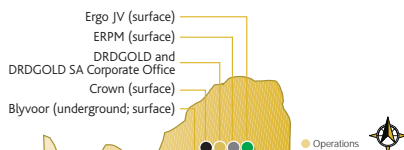
By the end of FY2010, DRDGOLD expects that more than 70% of its annual gold production will be from surface re-treatment.

Summary of operations

Blyvoor (100% DRDGOLD SA ownership), located on the north-western edge of the Witwatersrand Basin, south of Carletonville and 70km south-west of Johannesburg, comprises both underground mining and surface retreatment operations and a gold plant.

Two gold-bearing reefs – the Carbon Leader Reef and the Main Reef – are mined. More recently there has been a shift in focus to mining the Main Reef for greater flexibility. Although less consistent in grade, the Main Reef is less seismically active, offers greater potential for higher volumes and maintained real cost, and can be accessed through development of the mine's existing infrastructure.

Production build-up has begun from Blyvoor's underground Way Ahead ore replacement project. This R36.7m project has a 178 000oz resource (132 000oz



attributable). Planned throughput is 10 000tpm for the next three years at an average head grade of 7.1g/t and a cost of R1 060/t.

Following a drilling programme in 2007, a 17.5m pound uranium and 0.8Mt sulphuric acid resource was declared for Blyvoor's tailings dams and the surface gold resource was confirmed at 1.69Moz. Approximately 35% of Blyvoor's current gold production comes from the retreatment of surface tailings.

ERPM (100% DRDGOLD SA ownership), on the Witwatersrand Basin, 25km east of Johannesburg, was established as an underground mining operation more than 100 years ago. Underground mining was suspended in October 2008 following the cessation of pumping of underground water for safety reasons. Final closure of the underground operations and plant was announced in August 2009. ERPM continues as a surface retreatment operation. It holds 65% of ErgoGold (the gold component of the Ergo Joint Venture, see below) through the contribution of its Elsberg Tailings Complex. Its wholly-owned Cason surface retreatment operation is operated by Crown Gold Recoveries (Crown), a wholly-owned subsidiary of DRDGOLD SA (see below).

Crown (100% DRDGOLD SA ownership) is the world's largest gold surface retreatment facility. Its three plants have the capacity to treat 11.76Mt of sand and tailings a year. Crown's current major project is Top Star, a tailings dam to the south of Johannesburg's Central Business District. Throughput from this 126 000oz resource (93 000oz attributable) is at a rate of 100 000tpm with an average head grade of 0.775g/t and a cost of R61/t.

The Ergo Joint Venture (50% DRDGOLD SA ownership), between DRDGOLD SA and Mintails South Africa (Pty) Limited, a wholly-owned subsidiary of ASX-listed Mintails Limited, was established in 2007 to exploit up to 1 700Mt of surface tailings for gold, uranium and sulphuric acid. The gold portion of the joint venture was initially known as the Elsberg Joint Venture and has been renamed ErgoGold following the DRDGOLD group's acquisition of Mintails' share. ErgoGold is now wholly owned by the DRDGOLD group. Production from ErgoGold Phase 1 has begun and will rise to a planned 1.2Mtpm at an average head grade of 0.32g/t and a cost of R30/t for some 12 years. ErgoGold has a resource of 1 670 000oz. Ergo Phase 2, which is at feasibility study stage, anticipates increased gold production and possibly, the production of uranium and sulphuric acid. Potential synergies between Crown in the west and Ergo in the east – in particular, construction of a pipeline between the two – creating a seamless surface retreatment operation extending across the central Witwatersrand – are currently being investigated.

Stock data as of 30 September 2009:

(JSE: DRD; NASDAQ: DROOY)

Market capitalisation (US\$m):	274
Price (US\$ ADR):	7.24
52-week high (US\$ ADR):	10.59
52-week low (US\$ ADR):	2.85
Three-month average daily volume (000):	
Nasdaq	1 610
JSE	497
Shares outstanding:	378 116 316
ADR ratio to ordinary shares	1:10

South Africa

BLYVOOR (FY09)

Production	129 473oz
Cash operating cost	US\$709/oz
Cash operating profit	US\$20.8m
Reserve (attributable)	4.3Moz
Resource (attributable)	18.9Moz

ERPM (FY09)

Production	34 174oz
Cash operating cost	US\$1 060/oz
Cash operating loss	US\$7.9m
Reserve (attributable)	1.5Moz
Resource (attributable)	30.4Moz

