



## World leader in **surface gold tailings retreatment**



Niël Pretorius, Chief Executive Officer  
Precious Metals Summit  
Hong Kong  
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# Disclaimer

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



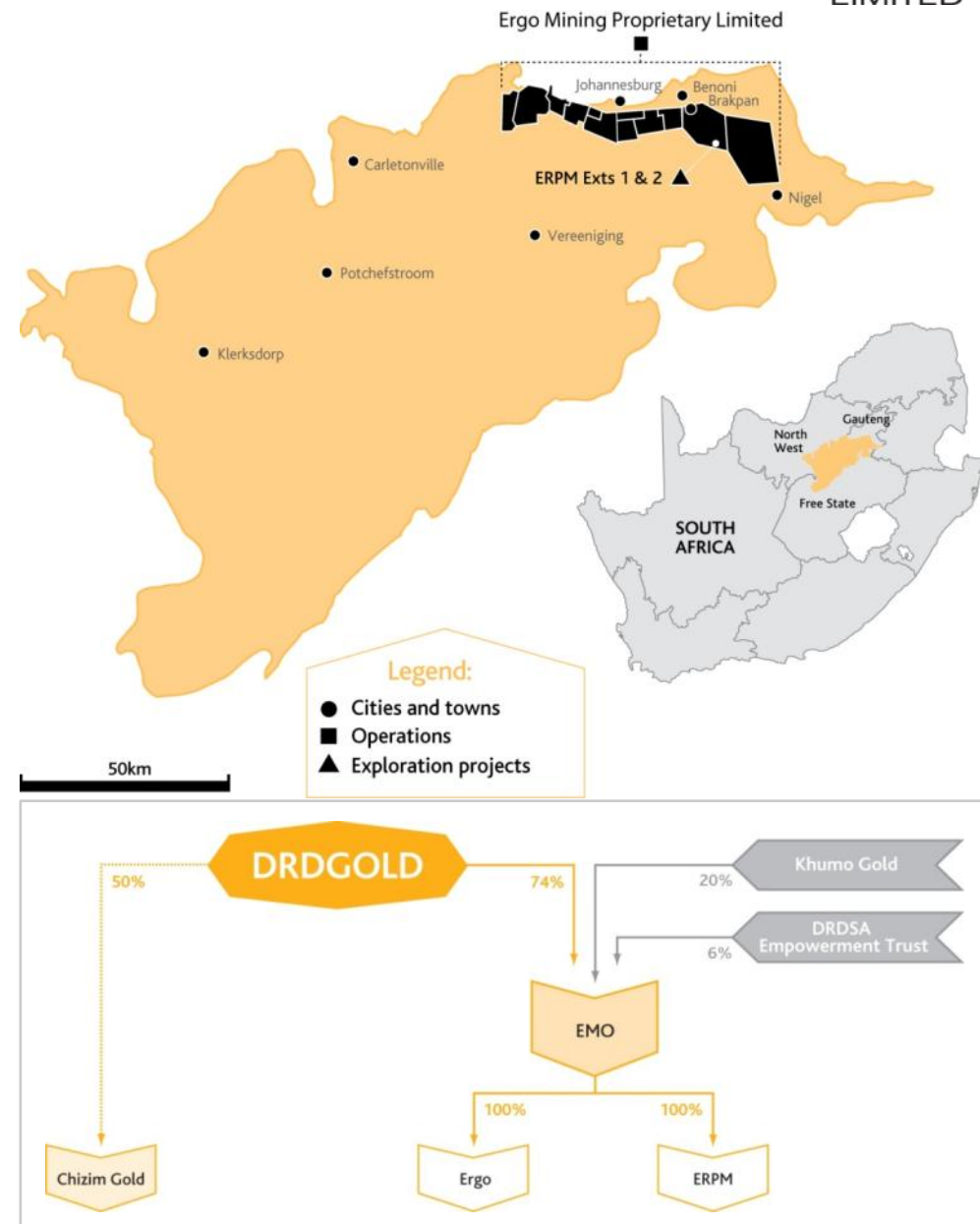
# Agenda

- Introduction
- Recent production and financial performance
- Investment drivers
- Operational differentiators
- How the business works
- Flotation/fine-grind project
- Key targets
- Looking ahead
- Investment case



# Introduction

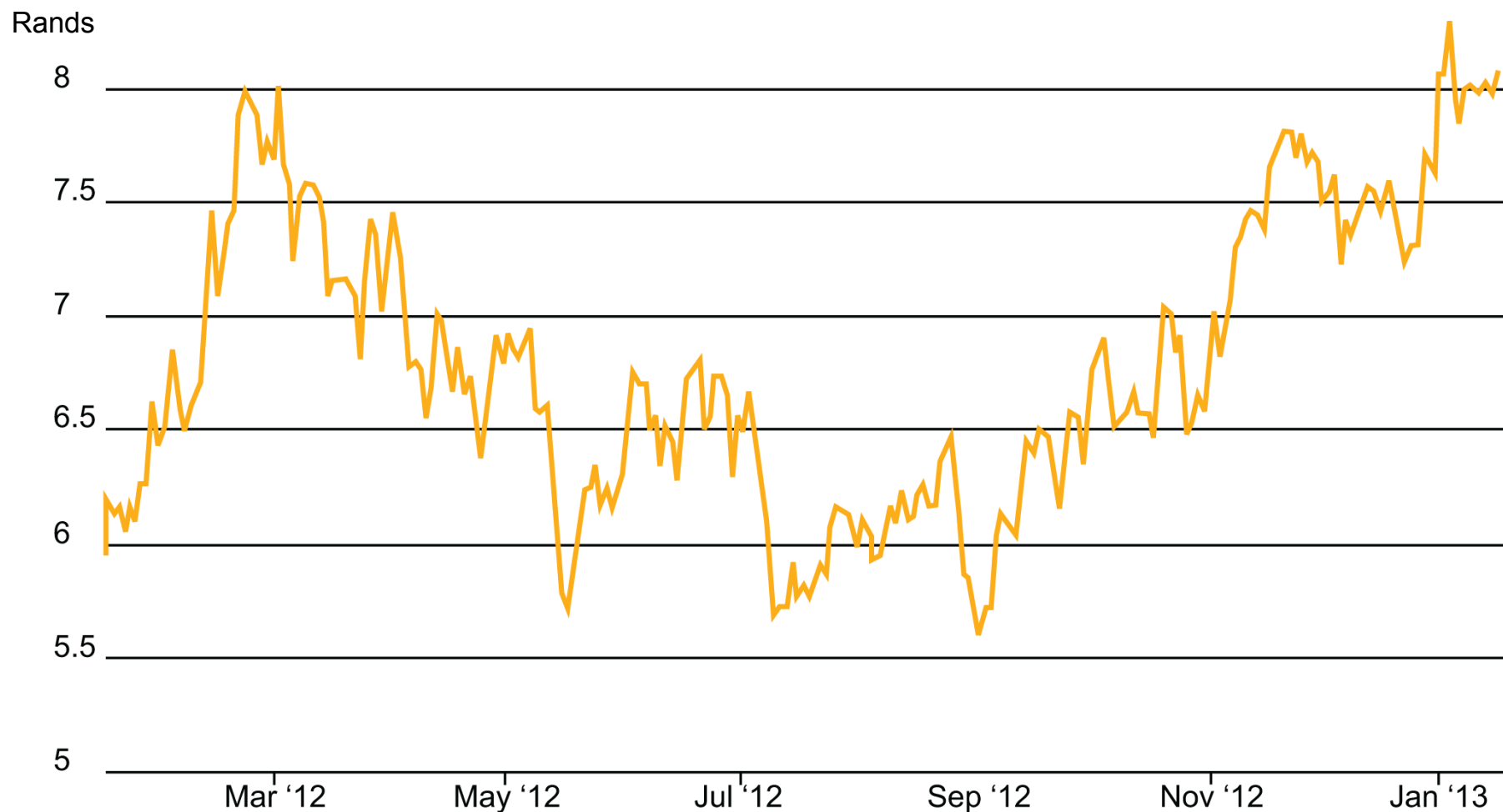
- Among largest surface tailings retreatment companies in the world
- Retreating gold tailings from world's single largest ore body, established over 100+ years
  - potential 11Moz resource
- Strategy:
  - lower risk, lower cost, higher margin
  - technology growth
- Recovery sites and plants, covering Central and East Witwatersrand
- Structure compliant with SA Mining Charter
- Market capitalisation: approx \$300m