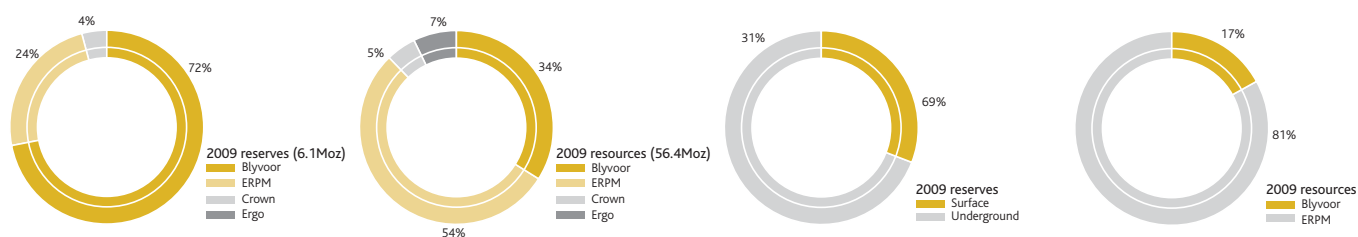
CROWN (FY09)

Production	80 377oz
Cash operating cost	US\$579/oz
Cash operating profit	US\$22.1m
Reserve (attributable)	0.3Moz
Resource (attributable)	3.0Moz

ERGOGOLD (FY09)

Production	3 666oz
Cash operating cost	US\$2 077/oz
Cash operating loss	US\$5.1m
Resource (attributable)	4.1Moz

Summary of operations (cont)

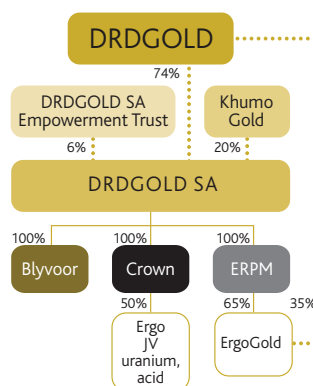


Recent corporate activity

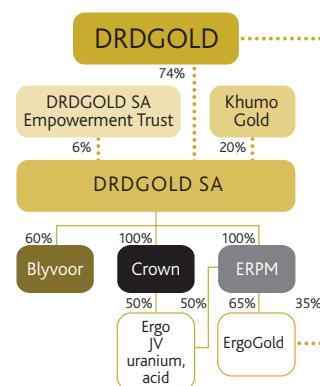
DRDGOLD has engaged in extensive corporate activity in recent months, its objective being to strengthen its balance sheet in order to continue to advance its strategic shift towards recovery of gold from lower-risk, lower-cost, higher-margin surface retreatment and to contemplate cautious, well-considered growth when the time and opportunities are right.

- Agreement was reached with Aurora Empowerment Systems (Pty) Limited for Aurora to acquire 60% of Blyvoor for R296 million in favour of DRDGOLD and an R80 million loan facility in favour of Blyvoor; and for Aurora to acquire the ERPM plant for R20 million and an option to retreat its extensive Grootvlei and Marievale tailings dams at Ergo.
- Also, agreement was reached with Mintails for the DRDGOLD Group to acquire Mintails' 50% in Ergo Mining (Pty) Limited (the Ergo Joint Venture) for R82 million, giving us full access to Ergo's Brakpan plant and thus capacity to double throughput for gold recovery, as well as full exposure to future uranium and sulphuric acid potential.

Current structure



Envisaged structure



	Quarterly financials			12 months to		
	Sep 2009	Jun 2009	QoQ % chg	Jun 2008	Jun 2009	
Review of operations						
Gold production	oz	57 292	57 775	(1)	321 432	247 690
Cash operating costs	US\$ per oz	968	855	(13)	675	730
Gold price received	US\$ per oz	950	900	6	817	861
Capital expenditure	US\$ million	8.2	13.7	40	36.5	38.4
Balance Sheet Data (Rm)						
Assets						
Property, plant and equipment		1 759.1	1 737.5		815.6	
Non-current assets		43.0	43		65.3	
Environmental rehabilitation trust funds		134.2	129.7		110.8	
Deferred tax		184.9	165.1		81.6	
Current assets		458.8	550.5		1 189.2	
Total assets		2 580.0	2 625.8		2 262.5	
Liabilities						
Equity		1 502.5	1 584.0		1 305.5	
Long-term liabilities		65.1	65.1		125.7	
Post-retirement and other employee benefits		45.0	43.6		22.7	
Provision for environmental rehabilitation		423.4	412.5		381.3	
Deferred tax		173.7	194.6		-	
Current liabilities		370.3	326.0		427.3	
Total liabilities and equity		2 580.0	2 625.8		2 262.5	

This document contains forward-looking statements, which are subject to risks, and uncertainties that could cause the company's actual results to differ materially from management's current expectations. Those risks and uncertainties include, without limitation: new product development and commercialisation; demand and acceptance for the company's products; competitive products and pricing; economic conditions in the company's product and geographic markets and foreign currency fluctuations. The financial forecasts and forward-looking statements in this document reflect the current belief of the company as of the date of this release and the company undertakes no obligation to update these forecasts and forward-looking statements for events or circumstances that occur subsequent to such date.

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