# Recent production and financial performance trends

FY 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	FY 2012	Q1 2013
<ul style="list-style-type: none"> <li>50% rise in dividend, to 7.5 SA cents</li> <li>10% rise in group gold production</li> <li>37% rise in Ergo gold production</li> <li>76% rise in operating profit</li> <li>115% rise in HEPS</li> <li>504% rise in net cash generated from ops</li> </ul>	<ul style="list-style-type: none"> <li>1% rise in gold production</li> <li>82% rise in operating profit</li> <li>150% rise in HEPS</li> <li>14% rise in net cash generated from ops</li> </ul>	<ul style="list-style-type: none"> <li>Gold production steady</li> <li>2% drop in cash costs</li> <li>99% rise in net profit</li> <li>66% rise in HEPS</li> <li>107% rise in net cash from ops</li> </ul>	<ul style="list-style-type: none"> <li>Gold production from continuing operations up 3%</li> <li>Operating profit from continuing operations of R162.2 million</li> <li>Net cash inflow from operations of R141.5 million</li> <li>Crown/Ergo pipeline completed</li> <li>Construction of Ergo's flotation/ fine-grind circuit under way</li> <li>Blyvoor disposal progresses</li> </ul>	<ul style="list-style-type: none"> <li>Gold production from continuing operations down 8%</li> <li>Crown plant de-commissioning</li> <li>Pipeline design upgrades</li> <li>Operating profit from continuing operations of R114.8 million</li> <li>Net cash flow from operations of R116.2 million</li> <li>Restructuring of surface retreatment operations completed</li> <li>Ergo flotation/ fine-grind circuit construction on track</li> <li>Blyvoor disposal completed</li> </ul>	<ul style="list-style-type: none"> <li>33% increase in dividend, to 10 SA cents</li> <li>53% rise in operating profit from continuing operations</li> <li>259% increase in HEPS</li> <li>Net cash flow from operations up 91%</li> </ul>	<ul style="list-style-type: none"> <li>Gold production up 11% to 35 815oz</li> <li>Gold revenue up 34% to R526.8 million</li> <li>Operating profit up 51% to R173.7 million</li> </ul>

# JSE share price performance (R per share)





# Group: income statement for quarter ended 30 September 2012 (Q1 FY2013)



	Q1 2013	Q1 2012	Comments
	Rm	Rm	
<b>Continuing operations</b>			
Revenue	526.8	449.6	Up 17%, higher gold price and gold production
Net operating costs	(353.1)	(293.1)	Up 20%, higher volumes, electricity and wage increases
<b>Operating profit</b>	<b>173.7</b>	156.5	Up 11%
Depreciation	(34.2)	(27.2)	Up 26%, new infrastructure being depreciated
Movement in provision for environmental rehab	(10.0)	(7.1)	
Environmental rehab costs	(17.2)	(14.5)	
Other income and costs	(31.8)	(26.3)	
Net finance income	29.6	0.9	Dividend from Village Main Reef of R26 million
<b>Profit before tax</b>	<b>110.1</b>	82.3	Up 34%
Taxation	(16.8)	(40.4)	
<b>Profit after tax</b>	<b>93.3</b>	41.9	Up 123%
<b>Discontinued operation</b>	<b>–</b>	41.2	
<b>Net profit</b>	<b>93.3</b>	83.1	
<b>HEPS from continuing operations (cents)</b>	<b>20</b>	12	Up 67%
<b>HEPS from total operations (cents)</b>	<b>20</b>	20	

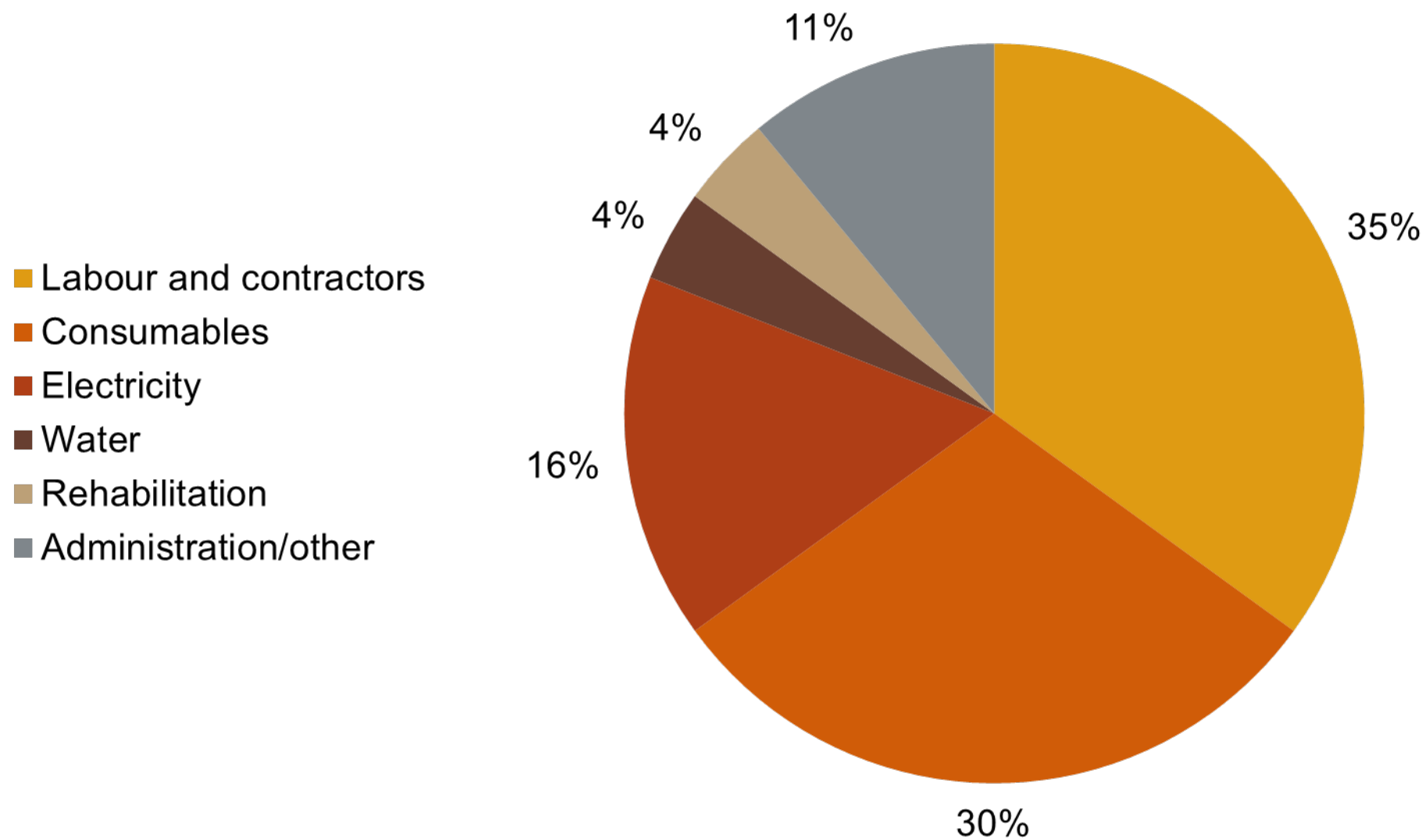
# Group: balance sheet at 30 September 2012 (Q1 FY2013)



	Q1 2013	Q4 2012	Comments
	Rm	Rm	
Property, plant and equipment	1 692.8	1 641.6	
Non-current investments and other assets	125.7	176.1	Decrease in Village share price (ex div.)
Environmental rehabilitation trust funds and guarantees	174.1	165.6	
Deferred tax asset	6.4	38.3	
Cash and cash equivalents	409.9	298.5	
Other current assets	302.9	172.1	
<b>Total assets</b>	<b>2 711.8</b>	<b>2 492.2</b>	
Equity	1 657.6	1 633.9	
Long-term liabilities	172.1	6.0	Domestic Medium Term Note programme (raised R165 million)
Provision for environmental rehabilitation	513.8	504.3	
Deferred tax liability	67.7	87.0	
Current liabilities	300.6	261.0	
<b>Total equity and liabilities</b>	<b>2 711.8</b>	<b>2 492.2</b>	
<b>Current ratio</b>	<b>2.4</b>	<b>1.8</b>	Improved liquidity



## Cost breakdown



# Investment drivers FY2012

Driver	2012	2011
Free cash flow margin	12%	0%
ROE	20%	9%
EBITDA	R502.2 million	R264.9 million
EBITDA margin	17%	10%
Production	232 353oz	265 179oz
Dividend yield	1.9%	2.3%
Share price	R5.35	R3.27
PE ratio	6.2	11.7
Current ratio	1.8	1.2
Operating margin	\$583/oz	\$253/oz
Cash and cash equivalents	R298.5 million	R259.1 million

# Operational differentiators

- Mechanised, 24/7/365 operation
- Competitive advantage
  - Ergo plant
  - tailings deposition facility
  - resource: on-surface stockpile, built up over 100+ years
  - land access infrastructure for pipelines and other installations
- Established, experienced management team



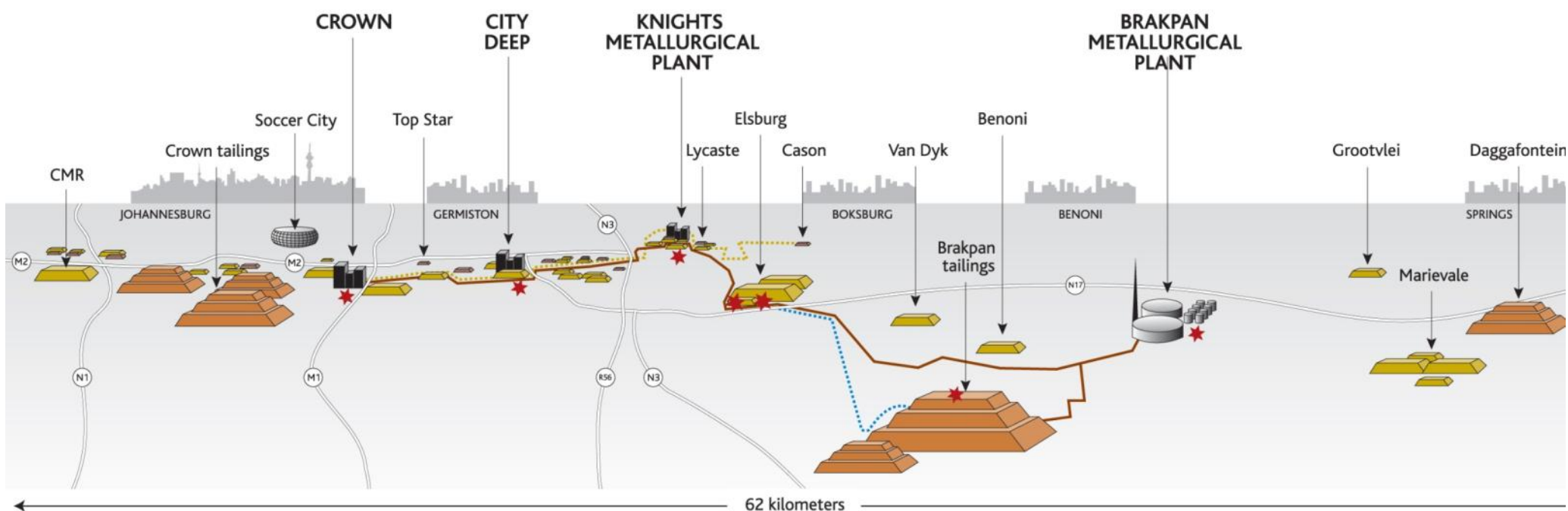


## How the business works

- Up to 2Mtpm of slimes material recovered from mine dumps and tailings dams with high-pressure water jets
- Slimes mixed with water, resulting slurry pumped to two CIL plants
- Dissolved in cyanide, carbon loaded, eluted and recovered in electro-winning circuit
- Residues disposed of at large tailings deposition facility
- Head-grade average: 0.38g/t
- Recovery on average: 52% (0.197g/t)



# Our operating footprint



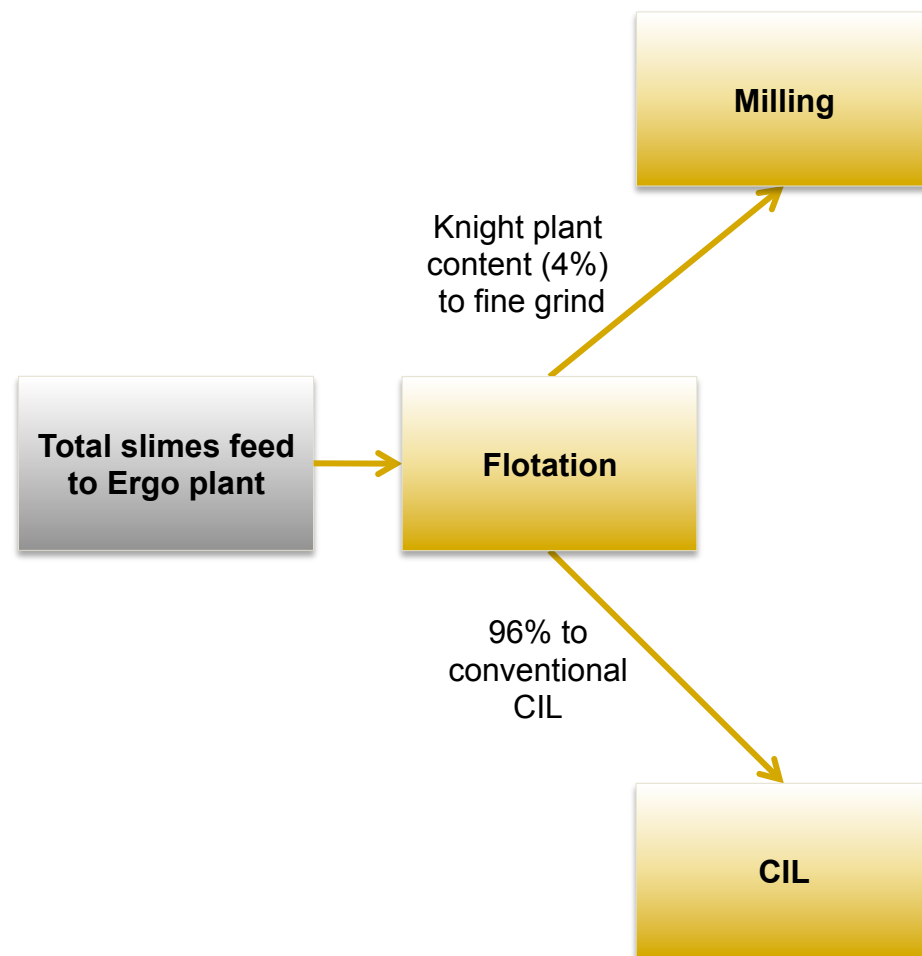
## Legend

■ Gold tailings deposition sites   
 ■ Old dumps   
 ★ Pump stations   
 — Slurry line   
 ..... Processed water

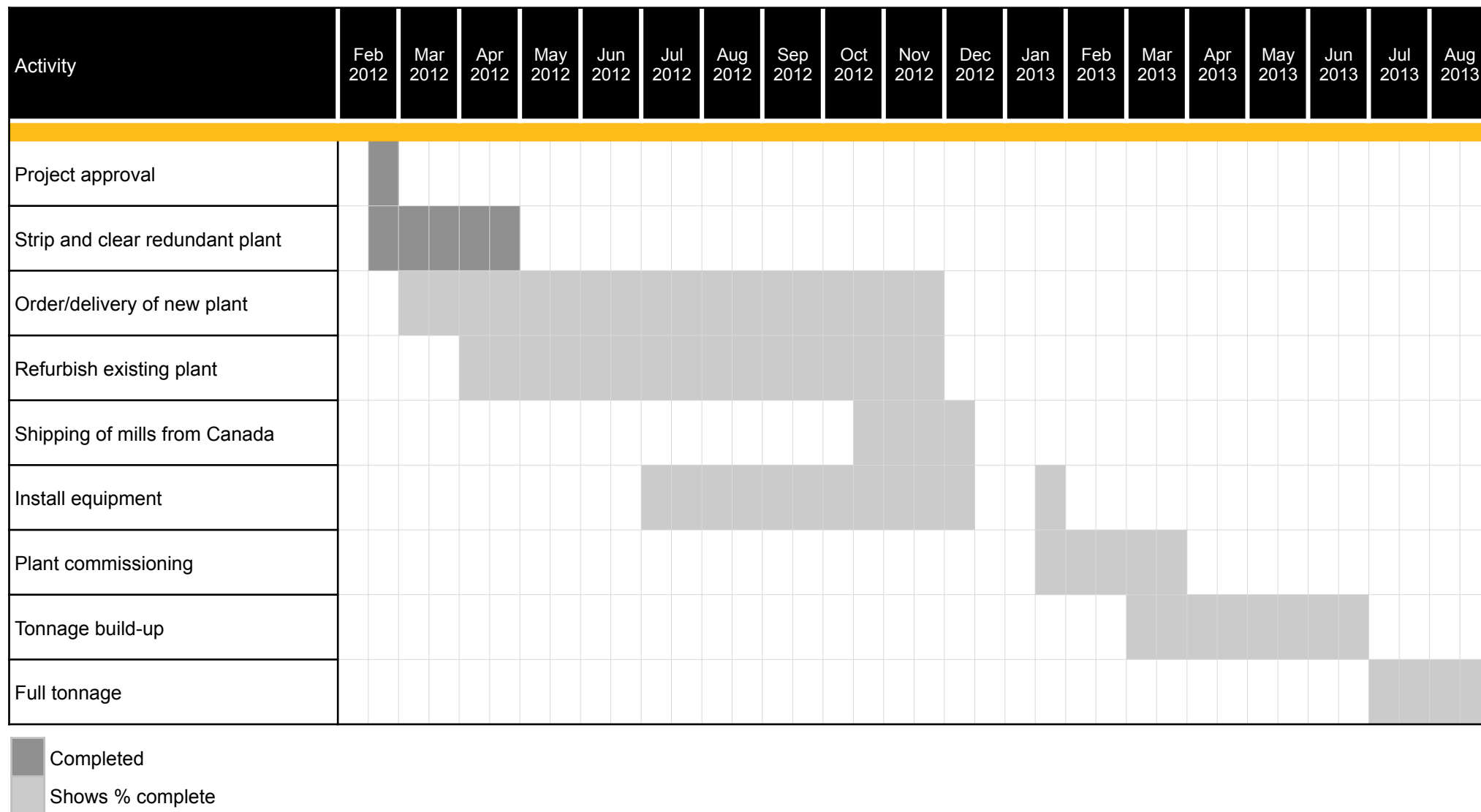


## Flotation/fine-grind project

- Objective: optimise 11Moz resource
- 16-20% increase in gold production
- Capex: R250 million (US\$32 million)
- Total cost increase (real terms): R52/t (from R45/t) over LOM
- On budget
- Uranium upside potential (bolt-on, resin-in-pulp technology)
  - feasibility study in progress



# Flotation/fine-grind project, continued



## Key targets

- Production – between 135,000 and 140,000 ounces per year
- Monthly throughput: ~2.0-2.1Mtpm
- Cash costs (\$/oz): ~US\$1 000-US\$1 100
- Maintenance capex: ~R11 000/kg; US\$42/oz



# Looking ahead

- Deliver into targets
  - maintain tonnage volumes to plant
  - complete flotation/fine-grind circuit before financial year-end
- Continue R&D
  - improve recoveries
- Progress strategic sustainable development initiatives
  - intelligent water consumption
  - reduced carbon footprint
  - real human, social capital (EBDA)
- Explore expansion into other reclamation/recovery areas





## Investment case

- Fifth consecutive annual dividend
- Long capital, steady yield
- Operating profit for year ending June 2012: R622 million (US\$75m)\*
  - at the time ~30% of market capitalisation
- Conservative approach to capital management
  - 9 852 800 shares bought back to offset stock-option dilution



\*At an exchange rate of 0.121 US cents per rand



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NYSE trading symbol: DRD